



SEC FORM 20-IS  
(INFORMATION STATEMENT)

**ANNUAL REPORT 2024**



**31 March 2025**

*via electronic mail*

**SECURITIES AND EXCHANGE COMMISSION**

SEC Headquarters, 7907 Makati Avenue,  
Salcedo Village, Bel-Air, Makati City

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

*via PSE EDGE*

**PHILIPPINE STOCK EXCHANGE, INC.**

PSE Tower, 28<sup>th</sup> Street, cor. 5<sup>th</sup> Avenue,  
Bonifacio Global City, Taguig City

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

*via electronic mail*

**PHILIPPINE DEALING & EXCHANGE CORP.**

Market Regulatory Services Group  
29<sup>th</sup> Floor BDO Equitable Tower  
8751 Paseo de Roxas, Makati City

ATTENTION : **ATTY. SUZY CLAIRE R. SELLEZA**  
Head, Issuer Compliance and Disclosures Department

Gentlemen:

Attached is the SEC Form 20-IS (Definitive Information Statement) of Aboitiz Equity Ventures Inc. in preparation for its 2025 Annual Stockholders' Meeting for your files.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

**ABOITIZ EQUITY VENTURES INC.**

By:

Sgd.

**CONNIE G. CHU**

Corporate Secretary



# COVER SHEET

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S.E.C. Registration Number

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( Company's Full Name )

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

**CONNIE G. CHU**

Contact Person

**02-8 886-2800**

Company Telephone Number

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Month Day

Fiscal Year

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FORM TYPE

4th Monday of April

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Month Day

Annual Meeting

N/A

Secondary License Type, if Applicable

**SEC**

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

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Total No. of Stockholders

**x**

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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# NOTICE AND AGENDA OF THE ANNUAL MEETING OF STOCKHOLDERS

## **ABOITIZ EQUITY VENTURES INC.**

32<sup>nd</sup> Street, Bonifacio Global City  
Taguig City, Metro Manila 1634, Philippines

**NOTICE** is hereby given that the Annual Meeting of the Stockholders of **ABOITIZ EQUITY VENTURES INC.** (the "Company") will be held on **28 April 2025**, Monday at **11:00 a.m.** (the "2025 ASM"). The meeting will be conducted virtually and will be streamed live from NAC Tower, 32<sup>nd</sup> Street, Bonifacio Global City, Taguig City. The 2025 ASM will be accessible through the link available in the Company's website at <https://aboitiz.com/2025asm> (the "ASM Portal") beginning on 28 March 2025.

The Agenda\* of the meeting is as follows:

1. Call to Order
2. Proof of Notice of Meeting and Determination of Quorum
3. Reading and Approval of the Minutes of the Previous Annual Stockholders' Meeting held on 22 April 2024
4. Presentation of the President's Report
5. Approval of the 2024 Annual Report and Financial Statements
6. Appointment of the Company's External Auditor for 2025
7. Election of the Members of the Board of Directors
8. Delegation to the Board of Directors of the Authority to List the Company's Common and/or Preferred Shares
9. Amendment of the Company's Articles of Incorporation:
  - 9.1 Article III to Change the Company's Principal Place of Business; and
  - 9.2 Article VII to Delegate to the Board of Directors the Authority to List the Company's Common or Preferred Shares
10. Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management from 22 April 2024 up to 27 April 2025
  - 10.1 Ratification of the authority to amend the By-Laws to Change the Company's Principal Place of Business and align with the provisions of the Revised Corporation Code, the Company's updated corporate governance practices, and applicable SEC rules and regulations
11. Other Business
12. Adjournment

Only stockholders of record at the close of business on 24 March 2025 are entitled to notice of, to participate in, and to vote at this meeting by registering at the ASM Portal beginning on 28 March 2025, until 08:00 a.m. on 28 April 2025. Once registered, stockholders may send in questions or remarks through the ASM Portal. Stockholders may vote through proxy, remotely, or *in absentia*.

Registered stockholders may cast their votes by remote communication or *in absentia* using the online voting platform available at the ASM Portal beginning 28 March 2025. Votes cast by registered stockholders until 08:00 a.m. of 28 April 2025, will be tabulated and presented during the 2025 ASM. Stockholders may still vote after the cut-off time, and the final votes received through proxy and through the ASM Portal will be included in the minutes of the 2025 ASM and posted in the Company's website.

The procedures for attendance and voting during the 2025 ASM are included in the Information Statement and will be distributed to the stockholders and published in the Company's website at [www.aboitiz.com](http://www.aboitiz.com) and in the PSE EDGE portal at [edge.pse.com.ph](http://edge.pse.com.ph).

Stockholders may send their duly accomplished proxies on or before the close of business hours on 21 April 2025 to the Corporate Secretary either through email at [AEV\\_BoardSecretariat@aboitiz.com](mailto:AEV_BoardSecretariat@aboitiz.com) or hard copies delivered prior to the cut-off date at NAC Tower, 32<sup>nd</sup> Street, Bonifacio Global City, Taguig City. Validation of proxies will be on 24 April 2025 virtually from the Office of the Corporate Secretary. **WE ARE NOT SOLICITING PROXIES.**

For the Board of Directors:

(SGD)

**CONNIE G. CHU**

Corporate Secretary

\*The rationale for each Agenda item is explained in the attached Annex "A" and may also be viewed at AEV's website at <http://www.aboitiz.com/2025asm> under Annual Stockholders' Meeting in the Investor Relations Page.

**SECURITIES AND EXCHANGE COMMISSION**  
**SEC FORM 20-IS**  
**INFORMATION STATEMENT PURSUANT TO SECTION 20**  
**OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:  
☐ Preliminary Information Statement  
☒ Definitive Information Statement
2. Name of Registrant as specified in its charter: **ABOITIZ EQUITY VENTURES INC.**
3. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
4. SEC Identification Number: **CEO2536**
5. BIR Tax Identification Code: **003-828-269-000-V**
6. Address of principal office: **32<sup>ND</sup> STREET, BONIFACIO GLOBAL CITY  
TAGUIG CITY, METRO MANILA  
1634 PHILIPPINES**
7. Registrant's telephone number, including area code: **(02) 8 886-2800**
8. Date, time and place of the meeting of security holders:  

Date : **28 APRIL 2025**  
 Time : **11:00 A.M.**  
 Place : Streamed live from NAC Tower, 32<sup>nd</sup> Street, Bonifacio Global City, Taguig City and accessible through the link available at the Company's website at <https://aboitiz.com/2025asm>
9. Approximate date on which the Information Statement will be first to be sent or delivered to security holders: **2 APRIL 2025**
10. In case of Proxy Solicitations: **No proxy solicitation is being made.**
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the Revised Securities Act (Information on number of shares and amount of debt is applicable only to corporate registrants):

**Authorized Capital Stock:** **₱10,000,000,000**

| Title of Each Class | Par Value | No. of Shares         | Authorized Capital Stock |
|---------------------|-----------|-----------------------|--------------------------|
| Common              | ₱1.00     | 9,600,000,000         | ₱9,600,000,000           |
| Preferred           | ₱1.00     | 400,000,000           | ₱400,000,000             |
| <b>Total</b>        |           | <b>10,000,000,000</b> | <b>₱10,000,000,000</b>   |

No. of Common Shares Outstanding as of 31 December 2024 **5,553,805,057**  
 Amount of Debt Outstanding as of 31 December 2024 **₱ 404,274,535,000.00**

Outstanding Fixed-Rate Peso Retail Bonds Issued by the Company:

| Issue Date     | Series   | Amount of Issuance | Maturity Date  | Tenor     |
|----------------|----------|--------------------|----------------|-----------|
| August 2015    | Series C | ₱5 billion         | August 2027    | 12 years  |
| June 2019      | Series B | ₱1.7 billion       | June 2029      | 10 years  |
| November 2020  | Series D | ₱0.7 billion       | November 2025  | 5 years   |
| August 2021    | Series E | ₱5 billion         | August 2025    | 4 years   |
| August 2021    | Series F | ₱5 billion         | August 2028    | 7 years   |
| December 2022  | Series A | ₱9.1 billion       | June 2026      | 3.5 years |
| December 2022  | Series B | ₱10.9 billion      | November 2029  | 7 years   |
| September 2023 | Series C | ₱5.8 billion       | September 2025 | 2 years   |
| September 2023 | Series D | ₱5.8 billion       | September 2028 | 5 years   |
| September 2023 | Series E | ₱5.8 billion       | September 2033 | 10 years  |

For a discussion on the Company's bond issuances, please refer to Section C Item 9.

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes X      No     

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

**The common stock of the Company is listed at the Philippine Stock Exchange, Inc. (PSE). The Company's outstanding fixed-rate peso retail bonds are listed at the Philippine Dealing & Exchange Corporation (PDEX).**



## INFORMATION REQUIRED IN INFORMATION STATEMENT

### A. GENERAL INFORMATION

#### Item 1. Date, time, and place of the 2025 Annual Stockholders' Meeting

Date of meeting : **28 April 2025**  
Time of meeting : **11:00 a.m.**  
Place of meeting : Streamed live from NAC Tower, 32<sup>nd</sup> Street, Bonifacio Global City, Taguig City and accessible through the hyperlink provided in the Company's website at <https://aboitiz.com/2025asm>

Approximate mailing date of this statement : **2 April 2025**

Complete mailing address of the principal office of the Registrant : **NAC Tower,  
32<sup>nd</sup> Street, Bonifacio Global City,  
Taguig City, Metro Manila  
1634 Philippines**

#### Item 2. Dissenter's Right of Appraisal

There are no matters or proposed actions included in the Agenda of the 2025 Annual Stockholders' Meeting ("2025 ASM") that may give rise to a possible exercise by the stockholders of their appraisal rights.

Generally, however, the stockholders of Aboitiz Equity Ventures Inc. (hereinafter referred to as AEV or the "Company", or the "Registrant"), in accordance with Section 80 of the Republic Act (RA) No. 11232 or the Revised Corporation Code of the Philippines ("Revised Corporation Code"), have the right of appraisal in the following instances: (a) in case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code; (c) in case of merger or consolidation; and (d) in case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

In accordance with Section 81 of the Revised Corporation Code, any stockholder who wishes to exercise his appraisal right must have voted against the proposed corporate action. The dissenting stockholder must make a written demand to AEV, within 30 days after the date on which the vote was taken, for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of such appraisal right. If the proposed corporate action is implemented or effected, AEV shall pay to such stockholder, upon surrender of the original certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within a period of 60 days from the date the corporate action was approved by the stockholders, the dissenting stockholder and AEV cannot agree on the fair value of the shares, it shall be determined and appraised by three disinterested persons, one of whom shall be named by the stockholder, another by AEV, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by AEV within 30 days after such award is made. No payment shall be made to any dissenting stockholder unless AEV has unrestricted retained earnings in its books to cover such payment. Upon payment by AEV of the agreed or awarded price, the stockholder shall forthwith transfer his shares to AEV.

**Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

- (a) Other than the election to AEV's Board of Directors, no current director or officer of AEV, or any associate of any of the foregoing persons, has substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the stockholders' meeting.
- (b) No director has informed AEV in writing that he intends to oppose any action to be taken by AEV at the meeting.

**B. CONTROL AND COMPENSATION INFORMATION****Item 4. Voting Securities and Principal Holders Thereof****(a) Class of Voting Shares as of 24 March 2025:**

| Nationality                          | Class of Voting Shares | Number of Shares | Percentage |
|--------------------------------------|------------------------|------------------|------------|
| Filipino                             | Common                 | 5,398,038,011    | 97.20%     |
| Non-Filipino                         |                        | 155,767,046      | 2.80%      |
| Total No. of Shares Entitled to Vote |                        | 5,553,805,057    | 100%       |

Every stockholder shall be entitled to one vote for each share of stock held, as of the established record date.

**(b) Record Date**

All stockholders of record as of 24 March 2025 are entitled to notice of and to vote at AEV's 2025 ASM.

**(c) Election of Directors and Cumulative Voting Rights**

With respect to the election of directors, stockholders may vote in person, by proxy, or through remote communication, or *in absentia*, the number of shares of stock standing in their own name in the stock and transfer book of the Company. Stockholders may vote such a number of shares for as many persons as there are directors to be elected. Stockholders may also cumulate said shares and give one candidate as many votes as the number of directors to be elected, or distribute the shares on the same principle among as many candidates as they shall see fit, provided that the total number of votes cast by the stockholder shall not exceed the total number of shares owned by each stockholder as shown in the books of AEV as of the record date, multiplied by the number of directors to be elected, and provided further, that no delinquent stock shall be voted.

Article 6 of the Company's Amended Articles of Incorporation provides that the number of directors of AEV shall be nine who are to serve until their successors are elected and qualified as provided in the Company's By-Laws.

Section 5, Article I of the Amended By-Laws of AEV provides that voting upon all questions at all meetings of the stockholders shall be by shares of stock and not per capita. Moreover, Section 6 of the same Article states that stockholders may vote at all meetings either in person, or by proxy duly given in writing and presented to the Corporate Secretary for inspection, validation and recording, at least seven days prior to the said meeting. In addition, the Revised Corporation Code now allows stockholders of public companies (such as AEV) to cast their votes through remote communication or *in absentia*.

Nominations for independent directors are accepted starting January 1 of the year in which the nominee director is to serve. The table for nominations closes by February 15 of the year, unless the Board Sustainability, Governance, and Related Party Transactions (SGRPT) Committee, acting as the Nomination and Compensation Committee, unanimously agrees to extend the deadline for meritorious reasons. Section 7, Article I of the Amended By-Laws of AEV provides that nominations for the election of directors, other than independent directors, for the ensuing year must be received by the Corporate Secretary no less than 15 working days prior to the Annual Meeting of Stockholders, except as may be provided by the Board in appropriate guidelines that it may promulgate from time to time in compliance with law.

No discretionary authority to cumulate votes is solicited.

Pursuant to Sections 4, 5, and 6 of Article I of the Amended By-Laws of AEV and Sections 23 and 57 of the Revised Corporation Code, which allow for voting through remote communication or *in absentia*, stockholders may access AEV's online web address at <https://aboitiz.com/2025asm> beginning on 28 March 2025, in order to register and vote on the matters at the 2025 ASM. Stockholders may cast his/her votes online until 08:00 a.m. on 28 April 2025. A stockholder voting remotely or *in absentia* shall be deemed present for purposes of quorum.

Please refer to **Annex "G"** on the Requirements and Procedure for the Voting and Participation in the 2025 ASM for the detailed and complete information on voting via remote communication or *in absentia*, as well as on how to join the livestream for the 2025 ASM.

**(d) Security Ownership of Certain Record and Beneficial Ownership and Management**

**(1) Security Ownership of Certain Record and Beneficial Owners (more than 5% of the voting shares) as of 24 March 2025:**

| Title of Class of Shares | Name, Address of Record Owner, and Relationship with Issuer                                                                                                                                              | Name of Beneficial Owner and Relationship with Record Owner                 | Citizenship | No. of Shares Held and Nature of Ownership (Record and/or Beneficial) | Percentage of Ownership |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------|-------------------------|
| Common                   | 1. <b>Aboitiz &amp; Company, Inc. ("ACO")</b> <sup>1</sup><br>Aboitiz Corporate Center, Gov. Manuel A. Cuenco Avenue, Kasambagan, Cebu City (Stockholder)                                                | ACO                                                                         | Filipino    | 2,735,600,915<br>(Record and Beneficial)                              | 49.27%                  |
| Common                   | 2. <b>PCD Nominee Corporation (Filipino)</b> <sup>2</sup><br>37 <sup>th</sup> Floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue cor. Paseo de Roxas, Makati City, 1226 Metro Manila (Stockholder) | PCD participants acting for themselves or for their customers. <sup>3</sup> | Filipino    | 1,145,905,022<br>(Record)                                             | 20.64%                  |
| Common                   | 3. <b>Ramon Aboitiz Foundation, Inc. ("RAFI")</b><br>35 Lopez Jaena St., Cebu City (Stockholder)                                                                                                         | RAFI                                                                        | Filipino    | 426,804,093<br>(Record and Beneficial)                                | 7.69%                   |

**(2) Security Ownership of Management as of 24 March 2025 (Record and Beneficial)**

| Name of Owners and Position                        | Title of Class of Shares | No. of Shares and Nature of Ownership (Direct and/or Indirect) |          | Citizenship | Percentage of Ownership |
|----------------------------------------------------|--------------------------|----------------------------------------------------------------|----------|-------------|-------------------------|
| <b>Enrique M. Aboitiz</b><br>Chairman of the Board | Common                   | 6,000                                                          | Direct   | Filipino    | 0.00%                   |
|                                                    |                          | 921,610                                                        | Indirect |             | 0.02%                   |

<sup>1</sup> ACO, the major shareholder of Aboitiz Equity Ventures Inc., is a corporation wholly-owned by the Aboitiz family. No single stockholder, natural or juridical, owns 5% or more of the shareholdings of ACO.

<sup>2</sup> PCD Nominee Corporation (Filipino and Foreign) is not related to AEV. The beneficial owners of the shares held through a PCD participant are the beneficial owners thereof to the extent of the number of shares registered under the respective accounts with the PCD participant.

<sup>3</sup> Each beneficial owner of shares through a PCD participant is the beneficial owner of such a number of shares he owns in his account with the PCD participant. AEV has no record relating to the power to decide how the shares held by PCD Nominee Corporation (Foreign and Filipino) are to be voted. Of the AEV shares held by PCD Nominee Corporation (Filipino and Foreign) as of 28 February 2025, at least 334,961,606 shares or 6.03% of the voting stock of AEV are for the account of Papa Securities Corporation (PapaSec). AEV is not related to PapaSec.

|                                                                                                                                       |        |             |          |          |       |
|---------------------------------------------------------------------------------------------------------------------------------------|--------|-------------|----------|----------|-------|
| <b>Mikel A. Aboitiz</b><br>Vice Chairman of the Board                                                                                 | Common | 10          | Direct   | Filipino | 0.00% |
|                                                                                                                                       |        | 126,524,836 | Indirect |          | 2.28% |
| <b>Erramon I. Aboitiz</b><br>Director                                                                                                 | Common | 1,001,000   | Direct   | Filipino | 0.02% |
|                                                                                                                                       |        | 77,074,387  | Indirect |          | 1.41% |
| <b>Sabin M. Aboitiz</b><br>Director/President and Chief Executive Officer                                                             | Common | 14,415,651  | Direct   | Filipino | 0.26% |
|                                                                                                                                       |        | 23,590,061  | Indirect |          | 0.41% |
| <b>Ana Maria A. Delgado</b><br>Director                                                                                               | Common | 500         | Direct   | Filipino | 0.00% |
|                                                                                                                                       |        | 32,023,888  | Indirect |          | 0.58% |
| <b>Justo A. Ortiz</b><br>Director                                                                                                     | Common | 1           | Direct   | Filipino | 0.00% |
|                                                                                                                                       |        | 0           | Indirect |          | 0.00% |
| <b>Cesar G. Romero</b><br>Lead Independent Director                                                                                   | Common | 50          | Direct   | Filipino | 0.00% |
|                                                                                                                                       |        | 0           | Indirect |          | 0.00% |
| <b>Joanne G. De Asis</b><br>Independent Director                                                                                      | Common | 100         | Direct   | Filipino | 0.00% |
|                                                                                                                                       |        | 0           | Indirect |          | 0.00% |
| <b>Peter D. Maquera</b><br>Independent Director                                                                                       | Common | 0           | Direct   | Filipino | 0.00% |
|                                                                                                                                       |        | 20,100      | Indirect |          | 0.00% |
| <b>Jose Emmanuel U. Hilado</b><br>Senior Vice President/Chief Financial Officer/Corporate Information Officer                         | Common | 0           | Direct   | Filipino | 0.00% |
|                                                                                                                                       |        | 307,000     | Indirect |          | 0.00% |
| <b>Connie G. Chu</b><br>Senior Vice President – Chief Legal and Compliance Officer / Corporate Secretary                              | Common | 0           | Direct   | Filipino | 0.00% |
|                                                                                                                                       |        | 80,600      | Indirect |          | 0.00% |
| <b>Maria Veronica C. So</b><br>Senior Vice President – Group Treasurer                                                                | Common | 0           | Direct   | Filipino | 0.00% |
|                                                                                                                                       |        | 9,617       | Indirect |          | 0.00% |
| <b>Christine C. Kempeneers<sup>4</sup></b><br>Assistant Vice President – Head of Risk Management / Data Protection Officer            | Common | 0           | Direct   | Filipino | 0.00% |
|                                                                                                                                       |        | 800         | Indirect |          | 0.00% |
| <b>Charmaine R.A. Valmonte<sup>5</sup></b><br>First Vice President - Chief Information and Security Officer / Data Protection Officer | Common | 0           | Direct   | Filipino | 0.00% |
|                                                                                                                                       |        | 20,000      | Indirect |          | 0.00% |
| <b>Maria Lourdes Y. Tanate</b><br>Vice President – Group Internal Audit Head                                                          | Common | 0           | Direct   | Filipino | 0.00% |
|                                                                                                                                       |        | 74,386      | Indirect |          | 0.00% |
| <b>Mailene M. de la Torre</b><br>Vice President – Governance and Compliance / Assistant Corporate Secretary                           | Common | 0           | Direct   | Filipino | 0.00% |
|                                                                                                                                       |        | 0           | Indirect |          | 0.00% |

<sup>4</sup> Ms. Kempeneers replaced Ms. Santanina Apolinaria B. Castro as the Head of Risk Management effective 7 July 2023

<sup>5</sup> Effective December 31, 2024, Ms. Valmonte assumed an expanded role as the Company's Data Protection Officer in addition to her existing appointment as the Company's Chief Information Security Officer.

|                                                       |        |                    |          |          |              |
|-------------------------------------------------------|--------|--------------------|----------|----------|--------------|
| Sammy Dave A. Santos<br>Assistant Corporate Secretary | Common | 0                  | Direct   | Filipino | 0.00%        |
|                                                       |        | 0                  | Indirect |          | 0.00%        |
| <b>TOTAL</b>                                          |        | <b>276,070,597</b> |          |          | <b>4.97%</b> |

### (3) Voting Trust Holders of Five Per Centum (5%) or More of Common Equity

No person holds, under a voting trust or similar agreement, more than five percent (5%) of AEV's common equity.

### (4) Changes in Control

There are no arrangements that may result in a change in control of AEV during the period covered by this report.

## Item 5. Directors and Executive Officers

### (a) Directors and Officers for 2024-2025

The overall management and supervision of the Company is undertaken by its board of directors (the "Board"). The Company's executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review.

#### (1) Directors for 2024-2025

The Company's Board is composed of nine directors, three of whom are Independent Directors, five are Non-Executive Directors, and one is an Executive Director. Below is the profile of each director for 2024-2025 with their corresponding positions, offices, and business experience held for the past five years. Unless otherwise indicated, the directors were elected during AEV's 2024 ASM to serve for a term of one year.

|                                                                           |                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ENRIQUE M. ABOITIZ</b> (Chairman of the Board, Non-Executive Director) |                                                                                                                                                                                                                                                        |
| Age: 71                                                                   |                                                                                                                                                                                                                                                        |
| Citizenship: Filipino                                                     |                                                                                                                                                                                                                                                        |
| Date of First Appointment: 10 May 1999                                    |                                                                                                                                                                                                                                                        |
| Tenure: 25 years                                                          |                                                                                                                                                                                                                                                        |
| <u>Committee Memberships:</u>                                             |                                                                                                                                                                                                                                                        |
| Member                                                                    | <ul style="list-style-type: none"> <li>- Board Sustainability, Governance, and Related Party Transactions Committee</li> <li>- Board Executive Committee</li> <li>- Board Cyber and Information Security Committee (until 17 December 2024)</li> </ul> |
| <u>Present Positions:</u>                                                 |                                                                                                                                                                                                                                                        |
| Chairman of the Board of Directors                                        | - Aboitiz Equity Ventures Inc.*                                                                                                                                                                                                                        |
| Vice Chairman of the Board of Directors                                   | - Aboitiz & Company, Inc.                                                                                                                                                                                                                              |
| <u>Previous Positions:</u>                                                |                                                                                                                                                                                                                                                        |
| Chairman of the Board of Directors                                        | - Aboitiz Power Corporation*                                                                                                                                                                                                                           |
| Chairman of the Board of Directors                                        | - Jebson Maritime, Inc.                                                                                                                                                                                                                                |



|                                       |                                                         |
|---------------------------------------|---------------------------------------------------------|
| President and Chief Executive Officer | - Aboitiz Transport System Corp (now 2GO Group, Inc. *) |
|---------------------------------------|---------------------------------------------------------|

*\*Publicly Listed Company*

**Educational and Professional Background:**

- Bachelor of Science in Business Administration, Major in Economics, from Gonzaga University, Spokane, Washington, U.S.A.

Mr. Aboitiz is not connected with any government agency or instrumentality.

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**MIKEL A. ABOITIZ** (Vice-Chairman, Non-Executive Director)

Age: 70  
Citizenship: Filipino  
Date of First Appointment: 15 May 2017  
Tenure: 7 years

**Committee Memberships:**

|        |                             |
|--------|-----------------------------|
| Member | - Board Executive Committee |
|--------|-----------------------------|

**Present Positions:**

|                                    |                                  |
|------------------------------------|----------------------------------|
| Vice Chairman of the Board         | - Aboitiz Equity Ventures Inc.*  |
| Chairman of the Board of Directors | - Aboitiz & Company, Inc.        |
| Trustee and Chairman               | - Ramon Aboitiz Foundation, Inc. |

**Previous Positions:**

|                                       |                                                |
|---------------------------------------|------------------------------------------------|
| Vice Chairman of the Board            | - Aboitiz Power Corporation* (1998 to 2019)    |
| Vice Chairman of the Board            | - City Savings Bank, Inc. (2015 to 2016)       |
| President and Chief Executive Officer | - City Savings Bank, Inc. (2001 to 2014)       |
| Senior Vice President                 | - Aboitiz Equity Ventures Inc.* (2004 to 2015) |

*\*Publicly Listed Company*

**Educational and Professional Background:**

- Bachelor of Science in Business Administration from Gonzaga University, Spokane, Washington, U.S.A.

Mr. Aboitiz is not connected with any government agency or instrumentality.

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**ERRAMON I. ABOITIZ** (Non-Executive Director)

Age: 68  
Citizenship: Filipino  
Date of First Appointment: 9 May 1994  
Tenure: 30 years

**Committee Memberships:**

|          |                                                                                                            |
|----------|------------------------------------------------------------------------------------------------------------|
| Chairman | - Board Risk and Reputation Management Committee                                                           |
| Member   | - Board Audit Committee<br>- Board Cyber and Information Security Committee<br>- Board Executive Committee |

**Present Positions:**

|                                    |                                                                 |
|------------------------------------|-----------------------------------------------------------------|
| Director                           | - Aboitiz Equity Ventures Inc.*<br>- Aboitiz Power Corporation* |
| Chairman of the Board of Directors | - Union Bank of the Philippines*<br>- Endeavor Philippines      |
| Chairman of the Board of Trustees  | - Asian Institute of Management                                 |
| Board Observer                     | - Aboitiz & Company, Inc.                                       |

**Previous Positions:**

|                                                      |                                                                                                                            |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| President and Chief Executive Officer                | - Aboitiz Equity Ventures Inc.* (2009 to 2019)<br>- Aboitiz Power Corporation* (2018 to 2019)<br>- Aboitiz & Company, Inc. |
| Director / Chairman of the Board                     | - Aboitiz Power Corporation* (2009 to 2019)                                                                                |
| Executive Vice President and Chief Operating Officer | - Aboitiz Equity Ventures Inc.* (1994 to 2008)                                                                             |
| Trustee                                              | - Philippine Disaster Recovery Foundation                                                                                  |

\*Publicly Listed Company

**Educational and Professional Background:**

- Bachelor of Science Degree in Business Administration, Major in Accounting and Finance, from Gonzaga University, Spokane, Washington, U.S.A.
- Honorary Doctorate Degree in Management from the Asian Institute of Management
- Awardee – Management Man of the Year by the Management Association of the Philippines (2011)
- Awardee – Entrepreneur of the Year by Ernst & Young (2011)

Mr. Aboitiz is not connected with any government agency or instrumentality.

**SABIN M. ABOITIZ (Executive Director)**

Age: 60

Citizenship: Filipino

Date of First Appointment: 21 May 2018

Tenure: 6 years

**Committee Memberships:**

|          |                                                                                                                                  |
|----------|----------------------------------------------------------------------------------------------------------------------------------|
| Chairman | - Board Executive Committee                                                                                                      |
| Member   | - Board Sustainability, Governance, and Related Party Transactions Committee<br>- Board Risk and Reputation Management Committee |

**Present Positions:**

|                                       |                                                                                                                                            |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| President and Chief Executive Officer | - Aboitiz Equity Ventures Inc.*<br>- Aboitiz & Company, Inc.                                                                               |
| Chairman of the Board                 | - Aboitiz Power Corporation*<br>- Aboitiz Foundation, Inc.<br>- Aboitiz Land, Inc.<br>- CRH Aboitiz Holdings, Inc.                         |
| Director/President                    | - AEV CRH Holdings, Inc.                                                                                                                   |
| Director                              | - Aboitiz InfraCapital, Inc.<br>- Aboitiz Construction International, Inc.<br>- Aboitiz Construction, Inc.<br>- AEV International Pte Ltd. |

|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                  | <ul style="list-style-type: none"> <li>- Lima Land, Inc.</li> <li>- Pilimico Animal Nutrition Corporation</li> <li>- Pilimico Foods Corporation</li> <li>- Republic Cement &amp; Building Materials, Inc.</li> <li>- Republic Cement Services, Inc.</li> <li>- Unity Digital Infrastructure Inc.</li> <li>- Union Bank of the Philippines*</li> <li>- Aboitiz Foods Holdings, Inc.</li> <li>- Aboitiz Data Innovation Pte. Ltd.</li> <li>- CCEP Aboitiz Beverages Philippines Inc.</li> </ul> |
| Head                                             | - Private Sector Advisory Council                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| ASEAN Business Advisory Council (ABAC) PH Member | - Asia Pacific Economic Cooperation                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

Previous Positions:

|                                                      |                                                |
|------------------------------------------------------|------------------------------------------------|
| Executive Vice President and Chief Operating Officer | - Aboitiz Equity Ventures Inc.* (2015 to 2019) |
| Senior Vice President                                | - Aboitiz Equity Ventures Inc.* (2015)         |
| First Vice President                                 | - Aboitiz Equity Ventures Inc.* (2014 to 2015) |

\*Publicly Listed Company

Educational and Professional Background:

- Bachelor of Science Degree in Business Administration, Major in Finance from Gonzaga University, Spokane, U.S.A

Mr. Aboitiz is not connected with any government agency or instrumentality.

**ANA MARIA A. DELGADO** (Non-Executive Director)

Age: 44

Citizenship: Filipino

Date of First Appointment: Dec 11, 2018

Tenure: 6 years

Committee Memberships:

|        |                         |
|--------|-------------------------|
| Member | - Board Audit Committee |
|--------|-------------------------|

Present Positions:

|                                       |                                                                                                                             |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Director                              | <ul style="list-style-type: none"> <li>- Aboitiz Equity Ventures Inc.*</li> <li>- Union Bank of the Philippines*</li> </ul> |
| Chairman                              | - City Savings Bank Inc.                                                                                                    |
| President and Chief Executive Officer | - Union Bank of the Philippines*                                                                                            |
| Advisor                               | - Advanced Data Innovation, Inc.                                                                                            |

\*Publicly Listed Company

Previous Positions:

|                        |                                                                                                                                                                                                                                                                                    |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-Executive Director | - Singlife Philippines Inc.                                                                                                                                                                                                                                                        |
| Director               | <ul style="list-style-type: none"> <li>- Aboitiz Land Inc.</li> <li>- Aboitiz InfraCapital, Inc.</li> <li>- Advanced Data Innovation, Inc.</li> <li>- AEV CRH Holdings, Inc.,</li> <li>- CRH Aboitiz Holdings, Inc.</li> <li>- Republic Cement &amp; Building Materials</li> </ul> |

|                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                    | - Republic Cement Services, Inc.<br>- Visayan Electric Company, Inc.                                                                                                                                                                                                                              |
| Assistant Vice President for Product Management                                                                                                                                                                                                                                                                                                                    | - Citibank, N.A. (2006 to 2008)                                                                                                                                                                                                                                                                   |
| <u>Educational and Professional Background:</u> <ul style="list-style-type: none"> <li>• Bachelor of Arts degree in Art History/Painting from Boston College</li> <li>• Master's Degree in Business Administration from New York University Stern School of Business</li> </ul> <p>Ms. Delgado is not connected with any government agency or instrumentality.</p> |                                                                                                                                                                                                                                                                                                   |
| <b>JUSTO A. ORTIZ</b> (Non-Executive Director)                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                   |
| Age: 67<br>Citizenship: Filipino<br>Date of First Appointment: 9 May 1994<br>Tenure: 27 years<br>(1994 -2017, 2021- present)                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                   |
| <u>Committee Memberships:</u>                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                   |
| Chairman                                                                                                                                                                                                                                                                                                                                                           | - Board Cyber and Information Security Committee                                                                                                                                                                                                                                                  |
| Member                                                                                                                                                                                                                                                                                                                                                             | - Board Executive Committee                                                                                                                                                                                                                                                                       |
| <u>Present Positions:</u>                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                   |
| Director                                                                                                                                                                                                                                                                                                                                                           | - Aboitiz Equity Ventures Inc.*<br>- Advanced Data Innovation, Inc.<br>- Aboitiz Foods Holdings, Inc.<br>- Pilmico Foods Corporation<br>- Pilmico Animal Nutrition Corporation<br>- UBX Philippines Corporation<br>- Concepcion Industrial Corporation*<br>- Philippine Payments Management, Inc. |
| Vice Chairman of the Board                                                                                                                                                                                                                                                                                                                                         | - Union Bank of the Philippines*                                                                                                                                                                                                                                                                  |
| Chairman of the Board                                                                                                                                                                                                                                                                                                                                              | - Fintech Philippines Association, Inc.<br>- Distributed Ledger Technology Association of the Philippines, Inc.<br>- Union Digital Bank, Inc.                                                                                                                                                     |
| Board of Trustees                                                                                                                                                                                                                                                                                                                                                  | - The Insular Life Assurance Co., Ltd.<br>- Philippine Trade Foundation, Inc.                                                                                                                                                                                                                     |
| Member                                                                                                                                                                                                                                                                                                                                                             | - Management Association of the Philippines<br>- Makati Business Club<br>- World Presidents Organization                                                                                                                                                                                          |
| <u>Previous Positions:</u>                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                   |
| Director                                                                                                                                                                                                                                                                                                                                                           | - Aboitiz Equity Ventures Inc.* (1994 to 2017)                                                                                                                                                                                                                                                    |
| Member of Board Audit Committee                                                                                                                                                                                                                                                                                                                                    | - Aboitiz Equity Ventures Inc.* (2006 to 2017)                                                                                                                                                                                                                                                    |
| Member of Board Risk and Reputation Management Committee                                                                                                                                                                                                                                                                                                           | - Aboitiz Equity Ventures Inc.* (2009 to 2017)                                                                                                                                                                                                                                                    |
| Chairman and Chief Executive Officer                                                                                                                                                                                                                                                                                                                               | - Union Bank of the Philippines* (1993 to 2017)                                                                                                                                                                                                                                                   |
| Managing Partner – Global Finance                                                                                                                                                                                                                                                                                                                                  | - Citibank, N.A. (1990 to 1993)                                                                                                                                                                                                                                                                   |
| Country Executive – Investment Banking                                                                                                                                                                                                                                                                                                                             | - Citibank, N.A. (1988 to 1990)                                                                                                                                                                                                                                                                   |
| Treasury Marketing Unit Head                                                                                                                                                                                                                                                                                                                                       | - Citibank, N.A. (1985 to 1988)                                                                                                                                                                                                                                                                   |

|                                                                                               |                                 |
|-----------------------------------------------------------------------------------------------|---------------------------------|
| Relationship Manager for various local, corporate multinational, and public sectors customers | - Citibank, N.A. (1979 to 1985) |
| Executive Assistant to Asia Pacific Human Resource Executive                                  | - Citibank, N.A. (1978 to 1979) |
| Management Trainee                                                                            | - Citibank, N.A. (1977 to 1978) |

*\*Publicly Listed Company*

**Educational and Professional Background:**

- Member of the Claustro de Profesores and Doctor of Humanities Degree (Honoris Causa) from the University of Santo Tomas (UST)
- Honorary Fellow of Institute of Corporate Directors (ICD)
- Awardee- Asian Banker Lifetime Achievement Award & Philippine Blockchain Leader of the Year
- Economics Honors Program (Magna Cum Laude) from Ateneo de Manila University

Mr. Ortiz is not connected with any government agency or instrumentality.

**CESAR G. ROMERO** (Lead Independent Director)

Age: 59  
Citizenship: Filipino  
Date of First Appointment: 25 April 2022  
Tenure: 2 years

**Committee Memberships:**

|          |                                                                                                                                  |
|----------|----------------------------------------------------------------------------------------------------------------------------------|
| Chairman | - Board Audit Committee                                                                                                          |
| Member   | - Board Sustainability, Governance, and Related Party Transactions Committee<br>- Board Risk and Reputation Management Committee |

**Present Positions:**

|                      |                                                                                                      |
|----------------------|------------------------------------------------------------------------------------------------------|
| Independent Director | - Aboitiz Equity Ventures Inc.*<br>- Robinson Retail Holdings, Inc.*<br>- Aboitiz Power Corporation* |
|----------------------|------------------------------------------------------------------------------------------------------|

*\*Publicly Listed Company*

**Previous Positions:**

|                                                      |                                                        |
|------------------------------------------------------|--------------------------------------------------------|
| President and Chief Executive Officer                | - Pilipinas Shell Petroleum Corporation (2016 to 2021) |
| Vice President Global Retail Network                 | - Shell's Global Downstream Business (2013 to 2018)    |
| Vice President of Retail Sales and Operations East   | - Shell's Global Downstream Business (2009 to 2013)    |
| Vice President of Supply East                        | - Shell's Global Downstream Business (2007 to 2009)    |
| Vice President for Downstream Management Consultancy | - Shell's Global Downstream Business (2005 to 2007)    |
| Business Assistant to the Executive Director         | - Shell's Global Downstream Business (2005 to 2007)    |
| Shell's Scenario Planning Team                       | - Shell International (1995)                           |
| Refinery Engineer                                    | - Pilipinas Shell Petroleum Corporation (1987)         |

**Educational and Professional Background:**



- Bachelor of Science in Mechanical Engineering (Cum Laude) from the University of the Philippines
- Master's Degree in Business Administration (with High Distinction) from the University of Michigan
- Various management development courses at the London Business School and the Wharton Business School

Mr. Romero is not connected with any government agency or instrumentality.

**JOANNE G. DE ASIS** (Independent Director)

Age: 74

Citizenship: Filipino

Date of First Appointment: 26 April 2021

Tenure: 3 years

Committee Memberships:

|          |                                                                                                                                 |
|----------|---------------------------------------------------------------------------------------------------------------------------------|
| Chairman | - Board Sustainability, Governance, and Related Party Transactions Committee                                                    |
| Member   | - Board Audit Committee<br>- Board Risk and Reputation Management Committee<br>- Board Cyber and Information Security Committee |

Present Positions:

|                         |                                                             |
|-------------------------|-------------------------------------------------------------|
| Independent Director    | - Aboitiz Equity Ventures Inc.*                             |
| Independent Director    | - Del Monte Pacific Ltd.*                                   |
| Senior Adviser          | - Morgan Stanley & Co                                       |
| Founder and Chairman    | - Globe Capital Partners LLC, U.S.A.                        |
| Independent Director    | - Easycall Communications Philippines, Inc.                 |
| Advisory Board Member   | - Annenberg Foundation Trust at Sunnylands, U.S.A           |
| Advisory Council Member | - The International Institute for Strategic Studies, London |
| Advisor                 | - APEC Business Advisory Council                            |
| Member                  | - Private Sector Advisory Council                           |

\*Publicly Listed Company

Previous Positions:

|                                     |                                                                                 |
|-------------------------------------|---------------------------------------------------------------------------------|
| Managing Director                   | - Credit Suisse First Boston, New York City, U.S.A & London, U.K (1989 to 1998) |
| Director, International             | - Dillon Read & Company, New York City, U.S.A (1986 to 1988)                    |
| Vice President                      | - Morgan Stanley International, London, U.K (1981 to 1986)                      |
| Associate                           | - Morgan Stanley & Co. New York City, U.S.A (1977 to 1981)                      |
| Advisory to the Treasury Department | - Bangko Sentral ng Pilipinas (1984 to 1985)                                    |
| Professor                           | - Maryknoll College, Communication Arts (1972)                                  |

Educational and Professional Background:

- Bachelor of Arts, Major in Communication Arts, from Maryknoll College
- Master of Business Administration from the Columbia University in New York, U.S.A.
- Executive Management Program from Stanford University in Palo Alto California, U.S.A.

Ms. De Asis is not connected with any government agency or instrumentality.

**PETER D. MAQUERA** (Independent Director)

Age: 62

Citizenship: Filipino

Date of First Appointment: 26 October 2023

Tenure: 1 year

Committee Memberships:

|        |                                                                                                                                                                                                                 |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Member | - Board Sustainability, Governance, and Related Party Transactions Committee<br>- Board Audit Committee<br>- Board Risk and Reputation Management Committee<br>- Board Cyber and Information Security Committee |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Present Positions:

|                         |                                                                                                       |
|-------------------------|-------------------------------------------------------------------------------------------------------|
| Chief Executive Officer | - Microsoft Philippines                                                                               |
| Trustee/Director        | - Makati Business Club<br>- American Chamber of Commerce<br>- Advanced Nutritional Technologies, Ltd. |

Previous Positions:

|                         |                                                                                                                                          |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Senior Vice President   | - Globe Telecom, Inc.* (2017 to 2022)                                                                                                    |
| President and Director  | - Globe Telecom International Business Holdings (2018 to 2022)                                                                           |
| Deputy CEO and Director | - Livelt Investments, Ltd. (2010 to 2017)                                                                                                |
| Trustee                 | - IT & Business Process Association of the Philippines<br>- Semiconductor and Electronics Industries in the Philippines Foundation, Inc. |
| Trustee/Director        | - FPS Tech Philippines, Inc.                                                                                                             |

*\*Publicly Listed Company*

Educational and Professional Background:

- Undergraduate Degree in Engineering from the University of Southern California, U.S.A.
- Master of Business Administration from the University of Southern California, U.S.A.

Mr. Maquera is not connected with any other publicly-listed company. He is not connected to any government agency or instrumentality.

**Performance Assessment and Attendance Reports of the Board**

In accordance with AEV's Revised Manual on Corporate Governance as amended on 23 February 2022, (the "Revised Manual"), the members of the Board and Board Committees conduct an annual self-assessment of their collective and individual performance. In addition, the directors assess the performance of the Company's corporate officers such as the Chairman of the Board, the Chief Executive Officer, the Chief Risk Officer, the Chief Compliance Officer, the Corporate Secretary, and the Group Internal Audit Head.

The assessment forms are prepared and regularly reviewed by the Chief Compliance Officer in order to elicit relevant and valuable insights on the following assessment criteria: (1) compliance with best governance practices and principles; (2) participation and contribution to the Board and committee meetings; and (3) performance of their duties and responsibilities as provided in the Company's Revised Manual, Charters, Amended Articles of Incorporation, and Amended By-Laws.

In addition, AEV directors are evaluated by its key officers based on the following criteria: (1) business acumen, (2) independent judgment, (3) familiarity with the business, (4) active participation and effective challenge, (5) professional expertise and network, (6) value contribution, (7) embodiment of Aboitiz core values, and (8) reputation. Assessment results are presented to the SGRPT Committee as part of the nomination and selection process of incumbent Board members.

The Corporate Governance Code and the Revised Manual requires that at least once in every three years, the conduct of the Board performance assessment must be supported by an independent third-party facilitator. AEV complied with this requirement in 2023 with the engagement of Complete Coherence, a leadership development and coaching company based in the United Kingdom. The results of the assessment, as well as the recommendations from Complete Coherence, were presented and discussed at the Board meeting on 12 December 2023.

For more discussion on the Board's (i) performance assessment, and (ii) attendance record at Board, Board Committee, and stockholders' meetings for the year 2024, please refer to Board Matters portion of Part III— Corporate Governance of this Information Statement.

#### **Nominations for Independent Directors and Procedure for Nomination**

The procedure for the nomination and election of the Independent Directors is in accordance with Rule 38 of the Securities Regulation Code ("SRC Rule 38"), AEV's Amended By-Laws, and AEV's Guidelines for the Nomination and Election of Independent Directors approved by the Board of Directors on 23 March 2017 (the "Amended Guidelines").

Nominations for Independent Directors were opened beginning on 1 January 2025 until 15 February 2025, in accordance with Section C(1) of the Guidelines. The period may be extended by the unanimous vote of the Board SGRPT Committee for meritorious reasons.

SRC Rule 38 further requires the Board SGRPT Committee (in its capacity as the Board Nomination and Compensation Committee) to meet and pre-screen all nominees and submit a final list of nominees to the Corporate Secretary, so that such list will be included in the Company's Information Statements. Only nominees whose names appear on the final list shall be eligible for election as Independent Directors. No other nominations shall be entertained after the final list of nominees has been prepared. The name of the person or group of persons who nominates an Independent Director shall be identified including any relationship with the nominee.

On 20 February 2025, the Chairman of the then Board SGRPT Committee submitted the final list of nominees to the Corporate Secretary. In approving the nominations for Independent Directors, the Board SGRPT Committee considered the guidelines on the nominations of Independent Directors prescribed in SRC Rule 38, the Amended Guidelines, and AEV's Revised Manual. Ms. Joanne G. De Asis, Independent Director, is the incumbent Chairman of the Board SGRPT Committee. The other voting members of the committee are Messrs. Sabin M. Aboitiz, Enrique M. Aboitiz, Peter D. Maquera, and Cesar G. Romero, while the *ex-officio* non-voting members are Ms. Connie G. Chu, Ms. Santanina Apolinaria B. Castro, and Ms. Ana Margarita N. Hontiveros-Malvar.

Independent Directors shall be elected at the stockholders' meeting during which other members of the Board are to be elected. However, no nominations for Independent Director shall be accepted at the floor during the 2025 ASM.

Mr. Cesar G. Romero, Ms. Joanne G. De Asis, and Mr. Peter D. Maquera are the nominees for Independent Directors of AEV for the 2025 ASM. They are neither officers nor employees of the Company or any of its Affiliates, and do not have any relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibilities of an

Independent Director. Attached as **Annexes "B-1", "B-2", and "B-3"** are the Certifications of Qualification of Mr. Romero, Ms. De Asis, and Mr. Maquera, respectively.

AEV stockholders, Ms. Catherine Alinabo, Ms. Jesusa Z. Nunez, and Ms. Jovy Tan have nominated Mr. Romero, Mr. Maquera, and Ms. De Asis, respectively, as the Company's Independent Directors. None of the nominating stockholders have any relation to the respective Independent Director they are nominating.

#### **Other Nominees for the Election as Members of the Board of Directors**

Included in the final list of nominees as conveyed by the then Board SGRPT Committee to the Corporate Secretary on 20 February 2025, the following were also nominated and qualified as candidates to the AEV Board of Directors for the 2025-2026 term:

**Enrique M. Aboitiz**  
**Mikel A. Aboitiz**  
**Erramon I. Aboitiz**  
**Sabin M. Aboitiz**  
**Ana Maria A. Delgado**  
**Luis Miguel O. Aboitiz**

Pursuant to Section 1, Article II of the Amended By-Laws of AEV, nominations for members of the Board, other than Independent Directors, for the ensuing year must be submitted in writing to the Corporate Secretary at least 15 working days prior to the ASM on 28 April 2025, or not later than 2 April 2025.

All other information regarding the positions and offices held by nominees are integrated in Item 5 (a) (1) above. Mr. Luis Miguel O. Aboitiz, is being nominated to the Board of Directors for the first time.

Below is the profile of Mr. Luis Miguel O. Aboitiz including the positions and offices he held for the past five years.

|                                                                                 |                                                                                               |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| <b>LUIS MIGUEL O. ABOITIZ</b>                                                   |                                                                                               |
| Age: 60<br>Citizenship: Filipino                                                |                                                                                               |
| <u>Present Positions:</u>                                                       |                                                                                               |
| Chairman of the Board                                                           | - Aboitiz Impact Ventures, Inc.                                                               |
| Director                                                                        | - Aboitiz & Company, Inc.<br>- Aboitiz Equity Ventures Inc.*<br>- AB Capital Securities, Inc. |
| Director and President                                                          | - DDLS Aboitiz, Inc. (Lumify Work Philippines)                                                |
| Trustee                                                                         | - Pacific Basin Economic Council<br>- Philippine Business for Social Progress                 |
| <u>Previous Positions:</u>                                                      |                                                                                               |
| Director / Vice Chairman of the Board                                           | - Aboitiz Power Corporation*                                                                  |
| Executive Vice President – Chief Strategy Officer                               |                                                                                               |
| Executive Vice President and Chief Operating Officer – Corporate Business Group |                                                                                               |
| Senior Vice President-Power Marketing and Trading                               |                                                                                               |

*\*Publicly Listed Company*

**Educational and Professional Background:**

- Bachelor of Science in Computer Science and Engineering Santa Clara University, California, U.S.A.
- Master's degree in Business Administration University of California, Berkeley, U.S.A.

Mr. Aboitiz is not connected with any other publicly-listed company. He is not connected to any government agency or instrumentality.

**Officers for 2024-2025**

Below is the list of AEV officers for 2024-2025 with their corresponding positions and offices held for the past five years. Unless otherwise indicated, the officers assumed their positions during AEV's organizational meeting in 2024 for a term of one year.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                             |                                                                                                                                     |                       |                            |                        |                          |          |                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------|------------------------|--------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ENRIQUE M. ABOITIZ</b><br>Chairman – Board of Directors<br><i>Refer to Item 5 (a) (1) for the profile of Mr. Enrique M. Aboitiz.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                             |                                                                                                                                     |                       |                            |                        |                          |          |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>MIKEL A. ABOITIZ</b><br>Vice Chairman – Board of Directors<br><i>Refer to Item 5 (a) (1) for the profile of Mr. Mikel A. Aboitiz.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                             |                                                                                                                                     |                       |                            |                        |                          |          |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>SABIN M. ABOITIZ</b><br>Director / President and Chief Executive Officer<br><i>Refer to Item 5 (a) (1) for the profile of Mr. Sabin M. Aboitiz.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                             |                                                                                                                                     |                       |                            |                        |                          |          |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>JOSE EMMANUEL U. HILADO<sup>6</sup></b><br>Senior Vice President/ Chief Financial Officer/ Corporate Information Officer/ Chief Risk Officer<br><br>Age: 61<br>Citizenship: Filipino<br><br><u>Committee Memberships:</u> <table border="1" data-bbox="300 1283 1386 1386"> <tr> <td>Ex-Officio Member</td><td> - Board Risk and Reputation Management Committee<br/> - Board Executive Committee<br/> - Board Cyber and Information Security Committee </td></tr> </table>                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                            | Ex-Officio Member                                           | - Board Risk and Reputation Management Committee<br>- Board Executive Committee<br>- Board Cyber and Information Security Committee |                       |                            |                        |                          |          |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Ex-Officio Member                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | - Board Risk and Reputation Management Committee<br>- Board Executive Committee<br>- Board Cyber and Information Security Committee                                                                                                                                                                                                                                                                                        |                                                             |                                                                                                                                     |                       |                            |                        |                          |          |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <u>Present Positions:</u> <table border="1" data-bbox="300 1485 1386 1980"> <tr> <td>SVP – Chief Financial Officer / Company Information Officer</td><td>- Aboitiz Equity Ventures Inc.*</td></tr> <tr> <td>Trustee and Treasurer</td><td>- Aboitiz Foundation, Inc.</td></tr> <tr> <td>Director and Treasurer</td><td>- AEV CRH Holdings, Inc.</td></tr> <tr> <td>Director</td><td> - Union Bank of the Philippines*<br/> - AEV International Pte Ltd.<br/> - Archipelago Insurance Pte. Ltd.<br/> - Republic Cement and Building Materials, Inc.<br/> - Aboitiz Data Innovation Pte. Ltd.<br/> - Aboitiz Renewables, Inc.<br/> - CCEP Aboitiz Beverages Philippines, Inc.<br/> - AboitizPower International Pte. Ltd.<br/> - AEV Aviation Inc.<br/> - UnionDigital Bank Inc.<br/> - UBX Philippines Corp. (Chairman of the Board) </td></tr> </table> |                                                                                                                                                                                                                                                                                                                                                                                                                            | SVP – Chief Financial Officer / Company Information Officer | - Aboitiz Equity Ventures Inc.*                                                                                                     | Trustee and Treasurer | - Aboitiz Foundation, Inc. | Director and Treasurer | - AEV CRH Holdings, Inc. | Director | - Union Bank of the Philippines*<br>- AEV International Pte Ltd.<br>- Archipelago Insurance Pte. Ltd.<br>- Republic Cement and Building Materials, Inc.<br>- Aboitiz Data Innovation Pte. Ltd.<br>- Aboitiz Renewables, Inc.<br>- CCEP Aboitiz Beverages Philippines, Inc.<br>- AboitizPower International Pte. Ltd.<br>- AEV Aviation Inc.<br>- UnionDigital Bank Inc.<br>- UBX Philippines Corp. (Chairman of the Board) |
| SVP – Chief Financial Officer / Company Information Officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | - Aboitiz Equity Ventures Inc.*                                                                                                                                                                                                                                                                                                                                                                                            |                                                             |                                                                                                                                     |                       |                            |                        |                          |          |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Trustee and Treasurer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | - Aboitiz Foundation, Inc.                                                                                                                                                                                                                                                                                                                                                                                                 |                                                             |                                                                                                                                     |                       |                            |                        |                          |          |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Director and Treasurer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | - AEV CRH Holdings, Inc.                                                                                                                                                                                                                                                                                                                                                                                                   |                                                             |                                                                                                                                     |                       |                            |                        |                          |          |                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | - Union Bank of the Philippines*<br>- AEV International Pte Ltd.<br>- Archipelago Insurance Pte. Ltd.<br>- Republic Cement and Building Materials, Inc.<br>- Aboitiz Data Innovation Pte. Ltd.<br>- Aboitiz Renewables, Inc.<br>- CCEP Aboitiz Beverages Philippines, Inc.<br>- AboitizPower International Pte. Ltd.<br>- AEV Aviation Inc.<br>- UnionDigital Bank Inc.<br>- UBX Philippines Corp. (Chairman of the Board) |                                                             |                                                                                                                                     |                       |                            |                        |                          |          |                                                                                                                                                                                                                                                                                                                                                                                                                            |

<sup>6</sup> Effective December 31, 2024, Mr. Hilado assumed an expanded role as Chief Risk Officer in addition to his existing appointment as the Company's Chief Financial Officer and Corporate Information Officer.

|           |                                                                                                           |
|-----------|-----------------------------------------------------------------------------------------------------------|
| Treasurer | - Aboitiz InfraCapital Inc.<br>- CRH Aboitiz Holdings, Inc.<br>- Aboitiz Construction International, Inc. |
| Trustee   | - University of St. La Salle - Bacolod                                                                    |

Previous Positions:

|                                                                               |                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Union Bank of the Philippines*                                                | - Senior Executive Vice President – Chief Finance Officer (Oct. 2022 to Dec. 2022)<br>- Senior Executive Vice President – Treasurer and Head of Global Market (Jan. to Sept. 2022)<br>- Senior Executive Vice President – Chief Finance Officer and Treasurer (Jul. 2017 to Jan. 2022) |
| First Union Plans, Inc.                                                       | - Director (Jul. 2017 to May 2023)                                                                                                                                                                                                                                                     |
| UBP Investments Corporation                                                   | - Director (Jul. 2017 to May 2023)                                                                                                                                                                                                                                                     |
| East West Leasing Corporation                                                 | - Director (Jan. 2016 to May 2017)                                                                                                                                                                                                                                                     |
| East West Insurance Brokerage Inc.                                            | - Chairman of the Board of Directors (Jun. 2015 to May 2017)                                                                                                                                                                                                                           |
| East West Ageas Life                                                          | - Director (Feb. 2015 to May 2017)                                                                                                                                                                                                                                                     |
| East West Banking Corporation*                                                | - Senior Executive Vice President & COO - Cluster Head Investments / Markets (Sept. 2014 to May 2017)                                                                                                                                                                                  |
| Bankard Inc.                                                                  | - Director (Mar. 2012 to Mar. 2013)                                                                                                                                                                                                                                                    |
| Rizal Commercial Banking Corporation (RCBC) Savings Bank                      | - Director (Mar. 2010 to Mar. 2012)                                                                                                                                                                                                                                                    |
| Rizal Commercial Banking Corporation Int'l. Finance Ltd. (RCBC IFL) Hong Kong | - Director (Jan. 2009 to June 2014)                                                                                                                                                                                                                                                    |
| Rizal Commercial Banking Corporation*                                         | - Senior Executive Vice President & Treasurer (Oct. 2008 to Jun. 2014)                                                                                                                                                                                                                 |
| Banco de Oro Unibank Inc.                                                     | - Senior Vice President & Head of Trading & Investments (Jul. 2007 to Oct. 2008)                                                                                                                                                                                                       |
| Banco de Oro Private Bank                                                     | - Senior Vice President & Treasurer (Sept. 2003 to Jun. 2007)                                                                                                                                                                                                                          |
| Banco de Oro Universal Bank*                                                  | - First Vice President & Head of Fixed Income Portfolio (Sept. 2001 to Aug. 2008)                                                                                                                                                                                                      |
| Equitable PCIBank                                                             | - First Vice President & Head of Treasury Marketing & Domestic Trading (Sept. 1999 to Aug. 2001)                                                                                                                                                                                       |
| Equitable Banking Corporation                                                 | - Vice President & Head of FX Trading & Treasury Marketing (Jul. 1997 to Aug. 1999)                                                                                                                                                                                                    |
| Far East Bank and Trust Company                                               | - Vice President - International Banking (Sept. 1991 to Jun. 1997)                                                                                                                                                                                                                     |
| Far East Bank and Trust Company                                               | - Senior Manager - Human Resources Division (Oct. 1987 to Sept. 1991)                                                                                                                                                                                                                  |
| Far East Bank and Trust Company                                               | - Admin Officer - Purchasing Department (Dec. 1985 to Oct. 1987)                                                                                                                                                                                                                       |
| Far East Bank and Trust Company                                               | - Staff Assistant - Operations Group (Jun. 1985 to Dec. 1985)                                                                                                                                                                                                                          |

\*Publicly Listed Company

Educational and Professional Background:

- University of the Philippines BS Business Economics
- Kellogg-HKUST Executive MBA Master of Business Administration
- Certified Treasury Professional BAP - Ateneo Graduate School



- Member Bankers Association of the Philippines' Open Market Committee  
Financial Executive Institute of the Philippines (FINEX)  
Money Market Association  
ACI Philippines  
Philippine Interpretations Committee

Mr. Hilado is not connected with any government agency or instrumentality.

### **CONNIE G. CHU**

Senior Vice President – Chief Legal and Compliance Officer/ Corporate Secretary

Age: 49

Citizenship: Filipino

#### Committee Memberships:

|                   |                                                                              |
|-------------------|------------------------------------------------------------------------------|
| Ex-Officio Member | - Board Sustainability, Governance, and Related Party Transactions Committee |
|-------------------|------------------------------------------------------------------------------|

#### Present Positions:

|                                                                                           |                                            |
|-------------------------------------------------------------------------------------------|--------------------------------------------|
| Senior Vice President – Chief Legal and Compliance Officer/ Corporate Secretary           | - Aboitiz Equity Ventures Inc.*            |
| Assistant Corporate Secretary                                                             | - CCEP Aboitiz Beverages Philippines, Inc. |
| Private Sector Representative – Ease of Doing Business and Anti-Red Tape Advisory Council | - Department of Trade and Industry         |

#### Previous Positions:

|                           |                                                                     |
|---------------------------|---------------------------------------------------------------------|
| Registered Foreign Lawyer | - Cleary Gottlieb Steen & Hamilton (2008 to 2022)                   |
| Associate                 | - Romulo Mabanta Buenaventura Sayoc & De Los Angeles (2003 to 2007) |

*\*Publicly Listed Company*

#### Educational and Professional Background:

- Bachelor of Arts in Political Science from the University of San Carlos (*Magna Cum Laude*)
- Juris Doctor degree from the Ateneo de Manila University (*Class Salutatorian with honors*)
- Master of Laws degree from New York University School of Law (*with distinction*)

Ms. Chu is a member in good standing of the Integrated Bar of the Philippines and the New York State Bar. She is not a director of any publicly listed company.

### **MARIA VERONICA C. SO**

Senior Vice President - Group Treasurer

Age: 52

Citizenship: Filipino

#### Committee Memberships: N.A.

#### Present Positions:

|                                         |                                 |
|-----------------------------------------|---------------------------------|
| Senior Vice President – Group Treasurer | - Aboitiz Equity Ventures Inc.* |
|-----------------------------------------|---------------------------------|

#### Previous Positions:

|                 |                                             |
|-----------------|---------------------------------------------|
| Group Treasurer | - Aboitiz Power Corporation* (2020 to 2024) |
|-----------------|---------------------------------------------|

|                                               |                                                |
|-----------------------------------------------|------------------------------------------------|
| First Vice President – Deputy Group Treasurer | - Aboitiz Equity Ventures Inc.* (2020 to 2021) |
| Vice President- Treasurer Services            | - Aboitiz Equity Ventures Inc.* (2019 to 2020) |
| Various treasury and finance positions        | - Globe Telecom* (2001 to 2017)                |

*\*Publicly Listed Company*

**Educational and Professional Background:**

- Bachelor of Science Degree in Business Management from the Ateneo de Manila University
- Master's Degree in Business Management from the Asian Institute of Management

Ms. So is not connected with any government agency or instrumentality. She is not a director of any publicly-listed company.

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**MARIA LOURDES Y. TANATE**  
Vice President – Group Internal Audit Head

Age: 59  
Citizenship: Filipino

Committee Memberships: N.A.

Present Positions:

|                                            |                                  |
|--------------------------------------------|----------------------------------|
| Vice President – Group Internal Audit Head | - Aboitiz Equity Ventures Inc. * |
|--------------------------------------------|----------------------------------|

Previous Positions:

|                                                                                   |                                                                                     |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Chief Audit Executive                                                             | - Aboitiz Transport System (ATSC) Corporation (now 2GO Group, Inc.) (2009 to 2011)* |
| Assistant Vice President for Finance                                              | - Aboitiz Transport System (ATSC) Corporation (now 2GO Group, Inc.) (2005 to 2009)* |
| Senior Manager for Finance and Freight                                            | - Aboitiz Transport System (ATSC) Corporation (now 2GO Group, Inc.) (2000 to 2005)* |
| Manager and Head of Corporate Planning and Credit & Economic Research Departments | - Prime Bank (1996 to 2000)                                                         |
| Senior Assistant Cashier                                                          | - Far East Bank & Trust Company (1986 to 1993)                                      |

*\*Publicly Listed Company*

**Educational and Professional Background:**

- Cum Laude with a degree of Bachelor of Arts in Economics from the University of the Philippines (Diliman)
- Master's in Business Administration from University of the Philippines (Diliman)
- Master's in Engineering and Technology Management from the University of Queensland, Australia

Ms. Tanate is not connected with any government agency or instrumentality. She is also not a director of any publicly-listed company.

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**CHRISTINE C. KEMPENEERS<sup>7</sup>**  
Assistant Vice President – Risk Management Head / Data Protection Officer

Age: 36  
Citizenship: Filipino

<sup>7</sup> Ms. Kempeneers resigned effective December 31, 2024, and was succeeded by Ms. Charmaine R.A. Valmonte as the Company's First Vice President, Chief Information & Security Officer, and Data Protection Officer.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| <u>Committee Memberships:</u> N.A.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                               |
| <u>Present Positions:</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                               |
| Assistant Vice President – Risk Management Head / Data Protection Officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | - Aboitiz Equity Ventures Inc. *                              |
| <u>Previous Positions:</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                               |
| Risk Manager – Risk Management Team                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | - Aboitiz Equity Ventures Inc.* (2017 to 2019)                |
| Project Manager                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | - Aboitiz InfraCapital, Inc. (2016 to 2017)                   |
| Project Manager                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | - AEV's infrastructure Strategic Business Unit (2016 to 2017) |
| Management Associate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | - Citibank (2015 to 2016)                                     |
| Management Trainee – Manager                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | - Union Bank of the Philippines* (2010 to 2013)               |
| *Publicly Listed Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                               |
| <u>Educational and Professional Background:</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                               |
| <ul style="list-style-type: none"> <li>● Bachelor of Arts Degree in European Studies, International Business Track from the Ateneo de Manila University</li> <li>● Master of Business Administration, Major in Finance (with Distinction) from the Asian Institute of Management</li> <li>● PARIMA-ANZIIF Certified Risk Professional</li> <li>● Crisis Management Certified Expert from the BCM Institute</li> <li>● Sustainability and Climate Risk Certification from the Global Association of Risk Professionals</li> <li>● Certification from the International Association of Privacy Professionals</li> </ul> |                                                               |
| Ms. Kempeneers is not connected with any government agency or instrumentality. She is not a director of any publicly-listed company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                               |
| <b>CHARMAINE R.A. VALMONTE<sup>8</sup></b><br>First Vice President - Chief Information and Security Officer / Data Protection Officer<br><br>Age: 55<br>Citizenship: Filipino<br><br><u>Committee Membership:</u>                                                                                                                                                                                                                                                                                                                                                                                                     |                                                               |
| Ex-Officio Member                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | - Board Cyber and Information Security Committee              |
| <u>Present Position:</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                               |
| First Vice President - Chief Information and Security Officer / Data Protection Officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | - Aboitiz Equity Ventures Inc.*                               |
| <u>Previous Positions:</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                               |
| Vice President for IT Risk Management & Resiliency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | - UnionBank of the Philippines* (2015 to 2019)                |
| Information Security, Investigations. and Business Continuity Liaison                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | - IBM Philippines (2013 to 2015)                              |
| Senior Manager for Global Security Organization                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | - ADP (Philippines) (2012 to 2013)                            |
| *Publicly Listed Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                               |

<sup>8</sup> Effective December 31, 2024, Ms. Valmonte assumed an expanded role as the Company's Data Protection Officer in addition to her existing appointment as the Company's Chief Information Security Officer.

**Educational and Professional Background:**

- Bachelor of Science in Business Administration, Management from Cameron University in Lawton, Oklahoma
- Master of Arts in Organizational Management from the University of Phoenix
- Qualified Technical Expert (QTE)
- Certified Information Systems Security Professional (CISSP)
- Certified in IT governance and risk management frameworks (CRISC, CGEIT)

Ms. Valmonte is not connected with any government agency or instrumentality. She is not a director of any publicly-listed company.

**MAILENE M. DE LA TORRE**

Vice President – Governance and Compliance, and Assistant Corporate Secretary

Age: 43

Citizenship: Filipino

Committee Memberships: N.A.

**Present Positions:**

|                                                                               |                                             |
|-------------------------------------------------------------------------------|---------------------------------------------|
| Vice President – Governance and Compliance, and Assistant Corporate Secretary | - Aboitiz Equity Ventures Inc.*             |
| Corporate Secretary                                                           | - Various subsidiaries of the Aboitiz Group |
| Assistant Corporate Secretary                                                 | - Various subsidiaries of the Aboitiz Group |

**Previous Positions:**

|                                                                                        |                                                |
|----------------------------------------------------------------------------------------|------------------------------------------------|
| Assistant Vice President– Governance and Compliance, and Assistant Corporate Secretary | - Aboitiz Equity Ventures Inc.* (2018 to 2023) |
| Assistant Corporate Secretary                                                          | - Aboitiz Power Corporation*                   |
| Senior Associate General Counsel for Governance and Compliance                         | - Aboitiz Equity Ventures Inc.* (2016 to 2018) |
| Associate General Counsel for Legal and Corporate Services                             | - Aboitiz Equity Ventures Inc.* (2010 to 2014) |
| Associate                                                                              | - Esguerra & Blanco Law Office (2007 to 2010)  |

*\*Publicly Listed Company*

**Educational and Professional Background:**

- Bachelor of Arts Degree in Political Science (Cum Laude) from the University of the Philippines Diliman
- Bachelor of Laws degree from University of the Philippines Diliman
- Graduate Member of the Institute of Corporate Directors (ICD)
- Certified Compliance and Ethics Professional – International (CCEP-I)

Ms. de la Torre is a member in good standing of the Integrated Bar of the Philippines. She is not connected with any government agency or instrumentality. She is not a director of a publicly-listed company.

**SAMMY DAVE A. SANTOS**

Senior Associate General Counsel for Governance and Compliance, and Assistant Corporate Secretary

Age: 40

Citizenship: Filipino

Committee Memberships: N.A.

Present Positions:

|                                                                                                   |                                                                                                                         |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Senior Associate General Counsel for Governance and Compliance, and Assistant Corporate Secretary | - Aboitiz Equity Ventures Inc.* (2020 to present)                                                                       |
| Corporate Secretary                                                                               | - Various subsidiaries of the Aboitiz Group                                                                             |
| Assistant Corporate Secretary                                                                     | - Good Governance Advocates and Practitioners of the Philippines (GGAPP)<br>- Various subsidiaries of the Aboitiz Group |

Previous Positions:

|                                                         |                                                                                          |
|---------------------------------------------------------|------------------------------------------------------------------------------------------|
| Assistant Corporate Secretary                           | - Aboitiz Power Corporation* (2019 to 2023)                                              |
| Associate General Counsel for Governance and Compliance | - Aboitiz Equity Ventures Inc.* (2017 to 2020)                                           |
| Legal Counsel                                           | - Alliance Select Foods International* (2016 to 2017)                                    |
| Counsel                                                 | - Privatization Group and Office of Special Concerns of the Department of Finance (2016) |
| Junior Associate                                        | - Quiason Makalintal Barot Torres Ibarra Sison & Damaso (2014 to 2016)                   |

*\*Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Arts in Humanities with Professional Certificate in Industrial Economics from the University of Asia and the Pacific, Manila
- Master of Science in Industrial Economics from the University of Asia and the Pacific, Manila
- Juris Doctor degree from the Ateneo de Manila University, Manila

Mr. Santos is a member in good standing of the Integrated Bar of the Philippines. He is not connected with any government agency or instrumentality. He is not a director of a publicly-listed company.

**Period in which the Directors Should Serve**

The Company's directors serve for a period of one year.

**Term of Office of a Director**

Pursuant to the Company's Amended By-Laws, the directors are elected at each ASM by stockholders entitled to vote. Each director holds office until the next annual election for a term of one year and until his/her successor is duly qualified and elected, unless he/she resigns, dies, or is removed prior to such election. In case of any vacancies in the Board, the provisions of the RCC under Sections 27 and 28 shall apply.

**(2) Significant Employees**

AEV considers the contribution of every employee important to the fulfillment of its goals.

**(3) Family Relationships**

Messrs. Enrique, Erramon, and Sabin Aboitiz, are brothers. Mr. Mikel A. Aboitiz is the uncle of Ms. Ana Maria A. Delgado. Other than these, no other officers or directors are related within the fourth degree of consanguinity.

#### **(4) Involvement in Certain Legal Proceedings as of 24 March 2025**

To the knowledge and/or information of AEV, none of its nominees for election as directors, its current members of the Board or its executive officers have been involved in any of the following during the past five years up to 24 March 2025:

- a. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- b. Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- c. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his/her involvement in any type of business, securities, commodities or banking activities; and
- d. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

#### **(5) Certain Relationships and Related Transactions**

AEV and its Subsidiaries (the “Group”), in their regular conduct of business, have entered into related party transactions (RPT) consisting of professional and technical services, rental, money market placements, and power sales and purchases. These are made on an arm’s length basis.

Aboitiz & Company, Inc. (ACO), the parent company of AEV, and certain Associates have service contracts with AEV for corporate center services rendered, such as human resources, internal audit, legal, treasury and corporate finance, among others. These services are obtained from AEV to enable the Group to realize cost synergies. AEV maintain a pool of highly qualified professionals with business expertise specific to the businesses of the Group. Transactions are priced on an arm’s length basis, and covered with service level agreements to ensure quality of service.

ACO and certain Associates are leasing office spaces from Cebu Praedia Development Corporation (CPDC), a Subsidiary of AEV. Rental rates are comparable with prevailing market prices. These transactions are covered with lease contracts for a period of three years.

The Group has cash deposits and money market placements with Union Bank of the Philippines, Inc. (“UnionBank”, or the “Bank”) and City Savings Bank, Inc., AEV’s banking Associates. These are earning interest at prevailing market rates.

Power generation Subsidiaries sell to certain power Associates based on their respective power supply agreements. Meanwhile, power distribution Subsidiaries purchase from certain generation Associates based on existing power purchase agreements.

A wholly-owned construction and steel fabrication Subsidiary of ACO renders its construction and maintenance services to the Group.

The Company’s retirement benefit fund (the “Fund”) is in the form of a trust being maintained and managed by an independent committee composed of select officers of the Company. The Fund has investments in the equity of the Company, AboitizPower, and UnionBank.

No other transaction, without proper disclosure, was undertaken by the Company in which any director or executive officer, any nominee for election as director, any beneficial owner (direct or indirect) or any member of his/her immediate family was involved or had a direct or indirect material interest. Other than what has been discussed in this Information Statement and the Company’s 2023 Annual Financial Statements, there are no other related party transactions entered into by the



Company with related parties, including transactions with directors or self-dealings by the Company's directors.

AEV employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are determined and brought to the attention of management.

AEV's RPT Policy ensures that RPTs are conducted at arms-length and at market prices, and undergo the appropriate approval process.

In 2024, the RPT Committee (renamed SGRPT Committee) (1) continued to ensure that RPTs are taken on an arm's-length basis and within market rates, with sufficient documentation, and coursed through the appropriate levels of approval and (2) ensured the submission of the RPT Certification for Directors and Officers in compliance with the Company's RPT Policy.

For detailed discussion on RPTs, please refer to the notes of the Company's consolidated financial statements.

## (6) Parent Company

AEV's parent company is Aboitiz & Company, Inc. It owns 49.27% of the voting shares of AEV as of 24 March 2025.

## (b) Resignation or Refusal to Stand for Re-election by Members of the Board of Directors

No director has resigned nor declined to stand for re-election to the Board since the date of AEV's last ASM because of a disagreement with AEV on matters relating to its operations, policies, and practices.

## Item 6. Compensation of Directors and Executive Officers

### (a) Summary of Compensation of Executive Officers

Information as to the aggregate compensation paid or accrued to AEV's Chief Executive Officer and four most highly compensated executive officers, as well as other directors and officers during the last two completed fiscal years and the ensuing fiscal year are as follow:

| Name of Officer and Principal Position                                                                                                      | Year | Salary | Bonus | Other Compensation |
|---------------------------------------------------------------------------------------------------------------------------------------------|------|--------|-------|--------------------|
| <b>CHIEF EXECUTIVE OFFICER AND FOUR MOST HIGHLY COMPENSATED OFFICERS</b>                                                                    |      |        |       |                    |
| <b>1. SABIN M. ABOITIZ</b><br><i>President and Chief Executive Officer</i>                                                                  |      |        |       |                    |
| <b>2. JOSE EMMANUEL U. HILADO</b><br><i>Senior Vice President and Chief Financial Officer / Chief Risk Officer</i>                          |      |        |       |                    |
| <b>3. SUSAN V. VALDEZ</b><br><i>(retired end of 2023)</i><br><i>Senior Vice President and Chief Corporate Services Officer</i>              |      |        |       |                    |
| <b>4. MARIA VERONICA C. SO</b><br><i>Senior Vice President – Group Treasurer</i>                                                            |      |        |       |                    |
| <b>5. CONNIE G. CHU</b><br><i>(beginning 2023)</i><br><i>Senior Vice President – Chief Legal and Compliance Officer/Corporate Secretary</i> |      |        |       |                    |

|                                                                                                                                                         |                    |                        |                       |                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------|-----------------------|-----------------------|
| <b>6. MARIA LOURDES Y. TANATE</b><br>(beginning 2024)<br><i>Vice President – Group Internal Audit Head</i>                                              |                    |                        |                       |                       |
| <b>7. CHARMAINE ROSE VALMONTE</b><br>(beginning 2025)<br><i>First Vice President – Chief Information and Security Officer / Data Protection Officer</i> |                    |                        |                       |                       |
| <b>All above named officers as a group</b>                                                                                                              | <b>Actual 2024</b> | <b>₱201,834,083.00</b> | <b>₱20,089,685.00</b> | <b>₱17,149,482.00</b> |
|                                                                                                                                                         | Actual 2023        | ₱141,575,277.00        | ₱20,902,740.00        | ₱16,556,572.00        |
|                                                                                                                                                         | Projected 2025     | ₱224,779,711.00        | ₱22,313,451.00        | ₱18,963,589.00        |
| <b>All other directors and officers- as a group unnamed</b>                                                                                             | <b>Actual 2024</b> | <b>₱14,397,464.00</b>  | <b>₱1,927,001.00</b>  | <b>₱44,727,470.00</b> |
|                                                                                                                                                         | Actual 2023        | ₱19,789,091.00         | ₱2,662,087.00         | ₱45,218,044.00        |
|                                                                                                                                                         | Projected 2025     | ₱18,018,276.00         | ₱2,464,806.00         | ₱49,371,939.00        |

The 2020 Amended By-Laws of the Company as approved by the Securities and Exchange Commission (SEC) on 1 October 2020 defined corporate officers as follows: the Chairman of the Board; the Vice Chairman; the Chief Executive Officer; the Chief Operating Officer; the Treasurer, the Corporate Secretary; the Assistant Corporate Secretary; and such other officers as may be appointed by the Board. For the year 2024, the Company's Summary of Compensation of Executive Officers covers the compensation of officers as reported under Item 5 (a)(1) of the Information Statement.

Except for the regular company retirement plan, which by its very nature will be received by the officers concerned only upon retirement from the Company, the above-mentioned officers do not receive any other compensation in the form of warrants, options, and/or profit-sharing.

There is no compensatory plan or arrangement between the Company and any executive in case of resignation or any other termination of employment or from a change-in-control of the Company.

## (b) Compensation of Directors

### (1) Standard Arrangements

AEV directors receive a monthly allowance of ₱150,000.00 while the Chairman of the Board receives a monthly allowance of ₱200,000.00. In addition, each director/member and the Chairmen of the Board and the Board Committees receive a per diem for every Board or Board Committee meeting attended as follows:

| Type of Meeting | Directors   | Chairman of the Board |
|-----------------|-------------|-----------------------|
| Board Meeting   | ₱150,000.00 | ₱225,000.00           |

| Type of Meeting                                     | Committee Member | Chairman of the Committee |
|-----------------------------------------------------|------------------|---------------------------|
| Board Committee Meeting<br>(except Audit Committee) | ₱100,000.00      | ₱150,000.00               |
| Audit Committee Meeting                             | ₱100,000.00      | ₱200,000.00               |

In compliance with Section 29 of the Revised Corporation Code, the total compensation of each of the Company's directors as of 31 December 2024 is as follow:

| Name of Director                                                        | Total Compensation Received by Directors <sup>9</sup> |
|-------------------------------------------------------------------------|-------------------------------------------------------|
| <b>ENRIQUE M. ABOITIZ</b> , <i>Chairman of the Board</i>                | ₱5,725,000                                            |
| <b>MIKEL A. ABOITIZ</b> , <i>Vice Chairman of the Board</i>             | ₱4,075,000                                            |
| <b>ERRAMON I. ABOITIZ</b> , <i>Director</i>                             | ₱6,650,000                                            |
| <b>SABIN M. ABOITIZ*</b> , <i>President and Chief Executive Officer</i> | ₱5,325,000                                            |
| <b>ANA MARIA A. DELGADO*</b> , <i>Director</i>                          | ₱4,200,000                                            |

<sup>9</sup> Consisting of the monthly allowance and per diem. Per diem is based on the directors' attendance in the Board and Board Committee meetings, and their Committee memberships for the period January 1 to December 31, 2023.

\*A portion of the director's compensation was paid to their nominating company.

|                                                   |            |
|---------------------------------------------------|------------|
| JUSTO A. ORTIZ*, <i>Director</i>                  | ₱5,550,000 |
| CESAR G. ROMERO, <i>Lead Independent Director</i> | ₱5,950,000 |
| JOANNE G. DE ASIS, <i>Independent Director</i>    | ₱5,750,000 |
| PETER D. MAQUERA, <i>Independent Director</i>     | ₱5,700,000 |

**(2) Other Arrangements**

Other than payment of the directors' per diem and monthly allowance as previously stated, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

**(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangements**

There is no compensatory plan or arrangement between AEV and any executive officer that results or will result from the resignation or any other termination of employment or from a change in the management or control of AEV.

**(d) Warrants and Options Outstanding**

To date, AEV has not granted any stock option to its directors or officers.

**Item 7. Independent Public Accountant**

As a matter of policy, the Board Audit Committee (the "Audit Committee") selects, monitors, and reviews the independence, performance and effectiveness, scope of work, and fees and remuneration of the Company's external auditors. The performance of this function is done in consultation with the Chief Executive Officer, the Chief Financial Officer, and the Group Internal Audit Head. When appropriate, the Audit Committee may recommend to the Board of Directors the re-appointment or replacement of the current external auditor.

During the AEV board meeting on 7 March 2025, the Chairman of the Audit Committee reported to the Board that after the evaluation and assessment of the performance of SyCip Gorres Velayo & Co. (SGV) for 2024, the Audit Committee was satisfied with SGV's performance and recommended SGV's re-appointment as the Company's external auditor for 2025.

The Board of Directors discussed the Audit Committee's recommendation, and after discussion, approved the re-appointment of SGV. The Board of Directors has endorsed to the stockholders the re-appointment of SGV as the Company's external auditor for 2024.

The accounting firm of SGV has been AEV's Independent Public Accountant for the last 29 years. Ms. Jhoanna Feliza C. Go is AEV's audit partner from SGV since 2022. Ms. Go replaced Ms. Maria Veronica R. Pore who served as AEV's audit partner from 2017 to 2021. AEV complies with the requirements of Section 3(b) (ix) of SRC Rule 68 on the rotation of external auditors or signing partners and the two-year cooling-off period.

Representatives of SGV will be present during the 2025 ASM and will be given the opportunity to make a statement if they so desire. They are also expected to respond to appropriate questions if needed.

There was no event in the past 30 years where AEV and SGV (or the handling partner) had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The Chairman of the Audit Committee is Mr. Cesar G. Romero, an Independent Director. The other members are Mr. Peter D. Maquera and Ms. Joanne G. De Asis, both Independent Directors, and Ms. Ana Maria A. Delgado, and Mr. Erramon I. Aboitiz, Non-Executive Directors of AEV.

## Item 8. Compensation Plans

No action is to be taken during the 2025 ASM with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

## C. ISSUANCE AND EXCHANGE OF SECURITIES

### Item 9. Authorization or Issuance of Securities Other Than for Exchange

No action is to be taken during the 2025 ASM with respect to authorization or issuance of any securities other than for exchange of outstanding securities.

The following is a discussion of the Company's outstanding registered securities.

#### (a) Twenty-Five Billion Fixed Rate Retail Bonds Issued in August 2015

On 27 July 2015, the SEC issued the Order of Registration and Certificate of Permit to Offer Securities for AEV's fixed-rate retail bonds in the aggregate amount of up to ₱25 bn, inclusive of oversubscription (the "2015 Bonds"). The 2015 Bonds were then offered to the public on 28 July 2015 until 31 July 2015. The first tranche, equivalent to ₱24 bn was issued in 2015 in three series, as follows:

| Series   | Maturity Date               | Interest Rate Per Annum |
|----------|-----------------------------|-------------------------|
| Series A | Five Years and three months | 4.4722%                 |
| Series B | Seven Years                 | 5.0056%                 |
| Series C | Twelve Years                | 6.0169%                 |

The 2015 Bonds were listed with PDEX on 5 August 2015 for secondary market trading. Interest on the 2015 Bonds is paid quarterly in arrears every 6 August, 6 November, 6 February, and 6 May of each year for each subsequent interest payment date at which the bonds are outstanding.

AEV received the aggregate net proceeds of ₱24 bn from the offer and sale of 2015 Bonds. The breakdown of the use of proceeds is set out below:

|                                                                                         | Projected Usage<br>(Per Prospectus) | Actual Usage*             |
|-----------------------------------------------------------------------------------------|-------------------------------------|---------------------------|
| Capital Infusion into Aboitiz Land, Inc.                                                | ₱9,892,000,000.00                   | ₱10,000,000.00            |
| Capital Infusion into Apo Agua Infraestructura, Inc.                                    | 2,055,000,000.00                    | 14,000.00                 |
| Capital Infusion into Aseagas Corporation                                               | 311,000,000.00                      | 222,500,000.00            |
| Capital Infusion into PETNET, Inc.                                                      | 765,000,000.00                      | 125,000,000.00            |
| Full repayment of existing long-term debt to fund purchase of UBP shares in 2010 & 2011 | 1,188,000,000.00                    | 1,188,000,000.00          |
| Bond Issuance Costs                                                                     | 214,076,625.00                      | 219,925,521.28            |
| Acquisition of a stake in the Philippine business of Lafarge S.A.                       | 9,574,923,375.00                    | 22,234,560,478.72         |
| <b>TOTAL</b>                                                                            | <b>₱24,000,000,000.00</b>           | <b>₱24,000,000,000.00</b> |

*\*The actual amount spent for the above projects in 2015 reached ₱25.5 bn. The funding came from the ₱24 bn retail bond proceeds and the ₱1.5 bn balance from internally-generated funds.*

AEV has been paying interest to its bondholders since 6 November 2015.

In 2020, the Company fully paid its Series A 2015 Bonds.

On 10 August 2021, the Company fully paid the Series B 2015 Bonds amounting to ₱8.47 bn, a year ahead of its 2022 maturity schedule.

As of 28 February 2025, only the 12-year Series C 2015 Bonds remain outstanding.

**(b) Thirty Billion Fixed Rate Peso Denominated Retail Bonds (2019)**

On 29 January 2019, the Board approved the issuance of a fixed-rate peso-denominated retail bonds in the aggregate amount of up to ₱30 bn, to be registered under the shelf registration program of the SEC (the “2019 Bonds”). Subsequently, the members of the Board approved the issuance of the first tranche of its 2019 Bonds equivalent to ₱3 bn and with an oversubscription option of up to ₱2 bn (the “First Tranche 2019 Bonds”) on 7 March 2019.

On 3 June 2019, the SEC issued the Order of Registration and Certificate of Permit to Offer Securities for AEV’s 2019 Shelf Program and the public offering of its First Tranche 2019 Bonds which was issued in two series.

| Series   | Maturity Date | Interest Rate Per Annum |
|----------|---------------|-------------------------|
| Series A | Five Years    | 6.0157%                 |
| Series B | Ten Years     | 6.3210%                 |

The First Tranche 2019 Bonds were listed with PDEX on 18 June 2019 for secondary market trading. Interest is paid quarterly in arrears every 21 May, 21 August, 21 November, and 21 February of each year for each subsequent interest payment date at which the bonds are outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AEV received the aggregated net proceeds of ₱4.94 bn from the offer and sale of the First Tranche 2019 Bonds. The breakdown of the use of proceeds is set out below (amount in thousand pesos):

|                                                              | Projected Usage<br>(Per Prospectus) | Actual Usage      |
|--------------------------------------------------------------|-------------------------------------|-------------------|
| Repayment of Medium-term Loan of AEV International Pte. Ltd. | ₱4,936,384                          | ₱4,937,310        |
| Bond issuance costs                                          | 63,616                              | 62,690            |
| <b>TOTAL</b>                                                 | <b>₱5,000,000</b>                   | <b>₱5,000,000</b> |

On 5 November 2019, the Board approved the issuance of up to ₱10 bn fixed-rate retail bonds (the “Second Tranche 2019 Bonds”). The SEC issued the Certificate of Permit to Offer Securities on 29 October 2020 for the Second Tranche 2019 Bonds, which was then offered to the public from 29 October 2020 until 6 November 2020. The Second Tranche 2019 Bonds, equivalent to ₱7.55 bn including oversubscription, were issued in two series:

| Series   | Maturity Date | Interest Rate Per Annum |
|----------|---------------|-------------------------|
| Series C | Three Years   | 2.8403%                 |
| Series D | Five Years    | 3.3059%                 |

The Second Tranche 2019 Bonds were listed with PDEX on 16 November 2020 for secondary market trading. Interest is paid quarterly in arrears every 16 November, 16 February, 16 May, and 16 August of each year for each subsequent interest payment date at which the bonds are outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.



AEV received the aggregate net proceeds of ₱7.45 bn from the offer and sale of Second Tranche 2019 Bonds. The breakdown of the use of proceeds is set out below (in thousand pesos):

|                                                                                                                                                    | Projected Usage<br>(Per Prospectus) | Actual Usage <sup>10</sup> |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------|
| Payment of the maturing 2013 Series A Bonds                                                                                                        | ₱6,200,000                          | ₱6,200,000                 |
| Payment of the maturing 2015 Series A Bonds                                                                                                        | 2,664,112                           | 1,245,578                  |
| Partially finance the 2021 equity contributions to Apo Agua for the construction of a hydroelectric-powered bulk water treatment facility in Davao | 1,000,000                           | -                          |
| Bond issuance costs                                                                                                                                | 135,888                             | 104,422                    |
| <b>TOTAL</b>                                                                                                                                       | <b>₱10,000,000</b>                  | <b>₱7,550,000</b>          |

On 26 April 2021, the Board approved the issuance of up to ₱10 bn fixed-rate retail bonds (the “Third Tranche 2019 Bonds”). The SEC issued the Certificate of Permit to Offer Securities on 26 July 2021 for the Third Tranche 2019 Bonds, which was then offered to the public from 26 July 2021 until 30 July 2021. The Third Tranche 2019 Bonds, equivalent to ₱10 bn including oversubscription, were issued in two series.

| Series   | Maturity Date | Interest Rate Per Annum |
|----------|---------------|-------------------------|
| Series E | Four Years    | 3.2977%                 |
| Series F | Seven Years   | 3.3059%                 |

The Third Tranche 2019 Bonds were listed with PDEX on 9 August 2021 for secondary market trading. Interest is paid quarterly in arrears every 9 February, 9 May, 9 August, and 9 November of each year for each subsequent interest payment date at which the bonds are outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AEV received the aggregate net proceeds of ₱10 bn from the offer and sale of the Third Tranche 2019 Bonds. The breakdown of the use of proceeds is set out below (in thousand pesos):

|                                                                                                                                                                                                | Projected Usage<br>(Per Prospectus) | Actual Usage       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------|
| Refinance facilities drawn to fund the early redemption of the 2015 Series B Bonds                                                                                                             | ₱8,467,030                          | ₱8,467,030         |
| Partially finance Aboitiz InfraCapital’s 2021 equity contributions to Apo Agua to fund its requirements for the construction of a hydroelectric-powered bulk water treatment facility in Davao | 750,000                             | 750,000            |
| Finance future funding requirements of Aboitiz InfraCapital in 2022 for its towers project                                                                                                     | 643,629                             | 647,997            |
| Bond issuance costs                                                                                                                                                                            | 135,341                             | 134,973            |
| <b>TOTAL</b>                                                                                                                                                                                   | <b>₱10,000,000</b>                  | <b>₱10,000,000</b> |

AEV has been paying interest to its bondholders since 18 September 2019 and 16 February 2021, for the First and Second Tranche Bonds, respectively. The Company started paying interest on the Third Tranche 2019 Bonds beginning on 9 November 2021.

As of 24 March 2025, Series A and C from the First and Second Tranches have been fully paid.

On 25 August 2022, the Board approved the issuance of up to ₱7.45 bn fixed-rate retail bonds (the “Fourth Tranche 2019 Bonds”), together with the application for a new shelf registration program

<sup>10</sup> The full allotment for the oversubscription was not availed.

with the SEC for the issuance of fixed-rate peso-denominated retail bonds with an aggregate principal amount of up to ₱30 bn, to be issued in one or more tranches, depending on market conditions (the “2022 Shelf Program”).

**(c) Thirty Billion Fixed Rate Peso Denominated Retail Bonds (2022)**

On 25 August 2022, the members of the Board approved the issuance of the first tranche from its 2022 Shelf Program equivalent to ₱4.55 bn inclusive of oversubscription option (the “First Tranche 2022 Bonds”). Subsequently, the Board of Directors of the Company approved the increase in the amount of the oversubscription option to ₱12.55 bn. The issuance of the Fourth Tranche 2019 Bonds and the First Tranche 2022 Bonds amounted to a total issue size of ₱20 bn fixed-rate retail bonds (the “2022 Bonds”). The increase in the oversubscription option allowed for greater flexibility amidst robust liquidity in the capital markets.

The SEC issued the Certificate of Registration and the Permit to Offer Securities on 22 November 2022 for the 2022 Bonds, which was then offered to the public from 22 November 2022 until 28 November 2022. The 2022 Bonds were issued in two series.

| Series   | Maturity Date              | Interest Rate Per Annum |
|----------|----------------------------|-------------------------|
| Series A | Three Years and Six Months | 6.8725%                 |
| Series B | Seven Years                | 7.5321%                 |

The First Tranche 2022 Bonds were listed with PDEX on 7 December 2022 for secondary market trading. Interest is paid quarterly in arrears every 7 March, 7 June, 7 September, and 7 December of each year for each subsequent interest payment date at which the bonds are outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AEV received the aggregate net proceeds of ₱20 bn from the offer and sale of the 2022 Bonds. The breakdown of the use of proceeds is set out below (in thousand pesos):

|                                                                 | Projected Usage<br>(Per Prospectus) | Actual Usage       |
|-----------------------------------------------------------------|-------------------------------------|--------------------|
| Partially finance Aboitiz InfraCapital’s acquisition in GMCAC   | ₱18,756,283                         | ₱19,759,321        |
| Refinancing of the maturing AEV Series C 2.8403% Bonds Due 2023 | 1,000,000                           | -                  |
| Bond issuance costs                                             | 243,717                             | 240,679            |
| <b>TOTAL</b>                                                    | <b>₱20,000,000</b>                  | <b>₱20,000,000</b> |

On 30 May 2023, the members of the Board approved the issuance of the second and final tranche of its 2022 Bonds equivalent to ₱17.45 bn inclusive of oversubscription option (the “Second Tranche 2022 Bonds”). The SEC issued the Certificate of Registration and the Permit to Offer Securities on 7 September 2023.

The Second Tranche 2022 Bonds was then offered to the public from 7 September 2023 until 13 September 2023. The Second Tranche 2022 Bonds were issued in three series.

| Series   | Maturity Date | Interest Rate Per Annum |
|----------|---------------|-------------------------|
| Series C | Two Years     | 6.3402%                 |
| Series D | Five Years    | 6.4762%                 |
| Series E | Ten Years     | 6.8032%                 |



The Second Tranche 2022 Bonds were listed with PDEX on 21 September 2023 for secondary market trading. Interest is paid quarterly in arrears every 21 December, 21 March, 21 June, and 21 September of each year for each subsequent interest payment date at which the bonds are outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AEV received the aggregate net proceeds of ₱17.45 bn from the offer and sale of the Second Tranche 2022 Bonds. The breakdown of the use of proceeds is set out below (in thousand pesos):

|                                                                                                   | Projected Usage<br>(Per Prospectus) | Actual Usage      |
|---------------------------------------------------------------------------------------------------|-------------------------------------|-------------------|
| To partially fund the acquisition of 40% equity interest in Coca-Cola Beverages Philippines, Inc. | ₱11,382,434                         | -                 |
| Refinancing of the maturing AEV Series C 2.8403% Bonds Due 2023                                   | 5,853,300                           | 5,853,300         |
| Bond issuance costs                                                                               | 214,266                             | 216,470           |
| <b>TOTAL</b>                                                                                      | <b>₱17,450,000</b>                  | <b>₱6,069,770</b> |

AEV started paying interest to its bond holders of the First Tranche 2022 Bonds on 7 March 2023 and Second Tranche 2022 Bonds on 21 December 2023.

**Item 10. Modification or Exchange of Securities**

No action is to be taken during the 2025 ASM with respect to modification of any other class of issued securities of AEV, or the issuance or authorization for issuance of one class of securities in exchange for outstanding securities of another class.

**Item 11. Financial and Other Information**

No other action is to be taken during the 2025 ASM with respect to any matter specified in Items 9 or 10.

**Item 12. Mergers, Consolidations, Acquisitions and Similar Matters**

No action is to be taken during the 2025 ASM with respect to any transaction involving: (i) merger or consolidation into or with any other person or of any other person into or with AEV; (ii) acquisition by AEV or any of its security holders of securities of another person; (iii) acquisition of any other going business or of the assets thereof; (iv) sale or other transfer of all or any substantial part of the assets of AEV; or (v) liquidation or dissolution of AEV.

**Item 13. Acquisition or Disposition of Property**

No action is to be taken during the 2025 ASM with respect to acquisition or disposition of any property of AEV.

**Item 14. Restatement of Accounts**

No action is to be taken during the 2025 ASM with respect to restatement of any asset, capital or surplus account of AEV.

## D. OTHER MATTERS

### Item 15. Action with Respect to Reports

The following action require approval and ratification from the stockholders during the 2025 ASM:

- (a) Approval of the Minutes of the 2024 Annual Meeting of Stockholders dated 22 April 2024 (A summary and copy of the 2024 ASM Minutes are attached as **Annexes “C” and “C-1”**). The approval of the minutes is only with respect to the correctness of the minutes and not as to any of the matters referred therein. The minutes may also be viewed at the Company’s website at: <https://www.aboitiz.com/investor-relations/stockholder-meeting/annual-stockholder/8942f2be-f471-4be7-9446-9eb03a5e1240> and covers the following matters:
  - 1) Reading and approval of the minutes of the previous Annual Stockholders’ Meeting on 24 April 2023;
  - 2) Presentation of the President’s Report;
  - 3) Approval of the Annual Report and Audited Financial Statements as of 31 December 2023;
  - 4) Appointment of External Auditor for 2024;
  - 5) Election of the Members of the Board of Directors;
  - 6) Ratification of the Acts, Resolutions, and Proceedings of the Board of Directors, Corporate Officers, and Management from 24 April 2023 up to 21 April 2024; and
  - 7) Other Business
- (b) Approval of the 2024 Annual Report of Management and Financial Statements of the Company; and
- (c) General ratification of the acts of the Board of Directors, corporate officers, and the management from 22 April 2024 up to 27 April 2025.

These acts are covered by resolutions of the Board duly adopted during the normal course of trade or business of the Company.

The Company’s President and Chief Executive Officer, Mr. Sabin M. Aboitiz will present the President’s Report during the 2025 ASM. The President’s Report will be an assessment of the Company’s 2024 performance and will include information on any material change in the Company’s business, strategy, and other affairs, if any. The President’s report for the 2025 ASM is not yet available at the time that the Company’s Information Statement is due for submission to the SEC. It will be uploaded and may be viewed at the Company’s website at <https://aboitiz.com/2025asm> as soon as available before the 2025 ASM.

### Item 16. Matters Not Required to be Submitted

The Company intends to present for approval by the stockholders during the Annual Stockholders Meeting the amendment of Articles Three and Seven of the Company’s Articles of Incorporation. Other than these, no action is to be taken with respect to any matter that does not require the submission to a vote of security holders.

- (a) **Ratification of acts, resolutions, and proceedings of the Board of Directors, Corporate Officers and Management from 22 April 2024 up to 27 April 2025.** The proposal is intended to allow the stockholders to ratify the acts of the Board of Directors and Officers of the Company as a matter of procedure or policy.

The resolutions approved by the Board in its regular and special meetings refer only to acts done by the Board of Directors, corporate officers, and management in the ordinary course of business. The board resolutions are enumerated in this Information Statement. The Company also regularly discloses material transactions approved by the Board. These disclosures are available for viewing and can be downloaded at the Company’s website at [www.aboitiz.com](http://www.aboitiz.com).

Below is the list of the resolutions approved by the Board of Directors from 22 April 2024 up to 27 April 2025:

**Regular Board Meeting on 25 April 2024**

1. Renew the Authorities to Enter into Non-Disclosure Agreements, Letters of Instruction, Memoranda of Agreement and Other Preliminary Agreements Involving:
  - a. Potential Acquisitions or Transactions;
  - b. Media Relation Transactions;
  - c. Human Resources (HR) Related Transactions;
  - d. Information Technology (IT) Related Transactions; and
  - e. Transactions by the Transformation Office
2. Renew Authority to Purchase, Sell, or Deal in Any Manner with the Motor Vehicles of the Company;
3. Renew Authority to Transact and File Reports to the Philippine Stock Exchange, Inc. (PSE), Philippine Dealing & Exchange Corporation (PDEX), and the Securities Exchange Commission (SEC);
4. Renew the Authority of the Data Protection Officer to Transact with the National Privacy Commission (NPC);
5. Approve the 2023 Integrated Annual Corporate Governance Report;
6. Approval of the Company's Redundancy Program;
7. Renew the Company's Authority to Buyback AEV, UBP, and AboitizPower Shares;
8. Subscribe to UnionBank's Stock Rights Offering;
9. Update Authorized Representatives for Transactions with Globe Telecom, Inc.;
10. Update Authorized Representatives for Transactions with Pilipinas Shell Petroleum Corporation;
11. Update Authorized Representatives for Transactions with the Home Development Mutual Fund;
12. Update Authorized Representatives for Transactions with the Philippine Health Insurance Corporation; and
13. Update Authorized Representatives for Transactions with the Social Security System

**Regular Board Meeting on 26 June 2024**

1. Appoint Authorized Representatives for Transactions with Interpharma Solutions Philippines, Inc.;
2. Open an Account with AB Capital Securities, Inc.;
3. Update Authorized Representatives for all Settlements, Payments and for Availment of UnionBank Business Banking, other bank products; and
4. Update Authorized Representatives for Transactions with Smart Telecommunications, Inc.

**Regular Board Meeting on 29 July 2024**

1. Amendment of Financial Levels of Authority (FINLOA);
2. Execute Lease in Makati Property; and
3. Infuse Capital to AEV CRH Holdings Inc. as Additional Paid In Capital

**Regular Board Meeting on 28 August 2024**

1. Update Authorized Representatives to Process Retirement Plan with Bureau of Internal Revenue (BIR); and
2. Update Authorized Representatives to Transact and File Reports with the Philippine Depository & Trust Corporation

**Regular Board Meeting on 25 September 2024**

1. Appoint Authorized Signatory for the Sale of the Shares in Pico Far East Holdings Ltd.; and
2. Update the Authorized Signatories for Transactions with Papa Securities Corporation

**Regular Board Meeting on 28 October 2024**

1. Update Authorized Representatives for the Renewal of Property Insurance Policies

**Regular Board Meeting on 17 December 2024**

1. Appoint Authorized Representatives to Process Building Permit Application;
2. Appoint Authorized Representatives to Represent the Company in Land Registration Proceedings and Processing Documents and Certifications;
3. Appointment of Mr. Jose Emmanuel U. Hilado as the Company's Chief Risk Officer;
4. Appointment of Ms. Charmaine R.A. Valmonte as the Company's Data Protection Officer;
5. Authority to Sell Real Properties;
6. Changes in the Membership of the Board Cyber and Information Security Committee;
7. Revocation of the Authority of Step Asia, Inc.; and
8. Update Authorized Representatives for the Creditable Withholding Tax Refund Application

**Regular Board Meeting on 28 January 2025**

1. Authorize Trademark Application in China National Intellectual Property Administration;
2. Update Authorized Representatives to Transact with the BIR;
3. Renewal of Authority for Representatives to Attend to the ASMs of AEV's Investee Companies, Organizations, or Associations;
4. Amendment of Internal Audit and Board Audit Committee Charters;
5. Amend Article Three to Change the Company's Principal Place of Business
6. Amend Article I Sections 1, 3, and 8; Article II Sections 1, 2, and 4; and Article IV Section 6 of the Company's By-Laws
7. Update Authorized Representatives to Enter into Non-Disclosure Agreements, Letters of Instruction, Memorandum of Agreements, and Other Preliminary Agreements Involving:
  - a. Potential Acquisitions or Transactions of the Company; and
  - b. Transactions of the Transformation Office

**Regular Board Meeting on 26 February 2025**

1. Open an Account with CLSA Philippines, Inc.;
2. Amend Board Risk and Reputation Management Committee and Sustainability, Governance, and Related Party Transactions Committee Charters; and
3. Update Authorized Representatives for Transactions with the Home Development Mutual Fund

**Special Board Meeting on 7 March 2025**

1. Authorize the Conduct of Virtual Annual Stockholders' Meeting in 2025;
2. Authorize the Use of an Online Voting Platform for the 2025 ASM;
3. Approval of the Agenda, Date, Venue, and Record Date for the 2025 ASM;
4. Appoint the Board Election Inspectors for the 2025 ASM;
5. Appoint the Proxy Validation Committee Members;
6. Endorse the Appointment of SGV as External Auditor for 2025;
7. Cash Dividend Declaration; and
8. Approval of 2024 Audited Financial Statements

**Regular Board Meeting on March 26, 2025**

1. Use of 2024 Dividends from AEV International Pte. Ltd.;
2. Renew Accreditation with the Board of Accountancy;
3. Appoint Authorized Representatives for Land Titles and Tax Transactions;
4. Infuse Capital into Aboitiz InfraCapital, Inc.;
5. Delegate to the Board of Directors the Authority to List of the Common and Preferred Shares; and
6. Amend Article Seven of the Company's Articles of Incorporation to Authorize and Delegate the Listing of the Company's Common or Preferred Shares to the Board of Directors.

A resolution to ratify the acts, resolutions, and proceedings of the Board of Directors, corporate officers and management from 25 April 2024 up to 27 April 2025 shall be presented to the stockholders for approval.

**Item 17. Amendment of Charter, By-Laws or Other Documents**

- (a) **Amendment of Article III of the Company's Articles of Incorporation.** At its meeting on 28 January 2025, the Board of Directors approved to amend Article III of the Company's Articles of Incorporation to reflect the change in its principal place of business to its future corporate headquarters in Makati City.

At the 2025 ASM, proposed amendment of Article III of the Company's Articles of Incorporation will be submitted for the approval of the Company's stockholders, to read as follows:

THIRD : That the place where the principal office of the corporation is to be established or located is at **Ayala Triangle Gardens Tower 2, Paseo de Roxas, Corner Makati Avenue, Makati City, Metro Manila, Philippines.**

A resolution approving the proposed amendment to Article Third of the Company's Articles of Incorporation shall be presented for the approval of stockholders representing at least two-thirds of the outstanding capital stock.

- (b) **Amend Article VII of the Company's Articles of Incorporation.** At its meeting on 26 March 2025, the Board of Directors approved Article Seventh of the Company's Articles of Incorporation to delegate to the Board of Directors the authority to list the Company's Common or Preferred Shares, as read below:

"SEVENTH. That the authorized capital stock of said corporation is TEN BILLION (P10,000,000,000.00) PESOS, and said capital stock is divided into:

1. Nine Billion Six Hundred Million (9,600,000,000) COMMON SHARES with a par value of One Peso (P1.00) per share;
2. Four Hundred Million (400,000,000) PREFERRED SHARES with a par value of One Peso (P1.00) per share.

PREFERRED shares shall be non-voting, non-convertible, and shall have preference over common shares in case of liquidation or dissolution of the corporation. The Board of Directors or the Executive Committee is expressly authorized to issue preferred shares in one or more series, establish and designate each particular series of preferred shares, fix the number of shares to be included in the series, and to determine the dividend rate, issue price, designations, relative rights, preferences, privileges and limitations, tenor, and other terms and conditions of the preferred shares and/or series of shares. Preferred shares may or may not be cumulative, participating, or redeemable, as may be determined by the Board of Directors or the Executive Committee.

Upon redemption, preferred shares (whether unissued, issued and outstanding, including all existing treasury shares) shall not be considered retired, but may be reissued under such terms and conditions as may be determined by the Board of Directors or the Executive Committee.

**The Board of Directors or the Executive Committee is expressly authorized to determine whether the common or preferred shares shall be, upon their issuance or re-issuance, listed with the facilities of the Philippine Stock Exchange (PSE), or in such other exchanges as the Board of Directors may deem appropriate with full authority to apply for one or more such listing/s at the relevant time/s.**

No holder of shares of the capital stock of any class of the corporation shall have any pre-emptive or preferential right of subscription to any shares of any class of stock of the corporation whether now or hereafter authorized, other than such, if any, as the Board of Directors, in its discretion, may from time to time determine and at such price as the Board of Directors may from time to time set."

Although the Board of Directors or the Executive Committee currently has the authority to issue the preferred shares, and to fix the terms and issue price thereof, the proposed amendment allows the Company to comply with the requirement by the Philippine Stock Exchange (PSE or the “Exchange”) for a shareholders’ approval before any listing of common or preferred shares on to the Exchange.

A resolution approving the delegation to the Board of Directors and the proposed amendment to Article Seventh of the Company’s Articles of Incorporation shall be presented for the approval of stockholders representing at least two-thirds of the outstanding capital stock.

- (c) **Amendment of the Company’s By-Laws.** Pursuant to the Board’s delegated power under Article VII of the Amended By-Laws to amend, repeal, or alter in whole or in part, the Company’s By-Laws, or adopt new By-Laws, the Board of Directors, in its regular Board Meeting held on 28 January 2025, approved to amend Article I Sections 1, 3, and 8; Article II Sections 1, 2, and 4; and Article IV Section 6 of the Company’s By-Laws to reflect the change in its principal place of business and align with the provisions of the Revised Corporation Code, the Company’s updated corporate governance practices, and applicable SEC rules and regulations. The AEV Board also authorized the Corporate Secretary to make editorial clean ups on the Company’s By-Laws.

As amended and upon approval by the SEC, Article I Sections 1, 3, and 8; Article II Sections 1, 2, and 4; and Article IV Section 6 of the Company’s By-Laws will read as follows:

## ARTICLE I

SECTION I Annual Meeting - The annual meeting of the stockholders shall be held, if practicable, at the principal office of the Company at Ayala Triangle Gardens Tower 2, Paseo de Roxas, Corner Makati Avenue, Makati City, Metro Manila, Philippines, or in lieu thereof at any location within Metro Manila that the Board of Directors may approve, and at a time to be announced by the Board of Directors on the day which is the 4th MONDAY OF APRIL of each year; provided that if such day is a legal holiday, the annual meeting of the stockholders shall be held on the next succeeding business day.

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SECTION 3. Notices – Notice of time and place of annual or special meetings of the stockholders shall be given personally, by mail addressed to each stockholder of record at the address left by such stockholder with the Corporate Secretary of the Corporation or at his last known address, by telefacsimile, electronic mail, publication in a newspaper of general circulation, or any other manner as the Securities and Exchange Commission shall allow under its rules and regulations, at least twenty one (21) days before the date set for such meetings; Provided, however, that in the case of special meetings, notice shall be given at least one (1) week before the said meeting and shall state the object or objects of the same. For this purpose, the Corporate Secretary may require stockholders to provide their updated electronic mail (e-mail) address through which notices from the Corporation may be sent.

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SECTION 8. Minutes – Minutes of all meetings of the stockholders shall be kept and preserved as a record of the business transacted at such meetings. The minutes shall contain such entries as may be required by law or rules and regulations as may be issued by the Securities and Exchange Commission from time to time.

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## ARTICLE II

SECTION 1. Qualification and Election –



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Nominations for election of members of the Board of Directors by stockholders **shall be accepted starting January 1 of the year in which such nominee is to serve. Nominations shall be closed by February 15 of the same year,** except as may be provided by the Board of Directors in appropriate guidelines that it may promulgate from time to time in compliance with law.

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SECTION 2. Independent Directors - The Corporation shall have at least two (2) independent directors or at least twenty percent (20%) of the entire Board membership, whichever is lesser. The independent directors shall have all the qualifications and none of the disqualifications set forth in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations, **and circulars and guidelines that the Securities and Exchange Commission may issue from time to time.**

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SECTION 4. Meetings – The Board of Directors shall hold a meeting, for organization and for the election of officers, immediately after their election, of which meeting no notice is required. Thereafter, the Board of Directors shall hold regular meetings at **such frequency and dates as the Board may determine in its discretion.**

Special meetings of the Board of Directors may be called by the Chairman or the President or on the written request of two (2) directors on **at least two (2)** day's prior notice to each director personally, in writing, by telefacsimile, electronic media.

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SECTION 6. Loss or Destruction of Certificates – The Board of Directors may direct a new certificate of stock to be issued in place of any certificate alleged to have been lost, **stolen,** or destroyed. The Board of Directors authorizing such issue of a new certificate, may, in its discretion, require the owner of the stock or his legal representative to furnish proof by affidavit or otherwise to the satisfaction of the Board as to ownership of the stock alleged to have been lost, **stolen,** or destroyed, and the facts which supported its loss or destruction.

The Board of Directors may also require him to give notice of such loss, **theft,** or destruction by publication or otherwise, as it may direct, and cause the delivery to the Corporation of a bond with or without sureties in such sum as it may direct, indemnifying the Corporation from any claims that may be made against it by reason of the issue of such new certificate. **If a contest has been presented to the Corporation or if an action is pending in court regarding the ownership of the certificate of stock which has been alleged lost, stolen, or destroyed, the Corporation may refuse to issue a new certificate of stock until the court renders a final decision regarding the ownership of the certificate of stock which has been alleged lost, stolen, or destroyed.**

**Except in case of fraud, bad faith, or negligence on the part of the Corporation and its officers, no action may be brought against the Corporation which shall have issued a certificate of stock in lieu of those lost, stolen or destroyed pursuant to the procedure set forth above.**

Given that the Company's stockholders have already delegated to the members of the Board of Directors the authority to amend the By-Laws, the amendments to the By-Laws will become effective upon the approval by SEC.

## Item 18. Other Proposed Actions

- (a) **Approval of the 2024 Annual Report and Financial Statements.** The proposal is intended to present to the stockholders the results of the Company's operations in 2024, in accordance with Section 74 of the Revised Corporation Code.

The Company's audited financial statements as of 31 December 2024 will be integrated and made part of the Company's Definitive Information Statement. The Definitive Information Statement will be distributed to the stockholders at least 15 business days prior to the ASM, and the same will be posted at the Company's website at <https://aboitiz.com> and in the PSE EDGE portal at <edge.pse.com.ph>.

A resolution approving the 2024 Annual Report and Audited Financial Statements shall be presented to the stockholders for approval.

- (b) **Appointment of the Company's External Auditor for 2025.** The proposal is intended to appoint an auditing firm which can best provide assurance to the directors and stockholders on the integrity of the Company's financial statements and adequacy of its internal controls. The Board Audit Committee and the Board of Directors will endorse SGV as the external auditor for 2025 for the stockholders to appoint.

The profile of the external auditor is disclosed in this Information Statement.

A resolution for the appointment of the Company's external auditor for 2025 shall be presented to the stockholders for approval.

- (c) **Approval of the Delegation to the Board of Directors of the Authority to List the Company's Common and/or Preferred Shares.** Currently the Board of Directors has delegated authority to issue common or preferred shares of the Company and fix its terms. For clarity, the proposal is intended to provide the Company's Board of Directors with the authority to determine whether to list the Company's common or preferred shares pending the SEC's approval of the proposed amendment to Article VII of AEV's Articles of Incorporation.

A resolution for the delegation to the Board of Directors of the authority to list the Company's common and/or preferred shares will be presented to the stockholders for approval.

- (d) **Ratification of Acts, Resolutions, and Proceedings of the Board of Directors, Corporate Officers, and Management from 22 April 2024 up to 27 April 2025.** The proposal is intended to allow the stockholders to ratify the acts of the Board of Directors and Officers of the Company as a matter of procedure or policy.

The resolutions approved by the Board in its regular and special meetings refer only to acts done by the Board of Directors, corporate officers, and management in the ordinary course of business or pursuant to delegated authority. The board resolutions are enumerated in this Information Statement. The Company also regularly discloses material transactions approved by the Board. These disclosures are available for viewing at, and can be downloaded from, the Company's website at <https://aboitiz.com>.

A resolution to ratify the acts, resolutions, and proceedings of the Board of Directors, corporate officers, and management from 22 April 2024 up to 27 April 2025 shall be presented to the stockholders for approval.

## Item 19. Voting Procedures

- (a) **Votes Required for Matters Submitted to Stockholders for Approval and Election of Directors**

Section 4, Article I of the Amended By-Laws of AEV states that a quorum for any meeting of stockholders shall consist of the majority of the outstanding capital stock of AEV. Majority of such

quorum shall decide on any question in the meeting, except those matters in which the Revised Corporation Code requires a greater proportion of affirmative votes.

Regarding the election of members of the Board, nominees who receive the highest number of votes shall be declared elected, pursuant to Section 23 of the Revised Corporation Code.

For other matters submitted to the stockholders for approval, the affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the 2025 ASM is required except for the amendment to Article III and VII of the Company's Articles of Incorporation which requires the affirmative vote of stockholders representing at least two-thirds of the outstanding capital stock of the Company.

The required number of stockholder votes for each proposed resolution is summarized in the table below:

| <b>Proposed Resolutions</b>                                                                                                                                                                                                                                                  | <b>Required Number of Votes<br/>(One Share – One Vote)</b>                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Reading and Approval of the Minutes of the Annual Stockholders' Meeting held on April 22, 2024</b>                                                                                                                                                                        | The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the 2025 ASM. |
| <b>Approval of the 2024 Annual Report and Financial Statements</b>                                                                                                                                                                                                           | The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the 2025 ASM. |
| <b>Appointment of the Company's External Auditor for 2025</b>                                                                                                                                                                                                                | The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the 2025 ASM. |
| <b>Election of the Members of the Board of Directors</b>                                                                                                                                                                                                                     | The nine nominees with the greatest number of cumulative votes shall be declared elected.                                                 |
| <b>Approval of the Delegation to the Board of Directors of the Authority to List the Company's Common and/or Preferred Shares</b>                                                                                                                                            | The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the 2025 ASM. |
| <b>Approval of the Amendment of Article Third of the Company's Articles of Incorporation to Change the Company's Principal Place of Business</b>                                                                                                                             | The affirmative vote of at least two-thirds of the issued and outstanding capital stock entitled to vote and represented at the 2025 ASM. |
| <b>Approval of the Amendment of Article Seventh of the Company's Articles of Incorporation to Delegate to the Board of Directors the Authority to List the Company's Common or Preferred Shares</b>                                                                          | The affirmative vote of at least two-thirds of the issued and outstanding capital stock entitled to vote and represented at the 2025 ASM. |
| <b>Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management from April 22, 2024 up to April 27, 2025.</b>                                                                                                          | The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the 2025 ASM  |
| <b>Ratification of the authority to amend the By-Laws to Change the Company's Principal Place of Business and align with the provisions of the Revised Corporation Code, the Company's updated corporate governance practices, and applicable SEC rules and regulations.</b> | The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the 2025 ASM  |

**(b) The Method by which Votes will be Counted**

The Company intends to conduct the 2025 ASM through remote communication, in accordance with the Revised Corporation Code and the applicable SEC Circulars. Stockholders who are unable to attend the meeting may execute a proxy in favor of a representative, or vote electronically *in absentia* through the ASM Portal which will be available at <https://aboitiz.com/2025asm> on 28 March 2025. Stockholders voting electronically *in absentia* shall be deemed present for purposes

of quorum. See **Annex “G”** for complete information on the process for voting via remote communication or *in absentia*, including the requirements and the validation procedure.

In the election of directors, the nine nominees with the greatest number of votes shall be declared elected. If the number of nominees does not exceed the recorded number of directors to be elected, all the shares present or represented at the meeting will be voted in favor of the nominees.

In the election of directors, the stockholder may choose to do any of the following:

- (i) Vote such number of shares for as many person(s) as there are directors to be elected;
- (ii) Cumulate such shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares; or
- (iii) Distribute his shares on the same principle as option (ii) among as many candidates as he shall see fit, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him, multiplied by the whole number of directors to be elected.

The method of counting the votes shall be in accordance with the general provisions of the Revised Corporation Code. The counting of votes cast electronically through the ASM Portal, together with the votes cast through proxies, shall be done by the representatives from the Office of the Corporate Secretary, who shall serve as members of the Election Committee. The counting of votes shall be witnessed and the results verified by the duly appointed Independent Board of Election Inspectors, Luis Cañete & Company, an independent accounting firm.

Other than the nominees’ election as directors, no director, executive officer, nominee, or associate of any nominee has any substantial interest, direct or indirect, by security holdings or otherwise, in any way in the matters to be taken up during the ASM. AEV has not received any information that an officer, director or stockholder intends to oppose any action to be taken at the 2025 ASM.

This Information Statement in SEC Form 20-IS is given free of charge to the stockholders prior to the Annual Stockholders' Meeting of the Company. AEV stockholders may likewise request for a copy of the 2024 Annual Report on SEC Form 17-A which will be given free of charge upon written request. Please write to:

**Office of the Corporate Secretary:**

Aboitiz Equity Ventures Inc.  
NAC Tower, 32<sup>nd</sup> Street,  
Bonifacio Global City  
Taguig City, Metro Manila  
1634 Philippines  
email: [AEV\\_BoardSecretariat@aboitiz.com](mailto:AEV_BoardSecretariat@aboitiz.com)

**Attention:** Ms. Connie G. Chu

This Information Statement will also be posted at AEV's website: [www.aboitiz.com](http://www.aboitiz.com)  
and in the PSE EDGE portal at [edge.pse.com.ph](http://edge.pse.com.ph)

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report was signed in the City of Taguig on 31 March 2025.

**ABOITIZ EQUITY VENTURES INC.**

By:



**CONNIE G. CHU**  
Corporate Secretary

## PART I – BUSINESS AND GENERAL INFORMATION

### A. Item 1. Business of the Registrant

#### *Overview of Business of the Registrant*

**Aboitiz Equity Ventures Inc.**, is the public holding and management company of the Aboitiz Group, one of the largest conglomerates in the Philippines. The Company was originally incorporated as Cebu Pan Asian Holdings, Inc. on 11 September 1989. Its name was later changed to Aboitiz Equity Ventures Inc. on 29 December 1993, and its ownership was opened to the general public through an initial public offering (IPO) of its common shares in 1994.

AEV's core businesses, conducted through its various domestic and international Subsidiaries and Associates across 8 countries, are grouped into five main categories:

- **Power.** AEV's power generation, distribution, and retail electricity supply businesses are operated through AboitizPower and its Subsidiaries, Joint Ventures, and Associates (collectively, "AboitizPower"). AboitizPower holds leadership positions across its various segments. AboitizPower is also a pioneer in building and operating run-of-river mini hydropower plants in the country and has the largest installed capacity of renewable energy under its market control.

On 10 December 2021, the AEV stockholders ratified the sale of 25.01% of the Company's equity ownership in AboitizPower (equivalent to 25.01% of the total outstanding capital stock of AboitizPower) to JERA Asia, an affiliate of JERA, Japan's largest power generation company. Including the shares acquired from ACO, JERA Asia now owns 27.00% of the total outstanding capital stock of AboitizPower. The proceeds from this transaction unlocked significant capital in AEV to fuel the expansion of its portfolio into high-growth sectors.

AboitizPower's common shares are listed on the PSE and as of 24 March 2025, AboitizPower had a market capitalization of ₱277.43 bn, with a share price of ₱38.50 per share.

- **Food and Beverage.** AEV's integrated agribusiness and food company is operated in the Philippines primarily through Pilmico Foods Corporation (Pilmico) and its Subsidiaries, and its international feeds business through Aboitiz Foods Holdings, Inc. and its various Subsidiaries and Associates (collectively as the "Food Group"). The Food Group is composed of two segments: (1) Agribusiness and (2) Food and Nutrition. Agribusiness covers feed milling, pet food and specialty nutrition while Food and Nutrition includes flour milling, hog and layers farming, meat slaughter and fabrication and commodity trading.

In July 2018, Pilmico International acquired a 75% equity interest in Gold Coin Management Holdings, Pte. Ltd. (GCMH) and its Subsidiaries (collectively, the "Gold Coin Group"), expanding AEV's animal feed business into 11 countries across the Asia-Pacific region. In May 2019, Pilmico International acquired the remaining 25% equity interest in GCMH.

On 23 February 2024, AEV, in partnership with Coca-Cola Europacific Partners Plc (CCEP), successfully completed the acquisition of then Coca-Cola Beverages Philippines, Inc. (CCBPI), the exclusive bottler and distributor of The Coca-Cola Company's products in the Philippines. As part of this transition, CCBPI rebranded in 2025, adopting its new name, Coca-Cola Europacific Aboitiz Philippines, Inc. (CCEAP), marking a new chapter in its history under joint ownership.

CCEAP is a leading beverage company in the Philippines, responsible for bottling, marketing, and distributing Coca-Cola products nationwide.



With a strong nationwide presence, CCEAP operates 18 manufacturing plants and approximately 80 sales offices and similar facilities across the country. The company employs nearly 9,000 employees and plays a vital role in the Philippine economy, supporting over a million micro-retailers and generating over 70,000 job opportunities throughout its value chain. Its current product portfolio includes many brands, including Coca-Cola, Royal, Sprite, Wilkins, Schweppes, Minute Maid, Nutri Boost, Predator, and Lemon Dou, catering to the evolving tastes and preferences of Filipino consumers.

- Financial Services.** AEV's financial services group is consolidated under its Associate, Union Bank of the Philippines and its key Subsidiaries, which include City Savings Bank, Inc., a thrift bank, UBP Investments Corporation, a holding company, UBX Philippines Corporation ("UBX PH"), an innovation and technology company, and UnionDigital Bank, Inc., the Bank's digital and banking arm. UnionBank is a universal banking corporation listed on the PSE and is among the top universal banks in the country, in terms of asset size as of 31 December 2024, as reported in disclosures made by private universal banks to the PSE. As of 28 February 2025, UnionBank had a market capitalization of ₱114.42 bn, with a price per common share of ₱34.50.
- Real Estate.** AEV's development of residential communities is through AboitizLand, Inc. (AboitizLand). As of 28 February 2025, AboitizLand had 13 residential projects in the selling phase across three different product types: lot only, house and lot, and condominiums.
- Infrastructure.** The infrastructure and infrastructure-related investments of the Aboitiz Group are primarily undertaken through Aboitiz InfraCapital, Inc. (Aboitiz InfraCapital) and AEV CRH Holdings, Inc. (AEV CRH). As of 28 February 2025, Aboitiz InfraCapital's business portfolio includes (i) administrative franchises to provide water and wastewater-related services to residential, commercial and industrial customers in Batangas, Cebu and Davao, among others, (ii) digital infrastructure, which includes common towers and data centers, (iii) regional airports, and (iv) economic estates projects.

AEV CRH Holdings, Inc. (AEV CRH) is AEV's partnership with CRH plc, a global leader in the manufacture and supply of building materials and products. AEV CRH acquired Republic Cement & Building Materials, Inc. (RCBM) together with its Subsidiaries and Affiliates (the "Republic Cement Group") in 2015. As of 28 February 2025, the Company believes that the Republic Cement Group is one of the country's leading local cement manufacturing and distribution companies with five integrated plants and one grinding facility in operation across Luzon, Visayas, and Mindanao.

**Others.** AEV's other investments include holdings in (a) aviation through AEV Aviation, Inc. (AEV Av), (b) insurance through Archipelago Insurance Pte. Ltd. (Archipelago Insurance), and (c) portfolio investments abroad through AEV International.

In 2022, AEV embarked on the Great Transformation ("GT 2025"), with the goal of becoming the country's first *techglomerate* by (i) harnessing technology and innovation to create exponential advantages, (ii) creating a more diversified portfolio that is substantially invested in the incubation of innovative and disruptive new ideas, products, services, and actual startup companies positioned for success in the future, and (iii) aspiring to become the public's *Partner of Choice* in modernizing and digitizing communities by helping government and institutions tech-up for more efficiency in developing the economy and society. Apart from modernizing and advancing the group's operations through the use of technology, an integral part of GT 2025 is the expansion of AEV's portfolio to the consumer segment, which should further enhance synergies within the Aboitiz Group.

As of 24 March 2025, ACO owned 49.27% of the outstanding capital stock of AEV, 5.00% was owned by directors, officers, and related parties, while the remaining 45.73% was owned by the public.

As of 24 March 2025, AEV had a market capitalization of ₱179.91 bn, with a share price of ₱32.40 per share.

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

## **B. ABOITIZ EQUITY VENTURES INC.**

AEV is one of the leading conglomerates in the Philippines, with investments in power, financial services, food and beverage, infrastructure, and real estate. As the public holding company of the Aboitiz Group, AEV is recognized for its sustainable business practices, innovation-driven strategies, and commitment to nation-building. AEV's current principal office address is at 32<sup>nd</sup> Street, Bonifacio Global City, Taguig City, Metro Manila. AEV and its Subsidiaries still maintain administrative and liaison offices in Cebu.

With a legacy spanning over a century, AEV has continuously evolved and diversified its portfolio to remain a market leader in its industries. Today, AEV is undergoing a Great Transformation to become the Philippines' first Techglomerate, integrating technology, data science, and artificial intelligence into its business operations to create greater value for its stakeholders.

### *Group Strategy*

The AEV group strategy is best understood through four strategic pillars that guide it in creating long-term value for all its stakeholders: (i) growing the business, (ii) engaging stakeholders, (iii) building human capital, and (iv) executing with excellence.

### *Business Growth*

AEV grows the business by continuing to explore businesses that meet the following criteria: (a) well-suited to AEV's experience and expertise in its existing business segments, (b) has dependable and growing sources of income, and (c) scalable with long-term growth potential. AEV seeks to grow within the Company's acceptable thresholds for risk, leverage, and returns to maintain sustainable growth. An integral part of AEV's strategy is to keep the Company's balance sheet healthy and to uphold the Company's ability to raise funds through the debt market.

While the Company is open to the possibility of expanding into new industries, AEV remains bullish on the long-term prospects of its five core businesses. AEV's business presence in the sectors in which it currently operates is aligned with the international indicators of economic growth and positions AEV well to take advantage of the country's economic cycle and to reap the benefits of demographic dividends.

### *Stakeholder Engagement*

AEV aims to maximize shared value for all the entities involved in its business and believes that direct, regular, open, and respectful dialogue with key stakeholders is seen as an essential element in developing mutually beneficial and sustainable relationships that help unlock value for all parties over the long-term.

### *Human Capital*

AEV's third strategic pillar is to build human capital by strengthening its capability to attract, retain, and optimize top caliber professionals who will not only help manage its businesses, but also work to enhance

the Aboitiz Group's capabilities and skills. Talent management and succession planning are at the core of AEV's strategy in relation to human capital.

The Aboitiz Group has always taken pride in leadership excellence across five smooth leadership transitions during the group's history while retaining the simple and entrepreneurial approach that fueled its expansion. This approach has played an integral part in the continuity of AEV's policies and the execution of its strategic business plans over time. Today, as a new generation of leaders of AEV's business takes shape, its leadership team will seek to continue to produce leaders from within the ranks, having a leadership bench that is capable of stimulating healthy change and progress within the organization. In building its future leadership team, AEV aims to seek out people who believe in its purpose and brand promise, whose values are aligned with its core values, and who will thrive in its long-standing culture.

#### *Execution Excellence*

AEV measures execution excellence by its ability to act in a timely and effective manner. AEV works continuously to enhance its business processes across all corporate service units and Strategic Business Units to ensure AEV maintains its competitive edge.

AEV attributes its ability to execute swiftly to the leadership of the AEV Board. The Board is composed of highly professional directors that work in an environment of respect and collegiality, where active participation, candidness, and robust discussions are not only encouraged but are the norm. The members of the AEV Board include three Independent Directors, five Non-Executive Directors, and one Executive Director, all of whom come from diverse professional backgrounds, such as economics, corporate finance, engineering, accounting, auditing, investment banking, and technology, in addition to experience in the private, government and multilateral agency sectors and other policy-making bodies. The AEV Board is supported by a capable and accountable management team and empowered team members, united in living the time-honored Aboitiz core values of Integrity, Teamwork, Innovation, and Responsibility.

In all its business ventures, AEV has adopted sound corporate governance practices, robust internal controls and compliance monitoring processes, and a well-functioning enterprise risk management system to satisfy the heightened expectations of its various stakeholders. AEV has been recognized as one of the best-managed companies in the Philippines and in the ASEAN region, and is frequently cited for its commitment to good corporate governance and corporate social responsibility.

#### *Sustainability and Corporate Governance*

Sustainable business practices have enabled the Aboitiz Group to operate commercially for over a century. A key component of its strategy is to match its business expansion with sustainability initiatives. AEV looks at a triple-bottom line to measure the impact of its activities not only on profit but also on people and the planet. The Company remains committed to strengthening its environmental, social, and governance (ESG) practices and communication strategy. AEV's goal is to grow profitably, while partnering with its stakeholders to create shared value, and minimize its environmental impact.

On 29 February 2024, the Board of Directors, after evaluation and consultation with the management and independent directors, approved the merger of the Environmental, Social and Corporate Governance (ESCG) Committee and the Related Party Transactions (RPT) Committee into one committee, renamed into the Sustainability, Governance, and Related Party Transactions (SGRPT) Committee. The committee supports the Board in its oversight of sustainability, corporate governance, material RPTs (as defined in the Related Party Transactions Policy), and nomination and compensation matters.

AEV reports on its areas of focus: team member engagement and development, corporate social responsibility, customer focus, disaster resilience, carbon emissions reduction, resource efficiency, renewable energy, waste management, financial growth, and financial returns. Its report has been prepared in reference to the Global Reporting Initiative (GRI) Standards. Its key performance indicators are aligned with the United Nations Sustainable Development Goals. AEV was one of the first Philippine businesses to support the United Nations' 17 Sustainable Development Goals. AEV published its first sustainability report in 2009, adopted the GRI reporting framework in 2014, and obtained external assurance for its 2022 and 2023 Annual Integrated Reports.

**(a) DESCRIPTION OF REGISTRANT**

**(i) Principal Products or Services**

As of 28 February 2025, AEV's core businesses, conducted through its various Subsidiaries and Affiliates, can be grouped into five main categories: (a) power distribution, power generation, and retail electricity supply; (b) financial services; (c) food and beverage; (d) real estate; and (e) infrastructure. Principal products and services offered by AEV's core businesses are discussed in the relevant portions of each SBU.

Based on the SEC parameters of what constitutes a significant Subsidiary under Item XX of Annex "D" of SRC Rule 12, AboitizPower and Aboitiz InfraCapital are AEV's significant Subsidiaries. (Please see **Annex "D"** for the corporate structure of AEV showing the different business segments.)

**(ii) Sales**

Comparative amounts of consolidated revenues, and profitability of continuing operations are as follows:

| (in ₱ millions)  | 2024     | 2023            | 2022     |
|------------------|----------|-----------------|----------|
| Revenue          | ₱302,826 | <b>₱310,619</b> | ₱306,861 |
| Operating Profit | ₱50,594  | <b>₱38,045</b>  | ₱35,095  |

The operations of AEV and its Subsidiaries are based largely in the Philippines. AEV's percentage of revenues and net income contributed by foreign sales are as follows:

| Contribution to Revenue | 2024            |             | 2023            |             | 2022            |             |
|-------------------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|
|                         | (in ₱ millions) | %           | (in ₱ millions) | %           | (in ₱ millions) | %           |
| Philippines             | ₱250,957        | 74%         | ₱257,356        | 76%         | ₱242,782        | 73%         |
| Rest of Asia            | 86,117          | 26%         | ₱80,878         | 24%         | 89,461          | 27%         |
| <b>Total</b>            | <b>337,074</b>  | <b>100%</b> | <b>₱338,234</b> | <b>100%</b> | <b>₱332,135</b> | <b>100%</b> |

| Contribution to Net Income Attributable to Parent | 2024            |             | 2023            |             | 2022            |             |
|---------------------------------------------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|
|                                                   | (in ₱ millions) | %           | (in ₱ millions) | %           | (in ₱ millions) | %           |
| Philippines                                       | ₱17,266         | 95%         | ₱24,161         | 103%        | ₱24,017         | 100%        |
| Rest of Asia                                      | 862             | 5%          | (615)           | -3%         | 4               | 0%          |
| <b>Total</b>                                      | <b>₱18,128</b>  | <b>100%</b> | <b>₱23,546</b>  | <b>100%</b> | <b>₱24,021</b>  | <b>100%</b> |

Comparative amounts of revenue contribution by business group are as follows:

#### Contribution to Revenue

|                    | 2024            |            | 2023            |            | 2022            |             |
|--------------------|-----------------|------------|-----------------|------------|-----------------|-------------|
|                    | (in ₱ millions) | %          | (in ₱ millions) | %          | (in ₱ millions) | %           |
| Power              | ₱197,492        | 61         | ₱207,100        | 64         | ₱193,994        | 62%         |
| Food               | 109,190         | 34         | 103,786         | 32         | 110,726         | 35%         |
| Financial Services | -               | 0          | -               | 0          | -               | 0%          |
| Real Estate        | 4,275           | 1          | 3,592           | 1          | 4,339           | 1%          |
| Infrastructure     | 8,917           | 3          | 6,549           | 2          | 3,693           | 1%          |
| Others             | 2,177           | 1          | 2,750           | 1          | 2,181           | 1%          |
| <b>Subtotal</b>    | <b>322,052</b>  | <b>100</b> | <b>323,777</b>  | <b>100</b> | <b>314,392</b>  | <b>100%</b> |
| Eliminations       | (19,226)        | -          | (13,157)        | -          | (8,070)         | -           |
| <b>Total</b>       | <b>₱302,826</b> | <b>100</b> | <b>₱310,619</b> | <b>100</b> | <b>₱306,861</b> | <b>100%</b> |

*Note: Percentages refer to the business group's share in the total net revenue for a given year. The revenues of Associates do not form part of the Group's consolidated revenues. For additional details on the income contributions of all business segments/groups to AEV, please refer to Business Segment Information of the Notes to the Consolidated Financial Statements.*

#### (iii) Distribution Methods of the Products or Services

At the parent company level, AEV offers some corporate center services to its Subsidiaries and Associates to enable the Group to realize cost synergies. AEV has service level agreements that may include the provision of human resources, internal audit, legal, treasury and corporate finance services, among others. AEV itself maintains a pool of highly qualified professionals with business expertise relevant to the businesses of the entire Aboitiz Group.

AEV's Business Units have their respective distribution methods of products and services. Please refer to the discussion on distribution methods of each SBU.

#### **(iv) New Products/Services**

With innovation being one of its core values, the Aboitiz Group is always on the lookout for new and efficient ways to provide service to its customers. The Company is in constant pursuit of opportunities within and beyond its current investment portfolio to expand its businesses, locally and within the ASEAN region.

On 15 February 2021, the Aboitiz Group formed Aboitiz Data Innovation (ADI), a Singapore-based subsidiary engaged in the utilization of data science and artificial intelligence (“DSAI”) in business development. ADI plans to consolidate and leverage on the DSAI operating model across the Aboitiz Group and promote a data-driven culture within the organization. It is tasked to be at the forefront of the group-wide effort to transform data into business opportunities, exploit information to make better decisions, reinvent business models, and develop high-value solutions to create new processes, products, and services.

On 23 February 2024, AEV, together with CCEP, completed the acquisition of then CCBPI, the exclusive bottler and distributor of Coca-Cola products in the Philippines. In 2025, CCBPI rebranded as Coca-Cola Europacific Aboitiz Philippines, Inc.

CCEAPI is a key player in the Philippine beverage industry, operating 18 manufacturing plants and nearly 80 sales offices and distribution centers nationwide. With a workforce of approximately 9,000, it supports close to a million micro-retailers. As of 28 February 2025, CCEAPI’s portfolio includes many brands, including Coca-Cola, Royal, Sprite, Wilkins, Schweppes, Minute Maid, Nutri Boost, Predator, and Lemon Duo, among others.

AEV’s Business Units have their own innovative products and services. Please refer to the discussion on new products and services of each SBU.

#### **(v) Competition**

AEV is subject to significant competition in various industries. Please refer to the discussion on competition of each SBU.

#### **(vi) Sources of Raw Materials and Supplies**

AEV’s Business Units have their respective sources of raw materials and are not dependent upon one or a limited number of suppliers for essential raw materials. Please refer to the discussion on sources of raw materials of each SBU in the industry segments in which each SBU operates.

#### **(vii) Major Customers**

As a holding company providing management services, AEV’s principal customers are its Subsidiaries and Associates.

AEV’s Business Units have their respective major customers. Please refer to the discussion on major customers of each SBU.

#### **(viii) Transactions with and/or Dependence on Related Parties**

AEV and its Subsidiaries, in their regular conduct of business, have entered into RPTs consisting of professional and technical services, rental, money market placements, and power sales and purchases. These are all made on an arm’s length basis.



ACO and certain Associates have service contracts with AEV for corporate center services rendered, such as internal audit, legal, tax advisory, treasury, and corporate finance, among others. These services are obtained from AEV to enable the Group to realize cost synergies. Transactions are priced on an arm's-length basis, and documented by service level agreements to ensure quality of service.

ACO and certain Associate companies lease office spaces from CPDC, a Subsidiary of AEV. Rental rates are comparable with prevailing market prices. These transactions are covered with lease contracts with three-year periods.

The AEV Group has cash deposits and money market placements with UnionBank and CitySavings, AEV's banking Associates. These are earning interest at prevailing market rates.

Power generation Subsidiaries sell to certain power Associates based on their respective power supply agreements. Meanwhile, power distribution Subsidiaries purchase from certain generation Associates based on existing power purchase agreements.

A wholly-owned construction and steel fabrication Subsidiary of ACO renders its construction and maintenance services to the AEV Group.

The Company's Retirement Fund is in the form of a trust being maintained and managed by an independent committee of select officers of the Company. The Retirement Fund has investments in the equity of the Company, AboitizPower, and UnionBank.

The above RPTs are discussed extensively in the audited financial statements of AEV.

No other transaction, without proper disclosure, was undertaken by AEV in which any director or executive officer, any nominee for election as director, any beneficial owner (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest. Other than what has been discussed in this Information Statement and the Company's annual audited financial statements, there are no other related party transactions entered into by the Company with related parties, including transactions with directors or self-dealings by the Company's directors.

AEV employees are required to promptly disclose any business and family-related transactions with AEV to ensure that potential conflicts of interest are determined and brought to the attention of management.

AEV's SGRPT Committee has the mandate to ensure that related party transactions are taken on an arms' length basis and within market rates, with sufficient documentation, and coursed through all appropriate levels of approval necessary. AEV's RPT Policy ensures that RPTs are conducted at arms-length and at market prices, and undergo the appropriate approval process.

For detailed discussion on RPT, please refer to the notes of the Company's consolidated annual financial statements.

#### **(ix) Patents, Copyrights and Franchises**

AEV and its Subsidiaries own, or have pending applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos. Please refer to **Annex "I"** to see the trademark applications which AEV has secured or have pending application with the Philippine Intellectual Property Office ("Philippine IPO") and intellectual property offices abroad.

**(x) Government Approvals**

AEV and its Subsidiaries rely on government approvals relative to the industries in which they operate. They secure various government approval such as environmental compliance certificate, development permits, license to sell, business permits, import permits, etc. as part of the normal course of its business.

The discussion on the need for any government approval for principal products or services of AEV and its Subsidiaries is included in the discussion for each SBU.

For the Certificates of Compliance (COCs) obtained by the Generation Companies and franchises obtained by the Distribution Utilities, kindly refer to AboitizPower's Information Statements.

For the discussion on the compliance of government approvals by the Banking SBU, kindly refer to UnionBank's Information Statements.

**(xi) Effect of Existing or Probable Government Regulations**

AEV and its Subsidiaries are subject to the laws generally applicable to all Philippine corporations, such as corporation law, securities law, tax laws, data privacy law, and the Local Government Code. All Philippine corporations are also subject to labor laws and social legislation, including Republic Act (RA) No. 11199 or the Social Security Act of 2018, RA No. 10606 or the National Health Insurance Act of 2013, RA No. 11223 or the Universal Health Care Act, RA No. 9679 or the Home Development Mutual Fund Law of 2009, The Philippine Labor Code and its implementing rules, and other labor-related laws, regulations, and DOLE mandated work-related programs.

The Aboitiz Group closely monitors its compliance with the laws and government regulations affecting its businesses. Please refer to the discussion on the effects of existing and/or probable governmental regulations for rules applicable to the individual SBU.

At the AEV level, the following are the general business regulation framework:

**1. Ease of Paying Taxes Act (EOPT Act)**

RA No. 11976, otherwise known as the Ease of Paying Taxes ("EOPT") Act, was signed into law by President Ferdinand Romualdez Marcos, Jr. on 5 January 2024 and took effect on 22 January 2024. The law seeks to introduce significant amendments to the National Internal Revenue Code of 1997 (the "Tax Code") and aims to modernize and increase the efficiency and effectiveness of Philippine tax administration and strengthen taxpayer rights.

The salient features of the EOPT Act include:

- a. Classification of taxpayers into micro, small, medium, and large according to their gross sales;
- b. Filing of returns and payment of internal revenue taxes through electronic or manual means such as authorized agent banks, Revenue District Office (through its Revenue Collection Officers), or authorized software providers;
- c. Repeal of Section 34(K) of the Tax Code, which provides that expenses not subjected to the appropriate withholding taxes will be disallowed as deduction;
- d. Section 58 of the Tax Code on taxes withheld at source now includes a provision that the obligation to deduct and withhold taxes arises at the time the income has been made "payable". Previously, the obligation to withhold arises at the time when an expense has been paid, payable or accrued, whichever comes first, pursuant to Revenue Regulations No. 02-98, as amended;
- e. Harmonizing the rules on the VAT treatment of sales of goods and services, thereby requiring sales invoice for both;

- f. Ensuring availability of registration facilities to taxpayers not residing in the country;
- g. Removal of “business style” in the invoice requirements;
- h. Fixing the period for preservation of books of accounts at five years; and
- i. Classification of VAT refund claims into low-, medium-, and high-risk claims which are based on the amount of VAT refund claim, tax compliance history, and frequency of filing of VAT refund claims, among others.

Due to the standardization of VAT rules for sales of goods and services as mentioned in subparagraph (e) above, service providers are required to pay and remit VAT to the BIR at the time their invoice is issued to their customers. This creates a risk to said taxpayers since they might not be able to recover from non-paying customers. To mitigate the risk, the EOPT Act has introduced specific safeguards, i.e.: (i) A provision for clawback, which clearly states that output VAT on uncollected receivables may be deducted on the next quarter after the lapse of the agreed upon period to pay; and (ii) A clear determination that gross sales, forming the VAT base, shall exclude pass-thru charges or those earmarked for payment to third parties, and reimbursements.

## **2. Real Property Valuation and Assessment Reform Act (RPVARA)**

RA No. 12001, otherwise known as the Real Property Valuation and Assessment Reform Act (“RPVARA”), was enacted on 13 June 2024 and became effective on 23 July 2024. It aims to promote the development of a just, equitable, and efficient real property valuation system, and broaden the tax base used for property and property-related taxes of the national and local governments.

Among the salient features of RPVARA include:

- a. Establishing and maintaining standards based on Philippine Valuation Standards (PVS) to govern the valuation of real properties in the country;
- b. Adopting market value as the single property valuation base for the assessment of real property-related taxes, and for the valuation of real property for various transactions by all government agencies (i.e., elimination of different valuations being used by government offices); and
- c. Providing a comprehensive and up-to-date electronic database of all real property transactions.

In addition, RPVARA provides to real property owners an option to avail of tax amnesty for the penalties, surcharges, and interests from all unpaid real property taxes. Such amnesty may be availed of by the delinquent property owner within two years from its effectivity, or until 3 July 2026.,

On 10 December 2024, the Department of Finance approved the implementing rules and regulations of RPVARA.

## **3. Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act**

RA No. 12066, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (“CREATE MORE”) Act, was signed into law on 8 November 2024 and took effect on 28 November 2024. The law introduced several key enhancements to the Philippines’ tax incentive framework with the objective of building on the earlier enacted CREATE Act, generate more jobs and spur economic growth, and attract both domestic and foreign investments by making the Philippines more globally competitive and investment-friendly.

The salient features of the CREATE MORE Act, among others, are as follows:

- a. Reduces the corporate income tax rate of registered business enterprises (RBE) under the Enhanced Deduction Regime to 20%;
- b. Introduces additional deductions for RBEs under the Enhanced Deduction Regime;
- c. Extends the coverage of 5% Special Corporate Income Tax benefit to cover all national and local taxes, including local fees and charges;
- d. Simplifies local taxation by giving an option to Local Government Units (LGU) to impose local taxes on RBEs up to maximum rate of 2% of gross income which shall be in lieu of all local taxes, fees, and charges;
- e. Addresses ambiguities in the VAT provisions under the CREATE Act, specifying the goods and services eligible for VAT exemptions and zero-rating – i.e., relaxed the rule in order to be entitled from “directly and exclusively used” to “directly attributable” to the registered project or activity;
- f. Extends the entitlement period to tax incentives granted to RBEs;
- g. Introduces special provisions for high-value domestic market enterprises (HVDMEs), defined as those (i) with investment capital exceeding PHP15 Billion and are engaged in sectors considered import-substituting, or (ii) with export sales in the immediately preceding year of at least USD100 Million or equivalent in acceptable foreign currency; and
- h. Clarifies that RBEs granted incentives prior to CREATE Act (“Pre-CREATE RBEs”) may continue to avail of the same until 31 December 2034.

In view of the relaxation of the rule to qualify for VAT exemption on importation and VAT zero-rating on local purchases, as well as the express clarification of Pre-CREATE RBEs’ continuing entitlement to its non-income tax incentives during the transitory period, the subsidiaries which were registered both prior to and during the effectivity of the CREATE Act will benefit in the form of tax savings, since its expenses that are incidental to and reasonably necessary for the registered project/activity of the RBE shall be entitled to the aforementioned non-income tax incentives.

#### **4. The Philippine Competition Act**

RA No. 10667 (the Philippine Competition Act), signed on 21 July 2015 and effective on 8 August 2015, codifies antitrust laws in the Philippines and provides the competition framework in the Philippines. It created the Philippine Competition Commission (PCC), an independent quasi-judicial agency with powers to conduct investigations, issue subpoenas, conduct administrative proceedings, and impose administrative fines and penalties.

The Philippine Competition Act prohibits anti-competitive agreements between or among competitors, and mergers and acquisitions which have the object or effect of substantially preventing, restricting, or lessening competition. It also prohibits practices which involve abuse of dominant position, such as selling goods or services below cost to drive out competition, imposing barriers to entry or prevent competitors from growing, and setting prices or terms that discriminate unreasonably between customers or sellers or the same goods, subject to exceptions. The Philippine Competition Act also introduces the pre-notification regime for mergers and acquisitions, which requires covered transactions to be notified to the PCC for its approval.

Effective 1 March 2024, the PCC raised the thresholds for the Size of Party Test and Size of Transaction Test to ₱7.8 bn and ₱3.2 bn, respectively. This means that if the value of the assets or revenues of the Ultimate Parent Entity (UPE) of at least one of the parties exceeds ₱7.8 bn, and the value of the assets or revenues of the acquired, target, or merged entity exceeds ₱3.2 bn, then the parties must notify the PCC of the transaction, provided that, the other requirements under the Philippine Competition Act are met.

## **5. Amended Foreign Investment Act of 1991 (Amended FIA)**

On 2 March 2022, former President Duterte signed into law RA No 11647, *“An Act Promoting Foreign Investments, Thereby Amending Republic Act 7042 Otherwise Known as the Foreign Investments Act of 1991, as Amended and For Other Purposes.”* (the “Amended FIA”). The law aims to attract foreign investments in activities which contribute to sustainable economic growth, global competitiveness, employment creation, technical advancement, and countrywide development.

Under this law, foreign nationals are now allowed to engage in a domestic market enterprise with a minimum capital requirement of US\$100,000.00 provided that the enterprise: (a) utilizes advanced technology as determined by the Department of Science and Technology; (b) endorsed as a start-up or start-up enabler under RA No. 11337 or the Innovating Startup Act; or (3) composed of a majority of Filipino employees, which shall not be less than 15. Other salient features of the Amended FIA include: (a) a required understudy or skills development program by registered foreign enterprises to ensure skills and technology transfer to Filipinos; (b) allowing 100% foreign investment in a domestic enterprise unless participation of foreigners is limited to a smaller percentage; and (c) allowing 100% foreign investment in an export enterprise provided that the products or services do not fall under the Foreign Investments Negative List.

Pursuant to the FIA, as amended, the Twelfth Regular Foreign Investment Negative List was promulgated on 27 June 2022 (“Negative List”). This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. Nationalized activities include, among others, exploration, development and utilization of natural resources, operation of public utilities, and land ownership.

## **6. Amended Public Service Act**

On 22 March 2022, former President Duterte signed into law RA No 11659 or “An Act Amending Commonwealth Act No. 146 otherwise known as the Public Service Act” (“Amended PSA”). Under the Amended PSA, the term “Public Utilities” is confined to public services that operate, manage, or control for public use any of the following: 1) Distribution of Electricity; 2) Transmission of Electricity; 3) Petroleum and Petroleum Products Pipeline Transmission Systems; 4) Water Pipeline Distribution Systems and Wastewater Pipeline Systems, including sewerage pipeline systems; 5) Seaports; and 6) Public Utility Vehicles. The operation of a Public Utility is limited by the Constitution to citizens of the Philippines, or to corporations or associations organized under the laws of the Philippines at least sixty per centum (60%) of whose capital is owned by such citizens.

The Amended PSA now provides that “no other person shall be deemed a public utility unless otherwise subsequently provided by law.” Moreover, nationality requirements shall not be imposed by Philippine administrative agencies on any public service not classified as a public utility.

Under the Amended PSA, the ownership by a foreign national of a business defined as “Critical Infrastructure” is limited to 50%, unless the country of such foreign national accords reciprocity to Philippine Nationals as may be provided by foreign law, treaty or international agreement, in which case foreign ownership may be up to 100%. However, foreign state-owned enterprises may not make any new or additional investments in the capital of critical infrastructure. “Critical Infrastructure” refers to any public service which owns, uses, or operates systems and assets, whether physical or virtual, so vital to the Philippines that the incapacity or destruction of such would have a detrimental impact on national security, including telecommunications and other such vital services as may be declared by the President of the Philippines.

## **7. Data Privacy Act of 2012**

The Data Privacy Act of 2012 is a comprehensive and strict privacy legislation aimed to protect the fundamental human right to privacy of data subjects by: (a) protecting the privacy of individuals while ensuring free flow of information; (b) regulating the processing of personal data; and (c) ensuring that the Philippines complies with international standards set for data protection through National Privacy Commission (NPC).

Intended to protect the privacy of individuals, it mandates companies to inform the individuals about how their personal information is collected and processed. It also ensures that all personal information must be (a) collected and processed with lawful basis, and only for reasons that are specified, legitimate, and reasonable; (b) handled properly, ensuring its accuracy and retention only for as long as reasonably needed; and (c) disposing properly to avoid access by unauthorized third parties.

Its implementing rules and regulations (“Data Privacy Act IRR”) took effect on 9 September 2016, mandating all Philippines companies to comply with the following: (a) appointment of a Data Protection Officer; (b) conduct of a privacy impact assessment; (c) adoption of a privacy management program and privacy policy; (d) implement privacy and data protection measures; and (e) establish a breach reporting procedure. In addition, companies with at least 250 employees or access to sensitive personal information of at least 1,000 individuals are required to register their data processing systems with the National Privacy Commission. The Data Privacy Act IRR, furthermore provides the only instances when data sharing is allowed, to wit: (a) data sharing is authorized by law, provided that there are adequate safeguards for data privacy and security, and processing adheres to principles of transparency, legitimate purpose and proportionality; (b) in the private sector, data sharing for commercial purposes is allowed upon (i) consent of data subject, and (ii) when covered by a data sharing agreement; (c) data collected from parties other than the data subject for purpose of research shall be allowed when the personal data is publicly available; and (d) data sharing among government agencies for purposes of public function or provision of a public service shall be covered by a data sharing agreement.

As the Aboitiz Group continues to operate in a highly digital and fast changing environment, the Data Protection Teams of each Business Unit endeavors to keep up with the expectations of their Data Subjects as well as with the evolving guidelines of the National Privacy Commission. This constant review of requirements, downloading of information, updating of processes, and testing of capabilities aims to ensure that the Aboitiz Group is able to meet the expectations of its stakeholders.

In 2023, the NPC launched the National Privacy Commission Registration System (NPCRS), an online portal for the registration of an organization’s Data Protection Officer (DPO) and its Data Processing Systems (DPS). As part of AEV’s compliance, the Privacy Team submitted AEV’s renewal of registration for DPO and registered its DPS’s. Through this, AEV was able to obtain the NPC Seal of Registration to serve as its proof of compliance.

## **8. Labor Laws**

The Philippine Labor Code and other statutory enactments provide the minimum benefits that employers must grant to their employees, which include certain social security benefits, such as benefits mandated by the Social Security Act of 1997 (RA No. 8282), the National Health Insurance Act of 1995 (RA No. 7875), as amended, and the Home Development Fund Law of 2009 (RA No. 9679). On the other hand, the Occupational Safety and Health Law (RA No. 11058) reinforces the existing Occupational Safety and Health Standards, which sets out, among others, the guidelines applicable to different establishments intended for the protection of every working man against the dangers of injury, sickness or death through safe and healthful working conditions.



The Department of Labor and Employment (DOLE) is the Philippine government agency mandated to implement policies, programs and services, and serves as the policy-coordinating arm of the Executive Branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws, such as the Labor Code of the Philippines and the Occupational Safety and Health Law and Standards, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

a. Social Security System, PhilHealth and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under the Social Security Act of 2018 (RA No. 11199) to ensure coverage of employees following procedures set out by the law and the Social Security System (SSS). Under the said law, an employer must deduct from its employees their monthly contributions in an amount corresponding to his salary, wage, compensation or earnings during the month in accordance with the monthly salary credits, the schedule and the rate of contributions as may be determined and fixed by the Social Security Commission, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations. This enables the employees or their dependents to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits and maternity-leave benefits.

Employers are likewise required to ensure enrolment of its employees in a National Health Insurance Program administered by the Philippine Health Insurance Corporation, a government corporation attached to the Department of Health tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of RA No. 10606, the National Health Insurance Act of 2013.

On 20 February 2019, the Universal Health Care Act (RA No. 11223), was enacted, which amended certain provisions of the National Health Insurance Act of 2013. Under the said law, all Filipino citizens are now automatically enrolled into the National Health Program. However, membership is classified into two types, direct contributors and indirect contributors. Direct contributors refer to those who have the capacity to pay premiums, are gainfully employed and are bound by an employer-employee relationship, or are self-earning, professional practitioners, migrant workers, including their qualified dependents, and lifetime members. On the other hand, indirect contributors refer to all others not included as direct contributors, as well as their qualified dependents, whose premium shall be subsidized by the national government including those who are subsidized as a result of special laws. Every member is also granted immediate eligibility for a health benefit package under the program.

Under the Home Development Mutual Fund Law of 2009 (RA No. 9679), all employees who are covered by SSS must also be registered with and covered by the Home Development Mutual Fund (HDMF, more commonly referred to as the “Pag-IBIG Fund”). It is a national savings program as well as a fund to provide for affordable shelter financing to Filipino workers. Except for foreign expatriates, coverage under the HDMF is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2% of the employee’s monthly compensation, up to a maximum of ₱5,000.00, and likewise make a counterpart contribution of 2% of the employee’s monthly compensation, and remit the contributions to the HDMF.

b. The Labor Code

The Philippine Labor Code provides that, in the absence of a retirement plan provided by their employers, private-sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the compulsory retirement age for private-sector employees without a

retirement plan, and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month's salary for every year of service, with a fraction of at least six months being considered as one whole year. For the purpose of computing the retirement pay, "one-half month's salary" shall include all of the following: fifteen days' salary based on the latest salary rate; in addition, one-twelfth of the thirteenth month pay and the cash equivalent of five days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

c. Occupational Safety and Health Law

The Occupational Safety and Health Law (RA No. 11058), enacted on 17 August 2018, mandates that all private establishments provide a workplace free from hazards that could cause death, illness, or physical harm. Employers are required to comply with Occupational Safety and Health Standards (OSHS), which include providing necessary training, conducting medical examinations, and supplying appropriate personal protective equipment.

DOLE is currently reviewing the implementation of the OSH Law to assess its effectiveness, compliance levels, and areas for improvement. As part of this initiative, DOLE is considering updates to Department Order No. 198-18, which outlines the implementing rules and regulations of the OSH Law.

d. Other Labor-Related Laws and Regulations

(1) Contracting and Subcontracting

The Labor Code recognizes subcontracting arrangements, whereby a principal puts out or farms out with a contractor the performance or completion of a specific job, work or service within a definite or predetermined period, regardless of whether such job, work or service is to be performed or completed within or outside the premises of the principal. Such arrangements involve a "trilateral relationship" among: (i) the principal who decides to farm out a job, work or service to a contractor; (ii) the contractor who has the capacity to independently undertake the performance of the job, work, or service; and (iii) the contractual workers engaged by the contractor to accomplish the job, work, or service.

The DOLE, through its Department Order No. 174, Series of 2017, regulates subcontracting arrangements by requiring, among others, the registration of contractors with the Regional Office of the DOLE where it principally operates.

(2) DOLE Mandated Work-Related Programs

Under the Comprehensive Dangerous Drugs Act (RA No. 9165), a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with 10 or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 53-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases in accordance with the Safe Spaces Act (RA No. 9165), which was signed into law on 17 April 2019.

DOLE Department Order No. 102-10 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it is strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control. In line with the Mental Health Act (RA No. 11036), employers are further required to develop policies and programs on mental health in the workplace designed to: raise awareness on mental health issues, correct the stigma and discrimination associated with mental health conditions, identify and provide support for individuals at risk, and facilitate access to treatment and psychosocial support.

All private workplaces are also required to update their respective Telecommuting Guidelines and Consent Form, whenever applicable, in accordance with the revised implementing rules and regulations of Telecommuting Act (DOLE D.O. 237-22).

Moreover, Labor Advisory No. 20-2023 requires private companies and their employees to implement a Cancer Prevention and Control in the Workplace Policy and Program. This program encompasses various elements, including prevention measures, access to screening, diagnosis, and treatment, support for employees' return to work, compensation and social policies, and the promotion of a safe and healthy lifestyle, which includes considerations for mental and social well-being.

## **9. Revised Corporation Code and the Securities Regulation Code**

The Revised Corporation Code was signed into law on 20 February 2019 and took effect on 23 February 2019. Among the salient features of the Revised Corporation Code are: allowing perpetual existence of corporations; requiring corporations vested with public interest to submit to its stockholders and to the SEC an annual report of the total compensation of each of its directors or trustees; and, allowing stockholders to vote in the election of directors or trustees, or in stockholders meetings, through remote communication or in absentia, among others.

As a public company and with its common shares listed on the Philippine Stock Exchange (PSE), AEV is also subject to the regulatory and compliance requirements under the Securities Regulation Code, its Implementing Rules and Regulations, and various rules and regulations as promulgated by the SEC and the PSE.

### **(xii) Amount Spent on Research and Development**

AEV and its Subsidiaries do not allocate specific amounts or fixed percentages for research and development. All research and developmental activities are done by its Subsidiaries and Affiliates on a per project basis. The allocation for such activities may vary depending on the nature of the project.

### **(xiii) Cost and Effects of Compliance with Environmental Laws**

AEV and its Subsidiaries, Associates, and Joint Ventures are subject to extensive, evolving and increasingly stringent safety, health and environmental laws and regulations. These standard laws and regulations that govern AEV's businesses include the Philippine Clean Air Act (RA No. 8749), Ecological Solid Waste Management Act (RA No. 9003), Clean Water Act (RA No. 9275), Toxic Substances and Hazardous and

Nuclear Wastes Control Act (RA No. 6969), and Philippine Environmental Impact Statement System (Presidential Decree No. 1586), address, among other things, air emissions, wastewater discharges, the generation, handling, storage, transportation, treatment and disposal of toxic and hazardous chemicals, materials and waste, workplace conditions, and employee exposure to hazardous substances. Power plant operations are considered environmentally critical projects for which an Environmental Impact Study and an Environmental Compliance Certificate are mandatory.

AEV has incurred, and is expected to continuously incur, operating costs to comply with these laws and regulations. However, these costs cannot be segregated or itemized as these are embedded in, and are part and parcel of, each SBU's overall system in compliance with both industry standards and regulatory requirements. Each SBU has appointed and designated a Pollution Control Officer to closely monitor compliance with the requirements of these regulations.

#### (xiv) Employees

On the parent company level, AEV had a total of 152 employees as of 28 February 2025, composed of executives, managers, supervisors, and rank and file employees. There are no existing collective bargaining agreements (CBA) covering any of AEV's employees.

The following table provides a breakdown of total employee headcount per SBU (excluding CCEAP and Subsidiaries), divided by function, as of 28 February 2025:

| Number of Employees | AEV Corporate | UnionBank and Subsidiaries | Aboitiz Foods and Subsidiaries | Gold Coin and Subsidiaries                                                                                                                                                                                                                  | AboitizLand and Subsidiaries | Aboitiz InfraCapital and Subsidiaries* | RCBM and Subsidiaries                                                                                                                                                                                                                                | AboitizPower and Subsidiaries                                                                                                                                                                             |
|---------------------|---------------|----------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Executives          | 50            | 588                        | 54                             | 56                                                                                                                                                                                                                                          | 9                            | 57                                     | 6                                                                                                                                                                                                                                                    | 2248                                                                                                                                                                                                      |
| Managers            | 45            | 1,457                      | 145                            | 176                                                                                                                                                                                                                                         | 33                           | 134                                    | 117                                                                                                                                                                                                                                                  | 532                                                                                                                                                                                                       |
| Supervisors         | 29            | 2,680                      | 531                            | 422                                                                                                                                                                                                                                         | 152                          | 130                                    | 255                                                                                                                                                                                                                                                  | 1,069                                                                                                                                                                                                     |
| Rank & File         | 28            | 622                        | 502                            | 1,915                                                                                                                                                                                                                                       | 75                           | 388                                    | 253                                                                                                                                                                                                                                                  | 2,834                                                                                                                                                                                                     |
| <b>TOTAL</b>        | <b>152</b>    | <b>5,347</b>               | <b>1,232</b>                   | <b>2,569</b>                                                                                                                                                                                                                                | <b>269</b>                   | <b>708</b>                             | <b>631</b>                                                                                                                                                                                                                                           | <b>4,678</b>                                                                                                                                                                                              |
| Unionized Employees | N/A           | 622                        | 26                             | 773                                                                                                                                                                                                                                         | N/A                          | N/A                                    | 435                                                                                                                                                                                                                                                  | 418                                                                                                                                                                                                       |
| Expiry of CBA       | N/A           | 31 May 2025                | 31 May 2025                    | <b>Indonesia:</b><br>GCI Bekasi – 31 December 2025<br>GCS Bekasi – 31 December 2025<br><br><b>Malaysia:</b><br>GCFMBW – 31 December 2025<br><br>GCSSB – February 2027<br><br><b>Vietnam:</b><br>AFC – January 2028<br>GCFBD – February 2027 | N/A                          | N/A                                    | <b>Batangas</b> - Supervisor (June 2026); Rank & File (February 2027)<br><br><b>Bulacan</b> - Supervisor (December 2026); Rank & File (July 2027)<br><br><b>Teresa</b> - Supervisor (January 2024, ongoing negotiation) ; Rank & File (October 2024) | <b>Hedcor: 19</b> September 2028<br><br><b>Visayan Electric:</b> 31 December 2026<br><br><b>Cotabato Light:</b> 30 June 2029<br><br><b>Davao Light:</b> 16 June 2026<br><br><b>SFELAPCO;</b> 9 May 2024** |

|  |  |  |  |                                                                                      |  |  |                                                                                                                                                                        |  |
|--|--|--|--|--------------------------------------------------------------------------------------|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  |  |  |  | GCFHN -<br>January<br>2028**<br>PVC -<br>December<br>2027<br>GCFLA -<br>October 2025 |  |  | <b>Norzagaray</b><br>- Supervisor<br>(December<br>2025); Rank<br>& File<br>(February<br>2025) RCMI<br>- Supervisor<br>(May 2026);<br>Rank & File<br>(December<br>2025) |  |
|--|--|--|--|--------------------------------------------------------------------------------------|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

\* Airport still does not include assets whose headcount is not yet settled or finalized.

\*\*The CBA of SFELAPCO has been extended until 8 May 2025.

In addition to mandated statutory benefits (such as holiday pay, service incentive leave, maternity leave, paternity leave, and 13th-month pay), the Company provides benefits to its employees in the following areas: healthcare, annual leave, loans and financial assistance applicable to a variety of uses, retirement benefits to qualified employees, and productivity bonuses. Salaries and benefits are reviewed regularly and adjusted to retain current employees and attract new talent. The Company currently has no stock option plans available to its employees. As of 28 February 2025, the Company does not anticipate any material increase in manpower within the next 12 months unless new development projects and acquisitions materially require an increase.

The Company's employees are not unionized. The Company's employees have neither been on strike nor have threatened to strike for the past three years.

#### **(xv) Major Risk/s Involved in Business of AEV and its Subsidiaries**

Part of AEV's governance of Risk Management is the regular review of the Risk Management Plans of all its business units (BUs). This is being conducted at least twice a year but all BUs are encouraged to do a review as soon as there are major changes in the Group's operating environment. Outputs of this exercise are utilized to create a consolidated Top Risk at the Groupwide level which is reported to the Senior Management and the Board Risk and Reputation Management Committee.

##### **1. Transition Risk**

AEV is cognizant of the sustained increase in the public's awareness on climate change issues in recent years. Likewise, set-backs in global carbon emission reduction goals (e.g. from post COVID economic reopening and the Russia-Ukraine conflict) will undoubtedly call for a quicker and more cohesive global response to climate change. Together with its business units, the Company continuously monitors developments in this space as the transition to a lower carbon economy can potentially accelerate climate action globally. Climate transition risks can impact not only the Company's financial and business performance but its reputation as well.

BUs are already crafting their respective transition roadmaps to ensure long term strategies are recalibrated and business viability is maintained. Aside from strengthening its ESG practices, the Group has been working to increase its understanding of energy transition mechanisms (ETM) and carbon offset markets to ensure that it not only manages risks but also positions itself well to maximize related opportunities. Likewise, the Group continues to work proactively with key stakeholders (including lenders, insurers, suppliers, and regulators) to manage relationships, understand critical business impact brought about by new climate related policies and implement



mitigating measures. The BUs are also engaging with the community through education information campaigns about the environment.

## **2. Project Risks**

Project risk remains to be one of the Group's significant risk exposures with most of its BUs either directly involved in or requiring a heavy amount of construction and infrastructure development. The development of projects involves substantial risk which is exacerbated by current macroeconomic conditions characterized mainly by high inflation and supply chain disruptions brought about by the existing geopolitical tensions. Such risks include higher financing and borrowing costs as well as challenges in procuring inputs or raw materials. Other risks relate to the availability of suitable land for acquisition, unforeseen engineering, or environmental problems, among others. These could give rise to delays, cost overruns, unsatisfactory construction or development in projects. If left unmitigated, they have the potential to impact business operations, financial performance and the future growth prospects of the Group.

Risk management is an embedded concept in the Group's project management to ensure the delivery of project objectives. Each significant and potential project is evaluated to gain a more rigorous understanding of the risks involved, and if these are still within the tolerance and appetite of the organization.

Lessons Learned sessions continue to be part of the process for each major project milestone. This exercise not only allows management and the project team to celebrate quick wins, but also learn from the past the current challenges and seize emerging opportunities from the project. This practice enhances the Company's ability to capture the opportunities that help in the continuous development and growth of the organization. Furthermore, the Company is aligning with relevant stakeholders to ensure the timely completion of project timelines and initiatives.

## **3. Regulatory Risk**

The expanse of the Group lends itself naturally exposed to regulations across various industries and jurisdictions where it operates and has a presence. A regulatory breach, no matter how small, has the potential to impact company reputation and may attract heightened regulatory scrutiny or supervision. More so, failure to understand and align with the new and changing regulations will have negative consequences in the Group's operations and financial performance. Hence, the Group's Risk Management Teams, together with the Corporate External Relations and Legal Teams, constantly monitor changes and developments in the regulatory landscape to enable the Group and its BUs not only to comply with regulatory requirements but also to adapt business strategies as may be required.

In recent years, the regulatory landscape has been dynamic, thus giving rise to the potential threats and uncertainties associated with changes in laws and/or regulations that can materially affect the business. As AEV and its subsidiaries expand their business operations, collect more customer data and leverage emerging technologies like AI, it is crucial to stay informed about evolving regulations to ensure risk awareness and practices.

More than compliance, AEV maintains good relationships and open dialogue with its regulators. The Group continues to participate in consultative processes and public discussions over the necessity or propriety of specific regulation or their relevance to current business practices, and technology changes that could lead to the development of new regulations and policies that may affect the Aboitiz Group and its various operating businesses. This ensures that the Group remains fully compliant to both the letter and spirit of regulations while at the same time remaining an integral part and a thought leader when it comes to policy shaping.



#### **4. Cyber and Information Security Risk**

Due to the increasing number of information security breach events happening globally, for both information and operation technologies, cyber and information security risk is still considered as one of the Company's top risks. As the Company continues to be on a hybrid workforce set-up, the potential exposures from such risk is quite significant. Despite the challenges, the Company was able to protect itself from these potential breaches which can have catastrophic implications on the organization's bottom line and reputation.

In spite of the increased threats globally and even in the Philippines, the Company has not been the subject of any cybersecurity breaches or threats that have resulted in major losses, business disruption or damage to the Company's reputation. However, any significant cyber attack or data leakage from either known or unknown threat vectors that could not be mitigated by existing tools and capabilities may result in a material adverse effect on the Company's results of operations, reputation and financial condition.

To address this risk, the Aboitiz Group has been continuously strengthening and improving its organization's security posture through the implementation of the Information Security Management System (including awareness campaigns and communications) and continuous enhancements of its monitoring and protection capabilities to both Information Technology (IT) and Operational Technology (OT) environments.

The company continues to monitor and understand the financial and non-financial impacts of cyber data breach or attack across its IT and OT infrastructure set-up. Hence, as it journeys through the Great Transformation (GT) and pursues federalization as a conglomerate, it will be looking at ways to lower concentration of cyber risks (e.g., segmenting the architecture). In 2023, there was an increased focus on identity type security – Identify Governance Access (IGA) and Multi-Factor Authentication (MFA) – ensuring continuous monitoring of all controls implemented for all IT and OT environments. In 2024, the focus was to enhance Governance Structure by federalizing the Cyber Security Management, updating the Cyber Risk Management Framework, management of third-party providers, and the inclusion of reporting near-misses.

#### **5. Disaster Risk**

As a result of the increasing global surface temperatures due to climate change, droughts and catastrophic typhoons will continue to pose a threat not just in the country but globally. The 2024 World Economic Forum (WEF) Global Risks Report highlights claim related risks as among the top risks that will significantly impact in the coming decade. This means that impacts of climate change such as extreme natural disasters are already being felt and will only intensify in the next decade. These may negatively affect the property and projects of the Group. As a result, the Group may incur losses for such catastrophic events which could materially and adversely affect its business, financial condition and results of operations.

To ensure that the Aboitiz Group will be able to withstand and recover from these and other natural or man-made disasters, AEV and its Subsidiaries will continuously improve its Business Continuity Management (BCM) Program. Existing business interruption scenarios and continuity plans for each of these scenarios are reviewed regularly, evaluated, and updated through Business Continuity Plan (BCP) exercises and Lessons Learned sessions. These practices and plans remain relevant with the current business conditions. In addition, teams are prepared for emergencies through mandatory training and drills while testing and improving procedures are performed on an ongoing basis.

Likewise, mitigating plans for this risk continue to be reassessed to take on a climate adaptation angle. Hence, there are added considerations such as investments in resilience (e.g., reinforcement of existing structures and possible relocation to lower risk locations) and a review of current business interruption insurance covers taking into account the aforementioned changes. Further, the Aboitiz Group is maximizing its risk financing strategies ensuring an optimal balance of retaining and transferring to risk exposures.

## **6. People Risk**

The Company recognizes human capital as its foremost asset. Hence, as the Group progresses with the GT, there is a need to ensure that an adequate talent within the organization and its subsidiaries are present to steer it towards its goals and make it future ready. Competition for talent remains tight even post pandemic. Hence, aside from building a robust pipeline of employee candidates, AEV must also look to continue investing in the development of existing talent to support the Group's future needs and strategic objectives.

Aside from putting in place succession plans, the company also recognizes the need to manage, most especially, the people's side of change for GT-related initiatives. The challenge will be to maintain employee engagement and productivity while navigating critical organizational changes in the coming years while continuing to operate under a hybrid work set-up.

Actions are progressing these risks which include group-wide change management activities that aim to impact employee mindset and behaviors, capabilities, and ways of working. Strategic Workforce Planning (SWP) and succession management continue to be the key activities for the Company's HR Teams and it has identified new and evolving AEV roles critical to the Company's organizational transformation and business strategy. Enhanced training programs are also implemented by conducting Train-the-Trainer programs focused on several areas to help build a strong leadership pipeline and enhance accountability.

In the years ahead, added focus will be placed on strengthening the Company's employer brand, ensuring alignment to AEV's broader GT goals. Apart from that, AEV is also in the process of enhancing its total rewards infrastructure and talent engagement mechanisms. All of these are to be executed while ensuring alignment to AEV's broader GT goals.

## **7. Emerging Risk**

The current risk environment is rapidly shifting as a result of events that most of the times are not within the Company's control, often, as a result of national and global events. Such emerging risk cannot yet be fully assessed in terms of likelihood and impact due to high uncertainty, but could have a major negative impact to the Company in the future, including its business, operations, financial condition and prospects. To ensure these risks are captured and discussed, the Risk Management Team and Subject Matter Experts (SME) work jointly to identify and monitor emerging risks especially in the following areas: political, economic, social, technology, environmental, legal and compliance (PESTEL). The output of which is shared to the different sub-units on a regular basis for their own analysis and monitoring. These risks are also part of the regular discussions with the Board Risk and Reputation Management Committee members.

The company continues to reassess the effectiveness of its framework while at the same time supporting the creation of concise yet easily digestible reports on key risks that have significantly shaped the global risk environment for the year (i.e., China-Taiwan; Russia-Ukraine; Middle-East tensions).

## **8. Reputational Risk**

The Group is exposed to various reputational risks, from those which may result directly from the Group's actions or those of its competitors, indirectly from actions of the Group's directors, officers or employees or consequently through actions of outsourced persons, suppliers or joint venture partners. To manage such risks, the Group endeavors to adhere to sound corporate governance practices in the appointment of its directors and officers, and in hiring of its employees. Further, the Company carefully scrutinizes potential partners and suppliers to ensure that such partners and suppliers are aligned with its core values.

Damage to the Group's reputation and erosion of brand equity may also be triggered by any inability to promptly and adequately address negative sentiments relating to the Group, which may in turn be triggered by various factors such as environmental concerns, among others. Any inability to preserve brand equity and reputation may adversely impact the Group's results of operations and financial condition. Hence, the Group has dedicated investors relations and corporate communications teams that will handle mitigations and will be able to adequately address such negative sentiments.

## **9. Global Economic Risk**

The growth and profitability of the Company may be influenced by major political and economic developments abroad, and may have a negative effect on the operations and financial results of the Company.

For instance, the long-standing Russia-Ukraine war, Middle East conflicts, and regional tensions have so far exhibited extraordinary, significant impact on the global geopolitical and economic landscape. The global economy continues to weaken by these conflicts most notably through disruptions in trade and supply chain, as well as commodity and fuel price shocks. These have contributed to high inflation numbers and subsequent tightening in global financing conditions. More so, current conditions have dampened the prospects of post-pandemic economic recovery, most especially for emerging and developing economies.

The Group will continuously monitor such developments, assess any direct or indirect impact that these macro developments may have on its current and future business interests.

## **10. Market Risk**

In 2025, Market Risk is driven by a combination of global economic trends, regulatory changes, geopolitical development and sector specific changes. Interest rate fluctuations, inflationary pressures, and foreign currency exchange volatility continue to impact financial stability across different industries. Businesses that rely more on commodity and supply chain need to navigate and mitigate disruptions from pricing pressures.

For AEV specifically, potential financial losses or reduced returns resulting from fluctuations in key market variables, including but not limited to stock prices, interest rates, exchange rates and commodity prices are considered as its drivers of this risk. Mitigations per SBUs are geared towards addressing their specific drivers on their own business units such as improvements on sourcing and procurement programs, hedging strategies, monitoring of foreign currency exposures, loss alert limits, increasing CASA deposits and implementing floor rates based on customer deposit levels.

While this cycle's risk exposure is assessed as low, ongoing oversight is prudent, particularly in light of the recent U.S. political outcomes. Continuous monitoring of global and domestic macroeconomic indicators, engagement with industry stakeholders, and agile supply chain planning are part of the Company's response in mitigating this uncertainty to ensure business resilience.

## STRATEGIC BUSINESS UNITS

### I. POWER

#### *Overview of the Business*

AEV's power Business Unit, AboitizPower, is a publicly-listed company incorporated on, and has been in business since, 13 February 1998. AboitizPower was incorporated as a holding company for the Aboitiz Group's investments in electricity generation and distribution. Ownership in AboitizPower was opened to the public through an initial public offering of its common shares in the PSE on 16 July 2007. Through its Subsidiaries and Affiliates, AboitizPower has become a leader in the Philippine power industry with a dominant presence in power generation, distribution, and retail electricity supply. As of 24 March 2025, AboitizPower had a market capitalization of ₱277.425 bn, with a common share price of ₱38.50 per share.

AboitizPower has four SBUs: (a) Power Generation, where AboitizPower is among the largest in the country, in terms of overall installed capacity<sup>11</sup>, (b) Power Distribution, where AboitizPower is the second largest distribution utility, in terms of captive customer connections and energy sales<sup>12</sup>, (c) Retail Electricity Services (RES), where the combined RES segment of AboitizPower has the second highest number of customers and the largest in terms of contract capacity in megawatts (MW) and total retail market share,<sup>13</sup> and (d) Distributed Energy.

AboitizPower, which has the largest portfolio of renewable capacity in the country to date, is a pioneer in building and operating of run-of-river hydropower plants in the country.<sup>14</sup> The company continues to pursue energy projects to help ensure the Philippines' energy system is secure and is able to reliably support aggregate demand.

#### *Business Development*

AboitizPower through its Subsidiaries, Joint Ventures, and Associates, is a leading player in the Philippine power industry with interests in power generation companies, RES services, and distribution utilities throughout the Philippines.

AboitizPower's portfolio of power generating assets strategically consists of renewable and non-renewable power plants. AboitizPower's baseload coal and geothermal plants and intermediate and peaking hydropower, solar, and oil-based power plants enable the company to address the country's growing demands. Most of AboitizPower's plants are also capable of providing ancillary services, which is critical in stabilizing grid operations. AboitizPower has an installed capacity which is equivalent to a 22.47% market share of the national grid's installed generating capacity.<sup>15</sup> As of 24 March 2025, AboitizPower had a total of 6,079 MW net sellable capacity, of which 4,736 MW is the portion attributable to the company. AboitizPower continues to grow its portfolio of generation assets with renewables and selective baseload builds. AboitizPower's renewable investments are held primarily through its wholly-owned Subsidiary, Aboitiz Renewables, Inc. (ARI), along with ARI's Subsidiaries and Joint Ventures.

AboitizPower also owns interests in nine Distribution Utilities in Luzon, Visayas, and Mindanao, including Visayan Electric Company, Inc. (Visayan Electric) and Davao Light & Power Company (Davao Light), the second and third largest distribution utilities in the Philippines, respectively in terms of customer size and

<sup>11</sup> Based on Resolution 03-2023 published by the Energy Regulatory Commission on April 5, 2023

<sup>12</sup> Based on DOE's Distribution Development Plan 2021-2030

<sup>13</sup> ERC Competitive Retail Electricity Market (CREM) and Green Energy Option Program (GEOP) Monthly Statistical Data as of July 2024

<sup>14</sup> Based on ERC Resolution No. 03, Series of 2023 dated April 5, 2023

<sup>15</sup> Based on Energy Regulatory Commission (ERC) Resolution No. 2, Series of 2024 dated 19 March 2024

annual sales. AboitizPower's Subsidiaries engaged in the distribution of electricity sold a total of 8,886,936 MWh in 2024.

AboitizPower's power generation business supplies power to various customers under power supply contracts, ancillary service procurement agreements (ASPA), and for trading in the Wholesale Electricity Spot Market (WESM). The power distribution business is engaged in the distribution and sale of electricity to end-users, and the RES and Others segment includes retail electricity sales to various off-takers that are considered eligible contestable customers ("Contestable Customers") and provision of electricity-related services, such as installation of electrical equipment. AboitizPower's Subsidiaries engaged in the supply of retail electricity sold a total of 60.9 Terawatt hours (TWh) in 2024.

On 16 December 2021, JERA Asia acquired a 27% stake in AboitizPower, which consisted of a 25.01% stake from AEV and a 1.99% stake from ACO.

As of 24 March 2025, AEV owned 51.87% of the outstanding capital stock of AboitizPower, 27.00% was owned by JERA Asia, and 1.86% was owned by AboitizPower directors, officers, and other related parties, while the remainder was owned by the public.

For a more detailed history and milestones of the Company's Power SBU, please refer to AboitizPower's Information Statement.

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

## (i) Principal Products and Services

### GENERATION OF ELECTRICITY

AboitizPower's power generation portfolio includes interests in both renewable and non-renewable generation plants. As of 31 December 2024, the power generation business accounted for 98% of earning contributions from AboitizPower's business segments. AboitizPower conducts its power generation activities through the Subsidiaries and Affiliates listed in the table below.

The table below summarizes the Generation Companies' operating results as of the periods indicated:

| Generation Companies                    | Energy Sold |       |       | Revenue       |        |        |
|-----------------------------------------|-------------|-------|-------|---------------|--------|--------|
|                                         | 2024        | 2023  | 2022  | 2024          | 2023   | 2022   |
|                                         | (in GWh)    |       |       | (in mn Pesos) |        |        |
| AP Renewables Inc. (APRI)               | 2,706       | 3,206 | 3,316 | 12,683        | 16,754 | 18,797 |
| San Carlos Sun Power Inc. (SacaSun)     | 89          | 82    | 63    | 775           | 724    | 477    |
| PV Sinag Power, Inc. (PV Sinag)*        | 268         | N/A   | N/A   | 1,047         | N/A    | N/A    |
| Hedcor, Inc (Hedcor)                    | 164         | 155   | 137   | 856           | 864    | 834    |
| Luzon Hydro Corporation (LHC)           | 279         | 259   | 315   | 951           | 868    | 1,002  |
| Hedcor Sibulan, Inc. (Hedcor Sibulan)   | 251         | 271   | 262   | 1,397         | 1,477  | 1,408  |
| Hedcor Tudaya, Inc. (Hedcor Tudaya)     | 30          | 39    | 39    | 177           | 228    | 232    |
| Hedcor Sabangan, Inc. (Hedcor Sabangan) | 51          | 44    | 49    | 302           | 262    | 289    |
| Hedcor Bukidnon, Inc. (Hedcor Bukidnon) | 353         | 354   | 386   | 2,073         | 2,080  | 2,265  |

|                                                                    |        |        |       |                 |                 |                 |
|--------------------------------------------------------------------|--------|--------|-------|-----------------|-----------------|-----------------|
| SN Aboitiz Power-Magat, Inc. (SN Aboitiz Power-Magat)              | 3,838  | 2,404  | 3,472 | 10,406          | 10,207          | 15,194          |
| SN AboitizPower-Benguet, Inc. (SN AboitizPower-Benguet)            | 2,315  | 1,803  | 1,937 | 6,697           | 8,686           | 10,762          |
| Therma Luzon, Inc. (TLI)                                           | 5,497  | 6,351  | 6,322 | 28,730          | 40,231          | 41,293          |
| Therma South, Inc. (TSI)                                           | 2,232  | 1,987  | 1,739 | 13,628          | 13,530          | 14,604          |
| Therma Visayas, Inc. (TVI)                                         | 2,418  | 2,543  | 2,192 | 14,377          | 15,295          | 15,049          |
| Cebu Energy Development Corporation (Cebu Energy)                  | 1,683  | 1,949  | 1,957 | 10,259          | 12,165          | 14,259          |
| SPI Power Incorporated (SPI)                                       | 1,514  | 1,445  | 1,574 | 7,519           | 8,822           | 8,932           |
| GNPower Mariveles Energy Center Ltd. Co. (GMEC)                    | 4,811  | 4,675  | 3,778 | 27,769          | 30,901          | 36,128          |
| GNPower Dinginin Ltd. Co. (GNPD)                                   | 10,140 | 10,448 | 6,537 | 54,033          | 58,164          | 54,403          |
| Western Mindanao Power Corporation (WMPC)                          | 181    | 851    | 784   | 1,088           | 1,499           | 1,793           |
| Southern Philippines Power Corporation (SPPC)                      | 0      | 0      | 0     | 0               | 0               | 0               |
| Cebu Private Power Corporation (CPPC)                              | 0      | 31     | 93    | 12              | 660             | 1,060           |
| East Asia Utilities Corporation (EAUC)                             | 72     | 225    | 408   | 961             | 985             | 1,214           |
| Thema Marine, Inc. (TMI)                                           | 760    | 534    | 920   | 1,589           | 776             | 1,435           |
| Therma Mobile, Inc. (TMO)                                          | 493    | 1,023  | 1,139 | 1,920           | 2,993           | 2,158           |
| Therma Power-Visayas, Inc. (TPVI)                                  | 74     | 12     | 34    | 653             | 270             | 418             |
| Davao Light & Power Company, Inc. (Davao Light)** (decommissioned) | 0      | 0      | 0     | Revenue Neutral | Revenue Neutral | Revenue Neutral |
| Cotabato Light and Power Company (Cotabato Light)**                | 0      | 0      | 0     | Revenue Neutral | Revenue Neutral | Revenue Neutral |

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

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

## i. Renewables

### Aboitiz Renewables, Inc.

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

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

In 2021, AboitizPower disclosed its ten-year energy transition strategy of achieving, by 2030, a balanced 50:50 portfolio between thermal and renewable energy. As of end-2024, ARI has successfully energized 500 MW of its initial expansion phase, which includes developing solar and wind plants with a cumulative net attributable capacity of up to 1,200 MW. The company is on track to energize another 321 MW in 2025 and to begin construction on another 606 MW. The second phase of its expansion will see additional capacity of around 1,700 MW of solar and wind power. The growth of ARI's portfolio plays an important role in achieving AboitizPower's energy transition strategy which aims to assist in the decarbonization of the Philippine energy market while supporting the country's economic growth.



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

| Generation Company       | Percentage of Ownership | Plant Name (Location)                                                                                     | Type of Plant          | Net Sellable Capacity (MW) | Attributable Net Sellable Capacity (MW) | Offtakers                         |
|--------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------|------------------------|----------------------------|-----------------------------------------|-----------------------------------|
| APRI                     | 100%                    | Tiwi – Makban (Luzon)                                                                                     | Geothermal             | 290                        | 290                                     | WESM/ Bilaterals                  |
| Hedcor                   | 100%                    | Benguet 1-11 (Luzon)<br>La Trinidad, Bineng 3, Ampohaw, FLS, Labay, Lon-oy, Irisan 1 and 3, and Sal-angan | Run-of-river hydro     | 52.7                       | 52.7                                    | FIT/ Bilaterals                   |
|                          |                         | Davao 1-5 (Mindanao)<br>Talomo 1, 2, 2A, 2B, and 3                                                        | Run-of-river hydro     | 4.5                        | 4.5                                     | Distribution Utility              |
| Hedcor Bukidnon          | 100%                    | Manolo Fortich (Mindanao)                                                                                 | Run-of-river hydro     | 68.8                       | 68.8                                    | FIT                               |
| Hedcor Sabangan          | 100%                    | Sabangan (Luzon)                                                                                          | Run-of-river hydro     | 14                         | 14                                      | FIT                               |
| Hedcor Sibulan           | 100%                    | Sibulan (A, B and Tudaya A) (Mindanao)                                                                    | Run-of-river hydro     | 49.1                       | 49.1                                    | Distribution utility              |
| Hedcor Tudaya            | 100%                    | Tudaya (B) (Mindanao)                                                                                     | Run-of-river hydro     | 7                          | 7                                       | FIT                               |
| LHC                      | 100%                    | Bakun (Ilocos Sur, Luzon)                                                                                 | Run-of-river hydro     | 74.8                       | 74.8                                    | NPC (2026)                        |
| SacaSun                  | 100%                    | SacaSun (Visayas)                                                                                         | Solar                  | 46.8                       | 46.8                                    | FIT                               |
| PV Sinag                 | 100%                    | Cayanga and Laoag (Luzon)                                                                                 | Solar                  | 205.33                     | 205.33                                  | Bilateral/ WESM                   |
| SN Aboitiz Power-Benguet | 60%**                   | Ambuklao (Benguet, Luzon)                                                                                 | Large Hydroelectric    | 112.5                      | 56.3                                    | WESM/ ASPA/ Electric Cooperatives |
|                          |                         | Binga (Luzon)                                                                                             | Large Hydroelectric    | 140                        | 70                                      | WESM/ASPA                         |
| SN Aboitiz Power-Magat   | 60%**                   | Magat (Luzon)                                                                                             | Large Hydroelectric    | 388                        | 194                                     | WESM/ ASPA                        |
|                          |                         | Maris Main Canal 1 (Luzon)                                                                                | Run-of-river hydro     | 8.5                        | 4.3                                     | FIT                               |
|                          |                         | Magat BESS (Luzon)                                                                                        | Battery energy storage | 24                         | 12                                      | WESM                              |
| Total*                   |                         |                                                                                                           |                        | 1,486                      | 1,149.50                                |                                   |

Notes:

\* Sum figures will differ due to rounding effect.

\*\*The 60% equity is owned by MORE.

## (B) Thermal Energy

### Therma Power, Inc. (TPI)

AboitizPower's investments and interests in thermal energy projects are held primarily through its wholly-owned Subsidiary, TPI. TPI was incorporated on 26 October 2007. As of 28 February 2025, AboitizPower, by itself, through and/or with TPI, owned equity interests in the following thermal plants:

| Generation Company                | Percentage Ownership | Plant Name (Location)                                        | Project Type   | Net Sellable Capacity (MW) | Attributable Net Sellable Capacity (MW) | Off-takers                   |
|-----------------------------------|----------------------|--------------------------------------------------------------|----------------|----------------------------|-----------------------------------------|------------------------------|
| <b>Coal Group</b>                 |                      |                                                              |                |                            |                                         |                              |
| TLI                               | 100%                 | Pagbilao (Luzon)                                             | Coal-fired     | 700                        | 700                                     | Bilaterals/ASPA              |
| Pagbilao Energy Corporation (PEC) | 50%                  | Pagbilao 3 (Luzon)                                           | Coal-fired     | 388.4                      | 194.2                                   | Bilaterals                   |
| TSI                               | 100%                 | TSI Plant (Mindanao)                                         | Coal-fired     | 272.6                      | 272.6                                   | Bilaterals/WESM              |
| TVI                               | 80%                  | TVI Plant (Visayas)                                          | CFB            | 300                        | 240                                     | Bilaterals/WESM              |
| Cebu Energy                       | 26.4%                | Cebu Energy (Visayas)                                        | CFB            | 216                        | 57                                      | Bilaterals/WESM              |
| GMEC                              | 78.32%               | Mariveles Project (Luzon)                                    | Coal-fired     | 632                        | 495                                     | Bilaterals/WESM              |
| GNPD                              | 70.00%               | GN Power Dinginin Ltd. Co.                                   | Coal-fired     | 1,336                      | 935.2                                   | Bilaterals/WESM              |
| SPI                               | 85%                  | Mindanao Coal-Fired Power Plant/STEAG Power Plant (Mindanao) | Coal-fired     | 210                        | 178.5                                   | NPC/PSALM (2031)/ Bilaterals |
| <b>Oil Group</b>                  |                      |                                                              |                |                            |                                         |                              |
| EAUC                              | 100%                 | EAUC Plant (Visayas)                                         | Bunker-C fired | 43.5                       | 43.5                                    | Bilaterals                   |
| SPPC**                            | 20%                  | SPPC Plant (Mindanao)                                        | Bunker-C fired | 55                         | 11                                      | N/A                          |
| TMI                               | 100%                 | Power Barge Mobile 1 (Mindanao)                              | Barge-mounted  | 96                         | 96                                      | Bilaterals/ASPA              |
|                                   |                      | Power Barge Mobile 2 (Mindanao)                              | Barge-mounted  | 96                         | 96                                      | Bilaterals/ASPA              |
|                                   |                      | BESS (Mindanao)                                              | Hybrid BESS    | 49                         | 49                                      | ASPA                         |
| TMO                               | 100%                 | Power Barges Mobile 3-6 (Luzon)                              | Barge-mounted  | 210                        | 210                                     | WESM/ASPA                    |
| TPVI                              | 100%                 | TPVI Plant (Visayas)                                         | Bunker-C fired | 33                         | 33                                      | WESM                         |
| WMPC**                            | 20%                  | WMPC Plant (Mindanao)                                        | Bunker-C fired | 100                        | 20                                      | Bilaterals                   |
| Cotabato Light**                  | 99.94%               | Bunker Cotabato (Mindanao)                                   | Bunker-C fired | 4.45                       | 4.45                                    | N/A                          |
| <b>Total</b>                      |                      |                                                              |                | <b>4,757*</b>              | <b>3,554*</b>                           |                              |

\* Sum figures will differ due to rounding effect

\*\* Directly owned by AboitizPower

For a more detailed discussion of the Power Group's Generation Business Units, please refer to AboitizPower's Information Statement.

## Other Generation Assets

As of 28 February 2025, Cotabato Light maintained a stand-by maximum capacity of 9.641-MW Bunker C-fired power plant capable of supplying approximately 12.79% of its requirements.

## Future Projects

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

## DISTRIBUTION OF ELECTRICITY

The Aboitiz Group has more than 85 years of experience in the Philippine power distribution sector.

With ownership interests in nine Distribution Utilities, the company believes that it is currently one of the largest electricity distributors in the Philippines. AboitizPower's Distribution Utilities collectively supply electricity to franchise areas covering a total of 18 cities and municipalities and five economic zones across Luzon, Visayas, and Mindanao.

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

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

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

| Company                                                  | Electricity Sold (MWh) |           |           | Peak Demand (MW) |      |      | No. of Customers |         |         |
|----------------------------------------------------------|------------------------|-----------|-----------|------------------|------|------|------------------|---------|---------|
|                                                          | 2024                   | 2023      | 2022      | 2024             | 2023 | 2022 | 2024             | 2023    | 2022    |
| Davao Light                                              | 3,009,086              | 2,842,932 | 2,699,306 | 537              | 510  | 472  | 494,710          | 482,427 | 470,868 |
| Cotabato Light                                           | 228,387                | 203,930   | 189,763   | 44               | 38   | 35   | 52,380           | 50,499  | 49,05   |
| Visayan Electric Company (Visayan Electric)              | 3,933,149              | 3,548,720 | 3,175,656 | 678              | 615  | 588  | 513,491          | 501,080 | 486,414 |
| San Fernando Electric Light & Power Co., Inc. (SFELAPCO) | 871,159                | 810,311   | 786,935   | 219              | 198  | 151  | 134,691          | 130,148 | 126,313 |
| Subic Enerzone Corporation (Subic Enerzone)              | 297,094                | 287,300   | 282,997   | 60               | 57   | 55   | 3,697            | 3,674   | 3,615   |
| Mactan Enerzone Corporation (Mactan Enerzone)            | 80,652                 | 88,600    | 100,881   | 17               | 20   | 21   | 88               | 90      | 86      |

|                                                   |                  |                  |                  |              |              |              |                  |                  |                  |
|---------------------------------------------------|------------------|------------------|------------------|--------------|--------------|--------------|------------------|------------------|------------------|
| Balamban Enerzone Corporation (Balamban Enerzone) | 98,283           | 95,937           | 87,813           | 27           | 26           | 25           | 31               | 28               | 27               |
| Lima Enerzone Corporation (Lima Enerzone)         | 352,093          | 315,178          | 317,602          | 65           | 58           | 56           | 1,712            | 1,621            | 999              |
| Malvar Enerzone Corporation (Malvar Enerzone)     | 17,025           | 10,238           | 9,481            | 6            | 6            | 5            | 187              | 49               | 25               |
| <b>Total</b>                                      | <b>8,886,926</b> | <b>8,203,148</b> | <b>7,650,434</b> | <b>1,653</b> | <b>1,528</b> | <b>1,407</b> | <b>1,200,987</b> | <b>1,169,606</b> | <b>1,137,402</b> |

For a more detailed discussion of the Power Group's Power Distribution Utilities, please refer to AboitizPower's Information Statement.

## **RETAIL ELECTRICITY AND OTHER RELATED SERVICES (RETAIL ELECTRICITY SUPPLY BUSINESS)**

One of the objectives of electricity reform in the Philippines is to ensure the competitive supply of electricity at the retail level. With the start of commercial operations of Open Access, large-scale customers are allowed to source electricity from RES licensed by the ERC. Adventenergy, Inc., Adventpower, and Prism Energy, Inc. are also registered under the Renewable Energy Market and were granted operating permits by the DOE, valid for five years, allowing them to participate in the DOE's Green Energy Option Program (GEOP).

### **RES Business Segments**

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

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

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

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

### **SN Aboitiz Power – Res, Inc. (SN Aboitiz Power-RES)**

SN Aboitiz Power-RES caters and offers energy supply and solutions tailored to the needs and preferences of customers under the Retail Competition and Open Access (RCOA) market.

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

## **Others**

### **AboitizPower International Pte. Ltd. (AboitizPower International)**

Established on 6 August 2014 in Singapore, AboitizPower International is the holding company of the company's investments abroad. AboitizPower International owns 100% of the following project companies: AP Lariang Pte. Ltd. and Cleanergy Asia Power Holdings Pte. Ltd.



### Potentia Insurance Pte. Ltd. (Potentia)

Potentia is a captive insurance company wholly owned by AboitizPower, established and operating in Singapore. Incorporated on 4 July 2024, Potentia was created to serve the insurance needs of its parent group by underwriting internal risks and driving risk management performance of its insured entities.

On 1 September 2024, Potentia issued its first insurance policy through AboitizPower's One Master Global Industrial All Risks Insurance Program. Potentia is currently focused on identifying additional opportunities to expand its involvement in other strategic insurance programs of the group.

### (ii) Sales

The operations of AboitizPower and its Subsidiaries and Affiliates are based only in the Philippines.

Comparative amounts of revenue, profitability and identifiable assets are as follow:

|                  | 2024     | 2023     | 2022     |
|------------------|----------|----------|----------|
| Gross Income     | ₱197,492 | ₱207,100 | ₱193,994 |
| Operating Income | 41,195   | 31,785   | 29,803   |
| Total Assets     | ₱517,616 | ₱487,023 | ₱477,594 |

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

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

|                           | 2024            |             | 2023            |             | 2022     |      |
|---------------------------|-----------------|-------------|-----------------|-------------|----------|------|
| Power Generation          | ₱120,666        | 53%         | ₱137,376        | 57%         | ₱137,480 | 59%  |
| Power Distribution        | 58,895          | 26%         | 54,735          | 23%         | 58,951   | 25%  |
| Retail Electricity Supply | 46,154          | 20%         | 46,396          | 19%         | 19,875   | 9%   |
| Services                  | 1,606           | 1%          | 2,187           | 1%          | 17,042   | 7%   |
| <b>Total Revenue</b>      | <b>227,320</b>  | <b>100%</b> | <b>₱240,694</b> | <b>100%</b> | 233,348  | 100% |
| Less: Eliminations        | 29,828          |             | -33,594         |             | -39,355  |      |
| <b>Net Revenue</b>        | <b>₱197,492</b> |             | <b>₱207,100</b> |             | ₱193,994 |      |

*Note: Values are in Million Pesos.*

### (iii) Distribution Methods of the Product or Services

#### POWER GENERATION BUSINESS

The AboitizPower's Generation Companies sell their capacities and energy through bilateral PSAs with private distribution utilities, electric cooperatives, RES, other large end-users, and through the WESM. The company has Subsidiaries and Affiliates that sell ancillary services through ASPAs with NGCP. The majority of AboitizPower's Generation Companies have transmission service agreements with NGCP for transmission of electricity to the grid.

#### DISTRIBUTION UTILITIES BUSINESS

Ancillary Services are necessary to help ensure a reliable and stable grid, which co-exist with the energy market or WESM. NGCP signs ASPAs with AS-certified generators to fulfill specific ancillary service requirements per grid. Currently, SN Aboitiz Power-Magat, SN Aboitiz Power-Benguet, TMI, TMO, TLI, APRI, Cebu Energy, and WMPC have ASPAs with NGCP. In the Luzon grid, the SN AboitizPower Group delivers regulating, contingency, and dispatchable reserves, blackstart service, and reactive power

support through its Ambuklao, Binga, and Magat Plants. TMO, on the other hand, is located at the load center in Metro Manila and serves the necessary voltage support and dispatchable reserve. In addition, TLI's Pagbilao and APRI's Makban plants deliver contingency reserves and Reactive Power Support AS, respectively. In the Visayas, AboitizPower delivers Contingency Ancillary Service through Cebu Energy. TMI provides both contingency and dispatchable reserves requirements in Mindanao. As a development to the Ancillary Service Contracting Process, the DOE mandated that AS will now undergo a Competitive Selection Process (CSP), similar to Energy CSP. DOE Department Circular No. DC 2021-10-0031 entitled *"Prescribing the Policy for the Transparent and Efficient Procurement of Ancillary Services by the Systems Operator"*, details the provision of the CSP which became effective on 29 October 2021. This is a welcome development for a more transparent and efficient process. AboitizPower actively participates in this process to fulfill the most-needed AS requirements across the nation.

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

In the absence of WESM in Mindanao, Tudaya Hydro 2, and Manolo Fortich Hydro 1 and 2 have entered into Renewable Energy Supply Agreement (RESA) with their host distribution utilities or electric cooperatives.

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

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

## **RETAIL ELECTRICITY SUPPLY BUSINESS**

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

### **(iv) New Products/Services**

On 1 March 2024, AboitizPower, indirectly through its wholly-owned Subsidiary, Therma NatGas Power, Inc. (TNGP) entered into an investment agreement with Meralco Powergen Corporation (MGen) to acquire a 40% equity interest in Chromite Gas Holdings, Inc. With TNGP's investment in Chromite Gas, Chromite Gas becomes 60% and 40% legally and beneficially owned by MGen and TNGP, respectively. On 27 January 2025, AboitizPower was informed that TNGP's co-investment with MGen and San Miguel Global Power



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

Other than the foregoing and other ongoing greenfield and/or rehabilitation projects undertaken by AboitizPower's Generation Companies, AboitizPower and its Subsidiaries do not have any publicly announced new products or services as of 28 February 2025.

**(v) Competition**

**POWER GENERATION BUSINESS**

AboitizPower's power generation business is operating in an environment that is affected by competition, economic and seasonal changes that impacts demand, regulation, and global commodity price fluctuation.

Among the abovementioned influences, AboitizPower continues to face competition in both greenfield and brownfield opportunities. With the latest mandate on Renewable Portfolio Standards (RPS) and Green Energy Auction Program (GEAP), many competitors have started exploring and committing to increase their renewable energy sources.

Over the next three years, the majority of new supply is from variable renewable energy, with nearly 65% of it coming from the GEAP.

AboitizPower also believes that the Philippines' energy requirements will continue to grow as the country's economy develops, attracting new entrants both from demand and supply segments. With this opportunity, AboitizPower believes it is well-positioned to play a significant role in this growth, both in the renewable energy growth aspirations and baseload requirements of the country.

In particular, AboitizPower is expected to continue to face competition from leading multinationals such as TeM Corporation, Electricity Generating Public Company Limited (EGCO), and Korea Electric Power Corporation, as well as power generation facilities owned or controlled by Filipino-owned companies such as AC Energy, Alsons Power Group, DMCI Holdings, Inc., FDC Utilities, Inc., First Gen Corporation, Mgen, and SMGP.

**RETAIL ELECTRICITY SUPPLY BUSINESS**

Based on ERC's Competitive Selection Retail Electricity Market (CREM) Monthly Statistical Data as of December 2024, there are 55 RES companies and 29 Local RES companies participating in the Open Access markets in Luzon and Visayas. AboitizPower and Subsidiaries have the largest market share at 29.30%, with a contracted capacity of 1,181.98 MW. The Meralco Group, through its local RES and affiliate RES companies, has the second-largest market share at 25.31%, with contracted capacity of 1,140.38 MW as of December 2024. The San Miguel Group has the third largest market share at 13.79%, with a contracted capacity of 709.75 MW.

The Increase in the number of power plants, the number of RES companies, volatile WESM prices, and sustained high coal prices have also increased the level of competition in the RCOA. RES companies have resorted to both aggressive pricing and contractual concessions to customers in order to acquire more customers.

AboitizPower believes that its portfolio, consisting of different types of energy sources with a mix of renewables and non-renewables, allows it to be flexible in both pricing and reliability of supply, thus enhancing its competitiveness and allowing it to become the market leader in 2024.

#### **DISTRIBUTION UTILITIES BUSINESS**

Each of AboitizPower's Distribution Utilities currently have franchises to distribute electricity in the areas covered by its franchises.

#### **(vi) Sources of Raw Materials and Supplies**

##### **POWER GENERATION BUSINESS**

The Generation Companies produce energy using the following fuel types based on attributable net selling capacity: 13% hydropower, 6% geothermal, 5% solar, 65% coal, and 11% oil. In 2024, renewable fuel sources comprised 24% of attributable net selling capacity, while thermal accounted for 76%.

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

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

Oil-fired plants use heavy fuel oil and automotive diesel oil to generate electricity. WMPC sources heavy fuel oil from Northern Star Energy Corporation. Each of EAUC, CPPC, TMI, TMO, and TPVI secured its heavy fuel oil requirements from Pilipinas Shell, Marine Fuels Philippines, and/or SL Harbor Bulk Terminal Corporation. The fuel prices under these agreements are pegged to the Mean of Platts Singapore index.

Both Coal-fired and Oil-fired power plants require automotive diesel oil during startup. These are all purchased from Chevron Philippines, Inc. under a term contract and are pegged to the Means of Platts Singapore index.

TLI for Pagbilao Unit 3, TVI, and TSI have long-term coal supply contracts until 2025 for the majority of their annual requirements. Likewise, GNPD, GMEC, and Cebu Energy also have long-term coal supply agreements.

TLI for Pagbilao Units 1 and 2, and SPI are presently undergoing multiple testings of new coal supply sources with lower calorific value to improve fuel cost prices. Long-term contracts will be entered into within the year upon completion of said tests.

##### **POWER DISTRIBUTION BUSINESS**

The rates at which the Distribution Utilities purchase electricity from affiliated Generation Companies are established pursuant to bilateral agreements. These agreements are executed after the relevant Generation Company has successfully bid for the right to enter into a PSA with a distribution utility. These agreements are entered into on an arms'-length basis, on commercially reasonable terms, and must be

approved by the ERC. ERC's regulations currently restrict AboitizPower's Distribution Utilities from purchasing more than 50% of their electricity requirements from affiliated Generation Companies.

To address long-term power supply requirements, Davao Light and Cotabato Light entered into 25-year Power Supply Contracts (PSCs) with TSI for 100 MW and 5 MW, respectively, and started drawing their contracted capacity in September 2015. In June 2016, Davao Light and TSI filed a Joint Manifestation with ERC stating that they agreed to supplement and modify their supply contract to 108 MW.

To meet the RPS requirement, Davao Light entered into a ten-year 55 MW PSA with Hedcor Sibulan from 2022 to 2032. Davao Light also renewed its CSEE with PSALM for a period of three years from 2023 to 2025 for 15 MW. To cover its peak demand requirement for 2023 to 2026, Davao Light entered into a three-year PSA with TMI for a 50 MW supply. Davao Light also entered into a five-year non-firm load following the PSA, on an as available as needed basis, with FDC Misamis Power Corporation to cater to replacement power requirements in times of outages from 2023 to 2028.

To address long-term power supply requirements, Visayan Electric entered into a 25-year Electric Power Purchase Agreement (EPPA) with Cebu Energy in October 2009 for the supply of 105 MW. In December 2010, Visayan Electric signed a five-year PSA with GCGI for the supply of 60 MW at 100% load factor which was extended for another ten years in October 2014. Visayan Electric also has a 15-year PSA with TVI for the supply of 150 MW beginning 2018.

In 2021, Subic Enerzone conducted a CSP to reduce its WESM exposure. Masinloc Power Partners Co. Ltd. (MPPCL) won the 10MW PSA starting 26 December 2021. Similarly, Lima Enerzone conducted its own CSP in 2021 as replacement to its expiring contract. TLI won the contract at 7 MW for five years starting in May 2021. Malvar Enerzone sources its power supply from WESM to meet the ecozone's power requirements until its electricity demand is stable.

The provisions of the Distribution Utilities' PPAs are governed by ERC regulations. The main provisions of each contract relate to the amount of electricity purchased, the price, including adjustments for various factors such as inflation indexes, and the duration of the contract. Distribution Utilities also enter into PSAs with various generation companies.

### Transmission Charges

AboitizPower's Distribution Utilities have existing Transmission Service Agreements (TSAs) with the NGCP for the use of the latter's transmission facilities in the distribution of electric power from the Grid to its customers, which are valid until the dates specified below:

| Distribution Utility | Valid until      |
|----------------------|------------------|
| Lima Enerzone        | 25 July 2027     |
| Cotabato Light       | 25 August 2028   |
| SFELAPCO             | 25 December 2028 |
| Davao Light          | 25 January 2029  |
| Visayan Electric     | 25 January 2029  |
| Mactan Enerzone      | 25 March 2025*   |
| Balamban Enerzone    | 25 March 2025*   |
| Malvar Enerzone      | 25 December 2025 |

\* Prior to the expiry of their TSAs, Mactan Enerzone and Balamban Enerzone have already applied and submitted their requirements for renewal.

The Distribution Utilities have negotiated agreements with the NGCP in connection with the security deposit to secure their obligations to the NGCP under the TSAs.

**(vii) Major Customers**

**POWER GENERATION BUSINESS**

As of 31 December 2024, out of the total electricity sold by AboitizPower's Generation Companies, approximately 77% was covered by bilateral contracts with, among others, private distribution utilities, electric cooperatives, and industrial and commercial companies. The remaining, approximately 23%, was sold by the Generation Companies through the WESM, a co-optimized energy and reserves market.

**RETAIL ELECTRICITY SUPPLY BUSINESS**

As of 28 February 2025, AboitizPower's RES business had approximately 500 Contestable Customers under RCOA and seven end-users under GEOP with active contracts. These customers come from a wide number of industries, including property development, meat processing, semiconductors, steel, and cement. AboitizPower thus believes that this diversity will insulate its RES business from downturns in any one industry.

**POWER DISTRIBUTION UTILITIES**

AboitizPower's Distribution Utilities have wide and diverse customer bases. As such, AboitizPower believes that loss of any one customer is not expected to have a material adverse impact on the company. The Distribution Utilities' customers are categorized into four principal categories:

- (a) *Industrial customers.* Industrial customers generally consist of large-scale consumers of electricity within a franchise area, such as factories, plantations, and shopping malls;
- (b) *Residential customers.* Residential customers are those who are supplied electricity for use in a structure utilized for residential purposes;
- (c) *Commercial customers.* Commercial customers include service-oriented businesses, universities, and hospitals; and
- (d) *Other customers.* Customers not falling under any of the above categories.

Government accounts for various government offices and facilities are categorized as either commercial or industrial depending on their load. Each Distribution Utility monitors government accounts separately and further classifies them to local government accounts, national government accounts, or special government accounts like military camps. Streetlights have a different rate category and are thus monitored independently.

**(viii) Transactions with and/or Dependence on Related Parties**

AboitizPower and its Subsidiaries, in their regular conduct of business, have entered into transactions with Associates and other related parties principally consisting of professional and technical services, power sales and purchases, advances, various guarantees, construction contracts, aviation services, and rental fees. These are made on an arm's-length basis as of the time of the transactions.

Details of the significant account balances of the foregoing related party transactions of the Group can be found in the consolidated financial statements of AboitizPower attached to its Information Statement.

**(ix) Patents, Copyrights and Franchises**

AboitizPower and its Subsidiaries have secured all material permits required to operate its businesses. These are further discussed below.

**POWER GENERATION BUSINESS**

Power generation is not considered a public utility operation under RA No. 9136 or the Electric Power Industry Reform Act of 2001 (EPIRA). Thus, a franchise is not needed for generation companies to engage in the business of power generation. Nonetheless, no person or entity may engage in the generation of electricity unless such person or entity has secured a Certificate of Compliance (COC) from ERC to operate a generation facility and has complied with the standards, requirements, and other terms and conditions set forth in the said COC.

In its operations, a Generation Company is required to comply with technical, financial and environmental standards. Further, a Generation Company shall ensure that its facilities connected to the Grid meet the technical design and operation criteria of the Philippine Grid Code, Philippine Distribution Code, and Philippine Electrical Code.

Cotabato Light has its own generation facilities and is required under the EPIRA to obtain a COC. Davao Light's generation facility was decommissioned last 26 November 2018.

AboitizPower, its Subsidiaries, and Affiliates are in various stages of development of several projects. Some of these projects have been awarded Renewable Energy Service contracts by the DOE.

The Generation Companies and Cotabato Light, a Distribution Utility, possess COCs for their power generation plants, details of which are enumerated in AboitizPower's Information Statement.

**DISTRIBUTION UTILITIES BUSINESS**

Under the EPIRA, the business of electricity distribution is a regulated public utility business that requires a franchise that can be granted only by Congress. In addition to the legislative franchise, a CPCN from ERC is also required to operate as a public utility. However, distribution utilities operating within economic zones are not required to obtain a franchise from Congress, but must be duly registered with PEZA in order to operate within the economic zone.

All distribution utilities are required to submit to the ERC a statement of their compliance with the technical specifications prescribed in the Philippine Distribution Code, which provides the rules and regulations for the operation and maintenance of distribution systems, and the performance standards set out in the implementing rules of the EPIRA.

Shown below are the respective expiration periods of the Distribution Utilities' legislative franchises:

| Distribution Utility | Franchise                                                                                      | Term                                                                                    | Expiry                        |
|----------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------|
| Visayan Electric     | RA No. 9339                                                                                    | 25 years from effectivity of RA No. 9339. RA No. 9339 was approved on 1 September 2005. | Valid until 24 September 2030 |
|                      | ERC Certificate No. CPCN-09-01 (ERC Decision dated 26 January 2009, ERC Case No. 2008-095 MC). | 25 years, or from 24 September 2005 to 24 September 2030                                |                               |
| Davao Light          | RA No. 8960                                                                                    | 25 years from effectivity of RA No. 8960, or                                            | 7 September                   |

|                |                                                                                                              |                                                                                                                                                    |                              |
|----------------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|                |                                                                                                              | from 7 September 2000                                                                                                                              | 2025                         |
|                | ERC CPCN Decision dated February 26, 2002, ERC Case No. 2001-792                                             | 25 years, or from 7 September 2000 to 7 September 2025                                                                                             | 7 September 2025             |
|                | RA No. 11515                                                                                                 | 5 years from expiration of the term granted under RA No. 8960, or from 7 September 2025 to 7 September 2050 (Lapsed into law on December 26, 2020) | Valid until 7 September 2050 |
| Cotabato Light | RA No. 10637                                                                                                 | 25 years from the effectivity of RA No. 10637, as amended. RA No. 10637 was approved on 16 June 2014.                                              | Valid until 16 June 2039     |
|                | ERC Certificate No. CPCN-14-001 (ERC Decision dated 9 December 2019, ERC Case No. 2013-063 MC)               | 25 years, or from 17 June 2014 or until 16 June 2039                                                                                               |                              |
| SFELAPCO       | RA No. 9967                                                                                                  | 25 years from effectivity of RA No. 9967 (Lapsed into law on 6 February 2010)                                                                      | Valid until 23 March 2035    |
|                | ERC Certificate No. CPCN-10-01 (ERC Decision dated 31 August 2010, ERC Case No. 2010-029 MC)                 | 25 years, or from 24 March 2010 to 23 March 2035                                                                                                   |                              |
| Subic Enerzone | Distribution Management Service Agreement (DMSA) between Subic Enerzone and Joint Venture of AEV-Davao Light | Notarized on 15 May 2003. Term of the DMSA is 25 years.                                                                                            | Valid until 15 May 2028      |

Mactan Enerzone, Balamban Enerzone, Lima Enerzone, and Malvar Enerzone which operate the power distribution utilities in MEPZ II, WCIP, LTC, and LISP IV respectively, are duly registered with PEZA as Ecozone Utilities Enterprises.

## RETAIL ELECTRICITY SUPPLY BUSINESS

Like power generation, the business of supplying electricity is not considered a public utility operation under the EPIRA, but is considered a business affected with public interest. As such, the EPIRA requires all suppliers of electricity to end-users in the contestable market, other than distribution utilities within their franchise areas, to obtain a license from ERC. With the implementation of Open Access in 2013, AboitizPower's RES Subsidiaries and Generation Companies with RES licenses, AESI, Adventenergy, APRI, SN Aboitiz Power – Magat, SN Aboitiz Power – RES, Prism Energy, and TLI, have all obtained separate licenses to act as RES.

## Trademarks

AboitizPower and its Subsidiaries own, or have pending applications for the registration of, intellectual property rights for various trademarks associated with their corporate names and logos. Please refer to AboitizPower's Information Statement to see the trademark applications that AboitizPower and its Subsidiaries have secured or have pending application with the Philippine Intellectual Property Office (Philippine IPO) and intellectual property office abroad.

## (x) Government Approval

The discussion on the need for any government approval for any principal products or services of the company and its Subsidiaries, including COCs obtained by the Generation Companies and franchises obtained by the Distribution Utilities, is included in the discussion of Patents, Copyrights and Franchises of AboitizPower's Information Statement.



**(xi) Effect of Existing or Probable Governmental Regulations**

AboitizPower and its Subsidiaries are subject to the laws generally applicable to all Philippine corporations, such as corporation law, securities law, tax laws, data privacy law, and the Local Government Code. All Philippine corporations are also subject to labor laws and social legislation, including RA No. 11199 or the Social Security Act of 2018, RA No. 10606 or the National Health Insurance Act of 2013, RA No. 11223 or the Universal Health Care Act, RA No. 9679 or the Home Development Mutual Fund Law of 2009, The Philippine Labor Code and its implementing rules, and other labor-related laws, regulations, and DOLE mandated work-related programs.

The Aboitiz Group closely monitors its compliance with the laws and government regulations affecting its businesses. For a detailed discussion on the regulatory framework of the power industry, please refer to AboitizPower's Information Statement on Existing or Probable Governmental Regulations.

**(xii) Amount Spent on Research and Development Activities**

AboitizPower and its Subsidiaries do not allot specific amounts or fixed percentages for research and development. All research and development activities are done by AboitizPower's Subsidiaries and Affiliates on a per project basis. The allocation for such activities may vary depending on the nature of the project.

**(xiii) Costs and Effects of Compliance with Environmental Laws**

AboitizPower's generation and distribution operations are subject to extensive, evolving, and increasingly stringent safety, health, and environmental laws and regulations. These laws and regulations address concerns relating to: (a) air quality and greenhouse gas (GHG) emissions; (b) wastewater discharges; (c) the generation, handling, storage, transportation, treatment and disposal of toxic or hazardous chemicals, materials, and wastes; (d) workplace conditions; and (e) employee's exposure to hazardous substances.

Standard laws and regulations that govern business operations include the Clean Air Act (RA No. 8749), Ecological Solid Waste Management Act (RA No. 9003), Clean Water Act (RA No. 9275), Toxic Substances and Hazardous and Nuclear Wastes Control Act (RA No. 6969), Philippine Environmental Impact Statement System (PD No. 1586), and Occupational Safety and Health Standards (RA No. 11058). The RE Law also added new and evolving measures that must be complied with. These laws usher in new opportunities for the AboitizPower and set competitive challenges for the businesses covered. Additional regulations such as DOE's Energy Regulation No. 1-94 ("ER 1-94") require generation companies to allocate Reforestation, Watershed Management, Health and/or Environment Enhancement Fund (RWMHEEF) for the benefit of host communities and protection of the natural environment. Funds are also set for the management of carbon sinks and watershed areas through a nationwide reforestation program required by the facilities' Environmental Compliance Certificate and/or related commitments such as approved Environmental Management Plans.

The Safety, Health, Environment and Security (SHES) group of AboitizPower oversees the SHES programs and activities, including the accounting of all environmental impacts, within its operational control from the corporate center, business units, to facility teams. For the Generation Group, the facilities include: (1) APRI's Tiwi-MakBan plants, (2) SacaSun's San Carlos plant, (3) PV Sinag's Cayanga-Bugallon plant, (4) the Benguet, Bakun, Sabangan, Sibulan A, B, and Tudaya A, Tudaya B, Manolo Fortich, and Talomo HEPPs of the Hedcor Group, (5) SN AboitizPower Group's Ambuklao, Binga, Magat, and Maris plants, (6) the Cebu, Mactan, Mobile 1, Mobile 2, Mobile 3-6, and Naga oil plants, and (7) the Davao and Toledo coal plants. For the Distribution Utilities, the facilities include Cotabato Light, Davao Light, Visayan Electric, Balamban Enerzone, Mactan Enerzone, Lima Enerzone, Malvar Enerzone, and Subic EnerZone.

AboitizPower and its Subsidiaries have allocated budgets for environmental expenditures covering costs for waste disposal, remediation, pollution control, environmental initiatives and programs that support climate strategies along with its impact. All facilities are in compliance with regulatory requirements, thus noting zero spending for remediation costs.

AboitizPower and its Subsidiaries commit to following international best practices in all power plants and distribution utilities, in line with its Safety, Health, and Environment Policy. This is evidenced by ISO certification for the management systems pertaining to Quality, Environment, and Occupational Health and Safety, with an 88% coverage for the Distribution Group and a 97% coverage for the Generation Group. AboitizPower Subsidiaries under the Thermal Business Units were recertified in 2022. Meanwhile, the AboitizPower Distribution Utilities, except for Malvar Enerzone, have maintained their certifications on ISO 9001:2015 Quality Management System, ISO 45001:2018 and ISO 14001:2015 Environmental Management System.

In 2024, AboitizPower's commitment to continuous improvement in managing environmental impacts is evident, in its total environmental management operating expense at ₱189.9 mn and environment-related capital expenditure of ₱9.9 mn. This consists of ₱36.6 mn for the Renewables Group, ₱7.3 mn for the Thermal Business Group, and ₱9.8 mn for the Distribution Utilities. The distribution of the total expenses are as follows: (i) 50% for Internal Initiatives and Programs including compliance monitoring; (ii) 27% for External Initiatives; (iii) 12% for Waste Disposal; and (iv) the remaining 10% are capital expenditures. The company prioritizes adherence to Hazardous Waste Management rules. The Geothermal Group has invested in enhancements to its Continuous Ambient Air Monitoring Stations, while the Hedcor Group upgraded its primary nursery and updated water level sensors.

AboitizPower exceeds basic adherence to environmental standards by proactively endorsing diverse environmental activities. The company engages in initiatives such as Adopt an Estero/Waterbody and maintains its support to the Continuous Ambient Air Monitoring System to the Environmental Management Bureau (EMB) of the DENR. In 2024, AboitizPower participated in 99 environmental initiatives, facilitating the planting of 307,643 trees across about 278 hectares with the support of nearly 3,206 volunteers. The company facilitated and supported 104 coastal and river clean-up initiatives, leading to the collection of approximately 29,691 kilograms of waste and the engagement of 3,362 volunteers.

AboitizPower and its Subsidiaries received a total of 57 awards, certifications, and citations in 2024 concerning Safety, Health, and Environmental Services (SHES). SN AboitizPower - Benguet received the prestigious ASEAN Occupational Safety and Health Network (OSHNET) Award for its innovative safety practices, setting high standards for the region. Makban Geothermal Plant and Tiwi Geothermal Plant were honored with the DOE Safety and Health Association of the Philippine Energy Sector (SHAPES) Award for their leadership in promoting safety, health, and productivity in the energy sector, while TMI's Nasipit Plant earned the DOE *Gawad Kaligtasan at Kalusugan* Award for its continuous improvement in workplace safety. SN AboitizPower- Magat also received the DOE *Gawad Kaligtasan at Kalusugan* Award, alongside the *Gawad Kalasag* for its proactive disaster risk management efforts. At the regional level, the Thermal Business Group and Davao Light were recognized by the DENR for their strong commitment to environmental sustainability and corporate social responsibility. These accolades reflect the outstanding efforts of these organizations in creating safer and healthier workplaces, advancing sustainability, and demonstrating leadership in their respective industries, setting an inspiring example for others to follow.

In 2024, AboitizPower and its Subsidiaries did not incur any major sanctions for violation of environmental standards and laws. AboitizPower continues to be cognizant of new opportunities to comply with regulatory requirements and improvement of systems to promote safety and prevent adverse impacts to the environment or affected ecosystems.

#### (xiv) Employees

At the parent company level, AboitizPower had a total of 610 employees as of 28 February 2025. These include executives, managers, supervisory, and rank-and-file staff employees. There is no existing Collective Bargaining Agreement (CBA) covering AboitizPower employees.

The table below provides a breakdown of total employee headcount on a per business group basis, according to employees' function, as of 28 February 2025. Other than as indicated below, there is no existing Collective Bargaining Agreement (CBA) covering company employees.

| Business Group          | Number of Employees |            |          |             |             | Unionized Employees | Expiry of CBA                                                                                                               |
|-------------------------|---------------------|------------|----------|-------------|-------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------|
|                         | Total               | Executives | Managers | Supervisors | Rank & File |                     |                                                                                                                             |
| Aboitiz Power           | 610                 | 115        | 145      | 121         | 229         | 0                   | N/A                                                                                                                         |
| Generation Companies    |                     |            |          |             |             |                     |                                                                                                                             |
| Run-of-River Hydros     | 446                 | 14         | 31       | 58          | 343         | 78                  | 19 September 2028 (Hedcor)                                                                                                  |
| Large Hydros            | 214                 | 23         | 61       | 69          | 61          | 0                   | N/A                                                                                                                         |
| Geothermal              | 281                 | 11         | 34       | 64          | 172         | 0                   | N/A                                                                                                                         |
| Solar                   | 7                   | 0          | 1        | 2           | 4           | 0                   | N/A                                                                                                                         |
| Oil                     | 407                 | 8          | 45       | 96          | 258         | 0                   | N/A                                                                                                                         |
| Coal                    | 1,800               | 57         | 145      | 515         | 1,083       | 0                   | N/A                                                                                                                         |
| RES                     | 5                   | 0          | 0        | 1           | 4           | 0                   | N/A                                                                                                                         |
| Distribution Utilities* | 908                 | 15         | 70       | 143         | 680         | 340                 | 31 December 2026 (Visayan Electric)<br>30 June 2024 (Cotabato Light)<br>16 June 2026 (Davao Light)<br>8 May 2025 (SFELAPCO) |
| Total No. of Employees  | 4,678               | 243        | 532      | 1,069       | 2,834       | 418                 |                                                                                                                             |

AboitizPower does not anticipate any significant increase in manpower within the next 12 months unless new development projects and acquisitions would materially require an increase.

#### (xv) Major Risk/s Involved in the Business

An integral part of AboitizPower's Enterprise Risk Management (ERM) efforts is to anticipate, understand, and address the risks that the company may encounter in its businesses.

Risk management is integrated in the AboitizPower strategic and operational planning and decision-making processes to support intelligent risk-taking. Through a robust framework, AboitizPower employs a top-down and bottom-up approach to comprehensively identify, assess, and manage risks. AboitizPower's Management Committee sets direction by identifying business critical risks while operating teams also identify and assess the risk areas that may impact the company's strategic objectives and day-to-day business operations. In addition, AboitizPower develops comprehensive key risk treatment plans to address the drivers of its top risks, as well as emerging risks that may also significantly impact its business and stakeholders. AboitizPower's ERM framework ensures sustainable growth by proactively managing risks through three key pillars: (1) **Business Risk & Planning (BRP)** for risk identification and mitigation; (2) **Business Continuity Management (BCM)** for operational resilience; and (3) **Risk Finance (RF)** for managing insurable risks. Integrated into organizational planning, the

framework incorporates Environmental, Social, and Governance (ESG) considerations, business continuity, and risk transfer strategies, continuously strengthening the company's risk resilience.

Risk management planning in Aboitiz Power is an iterative process that is conducted at least semi-annually for strategic risks. Most of the top or strategic risks that are captured at the corporate or AboitizPower level originated from risks reported by the corporate support and business units. The AboitizPower business units review operational risks and implement mitigation measures as part of day-to-day operations. At the end of every review period, strategic and emerging risks are reported to Aboitiz Power's highest management committee and its Board Risk and Reputation Management Committee.

For a more detailed discussion on the Power Group's top risks in 2024, please refer to AboitizPower's Information Statement.

## II. FINANCIAL SERVICES

### *Overview of the Business*

Union Bank of the Philippines (UnionBank, or the "Bank"), originally known as Union Savings and Mortgage Bank, was incorporated in the Philippines on 16 August 1968. On 12 January 1982, it was given the license to operate as a commercial bank. UnionBank's common shares were listed on the PSE in June 1992 and shortly after, it was granted the license to operate as a universal bank on 15 July 1992. UnionBank's principal stockholders were AEV, the Social Security System of the Philippines (a government owned and controlled corporation that provides social security to workers in the private sector), and Insular Life Assurance Company, Ltd. (one of the leading and largest Filipino-owned life insurance companies in the Philippines).

UnionBank was among the first Philippine banks to embrace technological innovations to empower its customers. It embraces the future of banking and is committed to becoming the Philippines' leading digitally-transformed bank to best serve the growing needs of Filipinos everywhere. It distinguishes itself through technology and innovation, unique branch sales and service culture, and centralized backroom operations. The Bank leverages technology and its agile culture to meet the customers' changing and diverse needs and continuously enhance customer experience. Its unique branch sales and service culture ensure efficient and quality service as well as mitigates operational risk. The Bank's distinct centralized backroom operations enable it to provide responsive, scalable, and secure transaction processing.

UnionBank's core businesses are retail banking, consumer finance (comprising credit card services, mortgage and auto loans, personal and salary loans), corporate banking, commercial banking (comprising middle-market banking), SME banking, cash management, trust banking, treasury products distribution, funding and trading (involving management of UnionBank's liquidity and funding requirements and handling of transactions in the financial markets covering foreign exchange, fixed income trading and investments, and derivatives). In addition, UnionBank has a private banking unit which offers estate planning solutions and a global and diversified multi-asset fund to its high-net-worth and ultra-high-net-worth clients through its partnership with Lombard Odier & Co. (a Swiss global wealth asset manager), and various life insurance products through its bancassurance partnership with Insular Life. As of 31 December 2024, UnionBank and its Subsidiaries had 383 branches across the Philippines and a network of 603 ATMs.

As of 31 December 2024, UnionBank's key Subsidiaries and Affiliates include:

- i. City Savings Bank, Inc., (CitySavings), a thrift bank that has ownership interests in various financial institutions together with UBP Investments Corporation (UIC), including: a) Bangko Kabayan Private Development Bank (Bangko Kabayan), and b) Petnet. Inc.(PETNET);
- ii. UIC a holding company with the following Subsidiaries: a) First Union Plans, Inc. (FUPI), b) First Union Direct Corporation (FUDC), and c) First Union Insurance and Financial Agencies (FUIFAI);
- iii. UBX PH, the Bank's innovation and technology company with ownerships in a holding company UBX Private Limited and Shiptek Solutions Corporation;
- iv. UnionDigital Bank, Inc. (UnionDigital), the Bank's digital banking arm licensed by the Bangko Sentral ng Pilipinas (BSP) and started commercial operations on 18 July 2022; and
- v. UnionBank Investment Management and Trust Corporation (UBIMTC), in November 2023, UBP received from the BSP the Certificate of Authority to operate as a stand-alone trust corporation. UBIMTC is a wholly owned subsidiary of UnionBank.

On 23 June 2021, the Bank issued a seven-year US Dollar-denominated Social Bond (the "Social Bond") amounting to US\$150 mn with the International Finance Corporation (IFC) as sole investor. The proceeds of the Social Bond were allocated exclusively to qualified micro, small, and medium enterprises (MSME) loans that are screened against IFC's eligibility criteria and exclusion list. The issuance of the Social Bonds is part of the Bank's recognition and commitments to the United Nations Sustainable Development Goals, particularly on employment, the objective of Decent Work and Economic Growth. The social bonds carry an interest rate of 1.15% and are unsecured.

In July 2021, the BSP granted a digital banking license to UnionDigital. UnionDigital was incorporated in November 2021 and started commercial operations on 18 July 2022. It is UnionBank's foray to penetrate the larger untapped retail segment in the country in a purely digital and cost-effective manner.

On 24 October 2021, the BSP approved the amendment to UnionBank's Articles of Incorporation whereby the authorized capital stock increased from ₱23.1 bn to ₱35.3 bn, divided into 2.5 billion common shares at par value of ₱10.00 and 100 million preferred shares at par value of ₱100.00. UnionBank, likewise, obtained BSP approval for the payment of 25% stock dividends, to comply with the required 25% subscription of the increase in authorized capital stock.

In December 2021, the Bank entered into a Share and Business Transfer Agreement with the subsidiaries of Citigroup Inc. ("Citi") to acquire Citi's consumer banking in the Philippines. The transaction includes Citi's credit card, personal loans, wealth management, and retail deposit businesses. The acquisition also includes Citi's real estate interests in relation to Citibank Square in Eastwood City located in Bagumbayan, Quezon City, three full-service bank branches, and five wealth centers. UnionBank's acquisition of Citi was approved by the BSP on 18 July 2022, and UnionBank became the legal owner of the business beginning 1 August 2022. The deal brought in almost 1 million new customers and ₱98.1 bn in total assets, ₱68.5 bn in loans and ₱67.1 bn in deposits. The acquisition is expected to accelerate UnionBank's objective of becoming a "Great Retail Bank" given Citi's market leadership in the credit cards, personal loans, and wealth management business segments. As of December 2024, the acquired Citi business has ₱115.1 bn in loans reflecting a 19.1% growth vs. previous year. The full-year impact of Citi contributed ₱28.1 bn in Net Revenues in 2024 compared to Net Revenue share of ₱21.4 bn in 2023.

In May 2022, UnionBank raised ₱40 bn through a stock rights offering, with approximately 617.2 million common shares priced at ₱64.81 per share. The proceeds from the offering were deployed to partially fund the acquisition of the Citi consumer banking business.

On 2 June 2022, UnionBank successfully issued the first-ever digital peso bonds in the Philippines, raising an aggregate of ₱11 bn under its ₱39.0 bn bond program. UnionBank is the pilot user of PDTC's Proof of Concept Digital Registry & Digital Depository that uses Distributed Ledger or Blockchain Technology for registry and depository operations. The bonds, which have a tenor of 1.5 years and a fixed rate of 3.25% per annum, are listed on the PDEX for trading in the PDEX Fixed Income Market.

On 25 November 2022, UnionBank raised US\$358 mn from a three-year syndicated loan with 15 lenders. Due to positive market feedback, the size was raised from the original launch size of US\$150 mn. The proceeds will be used to refinance UnionBank's maturing US\$ loans and existing US\$ bonds, and fund its general corporate purposes.

In February 2023, UnionBank approved the increase in its authorized capital stock from ₱35,307,852,380.00 to ₱60,307,852,380.00. The proposed increase will be used to support growth and for general corporate purposes. The increase was approved by both the BSP in August 2023 and the SEC in December 2023, respectively.

In July 2023, the SEC authorized the tripartite merger between the Bank's Subsidiaries, Bangko Kabayan, FAIR Bank, and PBI, with Bangko Kabayan being the surviving entity.

In October 2023, UnionBank completed the increase of its Peso-Denominated Bonds Program increasing the Program size to ₱ 50 bn. UnionBank's Bonds Program was initially established on 26 April 2019 with an original size of ₱ 39 bn. In November 2023, UnionBank issued its 1.5-year Senior Fixed Rate Series F Bonds due 2025 and 3-year Senior Fixed Rate Series G Bonds due 2026 in the aggregate principal amount of ₱1 billion, with an oversubscription option. The public offer period ended on 29 November 2023.

In November 2023, the BSP issued the certificate of authority for UnionBank Investment Management and Trust Corporation (UBIMTC) to operate as a stand-alone trust corporation. UBIMTC is a wholly owned subsidiary of UnionBank.

In January 2024, UnionBank issued a 27% stock dividend issued in January 2024, in which the Bank listed 635.5 million common shares.

In May 2024, UnionBank concluded a stock rights offering of 327.12 million shares with a total transaction value amounting to approximately 10.0 billion at a price of ₱30.57 per share. The net proceeds will be used to fund the capital infusion to UnionDigital, projected retail loan availments, and/or for general corporate purposes.

As of the year ended 31 December 2024, UnionBank registered consolidated net profit of ₱12.0 bn, total consolidated resources of ₱1.145 trillion, total loan portfolio (net) of ₱523 bn, and total deposits was ₱676 bn.

For the period ended 31 December 2024, Tier 1 capital adequacy ratio was 15.6% while total capital adequacy ratio was 17.3%. Tier 1 capital adequacy ratio is determined by dividing total qualifying Tier 1 capital by total risk-weighted assets. Total capital adequacy ratio is determined by dividing total qualifying Tier 1 and Tier 2 capital by total risk-weighted assets. Both Tier 1 and total capital adequacy ratios are computed using Basel 3 standards adopted by the BSP.



**(i) Products and Services**

UnionBank offers a broad range of products and services, which include deposit and related services, consumer finance (comprising credit card services, mortgage and auto loans, and personal/salary loans), corporate banking, commercial banking (comprising middle-market banking), micro, small and medium-sized enterprises (MSME) banking, cash management, trust and investment services, treasury products distribution, funding and trading (involving management of UnionBank's liquidity and funding requirements and handling of transactions in the financial markets covering foreign exchange, fixed income trading and investments, and derivatives).

In addition, UnionBank has a private banking unit that offers estate planning solutions and a global and diversified multi-asset fund to its high-net-worth and ultra-high-net-worth clients through its partnership with Lombard Odier & Co. and various life insurance products through its bancassurance partnership with Insular Life.

CitySavings is primarily engaged in extending salary loans to employees of public educational institutions under the DepEd's Automatic Payroll Deduction System ("APDS"). The guidelines for the grant of salary loans to public school teachers are set out in a memorandum of agreement between the Department of Education (DepEd) and CitySavings. It has diversified its product suite to cater to employees of national government agencies and local government units. In addition, CitySavings offers loans to pensioners under the Government Service Insurance System (GSIS), Social Security System (SSS), and other government agencies. In 2019, CitySavings entered the motorcycle financing market through its acquisition of PR Savings Bank and it has substantially expanded its partner-dealer network to grow the business. It also provides deposit products for both retail and corporate customers. CitySavings' affiliate, Bangko Kabayan, is into basic deposit and lending services which range from individual to MSME loans. Another affiliate of CitySavings is PETNET, more widely known by its retail brand name PERA HUB. They deliver a variety of cash-based services including remittance, currency exchange and bills payment.

UBX is a technology company delivering digital transformation for enterprises and the government, with embedded finance as its core accelerator. It is differentiated by comprehensive local financial expertise and global fintech capabilities through its affiliation with UnionBank and SBI Holdings of Japan.

UnionDigital Bank is the digital bank subsidiary of UnionBank. It distinguishes itself as the sole digital bank in the country initiated by a private universal bank, holding a license from the BSP. It represents UnionBank's strategic approach to integrate the vast segments of unbanked and underbanked individuals within the financial system. As a crucial part of the Aboitiz Group, UnionDigital leverages the group's ecosystem and expertise, fostering collaborations that drive towards a vision of a financially inclusive nation. This effort also aligns with UnionBank's expansion goals, promoting inclusive growth and prosperity within the Filipino community.

The vision for UnionDigital is to evolve into a comprehensive financial services hub, offering a wide range of digital financial solutions such as savings and lending, payments, insurance, micro-investments, digital assets, and other value-added services. These offerings are designed to meet the needs of both the unbanked and underserved populations, as well as those who are tech-savvy. By addressing the entire financial lifecycle, including spending, saving, investing, protecting, and borrowing, UnionDigital aims to go beyond traditional banking offerings to include alternative financial products. Central to its mission, UnionDigital is committed to making banking services, products, and financial education accessible to every Filipino, empowering them with the tools and resources needed to achieve their financial goals and uplift their lives.

UBIMTC is a wholly owned subsidiary of UnionBank and is one of the few trust departments of local banks to have been spun-off to a stand-alone corporation. Considering its roots as a trust department, the group

has been in the trust business for more than 44 years and has been offering since then, a wide range of trust and investment management solutions catering to both individual and institutional clients. As a full-service trust corporation, UBIMTC offers bespoke trust and investment solutions such as trustee accounts, investment management services, escrow agency, custodianship, and other fiduciary services.

In addition to this, UBIMTC manages ten (10) Unit Investment Trust Funds (“UITF”) to address the fast-growing investment needs of its retail customers. The funds are geared towards long-term capital appreciation and are largely invested in fixed income securities issued by the Philippine government and local corporations, as well as in equity securities of listed companies in the PSE.

## (ii) Distribution Methods

UnionBank primarily services its clientele through its well-trained relationship managers, as well as its strong digital footprint, including its website ([www.unionbankph.com](http://www.unionbankph.com)), its mobile/online banking apps, customer service chatbot, and various digital platforms. Its digital channels are complemented by strategically-located branch networks, partner outlets, ATMs, as well as a Customer Engagement Group that takes up voice and non-voice customer service-related concerns.

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <i>Relationship Managers</i> | UnionBank’s salesforce is trained to have expertise regarding the Bank’s solutions-based financial services and are equipped with tools (e.g., MAX 5.0) that allow them to service clients remotely and enhance productivity. UnionBank’s Relationship Managers and Financial Advisors are also licensed by the Insurance Commission to provide customers with bancassurance products.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <i>Branch Network</i>        | <p>As of 31 December 2024, UnionBank had 196 branches. All of UnionBank’s branches were transformed into digital and paperless branches called “The ARK”, which allow for straight-through processing of transactions over-the-counter or via self-service machines, and at the same time, house Branch Ambassadors for product discovery, digital conversion and advisory services.</p> <p>UnionBank also increased its presence nationwide through its subsidiaries’ physical network which consisted of 149 branches of CitySavings across the country, 38 branches of Bangko Kabayan and over 3,000 locations of PETNET nationwide.</p> <p>In addition, UnionBank has three mobile banking kiosks, also called “Bank on Wheels,” which are vans equipped with 5G communication facilities to serve areas where branch access is limited by natural disasters, pandemics or geography, and/or high volume of ATM transactions are needed for a specific period.</p> <p>UnionBank introduced agency banking cash deposit capability through its partnership with 7-Eleven and ECPay among others.</p> |
| <i>ATM Networks</i>          | As of 31 December 2024, UnionBank had 494 ATMs and CitySavings had 109 ATMs for a total of 603 ATMs, which are further categorized as 431 onsite and 172 off-site ATMs. UnionBank and its subsidiaries’ network supplements its branch network in providing 24-hour banking services to its customers. UnionBank’s interconnection with the Bancnet ATM consortium, allows its cardholders to access thousands of ATMs nationwide. In addition, UnionBank’s ATM card functions as a VISA or Mastercard debit card that allows electronic purchase and payment transactions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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| <p><i>Call Center</i></p>              | <p>UnionBank's Customer Engagement Support Group (CESG), which is responsible for retail customer relationship and consumer finance relationship and care, manages UnionBank's 24-hour call center, which caters to deposit and card product queries, among others. The call center utilizes a mix of phone, social media, email, and website as customer touch points. In handling customer complaints, it adheres to certain service-level agreements such as feedback or resolution of concerns that were received from the customer touch points. Customer complaint handling is continuously improved through resolution tracking.</p> <p>UnionBank is currently enhancing other enabling channels capable of digital self-servicing and extended reach. The Customer Engagement Group is composed of the voice and email channels, sales and service recovery and strategic development and controls.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><i>Customer Service Chatbot</i></p> | <p>UnionBank's "Rafa" is the country's first banking chatbot that delivers instant 24/7 customer service. <i>Rafa</i> is accessible through Facebook messenger. It can answer customer queries on, among others, the nearest ATM and branch, providing the latest foreign exchange rate of up to ten currencies, assisting customers who are exploring auto loans, and giving customers options to choose the credit card that best suits them. It is also capable of assisting in processing account opening and loan applications. UnionBank believes that <i>Rafa</i> provides a more personal and conversational customer experience compared to the interactive voice response or auto reply forms.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><i>Mobile and E-Banking</i></p>     | <p>UnionBank Online, is the online and mobile banking platform for UnionBank's retail customers. It is designed with an omni-channel user experience wherein the same look and feel applies to different touchpoints (websites and mobile applications), operating systems (Android or IOS) and device types. UnionBank Online enables UnionBank's customers to perform account management and banking transactions such as account opening, deposit checks, fund transfer, bills payment without visiting a branch or contacting UnionBank's call center. Customers may log in through biometric authentication, apart from password login. Customers can use UnionBank Online to send money to various remittance centers or cash outlets nationwide and deposit checks simply by taking a photo with the application. It also enables real-time account opening via a digital application and thus facilitates customer onboarding process. UnionBank was the first Philippine universal bank to introduce such a function in the Philippines in 2019.</p> <p>UnionBank also introduced an upgraded version of its cash management platform for corporates called "The Portal". It is a fully featured application which enables, among others, single sign-on for customers with multi-org access, real-time fund transfers, bills payment facility, online check deposits, payroll account opening, and the ability to set up business approval steps. It helps customers' merchant acquisition, account management and lending activities.</p> <p>UnionBank also launched a cash management platform for MSME clients called MSME Business Banking in 2021, now known as "UB Negosyante". Its features include digital account opening for savings and checking accounts, mobile check deposit, local and international fund transfers, bills payment,</p> |

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|  | <p>payment gateway, and many more to help MSMEs manage financial operations.</p> <p>UnionBank also launched “UPAY” in 2021, an integrated payment acceptance hub for SME customers to support collection of funds through various payment channels including UnionBank Online, Gcash and GrabPay, over the counter, and debit and credit cards. In addition, UnionBank has launched “E-commerce Payment Gateway” with API connectivity via websites and mobile applications to enable merchants to accept major credit cards and alternative payment methods to support their customers’ buying behavior and to deliver a cross-channel experience. Recurring customers could experience faster and more convenient payments by securely tokenizing payment credentials.</p> |
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### (iii) Competition

The Bank faces competition in all its principal areas of business. Philippine domestic and foreign banks are the Bank’s main competitors, followed by finance companies, mutual funds and investment banks. Currently, the industry is dominated by the four largest universal banks, each with over ₱3 trillion in assets: BDO Unibank, Inc. (BDO), Land Bank of the Philippines (LBP), Metropolitan Bank and Trust Co (MBT) and Bank of the Philippine Islands (BPI). These banks have greater financial and other capital resources, and greater market shares than UnionBank. Moreover, as a publicly-listed bank, UnionBank also monitors its performance against the ten largest publicly-listed universal banks in the country.

Based on the latest data of BSP as of 31 December 2024, there were a total of 44 domestic and foreign universal and commercial banks operating in the Philippines, with total assets of ₱25.7 trillion, total loan portfolio (inclusive of Interbank Loans and RRP) of ₱13.8 trillion, and total deposits of ₱19.1 trillion. Among the universal banks, there are 13 private domestic universal banks, six branches of foreign universal banks and three government-controlled universal banks. On the other hand, the commercial banks comprise two private domestic commercial banks, 18 branches and two subsidiaries of foreign commercial banks. While mergers, acquisitions, and closures reduced the number of industry players, the entry of foreign banks under new and liberalized banking laws and regulations resulted in the growth of the number of universal and commercial banks.

The Bank also faces competition from financial technology firms and non-financial firms. In particular, non-financial firms pose a challenge to Philippine banks by offering digital products such as mobile payments or online services. Financial technology firms utilize software to provide financial services, and disrupt existing financial systems and corporations that rely less on software by offering faster, more convenient, and more efficient ways of transacting. In addition, purely digital financial technology or non-financial firms have no branches and thus have lower costs. The Bank seeks to gain a competitive advantage by continuing to implement its digital transformation strategies.

Amidst this operating environment, UnionBank leverages on its competitive advantages anchored on its use of superior technology, its unique sales and service culture, and centralized backroom operations, as well as its digital transformation roadmap geared towards strengthening its present business by repositioning itself into a digitally-transformed universal bank that achieves scale in a cost-efficient manner, while preparing for a future when embedded or decentralized banking becomes the dominant business model, all anchored on technology as the enabling factor.

**(iv) Major Customers**

The Financial Services Group's businesses are not dependent upon a single customer or a few customers that a loss of anyone would have a material adverse effect on the performance of its sales and distribution. It has no single customer that is expected to account for 20% or more of the group's total sale of goods and services.

**(v) Patents, Copyrights, and Franchises**

UnionBank owns, or has pending applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos. Please refer to UnionBank's Information Statement to see the trademark applications which UnionBank has filed with the Philippine IPO.

**(vi) Government Approvals**

The BSP, SEC, Philippine Deposit Insurance Corporation (PDIC), PSE, and the BIR are the primary regulatory agencies that issue and enforce rules, regulations and guidelines relevant to the Bank's activities.

UnionBank ensures that its products, services and systems have the necessary regulatory approvals and are in compliance with existing rules prior to launch and continue to be compliant with prescribed rules and regulations. For a more detailed discussion on UnionBank's compliance with government approval requirements, please refer to UnionBank's Information Statement.

**(vii) Effect of Existing or Probable Governmental Regulations**

***Keeping abreast of regulations affecting the business***

As a banking institution, UnionBank adheres to the provisions of the General Banking Law of 2000 (Republic Act No. 8791), as amended, and the regular issuances by the BSP as embodied in its Manual of Regulations for Banks (MORB). The regulatory issuances of the SEC, PDIC, PSE, PDEX, BIR, and other regulatory bodies are likewise monitored constantly for new developments

***Regulations on Digital Banks***

The BSP has given digital banks a distinct classification. Digital banks offer financial products and services that are processed end-to-end through a digital platform and/or electronic channels without any physical branch or sub-branch or branch-lite unit offering financial products and services. On 2 December 2020, the BSP issued BSP Circular No. 1105 which provides the guidelines on establishment of digital banks. While digital banks have no physical branch or sub-branch or branch-lite unit, digital banks are required to maintain a principal or head office in the Philippines to serve as the main point of contact for stakeholders, including the BSP and other regulators. Pursuant to the accelerated digitalization in the financial industry, the BSP issued Memorandum No. M-2022-016 on 22 March 2022, which provides the controls and processes supporting the operation, connectivity, and endpoint security of Application Programming Interface (API) and the good practices for API management.

As per existing BSP regulations, digital banks are required a minimum capital of ₱1 bn and are subject to the reportorial requirements under the Basel III risk-based capital as may be prescribed by the BSP. The reserve requirement ratios of digital banks under the MORB are as follows: (a) 8% against for demand deposits, savings deposits (excluding basic deposit accounts), time deposits and deposit substitutes, negotiable CTDs, Peso deposits lodged under due to foreign banks, Peso deposits lodged under due to

head office/branches/agencies abroad (Philippine branch of a foreign bank), NOW accounts, long-term non- negotiable tax-exempt CTDs; (b) 3% against bonds; and (c) 0% against basic deposit accounts. Moreover, the equity investment of a digital bank in any single enterprise must be less than 50% of the voting shares in that enterprise.

UnionBank complies with the regulations imposed by the BSP Monetary Board on Digital Banks.

#### ***Anti-Money Laundering Laws and Know Your Customer Procedures***

The Bank developed sound risk management policies and practices to ensure that risks associated with money laundering such as counterparty, reputational, operational, and compliance risks are identified, assessed, monitored, mitigated, and controlled. In line with this, the Bank established its Money Laundering and Terrorist Financing Prevention Program (MTPP). The main objective is that the Bank shall not be used as a vehicle to legitimize proceeds of unlawful activity or to facilitate or finance terrorism. It is also designed to be followed by all employees of the Bank.

UBP adheres to the AML laws and regulations that include the Know Your Customer (“KYC”) rules and customer due diligence at the inception of the bank-client relationship until its termination.

The Bank employs a third-party tool for screening customers during onboarding, subsequently, whenever there are updates to the sanctions and negative files and during periodic account reviews. A real-time transaction screening system is used to clear all transactions that pass through the SWIFT network. In July 2019, the Bank upgraded its AML system through the deployment of an internally developed, highly intuitive, and more flexible transaction monitoring and reporting system. In 2020, an in-house developed screening portal replaced the previous tool to assist in the namescreening of clients against the lists of sanctioned individuals and organizations, persons convicted of AML predicate crimes, among other negative information.

Customer due diligence remains robust through documentation and upgrading of client information, understanding of client activity, review of customer risk rating, identification of ultimate beneficial owners, and obtaining senior management approval, where warranted.

Finally, UnionBank, through its Compliance and Corporate Governance Office (CCGO), provides formal AML trainings to the members of the Board of Directors, Senior Management, and its Branches at least on an annual basis and as required. In coordination with the HR Group, CCGO deploys the AML e-learning refresher module to all bank employees; while Operations and Sales personnel are apprised of new BSP requirements during Compliance roadshows held throughout the year.

#### ***Capital Adequacy***

Per existing BSP regulations, the combined capital accounts of each commercial bank should not be less than an amount equal to 10% of its risk assets. Risk assets consist of total resources after exclusion of cash on hand, due from BSP, loans covered by holdout on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items as determined by the Monetary Board of the BSP.

As of 31 December 2024, 2023, and 2022, the Bank’s CAR were at 17.3%, 15.7%, and 13.0%, respectively.

#### **(viii) Costs and Effects of Compliance with Environmental Laws**

Compliance with environmental laws increases a company’s operational costs, though these costs typically represent only a small fraction of total expenses. For financial institutions like UnionBank,



relevant regulations mandate the appointment of Pollution Control Officers and Managing Heads, the installation of pollution control equipment, and the integration of sustainable practices into operational processes. However, these requirements have a minimal impact on the Bank's overall operational costs and productivity.

Environmental laws also shape the Bank's approach to office design, ensuring compliance with regulatory standards. Moreover, adherence to these laws has yielded significant benefits, such as reducing airborne particulates, improving hazardous waste disposal, and enhancing water quality—ultimately contributing to employee health and well-being. Notably, the Bank has had no reported incidents of non-compliance with environmental regulations.

**(ix) Major Risk/s Involved in the Business**

Risks particular to the Financial Services Group are as follows:

***UnionBank's ability to identify, assess, monitor and manage risks inherent in its business is anchored on the quality and timeliness of available industry and internal risk data***

UnionBank, through its Enterprise Risk Management Group, monitors all risk exposures which include, among others, credit risk, market risk, operational risk, operational risk, liquidity risk, and IT risk. The effectiveness of UnionBank's risk management, particularly on the management of credit risk which is inherent in its core businesses, is bounded by the quality and timeliness of available data in the Philippines as well as internal risk data in relation to different factors such as, but not limited to, the proposed borrowers' credit history, loan exposures with other financial institutions and other external and market factors affecting overall credit. Insufficient or inaccurate risk and financial data and limitations of UnionBank's risk management systems, if any, may result in UnionBank granting loans that may expose UnionBank to significant credit risk, taking positions that may expose UnionBank to market and liquidity risks, or undertaking business activities that may result in operational, IT and other material risks.

Procedures to identify and assess the aforementioned risks are embedded in the Bank's various processes, including but not limited to, KYC procedures, loans evaluation, and underwriting and due diligence procedures. The group maintains a prudent risk management strategy to ensure its soundness and profitability. Strategies and limits are reviewed regularly and updated to ensure that risks are well-diversified and risk mitigation measures are in place. A system for managing and monitoring risks is in place so that all relevant issues are identified at an early stage and appropriate actions are taken on a timely basis. Risk reporting is done on a regular basis, either monthly or quarterly.

***UnionBank may face increasing levels of non-performing loans ("NPLs"), provisions for impairment losses and delinquencies in its credit card portfolio, which may adversely affect UnionBank's business, financial condition, results of operations, and capital adequacy***

UnionBank plans to continue to expand its consumer loan operations, such as credit card services, mortgage loans, and salary loans. Such expansion plans will increase UnionBank's exposure to consumer debt, and volatile economic conditions in the Philippines may adversely affect the future ability of UnionBank's borrowers, to meet their obligations under their indebtedness and, as a result, UnionBank may experience an increase in the levels of NPLs and provisions for impairment losses in the future.

Volatile economic conditions in the Philippines, including volatile exchange and interest rates, may adversely affect many of UnionBank's customers, causing uncertainty regarding their ability to fulfill obligations under UnionBank's loans and significantly increasing UnionBank's exposure to credit risk. These and other factors could result in an increased number of NPLs and delinquencies in UnionBank's

loan portfolio in the future. Any significant increase in UnionBank's NPLs or delinquencies in UnionBank's loan portfolio would have a material adverse effect on its business, financial condition, results of operations, and capital adequacy.

The aforementioned risk is managed through strategies, policies, and limits that are approved on the Board level and in line with the Bank's risk appetite. The Bank has a well-structured and standardized credit approval process and credit scoring system for each of its business and/or product segments to assess the inherent risks. Business units are held accountable for all the risks and related returns and ensure that decisions are consistent with business objectives and risk tolerance.

***UnionBank may be unable to recover the assessed value of its collateral when its borrowers default on their obligations, which may expose UnionBank to significant losses***

UnionBank's secured loans represent a portion of UnionBank's total loans. There can be no assurance that the collateral securing any particular loan will protect UnionBank from suffering a partial or complete loss if the loan becomes non-performing. The recorded values of UnionBank's collateral may not accurately reflect its liquidation value, which is the maximum amount UnionBank is likely to recover from a sale of collateral, less expenses of such sale. There can be no assurance that the realized value of the collateral would be adequate to cover UnionBank's loans.

In addition, some of the valuations in respect of UnionBank's collateral may also be out of date or may not accurately reflect the value of the collateral. In certain instances, where there are no purchasers for a particular type of collateral, there may be significant difficulties in disposing of such collateral at a reasonable price. Any decline in the value of the collateral securing UnionBank's loans, including with respect to any future collateral taken by UnionBank, would mean that its provisions for credit losses may be inadequate and UnionBank may need to increase such provisions. Any increase in UnionBank's provisions for credit losses could adversely affect its business, its financial condition, results of operations, and capital adequacy.

Furthermore, UnionBank may not be able to recover in full the value of any collateral or enforce any guarantee due, in part, to difficulties and delays involved in enforcing such obligations through the Philippine legal system. To foreclose on collateral or enforce a guarantee, banks in the Philippines are required to follow certain procedures specified by Philippine law. These procedures are subject to administrative and bankruptcy law requirements which may be more burdensome than in certain other jurisdictions. The resulting delays can last several years and lead to the deterioration in the physical condition and market value of the collateral, particularly where the collateral is in the form of inventory or receivables. In addition, such collateral may not be insured. These factors have exposed, and may continue to expose, UnionBank to legal liability while in possession of the collateral. These difficulties may significantly reduce UnionBank's ability to realize the value of its collateral and therefore the effectiveness of taking security for the loans it makes. UnionBank initially carries the value of the foreclosed properties at the lower of loan exposure or fair value of the properties at the time of foreclosure. Subsequently, the foreclosed properties are carried at the lower of the amount initially recognized or the fair value less cost to sell. While UnionBank, at each balance sheet date, provides for impairment losses on its foreclosed properties in accordance with PFRS, it may incur further expenses to maintain such properties and to prevent their deterioration. In realizing cash value for such properties, UnionBank may incur further expenses such as legal fees and taxes associated with such realization. There can be no assurance that UnionBank will be able to realize the full value, or any value, of any collateral on its loans. In realizing cash value for such properties, UnionBank may incur further expenses such as legal fees and taxes associated with such realization. There can be no assurance that UnionBank will be able to realize the full value, or any value, of any collateral on its loans.

Lending policies, including on collaterals, are reviewed regularly to align with market developments. Collaterals, both for current and repossessed loans, are appraised periodically.

***UnionBank's provisioning policies, which are based on Philippine Financial Reporting Standards expected credit loss standards and on other relevant Philippine regulations, may be more or less stringent than those in other countries***

The level of loan loss provisions that UnionBank recognizes are aligned with the PFRS 9 accounting standard. Subjective determinations of significant change in credit risk may increase the variation of application of such policies and affect UnionBank's results of operations. Moreover, regulations of the BSP require that Philippine banks classify loans into several categories corresponding to various levels of credit risk as follows: pass, loans especially mentioned, substandard, doubtful, and loss. These are considered in PFRS 9 expected credit loss stage determination, in addition to BSP Circular No. 941. Generally, the classification of loans depends on a combination of qualitative and quantitative factors, such as the number of months that payment is in arrears. Periodic examination by the BSP of these classifications in the future may also result in changes being made by UnionBank to such classifications and to the factors relevant thereto.

The BSP requirements in certain circumstances may be less or more stringent than those applicable to banks in other countries and may result in particular loans being classified as non-performing later or earlier than would be required in such countries or being classified in a category reflecting a lower or higher degree of risk. As a result, the amount of UnionBank's NPLs, as well as reserves, may be lower or higher than what would be required if UnionBank was located in such countries. Further, if UnionBank changes its provisioning policies to become more in line with international standards or practices or otherwise, UnionBank's results of operations may be adversely affected.

Certain accounting standards, including the PFRS 9 expected credit loss standards, have been adopted by the Bank to obtain unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions with the objective of recognizing lifetime losses on all financial instruments which have experienced a significant increase in credit risk since their initial recognition. These assumptions are reviewed and updated at least monthly.

***UnionBank is subject to credit, market and liquidity risk which may have an adverse effect on its credit ratings and its cost of funds***

To the extent any of the instruments and strategies UnionBank uses to manage its exposure to market or credit risk is not effective, UnionBank may not be able to mitigate effectively its risk exposures, in particular to market environments or against particular types of risk. UnionBank's balance sheet growth will be dependent upon economic conditions, as well as upon its determination to securitize, sell, purchase or syndicate particular loans or loan portfolios. UnionBank's trading revenues and interest rate risk exposure are dependent upon its ability to properly identify and mark to market the changes in the value of financial instruments caused by changes in market prices or rates. UnionBank's earnings are dependent upon the effectiveness of its management of migrations in credit quality and risk concentrations, the accuracy of its valuation models and its critical accounting estimates and the adequacy of its allowances for credit losses. To the extent its assessments, assumptions or estimates prove inaccurate or not predictive of actual results, UnionBank could suffer higher than anticipated losses. The successful management of credit, market and operational risk is an important consideration in managing its liquidity risk because it affects the evaluation of its credit ratings by rating agencies. A failure by UnionBank to effectively manage its credit, market and liquidity risk could have a negative effect on its business, financial condition and results of operations.

***A downgrade of UnionBank's credit rating could have a negative effect on its business, financial condition and results of operations***

In the event of a downgrade of UnionBank by one or more credit rating agencies, UnionBank may have to accept terms that are not as favorable in its transactions with counterparties, including capital raising activities, or may be unable to enter into certain transactions. This could have a negative impact on UnionBank's treasury operations and also adversely affect its financial condition and results of operations. Rating agencies may reduce or indicate their intention to reduce the ratings at any time. The rating agencies can also decide to withdraw their ratings altogether, which may have the same effect as a reduction in its ratings. Any reduction in UnionBank's ratings (or withdrawal of ratings) may increase its borrowing costs, limit its access to capital markets and adversely affect its ability to sell or market its products, engage in business transactions, particularly longer-term and derivatives transactions, or retain its customers. This, in turn, could reduce UnionBank's liquidity and negatively impact its operating results and financial condition.

For a detailed discussion of Financial Services' major risks, please refer to UnionBank's Information Statement.

### **III. FOOD AND BEVERAGE**

#### *Overview of the Business*

##### **(A) Food Manufacturing**

AEV's integrated agribusiness and food company is operated in the Philippines primarily through Aboitiz Foods Holdings, Inc. and its Subsidiaries, and its international feeds business through Pilmico International and its various Subsidiaries and Associates (collectively, the "Food Group"). The Food Group operates across multiple sectors, offering a diverse range of products and services that cater to the evolving needs of the food industry:

- **Feeds:** The Food Group provides high-quality animal feed solutions for various livestock, including hogs, poultry, and aquaculture.
- **Farms:** The Food Group offers a variety of safe and delicious meats and eggs, adhering to responsible and sustainable farming practices at every stage of production.
- **Flour:** The Food Group provides high-quality, fortified, and Halal-certified products that nourish households across the region.
- **Pet Food:** The Food Group provides pet nutrition needs suitable for all breeds and sizes.
- **Trading:** The Food Group's Singapore-based trading and central purchasing arm facilitates seamless trade within the agricultural value chain, ensuring efficient and responsible sourcing for the entire Aboitiz Foods network.

The Food Group commenced its international expansion in 2014 through Pilmico International's acquisition of a 70% equity stake in Pilmico Vietnam Company Limited (PVN), one of Vietnam's largest aqua feed producers. Over the next five years, Pilmico International increased its ownership, acquiring an additional 15% in 2017 and the remaining 15% in 2019, making PVN a wholly-owned subsidiary. This investment provided a strategic foothold in Vietnam's aqua feeds sector, expanding the company's reach to regional aqua farm customers and creating a gateway for further investments in ASEAN markets such as Thailand, Laos, and Cambodia. It also marked the company's diversification into the aqua feed segment, a product line not previously available in the Philippines.

Building on this foundation, the Food Group strengthened its presence in Vietnam with further acquisitions, including Pilmico Vietnam Trading in 2016, which operates in wholesale food and agricultural raw materials, and a 70% equity interest in Pilmico Animal Nutrition Joint Stock Company (PAN-JSC), an animal feed producer. The company's expansion accelerated in 2018 with the acquisition of Gold Coin Management Holdings (GCMH), one of Asia's largest agribusiness corporations. Pilmico International initially secured a 75% stake in GCMH, which operates across multiple Asian countries, including Indonesia, Malaysia, Thailand, and China, before completing full ownership in 2019. As part of its business integration, PAN-JSC was incorporated into the Gold Coin Group and renamed Gold Coin Feedmill (Binh Duong) that same year.

Further consolidating its regional presence, GCMH increased its ownership in Gold Coin Malaysia Group and Gold Coin Specialties Sdn. Bhd. to 100% in 2021. The following year, the Gold Coin Group divested from Sri Lanka, selling its 100% equity interest in Gold Coin Feed Mills (Lanka) Limited as part of its strategy to focus on Southeast Asia and China. Today, the Food Group, through Pilmico International and the Gold Coin Group, holds strong positions in key Asian markets, leveraging its multi-branded animal nutrition platform to deliver scientifically balanced livestock and aqua feeds. The Gold Coin Group remains committed to innovation, sustainability, and expanding its capabilities to meet the diverse nutritional needs of the region's growing agricultural sector.

The Food Group is in continuous pursuit of innovative new products, product variants, and line extensions in the livestock, and aquaculture feeds segments.

## **(B) Beverages**

Coca-Cola in the Philippines began in 1927 when San Miguel Corporation (then San Miguel Brewery, Inc.) first imported Coca-Cola from the U.S. In 1927, San Miguel Corporation became the first international bottler of Coca-Cola products. In 1981, to streamline its soft drink operations, San Miguel spun Coca-Cola Bottlers Philippines, Inc. (CCBPI) off as a joint venture with The Coca-Cola Company. CCBPI underwent various ownership changes through the years.

On 23 February 2024, CCEP and AEV jointly acquired CCBPI, with CCEP holding a 60% stake and AEV 40%. Following this acquisition, CCBPI rebranded to Coca-Cola Europacific Aboitiz Philippines, Inc. (CCEAP) on 15 January 2025.

## **(i) Principal Products and Services**

### **(A) Food Manufacturing**

#### ***Feeds and Flour***

#### ***Pilmico Foods Corporation***

Pilmico, a wholly-owned AEV Subsidiary, is primarily engaged in manufacturing and selling of flour, feeds, and their by-products. These by-products are largely wheat by-products, particularly wheat bran sold under the Pilmico Brand.

#### ***Flour Products***

Through Pilmico, the Food Group produces premium quality hard wheat flour for bread and soft wheat flour for cookies and crackers. Hard wheat flour brands include: Sun Moon Star, Sunshine, Glowing Sun

and Kutitap. Meanwhile, soft wheat flour brands include: Gold Star and Mega Star. The Food Group also produces a leading brand of specialty flours under the Wooden Spoon Brand. Some notable brands under the Food Group's specialty flour include: Wooden Spoon Cake Flour, Wooden Spoon All-Purpose Flour, Wooden Spoon Siopao Flour, and Wooden Spoon Whole Wheat Flour.

Pilmico has a wide network of distributors and dealers located in major cities of Metro Manila, Cebu, Davao, Iloilo, Bacolod, and Cagayan. As of 28 February 2025, it is one of the largest flour manufacturers in the country and is ranked among the top three domestic flour producers based on internal market data.

The Food Group has expanded its flour business internationally. Currently, Pilmico has a representative office in Ho Chi Minh City, Vietnam. Through this representative office, Pilmico established its flour export business, successfully distributing its flour products to Hong Kong, Vietnam, Myanmar, Thailand, Malaysia, and Indonesia. The Food Group expects to take further efforts to strengthen the presence of its flour business in the ASEAN region.

#### *Feeds Products*

Feeds products offered by the Food Group include swine, poultry, rabbit, pet food as well as other species including aqua feeds for the different stages of growing pangasius, and tilapia, among others. The Food Group also offers animal healthcare products in the Philippines as part of its objective of becoming a total solutions provider for its feeds customers. It also sells raw materials for feeds through its commodity trading business.

#### *Hog and Layer Farms*

##### ***Pilmico Animal Nutrition Corporation***

The Food Group's hog and layer farms operations are conducted through its Subsidiary, Pilmico Animal Nutrition Corporation (PANC). Pilmico and another wholly-owned Subsidiary, Filagri Holdings, Inc. (Filagri Holdings), owned a 100% equity interest in PANC. PANC operates farms and feed mill plants in Capas, Tarlac.

In January 1999, PANC began commercial operations of its feed mill plant in Capas, Tarlac to cater to the growing demand for feeds in Luzon. Since commencing its swine operations with 4,750 sow level in the second half of 1999, PANC had a 8,399 sow level as of 28 February 2025. PANC plans to increase its sow level to 10,800 by 2024, which is expected to translate to a monthly sales volume of 19,897 heads of market hogs.

In December 2015, PANC started its layer farms operations. The layer farm facility was completed and became fully-operational by December 2016. This layer farm facility can hold up to 173,000 egg-laying chickens that translates to 4 million eggs per month.

To support the growing Luzon commercial feeds volume as well as increased feeds requirements from its growing layer and swine operations, PANC completed the construction of a second feed mill ("Tarlac Feed Mill 2"), resulting in an additional 124,800 MT each in feed mill capacity. Tarlac Feed Mill 3 was completed in August 2016.



## ***Agribusiness - International***

### ***AEV International Pte. Ltd.***

Established on 5 May 2014, AEV International Pte. Ltd. (AEV International) is the holding company of AEV's investments outside the Philippines. It owns 100% of the equity interest in Pilmico International.

### ***Aboitiz Foods Pte. Ltd. (Formerly: Pilmico International Pte. Ltd.)***

Pilmico International Pte. Ltd., a company organized under the laws of Singapore, is the project vehicle of AEV's first international investment in the feeds business. It was established in June 2014 as a wholly-owned Subsidiary of the AEV through AEV International. On 21 November 2024, the company changed its name into Aboitiz Foods Pte. Ltd.

Aboitiz Foods Pte. Ltd. owns a 100% equity interest in PVN, a 100% equity interest of Pilmico Viet Nam Trading Company Ltd. (PVN Trading), and a 100% equity interest in GCMH, which controls the Gold Coin Group.

### ***Pilmico Vietnam Company***

In 2014, AEV began its expansion into the Vietnamese market via the aqua feeds segment through Pilmico International. Pilmico International acquired 70% of the total outstanding shares in PVN (formerly, Pilmico VHF Joint Stock Company and originally, Vin Hoan 1 Feed JSC), one of Vietnam's largest aquafeeds producers. This acquisition allowed the Food Group to expand its feeds business in Vietnam and build its market base internationally. To date, Pilmico International owns 100% equity interest in PVN.

PVN's operations are in Dong Thap Province in Vietnam, approximately 165 kilometers from Ho Chi Minh City. It has a current capacity of 345,000 MT per year. This capacity has supported efforts to build a commercial market in Vietnam and export market, in addition to the long-term supply agreement with Vinh Hoan Corporation.

The investment in PVN allowed the Food Group to gain a foothold in the Vietnamese aqua feeds business, and at the same time, build its reach to other aqua farm customers. This strategic move was also intended to establish a gateway to investments in other ASEAN countries like Thailand, Laos, and Cambodia, allowing the Food Group to expand its core feeds business internationally, and to diversify and gain competence in the aqua feeds product segment currently not produced in the Philippines.

### ***Pilmico Viet Nam Trading Company Ltd.***

PVN Trading was incorporated in July 2015 as a limited liability company operating in Vietnam and engaged in the wholesale of food products, beverages, agricultural and forestry raw materials, among others. It is currently the vehicle used for the importation and distribution of the Food Group's products within the Vietnam market.

Pilmico International owns a 100% interest in Pilmico VN Trading.

### ***Gold Coin Management Holdings Private Limited and the Gold Coin Group***

GCMH is an investment holding company incorporated under the laws of the British Virgin Islands in January 2000. Headquartered in Singapore, GCMH is the parent company of the Gold Coin Group.

In December 2022, GCMH, together with Glen Arbor Holdings (Singapore) Pte. Ltd. (a Subsidiary of Pilmico International Pte. Ltd.) completed the sale and disposition of its 100% equity interest in Gold Coin Feed Mills (Lanka) Limited (GCFL), a company engaged in the manufacturing and distribution of animal feed products in Sri Lanka. The sale of GCFL to New Anthoney's Farms (PVT) Ltd. marks the Gold Coin Group's exit from Sri Lanka to focus on growing its animal feeds business in other parts of the SouthEast Asia and China markets.

The Gold Coin Group is engaged in animal nutrition and manufacturing of animal feeds and is a leading brand in animal nutrition and, as of 28 February 2025, had more than 21 livestock and aqua feed mills across six countries in the Asia-Pacific with an installed milling capacity of 4.2 million MT per year. As of 28 February 2025, it also had two research facilities in China and Malaysia. In particular, the Gold Coin Group manufactures and sells animal feed and specialty nutrition products, including compound feed, pre-mix and additives for the livestock and aqua sectors in the Asia-Pacific region.

Gold Coin Group's products and services include: (i) livestock feed such as feed for poultry broiler/layer, swine, duck, other birds and fish; (ii) aqua feed or feeds for aquaculture produce such as shrimp and fish; and (iii) specialty nutrition or the premix and specialty concentrate complete feed. In 2018, the group introduced its entry to the young animal for its livestock portfolio, and enhanced nutritional specifications for shrimp feeds, and fish feed to grow its aqua portfolio.

## **(B) Beverages**

### **Coca-Cola Europacific Aboitiz Philippines, Inc. (CCEAP)**

On 23 February 2024, AEV, in collaboration with CCEP, finalized the acquisition of what was then CCBPI, the exclusive bottler and distributor of The Coca-Cola Company's products in the Philippines. Thereafter, CCPBI rebranded in 2025, adopting the name Coca-Cola Europacific Aboitiz Philippines, Inc.

As of 28 February 2025, AEV owned a 40% beneficial equity interest in CCEAP through CCEP Aboitiz Beverages Philippines, Inc. (CABPI). The remaining 60% beneficial equity interest is owned by CCEP.

## **(ii) Distribution Methods**

### **(A) Food Manufacturing**

Pilmico and PANC sell their feeds and flour products through a nationwide distribution network of dealers. Pilmico likewise exports its flour products to Hong Kong, Myanmar, and Vietnam. PANC's hog and meat products are sold to "viajeros" or small-scale distributors and institutional customers (such as hotels, restaurants, and caterers).

In addition to its existing presence through its representative offices, and through its acquisition of the Gold Coin Group, the Food Group gained access to a comprehensive platform with an extensive distribution and sales network spread across 8 countries in the Asia-Pacific region.

The Gold Coin Group has established relationships with customers, offering a number of brands of livestock and aqua feeds products with quality feed formulation across various key markets. Moreover, in 2018, the Gold Coin Group launched a sales optimization program to introduce a centrally designed sales program to integrate livestock operation, distribution, and sales channels to expand its specialty nutrition and aqua feeds. Taking advantage of this program, the Food Group is developing a stronger and multi-branded one-stop shop animal nutrition platform to address the demands of its customers across the Asia-Pacific region.

In the Philippines, the Farms business has expanded its market reach to end-consumers via “The Good Meat” business which offers fresh meat and egg products in both online and physical “The Good Meat” stores. As of 28 February 2025, the Food Group is operating five physical “The Good Meat” stores. The Good Meat’s fresh pork offerings are sold in 135 supermarkets across the Philippines, 126 of which carry the “The Good Meat” Brand while the remainder are sold as the supermarket’s house brand, while its growing Value-Added Meat segment (bacon, sisig, etc) are carried in over 208 supermarkets nationwide.

The Food Group’s businesses are not dependent upon a single customer or a few customers such that a loss of any one would have a material adverse effect on the performance of its sales and distribution. The Food Group has no single customer that, based on existing orders, accounts for 20% or more of its total sale of goods and services.

## **(B) Beverages**

As of 2024, the company operates 18 manufacturing plants and approximately 80 sales offices and distribution centers nationwide, supporting nearly one million micro-retailers across its value chain. Its diverse product portfolio includes many brands, such as Coca-Cola, Royal, Sprite, Wilkins, Schweppes, Minute Maid, Nutri Boost, Predator, and Lemon Dou.

### **(iii) New Products**

#### *International Animal Nutrition*

The Gold Coin Group provides nutritional solutions and onsite technical support to customers to optimize aquaculture and farm production across the Asia-Pacific Region. As of 28 February 2025, the group has an existing 18 livestock feed mills in five countries (China, Indonesia, Malaysia, Vietnam, and Brunei); four aqua feed mills in three countries (Indonesia, Malaysia, and Thailand); and offers specialty nutrition across six countries (Malaysia, Vietnam, Philippines, China, Pakistan, and Myanmar). Its production facilities are ISO 22000/HACCP certified.

The Gold Coin Group intends to introduce innovative new products, product variants, and line extensions in the livestock and aquaculture feeds segments. In 2018, the group introduced its entry to the young animal and pet food segment for its livestock portfolio, and enhanced nutritional specifications for shrimp feeds, and fish feed additives for its aquaculture portfolio. The group also relies on technological innovation and feed re-formulation in order to maximize profits. The capabilities of the Gold Coin Group will allow the Food Group to develop a stronger and multi-branded platform of animal nutrition products to address the demands of a wide range of customers across the Asia-Pacific Region.

### **(iv) Competition**

As an integrated food and agri-business company primarily engaged in the manufacture and sale of animal feeds, flour, flour by-products as well as the production of swine and table eggs, the Food Group operates in a competitive industry driven by global raw material prices with an increasing trend on process improvement and digitization. Moreover, with global food demand on the rise brought by rising income from a growing middle class in developing countries, industry growth has been supported by global and domestic expansions by a growing number of agri-business players.

The Food Group’s business model is well positioned at the beginning of the food value chain with facilities in the Philippines located in Tarlac (feedmill and farms) and Iligan (flourmill and feedmill). The Food Group

products are distributed through external distributors and dealers in major cities throughout the Philippines.

The Food Group believes that it competes through cost leadership and providing a better customer experience.

Pilmico believes that it is among the top three domestic flour, swine, and animal feed producers in the Philippines, which include San Miguel Food and Beverage, Inc. and Universal Robina Corporation for flour, B-MEG, and Unahco for feeds, and Monterey and Robina for farms, all of which leverage on strategic logistic hubs, competitive pricing and dedicated sales support teams to drive growth. The Gold Coin Group's competitors in international feeds include Charoen Pokphand Group, Japfa Comfeed, and CP Indonesia, with Cargill remaining the biggest feed miller in South East Asia with leading market share and capacity in Thailand, Vietnam, and Indonesia.

#### **(v) Sources of Raw Materials**

##### **(A) Food Manufacturing**

The Food Group, through Pilmico and PANC, imports wheat, soybean meal and other grains mostly from various suppliers in the United States, Canada, and Australia. This exposes the Food Group to risks arising from currency fluctuations and volatile price movements of raw materials.

PVN imports soybean meal from Argentina and the United States, and cassava from Cambodia. Rice bran and other grains are sourced from various suppliers in Vietnam.

The Gold Coin Group requires a wide variety of raw materials to manufacture its livestock and aqua feeds products, including, but not limited to, corn grains, soya beans and meals, and wheat products.

Efficient sourcing of these materials requires a combination of local and import strategies. To optimize its position as one of the largest animal nutrition providers in the Asia-Pacific Region and take advantage of the synergies between related parties and Affiliates, the Gold Coin Group instituted a centralized commodity trading team for the Food Group that determines procurement and strategic sourcing activities.

#### **(vi) Major Customers**

The Food and Beverage Group's businesses are not dependent upon a single customer or a few customers that a loss of anyone would have a material adverse effect on the performance of its sales and distribution. The Gold Coin Group has no single customer that, based on existing orders, will account for 20% or more of its total sale of goods and services.

#### **(vii) Transactions with and/or Dependence of Related Parties**

Transactions with and/or dependence on related parties are discussed at the holding company level.

Additionally, to unlock cost synergies and efficient sourcing of raw materials within the Food Group, the Gold Coin Group instituted a centralized commodity trading team that is tasked to identify and secure procurement and strategic sourcing activities. Transactions are made at arms-length, fair, and compliant with transfer pricing rules.

**(viii) Government Approvals**

The Food and Beverage Group secures various government approvals, such as the environmental compliance certificates, development permits, license to sell, business permits, import licenses, etc. as part of the normal course of its business.

**(ix) Effect of Existing or Probable Governmental Regulations**

The laws and regulations that govern the Food and Beverage Group's business operations in the Philippines include the: (i) Food Safety Act of 2013 (RA No. 10611); (ii) Food and Drug Administration Act of 2009 (RA No. 9711) and the established standards and quality measures by the Food and Drug Administration in relation to the manufacturing and branding of food products to ensure its safe supply; (iii) the Livestock and Poultry Feeds Act and its implementing rules and regulations on the manufacture, importation, labelling, advertising and sale of livestock and poultry feeds; (iv) the Meat Inspection Code of the Philippines (RA No. 9296) establishing measures on quality and safety standards for the slaughter of food animals and the processing, inspection, labelling, packaging, branding and importation of meat (including, but not limited to, pork, beef and chicken meat) and meat products; (v) Consumer Act of the Philippines (RA No. 7394) and the as enforced by the Department of Trade and Industry, and the quality and safety standards with respect to the composition, contents, packaging, labelling and advertising of food products and prohibits the manufacture for sale, offer for sale, distribution, or importation of food products which are not in conformity with applicable consumer product quality or safety standards; (vi) Price Act (RA No. 7581) on matters concerning price controls for basic and prime commodities on select circumstances of calamities and state of public emergency.

The Gold Coin Group, with companies and plant operations across several countries in the Asia-Pacific region, has secured the necessary registrations, permits, and licenses to allow it to do business in the applicable countries.

**(x) Amount Spent on Research and Development**

**(A) Food Manufacturing**

The Food Group remains committed to the continued research and development of its feed, flour, and farm products. This is evidenced by the launch of new product offerings such as aqua feeds, petfood, new and improved shrimp formulation, mash conditioner feeds, pigeon feeds among others. These costs are inherently part of the research and development, nutrition, veterinary, and business development operating costs and amount to less than 1% of the Food Group's revenues.

**(xi) Costs and Effects of Compliance with Environmental Laws**

**(A) Food Manufacturing**

The Food Group is working with relevant Environmental regulators with a dedicated Quality, Safety, Health Environment and Process Department for both existing operations and future plans. Compliance to environmental laws is included in key decision points such as investing in new swine farms and new feed mills to include measures and build appropriate facilities that lessen the impact on the environment.

**(xii) Major Risk/s Involved in the Business**

**(A) Food Manufacturing**

Risks particular to the Food Group are as follows:

***Ongoing Ukraine war can have several potential impacts on the Food Group, especially on its flour and feed business***

Ukraine is a major exporter of wheat and corn, which are essential ingredients for flour and feed production. The conflict may disrupt transportation routes, leading to delays, increased costs, or even a temporary halt in the supply of grains. Millers may face difficulties in sourcing an adequate amount of raw materials. This has translated to price fluctuations in grain markets. Increased demand, reduced supply, and speculation can cause sharp price increases, making it challenging for millers to procure grains at reasonable prices.

To address this risk, the Food Group has diversified sourcing channels by establishing new relationships with multiple suppliers and has strengthened its long-standing relationships with key suppliers. It sources its grains in North America (milling wheat, feed wheat, corn), South America (feed wheat, soybean meal and corn) and Australia. It does not source from Ukraine and Russia. Further, the Food Group stays updated with market information and collaborate closely with suppliers to anticipate potential price fluctuations. The Food Group continues to maintain buffer stock to ensure continuity of production during any disruptions.

In times of geopolitical uncertainty, and accelerating inflation, the value of currencies can fluctuate significantly. Currency devaluation or volatility can impact the cost of imported raw materials and equipment, potentially affecting the profitability of the Food Group.

The Food Group has established currency hedging strategies to minimize exposure to foreign exchange risks and use forwards to hedge currency positions and stabilize costs.

***Outbreak of diseases, food safety and foodborne illness concerns could adversely affect the Food Group's financial condition and results of operations***

Part of the inherent business risk of swine and poultry farms are animal diseases (e.g., African Swine Fever and Avian Influenza) which can impact demand and supply for certain products of the Food Group. A major outbreak can affect the entire industry, significantly affecting demand and supply. There can only be a certain level of assurance that the Food Group's internal controls and policies will be fully effective in preventing all food safety issues concerning the products it sells, including any occurrences of foodborne illnesses such as Salmonella, E. coli, and Hepatitis A. New illnesses resistant to current precautions may develop in the future, or diseases with long incubation periods could arise, that could give rise to claims or allegations on a retroactive basis. As part of taking on a proactive approach in managing this risk, the Food Group continually understands changes in the risk profile and context to better understand and manage this risk. This may come in the form of continuous testing and evaluation of new lab tests or vaccine and medicine programs or new regulatory requirements to comply with.

Being in the food industry, food safety risks brought about by foodborne illness or illnesses related whether or not related to the Food Group's products, could negatively affect sales and reputation. Both could have a material adverse effect on the Food Group's business, financial condition, and results of operations. This risk exists even if it were later determined that the illness was wrongly attributed to its products. Quality assurance and quality control activities play an important role in managing this risk. Part of the Food Group's strategic plans include a robust implementation of quality across suppliers to the market value chain. Four quality areas include: (1) supplier quality; (2) process quality; (3) product quality; and (4) market quality.

- a. Supplier Quality - focuses on the development and implementation of quality supplier accreditation process



- b. Process Quality - focuses on the improvement of existing quality programs and processes such as but not limited to HACCP, Food Defense, and Food Fraud Program
- c. Product Quality - focuses on the implementation of cost of poor quality management and new products development program
- d. Market Quality - focuses on the improvement of existing programs and processes on handling customer complaints, product recall

***The Food Group's financial performance may be materially and adversely affected by disruptions in the supply of, or price fluctuations in, major raw materials***

Many of the Food Group's products depend on raw materials, most of which are procured from third parties, including purchases of some critical raw materials from both within and outside of the Philippines. These raw materials are subject to price volatility caused by a number of factors including changes in global supply and demand, foreign exchange rate fluctuations, shipping and other transport-related factors, weather conditions, quality of crop and yield and trade and tariff policies, and government regulations and controls. Moreover, the market prices of raw materials may increase significantly if there are material shortages due to, among others, competing usage or drastic changes in weather or natural disasters or shifts in demand from other countries such as China and India.

The ability to pass on higher costs through price increases is also influenced by competitive conditions and pricing methodologies used in the various markets in which the Food Group competes. As such, there is no assurance that all or significant increases in product costs will be passed on to consumers and that any price increases that are passed along to consumers will not have a material adverse effect on price competitiveness.

Key controls to manage this risk include leveraging on volume through strategic and centralized procurement of the Food Group's raw materials requirement. Another is the establishment of neutral positioning when buying raw materials which usually ranges from three weeks to four months. By having a neutral position, the Food Group can somehow mitigate the external factors affecting prices. Finally, focusing on optimizing its Low-Cost Formulation model through the use of substitutes, alternate proteins, and identification of regional/local sources is one of the key strategies that it employs to manage the impact of this risk.

Contributing to the supply chain disruption is the unavailability of supply of raw materials at the required quality and quantity that meet the needs of the Food Group. Ultimately, any shortages in raw materials may lead to delays in the supply of products to the Food Group's customers. Key controls to manage this include setting up multiple suppliers both international and local as backup. Establishing safety stock levels and even raising them on certain occasions to minimize shutdowns.

***The business and sales of the Food Group are affected by seasonality***

The business and sales of the Food Group are affected by the seasonality of customer purchase patterns. The Food Group's products generally experience increased sales during months leading to major holiday seasons, such as Christmas and Lunar New Year. Moreover, other inputs such as grains may be affected by planting and harvest seasons as well as other weather conditions. As a result, performance for any one quarter is not necessarily indicative of what is to be expected for any other quarter or for any year and its financial condition and results of operations may fluctuate significantly from quarter to quarter.

To address this risk, the Food Group employs various sales tactical programs by means of promotions and discounts in the form of price, volume and/or cash payment discounts.

***The business and prospects of the Food Group may be materially and adversely affected by increased imports of lower-priced products as import duties are decreased or eliminated***

The Food Group may face increased competition from less expensive products imported to the Philippines as import duties on those products are decreased or eliminated. In particular, the Philippines is a signatory to several free trade agreements, including the ASEAN Trade in Goods Agreement (“ATIGA”) and the ASEAN Free Trade Agreement. With the implementation of ATIGA, the Philippines eliminated intra-ASEAN import duties on 99.56% of its tariff lines including poultry, meat of bovine animals, flour, sausage, prepared or preserved meat, cereals, bread, pastry, cakes, biscuits, fruit juices, coffee, tea or maté, sauces and preparations, ice cream, beer, certain spirits, liqueurs, and spirituous beverages.

The Food Group has already experienced the effects of increased competition as a result of the elimination of these import duties, and expects that competition from imported products will continue to increase. In addition, any reduction in tariffs on imports from other ASEAN countries and from other countries party to a free trade agreement with the Philippines, such as China and Japan, could give rise to increased competition for the Food Group’s products.

The Food Group also faces competition from other countries. If the Food Group is unable to compete effectively with lower-priced imports, its market share and sales may decrease, and its business, financial condition, results of operations, and prospects could be materially and adversely affected.

The Food Group leverages on industry associations or groups to lobby for certain barriers to entry in the form of imposition of duties and taxes on these imported goods.

***The Food Group engages in derivative and hedging transactions***

From time to time, the Food Group enters into various commodity derivative instruments, such as forward purchases, caps and collars for wheat and soybean meal, to manage price risks on strategic commodities. For hedging transactions, if prices decrease, hedging positions may result in mark-to-market losses, which are, in turn, expected to be offset by lower raw material costs. As its hedging transactions are mark-to-market, to the extent that the market price of the raw materials subject to such hedging transactions falls below the fixed price under futures contracts, the Food Group’s net income will be lower had it not engaged in such transactions. Consequently, its financial performance could be adversely affected during periods in which prices of raw materials are volatile. A key control to manage this is outlined in the Food Group’s Price Risk Management Framework that sets the price-risk decision matrix for any futures pricing of key commodities (i.e., wheat and soybean meal).

***Sales of certain products may be adversely affected if the Food Group’s relationship with dealers and distributors deteriorate***

The products of the Food Group are primarily sold through dealers and distributors. There is no assurance that these dealers and distributors will continue to purchase and distribute the Food Group’s products, or that these dealers and distributors can continue to effectively distribute its products without delays or interruptions. In addition, the financial instability of, contractual disputes with, or labor disruptions at its dealers and distributors could disrupt the distribution of its products and adversely affect its business.

The Food Group’s dealer network is a key asset for the Food Group and it has taken steps to know more about its customers and their customers. Delivering consistent and quality products to customers is important to building a lasting relationship. Part of the strategic plans include building its own competencies for an ideal distribution center that will handle consolidation, repacking, and logistics. Another key initiative is to provide a system to support its distributors in managing their customers, payments, fulfillment, and inventory management.

#### IV. REAL ESTATE

##### *Overview of the Business*

Incorporated on 2 June 1964, AboitizLand (formerly Central Visayan Warehousing Co., Inc.) is the real estate arm of the Aboitiz Group. Today, AboitizLand is mainly engaged in the development of real estate projects with a primary focus on residential communities, integrated industrial townships and commercial hubs. On 1 September 2020, the management of the industrial and commercial business units of AboitizLand was transferred to Aboitiz InfraCapital.

As of 28 February 2025, AboitizLand had 13 residential projects selling three different product types: lot only, house and lot, and condominiums.

AboitizLand's strategy has been to step up mid-market residential launches to capitalize on the growing provincial house and lot mid-market. It expects to grow its well-performing industrial business through the continued acquisition of land in key geographic corridors and the development of complementary recurring revenue businesses and residential communities within these areas. Through this approach, AboitizLand not only looks to expand its industrial footprint but also create thriving townships in the future.

AboitizLand is also capitalizing on the new and upcoming segment of vertical developments in urban zones through its wholly-owned Subsidiary, Point Blue, Inc. (Point Blue) which created the microstudio category in the Philippines. This venture looks to build microstudio buildings strategically located near Metro Manila's central business districts.

AboitizLand expects to actively explore complementary services from AEV's utilities, financial services, and infrastructure businesses.

#### **(i) Products and Services**

##### **(a) Residential Business**

##### **Aboitiz Land, Inc. (AboitizLand)**

AboitizLand is the real estate arm of the Aboitiz Group and is mainly engaged in the development of real estate projects with a primary focus on residential communities. Since the launch of its first residential development in 1994, AboitizLand's residential estate has now expanded to 13 residential projects selling three particular product types: lot only, house and lot, and condominiums.

In 1994, AboitizLand launched *North Town Homes* in Cebu, its first residential subdivision catering to upper-mid to high-end customers through horizontal (lot-only and house-and-lot) developments. Since then, AboitizLand has expanded its portfolio to include mid-market residential products. Through AboitizLand, the group has introduced a number of product concepts to the Cebu real estate market: (i) the New Urbanism concept of live-work-play in the large master-planned community of *Pristina North*; (ii) Zen living, which takes off from the spa lifestyle trend, in *Kishanta*; (iii) the commercial and residential "Urban Village", such as *The Persimmon*; (iv) shophouses as a residential product in *Ajoya*; (v) fully-furnished affordable studio units, such as *The Persimmon Studios*; (vi) Asian Contemporary designed units in *Almiya*; and (vii) inspired by traditional Filipino residences in *Amoa*.

In 2017, AboitizLand launched *Seafront Residences*, a 43-hectare beachside community located in San Juan, Batangas, and *Foressa Mountain Town*, a 250-hectare mountain town community located in Balamban, Cebu.

In 2018, AboitizLand launched two additional residential projects in Luzon: *Ajoya Capas*, a 13-hectare community development in Tarlac, and *Ajoya Cabanatuan*, a 20-hectare community development in Nueva Ecija. The *Ajoya* brand represents AboitizLand's flagship mid-market residential product, featuring modern housing units inspired by contemporary Filipino architecture, and amenities such as a town plaza, a clubhouse, and pocket parks, among others.

In 2019, AboitizLand further strengthened its position in the Luzon region through the launch of two new residential projects: *Ajoya Pampanga*, a 21-hectare development in Mexico, Pampanga, and *The Villages* at Lipa, a 50-hectare development in Batangas to support the industrial township strategy for LIMA Technology Center.

On 1 September 2020, the management of the Industrial and Commercial Business Units of AboitizLand was transferred to Aboitiz InfraCapital.

Additionally, AboitizLand offers property management services to support not only its own business units, but also those of the other companies within the Aboitiz Group. These services cover community security, site and infrastructure maintenance, village activities and policy administration.

AboitizLand is a wholly-owned Subsidiary of AEV.

## **(ii) Distribution Methods**

AboitizLand's residential projects currently target a diverse base of customers, ranging from the middle to upper-income brackets. AboitizLand now also caters to young urban professionals working in and around central business districts given its partnership with E360, Inc. to co-develop microstudio developments since 2019.

AboitizLand's industrial segment aims to serve various locators from different industries and countries with significant interests in the Philippines.

In January 2020, AboitizLand invested in a proprietary mobile application called the AboitizLand Vecino app, the backbone of its digitalized home-buying service. Through the app, vecinos (i.e., residents) are now able to track monthly payments and download Statement of Accounts (SOAs) and receipts in a timelier manner, follow construction progress, make online payments, apply for a housing loan, schedule acceptance and turnovers, as well as reach out to customer service.

In April 2020, AboitizLand launched the Contactless Home Buying service which allowed investors and aspiring buyers to acquire property in a more convenient, safer, and worry-free process.

AboitizLand continues to develop various features to make its systems timelier and more relevant across all aspects of the business. It has added new features such as digitized documentation and digital home loan applications.

## **(iii) New Products and Services**

In September 2019, AboitizLand and Point Blue partnered to co-develop microstudio rental apartments, an innovative new category in the real estate residential sector. Thereafter, AboitizLand acquired full

ownership of Point Blue in 2023. These microstudio apartments are leased ready for move-in and all units are equipped with a bed, ample storage space, a desk and chair, roller blinds, air-conditioner, microwave, free high-speed internet, and within walking distance of Metro Manila's central business districts.

In 2022, AboitizLand launched 2 new phases of its existing projects: Foressa Light B in Balamban, Cebu and Meadow Village at the Villages at Lipa in Batangas. AboitizLand has also embarked on several initiatives and partnerships to strengthen operations, including partnerships with precast construction technology providers and online mortgage brokers, and the launching of new customer service and property management platforms.

#### **(iv) Competition**

AboitizLand considers Ayala Land and Vista Land as its main competitors in the residential business. They currently enjoy market dominance in the locations where they compete and are considered as brand leaders in the market because of their presence in both primary and secondary cities nationwide. Both competitors target the same market that falls within their sub-brands that cater from the high-end A market to the broad C market. AboitizLand also caters to the same markets depending on the location and type of product that it offers.

In terms of the commercial business, AboitizLand looks to strategically develop commercial spaces that will enhance its current communities. By doing so, AboitizLand aims to maximize the value footprint in these areas while servicing the needs of the community. Furthermore, the continued relevance of AboitizLand's successful track record in traditional retail formats provide a positive outlook for its largest commercial project to date, The Outlets at Lipa. Although relatively new in this segment, it was able to successfully implement new retail formats in locations it already serves. However, traditional big-box retail companies such as SM and Vista Land remain market leaders in the commercial business and are considered as its main competitors in this segment. While SM caters to all market classes, AboitizLand caters to the broad C to the upper B market currently focusing on the latter for its offerings at The Outlets.

Lastly, the industrial parks continue to serve as key hubs for economic activity. With its expertise, AboitizLand looks to further capitalize on these hubs not only by expanding its industrial footprint, but also through the development of recurring revenue businesses and residential communities adjacent to its industrial areas. Through this approach, AboitizLand looks to transform these industrial spaces into thriving townships. Among the national developers in the country, Ayala Land, Vista Land, and Megaworld are the main proponents of township developments. With their years of experience and land banks around the country, they remain AboitizLand's competitors in this segment. Similar to the residential and commercial business, AboitizLand caters to several markets that encompass its township developments. For example, The Villages at Lipa caters to mid – to upper-mid-market residents, *The Outlets* at Lipa serves retail customers, while Lima Technology Center is home to industrial locators and soon, BPO offices.

#### **(v) Sources of Raw Materials**

AboitizLand and its Subsidiaries have a broad base of suppliers, both local and foreign. They are not dependent on one or a limited number of suppliers.

#### **(vi) Major Customers**

AboitizLand's residential projects currently target a diverse base of customers, ranging from the middle to upper-income bracket. The Group's industrial division serves various locators, with the slight exception of its industrial segment operated through CIPDI, which has commitments to Tsuneishi Holdings Corporation (THC) of Japan.

The Real Estate Group's businesses are not dependent upon a single customer or a few customers that a loss of anyone would have a material adverse effect on the performance of its sales and distribution. It has no single customer that will account for 20% or more of the group's total sale of goods and services.

**(vii) Government Approvals**

AboitizLand and its Subsidiaries secure various government approvals such as the environmental compliance certificate, development permits, license to sell, business permits, etc. as part of the normal course of its business.

**(viii) Effect of Existing or Probable Governmental Regulations**

The laws and regulations that govern the Real Estate Group's business operations include:

- (i) The Subdivision and Condominium Buyer's Protective Decree (P.D. 957) which outlines the necessary approvals and permits required for subdivision and condominium development projects. The Housing and Land Use Regulatory Board (HLURB) is the administrative agency of the government which, together with local government units, enforces these decrees and has jurisdiction to regulate the real estate trade and business;
- (ii) The Urban Development and Housing Act of 1992 (RA No. 7279), as amended recently by Republic Act No. 10884, requiring developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least fifteen percent (15%) of the total subdivision area or total subdivision project cost, and at least five percent (5%) of condominium area or project cost, at the option of the developer, within the same city or municipality whenever feasible, and in accordance with the standards set by HLURB and other existing laws. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development;
- (iii) The Condominium Act (RA No. 4726), as amended, providing additional regulation on the development and sale of condominium projects. The Condominium Act requires the annotation of the master deed or the declaration of restrictions on the title of the land on which the condominium project shall be located. The declaration of restrictions shall constitute a lien upon each condominium unit in the project, and shall bind all condominium owners in the project; and
- (iv) On 29 January 2021, the Anti-Money Laundering Act of 2001, as amended, was further amended by Republic Act No. 11521. Republic Act No. 11521 expanded the scope of the law to include real estate developers and brokers as covered persons. AboitizLand and its relevant subsidiaries engaged in the sale and/or lease of real properties are now considered covered persons under the amended law and are required to register with the AMLC, as well as to report single cash transaction involving an amount in excess of ₱7.5 mn and other suspicious transactions. The relevant Business Units under the Real Estate Group have taken steps to ensure compliance with the rules and regulations of the AMLC.

**(ix) Major Risk/s Involved in the Business**

Risks particular to the AboitizLand are as follows:

***AboitizLand may not be able to lease its properties in a timely manner or collect rent at profitable rates or at all***

AboitizLand's ability to sell or lease sites in its development projects could be affected by a number of factors including consumer confidence resulting to slow down on sales, changing customer needs, entry



of key players, more aggressive competitors (for pricing, payments, incentives, offers etc.) competition for tenants, changes in market rates, the inability to renew leases, the bankruptcy of tenants, the increase in operating expenditures, and efficiency in collection, property management, tenant relations, and loss of market.

For residential development, strategies and possible solutions are the expansion of digital initiatives in Sales and Marketing, broadening digital platforms outside existing social media and property listing platforms, offering special discounts to *Vecinos*, improving marketing communication, and more strategic target market segmentation.

***AboitizLand may not be able to complete its development projects within budgeted project costs or on time or at all***

Property development projects require substantial capital expenditures prior to and during the construction period for, among other things, land acquisition and construction. The construction of property projects may take a year or longer before generating positive net cash flow through sales or pre-sales. As a result, AboitizLand's cash flows and results of operations may be significantly affected by its project development schedules and any changes to those schedules. The schedules of AboitizLand's projects depend on a number of factors, including the performance and efficiency of its third-party contractors and its ability to finance construction. Other factors that could adversely affect AboitizLand's project development schedules include:

- (i) natural catastrophes and adverse weather conditions and/or a Pandemic;
- (ii) changes in market conditions, economic downturns, and decreases in business and consumer sentiment in general;
- (iii) delays in obtaining government approvals and permits;
- (iv) changes in relevant regulations and government policies;
- (v) relocation of existing residents and/or demolition of existing constructions;
- (vi) shortages of materials, equipment, contractors and skilled labor;
- (vii) labor disputes;
- (viii) construction accidents;
- (ix) errors in judgment on the selection and acquisition criteria for potential sites;
- (x) Cyber Attacks and/or leaked of personal and sensitive information;
- (xi) Internal contractor issues;
- (xii) Unforeseen geographic situations; and
- (xiii) other unforeseen problems or circumstances

Construction delays or failure to complete the construction of a project according to its planned specifications, schedule and budget may harm AboitizLand's reputation as a property developer or lead to cost overruns or loss of or delay in recognizing revenues and lower margins. If a property project is not completed on time, the purchasers of pre-sold units within the project may be entitled to compensation for late delivery. If the delay extends beyond a certain period, the purchasers may be entitled to terminate their pre-sale agreements and claim damages. There is no assurance that AboitizLand will not experience any significant delays in the completion or delivery of its projects in the future or that it will not be subject to any liabilities for any such delays.

The occurrence of these risks and the consequence of AboitizLand's ability to develop, will only be highly likely if a project is mis-scoped. In order to mitigate these risks, AboitizLand's project development and operations plans have been and are continuously being updated. By taking lessons learned from older projects, creating standards for processes, implementing policies, and execution of the company's scope of work all the way from the acquisition stage, through the planning, launch, construction, and turn-over stages, AboitizLand is able to mitigate these risks. A consistent review of the company's project risks and

management plans at each milestone project point allows the risk treatment plans to be updated in order to keep up with the market and regulatory changes, as well as manage internal stakeholder or third-party engagement, while maintaining project health.

## **V. INFRASTRUCTURE**

### *Overview of the Business*

The infrastructure and infrastructure-related investments of the Aboitiz Group are primarily undertaken through Aboitiz InfraCapital and AEV CRH, the holding company of RCBM.

#### **(A) Aboitiz Infracapital**

Aboitiz InfraCapital, the infrastructure arm of the Aboitiz Group, is a key player in the Philippine infrastructure sector, with investments in Economic Estates, Water Infrastructure, Airports, and Digital Infrastructure. Through its diversified portfolio, the company is committed to building sustainable and smart infrastructure ecosystems that drive economic growth and improve the quality of life for Filipinos.

#### *Economic Estates*

Aboitiz InfraCapital's Economic Estates provide world-class industrial, commercial, and mixed-use developments that serve as thriving business hubs. Its portfolio includes LIMA Estate in Batangas, Mactan Economic Zone 2 (MEZ 2) in Cebu, West Cebu Estate in Cebu, and the recently expanded TARI Estate in Tarlac. These estates offer fully integrated industrial and commercial facilities, designed to attract local and international investors while supporting job creation and regional development. Aboitiz InfraCapital continues to enhance these estates through sustainable infrastructure, advanced utilities, and business-friendly environments.

#### *Water Infrastructure*

Aboitiz Infracapital is a provider of water supply, wastewater treatment, and water-related infrastructure through its investments in Apo Agua Infraestructura, Inc. (Apo Agua), LIMA Water Corporation, and Balibago Waterworks System, Inc. (BWSI). Apo Agua operates the Davao City Bulk Water Supply Project (DCBWSP), utilizing a pioneering "water-energy nexus" system powered by a run-of-river hydroelectric plant. LIMA Water supplies industrial and potable water to locators at LIMA Estate and operates an advanced wastewater treatment facility. BWSI, a minority investment, manages 75 water distribution franchises across the country, expanding access to clean and sustainable water solutions.

#### *Airports*

Aboitiz InfraCapital is a major investor in Philippine airport infrastructure, playing a crucial role in modernizing regional air travel. The company fully owns Aboitiz InfraCapital Cebu Airport Corporation (ACAC), the developer and operator of Mactan-Cebu International Airport (MCIA), after completing its acquisition in 2024. Additionally, it leads key public-private partnership (PPP) projects for the Laguindingan International Airport and Bohol-Panglao International Airport, both set for operational takeover in 2025. Aboitiz InfraCapital has also submitted proposals for the Bicol International Airport, reflecting its long-term vision to develop world-class aviation facilities that enhance connectivity and tourism.

### *Digital Infrastructure*

Aboitiz InfraCapital is actively investing in telecommunications and data infrastructure to support the country's growing digital economy. Through Unity Digital, the company has acquired and deployed hundreds of telecommunications towers nationwide, supporting major telcos in expanding mobile connectivity. Its data center venture with ECX aims to provide cutting-edge hyperscale solutions to meet the increasing demand for cloud computing and digital services. The company remains committed to building resilient and future-ready digital infrastructure to bridge connectivity gaps across the Philippines.

### **(B) Cement**

AEV CRH Holdings, Inc. (AEV CRH) is AEV's partnership with CRH plc, a global leader in the manufacture and supply of building materials and products. AEV CRH acquired Republic Cement & Building Materials, Inc. (RCBM) together with its Subsidiaries and Affiliates (the "Republic Cement Group") in 2015. As of 28 February 2025, the Company believes that the Republic Cement Group is one of the country's leading local cement manufacturing and distribution companies with five integrated plants and one grinding facility in operation across Luzon, Visayas, and Mindanao.

### **(i) Products and Services**

#### **A. Aboitiz InfraCapital**

Incorporated on 13 January 2015, Aboitiz InfraCapital is the investment vehicle of the Aboitiz Group for all infrastructure-related investments. Aboitiz InfraCapital's current portfolio consists of investments in (i) water infrastructure, (ii) digital infrastructure (iii) regional airports, and (iv) and economic estates.

#### **Water Infrastructure**

Aboitiz InfraCapital established itself as a provider of water supply, water distribution, wastewater treatment, and water-related infrastructure in the country through its acquisition of equity interests in (i) Apo Agua in 2015, (ii) Lima Water in 2017, and (iii) BWSI in 2017.

#### ***Apo Agua Infraestructura, Inc. (Apo Agua)***

Incorporated on 8 August 2014, Apo Agua is a Joint Venture between AEV and JVACC. The overall objective of Apo Agua is to provide a sustainable, reliable, and safe supply of bulk water to the DCWD.

On 17 March 2015, Apo Agua entered into a Joint Venture Agreement and Bulk Water Purchase Agreement with DCWD for the Davao City Bulk Water Supply Project (DCBWSP). A unique component of the project is a pioneering innovation that utilizes the "water-energy nexus" concept. The bulk water treatment facility is powered by its own run-of-river hydroelectric power plant. The project is also designed to prevent irreversible and damaging environmental effects such as salt-water intrusion, drying-up of wells, and land subsidence brought about by over-extraction of groundwater.

In February 2024, Apo Agua's bulk water treatment facility commenced full commercial operations and delivery of bulk water to DCWD.

Aboitiz InfraCapital owns a 70% equity interest in Apo Agua.

### ***LIMA Water Corporation (Lima Water)***

LIMA Water was incorporated on 28 May 1999. LIMA Water provides industrial and potable water to over 130 industrial locators at the Lipa, Batangas-based LIMA Estate. LIMA Water has a daily water capacity of 8,800 cubic meters. LIMA Water also operates its own centralized wastewater treatment plant with a capacity of over 20,000 cubic meters to ensure the proper treatment of wastewater generated within the LIMA Estate. On 1 August 2017, Aboitiz InfraCapital acquired and took full operational control of LIMA Water from its Affiliate, AboitizLand.

In 2022, LIMA Water introduced the SMART Water Network technology in LIMA Estate to actively managed non-revenue water (NRW) or leakages in the water distribution system. Having resulted in a significant reduction in NRW in LIMA Estate, the same technology will be implemented in MEZ 2 and West Cebu economic estates in Cebu.

Aboitiz InfraCapital owns a 100% equity interest in LIMA Water.

### ***Balibago Waterworks System, Inc. (BWSI)***

BWSI was incorporated on 20 May 1958 with the primary purpose to acquire, establish, develop, manage, and operate an effective waterworks utility system within its franchise area of 900 hectares. Its franchise area includes Barangay Balibago in Angeles City and Barangay Dau in the town of Mabalacat. BWSI is currently operating 75 water distribution franchises across the country.

On 3 August 2017, Aboitiz InfraCapital acquired a minority stake in BWSI previously held by SFELAPCO. Additional purchases of BWSI shares were made by Aboitiz InfraCapital in 2019.

Aboitiz InfraCapital owns a 16.33% equity interest in BWSI.

### ***Regional Airports***

#### ***Bohol-Panglao International Airport***

Aboitiz InfraCapital was granted original proponent status by the DOTr for its unsolicited proposal to expand, operate, and maintain the new Bohol-Panglao International Airport on 3 September 2018. Aboitiz InfraCapital believes this international airport located on the island of Panglao has significant growth prospects given Bohol's strong tourism potential, especially with the international market. The new Bohol-Panglao International Airport replaced the old Tagbilaran Airport and was inaugurated on 28 November 2018 with an estimated capacity of 2 mn passengers per annum.

Aboitiz InfraCapital submitted updated unsolicited proposals for the Bohol-Panglao International Airport on 2 December 2022. The NEDA Board approved the project and the parameters, terms, and conditions for negotiation on 13 October 2023.

On 18 December 2024, the company signed a 30-year concession agreement for the Bohol-Panglao International Airport PPP project. With an estimated cost of ₱4.53 bn, Aboitiz InfraCapital will modernize, expand, operate, and maintain the Bohol-Panglao International Airport. Once its modernization is complete, the modernized Bohol-Panglao International Airport can accommodate 3.9 million passengers and 35,000 air traffic movements annually.

As of 28 February 2025, the company expects to take over the Bohol-Panglao International Airport in June 2025.

### *Laguindingan Airport*

On 10 August 2018, Aboitiz InfraCapital submitted an unsolicited proposal for the upgrade, expansion, operations and maintenance of the Laguindingan Airport in Misamis Oriental, which is the gateway to the Northern Mindanao Development Corridor. On 26 February 2019, Aboitiz InfraCapital was granted original proponent status by the CAAP for its unsolicited proposal on Laguindingan Airport. The proposal involves the operations and maintenance, including the much-needed upgrade works, of the Laguindingan Airport. The airport has been operational since 2013 with a design capacity of 1.6 mn passengers per annum. According to CAAP, in 2018, the Laguindingan Airport served more than 2 mn passengers.

Aboitiz InfraCapital submitted updated unsolicited proposals for the Laguindingan Airport on 2 December 2022. The NEDA Board approved the project and the parameters, terms, and conditions for negotiation on 19 July 2023. Results of the negotiations, which concluded on 17 November 2023, were submitted to the NEDA Board for approval and validation on 24 November 2023.

On 28 October 2024, the company signed a 30-year concession agreement for the Laguindingan International Airport PPP project. With an estimated cost of ₱12.75 bn, the Laguindingan International Airport project includes upgrading, expanding, operating, and maintaining the airport in two phases to meet growing passenger demand. Key developments include reconfiguring existing terminal spaces to improve processing capacity, constructing a new passenger terminal building, and undertaking maintenance and repair works to enhance operations. The company expects the Laguindingan International Airport's annual passenger capacity is expected to increase from 1.6 mn to 3.9 mn in the first phase and further expand to 6.3 mn by the end of the second phase.

As of 28 February 2025, the company expects to take over the Laguindingan International Airport in April 2025.

### *Bicol International Airport*

On 7 October 2019, Aboitiz InfraCapital submitted an unsolicited proposal to operate and maintain Bicol International Airport located in Daraga, Albay. The new gateway is expected to serve up to 2 mn passengers per year.

The company received original proponent status for its proposal to operate and maintain the Bicol International Airport on 7 September 2021. The newly constructed airport will replace Legazpi Airport. On 2 December 2022, in accordance with the Revised 2022 Implementing Rules and Regulations of Republic Act No. 6957, as amended, and pursuant to the instructions of DOTr and CAAP, Aboitiz InfraCapital submitted an updated unsolicited proposal for the Bicol International Airport. On 30 June 2023, the unsolicited proposal for the Bicol International Airport was elevated to the NEDA ICC-CabCom for decision. On 3 July 2023, the NEDA ICC-CabCom issued instructions on the unsolicited proposal to DOTr and CAAP for appropriate action.

### *Mactan Cebu International Airport*

On 2 September 2022, Aboitiz InfraCapital entered into a share subscription and transfer agreement with Megawide Construction Corporation (Megawide) and GMR Airports International BV (GAIBV) for Aboitiz InfraCapital to acquire a 33 and 1/3% minus 1 share equity ownership interest in GMR Megawide Cebu Airport Corporation (now, Aboitiz InfraCapital Cebu Airport Corporation or ACAC), the developer and operator of the MCIA. In the same agreement, Megawide and GAIBV issued exchangeable notes for the remaining 66 and 2/3 % plus 1 shares in ACAC's outstanding capital stock, which matured on 30 October 2024. The transaction was completed on 16 December 2022 for a total consideration of ₱9.5 bn. Simultaneously, Megawide and GAIBV have issued exchangeable notes to Aboitiz InfraCapital for the

aggregate amount of ₱15.5 bn. This transaction is aligned with Aboitiz InfraCapital's strategic direction to build on its presence in the airport sector.

On 28 April 2023, ACAC, executed an Amended and Restated Omnibus Loan and Security Agreement (the "AROLSA") with Aboitiz InfraCapital, Megawide, and GAIBV, as Sponsors, and BDO Unibank, Inc., Bank of the Philippine Islands, Land Bank of the Philippines, and Metropolitan Bank & Trust Company, as Lenders.

The AROLSA is an amendment and restatement of the Omnibus Loan and Security Agreement dated 17 December 2014, as further amended and restated on 26 January 2015, and further amended on 22 June 2018 and 4 May 2021 (the "OLSA"). The AROLSA amends certain commercial terms of the OLSA and extends enhanced credit facilities to the ACAC in the amount of up to ₱27.3 bn.

On 30 October 2024, Aboitiz InfraCapital became the legal and beneficial owner of 7,929,948,768 issued and outstanding shares of ACAC, effectively acquiring full ownership. This follows the maturity of the Exchangeable Notes issued by GAIBV and Megawide, which had a cumulative value of ₱15,526,400,000.00. Upon maturity, these notes were converted into 5,286,632,513 common shares, representing the remaining 66 2/3% plus one share of ACAC's outstanding capital stock, resulting in Aboitiz InfraCapital holding 100% equity stake in the company.

## **Digital Infrastructure**

### **Towers**

On 7 February 2019, Aboitiz InfraCapital signed a Memorandum of Understanding with the DICT. The Memorandum of Understanding recognized Aboitiz InfraCapital as a potential common tower provider with the necessary financial and operational capability to build and efficiently power its cell sites, and will also allow Aboitiz InfraCapital to secure contracts with telco operators. Aboitiz InfraCapital signed separate MOUs with Globe Telecom, Smart Communications, Dito Telecommunity, and NOW Telecom.

Aboitiz InfraCapital has also entered into partnership agreements with Globe Telecom and DITO Telecommunity for the deployment of small cells in key cities nationwide. The sites are readily available in high-density urbanized areas like Cebu and Davao where improving network quality and services is difficult due to congestion and availability of sites. The sites will serve as complementary offerings to the macro tower sites. Together with Globe Telecom and DITO Telecommunity, the company has deployed over 500 sites as of 29 February 2024.

On 28 April 2021, Aboitiz InfraCapital partnered with leading global private markets firm, Partners Group, acting on behalf of its clients through its portfolio company Terra Digital Philippines Corporation, to establish a telecommunications infrastructure platform called Unity Digital. Through Unity Digital, Aboitiz InfraCapital and Terra Digital Philippines build and operate passive telecommunication tower infrastructure across the country. This supports the Government's vision to improve the country's internet connectivity in local communities by increasing the number of cell sites of MNOs. Unity secured its Certificate of Registration as an Independent Tower Company from the DICT in February 2021.

On 15 December 2022, Unity Digital signed a sale and purchase agreement and a master services agreement with PLDT Inc. (PLDT), through its subsidiaries Smart Communications, Inc. (Smart) and Digitel Mobile Philippines (Digitel), for the acquisition of 650 telecommunications towers and related passive telecommunications infrastructure for PHP ₱9.2 bn, through a sale and leaseback transaction.

On 7 May 2023, Unity Digital signed an Asset Sale and Purchase Agreement and a Master Lease Agreement with Globe Telecom, Inc., for the acquisition of 447 telecommunications towers and related passive telecommunications infrastructure for ₱5.4 billion, through a sale and leaseback transaction.



Through these acquisitions, Unity Digital expects to continue to grow and scale, further improving its services by providing safe, fast and reliable communication to its growing number of customers. The telecom towers that will be purchased are situated in the Visayas and Mindanao areas, which provides Unity Digital a high-quality portfolio of strategic locations across the country.

As of 28 February 2025, Unity had 2,120 operating points of service, including small cell poles.

### **Data Centers**

On 5 October 2022, Aboitiz InfraCapital partnered with ECX, a pioneer in global hyperlocal to hyperscale data center solutions based in the United States. The joint venture aims to address the rising data usage in the Philippines by developing a data center platform that will house cloud service providers' IT equipment, enabling them to better support the Philippine market. As of 28 February 2025, the proposed data center business has not yet commenced operations and is still subject to the fulfillment of certain closing conditions.

### **Economic Estates**

On 1 September 2020, the management of the Industrial and Commercial Business Units of AboitizLand was transferred to Aboitiz InfraCapital. The Aboitiz Group believes that the future of large scale fully integrated economic centers will be built on advanced, robust, and seamless infrastructure facilities and services. By moving the management to Aboitiz InfraCapital, the development and implementation of the integrated economic center strategy will be harmonized, which will ultimately strengthen the Aboitiz Group's competitive advantage in current and future developments and projects. Since then, the Integrated Economic Centers have rebranded to the Aboitiz InfraCapital Economic Estates.

The industrial developments include three economic zones: (a) the LIMA Technology Center, a 794-hectare industrial zone in Malvar, Batangas; (b) the Mactan Economic Zone 2, a 63-hectare economic zone in Lapu-Lapu City, Cebu; and (c) the West Cebu Industrial Park, a 283-hectare industrial zone in Balamban, Cebu.

Meanwhile, the commercial projects include: (i) The Outlets at Lipa in Lipa, Batangas; (ii) LIMA Exchange in Lipa, Batangas; (iii) Lima Square in Lipa, Batangas; (iv) Pueblo Verde, Lapu-Lapu City, Cebu; (v) The Outlets at Pueblo Verde, Lapu-Lapu City, Cebu; (vi) the iMez Building, Lapu-Lapu City, Cebu; (vii) The Persimmon Plus in Mabolo, Cebu City; and (viii) build-to-rent micro-studio developments in various locations in Makati and Taguig Cities through AllRise Development Corp.

On 27 July 2022, LIMA Land, Inc. broke ground on LIMA Tower One, a PEZA-certified building which boasts 34,000 square meters of gross floor area. It is the first of its planned seven-tower office park at the heart of LIMA's CBD, which aims to capitalize on the anticipated boom of business process outsourcing (BPO) companies outside the National Capital Region. LIMA Tower One was completed in 2024. LIMA Tower One was completed in 2024. On 24 March 2025, there are 26 lots or 3.3 hectares of available commercial lot inventory up for sale. With its growing 70-hectare Biz Hub at LIMA Estate – the first master planned Central Business District in Batangas – LIMA has emerged as more than just a leading industrial estate, but also the center for commerce in the Batangas province. It currently houses various commercial components such as The Outlets at LIMA Estate, LIMA Exchange, Holiday Inn & Suites Batangas LimaPark, LIMA Tower One, and LIMA Transport Hub.

On 8 December 2023, LIMA Land, Inc. entered into an agreement with a wholly-owned subsidiary of Central Azucarera de Tarlac to acquire a 200-hectare property situated in Tarlac City, subject to certain closing conditions. The proposed acquisition is intended to boost Aboitiz InfraCapital's growing portfolio of Economic Estates for a total combined footprint of over 1,600 hectares.

On 9 October 2024, Aboitiz InfraCapital and House of Investments, the non-bank holding company of the Yuchengco Group of Companies, signed a term sheet for a strategic joint venture to expand the TARI Estate in Tarlac City by integrating a 184-hectare mixed-use development through Tarlac Terra Ventures, Inc. (TTVI). Subject to the finalization of definitive agreements and regulatory approvals, House of Investments will hold a 51% stake, while Aboitiz InfraCapital will retain 49%. This expansion will complement TARI Estate's industrial and business core by incorporating commercial, residential, and institutional components, further positioning it as a key economic hub in Central Luzon.

Aboitiz InfraCapital remains committed to participating in the Philippine infrastructure space and contributing to the nation's economic development.

## **B. Republic Cement Group**

### ***AEV CRH Holdings, Inc. and CRH Aboitiz Holdings, Inc.***

Incorporated in July 2015, AEV CRH and CRH Aboitiz are investment vehicles of AEV, in partnership with CRH plc. CRH Aboitiz acquired equity interests in Republic Cement Services, (Philippines) Inc. (RCSI) (formerly Lafarge Cement Services Philippines, Inc.) on 15 September 2015.

AEV CRH acquired a total of 99.09% equity interest in RCBM (formerly Lafarge Republic, Inc.) through (i) a private sale from its major shareholder representing 88.85% of RCBM's outstanding capital stock, and (ii) and a mandatory tender offer to acquire the remaining shares from the minority shareholders in compliance with the requirements of the Securities Regulation Code. On 9 September 2015, AEV CRH accepted from the public a total of 596,494,186 shares representing 10.24% of the outstanding shares of RCBM, which was then listed on the PSE. The tendered shares brought up AEV CRH's total shares in RCBM to 99.09% as of 29 February 2016. RCBM voluntarily delisted from the PSE in April 2016.

AEV owns a 60% equity interest in AEV CRH and a 45% equity interest in CRH Aboitiz. In turn, AEV CRH owns 99.40% of RCBM's outstanding capital stock.

### ***Republic Cement & Building Materials, Inc.***

Incorporated on 3 May 1955, RCBM is primarily engaged in the manufacture, development, exploitation, and sale of cement, marble and a number of other building materials, and the processing or manufacture of materials for a range of industrial or commercial purposes.

RCBM's operating cement manufacturing plants are located in the following sites: (a) Barangay Minuyan, Norzagaray, Bulacan (Bulacan Plant); (b) Bo. Bigte, Norzagaray, Bulacan (Norzagaray Plant); (c) Bo. Mapulo, Taysan, Batangas (Batangas Plant); and (d) Barangay Dulumbayan, Teresa, Rizal (Teresa Plant). RCBM also has a cement grinding facility located in Bo. Dungo-an, Danao, Cebu (Danao Plant). RCBM serves a broad market in both the public and private sectors, including institutional cement customers, developers and contractors as well as distributors, dealers and retailers.

AEV CRH owns 99.40% of RCBM's total outstanding capital stock.

### ***Republic Cement Mindanao, Inc. and Republic Cement Iligan, Inc.***

RCMI was incorporated on 25 May 1957 to engage and deal in the production, purchase and sale of cement, concrete and allied products; quarrying, crushing and dealing in limestone in all its forms; and mixing, processing and sale of limestone with binder of any description.

On 6 April 2018, RCMI ceased to be a public company with the grant by the SEC of its Petition for Voluntary Revocation of Registration of Securities and Certificate of Permit to Sell Securities.

Since 1999, RCMI's business operations have been concentrated mainly on cement distribution and the contracting for the manufacture of cement by its former Affiliate, RCII. RCMI serves a broad market in both the public and private sectors, including institutional cement customers, developers and contractors as well as distributors, dealers and retailers.

RCBM owns a 99.97% equity interest in Republic Cement Mindanao, Inc. (RCMI) (formerly Lafarge Mindanao, Inc.). On 1 October 2020, the SEC approved the merger of RCMI and Republic Cement Iligan, Inc. (RCII), with RCMI as the surviving entity. On 31 December 2021, the SEC approved the increase in the authorized capital stock of RCMI, with RCMI issuing 20,000 redeemable preferred shares of the par value of ₱100,000.00 each to RCBM.

RCII was incorporated on 1 June 1967 and, prior to its merger into RCMI on 1 October 2020, had the primary purpose of: to acquire, own, construct, manage and operate a cement plant for the manufacture and production of a range of cement and cement products or by-products, including any derivatives thereof, for its former Affiliate, RCMI. RCII's (now RCMI's) operating cement manufacturing plant is located in Barangay Kiwalan, Iligan City.

RCBM owns a 99.97% equity interest in RCMI.

***Republic Cement Land & Resources, Inc. (formerly: Luzon Continental Land Corporation)***

Republic Cement Land & Resources, Inc. (RCLR) was incorporated on 26 October 1998 primarily to acquire, develop and operate land, quarries, mining rights, buildings and other real or personal property used for mining, and process a range of ore and cement materials. RCLR was acquired by AEV CRH from Calumboyen Holdings, Inc. on 15 September 2015. It currently leases land and supplies limestone and other raw materials to its Affiliate, RCBM.

AEV CRH owns a 100% equity interest in RCLR.

***Republic Cement Services, Inc.***

RCSI, incorporated on 21 August 2001, is the managing company of the non-nationalized businesses of RCBM and RCMI. CRH Aboitiz owns a 100% equity interest in RCSI.

**(ii) Distribution Methods**

**A. Aboitiz InfraCapital**

***Water Infrastructure***

LIMA Water, with a daily water capacity of 8 mn liters per day, provides industrial and potable water to over 100 industrial locators at the Lipa, Batangas-based LIMA Estate. Meanwhile, Apo Agua delivers bulk water to DCWD pursuant to a Bulk Water Purchase Agreement.

**B. Republic Cement Group**

The cement sales of the Republic Cement Group are primarily made through distributors and dealers, with other sales made directly to contractors, developers, precast manufacturers and ready-mix concrete

companies. RCBM Group's products are sold nationwide, with a majority of its sales coming from the Luzon region.

**(iii) New Products and Services**

**A. Aboitiz InfraCapital**

Aboitiz InfraCapital is currently undertaking project development activities in relation to its various infrastructure projects.

**B. Republic Cement Group**

The Republic Cement Group continues to develop high quality cement products for the builder's ease, efficiency, and flexibility.

**(iv) Competition**

**A. Aboitiz InfraCapital**

The principal competitors of Aboitiz InfraCapital are the companies that participate in the proposals and bids for infrastructure projects and sectors it pursues. These include Metro Pacific Investments Corporation, San Miguel Corporation, and Filinvest Development Corporation.

In terms of the commercial business, traditional big-box retail companies such as SM and Vista Land remain market leaders in the commercial business and are considered Aboitiz InfraCapital's main competitors in this segment.

In terms of economic estates, the national developers in the country, Ayala Land, Vista Land, and Megaworld are the main proponents of township developments. With their years of experience and land banks around the country, they remain Aboitiz InfraCapital's competitors in this segment.

**B. Republic Cement Group**

While market shares change constantly, the main competitors of the Republic Cement Group for its cement products consist of the cement manufacturers in the Philippines, such as Holcim Philippines, Inc., Eagle Cement Corporation, Cemex Philippines, and Taiheiyo Cement Philippines, Inc., as well as traders who import cement into the Philippines.

The Republic Cement Group's brand names and product lines have long been respected in the local construction industry, enabling it to effectively compete in the market. The Republic Cement Group continuously innovates and improves its product lines and production efficiency, to respond to the growing needs of the quality-conscious Filipino builder.

**(v) Sources of Raw Materials**

**A. Aboitiz InfraCapital**

Aboitiz Infracapital Group is not dependent upon one or a limited number of suppliers for essential raw materials and has supply transactions for goods and services with multiple suppliers.

## **B. Republic Cement Group**

The principal raw materials for the manufacture of cement consist of minerals such as limestone, silica sand and shale, which are quarried from the Republic Cement Group's or RCLR's sites, mining claims, or purchased from local suppliers or Affiliates. Cement manufacture is the result of a definite process – the crushing of minerals, grinding, mixing, calcining/sintering, cooling and adding of retarder or gypsum. Other raw materials, slag, coal, other fuel and spare parts are obtained locally and abroad.

The Republic Cement Group is not dependent upon one or a limited number of suppliers for essential raw materials.

### *Energy Requirements*

Cement manufacture is an energy-intensive process requiring reliable and affordable power supply for uninterrupted production. The operating plants source their power requirements from the following power providers:

| Company | Location                                                      | Power Provider                                 |
|---------|---------------------------------------------------------------|------------------------------------------------|
| RCBM    | Bulacan, Norzagaray, Teresa and Batangas Plants               | AESI and Masinloc Power Partners Co. Ltd.      |
|         | Danao Plant                                                   | AESI                                           |
| RCMI    | Barangay Kiwalan, City of Iligan, Province of Lanao del Norte | PSALM and PowerSource Philippines Energy, Inc. |

The Republic Cement Group has its own generator sets in most of its operating plants to provide back-up power in case of power shortage or interruptions or poor power quality. In November 2014, RCII (now merged with RCMI) entered into a Power Supply Agreement with PowerSource Philippines Energy, Incorporated (PSPEI), wherein RCII invested in PSPEI as a minority shareholder.

## **(vi) Major Customers**

### **A. Aboitiz InfraCapital**

Aboitiz InfraCapital is not dependent upon a single customer or a few customers that a loss of anyone would have a material adverse effect on the performance of its sales and distribution. It has no single customer that will account for 20% or more of the group's total sale of goods and services.

### **B. Republic Cement Group**

RCBM and its Subsidiaries are not dependent on any single or major customer. At present, the Republic Cement Group caters to diverse types of customers, including but not limited to, wholesalers, traders, ready mix companies, concrete products manufacturers, international and local contractors and real estate developers.

## **(vii) Government Approval**

Aboitiz InfraCapital and its Subsidiaries and the Republic Cement Group secure numerous government approvals such as (but not limited to) environmental compliance certificates, development permits, licenses to sell, and business permits as part of the ordinary course of its business.

**A. Aboitiz InfraCapital**

***LIMA Water Corporation***

In 2020, LIMA Water received its laboratory accreditation from the Department of the Environment and Natural Resources. The recognition authorizes the company's Laboratory Services Unit to generate environmental data in connection with the Environmental Impact Assessment system and monitoring to support the implementation of policies and guidelines.

In November of the same year, Lima Water secured PEZA approval on its tariff adjustment application. The shift to a new progressive structure tariff structure will encourage more efficient use of water among the locators.

**B. Republic Cement Group**

The Bureau of Product Standards of the Department of Trade and Industry granted RCBM the license to use the Philippine Standard Quality Certification Mark for its principal products. All other necessary licenses and permits required for the continuous production and sale of RCBM products have been secured, including new licenses as well as those that have to be renewed periodically.

**(viii) Costs and Effects of Compliance with Environmental Laws**

**A. Aboitiz InfraCapital**

***LIMA Water Corporation***

Upholding strict compliance with existing environmental laws is of high value to LIMA Water's operations. These laws aim to pursue economic growth in a manner in which the environment is not compromised. As a consequence of the current status of the country's environment, standards set by the DENR are becoming more stringent, as set forth by DENR Administrative Order ("DAO") 08 series of 2016. Capital and operational expenditures are provisioned to comply with the parameters set forth in the new DAO.

Aside from water quality, DENR standards on air quality, hazardous and solid wastes are constantly adhered to as part of the Environmental Impact Assessment System. Through environmental monitoring, assessment and evaluation in line with existing standards and regulations, pollution mitigation is improved.

With LIMA Water fully committed to its environmental compliance, more initiatives and innovations are carried out to continuously adapt and further address the vulnerability of the environment due to economic advances.

**B. Republic Cement Group**

RCBM and its Subsidiaries are committed to a policy of sustainable development, protection of the environment, and preservation of natural resources and energy. All the manufacturing plants are ISO 14001 certified, embracing environmental management system as a way of life.

Each quarry site has set up a Mine Rehabilitation Fund as a reasonable environmental deposit to ensure availability of funds for the satisfactory compliance with the commitments and performance of the activities stipulated in the Environmental Protection and Enhancement Program or the Annual Environmental Protection and Enhancement Program during each project phase, for the physical and



social rehabilitation of areas and communities affected by the quarrying activities and for research on the social, technical and preventive aspects of rehabilitation.

Aligned with the Republic Cement Group's commitment to environmental protection, the upkeep and maintenance of dust control devices at the manufacturing sites are given top priority. In fact, three of the Republic Cement Plants recently invested in the state-of-the-art Baghouse System, which replaced the conventional Electrostatic Precipitators. These Baghouse Systems significantly lowers the dust emission to <50 mg/Nm<sup>3</sup>, which not only passed but is significantly below the Philippine standard limit of 150 mg/Nm<sup>3</sup>. Enhancing the Republic Cement Group's alternative fuels program has also lessened the group's dependence on fossil fuels such as coal and bunker fuel, thereby decreasing the Republic Cement Group's carbon footprint.

To ensure that the Republic Cement Group's continuing manufacturing activities do not result in added negative environmental impact, such as increase in emissions, the Republic Cement Group continues to invest their resources in housekeeping activities and periodic stationary sampling of air and water quality around the manufacturing sites. Continuous Emissions Monitoring Systems have also been installed in every manufacturing site to ensure that air emissions are kept within Philippine standard limits.

Moreover, under the Philippine Mining Act and its implementing rules and regulations, each of the Companies shall: (a) assist in the development of the host and neighboring communities in accordance with the Social Development and Management Program approved by the Mines and Geosciences Bureau to promote the general welfare of the inhabitants living thereat; and (b) assist in the development of mining technology and geosciences as well as the corresponding manpower training and development.

The Republic Cement Group's reforestation project have already reached to 1,291 hectares planted to 1,038,210 seedlings or about 951,244 grown saplings consists of various endemic forest trees including mangroves, fruit-bearing trees, and bamboo across all operating sites since its launching in 2013 in support of the National Greening Program of the government which aimed to foster sustainable development for environment stability, food sufficiency, poverty reduction, biodiversity conservation, and climate change mitigation and adaptation. In addition, about 182 hectares of the group's Mineral Production Sharing Agreement area planted to 116,504 seedlings or about 106,000 surviving saplings/ grown trees across all of its operating quarry sites have already been progressively rehabilitated under the Mining Forest Program. The group's progressive rehabilitation involves not only the planting of forest trees and fruit-bearing trees but also incorporates the principles of agricultural farming systems within the mining tenement wherein areas devoid of mineral resources are converted into agricultural production. Cultivation of agricultural crops such as vegetables, different kinds of fruits, rice and corn within the mining tenement in the Bulacan, Teresa, and Batangas Plants is on-going. This endeavor could be seen as an alternative pathway to contribute to food security at the local level, at the very least. Further, the Republic Cement Group also embraces biodiversity conservation as all of its operating cement and quarry sites across the country have completed biodiversity assessment and continuously being monitored and reported to the Multi-partite Monitoring Team and the Mine Rehabilitation Fund Committee of the DENR.

**(ix) Effect of Existing and Probable Governmental Regulations on the Business**

***Amended Public Service Act***

The Amended PSA provides for an enumeration of public services that are considered as public utilities and further states that no other person or entity shall be deemed a public utility unless otherwise subsequently provided by law. Accordingly, business activities of Aboitiz InfraCapital that do not fall under the current enumeration of public utilities in the Amended PSA are not considered as such and the nationality requirements imposed on public utilities under the Constitution do not apply, subject to other nationality requirements under applicable laws.

Further, passive telecommunications tower infrastructure and components, such as poles, fiber ducts, dark fiber cables, and passive telecommunications tower infrastructure as defined by the Department of Information and Communications Technology have been excluded from the coverage of telecommunications, as defined in the Amended PSA, and are also not considered critical infrastructure under the Amended PSA. The Amended PSA provides for restrictions on ownership by foreign governments or foreign state-owned enterprises of public services classified as critical infrastructure. Consequently, the development and operation of telecommunication towers undertaken by Unity Digital may not be considered as an operation of a critical infrastructure under the Amended PSA.

#### ***Public-Private Partnership (PPP) Code***

On 23 December 2023, the PPP Code took effect and repealed the Build-Operate-Transfer Law, the applicable law at the time Aboitiz InfraCapital's unsolicited proposals for its PPP regional airport projects were submitted. The PPP Code will affect the conduct of the approval and comparative challenge process of Aboitiz InfraCapital's unsolicited proposals pursuant to its applicable transitory provisions. The implementing rules and regulations (IRR) of the PPP Code, which must be promulgated within 90 calendar days from the effectivity of the PPP Code, may also affect the processing of the unsolicited proposals. As of 29 February 2024, the PPP Code IRR has not yet been promulgated.

#### **(x) Major Risk/s Involved in the Business**

Risks that are particular to Aboitiz InfraCapital and its Subsidiaries include:

##### ***Aboitiz InfraCapital may not be able to fully realize the benefits of implementing its infrastructure business***

Aboitiz InfraCapital's ability to successfully grow and operate its infrastructure business is subject to various risks, uncertainties and limitations, including:

- (a) the need to procure materials, equipment and services at reasonable costs and in a timely manner;
- (b) reliance on the performance of third-party providers and consultants which have an impact on the overall operating performance of Aboitiz InfraCapital's business units;
- (c) the possible need to raise additional financing to fund infrastructure projects, which Aboitiz InfraCapital may be unable to obtain on satisfactory commercial terms or at all;
- (d) deficiencies or delays in the design, engineering, construction, installation, inspection, commissioning, management or operation of projects where applicable;
- (e) penalties if concession requirements are not satisfied;
- (f) the timely delivery by the Government of any rights of way for its projects;
- (g) its ability to complete projects according to budgeted costs and schedules;
- (h) market risks;
- (i) non-implementation of toll or fare adjustments provided under its concession;
- (j) regulatory risks; and
- (k) delays or denials of required approvals, including required concessional and environmental approvals.

Occurrence of any of the foregoing or a failure by Aboitiz InfraCapital to successfully operate its infrastructure business could have a material adverse effect on its business, financial condition and results of operations.

These risks are mitigated through a combination of (i) developing and implementing the appropriate plans

and procedures covering relevant areas such as stakeholder management, procurement and operations; and (ii) engaging the appropriate experts and suppliers where necessary.

***Aboitiz InfraCapital may not be successful in securing new concessions or projects***

Aboitiz InfraCapital's future plans in relation to the infrastructure business contemplate the continued acquisition of new concessions and projects, successful participation in bids for projects as well as exploring opportunities in other sectors. Aboitiz InfraCapital's ability to expand its business and increase operating profits is dependent on many external factors and events that are outside of Aboitiz InfraCapital's control, including changes in governmental laws and policies of the current administration.

**Item 2. Properties**

The Company's head office is located at 32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines. The office space occupied by AEV is leased from a third party. As a holding company, the Company does not utilize a significant amount of office space.

As of the date of this Information Statement, there are no definite plans of acquiring properties in the next 12 months. Nonetheless, the Company plans to continually participate in future projects that become available to it and will disclose the same in accordance with the applicable disclosure rules under the SRC.

On a consolidated basis, the Property, Plant and Equipment of the Group had a carrying value of ₱240.61 bn, and ₱229.70 bn, as of 31 December 2024, and 2023, respectively. The breakdown of the Company's Property, Plant and Equipment is as follows:

| Property, Plant and Equipment<br>as of 31 December  | 2024                | 2023                |
|-----------------------------------------------------|---------------------|---------------------|
| Power Plant Equipment and Steam Field Assets        | ₱137,812,104        | ₱137,954,568        |
| Construction in progress                            | 25,603,096          | 23,428,167          |
| Buildings, Warehouses and Improvements              | 71,740,359          | 69,371,171          |
| Transmission, Distribution and Substation Equipment | 33,654,868          | 30,965,981          |
| Machinery & Equipment                               | 14,060,925          | 12,670,060          |
| Office Furniture, Fixtures and Equipment            | 30,940,181          | 18,777,958          |
| Leasehold Improvements                              | 3,553,464           | 3,635,196           |
| Land and Land Improvements                          | 7,301,322           | 5,644,057           |
| Transportation Equipment                            | 4,096,579           | 3,879,991           |
| Tools and Others                                    | 2,661,682           | 2,372,537           |
|                                                     |                     |                     |
| Less: Accumulated Depreciation and Amortization     | 116,805,248         | 104,721,751         |
| Accumulated Impairment                              | 4,200,519           | 4,567,946           |
| <b>TOTAL PPE</b>                                    | <b>210,418,814</b>  | <b>199,409,988</b>  |
|                                                     |                     |                     |
| Right-Of-Use Assets                                 | 30,193,579          | 30,290,988          |
|                                                     |                     |                     |
| <b>TOTALS</b>                                       | <b>₱240,612,393</b> | <b>₱229,700,594</b> |

**Note:** Values for the above table are in thousand Philippine Pesos.

Property, Plant and Equipment with carrying amount of ₱45.5 bn and ₱48.1 bn as of 31 December 2024 and 2023, respectively, are used to secure the Group's long-term debts. For further details refer to Note 19 (disclosure on Long-term Debts) of AEV's consolidated financial statements.

**Item 3. Legal Proceedings**

As of 28 February 2025, AEV and its Subsidiaries are currently involved in various legal proceedings in the ordinary conduct of their businesses. The Company believes that the results of these actions will not have a material effect on the Company's financial position and results of operations.

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

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

## PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

#### (1) Market Information

AEV's common shares are traded on the PSE.

The high and low stock prices of AEV's common shares for each quarter for the past three years were as follows:

|                | 2024  |       | 2023  |       | 2022  |       |
|----------------|-------|-------|-------|-------|-------|-------|
|                | High  | Low   | High  | Low   | High  | Low   |
| First Quarter  | 53.00 | 45.30 | 60.00 | 48.40 | 64.05 | 55.40 |
| Second Quarter | 47.00 | 35.05 | 57.45 | 50.45 | 60.00 | 46.90 |
| Third Quarter  | 38.15 | 32.60 | 56.00 | 45.70 | 61.20 | 47.25 |
| Fourth Quarter | 37.75 | 32.70 | 50.15 | 44.60 | 60.00 | 52.00 |

The closing price of AEV common shares, as of 24 March 2025 was ₱32.40 per share.

#### (2) Holders

As of 24 March 2025, AEV had 8,203 stockholders of record, including PCD Nominee Corporation (Filipino) and PCD Nominee Corporation (Foreign). Common shares outstanding as of the same date were 5,552,805,057 shares.

The top 20 stockholders of AEV as of 24 March 2025 were as follows:

|    | Stockholder                                    | Nationality  | Common Shares | % of Total Common Shares Issued |
|----|------------------------------------------------|--------------|---------------|---------------------------------|
| 1  | Aboitiz & Company, Inc.                        | Filipino     | 2,735,600,915 | 49.27%                          |
| 2  | PCD Nominee Corporation (Filipino)             | Filipino     | 1,145,905,022 | 20.64%                          |
| 3  | Ramon Aboitiz Foundation Inc.                  | Filipino     | 426,804,093   | 7.69%                           |
| 4  | PCD Nominee Corporation (Non-Filipino)         | Non-Filipino | 143,304,142   | 2.58%                           |
| 5  | Sanfil Management Corporation                  | Filipino     | 120,790,211   | 2.18%                           |
| 6  | Aboitiz Equity Ventures Inc.                   | Filipino     | 110,294,264   | 1.99%                           |
| 7  | Windemere Management & Development Corporation | Filipino     | 49,666,352    | 0.89%                           |
| 8  | Donya 1 Management & Development Corporation   | Filipino     | 43,136,359    | 0.78%                           |
| 9  | Bauhinia Management Inc.                       | Filipino     | 41,148,120    | 0.74%                           |
| 10 | Morefund Management & Development Corporation  | Filipino     | 40,000,000    | 0.72%                           |
| 11 | Anso Management Corporation                    | Filipino     | 30,369,707    | 0.55%                           |
| 12 | MYA Management & Development                   | Filipino     | 22,494,414    | 0.41%                           |

|    |                                          |          |                      |                |
|----|------------------------------------------|----------|----------------------|----------------|
|    | Corporation                              |          |                      |                |
| 13 | Luis Miguel O. Aboitiz                   | Filipino | 20,092,133           | 0.36%          |
| 14 | Guada Valley Holdings Corporation        | Filipino | 17,688,445           | 0.32%          |
| 15 | Dominus Capital Inc.                     | Filipino | 11,600,000           | 0.21%          |
|    | FMK Capital Partners                     | Filipino | 11,600,000           | 0.21%          |
| 16 | Arrayanes Corporation                    | Filipino | 10,750,070           | 0.19%          |
| 17 | Parraz Development Corporation           | Filipino | 9,483,067            | 0.17%          |
| 18 | UnionBank TISG For IMA#PH3Q201692        | Filipino | 8,709,900            | 0.15%          |
| 19 | Les Folatieres Holdings Inc.             | Filipino | 8,056,119            | 0.14%          |
| 20 | Ramjay Management & Dev. Corp            | Filipino | 7,826,493            | 0.14%          |
|    | <b>SUB-TOTAL</b>                         |          | <b>5,015,319,826</b> | <b>90.32%</b>  |
|    | <b>Other Stockholders</b>                |          | <b>537,485,231</b>   | <b>9.68%</b>   |
|    | <b>TOTAL SHARES</b>                      |          | <b>5,552,805,057</b> | <b>100.00%</b> |
|    | <b>NET ISSUED AND OUTSTANDING SHARES</b> |          | <b>5,552,805,057</b> | <b>100.00%</b> |

### (3) Dividends

The cash dividends declared by AEV to common stockholders for the first quarter of 2025, 2024, and 2023 are shown in the table below:

| Year           | Cash Dividend Per Share | Declaration Date | Total Declared | Record Date | Payment Date |
|----------------|-------------------------|------------------|----------------|-------------|--------------|
| 2025 (regular) | ₱1.54                   | 07/03/2025       | ₱8.54 billion  | 21/03/2025  | 28/03/2025   |
| 2024 (regular) | ₱1.40                   | 05/03/2024       | ₱7.87 billion  | 19/03/2024  | 26/03/2024   |
| 2023 (regular) | ₱1.47                   | 03/03/2023       | ₱8.28 billion  | 17/03/2023  | 30/03/2023   |

In 2007, the Company adopted a policy of distributing at least one-third of its previous year's earnings as cash dividends to its stockholders, in all cases subject to the approval of the Company's Board of Directors in consideration of various factors and compliance with legal requirements. In 2025, the Company was able to declare regular cash dividends of at least one-third of its previous year's earnings.

The Company's non-listed Subsidiaries abide by the requirements found under Section 42 of the Revised Corporation Code. The Subsidiaries declare dividends upon approval by their respective Board of Directors, subject to availability of unrestricted retained earnings and the absence of any restrictions under applicable laws or loan covenants. For the dividends declared by the Company's Material Subsidiaries, please refer to the table below:

| Cash Dividends Declared by Non-Listed Subsidiaries<br>(in thousands pesos) |             |             |
|----------------------------------------------------------------------------|-------------|-------------|
|                                                                            | 2024        | 2023        |
| Aboitiz Power Corporation                                                  | ₱16,573,465 | ₱13,760,590 |
| Aboitiz InfraCapital, Inc.                                                 | 0           | 0           |



For details on the dividend policy of AboitizPower, the Company's publicly-listed subsidiary, please refer to AboitizPower's Information Statement.

There are no restrictions that limit the payment of dividends on common shares to stockholders of record as of 24 March 2025.

**(4) Recent Sales of Unregistered or Exempt Securities including Recent Issuances of Securities Constituting an Exempt Transaction**

AEV does not have any recent sales of unregistered or exempt securities including recent issuances of securities constituting an exempt transaction.

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

**MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*The following discussion and analysis of the financial condition and results of operations of AEV (the "Parent Company") and its Subsidiaries (collectively, the "Group") should be read in conjunction with the audited consolidated financial statements and accompanying disclosures set forth elsewhere in this report.*

*The critical accounting policies section discloses certain accounting policies and management judgments that are material to the Company's results of operations and financial condition for the periods presented in this report. The discussion and analysis of the Company's results of operations are presented in three comparative sections: the year ended 31 December 2024 compared with the year ended 31 December 2023, the year ended 31 December 2023 compared with the year ended 31 December 2022, and the year ended 31 December 2022 compared with the year ended 31 December 2021.*

**TOP FIVE KEY PERFORMANCE INDICATORS**

Management uses the following indicators to evaluate the performance of AEV and its Subsidiaries:

**1. EQUITY IN NET EARNINGS OF INVESTEEES**

Equity in net earnings (losses) of investees represents the Group's share in the undistributed earnings or losses of its Associates and Joint Ventures for each reporting period subsequent to the acquisition of the said investment. This account reflects the result of the operating performance of an Associate or a Joint Venture and indicates its contribution to the Group's consolidated net income.

Manner of Computation: Investee's Net Income (Loss) x Investor's % ownership – Goodwill Impairment Cost.

## 2. EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

The Company computes EBITDA as earnings before extraordinary items, net finance expense, income tax provision, depreciation and amortization. It provides management and investors with a tool for determining the ability of the Group to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the Group's ability to service its debts and to finance its capital expenditure and working capital requirements.

## 3. CASH FLOW GENERATED

Using the Statement of Cash Flows, management determines the sources and usage of funds for the period and analyzes how the Group manages its profit and uses its internal and external sources of capital. This aids management in identifying the impact on cash flow when the Group's activities are in a state of growth or decline, and in evaluating management's efforts to control the impact.

## 4. CURRENT RATIO

Current Ratio is a measurement of liquidity, calculated by dividing total current assets by total current liabilities. It is an indicator of the Group's short-term debt-paying ability. The higher the ratio, the more liquid the Group.

## 5. DEBT-TO-EQUITY RATIO

Debt-to-Equity Ratio indicates how leveraged the Group is. It compares assets provided by creditors to assets provided by shareholders. It is determined by dividing total interest-bearing debt less cash by total equity.

### KEY PERFORMANCE INDICATORS

(Amounts in thousands except financial ratio data)

|                                                    | JAN-DEC 2024             | JAN-DEC 2023             | Change       | % of Change |
|----------------------------------------------------|--------------------------|--------------------------|--------------|-------------|
| EQUITY IN NET EARNINGS OF INVESTEEES               | <b>₱14,531,542</b>       | ₱23,637,125              | (₱9,105,583) | -39 %       |
| EBITDA                                             | <b>83,641,669</b>        | 81,182,234               | 2,459,435    | 3%          |
| CASH FLOW GENERATED:                               |                          |                          |              |             |
| Net cash flows from operating activities           | <b>55,105,857</b>        | 57,826,663               | (2,720,806)  | -5%         |
| Net cash flows used in investing activities        | <b>(41,160,281)</b>      | (2,195,947)              | (38,964,33)  | 1774%       |
| Net cash flows used in financing activities        | <b>(45,516,201)</b>      | (44,282,137)             | (1,234,064)  | 3%          |
| Net Increase (Decrease) in Cash & Cash Equivalents | <b>(31,570,625)</b>      | 11,348,579               | (42,919,204) | -378%       |
| Cash & Cash Equivalents, Beginning                 | <b>112,293,582</b>       | 101,526,260              | 10,767,322   | 11%         |
| Cash & Cash Equivalents, End                       | <b>81,793,295</b>        | 112,293,582              | (30,500,287) | -27%        |
|                                                    | <b>DECEMBER 31, 2024</b> | <b>DECEMBER 31, 2023</b> |              |             |
| CURRENT RATIO                                      | <b>1.6</b>               | 2.2                      | -0.6         | -27%        |
| NET DEBT-TO-EQUITY RATIO                           | <b>0.8</b>               | 0.7                      | 0.1          | 14%         |

Equity earnings in investees decreased by 39% from ₱23.6 billion (bn) in 2023 to ₱14.5 bn in 2024. The decrease was primarily due to the following: (i) higher losses of Republic Cement & Building Materials, Inc. (RCBM) attributed to weak market demand for cement, (ii) impairment loss on the RCBM investment, and (iii) lower earnings of GNPowder Dinginin Ltd. Co.'s (GNPD) due to the recognition of depreciation and interest, and lower plant availability due to planned outages. These were partly offset by the following: (i) higher earnings from Union Bank of the Philippines (UnionBank, or the "Bank"), and (ii) fresh contributions

from Coca-Cola Europacific Aboitiz Philippines Inc. (CCEAP; formerly Coca-Cola Beverages Philippines, Inc.), which AEV acquired in February 2024.

Consolidated EBITDA translated into substantial cash inflows coming from Subsidiaries' operations. These inflows, coupled with dividends received from Associates and Joint Ventures are the main source of internally-generated funds, which are then used to finance capital expenditures, additional investments into associates, dividends and debt service payments.

Net Debt-to-Equity ratio as of 31 December 2024 increased to 0.8x from end-2023 level of 0.7x, as the increase in net debt was more than the increase in total equity. The Current Ratio as of 31 December 2024 was at 1.6x, a decline from the end-2023 level of 2.2x, as current assets decreased while current liabilities increased.

## **REVIEW OF JANUARY-DECEMBER 2024 OPERATIONS COMPARED TO JANUARY-DECEMBER 2023**

### **RESULTS OF OPERATIONS**

For the 12-month period ended 31 December 2024, AEV and its Subsidiaries posted a net income attributable to the equity holders of parent Company ("Net Income to Equity Holders of AEV") of ₱18.1 bn, a 23% decrease year-on-year ("YoY"). This translated to earnings per share of ₱3.25 for the period in review. The Power Group accounted for the bulk of the income contributions to AEV at 79%, while Banking and Financial Services and Food and Beverage Groups each accounted for 26%. Net income contributions from Real Estate and Infrastructure Groups were at 4% and -35%, respectively.

During 2024, the Group generated non-recurring losses of ₱7.4 bn compared to ₱1.4 bn non-recurring gains recorded in 2023. Without these one-off losses, the Group's core net income for 2024 was ₱25.5 bn, 15% higher YoY. AEV recorded a 3% increase in consolidated EBITDA for 2024 compared to 2023, from ₱81.2 bn to ₱83.6 bn.

### **MATERIAL CHANGES IN LINE ITEMS OF REGISTRANT'S STATEMENTS OF INCOME AND OF COMPREHENSIVE INCOME**

| <b>Income Statements (in PHP thousands)</b> |                     |              | <b>Horizontal Analysis</b> |                 | <b>Vertical Analysis</b> |             |
|---------------------------------------------|---------------------|--------------|----------------------------|-----------------|--------------------------|-------------|
|                                             | <b>2024</b>         | <b>2023</b>  | <b>Change</b>              | <b>% Change</b> | <b>2024</b>              | <b>2023</b> |
| <b>REVENUES</b>                             |                     |              |                            |                 |                          |             |
| Sale of:                                    |                     |              |                            |                 |                          |             |
| Power                                       | <b>₱195,680,252</b> | ₱205,818,244 | (₱10,137,992)              | -5%             | 65 %                     | 66 %        |
| Goods                                       | <b>91,677,860</b>   | 92,323,721   | (645,861)                  | -1%             | 30 %                     | 30 %        |
| Real estate                                 | <b>10,335,220</b>   | 9,476,487    | 858,733                    | 9%              | 3 %                      | 3 %         |
| Service fees and others                     | <b>5,132,321</b>    | 3,000,637    | 2,131,684                  | 71%             | 2 %                      | 1 %         |
|                                             | <b>302,825,653</b>  | 310,619,089  | (7,793,436)                | -3%             | 100 %                    | 100 %       |
| <b>COSTS AND EXPENSES</b>                   |                     |              |                            |                 |                          |             |
| Cost of generated and purchased power       | <b>115,273,191</b>  | 135,433,770  | (20,160,579)               | -15%            | 38 %                     | 44 %        |
| Cost of goods sold                          | <b>76,070,825</b>   | 81,329,202   | (5,258,377)                | -6%             | 25 %                     | 26 %        |
| Operating expenses                          | <b>54,883,658</b>   | 50,806,725   | 4,076,933                  | 8%              | 18 %                     | 16 %        |
| Cost of real estate sales                   | <b>6,004,438</b>    | 5,004,708    | 999,730                    | 20%             | 2 %                      | 2 %         |
|                                             | <b>252,232,112</b>  | 272,574,405  | (20,342,293)               | -7%             | 83 %                     | 88 %        |
| <b>OPERATING PROFIT</b>                     | <b>50,593,541</b>   | 38,044,684   | 12,548,857                 | 33%             | 17 %                     | 12 %        |
| Share in equity earnings                    | <b>14,531,542</b>   | 23,637,125   | (9,105,583)                | -39%            | 5 %                      | 8 %         |
| Interest income                             | <b>3,517,196</b>    | 4,301,426    | (784,230)                  | -18%            | 1 %                      | 1 %         |
| Interest expense                            | <b>(22,544,384)</b> | (20,528,967) | (2,015,417)                | 10%             | (7)%                     | (7)%        |
| Other income - net                          | <b>2,445,122</b>    | 6,060,374    | (3,615,252)                | -60%            | 1 %                      | 2 %         |
| <b>INCOME BEFORE INCOME TAX</b>             | <b>48,543,017</b>   | 51,514,642   | (2,971,625)                | -6%             | 16 %                     | 17 %        |

|                                 |                    |             |              |       |      |      |
|---------------------------------|--------------------|-------------|--------------|-------|------|------|
| <b>PROVISION FOR INCOME TAX</b> | <b>10,645,594</b>  | 8,593,435   | 2,052,159    | 24 %  | 4 %  | 3 %  |
| <b>NET INCOME</b>               | <b>₱37,897,423</b> | ₱42,921,207 | (₱5,023,784) | -12 % | 13 % | 14 % |
| <b>ATTRIBUTABLE TO:</b>         |                    |             |              |       |      |      |
| Equity holders of the parent    | <b>₱18,127,511</b> | ₱23,546,289 | (₱5,418,778) | -23 % | 6 %  | 8 %  |
| Non-controlling interests       | <b>19,769,912</b>  | 19,374,918  | 394,994      | 2 %   | 7 %  | 6 %  |
|                                 | <b>₱37,897,423</b> | ₱42,921,207 | (₱5,023,784) | -12 % | 13 % | 14 % |

The following discussion describes material changes in the line items of the Company's statement of income for 2024 compared to 2023.

## Revenues

### *Sale of Power*

The Group's revenue from sale of power decreased by 5% or ₱10.1 bn, from ₱205.8 bn in 2023 to ₱195.7 bn in 2024. The decrease was primarily attributable to lower spot prices. The Group's sale of power comprised 66% and 65% as a percentage of total revenues in 2023 and in 2024, respectively.

### *Real Estate*

The Group's revenue from real estate increased by 9% or ₱859 mn, from ₱9.5 bn in 2023 to ₱10.3 bn in 2024. The increase was primarily attributable to land sales and lease income from Lima Land. As a percentage of total revenues, the Group's revenue from real estate comprised 3% in both 2023 and 2024.

### *Service Fees and Other Revenues*

The Group's combined revenue from service fees and other sources increased by 71% or ₱2.1 bn, from ₱3.0 bn in 2023 to ₱5.1 bn in 2024. This increase was primarily due to fresh contributions from Apo Agua Infraestructura, Inc., which started commercial operations in February 2024, and revenues from newly-acquired subsidiary, AGMCAC. As a percentage of total revenues, the Group's other revenues comprised 1% and 2% in 2023 and in 2024, respectively.

## Costs and Expenses

### *Cost of Generated and Purchased Power*

The Group's cost of generated and purchased power decreased by 15% or ₱20.2 bn, from ₱135.4 bn in 2023 to ₱115.3 bn in 2024. The decrease was primarily attributable to lower fuel costs. As a percentage of total costs and expenses, the Group's cost of generated and purchased power comprised 50% and 46% in 2023 and in 2024, respectively.

### *Cost of Goods Sold*

The Group's cost of goods sold decreased by 6% or ₱5.3 bn, from ₱81.3 bn in 2023 to ₱76.1 bn in 2024. The decrease was primarily attributable to lower raw materials costs of the Food Group. As a percentage of total costs and expenses, the Group's cost of goods sold comprised 30% (and 30%) in both 2023 and in 2024.

### *Operating Expenses*

The Group's operating expenses increased by 8% or ₱4.1 bn, from ₱50.8 bn in 2023 to ₱54.9 bn in 2024. The increase was primarily attributable to higher (i) contracted services, (ii) personnel costs, and (iii)

repairs and maintenance. As a percentage of total costs and expenses, the Group's operating expenses comprised 19% and 22% in 2023 and in 2024, respectively.

#### *Cost of Real Estate Sales*

For 2024, the Group's cost of real estate sales increased by 20% or ₱1.0 bn, from ₱5.0 bn in 2023 to ₱6.0 bn in 2024. The increase was primarily driven by higher real estate sales. As a percentage of total costs and expenses, the Group's cost of real estate sales comprised 2% both in 2023 and in 2024.

#### **Operating Profit**

As a result of the foregoing, the Group's operating profit increased by 33% or ₱12.5 bn, from ₱38.0 bn in 2023 to ₱50.6 bn in 2024.

#### **Interest Income**

The Group's interest income decreased by 18% or ₱784 mn, from ₱4.3 bn in 2023 to ₱3.5 bn in 2024. This was primarily due to the cash outflow resulting from the acquisition of CCEAP.

#### **Interest Expense**

The Group's interest expense increased by 10% or ₱2.0 bn, from ₱20.5 bn in 2023 to ₱22.5 bn in 2024. The increase was primarily due to the full-year interest expense of the Company's ₱17.5 bn bonds issued in September 2023, and AboitizInfraCapital's increased debt availments in 2024.

#### **Other Income - net**

The Group's other income decreased by 60% or ₱3.6 bn, from ₱6.1 bn in 2023 to ₱2.4 bn in 2024. The decrease was primarily due to non-recurring gains resulting from AboitizPower's step-acquisition of SPI, and insurance claims recognized in 2023.

#### **Income Before Income Tax**

The Group's income before income tax decreased by 6% or ₱3.0 bn, from ₱51.5 bn in 2023 to ₱48.5 bn in 2024. The decrease was primarily due to lower equity earnings, higher interest expense and lower other income.

#### **Provision for Income Tax**

The Group's provision for income tax increased by 24% or ₱2.1 bn, from ₱8.6 bn in 2023 to ₱10.6 bn in 2024. The increase was primarily due to higher taxable income of the Power and Food Groups.

#### **Net Income**

As a result of the foregoing, the Group's Net Income to Equity Holders of AEV decreased by 23% or ₱5.4 bn, from ₱23.5 bn in 2023 to ₱18.1 bn in 2024.

## STRATEGIC BUSINESS UNITS

The following discussion describes the performance of the Group's SBUs for 2024 compared to 2023.

### Power

The Power Group's contribution to Net Income to Equity Holders of AEV, before elimination of transactions within the Group, was ₱18.0 bn in 2024, a 4% increase from ₱17.3 bn in 2023. The increase was primarily due to higher generation portfolio margins and higher energy sales from the fresh contributions from GNPD and additional capacities from the 159 megawatt-peak ("MWp") Laoag and 94 MWp Cayanga Solar Plants.

### Banking & Financial Services

The contribution of UnionBank to Net Income to Equity Holders of AEV increased by 32% YoY, from ₱4.5 bn in 2023 to ₱6.0 bn in 2024. The increase was primarily attributable to the Bank's higher income from core operations, and lower operating expenses.

### Food and Beverage

Before elimination of transactions within the Group, the contribution to Net Income to Equity Holders of AEV from the Food and Beverage segment, which includes Pilmico Foods Corporation, Pilmico Animal Nutrition Corporation, and Aboitiz Foods Pte. Ltd. (which houses Gold Coin Management Holdings Pte. Ltd.) (collectively, the "Aboitiz Foods"), and CCEAP) was ₱5.9 bn in 2024. This was more than four times the ₱1.3 bn recorded in 2023, primarily driven by (i) Aboitiz Foods, which continued to benefit from stabilizing commodity prices, optimized formulations in both feeds and flour, and strategic pricing adjustments, and (ii) fresh contributions from CCEAP.

### Real Estate

The contribution of AboitizLand to Net Income to Equity Holders of AEV in 2024, before elimination of transactions within the Group, amounted to ₱943 mn, a 9% decrease from ₱1.0 bn in 2023. The decrease was primarily due to the absence of asset monetization gains, which were realized in 2023.

### Infrastructure

The contribution of Aboitiz InfraCapital to Net Income to Equity Holders of AEV, before elimination of transactions within the Group, decreased by 73% to ₱644 mn in 2024, compared to ₱2.4 bn in 2023, which included ₱0.4 bn of non-recurring gain. This was primarily due to higher interest expense from Aboitiz InfraCapital's increased debt availments for its expansion.

The contribution of RCBM to Net Income to Equity Holders of AEV amounted to a ₱1.1 bn loss in 2024 compared the ₱789 mn loss recorded in 2023. This was due to the continued year-on-year decline in sales volume and selling prices due to weak market demand for cement. In 2024, the Company also recorded impairment losses on RCBM of ₱7.5 bn.



## CHANGES IN REGISTRANT'S RESOURCES, LIABILITIES AND SHAREHOLDERS' EQUITY

|                                               | Dec 31, 2024 | Dec 31, 2023 | Horizontal Analysis |          | Vertical Analysis |       |
|-----------------------------------------------|--------------|--------------|---------------------|----------|-------------------|-------|
|                                               |              |              | 2024 vs 2023        | % Change | 2024              | 2023  |
| ASSETS                                        |              |              |                     |          |                   |       |
| Current Assets                                |              |              |                     |          |                   |       |
| Cash and cash equivalents                     | ₱81,793,295  | ₱112,293,582 | ₱30,500,287)        | -27 %    | 9 %               | 13 %  |
| Trade and other receivables                   | 62,204,817   | 58,202,031   | 4,002,786           | 7%       | 7 %               | 7 %   |
| Inventories                                   | 45,003,105   | 45,569,654   | (566,549)           | -1%      | 5 %               | 5 %   |
| Derivative asset                              | 328,981      | 355,51       | (26,529)            | -7%      | — %               | — %   |
| Other current assets                          | 23,168,806   | 37,963,070   | (14,794,264)        | -39%     | 3 %               | 5 %   |
| Total Current Assets                          | 212,499,004  | 254,383,847  | (41,884,843)        | -16%     | 24 %              | 31 %  |
| Noncurrent Assets                             |              |              |                     |          |                   |       |
| Property, plant and equipment                 | 240,612,393  | 229,700,594  | 10,911,799          | 5%       | 27 %              | 28 %  |
| Investments and advances                      | 250,139,819  | 224,141,125  | 25,998,694          | 12%      | 28 %              | 27 %  |
| Intangible assets                             | 138,928,874  | 81,887,996   | 57,040,878          | 70%      | 16 %              | 10 %  |
| Investment properties                         | 14,541,088   | 14,077,502   | 463,586             | 3%       | 2 %               | 2 %   |
| Deferred income tax assets                    | 2,167,548    | 1,830,300    | 337,248             | 18%      | — %               | — %   |
| Trade receivables - net of current portion    | 418,655      | 377,21       | 41,441              | 11%      | — %               | — %   |
| Net pension assets                            | 304,261      | 262,81       | 41,447              | 16%      | — %               | — %   |
| Other noncurrent assets                       | 34,088,912   | 27,213,267   | 6,875,645           | 25%      | 4 %               | 3 %   |
| Total Noncurrent Assets                       | 681,201,550  | 579,490,812  | 101,710,738         | 18%      | 76 %              | 69 %  |
| TOTAL ASSETS                                  | ₱893,700,554 | ₱833,874,659 | ₱59,825,895         | 7%       | 100 %             | 100 % |
| LIABILITIES AND EQUITY                        |              |              |                     |          |                   |       |
| Current Liabilities                           |              |              |                     |          |                   |       |
| Trade and other payables                      | 58,793,450   | 56,145,901   | 2,647,549           | 5%       | 7 %               | 7 %   |
| Bank loans                                    | 40,959,206   | 41,040,449   | (81,243)            | — %      | 5 %               | 5 %   |
| Current portions of:                          |              |              |                     |          |                   |       |
| Long-term debts                               | 30,397,739   | 15,218,412   | 15,179,327          | 100 %    | 3 %               | 2 %   |
| Long-term obligation on PDS                   | 40,000       | 40,00        | —                   | — %      | — %               | — %   |
| Lease liabilities                             | 326,539      | 245,76       | 80,777              | 33%      | — %               | — %   |
| Derivative liability                          | 250,118      | 506,33       | (256,217)           | -51 %    | — %               | — %   |
| Income tax payable                            | 1,879,056    | 724,24       | 1,154,813           | 159 %    | — %               | — %   |
| Total Current Liabilities                     | 132,646,108  | 113,921,102  | 18,725,006          | 16%      | 15 %              | 14 %  |
| Noncurrent Liabilities                        |              |              |                     |          |                   |       |
| Noncurrent portions of:                       |              |              |                     |          |                   |       |
| Long-term debts                               | ₱328,120,086 | ₱316,356,779 | ₱11,763,307         | 4%       | 37 %              | 38 %  |
| Lease liabilities                             | 4,470,965    | 3,101,890    | 1,369,075           | 44%      | 1 %               | — %   |
| Trade payables                                | 1,870,335    | 1,185,415    | 684,920             | 58%      | — %               | — %   |
| Long-term obligation on PDS                   | 57,238       | 82,73        | (25,492)            | -31 %    | — %               | — %   |
| Customers’ deposits                           | 9,871,353    | 9,112,905    | 758,448             | 8%       | 1 %               | 1 %   |
| Decommissioning liability                     | 5,259,205    | 7,363,729    | (2,104,524)         | -29 %    | 1 %               | 1 %   |
| Deferred income tax liabilities               | 13,843,898   | 6,234,460    | 7,609,438           | 122 %    | 2 %               | 1 %   |
| Net pension liability                         | 1,192,092    | 1,169,205    | 22,887              | 2%       | — %               | — %   |
| Derivative liability - net of current portion | 3,698        |              | 3,698               | -        | — %               | — %   |
| Total Noncurrent Liabilities                  | 364,688,870  | 344,607,113  | 20,081,757          | 6%       | 41 %              | 41 %  |
| Total Liabilities                             | 497,334,978  | 458,528,215  | 38,806,763          | 8%       | 56 %              |       |
| Equity Attributable to Equity Holders of      |              |              |                     |          |                   |       |
| Capital stock                                 | 5,694,600    | 5,694,600    | —                   | —%       | 1 %               | 1 %   |
| Additional paid-in capital                    | 13,013,197   | 13,013,197   | —                   | —%       | 1 %               | 2 %   |
| Equity reserves                               | 30,120,774   | 29,423,103   | 697,671             | 2%       | 3 %               | 4 %   |
| Accumulated other comprehensive income        | 559,706      | (2,306,957)  | 2,866,663           | -124 %   | — %               | — %   |

|                                     |                     |                     |                    |           |              |              |
|-------------------------------------|---------------------|---------------------|--------------------|-----------|--------------|--------------|
| Retained earnings                   |                     |                     |                    |           |              |              |
| Appropriated                        | 88,800,000          | 88,800,000          | —                  | —%        | 10 %         | 11 %         |
| Unappropriated                      | 148,736,030         | 138,476,219         | 10,259,811         | 7%        | 17 %         | 17 %         |
| Treasury stock at cost              | (3,642,072)         | (1,145,431)         | (2,496,641)        | 218 %     | — %          | — %          |
|                                     | 283,282,235         | 271,954,731         | 11,327,504         | 4%        | 32 %         | 33 %         |
| <b>Non-controlling Interests</b>    | 113,083,341         | 103,391,713         | 9,691,628          | 9%        | 13 %         | 12 %         |
| <b>Total Equity</b>                 | 396,365,576         | 375,346,444         | 21,019,132         | 6%        | 44 %         | 45 %         |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>₱893,700,554</b> | <b>₱833,874,659</b> | <b>₱59,825,895</b> | <b>7%</b> | <b>100 %</b> | <b>100 %</b> |

## Assets

Consolidated assets (as of 31 December 2024 compared to 31 December 2023) increased by 7% to ₱893.7 bn, due to the following:

- Trade and other receivables (current and noncurrent) increased by 7% (₱62.6 bn as of 31 December 2024 compared to ₱58.6 bn as of 31 December 2023) primarily due to higher receivables of the Power Group and the first-time consolidation of AGMCAC.
- Property Plant and Equipment increased by ₱10.9 bn (₱240.6 bn as of 31 December 2024 compared to ₱229.7 bn as of 31 December 2023) primarily due to the capital expenditures for the Power Group's renewable power projects.
- Investments in and Advances to Associates and Joint Ventures increased by ₱26.0 bn (₱250.1 bn as of 31 December 2024 compared to ₱224.1 bn as of 31 December 2023) primarily due to the (i) ₱29.1bn investment in CABPI, (ii) ₱5.0bn additional investment in UnionBank, and (iii) recording of ₱14.5 bn share in net earnings of Associates and Joint Ventures. This increase was partially reduced by the ₱15.3 bn dividends from Associates and Joint Ventures and the effect of the consolidation of AGMCAC.
- Derivative Assets (net of Derivative liabilities, current and noncurrent) changed from ₱151 mn net derivative liability as of 31 December 2023 to ₱75 mn net derivative asset as of 31 December 2024 mainly due to the Power Group's gains on its commodity and currency hedges.
- Intangible Assets increased by 10% (₱138.9 bn as of 31 December 2024 compared to ₱81.9 bn as of 31 December 2023) primarily due to the first-time consolidation of the service concession assets of AGMCAC.
- Other Noncurrent Assets (ONCA) increased by 25% (₱34.1 bn as of 31 December 2024 compared to ₱27.2 bn as of 31 December 2023) primarily due to the increase in advance payments to contractors for ongoing construction of renewable power projects, and TLI's prepaid rent related to the Pagbilao land lease agreement.

The above increases were offset by the following decreases:

- Cash & Cash Equivalents decreased by 27% (₱81.8 bn as of 31 December 2024 compared to ₱112.3 bn as of 31 December 2023) primarily due to new investments, and payment of dividends and interest.
- Other Current Assets (OCA) decreased by 39% (₱23.2bn as of 31 December 2024 compared to ₱38.0bn as of 31 December 2023) primarily due to the maturity of the AGMCAC exchangeable notes.

## Liabilities

- Trade and other payables, inclusive of noncurrent portion, increased by 6% (₱60.7 bn as of 31 December 2024 compared to ₱57.3 bn as of 31 December 2023) primarily due to the first-time consolidation of insurance contract liabilities of an AboitizPower subsidiary.
- Income tax payable increased by 159%, from ₱724 mn as of 31 December 2023 to ₱1.9 bn as of 31 December 2024 primarily due to higher taxable income.
- Customers' deposits increased by 8%, from ₱9.1 bn as of 31 December 2023 to ₱9.9 bn as of 31 December 2024, primarily due to the Power Group's receipt of bill deposits from new customers.
- Decommissioning liability decreased by 29%, from ₱7.4 bn as of 31 December 2023 to ₱5.3 bn as of 31 December 2024, primarily due to adjustments in the decommissioning provisions on power plant assets.
- Deferred Income Tax Liabilities ("DTL", net of Deferred income tax assets) increased by 165% (₱11.7 bn as of 31 December 2024 compared to ₱4.4 bn as of 31 December 2023) primarily due to the first-time consolidation of AGMCAC and TLI's DTL on its prepaid rent.
- Pension Liabilities (net of Pension assets) decreased by 2% (₱888 mn as of 31 December 2024 compared to ₱906 mn as of 31 December 2023) primarily due to actuarial gains on the Group's defined benefit plans.

## Equity

Equity attributable to equity holders of the parent (as of 31 December 2024 compared to 31 December 2023) increased by ₱11.3 bn from ₱272.0 bn to ₱283.3 bn, due to the ₱18.1 bn net income recorded during the year, and ₱1.2 bn in other comprehensive income and movement in equity reserves. These were partly offset by the ₱7.9 bn cash dividends paid in 2024.

## MATERIAL CHANGES IN LIQUIDITY AND CASH RESERVES OF REGISTRANT

For 2024, the Group continued to support its liquidity mainly from cash generated from operations, additional loans availed, and dividends received from Associates and Joint Ventures

Compared to the cash inflow during 2023, consolidated cash generated from operating activities for 2024 decreased by ₱2.7 bn to ₱55.1 bn. The decrease was primarily due to higher working capital requirements despite higher operating income.

As of 31 December 2024, ₱41.2 bn net cash was used in investing activities compared to ₱2.2 bn used during 2023. In the current period, ₱36.1 bn was used for new investments and ₱25.2 bn in additional property, plant and equipment.

Net cash used in financing activities was ₱45.5 bn for 2024 compared to ₱44.3 bn in 2023. In the current period, cash was used primarily for payment of dividends and interest.

For 2024, net cash inflows surpassed cash outflows, resulting in an 27% decrease in cash and cash equivalents from ₱112.3 bn as of year-end 2023 to ₱81.8 bn as of 31 December 2024.

## FINANCIAL RATIOS

AEV's Current Ratio as of 31 December 2024 stood at 1.6x compared to end-2023's 2.2x as current assets decreased while current liabilities increased. Net Debt-to-Equity ratio increased to 0.8:1 as of 31 December 2024 from year-end 2023's 0.7:1, as the increase in net debt was more than the increase in total equity.

## KEY VARIABLES AND OTHER QUALITATIVE AND QUANTITATIVE FACTORS

To the best of the Company's knowledge, other than disclosed in the audited consolidated financial statements, no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons were created during the year. There were also no events that would trigger substantial direct or contingent financial obligations or cause any default or acceleration of an existing obligation.

Likewise, there were no other material changes made in such items as: accounting principles and practices, estimates inherent in the preparation of the consolidated financial statements, status of long-term contracts, changes in the composition of the issuer, and reporting entity resulting from business combinations or dispositions.

There were no changes in estimates of amounts reported in the prior financial year that would have a material effect in the current financial year.

There were no material, non-recurring adjustments made during the year that would require appropriate disclosures, other than those already disclosed in the audited consolidated financial statements. All other adjustments are of a normal recurring nature.

There are no material effects on the Group's financial condition or results of operations due to seasonality.

Lastly, there are no material commitments for capital expenditures except those disclosed in the consolidated audited financial statements and/or discussed in Outlook for the Upcoming Year/Known Trends, Events, and Uncertainties which may have a Material Impact on the Registrant.

## **OUTLOOK FOR THE UPCOMING YEAR/ KNOWN TRENDS, EVENTS, AND UNCERTAINTIES WHICH MAY HAVE MATERIAL IMPACT ON THE REGISTRANT**

The Economic Research Unit of UnionBank forecasts GDP growth to remain under 6.0% for 2025 to 2026, after coming from the 5.6% GDP growth in 2024. The mid-term elections in May 2025 could delay the government's anticipated investment rollout. Additionally, uncertainties surrounding the Trump administration could extend the decline in exports and his policies that artificially strengthen the US Dollar could shorten the rate easing cycle of the BSP, limiting the country's upside growth prospects. Even as the impact of the mid-term elections is factored in, which could boost consumption growth to 5.1% in the second quarter of 2025, domestic demand is projected to taper to below 5% after the elections.

Finally, UnionBank believes that the BSP has room to cut rates following the weak fourth quarter of 2024 GDP growth (5.2% vs 5.5% expectations). The sustained interest rate easing will reduce funding costs, support businesses, and drive investment-led growth.

Amidst this economic backdrop, the Company has the following outlook for its businesses.

### **AboitizPower**

AboitizPower is focused on providing reliable energy supply to its customers at a reasonable cost and with minimal impact on the environment and its communities. AboitizPower believes that to effectively and sustainably address the country's power requirements, a mix of power generation technologies is necessary. For this reason, AboitizPower pursues both renewable energy (RE) projects and thermal technologies, where and when it makes sense.

In spite of the increased competition in the domestic power generation sector, AboitizPower has built the foundation to sustain its long-term growth, through its continuously expanding portfolio of baseload and RE generation assets.

Given the current trajectory of power demand needs in the Philippines and the expected build progression of new plants over the next decade, AboitizPower believes its existing coal assets continue to play an

integral role and constantly seeks improvements to ensure it operates these assets responsibly and in compliance with all relevant regulations. AboitizPower is closely and proactively monitoring the developments in climate-related regulations and initiatives, including the coal moratorium of the DOE and ongoing discussions on the early retirement of coal plants in the Philippines and Indonesia. Through its parent company, AEV, AboitizPower is the first Philippine company to sign up and commit to the Task Force on Climate-Related Financial Disclosure framework. AboitizPower has taken steps to proactively quantify the potential impacts of various climate regulations on its assets and continues to invest in efforts to manage risks that are above certain thresholds.

AboitizPower also committed to add 3,700 MW of new RE capacity by 2030. As of 31 January 2025, AboitizPower has successfully energized 500 MW of its initial expansion phase, which includes developing solar and wind plants with a cumulative net attributable capacity of up to 1,200 MW. AboitizPower is on track to energize another 321 MW in 2025 and to begin construction on another 606 MW. The second phase of its expansion will see additional capacity of around 1,700 MW of solar and wind power. AboitizPower's growing RE portfolio should enable it to maximize opportunities arising from the implementation of the Renewable Portfolio Standards (RPS) by the DOE, which mandates power distribution utilities, electric cooperatives, and retail electricity suppliers to source 35% of their energy supplies from RE facilities by 2030 and 50% by 2040.

Further, AboitizPower remains open to other relevant opportunities that will help meet the Philippines' critical energy needs. On 1 March 2024, the AboitizPower, through its Subsidiary Therma NatGas Power, Inc., entered into an investment agreement with Meralco PowerGen Corporation and acquired 40% of Chromite Gas Holdings. Chromite Gas Holdings, in turn, acquired a 67% interest in two gas-fired power plants and a liquified natural gas (LNG) import and regasification terminal, marking AboitizPower's foray into the LNG space. Upon receipt of the PCC's approval, on 23 December 2024, the parties proceeded to complete the transaction by 27 January 2025.

AboitizPower believes that its balance sheet gives it the capability to create or acquire additional generating capacity over the next few years. AboitizPower, together with its partners, has allotted ₱78 billion for capital expenditures in 2025, of which, 64% is earmarked for AboitizPower's RE pipeline, while the remainder is earmarked for the maintenance of its baseload plants, as well as further investments in land, new substations, and new meters for its distribution business.

Other known trends, events, and uncertainties which may have a material impact on AboitizPower have been discussed extensively in sections of AboitizPower's Information Statement (*e.g. for an extensive discussion on regulatory issues, see Effect of Existing or Probable Government Regulations on the Business of AboitizPower's Information Statement*).

## **UnionBank and its Subsidiaries**

Marked by the successful integration of the Citi consumer business and the continued expansion of its digital capabilities, 2024 was a milestone year for Unionbank. Unionbank's revenue as of 31 December 2024 of ₱79.5 billion, 12% higher year on year, was fueled by recurring income streams, primarily net interest income and fee-based revenues, including Real and Other Properties Acquired (ROPA) gains and foreign exchange (FX) transactions.

UnionBank's customer base reached 17.3 million by the end of 2024, increasing by 2.5 million annually since 2019. The increase in customer base was, in part, driven by accelerating digital adoption. Of this total, 5.0 million are digital customers who are actively using the UnionBank Online mobile app for digital financial services. The UnionBank Online mobile app processed 103 million transactions in 2024, a 47% increase from the previous year. Meanwhile, as of 31 December 2024, digital accounts opened (DAO) was at 2.5 million, 103% higher than in 2019. As of 31 December 2024, the UnionBank Online app is the most downloaded and highest-rated banking app on Google Play Store, reinforcing Unionbank's position as a leader in digital banking. UnionBank is at the forefront of a financial revolution, where mobile banking, embedded finance, and AI-driven decision-making are redefining the industry.

Moving forward, Unionbank's focus is to further unlock the synergies from its 17.3 million customers and expanded consumer business. It will leverage on its core strength of delivering exceptional customer

experience with differentiated and innovative products, whose benefits are delivered and amplified by its digital platforms and other touchpoints, including its branches. Digital will continue to be its key enabler—it is the very foundation of how the Bank operates.

Today's customers expect more than just banking; they demand seamless, secure, and intelligent financial solutions integrated into their daily lives. Reliability and 24/7 accessibility are the standard, but true leadership lies in delivering hyper-personalized experiences that anticipate needs before they arise.

UnionBank is committed to shaping the future of finance by delivering cutting-edge, customer-centric solutions that exceed expectations. To sustain its momentum in 2025, it must remain focused on two key pillars:

1. Customer-Centricity – Deeply understanding customer needs to develop the right products, seamlessly integrate into their daily banking journeys, and maximize cross-sell opportunities.
2. High-Tech, High-Touch Operations – Identifying the most impactful customer journeys and ensuring seamless execution. UnionBank aims to scale efficiently while optimizing costs to enhance service delivery.

### **Aboitiz Foods**

In 2024, this segment launched its new corporate brand, Aboitiz Foods. By unifying Agribusiness (the feeds, pet food, and specialty nutrition businesses across China, Vietnam, Thailand, Malaysia & Brunei, Indonesia, and the Philippines) and Food and Nutrition (flour, farms, meats, trading, retail and other business-to-customer (B2C) initiatives in the Philippines) businesses under a single identity, AboitizFoods not only reinforced its commitment to Sustainably Feeding Asia's Growth from Mill to Meal and strengthened its core operations while expanding into new opportunities that bring it closer to consumers, it will also enhance internal collaboration, improve the speed and efficiency of its execution, and capitalize on the inherent synergies across its various businesses.

For 2025, barring any geopolitical or environmental disruptions to supply and with the full operations of its plants in China and Vietnam, AboitizFoods remains positive about its growth prospects for the year.

Aboitiz Foods allotted approximately ₱4 billion for capital expenditures in 2025, primarily for the replacement of a feed mill in Malaysia, refurbishments of swine farms in the Philippines, and the greenfield development of research & development farms (swine in the Philippines, aqua in Vietnam, and poultry in Malaysia), along with other plant maintenance projects.

### **Aboitiz InfraCapital**

In 2024, Aboitiz InfraCapital made significant strides in expanding presence across key infrastructure sectors and reinforced its position as a leading player in the country's infrastructure development landscape, with notable progress in airports, economic estates, water, and digital infrastructure.

Looking ahead to 2025, Aboitiz InfraCapital remains committed to its platform and pursuing strategic partnerships and will continue to build transformative infrastructure systems by leveraging on synergies with other business units within the Aboitiz Group, driving transformation, and enhancing the value proposition across its various projects.

#### Airports

In 2024, MCIA saw strong recovery. Domestic passenger volume grew by 13% YoY to 8.5 million and has exceeded pre-pandemic levels, while international traffic grew by 12% to 2.8 million. MCIA also launched of *Cebu Connect*, which should significantly reduce connecting times and position Cebu as a transfer hub, and made major capital investments in Bridge-Mounted Equipment (BME), which reduces an aircraft's carbon footprint and lowers an airline's operating costs, highlighting Aboitiz InfraCapital's commitment to transformation, operational excellence and sustainability.



In 2024, Aboitiz InfraCapital was also awarded the Laguindingan and Bohol airports, further solidifying its strategic position in the industry as these airports enhance Aboitiz InfraCapital's regional presence in Visayas and Northern Mindanao. Aboitiz InfraCapital will take over the operations and maintenance of both airports in 2025.

Moving forward, Aboitiz InfraCapital is focused on leveraging its growing airports platform to meet the rising demand for air travel in the Philippines.

#### Digital Infra

As of 31 January 2025, Unity's network encompasses around 2,100 points of service including small cells, with a balanced portfolio across the country and in partnership with all mobile network operators (MNOs). For 2025, Unity will further expand its nationwide footprint as it builds additional macro towers and drive colocation across its tower assets to address the demand for enhanced coverage and improved service reliability.

#### Water

Apo Agua reached full commercial operations of its Davao City Bulk Water Supply Project (DCBWSP) in February 2024. As of 28 February 2025, is the largest operating bulk water supply project in the country, supplying up to 300 million liters per day (MLD) of safe, reliable, and sustainable water to Davaoeños. Through the operations of the DCBWSP, Davao City Water District (DCWD) was able to increase water availability to its customers, from 73% to 96% now enjoying access to 24/7 potable water.

Aboitiz InfraCapital's collective estate water business - LIMA Water, MEZ2 Water, West Cebu Water, and TARI Water - now operates across a 2,000 hectare footprint, supporting more than 250 locators. Aligned with its commitment to innovation and operational excellence, Aboitiz InfraCapital Water has implemented a SMART Water Network with a Supervisory Control and Data Acquisition (SCADA) system that gathers comprehensive real-time data to better inform operational decisions, improve efficiencies, and optimize resources.

In addition, Aboitiz InfraCapital holds a minority stake in Balibago Waterworks Systems, Inc. (BWSI), the fourth largest water concessionaire in the country, which serves over 330,000 customers across 90 municipal franchises in 24 provinces. BWSI's expertise in water source development, treatment, distribution, and NRW management complements Aboitiz InfraCapital's water platform and strengthens its commitment to providing sustainable water solutions.

Aboitiz InfraCapital Water aims to double its billed capacity from 320MLD to 650MLD over the next ten years. To support this, Aboitiz InfraCapital plans to continue growing its bulk water and distribution business by exploring opportunities in the desalination space and expanding its portfolio to support the development of high-growth urban centers across Visayas and Mindanao.

#### Economic Estates

With a portfolio spanning nearly 2,000 hectares and home to over 250 global and local companies, Aboitiz InfraCapital Economic Estates (AIC EE) continues to advance the country's industrial sector while supporting more than 100,000 direct jobs. Over the last five years, AIC EE's land footprint grew by 9% per year from 1,300 hectares in 2020 to 2,000 hectares in 2024, its locator base increased by 6% annually from 180 companies in 2020 to 243 in 2024, and the number of jobs it generated rose by 3% per year from 85,000 in 2020 to over 100,000 in 2024. These figures reflect AIC EE's commitment to driving long-term economic progress in the regions where it operates.

In 2024, AIC EE launched the 384-hectare TARI Estate in Central Luzon, marking Aboitiz InfraCapital's continued expansion in one of the country's most dynamic economic corridors. The opening of LIMA Tower One in Batangas, the province's first office building, and The Pods at LIMA, a new dormitory facility for locator employees, reflect AIC EE's evolution into a provider of integrated, people-centric environments. The continued expansion of the Biz Hub at LIMA Estate, the first master planned business district in

Batangas, demonstrates AIC EE's ability to create thriving ecosystems that seamlessly integrate industrial, commercial, and lifestyle components.

Further solidifying its leadership in sustainable development, AIC EE became the first in the Philippines to achieve 5-Star BERDE District Certifications across all its operating estates—LIMA, MEZ2, and West Cebu. These certifications set new benchmarks for green industrial development and highlight AIC EE's commitment to advancing ESG principles in its operations. In recognition of these efforts, AIC EE received multiple accolades, including its fourth consecutive win as Asia's Best Industrial Developer at the 19th PropertyGuru Asia Property Awards.

Foreign direct investments (FDIs) across AIC EE's properties totaled ₱167.0 billion as of 31 December 2024, with ₱9.4 billion added during 2024. This growth was driven by strong demand from key industries, particularly electronic components, which comprise the largest share of AIC EE's export-oriented locators. Other major industries include plastic and rubber products and paper and packaging, which form critical links in the supply chain.

For 2025, AIC EE will continue to build on its momentum and diversify and expand its estate footprint through new strategic locations. It will continue to drive resilient, recurring income by optimizing asset performance and expanding leasing platforms for offices, dormitories, warehouses, and retail spaces. AIC EE's transformation into a full-suite solutions provider will be accelerated through strategic partnerships and synergies within the Aboitiz Group, integrating power, water, construction, digital infrastructure, housing, and financial services. Through these initiatives, AIC EE remains committed to setting new industry standards and positioning the Philippines as a premier investment destination in Asia, while contributing to the long-term economic progress of the communities it serves.

Aboitiz InfraCapital, together with its partners, has allotted ₱16 billion for capital expenditures in 2025 across all its businesses. This will be used primarily to fund its ongoing tower acquisition, development of its Economic Estates and airports, and maintenance of its businesses.

### **Republic Cement and Building Materials, Inc (RCBM)**

The country's cement demand, which is estimated to have grown by approximately 3% YoY in 2024, was driven by a stronger infrastructure sector as demand in the residential and non-residential segments remained muted. Nevertheless, the steady economic growth and the government's continued commitment to infrastructure development through the *Build Better More* program supports RCBM's positive outlook for 2025.

Although the demand outlook is promising, the continued influx of imported cement, primarily from Vietnam, remains a significant challenge to maintaining a sufficiently stocked market. In 2024, imports reached an all-time high of 7.6 million tons, according to the Bureau of Customs, causing industry operations to fall well below healthy levels. The unrestricted flow of cement imports is significantly affecting the capacity utilization and overall profitability of the domestic cement industry. In response to this serious concern, the Department of Trade and Industry has launched a *motu proprio* investigation to determine whether the increase in cement imports is causing significant harm to the domestic industry and whether safeguard measures are necessary. The investigation is currently ongoing.

RCBM remains committed to serving its key markets throughout the country with high-quality products while improving efficiencies and reducing costs. RCBM is poised to capture the market needs with its approximately 9.7 million metric tons of cement production capacity.

To mitigate the impact of market contraction and rising input costs, RCBM continues to focus on operational excellence initiatives and cost control measures, including increase in the use of alternative fuels and harnessing renewable energy. RCBM also continues to staunchly support the Philippine government's *Buy Local* programs and in particular the recently signed laws on Tatak Pinoy Act and New Government Procurement Reform Act, which provides preference and priority to locally made products in government procurement projects.

RCBM has allotted almost ₱1 billion for capital expenditures in 2025 mainly for major maintenance works and purchase of critical spares.

## Aboitiz Land

As Aboitiz Land celebrates its 30th year, it remains steadfast in its mission to innovate ways of living for the Filipino family.

Aboitiz Land's early investments in digital marketing and sales competencies continue to reap results in 2024, with its flagship digital ecosystem, *OneVecino*, setting the benchmark for industry innovation. Integrating Vecino App, Vecino Pay, Vecino Support, and Vecino Properties - OneVecino received the Circle of Excellence award for Technology Company of the Year at the 2024 Asia CEO Awards. This accolade reflects the company's relentless pursuit of leveraging technology to enhance customer experience and drive sales performance, contributing to significant milestones in lead generation and sales bookings. Moreover, Foressa Mountain Town in Balamban, Cebu was Highly Commended as Best Nature Development at the 2024 PropertyGuru Philippines Property Awards.

Aboitiz Land remains optimistic as the recent policy rate cuts by the BSP ease borrowing costs, which should drive demand for real estate investments. Aboitiz Land sees this as an opportunity to strengthen its position in the market, particularly with the growing preference for horizontal developments outside Metro Manila.

While macroeconomic tailwinds persist, Aboitiz Land remains confident in the growth potential for the year ahead. With a robust strategy and a deep understanding of market trends, Aboitiz Land is well-positioned to meet the demands of a dynamic market, delivering homes that elevate Filipino living while creating sustainable value for stakeholders.

Aboitiz Land has allotted over ₱2 billion for capital expenditures in 2025, mostly for the construction and completion of its existing projects.

## Long-Term Aspiration

AEV is continuing its efforts with its *Great Transformation*, a bold corporate initiative that places innovation at the forefront of its growth strategy. This ongoing transformation is driving the Group's evolution into a *techglomerate*—an organization that deeply integrates technology and design thinking into all its production, services, and processes.

## YEAR ENDED DECEMBER 31, 2023 COMPARED TO YEAR ENDED DECEMBER 31, 2022

### KEY PERFORMANCE INDICATORS

(Amounts in thousands except financial ratio data)

|                                                    | JAN-DEC 2023        | JAN-DEC 2022        | Change       | % of Change |
|----------------------------------------------------|---------------------|---------------------|--------------|-------------|
| EQUITY IN NET EARNINGS OF INVESTEEES               | <b>₱23,637,125</b>  | ₱20,781,865         | ₱2,855,260   | 14%         |
| EBITDA                                             | <b>81,182,234</b>   | 71,176,30           | 10,005,930   | 14%         |
| CASH FLOW GENERATED:                               |                     |                     |              |             |
| Net cash flows from operating activities           | <b>57,826,663</b>   | 30,180,674          | 27,645,989   | 92%         |
| Net cash flows from (used in) investing activities | <b>(2,195,947)</b>  | (74,477,629)        | 72,281,682   | -97%        |
| Net cash flows used in financing activities        | <b>(44,282,137)</b> | (4,364,764)         | (39,917,373) | -915%       |
| Net Increase (Decrease) in Cash & Cash Equivalents | <b>11,348,579</b>   | (48,661,719)        | 60,010,298   | -123%       |
| Cash & Cash Equivalents, Beginning                 | <b>101,526,260</b>  | 147,534,035         | (46,007,775) | -31%        |
| Cash & Cash Equivalents, End                       | 112,293,582         | 101,526,260         | 10,767,322   | 11%         |
|                                                    | <b>DEC 31, 2023</b> | <b>DEC 31, 2022</b> |              |             |

|                          |     |     |     |     |
|--------------------------|-----|-----|-----|-----|
| CURRENT RATIO            | 2.2 | 1.9 | 0.3 | 16% |
| NET DEBT-TO-EQUITY RATIO | 0.7 | 0.7 | 0   | 0%  |

Equity earnings in investees increased by 14% from ₱20.8 bn in 2022 to ₱23.6 bn in 2023. The increase was primarily due to fresh contributions from GNPD. This was partly offset by the following: (i) lower earnings of UnionBank due to one-time integration cost of the acquired Citi business, and (ii) lower earnings of RCBM attributed to weak market demand for cement primarily due to higher inflation, delays in the rollout of government projects and unfavorable weather conditions in the Visayas and Mindanao regions at the beginning of 2023.

Consolidated EBITDA translated into substantial cash inflows coming from Subsidiaries' operations. These inflows, coupled with dividends received from Associates and Joint Ventures were the main source of internally-generated funds, which were then used to finance capital expenditures, additional investments into Associates, dividends, and debt service payments.

Net Debt-to-Equity ratio as of 31 December 2023 remained at end-2022 level of 0.7x. The Current Ratio as of 31 December 2023 was at 2.2x, an increase from the end-2022 level of 1.9x, as the decrease in current liabilities was more than the decrease in current assets.

## **REVIEW OF JANUARY-DECEMBER 2023 OPERATIONS COMPARED TO JANUARY-DECEMBER 2022**

### **RESULTS OF OPERATIONS**

For the 12-month period ended 31 December 2023, AEV and its Subsidiaries posted a net income attributable to the equity holders of parent Company ("Net Income to Equity Holders of AEV") of ₱23.5 bn, a 2% decrease year-on-year ("YoY"). This translated to earnings per share of ₱4.18 for the period in review. The Power Group accounted for the bulk of the income contributions to AEV at 67%, followed by the Banking and Financial Services, Infrastructure, Food, and Real Estate Groups at 18%, 6%, 5%, and 4%, respectively.

During 2023, the Group had non-recurring gains of ₱1.4 bn compared to ₱3.5 bn non-recurring gains recorded in 2022. Without these one-off gains, the Group's core net income for 2023 was ₱22.1 bn, 8% higher YoY. AEV recorded a 14% increase in consolidated EBITDA for 2023 compared to 2022, from ₱71.2 bn to ₱81.2 bn.

### **MATERIAL CHANGES IN LINE ITEMS OF REGISTRANT'S STATEMENTS OF INCOME AND OF COMPREHENSIVE INCOME**

The following discussion describes material changes in the line items of the Company's statement of income and of comprehensive income for 2023 compared to 2022.

#### **Revenues**

##### *Sale of Power*

The Group's revenue from sale of power increased by 7% or ₱12.9 bn, from ₱193.6 bn in 2022 to ₱206.5 bn in 2023. The increase was primarily attributable to higher availability across AboitizPower's generation units. The Group's sale of power comprised 63% and 67% as a percentage of total revenues in 2022 and in 2023, respectively.

##### *Sale of Goods*

The Group's revenue from sale of goods decreased by 11% or ₱11.8 bn, from ₱103.6 bn in 2022 to ₱91.7 bn in 2023. The decrease was primarily due to lower sales volume for the Food Group. The Group's sale of goods comprised 34% and 30% as a percentage of total revenues in 2022 and in 2023, respectively.

### *Real Estate*

The Group's revenue from real estate increased by 27% or ₱2.0 bn, from ₱7.4 bn in 2022 to ₱9.5 bn in 2023. The increase was primarily attributable to higher land sales and lease income from Lima Land. As a percentage of total revenues, the Group's revenue from real estate comprised 2% and 3% in 2022 and in 2023, respectively.

### *Other Revenues*

The Group's combined revenue from service fees and other sources increased by 61% or ₱1.4 bn, from ₱2.2 bn in 2022 to ₱3.6 bn in 2023. This increase was primarily due to interest income on the service concession asset of SPI. As a percentage of total revenues, the Group's other revenues comprised 1% in both 2022 and in 2023.

## **Costs and Expenses**

### *Cost of Generated and Purchased Power*

The Group's cost of generated and purchased power increased by 4% or ₱5.4 bn, from ₱130.0 bn in 2022 to ₱135.4 bn in 2023. The increase was primarily attributable to higher volume of power generated and higher purchased power rates driven by higher WESM prices. As a percentage of total costs and expenses, the Group's cost of generated and purchased power comprised 48% and 50% in 2022 and in 2023, respectively.

### *Cost of Goods Sold*

The Group's cost of goods sold decreased by 13% or ₱12.0 bn, from ₱93.4 bn in 2022 to ₱81.3 bn in 2023. The decrease was primarily attributable to lower raw materials costs of the Food Group. As a percentage of total costs and expenses, the Group's cost of goods sold comprised 34% and 30% in 2022 and in 2023, respectively.

### *Operating Expenses*

The Group's operating expenses increased by 15% or ₱6.5 bn, from ₱44.3 bn in 2022 to ₱50.8 bn in 2023. The increase was primarily attributable to higher (i) personnel costs, (ii) professional fees, (iii) taxes and licenses, (iv) insurance of the Group's power plants, and (v) depreciation and amortization. As a percentage of total costs and expenses, the Group's operating expenses comprised 16% and 19% in 2022 and in 2023, respectively.

### *Cost of Real Estate Sales*

For 2023, the Group's cost of real estate sales increased by 23% or ₱0.9 bn, from ₱4.1 bn in 2022 to ₱5.0 bn in 2023. The increase was primarily driven by higher real estate sales. As a percentage of total costs and expenses, the Group's cost of real estate sales comprised 1% and 2% in 2022 and in 2023, respectively.

## **Operating Profit**

As a result of the foregoing, the Group's operating profit increased by 8% or ₱2.9 bn, from ₱35.1 bn in 2022 to ₱38.0 bn in 2023.

## **Income Before Income Tax**

The Group's income before income tax increased by 17% or ₱7.5 bn, from ₱44.0 bn in 2022 to ₱51.5 bn in 2023. The increase was primarily due to higher operating profit, higher equity earnings and other income (AboitizPower's bargain purchase gain resulting from its acquisition of an additional stake in SPI, and recognition of business interruption claims).

## **Provision for Income Tax**

The Group's provision for income tax increased by 60% or ₱3.2 bn, from ₱5.4 bn in 2022 to ₱8.6 bn in 2023. The increase was primarily due to higher taxable income of the Power Group.

## **Net Income**

Net income attributable to non-controlling interests for 2023 increased to ₱19.4 bn from ₱14.6 bn in 2022. This was primarily due to the increase in consolidated net income of AboitizPower in 2023.

As a result of the foregoing, the Group's Net Income to Equity Holders of AEV decreased by 2% or ₱0.5 bn, from ₱24.0 bn in 2022 to ₱23.5 bn in 2023.

## **STRATEGIC BUSINESS UNITS**

The following discussion describes the performance of the Group's SBUs for 2023 compared to 2022.

### **Power**

The contribution of AboitizPower to the Net Income to Equity Holders of AEV, before elimination of transactions within the Group, was ₱17.3 bn in 2023, a 28% increase from ₱13.5 bn in 2022. The variance was primarily due to fresh contributions from GNPD and higher availability across AboitizPower's power generation units. Energy volume sold in 2023 increased by 17% to 35,372 GWh from 30,251 GWh in 2022.

### **Banking & Financial Services**

The contribution of UnionBank to the Net Income to Equity Holders of AEV decreased by 29%, from ₱6.3 bn in 2022 to ₱4.5 bn in 2023. The decrease was primarily due to higher credit loss provision, and higher operating expenses resulting from the full-year impact of the costs associated with the integration of Citi's consumer business and UnionDigital, which only became part of Unionbank in the second half of 2022.

### **Food**

The contribution of the Food Group to the Net Income to Equity Holders of AEV, before elimination of transactions within the Group, was ₱1.3 bn in 2023, a reversal from the ₱14 mn loss in 2022. This reversal was primarily due to better margins from its Flour and Agribusiness segments driven by the decrease in raw material costs and better pricing strategy. These gains were partially offset by the lower contributions from the Farms and Meats segments, which were dragged down by the lower selling prices for both live hogs and meats combined with higher production costs pertaining to the carrying costs of underutilized farms.

### **Real Estate**

The contribution of AboitizLand to the Net Income to Equity Holders of AEV, before elimination of transactions within the Group, amounted to ₱1.0 bn in 2023, a 19% increase from ₱865 mn in 2022. The increase was primarily due to higher revenues from higher sales performance and construction activity, coupled with gains from sale of properties.

### **Infrastructure**

The contribution of Aboitiz InfraCapital to the Net Income to Equity Holders of AEV, before elimination of transactions within the Group, increased by 26% to ₱2.4 bn in 2023, compared to ₱1.9 bn in 2022. The increase was primarily due to higher land sales and lease income from Aboitiz InfraCapital's Economic Estates and incremental contributions from the airports business segment.



The contribution of RCBM to the Net Income to Equity Holders of AEV amounted to a ₱789 mn loss in 2023 compared to the ₱323 mn loss recorded in 2022. This was due to lower sales volume attributed to weak market demand for cement primarily due to higher inflation, delays in the rollout of government projects, and unfavorable weather conditions in the Visayas and Mindanao regions at the beginning of 2023.

## CHANGES IN REGISTRANT'S RESOURCES, LIABILITIES AND SHAREHOLDERS' EQUITY

### Assets

Consolidated assets (as of 31 December 2023 compared to 31 December 2022) increased by 3% to ₱833.8 bn, primarily due to the following:

- Cash & Cash Equivalents increased by 11% (₱112.3 bn as of 31 December 2023 compared to ₱101.5 bn as of 31 December 2022) primarily due to cash generated from operations, cash dividends from Associates and Joint Ventures, and proceeds from the issuance of retail bonds and maturing short-term cash deposits of AEV.
- Investments in and Advances to Associates and Joint Ventures increased by ₱28.3 bn (₱224.1 bn as of 31 December 2023 compared to ₱195.9 bn as of 31 December 2022) primarily due to (i) ₱6.0 bn additional investment in UnionBank, (ii) ₱1.4 bn additional investment in Unity, (iii) ₱5.2 bn other comprehensive income, and (iv) the recording of ₱23.6 bn share in net earnings of Associates and Joint Ventures. This increase was partially offset by the ₱4.6 bn dividends received from Associates and Joint Ventures and ₱3.4 bn effect of the step acquisition to Subsidiary of SPI.

The above Increases were offset by the following decreases:

- Trade and other receivables (current and noncurrent) decreased by 5% (₱58.6 bn as of 31 December 2023 compared to ₱61.6 bn as of 31 December 2022) primarily due to higher collection efficiency in AboitizPower, and lower sales of the Food Group.
- Other Current Assets (OCA) decreased by 18% (₱38.0 bn as of 31 December 2023 compared to ₱46.3 bn as of 31 December 2022) primarily due to the decrease in short-term cash deposits partly offset by the reclassification of exchangeable notes from Other Noncurrent Assets to OCA.
- Other Noncurrent Assets (ONCA) decreased by 17% (₱28.1 bn as of 31 December 2023 compared to ₱33.7 bn as of 31 December 2022) primarily due to the reclassification of exchangeable notes from ONCA to OCA, partly offset by the first-time consolidation of SPI's service concession contract asset.

### Liabilities

Total Liabilities as of 31 December 2023 increased to ₱458.5 bn compared to ₱457.6 bn as of 31 December 2022 primarily due to the following:

- Bank loans decreased by 10% (₱41.0 bn as of 31 December 2023 compared to ₱45.4 bn as of 31 December 2022) primarily due to short-term debt payments by the Power and Food Groups during 2023.
- Long-term debt, which includes both current and noncurrent portions, increased by 9% (₱331.6 bn as of 31 December 2023 compared to ₱303.5 bn as of 31 December 2022) primarily due to the issuance of retail bonds by AEV amounting to ₱17.4 bn, TLI new loan to prepay its lease obligation to PSALM, and loan availments of other Subsidiaries. These were partly offset by principal payments made on existing loans during 2023.

- Long-term obligation on Power Distribution System, which includes current and noncurrent portions, decreased by 16% (₱123 mn as of 31 December 2023 compared to ₱145 mn as of 31 December 2022) as regular annual payments were made.
- Lease liabilities, which include current and noncurrent portions, decreased by 88% (₱3.3 bn as of 31 December 2023 compared to ₱27.9 bn as of 31 December 2022) due to the prepayment by TLI of its obligation to PSALM in 2023.
- Trade and other payables, inclusive of noncurrent portion, decreased by 5% (₱57.3 bn as of 31 December 2023 compared to ₱60.5 bn as of 31 December 2022) primarily due to the decrease in insurance contract liabilities.
- Income tax payable increased by 30%, from ₱556 mn as of 31 December 2022 to ₱724 mn as of 31 December 2023 primarily due to higher taxable income.
- Derivative liabilities (net of Derivative assets, current and noncurrent) moved from ₱2.4 bn net asset position as of 31 December 2022 to ₱151 mn liability as of 31 December 2023. This was primarily due to losses in the Power Group's cash flow hedges.
- Customers' deposits increased by 10%, from ₱8.3 bn as of 31 December 2022 to ₱9.1 bn as of 31 December 2023, primarily due to the Power Group's receipt of bill deposits from new customers.
- Decommissioning liability increased by 30%, from ₱5.7 bn as of 31 December 2022 to ₱7.4 bn as of 31 December 2023, primarily due to the recognition of additional decommissioning provisions on power plant assets.
- Deferred Income Tax Liabilities (net of Deferred income tax assets) increased by 58% (₱4.4 bn as of 31 December 2023 compared to ₱2.8 bn as of 31 December 2022) primarily due to the first-time consolidation of STEAG.
- Pension Liabilities (net of Pension assets) increased by 237% (₱906 mn as of 31 December 2023 compared to ₱269 mn as of 31 December 2022) primarily due to actuarial losses on the Group's defined benefit plans.

## Equity

Equity attributable to equity holders of the parent (as of 31 December 2023 compared to 31 December 2022) increased by ₱16.9 bn from ₱255.1 bn to ₱272.0 bn, due to the ₱23.5 bn net income recorded during the year, and ₱2.2 bn in other comprehensive income. These were partly offset by the ₱8.3 bn cash dividends paid during 2023.

## MATERIAL CHANGES IN LIQUIDITY AND CASH RESERVES OF REGISTRANT

For 2023, the Group continued to support its liquidity primarily from cash generated from operations, additional loans availed, and dividends received from Associates and Joint Ventures.

Compared to the cash inflow during 2022, consolidated cash generated from operating activities for 2023 increased by ₱27.6 bn to ₱57.8 bn. The increase was primarily due to lower working capital requirements and higher operating income.

As of 31 December 2023, ₱2.2 bn net cash was used in investing activities compared to ₱74.5 bn used during 2022. In the current period, ₱19.4 bn of short-term cash deposits were liquidated, partly offset by ₱7.5 bn investments in Associates. In the same period in 2022, ₱13.9 bn was invested in short-term cash deposits to maximize interest income, while ₱30.7 bn was invested in Associates.

Net cash used in financing activities was ₱44.3 bn during 2023 compared to ₱4.4 bn during 2022. This was due to higher interest payments, payment of short-term loans, and prepayment of TLI's lease obligations to PSALM.

For 2023, net cash inflows surpassed cash outflows, resulting in an 11% increase in cash and cash equivalents from ₱101.5 bn as of year-end 2022 to ₱112.3 bn as of 31 December 2023.

## FINANCIAL RATIOS

AEV's Current Ratio as of 31 December 2023 stood at 2.2x compared to end-2022's 1.9x as the decrease in current liabilities was more than the decrease in current assets. Net Debt-to-Equity ratio remained at year-end 2022's 0.7:1.

## YEAR ENDED DECEMBER 31, 2022 COMPARED TO YEAR ENDED DECEMBER 31, 2021

### KEY PERFORMANCE INDICATORS

(Amounts in thousands except financial ratio data)

|                                                    | JAN-DEC 2022        | JAN-DEC 2021        | Change        | % of Change |
|----------------------------------------------------|---------------------|---------------------|---------------|-------------|
| EQUITY IN NET EARNINGS OF INVESTEEES               | <b>₱20,781,865</b>  | ₱17,245,643         | ₱3,536,222    | 21%         |
| EBITDA                                             | <b>71,175,770</b>   | 67,241,938          | 3,933,832     | 6%          |
| CASH FLOW GENERATED:                               |                     |                     |               |             |
| Net cash flows from operating activities           | <b>30,180,674</b>   | 36,319,034          | (6,138,360)   | -17%        |
| Net cash flows used in investing activities        | <b>(75,969,859)</b> | (10,078,385)        | (65,891,474)  | -654%       |
| Net cash flows from (used in) financing activities | <b>(4,364,764)</b>  | 52,988,973          | (57,353,737)  | -108%       |
| Net Increase (Decrease) in Cash & Cash Equivalents | <b>(48,661,719)</b> | 79,229,622          | (127,891,341) | -161%       |
| Cash & Cash Equivalents, Beginning                 | <b>47,534,035</b>   | 65,966,411          | (18,432,376)  | -28%        |
| Cash & Cash Equivalents, End                       | <b>101,526,260</b>  | 147,534,035         | (46,007,775)  | -31%        |
|                                                    | <b>DEC 31, 2022</b> | <b>DEC 31, 2021</b> |               |             |
| CURRENT RATIO                                      | <b>1.9</b>          | 2.3                 | (0.4)         | -17%        |
| DEBT-TO-EQUITY RATIO                               | <b>0.7</b>          | 0.6                 | 0.1           | 17%         |

Equity earnings in investees increased by 21% from ₱17.2 bn during 2021 to ₱20.8 bn during 2022. The increase was due to: (i) fresh contributions from GNPD, and (ii) higher earnings of UnionBank. This was partly offset by lower earnings of RCBM) due to weaker demand for cement caused by the pre-election construction ban and post-election transition, global commodity price increase of steel, other construction materials and higher input costs of fuel and electricity. RCBM also benefited in 2021 from a one-time gain from the CREATE Act which reduced its deferred tax liabilities.

Consolidated EBITDA translated into substantial cash inflows coming from the Subsidiaries' operations. These inflows, coupled with dividends received from Associates and Joint Ventures are the main source of internally-generated funds, which are then used to finance capital expenditures, additional investments into associates, dividends and debt service payments.

With net debt increasing more than total equity during the 12 months of 2022, Net Debt-to-Equity ratio as of December 31, 2022 increased to 0.7x from end-2021's 0.6x. The Current Ratio as of December 31, 2022 was at 1.9x, a decline from the end-2021 level of 2.3x as the increase in current liabilities outpaced the increase in current assets.

## **REVIEW OF JANUARY-DECEMBER 2022 OPERATIONS COMPARED TO JANUARY-DECEMBER 2021**

### **RESULTS OF OPERATIONS**

For the 12-month period ended 31 December 2022, AEV and its Subsidiaries posted a net income attributable to the equity holders of Parent Company ("Net Income to Equity Holders of AEV") of ₱24.0 bn, a 8% decrease year-on-year ("YoY"). This translated to earnings per share of ₱4.27 for the period in review. The Power Group accounted for the bulk of the income contributions to AEV at 61%, followed by the Banking and Financial Services, Real Estate, Food, and Infrastructure Groups at 28%, 11%, 0%, and -1%, respectively.

During 2022, the Group generated non-recurring gains of ₱3.5 bn primarily due to the foreign exchange gains from the revaluation of dollar-denominated assets, compared to ₱527 mn non-recurring gains recorded in 2021. Without these one-off losses, the Group's core net income for 2022 was ₱20.5 bn, 20% lower YoY. AEV recorded a 6% increase in consolidated EBITDA for 2022 compared to 2021, from ₱67.2 bn to ₱71.1 bn.

### **MATERIAL CHANGES IN LINE ITEMS OF REGISTRANT'S STATEMENTS OF INCOME AND OF COMPREHENSIVE INCOME**

The following discussion describes material changes in the line items of the Company's statement of income and of comprehensive income for 2022 compared to 2021.

#### **Revenues**

##### *Sale of Power*

The Group's revenue from sale of power by Power Group increased by 44% or ₱59.6 bn, from ₱134.0 bn in 2021 to ₱193.6 bn in 2022. The increase was primarily attributable to higher availability of AboitizPower's generation units. The Group's sale of power comprised 60% and 63% as a percentage of total revenues in 2021 and in 2022, respectively.

##### *Sale of Goods*

The Group's revenue from sale of goods increased by 25% or ₱20.5 bn, from ₱83.1 bn in 2021 to ₱103.6 bn in 2022. The increase was primarily due to higher feeds selling prices. The Group's sale of goods comprised 37% and 34% as a percentage of total revenues in 2021 and in 2022, respectively.

##### *Real Estate*

The Group's revenue from real estate increased by 48% or ₱2.4 bn, from ₱4.9 bn in 2021 to ₱7.3 bn in 2022. The increase was attributable to Lima Land's higher industrial lot sales and AboitizLand's higher revenue recognition following increased construction activity for its residential business, significant site development completion, as well as increased sales with high spot cash payments. As a percentage of total revenues, the Group's revenue from real estate comprised 2% in both 2021 and in 2022.

##### *Other Revenues*

The Group's combined revenue from the sale of swine, service fees and other sources increased by 19% or ₱0.4 bn, from ₱1.9 bn in 2021 to ₱2.2 bn in 2022. This increase was mainly due to higher service fees. As a percentage of total revenues, the Group's other revenues comprised 1% in both 2021 and in 2022.

#### **Costs and Expenses**

##### *Cost of Generated and Purchased Power*

The Group's cost of generated and purchased power increased by 73% or ₱55.0 bn, from ₱75.0 bn in 2021 to ₱130.0 bn in 2022. The increase was primarily attributable to higher volume of power generated and purchased power rates driven by higher WESM prices. As a percentage of total costs and expenses, the Group's cost of generated and purchased power comprised 39% and 48% in 2021 and in 2022, respectively.

#### *Cost of Goods Sold*

The Group's cost of goods sold increased by 27% or ₱19.8 bn, from ₱73.6 bn in 2021 to ₱93.4 bn in 2022. The increase was mainly attributable to higher raw materials cost of the Food Group. As a percentage of total costs and expenses, the Group's cost of goods sold comprised 39% and 34% in 2021 and in 2022, respectively.

#### *Operating Expenses*

The Group's operating expenses increased by 11% or ₱4.4 bn, from ₱39.9 bn in 2021 to ₱44.3 bn in 2022. The increase was primarily attributable to higher personnel costs, higher depreciation and amortization expense, higher expenses for insurance and repairs and maintenance of the Group's power plants. As a percentage of total costs and expenses, the Group's operating expenses comprised 21% and 16% in 2021 and in 2022, respectively.

#### *Cost of Real Estate Sales*

For 2022, the Group's cost of real estate sales increased by 73% or ₱1.7 bn, from ₱2.3 bn in 2021 to ₱4.1 bn in 2022. The increase was mainly driven by higher real estate sales. As a percentage of total costs and expenses, the Group's cost of real estate sales comprised 1% in both 2021 and in 2022.

### **Operating Profit**

As a result of the foregoing, the Group's operating profit increased by 6% or ₱1.9 bn, from ₱33.1 bn in 2021 to ₱35.0 bn in 2022.

### **Income Before Income Tax**

The Group's income before income tax increased by 19% or ₱7.0 bn, from ₱37.0 bn in 2021 to ₱44.0 bn in 2022. The increase was mainly due to higher operating profit, higher equity earnings and foreign exchange gains.

### **Net Income**

Net income attributable to non-controlling interests (NCI) for 2022 increased to ₱14.6 bn from ₱6.3 bn in 2021. This was primarily due to the increase in NCI as a result of the sale of shares of AboitizPower.

As a result of the foregoing, the Group's Net Income to Equity Holders of AEV decreased by 9% or ₱2.5 bn, from ₱26.1 bn in 2021 to ₱24.0 bn in 2022.

## **STRATEGIC BUSINESS UNITS**

The following discussion describes the performance of the Group's SBUs for 2022 compared to 2021.

### **Power**

For 2022, the Power Group's contribution to Net Income to Equity Holders of AEV, before elimination of transactions within the Group, was ₱13.5 bn, an 9% decrease from ₱14.8 bn in 2021.

Before elimination of transactions within the Group, the combined contribution of AboitizPower's Power Generation and Retail Electricity Supply businesses to Net Income to Equity Holders of AEV decreased by 12%, from ₱16.9 bn in 2021 to ₱14.8 bn in 2022. The variance was primarily due the

lower equity ownership of AEV in AboitizPower, which offset the impact of fresh contributions from GNPD, higher availability across its portfolio, higher water inflow, and gains from commodity hedges.

Capacity sold increased from 3,742 MW for 2021 to 4,034 MW for 2022. Energy sold in 2022 increased by 16% to 30,251 GWh from 26,031 GWh in 2021.

Before elimination of transactions within the Group, the contribution to Net Income to Equity Holders of AEV of AboitizPower's Power Distribution Group decreased by 29% from ₱3.1 bn in 2021 to ₱2.2 bn in 2022. This decrease was mainly driven by the lower equity ownership of AEV in AboitizPower, which offset the impact of higher energy consumption resulting from recoveries in demand. Energy sales increased by 4% to 5,785 GWh during 2022 from 5,583 GWh in 2021.

### **Banking & Financial Services**

UnionBank's contribution to Net Income to Equity Holders of AEV was ₱6.3 bn in 2022, which is flat YoY. UnionBank sustained the same net income level YoY due to the strong growth of its core revenues in 2022, which offset that fact that the Bank experienced extraordinary non-recurring trading gains during the first half of 2021. Net interest income increased YoY due to higher margins and volume, and fees-based income likewise grew largely due to the consolidation of the acquired Citi consumer business, as well as growing digital customer transactions.

### **Food**

Before elimination of transactions within the Group, the contribution to Net Income to Equity Holders of AEV from the Food Group decreased to ₱14 mn loss in 2022, compared to ₱2.0 bn income in 2021.

The Food and Nutrition segment, which consists of the flour, farms, meats, and trading divisions, recorded a net loss of ₱416 mn in 2022, 153% lower YoY. The decrease was primarily due to (i) the impact of the African Swine Fever to the farms division, (ii) lower income tax holiday incentives recognized by the farms division in 2022 compared to the previous year, (iii) weaker margins in the flour division, and (iv) higher foreign exchange losses due to the depreciation of the Peso impacting its US Dollar denominated payables from raw material purchases.

The Agribusiness segment, which consists of the regional animal nutrition businesses (feed, petfood, and specialty nutrition), reported a net loss of ₱78 mn in 2022, 107% lower YoY. The decrease was due to the recognition of unrealized foreign exchange losses from the devaluation of the Sri Lankan Rupee and goodwill impairment of the Sri Lanka and Thailand operations.

### **Real Estate**

The contribution of AboitizLand and Lima Land to Net Income to Equity Holders of AEV in 2022, before elimination of transactions within the Group, amounted to ₱2.6 bn in 2022, which is flat YoY. The residential business had a significant increase in its revenue contribution YoY due to increased house construction activity, significant site development completion, and strong sales with spot cash payments, which offset the gains from asset monetization and fair valuation gains on investment properties in 2021.

### **Infrastructure**

Before elimination of transactions within the Group, the Infrastructure Group recorded a contribution to Net Income to Equity Holders of AEV amounting to ₱144 mn loss in 2022, compared to ₱1.4 bn income in 2021. The decrease was mainly due to the lower contribution of the RCBM Group which amounted to a loss of ₱323 mn in 2022 compared to income of ₱1.6 bn in 2022. This was mainly due to weaker demand for cement caused by the pre-election construction ban and post-election transition, global commodity price increase of steel, other construction materials and higher input costs of fuel and electricity. RCBM also benefited from a one-time gain brought about by the CREATE Act which reduced its deferred tax liabilities in 2021.



## CHANGES IN REGISTRANT'S RESOURCES, LIABILITIES AND SHAREHOLDERS' EQUITY

### Assets

Consolidated assets (as of 31 December 2022 compared to 31 December 2021) increased by 10% to ₱807.8 bn, due to the following:

- Trade and other receivables (current and noncurrent) increased by 27% (₱61.6 bn as of 31 December 2022 compared to ₱48.4 bn as of 31 December, 2021) mainly due to higher receivables from customers of the Power, Food, and Real Estate Groups as a result of higher revenues.
- Inventories increased by 44% (₱46.2 bn as of 31 December 2022 compared to ₱32.0 bn as of 31 December 2021) mainly due to higher spare parts, supplies and fuel inventory of the Power Group, higher raw materials inventory of the Food Group, and higher real estate inventory.
- Investment Property increased by 18% (₱14.4 bn as of 31 December 2022 compared to ₱12.2 bn as of 31 December 2021) mainly due to improvements in land and ongoing construction in the properties for leasing operations, and upward fair valuation adjustments on investment properties.
- Investments in and Advances to Associates and Joint Ventures increased by ₱41.0 bn (₱195.9 bn as of 31 December 2022 compared to ₱154.8 bn as of 31 December 2021) mainly due to (i) ₱20.2 bn additional investment in UnionBank, (ii) ₱9.5 bn investment in GMCAC, (iii) ₱1.0 bn investment in other Associates, and (iv) the recording of ₱20.8 bn share in net earnings of Associates and Joint Ventures. This increase was partially reduced by the ₱5.1 bn other comprehensive losses and ₱5.3 bn dividends from Associates and Joint Ventures.
- Other Current Assets increased by 82% (₱46.3 bn as of 31 December 2022 compared to ₱25.4 bn as of 31 December 2021) primarily due to the increase in short-term cash deposits, insurance assets, restricted cash and prepaid expenses.
- Derivative Assets (net of Derivative liabilities, current and noncurrent) increased by 2191% (₱2.4 bn as of 31 December 2022 compared to ₱105 mn as of 31 December 2021) mainly due to the Power Group's hedging gains.
- Intangible Assets increased by 10% (₱78.4 bn as of 31 December 2021 compared to ₱74.3 bn as of 31 December 2021) mainly due to the forex revaluation of goodwill and additions to service concession rights relating to Apo Agua Bulk Water project, partly offset by amortization of existing assets.
- Other Noncurrent Assets increased by 123% (₱33.7 bn as of 31 December 2022 compared to ₱15.1 bn as of 31 December 2021) primarily due increase in exchangeable notes as part of the GMCAC purchase, financial assets at fair value through other comprehensive income (FVOCI), and advances to contractors and projects.

The above increases were offset by the 31% decrease in cash and cash equivalents (₱101.5 bn as of 31 December 2022 compared to ₱147.5 bn as of 31 December 2021) mainly due to the movement of cash to short-term cash deposits, investments in Associates , debt servicing, and dividend payments.

### Liabilities

Total Liabilities (as of 31 December 2022 compared to 31 December 2021) increased by 12% to ₱455.8 bn due to the following:

- Bank loans increased by 28% (₱45.4 bn as of 31 December 2022 compared to ₱35.4 bn as of 31 December 2021) mainly due to short-term debt availments by the Power and Food Groups during 2022.

- Long-term debt, which includes both current and noncurrent portions, increased by 12% (₱303.5 bn as of 31 December 2022 compared to ₱271.7 bn as of 31 December 2021) mainly due to the following: (i) issuance of retail bonds by AEV and AboitizPower amounting to ₱30.0 bn, and (ii) ₱35.6 bn of loan availments by Subsidiaries. This was partly offset by the prepayment of US Dollar loan of AEV International and AboitizPower, and principal payments made on existing loans during 2022.
- Long-term obligation on Power Distribution System, which includes current and noncurrent portions, decreased by 12% (₱145 mn as of 31 December 2022 compared to ₱166 mn as of 31 December 2021) as regular annual payments were made.
- Lease liabilities, which includes current and noncurrent portions, decreased by 19% (₱27.9 bn as of 31 December 2022 compared to ₱34.3 bn as of 31 December 2021) due to TLI's payment on its obligation to PSALM during 2022.
- Trade and other payables, inclusive of noncurrent portion, increased by 29% (₱60.5 bn as of 31 December 2022 compared to ₱46.8 bn as of 31 December 2021) mainly due the increase of trade and fuel purchases in the Power Group.
- Income tax payable increased by 45%, from ₱382 mn as of 31 December 2021 to ₱556 mn as of 31 December 2022 mainly due to higher taxable income.
- Customers' deposits increased by 13%, from ₱7.4 bn as of 31 December 2021 to ₱8.3 bn as of 31 December 2022, mainly due to the Power Group's receipt of bill deposits from new customers.
- Deferred Income Tax Liabilities (net of Deferred income tax assets) increased by 253% (₱791 mn as of 31 December 2022 compared to ₱2.8 bn as of 31 December 2021) due to forex gains of AEV Parent.
- Pension Liabilities (net of Pension assets) increased by 35% (₱269 mn as of 31 December 2022 compared to ₱200 mn as of 31 December 2021) mainly due to actuarial gains.

## Equity

Equity attributable to equity holders of the parent (as of 31 December 2022 compared to 31 December 2021) increased by ₱11.5 bn from ₱244.7 bn to ₱256.2 bn, due to the ₱24.8 bn net income recorded during the year.

These are partly offset by the following:

- ₱9.1 bn cash dividends paid during 2022, and
- ₱4.2 bn in cumulative translation adjustments and other comprehensive losses.

## MATERIAL CHANGES IN LIQUIDITY AND CASH RESERVES OF REGISTRANT

For 2022, the Group continued to support its liquidity mainly from cash generated from operations, additional loans availed, dividends received from Associates and Joint Ventures

Compared to the cash inflow during 2021, consolidated cash generated from operating activities for 2022 decreased by ₱6.1 bn to ₱30.2 bn. The decrease was mainly due to higher working capital requirements partly offset by higher earnings before interest, depreciation and amortization.

As of 31 December 2022, ₱74.5 bn net cash was used in investing activities compared to ₱10.1 bn during 2021. For the current period, cash was used for the following: (i) ₱13.9 bn was invested in short-term cash deposits to maximize interest income, (ii) ₱30.7 bn was invested in Associates, (iii) ₱15.5 bn was used for the exchangeable notes issued and, (iv) ₱16.2 bn was spent for property, plant and equipment and investment properties.

Net cash used in financing activities was ₱4.4 bn for 2022 compared to ₱53.0 bn generated in 2021. This was largely attributed to higher dividends paid in 2022, compared to receipt of proceeds from the sale of non-controlling interest in AboitizPower to JERA during 2021.

For 2022, net cash outflows surpassed cash inflows, resulting in a 31% decrease in cash and cash equivalents from ₱147.5 bn as of year-end 2021 to ₱101.5 bn as of 31 December 2022.

## FINANCIAL RATIOS

AEV's Current Ratio as of 31 December 2022 stood at 1.9x compared to end-2021's 2.3x as the increase in current liabilities outpaced the increase in current assets. Net Debt-to-Equity ratio increased to 0.7:1 as of 31 December 2022 from year-end 2021's 0.6:1, as the rise in net debt was more than the growth in equity.

### Item 7. Financial Statements

The audited consolidated financial statements of AEV will be incorporated herein by reference. The schedules listed in the accompanying Index to Supplementary Schedules will be filed as part of the Information Statement.

### Item 8. Information on Independent Accountant and Other Related Matters

#### (A) External Audit Fees

The following table sets out the aggregate fees paid by the Company for each of the last two years for professional fees rendered by SGV:

| Fee Type                              | Year ended 31 December 2024 | Year ended 31 December 2023 |
|---------------------------------------|-----------------------------|-----------------------------|
| <b>Audit and Audit Related Fees</b>   |                             |                             |
| Audit Fees                            | ₱625,000.00                 | ₱575,000.00                 |
| Audit-Related Fees                    | 3,457,500.00                | 11,257,500.00               |
|                                       |                             |                             |
| <b>Total</b>                          | <b>₱4,082,500.00</b>        | <b>₱11,832,500.00</b>       |
| <b>Non-Audit Service Fees</b>         |                             |                             |
| Other Assurance Fees                  | ₱3,307,500.00-              | ₱3,480,935.00               |
| Consultancy Fees                      | 2,240,870.00                | ₱53,195.00                  |
| <b>Total</b>                          | <b>₱5,548,370.00</b>        | <b>₱3,534,130.00</b>        |
| <b>Total Audit and Non-Audit Fees</b> | <b>₱9,630,870.00</b>        | <b>₱15,366,630.00</b>       |

The audit-related fees include assurance and services that are related to the review of AEV's financial statements pursuant to its bond issuances. In 2024, non-audit fees were incurred for services related to tax compliance, including the preparation of tax forms and transfer pricing documentation, as well as for a cybersecurity threat assessment engagement.

As a policy, the Board Audit Committee makes recommendations to the Board concerning the choice of external auditor and pre-approves audit plans, scope, and frequency before the audit is conducted.

Audit services of external auditors for the years 2024 and 2023 were pre-approved by the Board Audit Committee. The Committee also reviewed the extent and nature of these services to ensure that the independence of the external auditors is preserved.

#### (B) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has engaged the services of SGV during the two most recent fiscal years. There are no disagreements with SGV on accounting and financial disclosure.

## PART III – CORPORATE GOVERNANCE

With just one year remaining before the Great Transformation 2025, AEV has made significant strides in defining and shaping its role as an active portfolio manager. Anchored in its vision to become the Philippines' first *techglomerate*, AEV continues to harness technology, innovation, and collaboration to drive progress and create meaningful impact for businesses and communities alike.

Guiding this Great Transformation is AEV's Board of Directors, whose unwavering commitment to sound corporate governance enables the Group to be agile, resilient, and future-ready. By upholding the highest standards of ethical leadership, transparency, and strategic oversight, the Board lays the foundation for AEV to navigate complexity, seize emerging opportunities, and deliver sustainable value for all stakeholders.

Notable accomplishments of the AEV Board for the year 2024 are as follows:

- Approved the Group Governance Guidelines to further clarify and define the role of AEV as a portfolio manager and its SBUs.
- Continued to assess the Aboitiz Group's short-term and long-term business strategies to operationalize and direct its growth aspirations towards its story of the Great Transformation.
- Reviewed and ensured the sufficiency of the internal controls system and enterprise risk management framework of AEV.
- Authorized and held AEV's Virtual Annual Stockholders' Meeting for the fifth consecutive year.
- Reviewed and approved the amendments to the Board and Committee Charters.
- Conducted monthly virtual learning sessions to comply with the SEC-mandated annual Corporate Governance Seminar and implement the Company's continuous learning program for the Company's directors and officers.

### ***Stockholders Rights and Equitable Treatment***

AEV is committed to upholding the fundamental rights of its stockholders by ensuring transparency, inclusivity, and fairness in its corporate governance framework. This commitment is reflected in policies and initiatives that empower all stockholders —regardless of the size of their holdings—to actively participate in decision-making processes, access material information, and receive equitable treatment in all aspects of their ownership.

### **Stockholders' Rights**

Stockholders of AEV are entitled to the following key rights:

- *Right to Attend and Participate in Stockholders' Meetings* – Stockholders receive timely notices of annual and special stockholders' meetings, enabling them to participate in discussions, ask questions, and vote on corporate matters based on the one-share, one-vote policy.
- *Right to Vote* – Stockholders may vote in person, in absentia, or through proxy, ensuring their voices are heard in company affairs.
- *Right to Nominate and Elect Directors* – Shareholders may nominate and elect members of the Board, including via cumulative voting, and may also remove or replace directors when necessary.
- *Right to Access Corporate Records* – Stockholders may inspect corporate books and records, including financial statements, in accordance with relevant laws and regulations.
- *Right to Dividends* – Stockholders are entitled to receive dividends proportionate to their shareholdings, subject to applicable policies and regulatory requirements.
- *Right to Ratify Corporate Actions* – Shareholders may approve major corporate decisions, including amendments to governance policies, mergers, and acquisitions.
- *Right to be Informed* – Stockholders are provided with timely and comprehensive disclosures on the company's financial and operational performance, as well as material corporate actions that may affect their investments

### *Right to Actively Participate at Stockholders Meetings*

AEV remains steadfast in its commitment to ensuring transparency, fairness, and inclusivity in its Annual and Special Stockholders' Meetings (ASMs). It upholds stockholders' rights by providing timely and accurate information, enabling them to make well-informed decisions.

To facilitate informed participation, AEV includes comprehensive financial, non-financial, and operational performance summaries of the Company, its Subsidiaries, and Associates in its Information Statements and Annual Reports. These essential documents are distributed ahead of ASMs and are readily accessible on the Company's website. Additionally, AEV ensures full disclosure by providing stockholders with Director profiles—covering both new and incumbent members—along with a summary of Board and Board Committee performance assessments, attendance records, compensation details, and key achievements for the year.

AEV enhances accessibility by publishing ASM notices in at least two widely circulated newspapers at least 21 days before the meeting. These notices include quick response (QR) codes linking directly to the Definitive Information Statements, ensuring seamless access to relevant materials. Furthermore, stockholders receive meeting notices at least 28 days in advance, outlining all agenda items for discussion. No new items are introduced during the meeting, and the notices explicitly state the rationale behind each agenda item, fostering transparency and accountability.

Recognizing the importance of convenience and inclusivity, AEV provides accessible platforms for stockholders to attend and participate in ASMs. In 2024, for the fifth consecutive year, AEV conducted a fully digital stockholders' meeting, allowing stockholders to cast their votes through remote communication or via an online voting portal at least a month before the scheduled meeting.

Stockholder engagement is further reinforced through an open forum during meetings, where stockholders can raise concerns, ask questions, and provide feedback on business matters via the ASM online portal or live interaction when time permits. There are no restrictions on communication between stockholders, Directors, or the Corporate Secretary, ensuring a free and open exchange of ideas.

AEV's commitment to transparency extends beyond the meeting itself. Meeting minutes—documenting key discussions, questions raised, responses provided, issues addressed, motions made, agreements reached, and voting results—are published on the Company's website under the Investor Relations page by the next working day. Additionally, all approved items are promptly disclosed to the Philippine Stock Exchange (PSE), the Philippine Dealing & Exchange Corp. (PDEX), and the Securities and Exchange Commission (SEC) by the following business day.

As part of its ongoing efforts to strengthen stockholder engagement, AEV has various communication channels through its Investor Relations Office and its external stock transfer service provider, Stock Transfer Service, Inc. This commitment underscores AEV's dedication to fostering an open, transparent, and participatory corporate governance framework.

For a more detailed discussion on the other rights of the stockholders of the Company, please refer to the 2024 Consolidated Annual and Sustainability Report, the 2024 Integrated Annual Corporate Governance Report (IACGR), and the Governance page of the AEV website, which will become available at [www.aboitz.com](http://www.aboitz.com) on or before 30 May 2025.

## **BOARD MATTERS**

### ***Board of Directors***

The Board plays a pivotal role in shaping and overseeing the Group's corporate governance framework. Operating independently from management, its members are dedicated to driving long-term success while ensuring the Group's sustained growth, competitiveness, and sustainability. As stewards of the Group's purpose, vision, and mission, the Directors actively define, assess, and refine strategies to achieve corporate



objectives. They ensure that the strategic direction of the Group's businesses aligns with its overarching goals, particularly in realizing the **Great Transformation**.

In adherence to global best practices, the Board is also responsible for establishing and monitoring the Group's commitment to Environmental, Social, and Governance (ESG) principles. This commitment underscores the Group's dedication to responsible and sustainable business practices, ensuring its leadership in an evolving global landscape.

Individually and collectively, the members of the AEV Board are expected to uphold and embody the **Aboitiz core values**, fostering a culture of integrity, accountability, and transformative leadership in pursuit of the Group's long-term aspirations.

In 2024, the AEV Board had three Independent Directors, five Non-Executive Directors, and one Executive Director. The Chairman of the AEV Board, Mr. Enrique M. Aboitiz, is a highly experienced Non-Executive Director. As a Non-Executive Director, he is not involved in the Company's day-to-day operations, which enables him to focus on ensuring that the AEV Board properly discharges its duties and responsibilities. In 2024, the AEV Board appointed Mr. Cesar G. Romero as Lead Independent Director, a highly qualified professional who is familiar with the operations of AEV, and the industries it does business in.

The members of the AEV Board are the following:

| ABOITIZ EQUITY VENTURES INC.'S BOARD OF DIRECTORS           |                                   |                       |        |                                                                                               |                                                                                                                                 |
|-------------------------------------------------------------|-----------------------------------|-----------------------|--------|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Director<br>(Age, Nationality)                              | Designation<br>/Directorship      | Year First<br>Elected | Tenure | Board and Committee<br>Memberships and % of<br>Attendance for 2024                            | Directorships in Other<br>Listed Philippine<br>Companies Outside the<br>Aboitiz Group                                           |
| <b>ENRIQUE M. ABOITIZ</b><br>71 years old<br>Filipino       | Chairman of<br>the Board<br>(NED) | 10 May 1999           | 25     | (C) BOD (83%)<br>(M) ExCom (n.a)<br>(M) SGRPT (67%)<br>(M) Cyber (67%)                        | None                                                                                                                            |
| <b>MIKEL A. ABOITIZ</b><br>70 years old<br>Filipino         | Vice-Chairman<br>(NED)            | 15 May 2017           | 7      | (VC) BOD (89%)<br>(M) ExCom (n.a)                                                             | None                                                                                                                            |
| <b>ERRAMON I. ABOITIZ</b><br>68 years old<br>Filipino       | Director (NED)                    | 9 May 1994            | 30     | (M) BOD (100%)<br>(C) Risk (100%)<br>(M) ExCom (n.a)<br>(M) AudCom (100%)<br>(M) Cyber (100%) | None                                                                                                                            |
| <b>SABIN M. ABOITIZ</b><br>60 years old<br>Filipino         | President and<br>CEO (ED)         | 21 May 2018           | 6      | (M) BOD (100%)<br>(C) ExCom (n.a)<br>(M) SGRPT (100%)<br>(M) Risk (67%)                       | None                                                                                                                            |
| <b>ANA MARIA A.<br/>DELGADO</b><br>44 years old<br>Filipino | Director (NED)                    | 11 December<br>2018   | 6      | (M) BOD (94%)<br>(M) AudCom (75%)                                                             | None                                                                                                                            |
| <b>JUSTO A. ORTIZ</b><br>67 years old<br>Filipino           | Director (NED)                    | 9 May 1994            | 27     | (M) BOD (100%)<br>(C) Cyber (100%)<br>(M) ExCom (n.a)                                         | None                                                                                                                            |
| <b>CESAR G. ROMERO</b><br>59 years old<br>Filipino          | Lead<br>Independent<br>Director   | 25 April 2022         | 2      | (M) BOD (100%)<br>(C) AudCom (100%)<br>(C) SGRPT (100%)<br>(M) Risk (100%)<br>(M) RPT (100%)  | <ul style="list-style-type: none"> <li>Robinsons Retail Holdings, Inc.</li> </ul>                                               |
| <b>JOANNE G. DE ASIS</b><br>74 years old<br>Filipino        | Independent<br>Director           | 26 April 2021         | 3      | (M) BOD (94%)<br>(C) RPT (100%)<br>(M) AudCom (100%)<br>(M) SGRPT (100%)<br>(M) Risk (100%)   | <ul style="list-style-type: none"> <li>EasyCall Communications Philippines Inc. (ID)</li> <li>Del Monte Pacific Ltd.</li> </ul> |



|                                                     |                         |                    |   |                                                                                                                  |      |
|-----------------------------------------------------|-------------------------|--------------------|---|------------------------------------------------------------------------------------------------------------------|------|
|                                                     |                         |                    |   | (M) Cyber (100%)                                                                                                 |      |
| <b>PETER D. MAQUERA</b><br>62 years old<br>Filipino | Independent<br>Director | 26 October<br>2023 | 1 | (M) BOD (100%)<br>(M) Cyber (100%)<br>(M) AudCom (n.a.)<br>(M) SGRPT (n.a.)<br>(M) Risk (n.a.)<br>(M) RPT (n.a.) | None |

Legend: C- Chairman; VC – Vice Chairman; M – Member; –D - Independent Director; NED - Non-Executive Director; Ex - Executive Director; BOD - Board of Directors; SGRPT - Board Sustainability, Governance, and Related Party Transactions Committee; ExCom - Board Executive Committee; AudCom - Board Audit Committee; Risk - Board Risk and Reputation Management Committee; RPT - Board Related Party Transactions Committee; Cyber - Board Cyber and Information Security Committee

### Board Performance

In 2024, the Chairman of the AEV Board led the conduct of the following performance review and assessment:

| Type of Assessment                                                                  | Respondents and Scope                                                                                                                                                                                    | Criteria                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Director Self-Assessment</b><br><i>Completed: September 2024</i>              | <b>Respondents:</b> Members of the Board<br><br><b>Scope:</b> Individual and the collective performance of the members of the Board and Board committees.                                                | (1) compliance with best governance practices and principles;<br>(2) participation and contribution to the Board and committee meetings; and<br>(3) performance of their duties and responsibilities as provided in the company's Revised Manuals, Charters, Amended Articles, and Amended By-Laws. |
| <b>2. Key Officers Evaluation</b><br><i>Completed: September 2024</i>               | <b>Respondents:</b> Members of the Board<br><br><b>Scope:</b> Chairman of the Board, Chief Executive Officer, Internal Audit Head, Chief Risk Officer, Corporate Secretary, and Chief Compliance Officer |                                                                                                                                                                                                                                                                                                     |
| <b>3. Director Evaluation</b><br><i>Completed: September 2024</i>                   | <b>Respondents:</b> Executive Officers<br><br><b>Scope:</b> Members of the Board and Board Committees                                                                                                    | (1) business acumen, (2) independent judgment, (3) familiarity with the business, (4) active participation and effective challenge, (5) professional expertise and network, (6) value contribution, (7) embodiment of Aboitiz core values, and (8) goodwill and reputation.                         |
| <b>4. Board and Committee Charter Assessment</b><br><i>Completed: December 2024</i> | <b>Respondents:</b> Board and Committee Members                                                                                                                                                          | (1) Membership and composition, (2) duties and responsibilities, (3) conduct of meetings, (4) support and resources                                                                                                                                                                                 |

In addition, the Corporate Governance Code requires that at least once in every three years, the conduct of the Board performance assessment must be supported by an independent third-party facilitator. AEV complied with this requirement in 2023 with the engagement of Complete Coherence, a leadership development and coaching company based in the United Kingdom. The results of the assessment, as well as the recommendations from Complete Coherence, were presented and discussed at the Board meeting on 12 December 2023.

### Board Committees

The different Board committees - Audit, Environmental, Social, and Corporate Governance (now Sustainability, Governance and Related Party Transactions), Risk and Reputation Management, Executive Committee, and the Cyber and Information Security Committee - report regularly to the Board and are crucial in maintaining Board oversight in key management areas.

The mandate of each Board committee, including key accomplishments in 2024, are described below:

- a. The **Sustainability, Governance, and Related Party Transactions (SGRPT) Committee** plays a vital role in overseeing the Group's commitment to sustainability, good governance, and transparency. In 2024, the AEV Board approved the integration of the Environmental, Social, and Corporate Governance (ESCG) Committee and the Related Party Transactions (RPT) Committee to streamline oversight and enhance governance efficiency. The SGRPT Committee ensures responsible environmental stewardship, meaningful social development, sound corporate governance, and fair related party transactions while also fulfilling the functions of the Nomination and Remuneration Committees. Supported by Ex-Officio Members from compliance, human resources, sustainability, and external relations, the Committee benefits from expert insights to align governance decisions with the Group's strategic objectives. In 2024, the voting members of the Committee were composed of all the three (3) Independent Directors, one (1) Non-Executive Director who is the Chairman of the Board, and (1) Executive Director. The Chairman of the Committee is an Independent Director who is not a chairman of any other committee.

**Key Areas of Focus in 2024**

|                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Environmental and Social</b>        | <ul style="list-style-type: none"> <li>Updated the OneNewAboitiz Sustainability Playbook and monitored the progress of the Group-wide ESG Materiality Re-assessment.</li> <li>Completed the prefeasibility stage of the Aboitiz CarbonPH Project</li> <li>Ensured that the company's ESG programs were implemented.</li> <li>Continued to monitor the implementation of the Group's 10-year Aboitiz ESG Roadmap.</li> </ul>                                                                                                                                                                                               |
| <b>Compliance</b>                      | <ul style="list-style-type: none"> <li>Reviewed and monitored AEV's compliance with new laws and regulations</li> <li>Reviewed and monitored the status of whistleblowing reports.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Corporate Governance</b>            | <ul style="list-style-type: none"> <li>Approved the integration of the Board Related Party Transactions Committee into the Board Environmental, Social, and Corporate Governance Committee, and renaming the latter Board Sustainability, Governance, and Related Party Transactions Committee.</li> </ul>                                                                                                                                                                                                                                                                                                                |
| <b>Nomination and Compensation</b>     | <ul style="list-style-type: none"> <li>Ensured that the nomination, selection, election, remuneration, and assessment of each company's directors and officers are aligned with the Revised Manual on Corporate Governance.</li> <li>Approved the final list of nominees for directors for election after reviewing all the qualifications as provided in the Amended By-Laws, Revised Manuals, and other relevant SEC rules.</li> <li>Reviewed the qualifications of all persons nominated to appointed positions by the Board.</li> <li>Reviewed and approved the 2024 Group-wide merit increase guidelines.</li> </ul> |
| <b>Completion of RPT Certification</b> | <ul style="list-style-type: none"> <li>Updated and monitored compliance with the submission of the RPT Certification by Directors and Key Officers of AEV to comply with relevant BIR regulations on the reporting guidelines for transactions of individuals and juridical entities with related parties</li> <li>Monitored the compliance of AEV with BIR's reportorial requirements and SEC requirements</li> </ul>                                                                                                                                                                                                    |
| <b>Fairness of RPTs</b>                | <ul style="list-style-type: none"> <li>Continued to ensure that RPTs are on an arm's length basis and within market rates, with sufficient documentation, and coursed through the appropriate levels of approval</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                               |

- b. The **Board Audit Committee** serves as the Board's representative in overseeing audit-related matters, ensuring transparency, accountability, and robust financial governance across the Group. Composed primarily of Independent Directors, including its Chairman, the Committee upholds objectivity and independent oversight. The Chief Financial Officer (CFO) and the Internal Audit Head, who functions as the Chief Audit Executive, regularly attend meetings as resource persons, providing critical insights into financial and audit matters. To reinforce its independence, the Committee holds executive sessions at the end of each meeting, convening without the presence of management to facilitate candid discussions and

strengthen oversight effectiveness. In 2024, the Committee was composed of all the three (3) Independent Directors and two (2) Non-Executive Directors. The Chairman of the Committee is the Lead Independent Director who is not a chairman of any other Board Committees.

#### Key Areas of Focus in 2024

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial Reports</b> | <ul style="list-style-type: none"> <li>Reviewed, discussed, and approved for public disclosure the quarterly unaudited consolidated financial statements in 2024</li> <li>Endorsed for approval by the full Board the 2023 annual audited financial statements of AEV, its Subsidiaries and Affiliates.</li> </ul>                                                                                                          |
| <b>External Auditors</b> | <ul style="list-style-type: none"> <li>Reviewed the performance of SGV as AEV's external auditor.</li> <li>Endorsed to the Board the appointment of SGV as AEV's External Auditor for 2024.</li> <li>Reviewed and approved the overall scope and audit plan of SGV.</li> <li>Reviewed and approved the audit plan, fees, and terms of engagement, which covers audit and non-audit services provided by SGV.</li> </ul>     |
| <b>Internal Auditors</b> | <ul style="list-style-type: none"> <li>Reviewed and approved the annual audit program for 2024 which also covers the adequacy of resources, qualifications and competency of the staff, and independence of the internal auditor.</li> <li>Confirmed that the internal audit function is executed effectively and internal auditors have conducted their responsibilities objectively and in an unbiased manner.</li> </ul> |
| <b>Committee Charter</b> | <ul style="list-style-type: none"> <li>Updated the Board Audit Committee and Internal Audit Charters to improve the Company's control performance by having an adequate and effective internal control system</li> </ul>                                                                                                                                                                                                    |

- c. The **Board Risk and Reputation Management Committee** provides oversight of the Company's enterprise risk management and reputation management, including its corporate brands and communication strategies. The Committee ensures the establishment and maintenance of a robust risk management framework, supported by a strong governance structure that enables proactive risk identification, mitigation, and response. Through its oversight, the Committee reinforces the Company's commitment to safeguarding its reputation, enhancing stakeholder trust, and aligning risk management practices with the Group's strategic objectives. In 2024, the Risk and Reputation Management Committee of AEV was composed of all the three (3) Independent Directors, one (1) Executive Director, and one (1) Non-Executive director who is also the Chairman of the Committee. The Chairman on the Risk and Reputation Management Committee of AEV is not the Chairman of the Board or any other Board Committees.

#### Key Areas of Focus in 2024

|                                   |                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Enterprise Risk Management</b> | <ul style="list-style-type: none"> <li>Reviewed and discussed AEV's Mid Year and Year-End Top Risks report where Regulatory and Cyber risks respectively took the top spot. Portfolio Risk and Implementation Risk were introduced among the new top risks of AEV as it takes on a more active portfolio and investment management role.</li> </ul> |
| <b>Business Continuity</b>        | <ul style="list-style-type: none"> <li>Updated the Business Continuity Policy to reflect the minimum guardrails for Strategic Business Units in light of the Group's federalization.</li> <li>Monitored Business Continuity Plan Testing of Aboitiz businesses.</li> </ul>                                                                          |
| <b>Risk Finance</b>               | <ul style="list-style-type: none"> <li>Reviewed proposed structure and utilization of AEV's captive insurance vehicle.</li> </ul>                                                                                                                                                                                                                   |
| <b>Reputation</b>                 | <ul style="list-style-type: none"> <li>Updated the committee on the annual reputation management plans, result of brand and reputation surveys of the company.</li> <li>Discussed the Reputation Strategy &amp; ESG Synergy framework.</li> </ul>                                                                                                   |

- d. The **Executive Committee** supports the Board in overseeing the Company's day-to-day operations, ensuring agility in management, strategic decision-making, and adherence to governance policies, particularly during the intervals between Board meetings. The Committee provides a mechanism for swift

and effective decision-making when necessary. However, as the Board convened monthly in 2024, there was no need for Executive Committee meetings during the year.

- e. The **Board Information Security and Cybersecurity Committee** provides strategic direction and oversight in establishing a comprehensive governance framework for information security and cybersecurity across the Company and its strategic business units. This includes ensuring the implementation of robust processes, policies, controls, and management systems to safeguard digital assets, mitigate cyber risks, and uphold the integrity and resilience of the Company's information infrastructure.

#### Key Areas of Focus in 2024

|                                                   |                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Cybersecurity Manual and Committee Charter</b> | <ul style="list-style-type: none"> <li>Reviewed and amended the Committee Charter.</li> </ul>                                                                                                                                                                                                                  |
| <b>Organizational</b>                             | <ul style="list-style-type: none"> <li>Updated the membership to include the Chairman of the Board Risk and Reputation Management Committee as a permanent voting member.</li> </ul>                                                                                                                           |
| <b>Cybersecurity Strategy</b>                     | <ul style="list-style-type: none"> <li>Approved the Guidelines for Federalization of Cybersecurity Management</li> <li>Authorized the CISO Council, in collaboration with the Risk Management Committee to develop guidelines on vendor selection to share best practices across the Aboitiz Group.</li> </ul> |
| <b>Cybersecurity Risks</b>                        | <ul style="list-style-type: none"> <li>Reviewed the Cyber Risk Management Framework.</li> </ul>                                                                                                                                                                                                                |

For a more detailed discussion on the AEV Board and Board Committees matters, please refer to the 2024 Annual Integrated Report Report, the 2024 IACGR, and the Governance page of the AEV website, which will become available at [www.aboitiz.com](http://www.aboitiz.com) on or before 30 May 2025.

## GOVERNANCE PRACTICES

### *Compliance with Governance Policies*

AEV has a Revised Manual and a Code of Ethics and Business Conduct ("Code of Ethics") to guide the attainment of its corporate goals and the implementation of its strategies. The Revised Manual is generally aligned to the principles and recommendations laid down by the SEC under the Corporate Governance Code for Publicly-Listed Companies to further strengthen the Company's corporate governance practices. The Board regularly reviews the Revised Manual to ensure that the same remains relevant and responsive to the needs of the organization. Any amendments to the Revised Manual are promptly submitted to the SEC for confirmation and approval.

The Revised Manual is supported by various company policies that are regularly reviewed and issued by the Board including the Code of Ethics. AEV ensures that its Code of Ethics is cascaded to new team members as part of their onboarding processes. Team members are also required to review the Code of Ethics and to sign an affirmation that they have read and understood the same. In order to support this annual exercise, an e-learning module on the Group's Code of Ethics was developed and is rolled out every year. As part of the Group's commitments in the Code of Ethics, all team members are expected to act professionally, fairly, and with integrity in all of their business dealings, and to comply with all applicable laws and regulations, including those against bribery and corruption.

The Chief Compliance Officer, together with the Human Resources Department, regularly monitors and evaluates compliance by the Board, management, and employees with the Revised Manual, the Code of Ethics, other company policies, and existing laws and regulations. The Chief Compliance Officer also ensures the implementation of AEV's policy against conflicts of interests and the misuse of confidential and proprietary information throughout the organization.

The Chief Compliance Officer regularly reports the Company's compliance status with existing laws and regulations, as well as the Board's, management's and employees' compliance with internal governance policies to the Board SGRPT Committee.

In addition, the Company has a Whistleblowing Policy to support the implementation of the Revised Manual and the Code of Ethics. Through this policy, allegations of violations of the Revised Manual, the Code of Ethics, or of other illegal conduct can be reported through a whistleblowing portal that is managed by an independent third party. Matters reported through the whistleblowing platform are discussed by the Board SGRPT Committee and, if necessary, escalated to the entire Board.

There are no major deviations from the Revised Manual and other governance-related policies as of the date of this report. There were also no corruption-related incidents reported in 2024.

For a full discussion on the Company's corporate governance initiatives, please refer to the 2024 Annual Integrated Report, the 2024 IACGR, and the Governance page of the AEV website, which will become available at [www.aboitiz.com](http://www.aboitiz.com) on or before 30 May 2025.

#### **DISCLOSURE AND TRANSPARENCY**

Pursuant to its commitment to transparency and accountability, AEV's website, [www.aboitiz.com](http://www.aboitiz.com) has its own dedicated corporate governance webpage which serves as a resource center and library for its stakeholders. AEV also publishes a consolidated Annual and Sustainability Report and IACGR on its website at [www.aboitiz.com](http://www.aboitiz.com).

## ANNEX “A”

### EXPLANATION OF AGENDA ITEMS (including Agenda Items requiring Stockholders’ Approval)

**ITEM NO. 1:** The Chairman will formally open the meeting at approximately 11:00 A.M.

**ITEM NO. 2:** **Proof of Notice of Meeting and Determination of Quorum**

**RATIONALE:** *To inform the stockholders that notice requirements for the 2025 Annual Stockholders’ Meeting (“2025 ASM”) have been complied with in accordance with the Company’s Amended By-Laws and the Revised Corporation Code of the Philippines, and that quorum exists for the transaction of business.*

The Corporate Secretary will certify the date when notices for the 2025 ASM were sent out to the stockholders of record, including the dates of publication and the newspapers where the notice was published. The Corporate Secretary will also certify to the existence of a quorum, as verified and confirmed by Luis Cañete & Co., an independent auditing firm. Stockholders representing at least a majority of the outstanding capital stock, present in person or by proxy, shall constitute a quorum for the transaction of business.

Voting shall be through proxy or remote communication or *in absentia*. Pursuant to Section 4, 5 and 6 of the Company’s Amended By-Laws and Sections 23 and 57 of the Revised Corporation Code which allow voting through remote communication or *in absentia*, stockholders may access the link: <https://aboitiz.com/2025asm/> (the “ASM Portal”), to register and vote on the matters at the meeting beginning on 28 March 2025. A stockholder voting *in absentia* shall be deemed present for the purpose of quorum.

Votes may be cast by registered stockholders until 08:00 a.m. of 28 April 2025, which will be tabulated and presented during the 2025 ASM. Stockholders may still vote after the cut-off time, and the final total votes received through proxy and through the ASM Portal will be included in the minutes of the 2025 ASM.

The following are the rules of conduct and procedures for voting and participation in the meeting through remote communication:

1. Stockholders may register and vote at the Company’s ASM Portal beginning 28 March 2025 until 08:00 a.m. on 28 April 2025. Only stockholders as of the record date who registered before the cut-off time will be counted for quorum purposes.
2. Votes cast by registered stockholders until 08:00 a.m. of 28 April 2025 will be tabulated and presented during the 2025 ASM. Stockholders may still vote after the cut-off time, and the final total votes received through proxy and through the ASM Portal will be included in the minutes of the 2025 ASM.
3. The conduct of the 2025 ASM will be livestreamed and registered stockholders may participate through the Company’s ASM Portal.
4. Stockholders may send in their remarks or questions in advance, or during the meeting, through the ASM Portal. The moderator shall read out the remarks or questions, and direct them to the relevant director or officer.
5. Each of the proposed resolutions for approval will be shown on screen at the time they are being taken up at the meeting.
6. All votes received within the cut-off shall be tabulated by the Office of the Corporate Secretary and the results shall be validated by Luis Cañete & Company, an independent auditing firm.



7. The Corporate Secretary shall report the votes received and inform the stockholders if the particular agenda item is carried or disapproved. The total number of votes cast for all items for approval, as of the cut-off time, will be flashed on the screen.

**ITEM NO. 3: Reading and Approval of the Minutes of the Annual Stockholders' Meeting held on 22 April 2024**

**RATIONALE:** *To allow the stockholders to confirm that the proceedings during the ASM were recorded accurately and truthfully.*

The minutes of the stockholders' meetings held on 22 April 2024 was posted at AEV's website, [www.aboitiz.com](http://www.aboitiz.com), on 23 April 2024. Copies of the minutes will also be part of the Information Statement provided to the stockholders.

A resolution approving the minutes of the Annual Stockholders Meeting held on 22 April 2024 will be presented to the stockholders for approval.

**ITEM NO. 4: Presentation of the President's Report.**

**RATIONALE:** *To apprise the stockholders of the Company's operating performance, financial condition and outlook.*

The Company's President and Chief Executive Officer, Mr. Sabin M. Aboitiz, shall deliver a report to the stockholders on the 2024 operating and financial performance of the Company, as well as its outlook for 2025.

**ITEM NO. 5: Approval of the 2024 Annual Report and Financial Statements.**

**RATIONALE:** *To present to the stockholders the results of the Company's operations in 2024, in accordance with Section 74 of the Revised Corporation Code.*

The Company's audited financial statements as of 31 December 2024 will be integrated and made part of the Company's Information Statement that will be sent to the stockholders at least 15 business days prior to the 2025 ASM. The Information Statement and the Company's 2024 Annual Report will be posted on the Company's website at [www.aboitiz.com](http://www.aboitiz.com).

A resolution approving the 2024 Annual Report and Audited Financial Statements shall be presented to the stockholders for approval.

**ITEM NO. 6: Appointment of the Company's External Auditor for 2025.**

**RATIONALE:** *To appoint an auditing firm which can best provide assurance to the directors and stockholders on the integrity of the Company's financial statements and adequacy of its internal controls. The Board Audit Committee and the Board of Directors will endorse an external auditor for 2025 for the stockholders to appoint.*

The Company's Board Audit Committee endorsed, and the Board of Directors approved for the stockholders' consideration the election of Sycip Gorres Velayo & Co. (SGV) as the Company's external auditor for 2025.

The accounting firm of SGV has been AEV's Independent Public Accountant for the last 30 years. Ms. Jhoanna Feliza C. Go is AEV's audit partner from SGV since 2022. Ms. Go replaced Ms. Maria Veronica R. Pore who previously served as AEV's audit partner from 2017 to 2021. AEV complies with the requirements of Section 3(b) (ix) of SRC Rule 68 on the rotation of external auditors or signing partners and the two-year cooling-off period.

There was no event in the past 30 years wherein AEV and SGV or its handling partner had any disagreement regarding any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

A resolution for the appointment of the Company's external auditor for 2025, and ratifying the fees shall be presented to the stockholders for approval.

**ITEM NO. 7: Election of the Members of the Board of Directors.**

**RATIONALE:** *To allow stockholders to elect the Company's Board of Directors in accordance with Section 24 of the Revised Corporation Code and the Company's Amended By-Laws.*

Under the Amended Guidelines for the Nomination and Election of Independent Directors, the period for nominations for Independent Directors started on 1 January 2025 and the table of nominations closed on 15 February 2025, unless the Board Sustainability, Governance, and Related Party Transactions (SGRPT) Committee, acting as the Nominations Committee, unanimously agrees to extend the deadline for meritorious reasons. The stockholders who nominated the Independent and other Directors are disclosed in the Company's Information Statements. The Board SGRPT Committee assesses and evaluates the nominees before submitting the final list of qualified nominees to the stockholders for approval. The profiles of all the nominees are (i) disclosed to the Securities and Exchange Commission (SEC), the Philippine Stock Exchange (PSE), and the Philippine Dealing Exchange (PDEX), (ii) included in the Company's Information Statements, and (iii) uploaded in the Company's website for examination by the stockholders.

Article 6 of the Company's Amended Articles of Incorporation provides that the number of directors of AEV shall be nine who are to serve until their successors are elected and qualified as provided in the Company's Amended By-Laws.

To vote, a stockholder may distribute his shares for as many nominees as there are directors to be elected, or he may cumulate his shares and give one candidate as many votes as the number of directors to be elected, provided that the total number of votes cast does not exceed his shares in the Company. The nine nominees receiving the highest number of votes will be declared elected as directors of the Company.

**ITEM NO. 8: Approval of the Delegation to the Board of Directors of the Authority to List the Company's Common and/or Preferred Shares**

**RATIONALE:** The Company's stockholders will be asked to approve the delegation of authority to the Board of Directors to determine whether to list the Company's common and/or preferred shares, in compliance with the PSE requirement for shareholder approval prior to any listing with the Exchange, while the Company awaits SEC approval of the proposed amendment to Article Seventh of AEV's Articles of Incorporation.

**ITEM NO. 9: Approval of the Amendment of the Company's Articles of Incorporation**

**RATIONALE:** The Company's stockholders will be asked to approve the delegation to the Board of Directors and proposed amendments to Article Third and Article Seventh of the Company's Articles of Incorporation.

**ITEM NO. 9.1: Approval of the Amendment of Article III of the Company's Articles of Incorporation to Change the Company's Principal Place of Business**

**RATIONALE:** *At its meeting on 28 January 2025, the Board of Directors approved to amend Article III of the Company's Articles of Incorporation to reflect the change in its principal place of business to its future corporate headquarters in Makati City, as read below:*

THIRD : That the place where the principal office of the corporation is to be established or located is at **Ayala Triangle Gardens Tower 2, Paseo de Roxas, Corner Makati Avenue, Makati City, Metro Manila, Philippines.**

A resolution approving the proposed amendment to Article Third of the Company's Articles of Incorporation shall be presented for the approval of stockholders representing at least two-thirds of the outstanding capital stock.

**ITEM NO. 9.2: Approval of the Amendment of Article VII of the Company's Articles of Incorporation to Delegate to the Board of Directors the Authority to List the Company's Common or Preferred Shares**

**RATIONALE:** At its meeting on March 26, 2025, the Board of Directors approved the delegation to the Board of Directors and to amend Article Seventh of the Company's Articles of Incorporation to delegate to the Board of Directors the authority to list the Company's Common or Preferred Shares, as read below:

"SEVENTH. That the authorized capital stock of said corporation is TEN BILLION (P10,000,000,000.00) PESOS, and said capital stock is divided into:

1. Nine Billion Six Hundred Million (9,600,000,000) COMMON SHARES with a par value of One Peso (P1.00) per share;
2. Four Hundred Million (400,000,000) PREFERRED SHARES with a par value of One Peso (P1.00) per share.

Preferred shares shall be non-voting, non-convertible, and shall have preference over common shares in case of liquidation or dissolution of the corporation. The Board of Directors or the Executive Committee is expressly authorized to issue preferred shares in one or more series, establish and designate each particular series of preferred shares, fix the number of shares to be included in the series, and to determine the dividend rate, issue price, designations, relative rights, preferences, privileges and limitations of the preferred shares and/or series of shares. Preferred shares may or may not be cumulative, participating, or redeemable, as may be determined by the Board of Directors or the Executive Committee.

Upon redemption, preferred shares (whether unissued, issued and outstanding, including all existing treasury shares) shall not be considered retired, but may be reissued under such terms and conditions as may be determined by the Board of Directors or the Executive Committee.

**The Board of Directors or the Executive Committee is expressly authorized to determine whether the common or preferred shares shall be, upon their issuance or re-issuance, listed with the facilities of the Philippine Stock Exchange (PSE), or in such other exchanges as the Board of Directors may deem appropriate with full authority to apply for one or more such listing/s at the relevant time/s.**

No holder of shares of the capital stock of any class of the corporation shall have any pre-emptive or preferential right of subscription to any shares of any class of stock of the corporation whether now or hereafter authorized, other than such, if any, as the Board of Directors, in its discretion, may from time to time determine and at such price as the Board of Directors may from time to time set."

Although the Board of Directors or the Executive Committee currently has the authority to issue the preferred shares, and to fix the terms and issue price thereof, the proposed amendment allows the Company to comply with the requirement by the Philippine Stock Exchange (PSE or the “Exchange”) for a shareholders’ approval before any listing of common or preferred shares on the Exchange.

A resolution approving the delegation to the board of directors and the proposed amendment to Article Seventh of the Company’s Articles of Incorporation shall be presented for the approval of stockholders representing at least two-thirds of the outstanding capital stock.

**ITEM NO. 10: Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management from 22 April 2024 up to 27 April 2025.**

**RATIONALE:** *The acts and resolutions of the Board of Directors, Corporate Officers and Management to be ratified were those taken and adopted during the period since the conclusion of the Company’s 2024 ASM last 22 April 2024 until 27 April 2025. These included the approval of contracts and agreements and other transactions in the ordinary course of business. A summary of these acts and resolutions are enumerated in the Information Statement. The Company also regularly discloses material transactions approved by the Board of Directors. These disclosures are available for viewing and download at the Company’s website at [www.aboitiz.com](http://www.aboitiz.com).*

A resolution ratifying the acts and proceedings of the Board of Directors, Corporate Officers and Management will be presented to the stockholders for approval.

**ITEM NO. 10.1: Ratification of the authority to amend the By-Laws to Change the Company’s Principal Place of Business and align with the provisions of the Revised Corporation Code, the Company’s updated corporate governance practices, and applicable SEC rules and regulations.**

**RATIONALE:** *Pursuant to the Board’s delegated power under Article VII of the Amended By-Laws to amend, repeal, or alter in whole or in part, the Company’s By-Laws, or adopt new By-Laws, the Board of Directors, in its regular Board Meeting held on 28 January 2025, approved to amend Article I Sections 1, 3, and 8; Article II Sections 1, 2, and 4; and Article IV Section 6 of the Company’s By-Laws to reflect the change in its principal place of business and align with the provisions of the Revised Corporation Code, the Company’s updated corporate governance practices, and applicable SEC rules and regulations. The AEV Board also authorized the Corporate Secretary to make editorial clean ups on the Company’s By-Laws.*

*As amended and upon approval by the SEC, Article I Sections 1, 3, and 8; Article II Sections 1, 2, and 4; and Article IV Section 6 of the Company’s By-Laws will read as follows:*

**ARTICLE I**

**SECTION I Annual Meeting** - The annual meeting of the stockholders shall be held, if practicable, at the principal office of the Company at Ayala Triangle Gardens Tower 2, Paseo de Roxas, Corner Makati Avenue, Makati City, Metro Manila, Philippines, or in lieu thereof at any location within Metro Manila that the Board of Directors may approve, and at a time to be announced by the Board of Directors on the day which is the 4th MONDAY OF APRIL of each year; provided that if such day is a legal holiday, the annual meeting of the stockholders shall be held on the next succeeding business day.

XXXX

SECTION 3. Notices – Notice of time and place of annual or special meetings of the stockholders shall be given personally, by mail addressed to each stockholder of record at the address left by such stockholder with the Corporate Secretary of the Corporation or at his last known address, by telefacsimile, electronic mail, publication in a newspaper of general circulation, **or any other manner as the Securities and Exchange Commission shall allow under its rules and regulations**, at least **twenty one (21)** days before the date set for such meetings; Provided, however, that in the case of special meetings, notice shall be given at least **one (1) week** before the said meeting and shall state the object or objects of the same. **For this purpose, the Corporate Secretary may require stockholders to provide their updated electronic mail (e-mail) address through which notices from the Corporation may be sent.**

XXXX

SECTION 8. Minutes – Minutes of all meetings of the stockholders shall be kept and preserved as a record of the business transacted at such meetings. The minutes shall contain such entries as may be required by law or **rules and regulations as may be issued by the Securities and Exchange Commission from time to time.**

XXXX

## ARTICLE II

SECTION 1. Qualification and Election –

XXXX

Nominations for election of members of the Board of Directors by stockholders **shall be accepted starting January 1 of the year in which such nominee is to serve. Nominations shall be closed by February 15 of the same year,** except as may be provided by the Board of Directors in appropriate guidelines that it may promulgate from time to time in compliance with law.

XXXX

SECTION 2. Independent Directors - The Corporation shall have at least two (2) independent directors or at least twenty percent (20%) of the entire Board membership, whichever is lesser. The independent directors shall have all the qualifications and none of the disqualifications set forth in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations, **and circulars and guidelines that the Securities and Exchange Commission may issue from time to time.**

XXXX

SECTION 4. Meetings – The Board of Directors shall hold a meeting, for organization and for the election of officers, immediately after their election, of which meeting no notice is required. Thereafter, the Board of Directors shall hold regular meetings at **such frequency and dates as the Board may determine in its discretion.**

Special meetings of the Board of Directors may be called by the Chairman or the President or on the written request of two (2) directors on **at least two (2)** day's prior notice to each director personally, in writing, by telefacsimile **or** electronic media.

XXXX

SECTION 6. Loss or Destruction of Certificates – The Board of Directors may direct a new certificate of stock to be issued in place of any certificate alleged to have been lost, **stolen**, or destroyed. The Board of Directors authorizing such issue of a new certificate, may, in its discretion, require the owner of the stock or his legal representative to furnish proof by affidavit or otherwise to the satisfaction of the Board as to ownership of the stock alleged to have been lost, **stolen**, or destroyed, and the facts which supported its loss or destruction.

The Board of Directors may also require him to give notice of such loss, **theft**, or destruction by publication or otherwise, as it may direct, and cause the delivery to the Corporation of a bond with or without sureties in such sum as it may direct, indemnifying the Corporation from any claims that may be made against it by reason of the issue of such new certificate. **If a contest has been presented to the Corporation or if an action is pending in court regarding the ownership of the certificate of stock which has been alleged lost, stolen, or destroyed, the Corporation may refuse to issue a new certificate of stock until the court renders a final decision regarding the ownership of the certificate of stock which has been alleged lost, stolen, or destroyed.**

**Except in case of fraud, bad faith, or negligence on the part of the Corporation and its officers, no action may be brought against the Corporation which shall have issued a certificate of stock in lieu of those lost, stolen or destroyed pursuant to the procedure set forth above.**

Given that the Company's stockholders have already delegated to the members of the Board of Directors the authority to amend the By-Laws, the amendments to the By-Laws will become effective upon the approval by SEC.

**ITEM NO. 11: Other Business**

The Chairman will open the floor for comments or queries by the stockholders. Stockholders are given the opportunity to address the members of the Board, ask questions, and raise matters which may be properly taken up during the 2025 ASM.

---end---



**ANNEX “B-1” – Certification of Independent Directors – Cesar G. Romero**

**CERTIFICATION OF INDEPENDENT DIRECTORS**

I, **CESAR G. ROMERO**, Filipino, of legal age, with business address at 314 Madrigal Avenue, Ayala Alabang Village, Muntinlupa City, Philippines, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Aboitiz Equity Ventures Inc. (“AEV”).
2. I am currently affiliated with the following publicly listed companies:

| Company/Organization | Position/Relationship          | Period of Service |
|----------------------|--------------------------------|-------------------|
| Independent Director | Aboitiz Power Corporation      | 2022 to present   |
| Independent Director | Robinson Retail Holdings, Inc. | 2022 to present   |

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of AEV, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of AEV and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. No conflict of interest exists between my being an Independent Director of AEV and my other affiliations as defined and stated in the AEV Guidelines for the constitution of the Nomination Committee (now referred to as “Board Sustainability, Governance, and Related Party Transactions Committee”) and the nomination and election of the independent directors.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of AEV of any changes in the abovementioned information within five (5) days from its occurrence.

*[Signature page follows]*

Done, this February 18, 2025 at Taguig City.



**CÉSAR G. ROMERO**  
Affiant

**SUBSCRIBED AND SWORN** to before me this February 18, 2025 at Taguig City. Affiant, who is personally known to me, personally appeared before me and exhibited to me his Philippine Passport No. P89239798 issued at DFA MANILA on February 11, 2022.



Doc. No. 999;  
Page No. 99;  
Book No. XIV;  
Series of 2025.

**ATTY. MARIE CHRISTINE DURAN-SCHULZE**  
Notary Public for Taguig City  
NCC No. 39 (2025-2026) Expires on 12/31/2026  
Unit 1210 High Street South Corporate Plaza Tower 2  
26th St. Bonifacio Global City, Taguig City  
Roll No. 56901; LM IBP No. 08178; 15 April 2009; RSM  
PTR No. A-6396381; 01/02/2025; Taguig City  
MCLE No. VIII-0008154 valid until 04/14/2028

**ANNEX “B-2” – Certification of Independent Directors – Joanne G. De Asis**

**CERTIFICATION OF INDEPENDENT DIRECTORS**

I, **JOANNE G. DE ASIS**, Filipino, of legal age and a resident of Regent Parkway, 21<sup>st</sup> Drive, Bonifacio Global City, Taguig City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of Aboitiz Equity Ventures Inc (AEV) and have been its independent director since April 26, 2021.
2. I am currently affiliated with the following companies or organizations:

| <b>Company/Organization</b>                       | <b>Position/Relationship</b> | <b>Period of Service</b> |
|---------------------------------------------------|------------------------------|--------------------------|
| Del Monte Pacific Ltd.                            | Independent Director         | 2024 to present          |
| Morgan Stanley & Co.                              | Senior Adviser               | 2010 to present          |
| Globe Capital Partners LLC                        | Founder and Chairman         | 1998 to present          |
| Easycall Communications Philippines, Inc.         | Independent Director         | 2017 to present          |
| Anneberg Foundation Trust at Sunnylands, U.S.A    | Advisory Board Member        | 2011 to present          |
| The International Institute for Strategic Studies | Advisory Council Member      | 2012 to present          |
| APEC Business Advisory Council                    | Advisor                      | 2017 to present          |

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of AEV, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of AEV and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. No conflict of interest exists between my being an Independent Director of AEV and my other affiliations as defined and stated in the AEV Guidelines for the constitution of the Nomination Committee (now referred to as “Board Sustainability, Governance, and Related Party Transactions Committee”) and the nomination and election of the independent directors.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of AEV of any changes in the abovementioned information within five (5) days from its occurrence.

*[Signature page follows]*

Done, this February 18, 2025 at Taguig City, Philippines.

  
**JOANNE G. DE ASIS**  
Affiant

**SUBSCRIBED AND SWORN** to before me this February 18, 2025 at Taguig City. Affiant, who is personally known to me, personally appeared before me and exhibited to me her Philippine Passport No. P7043286B issued at DFA MANILA on June 24, 2021.

Doc. No. 485;  
Page No. 18;  
Book No. XIX;  
Series of 2025.

  
**ATTY. MARIE CHRISTINE DURAN-SCHULZE**  
Notary Public for Taguig City  
NCC No. 39 (2025-2026) Expires on 12/31/2026  
Unit 1210 High Street South Corporate Plaza Tower 2  
26th St. Bonifacio Global City, Taguig City  
Roll No. 56901; LM IBP No. 08178; 15 April 2009; RSM  
PTR No. A-6396381; 01/02/2025; Taguig City  
MCLE No. VIII-0008154 valid until 04/14/2028

**ANNEX “B-3” – Certification of Independent Directors – Peter D. Maquera**

**CERTIFICATION OF INDEPENDENT DIRECTORS**

I, **PETER D. MAQUERA**, Filipino, of legal age, with business address at Kirov Tower Proscenium, JP Rizal corner Estrella Sts., Makati City, Metro Manila, 1211, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of Aboitiz Equity Ventures Inc. (“AEV”).
2. I am currently affiliated with the following companies or organizations:

| Company/Organization                    | Position/Relationship | Period of Service |
|-----------------------------------------|-----------------------|-------------------|
| Microsoft Philippines                   | President and CEO     | 2022 to present   |
| Makati Business Club                    | Board Member          | 2023 to present   |
| American Chamber of Commerce            | Board Member          | 2023 to present   |
| Advanced Nutritional Technologies, Ltd. | Board Member          | 2013 to present   |

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of AEV, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of AEV and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. No conflict of interest exists between my being an Independent Director of AEV and my other affiliations as defined and stated in the AEV Guidelines for the constitution of the Nomination Committee (now referred to as “Board Sustainability, Governance, and Related Party Transactions Committee”) and the nomination and election of the independent directors.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of AEV of any changes in the abovementioned information within five (5) days from its occurrence.

*[Signature page follows]*

Done, this February 18, 2025 at Taguig City.

[Redacted Signature]

PETER D. MAQUERA

Affiant

**SUBSCRIBED AND SWORN** to before me this February 18, 2025 at Taguig City Affiant, who is personally known to me, personally appeared before me and exhibited to me his Philippine Driver's License No. X01-03-000054 issued on April 6, 2022. *Valid Until 04-27-2032*

Doc. No. 467;  
Page No. 11;  
Book No. XIX;  
Series of 2025.

[Redacted Signature]  
**ATTY. MARIE CHRISTINE DURAN-SCHULZE**  
Notary Public for Taguig City  
NCC No. 39 (2025-2026) Expires on 12/31/2026  
Unit 1210 High Street South Corporate Plaza Tower 2  
26th St. Bonifacio Global City, Taguig City  
Roll No. 56901; LM IBP No. 08178; 15 April 2009; RSM  
PTR No. A-6396381; 01/02/2025; Taguig City  
MCLE No. VIII-0008154 valid until 04/14/2028



## ANNEX “C”

### SUMMARY OF THE MINUTES OF THE 2024 ANNUAL STOCKHOLDERS’ MEETING (2024 ASM)

By the authority granted to him unanimously by the Company’s Board of Directors, Mr. Sabin M. Aboitiz, President and CEO, called the meeting to order on 22 April 2024 at 11:00 a.m. and presided over the same. The Corporate Secretary, Ms. Connie G. Chu, recorded the minutes of the meeting. The Corporate Secretary certified that notices for the 2024 ASM of Aboitiz Equity Ventures Inc. were distributed to stockholders as follows: (i) disclosed to the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE), and Philippine Depository & Trust Corporation (PDTC) (ii) uploaded on the Company’s website, (iii) published in the business section of the Manila Times and Philippine Star on 26 and 27 March 2024, (iv) sent to stockholders electronically and through private courier on 26 March 2024, and (v) broadcasted through the PDTC platform for the stockholders under PCD/Broker accounts. As an additional measure, a Quick Response (QR) code of the company’s Definitive Information Statement was also published in the business section of the Manila Times and Philippine Star, both online and print format, for two consecutive days on 26 and 27 March 2024.

The Corporate Secretary certified that the Notice and Agenda were sent out at least 49 days prior to the ASM, exceeding the period set by the relevant provisions of the Revised Corporation Code and SEC regulations. The Notice informed the stockholders that the Company would not conduct a physical annual stockholders meeting. Instead, the 2024 ASM will be streamed live from the Company’s principal address in Taguig City. Stockholders were also notified that if they wish to cast their votes, they may vote through Proxy or in absentia through the ASM Portal. The Stockholders were also informed of the rationale for each Agenda Item that will be put to a vote during the 2024 ASM. Lastly, CGC also informed the stockholders attending the meeting that they could still cast their votes online until the adjournment of the meeting.

The Corporate Secretary certified to the existence of a quorum, there being a total of Four Billion Seven Hundred Seventy Million Eight Hundred Seven Thousand Two Hundred Sixty One (4,770,807,261) shares represented by proxy, Two Million Nine Hundred Three Thousand Five Hundred Forty Two (2,903,542) shares attending through remote communication (via livestream) or in Absentia, or a total of Four Billion Seven Hundred Seventy Three Million Seven Hundred Ten Thousand Eight Hundred Three (4,773,710,803) shares entitled to vote. The shares constituted 85.14% of the Company’s total outstanding shares of Five Billion Six Hundred Seven Million One Hundred Two Thousand Nine Hundred Fifty Seven (5,607,102,957) entitled to vote, which is more than a two-thirds of the Company’s total outstanding shares entitled to vote. The Corporate Secretary informed the stockholders that the Company engaged the services of the accounting firm Luis Cañete & Company as its Board of Election Inspectors to verify, canvass, and validate the shareholder’s vote for the Company’s 2024 ASM.

There were 52 viewers of the live webcast of the 2025 ASM through the Company’s ASM Platform, [https://bit.ly/AEV\\_ASM2024](https://bit.ly/AEV_ASM2024).

Upon motion duly made and seconded, the minutes of the previous Annual Stockholders’ Meeting last 24 April 2023 was approved.

The body passed the following resolutions:

1. Approval of the 2023 Annual Report and Audited Financial Statements
2. Appointment of the Company’s External Auditor for 2024
3. Election of the Members of the Board of Directors
4. Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management from 21 April 2023 up to 21 April 2024

After the approval of the proposed resolutions and the questions from the body were asked and answered, the meeting was duly adjourned.

A Copy of the Minutes of the 2024 ASM is also available at the Company’s website at: <https://abotiz.com/investor-relations/stockholder-meeting/annual-stockholder/8942f2be-f471-4be7-9446-9eb03a5e1240>

**ABOITIZ EQUITY VENTURES INC.****Annual Stockholders Meeting**

1100H to 1200H, April 22, 2024

live from NAC Tower, 32nd Street, BGC, Taguig City, 1634 Philippines

through a secure video conference facility at:

[https://bit.ly/AEV\\_ASM2024](https://bit.ly/AEV_ASM2024)**DRAFT***Subject for Approval in the 2025 Annual  
Stockholders' Meeting*

|                                                                                                                                                |                      |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Total No. of Shares Outstanding                                                                                                                | <b>5,607,102,957</b> |
| Stockholders Represented by Proxy*                                                                                                             | 4,770,807,261        |
| Percentage of Shares of Stockholders represented by Proxy                                                                                      | 85.09%               |
| Total No. of Shares of Stockholders present through Remote Participation (Livestream) or <i>in Absentia</i>                                    | 2,903,542            |
| Percentage of Shares of Stockholders present through Remote Participation (Livestream) or <i>in Absentia</i>                                   | 0.05%                |
| Total No. of Shares of Stockholders Represented by Proxy, Present through Remote Communication (Livestream) or <i>in Absentia</i>              | <b>4,773,710,803</b> |
| Percentage of Shares of Stockholders Represented by Proxy, Present through Remote Communication (Livestream), and by Voting <i>in Absentia</i> | <b>85.14%</b>        |

|                                      |               |
|--------------------------------------|---------------|
| Total No. of Shares Not Represented  | 833,392,154   |
| Percentage of Shares Not Represented | <b>14.86%</b> |

*\*Shares represented by proxies exclude those represented by proxies that are submitted beyond the deadline of April 15, 2024*

| <b>Name</b>          | <b>Designation</b>                                                                                                                                                                                                         |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Enrique M. Aboitiz   | <i>Chairman, Board of Directors/ Member, Board Sustainability, Governance and Related Party Transactions (SGRPT) Committee / Member, Board Executive Committee/ Member, Board Cyber and Information Security Committee</i> |
| Mikel A. Aboitiz     | <i>Vice Chairman, Board of Directors/ Member, Board Executive Committee</i>                                                                                                                                                |
| Erramon I. Aboitiz   | <i>Chairman, Board Risk and Reputation Management Committee / Member, Board Executive Committee/ Member, Board Audit Committee/ Board Cyber and Information Security Committee</i>                                         |
| Sabin M. Aboitiz     | <i>President and Chief Executive Officer/ Chairman, Board Executive Committee/ Member, Board Risk and Reputation Management Committee/ Member, Board SGRPT Committee</i>                                                   |
| Ana Maria A. Delgado | <i>Member, Board Audit Committee</i>                                                                                                                                                                                       |
| Justo A. Ortiz       | <i>Chairman, Board Cyber and Information Security Committee/ Member, Board Executive Committee</i>                                                                                                                         |
| Cesar G. Romero      | <i>Lead Independent Director/ Chairman, Board Audit Committee / Member, Board SGRPT/ Member, Board Risk and Reputation Management Committee</i>                                                                            |
| Joanne G. De Asis    | <i>Independent Director/ Chairman, Board SGRPT Committee/ Member, Board Audit Committee/ Member, Board Risk and Reputation Management Committee/ Member, Board Cyber and Information Security Committee</i>                |

|                  |                                                                                                                                                                                                           |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Peter D. Maquera | <i>Independent Director/ Member, Board SGRPT Committee/ Member, Board Risk and Reputation Management Committee/ Member, Board Audit Committee/ Member, Board Cyber and Information Security Committee</i> |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

*The list of Company officers present and other attendees during the meeting is attached as **Annex “A”**.*

Before the official start of the meeting, Ms. Jacqui De Jesus, the Company’s Investor Relations Officer, read the House Rules and Procedures for Voting for the 2024 Annual Stockholders Meeting (ASM), as follows:

1. Only Stockholders who registered through the Company’s ASM Portal at ([aboitiz.com/2024asm](http://aboitiz.com/2024asm)) (the “ASM Portal”) may participate and vote in the ASM;
2. For proper order, the moderator will read out questions and comments received before the cut-off during the question-and-answer (Q&A) session scheduled at the end of the meeting. Questions that were not taken up during the meeting may be directed to the Company representatives whose details were flashed on the screen;
3. For transparency, the language of the proposed resolutions and the number of votes received for each agenda item will be shown on the screen;
4. Voting in *absentia* through the ASM Portal will remain open until the meeting is adjourned. Votes received through proxy and votes cast through the voting portal as of 8:00 am on April 22, 2024, will be shown on the screen for each agenda item, as verified by the Board of Election Inspectors;
5. The final voting results will be reflected in the minutes of this meeting, which will be posted on the Company’s website on April 23, 2024; and
6. The proceedings of the 2024 ASM will be recorded.

## **I. CALL TO ORDER**

Mr. Sabin M. Aboitiz (SMA), the Company’s President and Chief Executive Officer, acted as the Chairman of the 2024 ASM (the “Chairman”) pursuant to the authority granted by the Board of Directors. The Corporate Secretary, Ms. Connie G. Chu (CGC), recorded the minutes of the meeting.

## **II. PROOF OF NOTICE OF MEETING**

The Corporate Secretary certified that notices for the 2024 ASM were distributed to stockholders as follows: (i) disclosed to the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE), and Philippine Depository & Trust Corporation (PDTC) on March 5, 2024 (ii) uploaded on the Company’s website on March 5, 2024, (iii) published in the business section of the Manila Times and Philippine Star, both online and print format, for two consecutive days on March 26 and 27, 2024, (iv) sent to stockholders electronically beginning March 26, 2024, and (v) broadcasted through the PDTC platform for the stockholders under PCD/Broker accounts. As an additional measure, a Quick Response (QR) code of the company’s Definitive Information Statement was also published in the business section of the Manila Times and Philippine Star, both online and print format, for two consecutive days on March 26 and 27, 2024.

The Corporate Secretary certified that the Notice and Agenda were sent out at least 49 days prior to the ASM, exceeding the period set by the relevant provisions of the Revised Corporation Code and SEC regulations. The Notice informed the stockholders that the Company would not conduct a physical annual stockholders meeting. Instead, the 2024 ASM will be streamed live from the Company’s principal address in Taguig City. Stockholders were also notified that if they wish to cast their votes, they may vote through Proxy or *in absentia* through the ASM Portal. The Stockholders were also informed of the rationale for each Agenda Item that will be put to a vote during the 2024 ASM. Lastly, CGC also informed the stockholders attending the meeting that they could still cast their votes online until the adjournment of the meeting.

### III. DETERMINATION OF QUORUM

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Upon the Chairman's request, the Corporate Secretary certified that, as of 08:00 A.M., there was a quorum to conduct business, there being a total of Four Billion Seven Hundred Seventy Million Eight Hundred Seven Thousand Two Hundred Sixty One (4,770,807,261) shares represented by proxy, Two Million Nine Hundred Three Thousand Five Hundred Forty Two (2,903,542) shares attending through remote communication (via livestream) or in Absentia, or a total of Four Billion Seven Hundred Seventy Three Million Seven Hundred Ten Thousand Eight Hundred Three (4,773,710,803) shares entitled to vote. The shares constituted 85.14% of the Company's total outstanding shares of Five Billion Six Hundred Seven Million One Hundred Two Thousand Nine Hundred Fifty Seven (5,607,102,957) entitled to vote, which is more than a two-thirds of the Company's total outstanding shares entitled to vote.

The Corporate Secretary informed the stockholders that the Company engaged the services of the accounting firm Luis Cañete & Company as its Board of Election Inspectors to verify, canvass, and validate the proxies received, as well as the shareholders' votes for the Company's 2024 ASM.

There were 52 attendees of the live webcast of the 2024 ASM through the Company's ASM Portal, [https://bit.ly/AEV\\_ASM2024](https://bit.ly/AEV_ASM2024).

### IV. READING AND APPROVAL OF THE MINUTES OF THE PREVIOUS ANNUAL STOCKHOLDERS' MEETING HELD ON APRIL 24, 2023

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The Chairman proceeded to the next item on the agenda, which was the reading and approval of the minutes of the previous annual stockholders' meeting on April 24, 2023. Upon motion duly made and seconded, the reading of the minutes of the previous annual stockholders' meeting on April 24, 2023 was dispensed with and the stockholders approved the minutes of the previous stockholders' meeting.

Upon motion duly made and seconded, the stockholders approved the following resolutions:

#### **ASM Resolution No. 2024-1**

**"RESOLVED**, that the stockholders of Aboitiz Equity Ventures Inc. (the "Company") approve, as they hereby approve, the minutes of the previous Annual Stockholders' Meetings held on April 24, 2023."

The Corporate Secretary recorded the following votes for this item, the results of which were verified by the representatives from Luis Cañete & Company.

| <b>Vote</b>  | <b>Number of Votes<br/>(One Share-One vote)</b> | <b>Percentage of shares<br/>represented</b> |
|--------------|-------------------------------------------------|---------------------------------------------|
| In favor     | 4,756,963,337                                   | 99.65%                                      |
| Against      | 0                                               | 0%                                          |
| Abstain      | 16,747,466                                      | 0.35%                                       |
| <b>Total</b> | <b>4,773,710,803</b>                            | <b>100.00%</b>                              |

The voting process complied with the one-share, one-vote voting requirements under the Revised Corporation Code. The votes submitted through proxy documents were counted and added to the votes of the stockholders attending via livestream or *in absentia* through the ASM Portal.



## V. PRESENTATION OF THE PRESIDENT'S REPORT

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Sabin M. Aboitiz (SMA), as President and Chief Executive Officer, provided the stockholders with the highlights of the financial and operating performance of the Company and its Strategic Business Units (SBU) for the year 2023. In particular, his report included the following:

- 5.1 2023 Philippine GDP;
- 5.2 2023 Investment Highlights;
- 5.3 2023 Financial and Operating Highlights;
- 5.4 Dividend Policy and Stock Performance;
- 5.5 Power SBU Financial and Operating Results, Highlights, and Outlook;
- 5.6 Banking and Financial Services SBU Financial and Operating Results, Highlights, and Outlook;
- 5.7 Food SBU Financial and Operating Results and Outlook;
- 5.8 Land SBU Financial and Operating Results and Outlook;
- 5.9 Infrastructure SBU Financial and Operating Results and Outlook;
- 5.10 Aboitiz Foundation Outlook and Ambition;
- 5.11 Aboitiz Data Innovation Outlook and Ambition;
- 5.12 AEV Balance Sheet (as of December 31 2023);
- 5.13 2024 Capital Expenditures (with partners);
- 5.14 Aboitiz Risk Management;
- 5.15 Environmental, Social, and Governance Performance and Sustainability Initiatives;
- 5.16 *Techglomerate Update*; and
- 5.17 Changes in AboitizPower Leadership.

*(A copy of the President's report to the stockholders is attached to the minutes and made an integral part of the minutes of the Annual Stockholders' Meeting. The presentation materials will also be uploaded on the Company's website together with the minutes of the 2024 Annual Stockholders Meeting.)*

## VI. APPROVAL OF THE 2023 ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

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The Chairman informed the stockholders that the next item on the agenda was the approval of the Company's Annual Report and its Audited Financial Statements as of December 31, 2023.

CGC certified that the Company's Annual Report and its Audited Financial Statements were included in (i) the Definitive Information Statement that was uploaded to the Company's website and disclosed to the SEC, PSE, and PDTC on March 26, 2024, and (ii) the 2023 Annual Report (SEC Form 17-A) that was uploaded to the Company's website and disclosed to the SEC, PSE, and PDTC on April 15, 2024. As an added measure, a QR code of the Definitive Information Statement was also published in the business section of two newspapers of general circulation, the Manila Times and Philippine, in both online and print format, for two consecutive days on March 26 and 27, 2024.

The Corporate Secretary also certified that the following information were included in the Company's 2023 Annual Report and Information Statements:

- a) the draft minutes of the 2023 Annual Stockholders Meetings dated April 24, 2023;
- b) the security ownership of the Company's top 20 stockholders, as well as security ownership of its directors and officers;
- c) the attestation and verification from the Company's President and Internal Audit Head that its systems of risk management, internal controls, and compliance and governance processes provide reasonable assurance that the Company's risks are managed to an acceptable level;
- d) the Company's audited financial statements for the period as of and for the period ending December 31, 2023, as audited by the Company's independent external auditor, SyCip Gorres Velayo & Co. (SGV);
- e) dividends declared and paid for by the Company, for the past three years, as well as the Company's dividend policy;

- f) a statement on the external audit and non-audit fees;
- g) the profiles of the Company's directors and officers, as well as the profiles of nominees to be elected to the Board of Directors. Their profiles include their qualifications, experience, length of service in the Company, educational background, and their board and committee membership in the Company and in other organizations, including other listed companies or government positions, if any;
- h) the attendance report for the Company's directors, indicating their attendance at each Board meeting, committee meeting, and special or regular stockholder meetings;
- i) the appraisal and performance reports for the member of the Board and the criteria and procedure for assessment;
- j) a report on the annual compensation of each director, as well as the aggregate compensation of the President/Chief Executive Officer, and the Company's top four most highly compensated officers; and
- k) disclosures on related party transactions, including dealings with directors.

Upon motion duly made and seconded, the stockholders approved the following resolutions:

**ASM Resolution No. 2024-2**

**"RESOLVED**, that the stockholders of Aboitiz Equity Ventures Inc. (the "Company") approve, as they hereby approve, the 2023 Annual Report and Audited Financial Statements of the Company as of December 31, 2023."

Upon the Chairman's request, the Corporate Secretary recorded the following votes for this agenda item and as witnessed and verified by the representatives from Luis Cañete & Company.

| <b>Vote</b>  | <b>Number of Votes<br/>(One Share-One vote)</b> | <b>Percentage of shares<br/>represented</b> |
|--------------|-------------------------------------------------|---------------------------------------------|
| In favor     | 4,754,811,357                                   | 99.60%                                      |
| Against      | 1,348,240                                       | 0.03%                                       |
| Abstain      | 17,551,206                                      | 0.37%                                       |
| <b>Total</b> | <b>4,773,710,803</b>                            | <b>100.00%</b>                              |

The voting process complied with the principles of one-share, one-vote voting requirements under the Revised Corporation Code. Based on the Requirements and Procedures for Voting in the 2024 ASM, the votes submitted through proxy documents were counted and added to the votes of the stockholders *in absentia* through the ASM Portal.

**VII. APPOINTMENT OF THE COMPANY'S EXTERNAL AUDITOR FOR 2024**

The Chairman informed the stockholders that, after careful deliberation and evaluation, the Board Audit Committee recommended the re-appointment of SGV as the Company's external auditor for 2024. The members of the Board considered the Board Audit Committee's recommendation and resolved to re-appoint SGV as the Company's external auditor for the year 2024. On behalf of the Board of Directors of the Company, the Chairman endorsed to the stockholders for approval the appointment of SGV as the Company's external auditor for the year 2024.

Upon motion made and duly seconded, the following resolution was approved by the stockholders:

**ASM Resolution No. 2024-3**

**"RESOLVED**, that the stockholders of Aboitiz Equity Ventures Inc. (the "Company") approve, as they hereby approve, the appointment of SyCip Gorres Velayo & Company as the Company's external auditor for the year 2024 based on the recommendation of the Board Audit Committee and the Board of Directors."



The Corporate Secretary recorded the following votes for this item, the results of which were verified by the representatives from Luis Cañete & Company.

| <b>Vote</b>  | <b>Number of Votes<br/>(One Share-One vote)</b> | <b>Percentage of shares<br/>represented</b> |
|--------------|-------------------------------------------------|---------------------------------------------|
| In favor     | 4,739,675,535                                   | 99.29%                                      |
| Against      | 17,287,802                                      | 0.36%                                       |
| Abstain      | 16,747,466                                      | 0.35%                                       |
| <b>Total</b> | <b>4,773,710,803</b>                            | <b>100.00%</b>                              |

The voting process complied with the principles of one-share, one-vote voting requirements under the Revised Corporation Code. Based on the Requirements and Procedures for Voting in the 2024 ASM, the votes submitted through proxy documents were counted and added to the votes of the stockholders *in absentia* through the ASM Portal.

## **VIII. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

The Chairman announced that the next order of business was the election of the members of the Board of Directors for the term 2024-2025. He called on the Corporate Secretary to explain the procedure for the nomination and election of directors.

The Corporate Secretary informed the stockholders that pursuant to Section 1, Article II of the Company's Amended By-Laws:

*"Nominations for the election of directors for the ensuing year must be received by the Corporate Secretary no less than fifteen (15) working days prior to the Annual Meeting of stockholders, except as may be provided by the Board of Directors in appropriate guidelines that it may promulgate from time to time in compliance with law."*

Based on the foregoing, the Corporate Secretary explained that the deadline to nominate candidates to the Board of Directors was on April 1, 2024, and that all stockholders have been given the opportunity to submit their nominees for membership to the Board of Directors. He clarified that since the deadline had already passed, additional nominations will not be allowed to be made on the floor.

As for the nomination of the Independent Directors, the Corporate Secretary explained that the Amended Guidelines for the Nomination and Election of Independent Directors state that:

*"Nominations for independent directors are accepted from all stockholders starting January 1 up to February 15 of the year in which such nominee director is to serve."*

The Corporate Secretary advised the body that the stockholders who nominated the Independent Directors and other directors were disclosed in the Company's Definitive Information Statement, which was previously distributed to all stockholders through disclosures to the PSE and PDTC on March 26, 2024, and uploaded to the Company's website. A QR code of the Definitive Information Statement was also published in two newspapers of general circulation in print and online format.

He further reiterated that (a) directors are elected at each annual stockholders' meeting by stockholders entitled to vote; and (b) each director holds office until the next annual election, or for a term of one (1) year and until his successor is duly elected, or unless he resigns, dies or is removed prior to such election.

The Corporate Secretary reported that after proper screening and approval by the then Board ESCG Committee, in its capacity as the Nomination and Compensation Committee, the following were determined to be qualified for nomination as members of the Board of Directors of the Company:

Mr. Enrique M. Aboitiz  
Mr. Mikel A. Aboitiz  
Mr. Erramon I. Aboitiz  
Mr. Sabin M. Aboitiz  
Mr. Justo A. Ortiz  
Ms. Ana Maria A. Delgado  
Mr. Cesar G. Romero (*Independent Director*)  
Ms. Joanne De Asis (*Independent Director*)  
Mr. Peter D. Maquera (*Independent Director*)

The Corporate Secretary advised the stockholders that the profiles of the nominees to the Board of Directors were part of the Definitive Information Statement which were uploaded to the Company's website and distributed to the stockholders beginning March 26, 2024.

Upon motion duly made and seconded, the stockholders moved to elect the nine (9) nominees as directors of the Company for the year 2024-2025. Since no objection was made, the motion was carried and all the nine (9) nominees were elected as directors based on votes of stockholders represented in person and by proxy.

The Chairman announced that the nine (9) named nominees have been duly elected as members of the Board of Directors to serve for a term of one (1) year until their successors will have been qualified and elected. He requested the Corporate Secretary to record the votes for this agenda item.

The following were the votes on the directors as verified by Luis Cañete & Company.

| Nominee                                                  | Number of "Yes" Votes |
|----------------------------------------------------------|-----------------------|
| Mr. Enrique M. Aboitiz                                   | 4,741,699,608         |
| Mr. Mikel A. Aboitiz                                     | 4,755,255,799         |
| Mr. Erramon I. Aboitiz                                   | 4,735,983,862         |
| Mr. Sabin M. Aboitiz                                     | 4,737,148,686         |
| Ms. Ana Maria A. Delgado                                 | 4,736,757,002         |
| Mr. Justo A. Ortiz                                       | 4,755,255,799         |
| Ms. Joanne G. De Asis<br>( <i>Independent Director</i> ) | 4,685,804,150         |
| Mr. Cesar G. Romero<br>( <i>Independent Director</i> )   | 4,748,207,521         |
| Mr. Peter D. Maquera<br>( <i>Independent Director</i> )  | 4,754,118,950         |

The voting process complied with the principles of one-share, one-vote, and cumulative voting requirements under the Revised Corporation Code. Based on the Requirements and Procedures for Voting in the 2024 ASM, the votes submitted through proxy documents were counted and added to the votes of the stockholders *in absentia* through the ASM Portal.

On behalf of the Company and his colleagues on the AEV Board, the Chairman expressed his gratitude to the Company's shareholders for their continued trust and confidence.

**IX. RATIFICATION OF THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, CORPORATE OFFICERS AND MANAGEMENT FROM APRIL 24, 2023 UP TO APRIL 21, 2024**

---

The Chairman informed the stockholders that the next item on the agenda was the ratification of all corporate acts, resolutions, business judgments, management proceedings, any and all succession, compensation, management, and performance-related decisions entered into or done by the Board of Directors, Corporate Officers and Management from April 24, 2023, up to April 21, 2024.

The Corporate Secretary explained to the stockholders that the acts, resolutions, and proceedings requested to be ratified are the regular corporate acts performed by the Board, Officers, and Management in the ordinary course of the Company's business and that a list of resolutions approved by the Board of Directors for the period covered have been enumerated in the Definitive Information Statements distributed to the stockholders ahead of the meeting. In addition, the Company has regularly disclosed material transactions approved by the Board of Directors, which are available for viewing and download at the Company's website and at [pse.edge.com.ph](https://pse.edge.com.ph) as well as on the Company's website at <https://abotiz.com>.

Upon motion duly made and seconded, the stockholders approved the following resolution:

**ASM Resolution No. 2024-5**

**"RESOLVED**, that the stockholders of Aboitiz Equity Ventures Inc. (the "Company") approve, ratify and confirm, as they hereby approve, ratify and confirm, corporate acts, resolutions, business judgments, management proceedings, any and all decisions entered into or done by the Board of Directors, Corporate Officers, and Management of the Company from April 24, 2023, including all acts up to April 21, 2024."

The Corporate Secretary recorded the following votes for this item, the results of which were verified by the representatives from Luis Cañete & Company.

| <b>Vote</b>  | <b>Number of Votes<br/>(One Share-One vote)</b> | <b>Percentage of shares<br/>represented</b> |
|--------------|-------------------------------------------------|---------------------------------------------|
| In favor     | 4,752,021,545                                   | 99.55%                                      |
| Against      | 3,663,702                                       | 0.08%                                       |
| Abstain      | 18,025,556                                      | 0.38%                                       |
| <b>Total</b> | <b>4,773,710,803</b>                            | <b>100.00%</b>                              |

The voting process complied with the principles of one-share, one-vote voting requirements under the Revised Corporation Code. Based on the Requirements and Procedures for Voting in the 2024 ASM, the votes submitted through proxy documents were counted and added to the votes of the stockholders *in absentia* through the ASM Portal.

**X. OTHER BUSINESS AND ADJOURNMENT**

---

The Chairman then asked the stockholders if there were any matters they wished to raise.

The moderator of the meeting, Ms. Jacqui De Jesus, Investor Relations Officer, read out the questions received in advance:

**Question #1 was addressed to Mr. Jose Emmanuel U. Hilado, Chief Financial Officer:**

*What excites management in 2024 that could potentially cause an earnings outperformance?*

According to Mr. Hilado, the Company firmly advocates for and believes in fostering the economic recovery initiatives of the Philippines and it believes that the Company's recent investments have positioned the Aboitiz group at the forefront of this positive trajectory. For 2024, AEV is focused on consolidating the investments it made over the past two years, which include the acquisitions of Citi's Philippine consumer business, Coca-Cola Bottlers Philippines, the Mactan Cebu International Airport, and, just last month, its stake in an integrated LNG facility. More than the growth potential of these new investments on their own, the Company is thrilled on how each of these new assets can enhance its internal synergies, providing a multiplier effect to the group's already positive earnings growth momentum.

**Question #2 addressed to Mr. Jose Emmanuel U. Hilado, Chief Financial Officer:**

*The Group's aggregate capital expenditure budget for 2024 of Php 153 billion is more than double the previous year's. How does the group intend to fund this amount?*

According to Mr. Hilado, the Company will fund its 2024 capital expenditures with a combination of debt and cash.

**Question #3 addressed to Sabin M. Aboitiz, President and CEO:**

*Are there any more major acquisitions slated for 2024 at the parent-level? Are there new sectors the Aboitiz Group is looking to enter into?*

According to SMA, in the Company's ongoing pursuit of growth and diversification, it constantly surveys the market landscape for any emergent opportunities, particularly in sectors which management believes will build on the inherent synergies in the Company's existing portfolio and bring it closer to its long-term target of generating at least 50% of its EBITDA from non-power businesses. Should a promising prospect capture the Company's attention, it analyzes its viability, ensuring alignment with the Company's return criteria.

**Question #4 addressed to Sabin M. Aboitiz, President and CEO:**

*Congratulations on the acquisition of Coca-Cola Bottlers Philippines Inc. How will the transfer of ownership in CCBPI enhance the business model of Coke and could you talk about the internal synergies management expects to develop between CCBPI and the rest of the Aboitiz Group?*

According to SMA, AEV's venture into Coca-Cola Beverages Philippines, Inc. or CCBPI further underscores the Group's commitment to diversification and innovation. Expanding its footprint in the retail and consumer space further enables it to capitalize on new growth opportunities and drive synergies across the Group.

The Company can see immediate synergies arise between CCBPI and its banking and power business units, which each have varying touchpoints across the Philippines' wide consumer base.

AEV hopes to leverage its local know-how and business acumen and familiarity with the Filipino consumer to bring added value to its partners distinctive bottling experience. It also offers exciting learning experiences for Aboitiz on marketing, distribution, logistics and operations.

**Question #5 addressed to Ms. Cosette V. Canilao (CVC), President and Chief Executive Officer of Aboitiz InfraCapital, Inc. (AIC):**

*Given Aboitiz InfraCapital's appetite for airports, could you talk about the Group's outlook on domestic tourism and overall economic growth?*

According to CVC, AIC is optimistic about its growth trajectory, particularly as passenger traffic at the Mactan-Cebu International Airport (MCIA) is nearing pre-pandemic levels. AIC is also eager to contribute to growing the local economy by offering a world-class gateway to the country's tourism spots.

In 2024, AIC will continue with its efforts of improving operational efficiencies and enhancing customer service at MCIA, and setting benchmarks for airports nationwide through our sustainability initiatives.

Ms. De Jesus explained that there were other questions sent by shareholders and attendees to which the Company will respond separately via email. She also invited the stockholders to direct their queries to the Company's representatives, depending on their queries and concerns and flashed their contact details on the screen.

Thus, upon motion duly made and seconded, the meeting was adjourned.

The Chairman then asked the Corporate Secretary to flash on the screen the votes cast by the stockholders for each agenda item approved, including the votes cast in the election of directors.

The Chairman thanked the stockholders who participated in the stockholders' meeting today.

The next Annual Stockholders' Meeting will be on April 28, 2025, the 4th Monday of April, in accordance with the Company's By Laws.

**(SGD)**  
**CONNIE G. CHU**  
Corporate Secretary <sup>SAS</sup>

*ATTESTED:*

**(SGD)**  
**SABIN M. ABOITIZ**  
Chairman of the Meeting/  
President and Chief Executive Officer

*NOTED:*

**(SGD)**  
**LUIS CAÑETE**  
Board of Election Inspector, Luis Cañete & Company

**(SGD)**  
**NOEL PETER CAÑETE**  
Board of Election Inspector, Luis Cañete & Company

**List of Officers Present**

| <b>Name</b>                     | <b>Position</b>                                                                                     |
|---------------------------------|-----------------------------------------------------------------------------------------------------|
| Jose Emmanuel U. Hilado         | - <i>Senior Vice President/Chief Financial Officer/ Corporate Information Officer</i>               |
| Connie G. Chu                   | - <i>Senior Vice President and Chief Legal Officer/Corporate Secretary/Chief Compliance Officer</i> |
| Ana Margarita Hontiveros-Malvar | - <i>First Vice President and Chief Reputation and Sustainability Officer</i>                       |
| Beverly B. Tolentino            | - <i>First Vice President - Group Controller</i>                                                    |
| Timothy Joseph P. Abay          | - <i>Vice President – Deputy Group Controller</i>                                                   |
| Mailene M. de la Torre          | - <i>Vice President - Governance and Compliance / Assistant Corporate Secretary</i>                 |
| Jacqui De Jesus                 | - <i>Vice President – Investor Relations Head</i>                                                   |
| Sammy Dave A. Santos            | - <i>Assistant Corporate Secretary</i>                                                              |

**Others:**

|                             |                                                                                       |
|-----------------------------|---------------------------------------------------------------------------------------|
| Emmanuel V. Rubio           | - <i>President and Chief Executive Officer, Aboitiz Power Corporation</i>             |
| Trista Roberto R. Aboitiz   | - <i>President and Chief Executive Officer, Pilmico Foods Corporation</i>             |
| Eric Nojac                  | - <i>President and Chief Executive Officer, Food Group International</i>              |
| David L. Rafael             | - <i>President and Chief Executive Officer, Aboitiz Land Inc.</i>                     |
| Edwin R. Bautista           | - <i>President and Chief Executive Officer, Union Bank of the Philippines</i>         |
| Cosette V. Canilao          | - <i>President and Chief Executive Officer, Aboitiz InfraCapital, Inc.</i>            |
| Gareth McGeown              | - <i>President and Chief Executive Officer, Coca-Cola Beverages Philippines, Inc.</i> |
| David Hardoon               | - <i>President and Chief Executive Officer, Aboitiz Data Innovation</i>               |
| Lennie S. Magnaye           | - <i>Chief Financial Officer, Aboitiz Infracapital, Inc.</i>                          |
| Jhoanna Feliza C. Go        | - <i>Audit Partner for 2023, Sycip Gorres Velayo &amp; Co.</i>                        |
| Ma Veronica Andresa R. Pore | - <i>Sycip Gorres Velayo &amp; Co.</i>                                                |
| Wilson P. Tan               | - <i>Sycip Gorres Velayo &amp; Co.</i>                                                |
| Maria Vivian C. Ruiz        | - <i>Sycip Gorres Velayo &amp; Co.</i>                                                |
| Martin C. Guantes           | - <i>Sycip Gorres Velayo &amp; Co.</i>                                                |
| Genghis O. Grospe           | - <i>Sycip Gorres Velayo &amp; Co.</i>                                                |
| Frecy Catadman              | - <i>Sycip Gorres Velayo &amp; Co.</i>                                                |
| Mary Jane A Claveria        | - <i>Sycip Gorres Velayo &amp; Co.</i>                                                |
| Luis Cañete                 | - <i>Board of Election Inspector, Luis Cañete &amp; Company</i>                       |
| Noel Peter Cañete           | - <i>Board of Election Inspector, Luis Cañete &amp; Company</i>                       |
| Michael C. Capoy            | - <i>Stock Transfer Service Inc., Stock and Transfer Agent</i>                        |
| Russie Ericka Dela Cruz     | - <i>Stock Transfer Service Inc., Stock and Transfer Agent</i>                        |
| Rachelleen Navarro          | - <i>Assistant Vice President – Investor Relations</i>                                |
| Ivy Manalang                | - <i>Manager – Investor Relations</i>                                                 |
| Alexa Carvajal              | - <i>Officer – Investor Relations</i>                                                 |



**Registration Report**

| All Shareholders                                                                                                     |               |
|----------------------------------------------------------------------------------------------------------------------|---------------|
| Total No. of Shares Outstanding                                                                                      | 5,607,102,957 |
| Shares Present in Person                                                                                             | 0             |
| Shares Represented by Proxy                                                                                          | 4,770,807,261 |
| Stockholders Present through Remote Communication (livestream) or in Absentia                                        | 2,903,542     |
| Total No. of Shares Represented by Proxy, Present through Remote Communication (livestream), and Voting in absentia  | 4,773,710,803 |
| Percentage of Shares Represented by Proxy, Present through Remote Communication (livestream), and Voting in absentia | 85.14%        |
| Total Shares Not Represented                                                                                         | 833,392,154   |
| Percentage of Shares Not Represented                                                                                 | 14.86%        |

[Redacted Signature]

LUIS A. CAÑETE  
April 22, 2024

[Redacted Signature]

DANIEL R. OLIVERA  
April 22, 2024

[Redacted Signature]

LUIS A. CAÑETE

**SUMMARY OF VOTES**

| Matter for Approval                                                                         | YES           |        | NO            |       | ABSTAIN       |       |
|---------------------------------------------------------------------------------------------|---------------|--------|---------------|-------|---------------|-------|
|                                                                                             | No. of Shares | %      | No. of Shares | %     | No. of Shares | %     |
| Approval of the minutes of the previous Annual Stockholders' meeting held on April 24, 2023 | 4,756,963,337 | 99.65% | 0             | 0.00% | 16,747,466    | 0.35% |
| Approval of the 2023 Annual Report and Financial Statements                                 | 4,754,811,357 | 99.60% | 1,348,240     | 0.03% | 17,551,206    | 0.37% |
| Appointment of the Company's External Auditor for 2024                                      | 4,739,675,535 | 99.29% | 17,287,802    | 0.36% | 16,747,466    | 0.35% |

## SUMMARY OF VOTES

(LUIS A. CAÑETE)

| Matter for Approval:<br><i>Election of Directors</i> | YES           |
|------------------------------------------------------|---------------|
| Mr. Enrique M. Aboitiz                               | 4,741,699,608 |
| Mr. Mikel A. Aboitiz                                 | 4,755,255,799 |
| Mr. Erramon I. Aboitiz                               | 4,735,983,862 |
| Mr. Sabin M. Aboitiz                                 | 4,737,148,686 |
| Ms. Ana Maria A. Delgado                             | 4,736,757,002 |
| Mr. Justo A. Ortiz                                   | 4,755,255,799 |

**abotiz**  
Equity Ventures Inc.



GT2025

2024 Annual Stockholders' Meeting

## SUMMARY OF VOTES

(LUIS A. CAÑETE)

| Matter for Approval:<br><i>Election of Independent Directors</i> | YES           |
|------------------------------------------------------------------|---------------|
| Ms. Joanne G. De Asis                                            | 4,685,804,150 |
| Mr. Cesar G. Romero                                              | 4,748,207,521 |
| Mr. Peter D. Maquera                                             | 4,754,118,950 |

**abotiz**  
Equity Ventures Inc.



GT2025

2024 Annual Stockholders' Meeting

## SUMMARY OF VOTES

LUIS A. CAÑETE

| Matter for Approval                                                                                                                                      | YES           |        | NO            |       | ABSTAIN       |       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------|---------------|-------|---------------|-------|
|                                                                                                                                                          | No. of Shares | %      | No. of Shares | %     | No. of Shares | %     |
| <i>Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management from 2023 up to April 21, 2024</i> | 4,752,021,545 | 99.55% | 3,663,702     | 0.08% | 18,025,556    | 0.38% |
| <i>Other Business</i>                                                                                                                                    | 4,552,994,925 | 95.38% | 201,110,350   | 4.21% | 19,605,528    | 0.41% |



GT2025

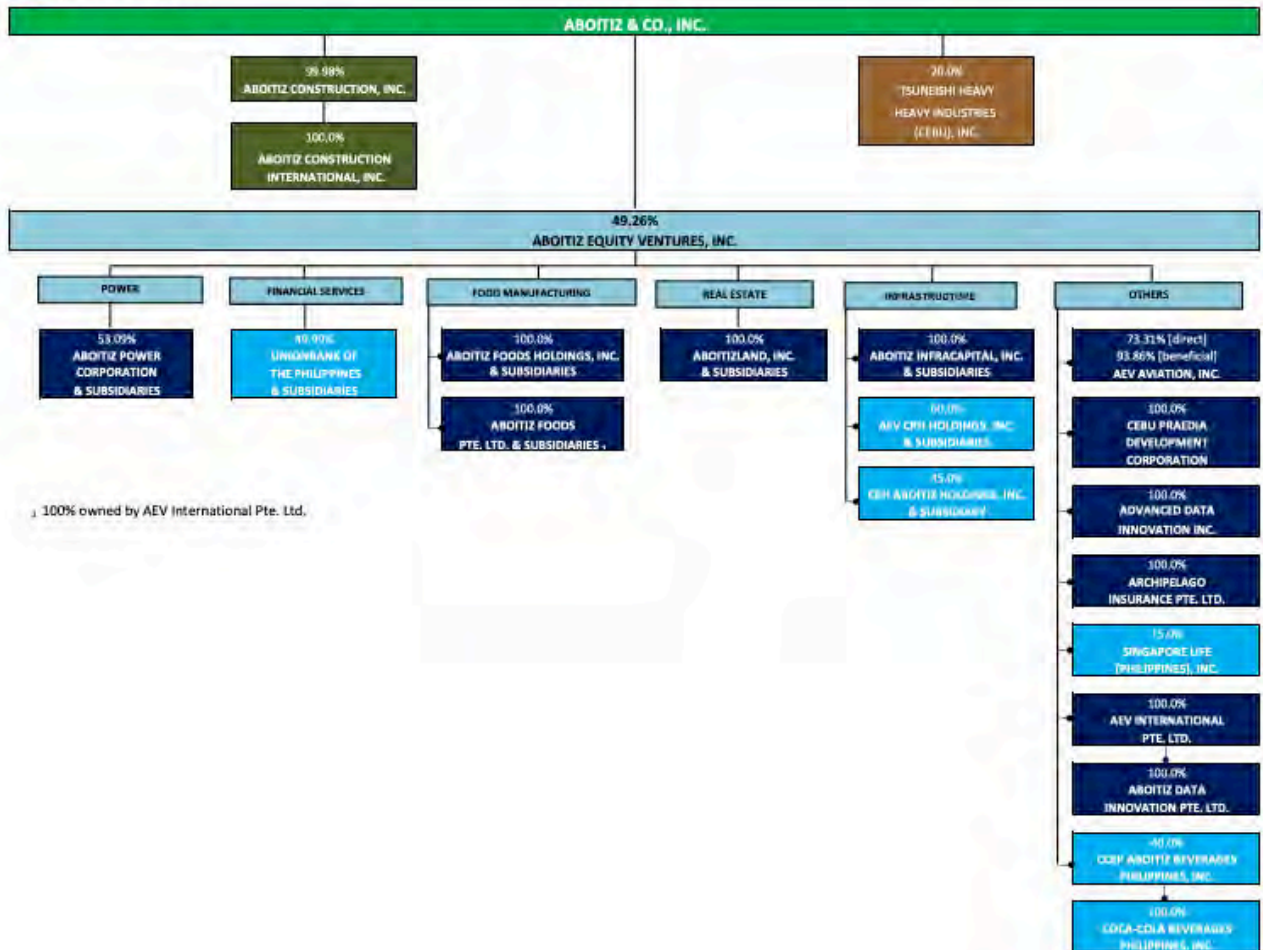
2024 Annual Stockholders' Meeting

## ANNEX “D” CONGLOMERATE MAP (AS OF DECEMBER 31, 2024)

### ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES CONGLOMERATE MAPPING As of December 31, 2024

#### Legend:

- Parent Company
- Reporting Company
- Co-Subsidiary
- Subsidiary
- Associate or Joint Venture
- Other Related Parties





**ABOITIZ EQUITY VENTURES, INC. - POWER**  
**CONGLOMERATE MAPPING**  
As of December 31, 2024

**Legend:**

- Reporting Company
- Subsidiary
- Associate or Joint Venture
- Other Related Parties



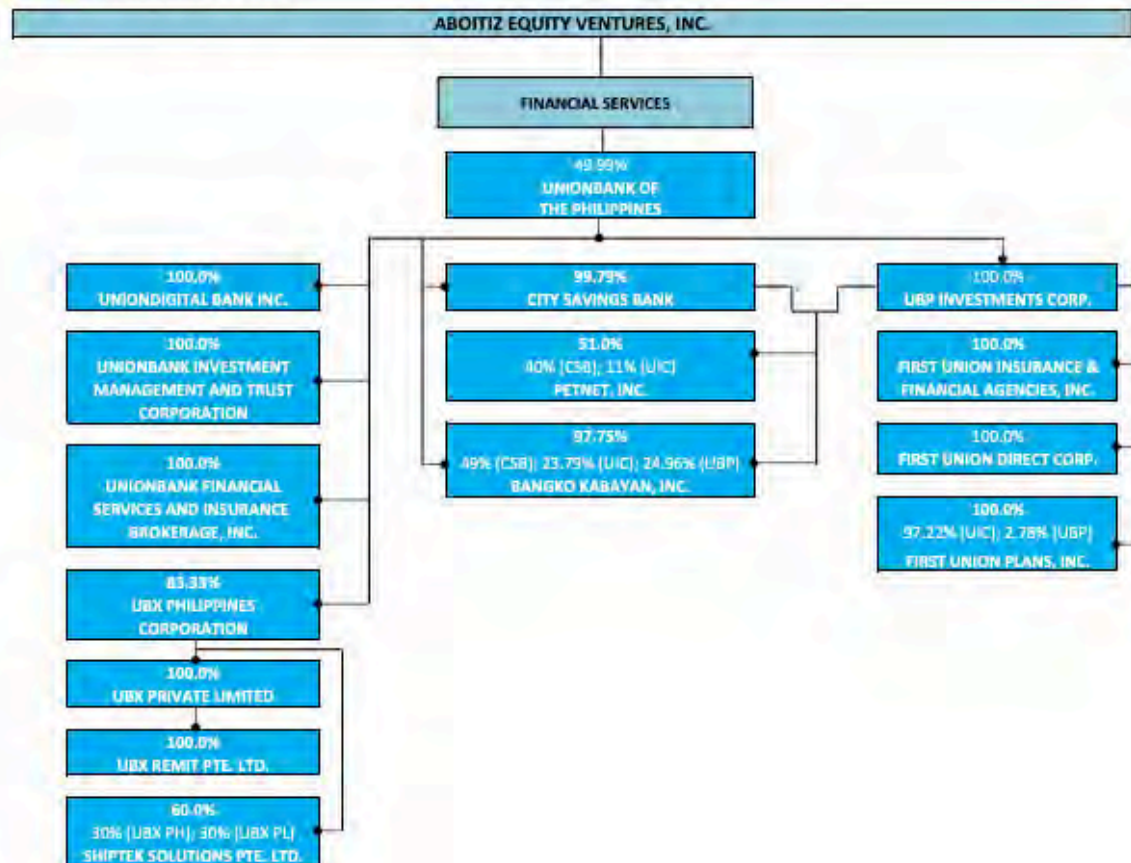
## ABOITIZ EQUITY VENTURES, INC. - FINANCIAL SERVICES

### CONGLOMERATE MAPPING

As of December 31, 2024

#### Legend:

- Reporting Company
- Subsidiary
- Associate or Joint Venture

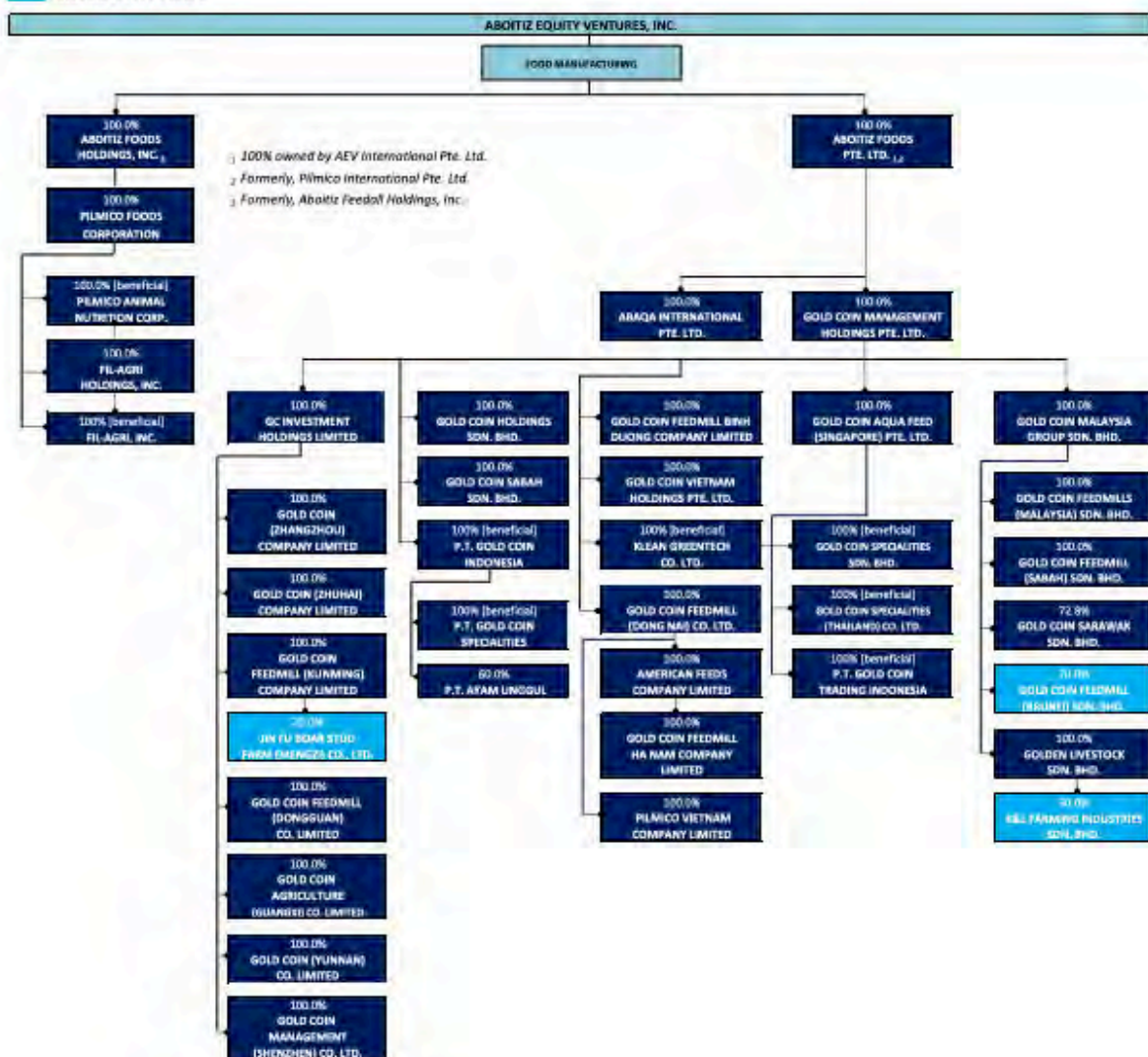




**ABOITIZ EQUITY VENTURES, INC. - FOOD MANUFACTURING**  
**CONGLOMERATE MAPPING**  
As of December 31, 2024

**Legend:**

Reporting Company  
Subsidiary  
Associate or Joint Venture



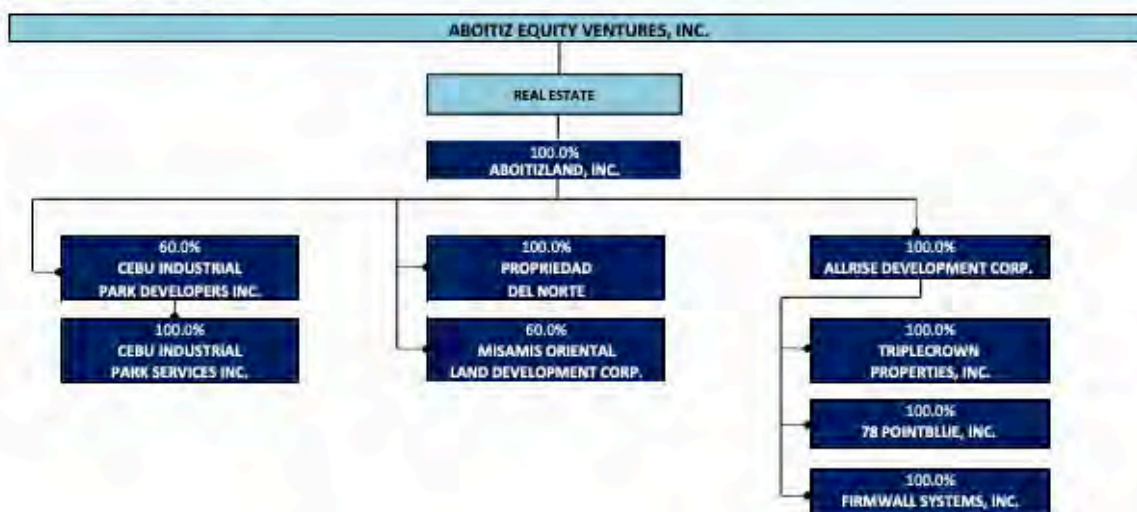
## ABOITIZ EQUITY VENTURES, INC. - REAL ESTATE

### CONGLOMERATE MAPPING

As of December 31, 2024

#### Legend:

- Reporting Company
- Subsidiary
- Associate or Joint Venture



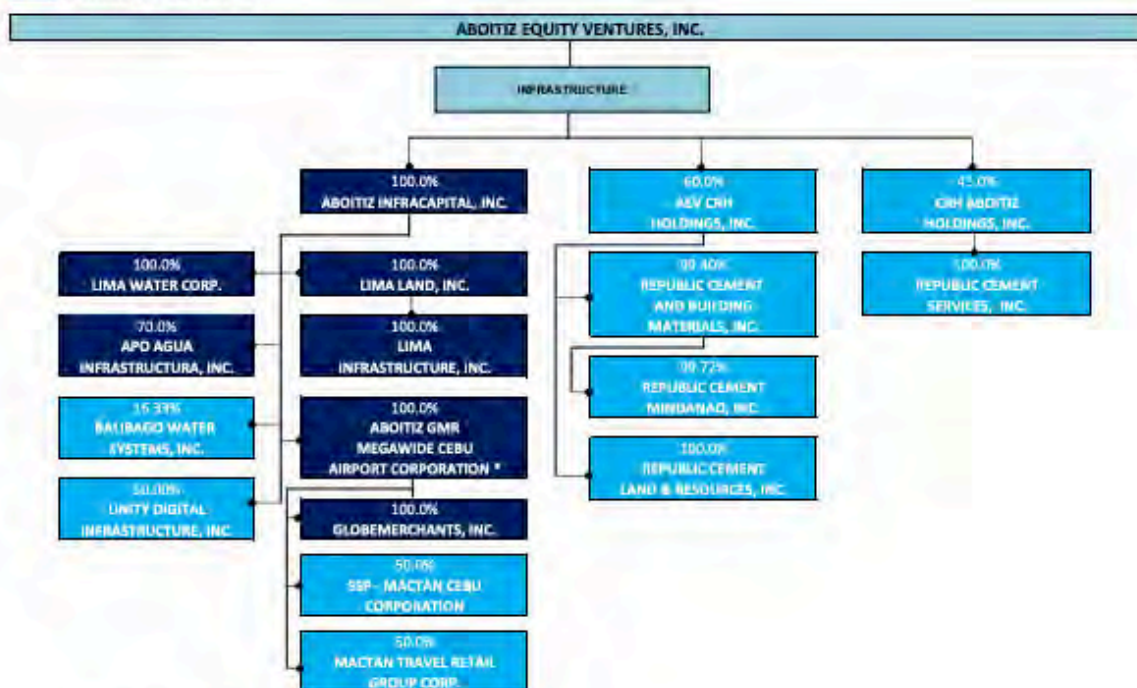
## ABOITIZ EQUITY VENTURES, INC. - INFRASTRUCTURE

### CONGLOMERATE MAPPING

As of December 31, 2024

#### Legend:

- Reporting Company
- Subsidiary
- Associate or Joint Venture



\* formerly, GMR Megawide Cebu Airport Corporation

## The Board Audit Committee Report to the Board of Directors

### Aboitiz Equity Ventures, Inc.

The Board Audit Committee is pleased to present its report for the financial year ended December 31, 2024.

### Audit Committee Responsibility

In giving effect to its duly approved charter, the Audit Committee assisted the Board of Directors in fulfilling its oversight responsibility to the public, governmental and/or regulatory bodies and other stakeholders in helping:

- a) Ensure the integrity of the Company's financial reporting processes, including ensuring the integrity of financial reports and other financial information provided by the Company to the public, governmental and/or regulatory bodies;
- b) Ensure excellence in the Company's control performance by having an adequate and effective internal control system, governance processes and risk management processes and reviewing the performance on the Company's internal audit function;
- c) Review the annual independent audit of the Company's financial statements and the external auditors' qualifications and independence;
- d) Ensure compliance with applicable laws and regulations which may represent material financial exposure to the Company; and
- e) Provide an avenue of communication among the Company's independent auditors, management, the internal auditing department and the Company.

The Committee has established a constructive and collaborative relationship with the Company's senior leadership to give support, but not to pre-empt any responsibility in making final audit-related decisions.

### Committee Membership

The Audit Committee is composed of five (5) members, three (3) of whom are independent directors including its Chairman.

Cesar G. Romero, Independent Director, is the Chairman of the Committee. Other members of the committee are Joanne De Asis (Independent Director), Peter D. Maquera (Independent Director), Erramon I. Aboitiz (Non-Executive Director) and Ana Maria A. Delgado (Non-Executive Director).

### Meetings and Attendance

The Audit Committee carried out its function through its meetings with management, internal auditors, independent external auditors, advisers, and others where appropriate.

The audit charter provides for the Committee to hold at least four (4) regular meetings a year, with the authority to convene special meetings when deemed required.

In 2024, four (4) meetings were held. The attendance by each member of the committee is so indicated below:

| Member                                                   | Mar 4, 2024<br>Regular<br>Meeting<br>(Virtual) | Apr 24, 2024<br>Regular<br>Meeting<br>(Virtual) | July 24, 2024<br>Regular<br>Meeting<br>(Virtual) | Oct 25, 2024<br>Regular<br>Meeting<br>(Virtual) |
|----------------------------------------------------------|------------------------------------------------|-------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| <b>CESAR G. ROMERO</b><br>Chairman, Independent Director | ✓                                              | ✓                                               | ✓                                                | ✓                                               |
| <b>PETER D. MAQUERA</b><br>Independent Director          | ✓                                              | ✓                                               | ✓                                                | ✓                                               |
| <b>JOANNE DE ASIS</b><br>Independent Director            | ✓                                              | ✓                                               | ✓                                                | ✓                                               |
| <b>ERRAMON I. ABOITIZ, JR.</b><br>Non-Executive Director | ✓                                              | ✓                                               | ✓                                                | ✓                                               |
| <b>ANA MARIA A. DELGADO</b><br>Non-Executive Director    | ✓                                              | ✓                                               | X                                                | ✓                                               |

Attendees to these committee meetings also include the Group Internal Audit Head and, by invitation, the Chief Risk Officer, the Chief Financial Officer, Controller and other key leaders whenever deemed appropriate and necessary.

Executive sessions, without the presence management, are scheduled after every regular committee meeting as part of the meeting agenda to allow for unfiltered and candid discussions.

One-on-one sessions between the Board Audit Committee Chairman and the AEV Group Internal Audit head are also held regularly at least once a quarter.

### Financial Reports

The Board Audit Committee reviewed, discussed, and approved for public disclosure the 2024 quarterly unaudited consolidated financial statements. The Committee endorsed for approval by the full Board the 2024 annual audited financial statements of Aboitiz Equity Ventures, Inc., its subsidiaries and alliances. Included in the review were the Management Discussion and Analysis of Financial Condition and Results of Operations following prior review and discussion with management, accounting, and the company's independent external auditor, Sycip Gorres Velayo & Co. (SGV)—member practice of Ernst & Young (EY) in the Philippines.

The activities of the Audit Committee are performed in the context—

- That management has the primary responsibility for the financial statements and the financial reporting process; and
- That the company's independent external auditor is responsible for expressing an unqualified opinion on the conformity and consistency of application of the Company's audited financial statements with Philippine Financial Reporting Standards.

## External Auditors

The 2024 overall scope and audit plan of SGV were reviewed and approved during the October 25, 2023 regular Audit Committee meeting. The audit plan, fees and terms of engagement which covers audit-related services provided by SGV were also reviewed and found to be reasonable.

The results of the SGV audits and its assessment of the overall quality of the financial reporting process were presented and discussed during the first Audit Committee meeting the following year, March 5, 2025.

Non-audit services (NAS) were provided by SGV in 2024. The fees were related to the BIR 1709, transfer pricing consulting activities and AEV International SG corporate tax services including the conduct of trainings with regard to the adoption of new accounting standards and regulations.

All NAS provided by SGV has been approved in compliance with the new IESBA requirement for pre-concurrence for all proposed NAS before it is entered into or the provision of the services begin from those charged with governance, which in the case of AEV is its Board Audit Committee.

The Board Audit Committee, after evaluation of the performance of the external auditor in 2024 and finding it to be in accordance with the Standards, favorably endorsed to the full Board the re-appointment of SGV as external auditor for 2025. The full board, in its special meeting held March 7, 2025 approved the re-appointment of SGV with Jhoanna Feliza C. Go as the signing partner for AEV.

This re-appointment of SGV as the independent external auditor is subject to the final approval of the shareholders of AEV during the Annual General Stockholders meeting scheduled in April 28, 2025.

## Internal Auditors

The Audit Committee is satisfied with the internal audit function and has assessed that it is operating effectively and generally covers the risks pertinent to the company in its audits. The Committee has reviewed and approved the annual audit program for the year which also covers the adequacy of resources, qualifications and competency of the staff and independence of the internal auditor.

With reference to the Global Internal Audit Standards - Domain II, Principle 2 Maintain Objectivity which states that *"Internal auditors maintain an impartial and unbiased attitude when performing internal audit services and making decisions"*, the Committee confirms that the function is executed effectively and internal auditors have conducted their responsibilities objectively and in an unbiased manner. The Committee further confirms that, to the best of its knowledge and belief, the auditors have no personal or other impediments that would prevent them from objectively planning, conducting, reporting, or otherwise participating and reaching independent conclusions in their audit assignments in 2024. Internal audit is organizationally positioned to be independent—functionally reporting to the Board Audit Committee and administratively to the President and Chief Executive Officer.

The Board Audit Committee is satisfied with the content and quality of reports prepared and issued by the internal auditors during the year under review.



The Group Internal Audit (GIA) remains to be the single-point-of-contact for the Audit Committee. It takes the lead in setting the standards, initiatives and overall direction of the group audit teams which, in turn, focus their reviews on the top risks of their respective business units. Except for AboitizPower, UnionBank and other financial business units, information systems and technology-related risks however, still remain to be an area covered by the Aboitiz Equity Ventures, Inc. group information systems auditors including the management of its outsourcing/co-sourcing activities.

Based on audit reports and highlights presented to the Committee and with the contribution provided by management and other key leaders on the issues raised to their attention, the Committee concurs with internal audit's assessment that, generally, there is reasonable assurance that the existing system of internal controls, risk management and governance allow for a generally adequate management of identified risks and effectively supports the improvement of the management of the Company as a whole.

With cybersecurity risk still considered as one of the top risks of the company, continuous focus is given to continuously improve and further strengthen governance and controls over the implementation of security standards for information systems and related technologies. Internal audit prioritized business unit compliance reviews to the minimum information technology and operational technology security standards set and agreed upon at corporate level.

### External Quality Assessment

The Internal Audit team of Aboitiz Equity Ventures, Inc., after undergoing an External Quality Assessment (EQA) review by the authorized validators of the Institute of Internal Auditors (IIA) Philippines that are duly accredited by the Institute of Internal Auditors (IIA) International, received the official EQAR results in 2017.

It is the opinion of the IIA that on the overall, the internal audit team of Aboitiz Equity Ventures, Inc., **"Generally Conforms"** to the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics for internal audit practitioners. **Generally Conforms** is the highest rating awarded in connection with an EQA and the internal audit team has been commended for this achievement.

The EQA, much like any global certification is not required. Acquiring it helps build the reputation not just of internal audit but of Aboitiz as a company that not only conforms, complies and follows but adopts and implements the *Standards* and best practices of the internal audit function. The EQA certification is valid for 5 years or until 2022 only.

An EQA was not done in 2024 in view of the ongoing federalization in the internal audit function. Focus was on the set-up and transitioning of the resident internal audit teams for Aboitiz InfraCapital Inc. and AboitizFoods. Transitioning was also done for the information technology audit function from AEV group internal audit to the resident internal audit teams.

Nevertheless, AEV group internal audit continually works on its internal Quality Assurance Improvement Program and encourages its adoption especially to the newly organized resident internal audit teams.



## **Review of the Audit Charters**

Annual review of the audit charters—Board Audit Committee charter and Internal Audit charter—was conducted. Proposed changes to the internal charter was presented, discussed and endorsed for full board approval during the October 25, 2024 Board Audit Committee meeting while the revisions to the Board Audit Committee charter was reviewed and endorsed for full board approval during its meeting dated January 28, 2025.

Changes were made to align to the new Global Internal Audit Standards (formerly known as the International Standard for the Professional Practice of Internal Auditing or ISPPA). This new Global IA Standards was published January 9, 2024 and shall take effect the following year on January 9, 2025.

The charters reinforce the oversight responsibilities of the Board Audit Committee in helping ensure excellence in control performance by having an adequate and effective internal control system, governance and risk management processes.

The review and updating of the charters are done at least once a year, endorsed by the Audit Committee, approved by the Board and included in the report to the stockholders.

## **Self-Assessment**

The Committee conducted its annual self-assessment in accordance with the guidelines of SEC Memo Cir. No. 19, series of 2016 and the Company's Manual on Corporate Governance . The assessment result showed that the Committee complied with the requirements set forth in the Audit Charter and met the necessary and most important requirements set by global standards and best practices.

## **Risk Management**

The partnership between the risk management team and internal audit has remained solid and vital in continuously providing objective assurance to the board on the effectiveness of the risk management function in the organization.

The top strategic risks, emerging risks and project risks are key inputs in the preparation and prioritization of internal audit's master plan for the following year. The risk management plan, presented, discussed and approved by the Board Risk and Reputation Committee empowers the business to adequately identify and address the risks to ensure that the organization's plans, strategies and business objectives are achieved.

The internal audit team presents to the Board Risk and Reputation Committee the results of the annual Strategic Risk Management Plan validation reviews conducted across the different business units. The reviews give an assurance to management and the Board on the existence status and effectiveness assessment, where verifiable, of the risk treatments plans to address the identified risks for the year.

After considering, analyzing and reviewing all pertinent information on the integrity of financial reporting, effectiveness of internal controls, risk management, governance and compliance within the Aboitiz group of companies, the Committee is of the view that, in all

material aspects, the duties and responsibilities as so outlined in its Charter have been satisfactorily performed.

In behalf of the Board Audit Committee,

**(SGD)**

**Cesar G. Romero**

Lead Independent Director

Board Audit Committee Chairman

## ANNEX “F” INTERNAL CONTROL AND COMPLIANCE ATTESTATION



### Internal Control and Compliance System Attestation For the year ended, December 31, 2024

Aboitiz Equity Ventures Inc.’s (AEV) corporate governance system includes a combination of internal and external mechanisms such as the structure of the board of directors and our committees, the oversight it exercises over management, and the formulation of sound policies and effective controls.

- The Board of Directors is responsible for providing governance and overseeing the implementation of adequate internal control mechanisms and risk management processes;
- Management is primarily responsible for designing and implementing an adequate (effective and efficient) internal control system and risk management processes as well as in ensuring compliance with statutory and regulatory requirements of the law;
- Management is responsible for developing a system to monitor and manage risks;
- SGV & Co., the Company’s external auditor is responsible for assessing and expressing an opinion on the conformity of the audited financial statements with the Philippine Financial Reporting Standards and the overall quality of the financial reporting process;
- Internal Audit adopts a risk-based audit approach in developing an annual audit master plan and conducts reviews to assess the adequacy of the Company’s internal control system; and
- The Company’s Group Internal Audit Head that acts as the equivalent of a Chief Audit Executive reports functionally to the Board Audit Committee to ensure independence and objectivity, allowing Internal Audit to fulfill its responsibilities.

Based on the above assurance provided by the internal auditors as well as the external auditors as a result of their reviews, we attest that AEV’s internal control and compliance system, which covers governance, risk management, and control processes, are generally adequate.

(SGD)

**Sabin M. Aboitiz**  
President & Chief Executive Officer

(SGD)

**Maria Lourdes Y. Tanate**  
VP Group Internal Audit Head

(SGD)

**Connie G. Chu**  
SVP Chief Legal and Compliance Officer

0340 Pioneer Road, Aboitiz, San Roque Industrial City, Taguig 1634, Metro Manila, Philippines  
Tel: (632) 886-2300 | Fax: (632) 886-2300 | [www.abovest.com](http://www.abovest.com)

## ANNEX “G”

### Requirements and Procedures for Voting and Participation in the 2025 Annual Stockholders’ Meeting (ASM) of Aboitiz Equity Ventures Inc. (the “Company”)

The Company will conduct a virtual ASM on 28 April 2025, Monday at 11:00 a.m. (“2025 ASM”). The meeting will be conducted *via* livestream at the link provided in the Company’s website at <https://aboitiz.com/2025asm/> (the “ASM Portal”) **BEGINNING ON 28 MARCH 2025.**

Stockholders of record as of 24 March 2025 are entitled to participate and vote in the 2025 ASM.

The following procedures and requirements provide the ways in which the Company’s stockholders can participate and vote in the 2025 ASM.

#### I. VOTING BY PROXY

1. *For Individual stockholders holding certificated shares in the Company* - Download the file [Proxy Form for Individual Stockholder](#). For the Special Power of Attorney (“SPA”), refer to the Sample SPA uploaded in the ASM Portal.
2. *For stockholders holding ‘scripless’ shares, or shares held under a PCD Participant/Broker* - Download the file [Proxy Form for PCD Participant/Broker](#). Stockholders must coordinate with their brokers for the execution of this type of proxy. A stockholder may instruct his broker to directly send a scanned copy of the executed proxy to the Company, or he may send the scanned copy of the executed proxy
3. *For Corporate Stockholders* - Download the file [Proxy Form for Corporate Stockholder](#). For the secretary’s certificate, refer to the [Sample Secretary’s Certificate](#) uploaded in the SSM Portal

General instructions on Voting through Proxy:

- a. Download and fill up the appropriate Proxy Form. The Chairman of the meeting, by default, is authorized to cast the votes pursuant to the instructions in the proxy.
- b. Send a scanned copy of the executed proxy through email to [AEV.BoardSecretariat@aboitiz.com](mailto:AEV.BoardSecretariat@aboitiz.com).
- c. The deadline for the submission of proxies is on 24 April 2025, to give time for the Proxy Validation Committee to review and validate the proxies received in accordance with the Company’s Amended By-Laws.

#### II. ELECTRONIC VOTING OR VOTING IN ABSENTIA

1. Instead of voting by proxy, stockholders may choose to vote for the matters set out in the Agenda for the 2025 ASM (including casting votes in the election of directors) through the online voting platform available at the ASM Portal. Votes cast until 08:00 a.m. on 28 April 2025 will be tabulated and presented during the 2025 ASM. Stockholders may still vote after the cut-off time, and the final votes received through proxy and through the ASM Portal after the adjournment of the meeting will be included in the minutes of the 2025 ASM. Stockholders must provide the information required and upload the documents needed to complete their registration and to cast their votes, which are then subject to verification and validation by the Office of the Corporate Secretary.

Stockholders will need the following documents to register at the online

2. voting platform:

(a) Individual Stockholders

- i. Valid email address and active contact number (landline or cellphone);
- ii. Any valid government-issued identification card (ID);

- iii. Any valid stock certificate issued by the Company in the name of the individual stockholder, or stock certificate number that matches with the name provided in the registration form, if such stock certificate is lost.
- (b) Stockholders with Joint Accounts
- i. An authorization letter signed by other stockholders indicating the person among them authorized to cast the votes;
  - ii. Documents required under Items 2.a.(i) and 2.a.(ii) for the authorized stockholder; and
  - iii. Any valid stock certificate issued by the Company in the name of the joint stockholders, or stock certificate number that matches with the name provided in the registration form, if such stock certificate is lost.
- (c) Stockholder under PCD Participant/Brokers Account or “Scripless Shares”
- i. Coordinate with the broker, and request for your broker’s full account name and PDTC broker identification number or account number they provided to the Company; and
  - ii. Items 2.a.(i) and 2.a.(ii) above.
- (d) Corporate Stockholders
- i. Secretary’s certificate attesting to the authority of the representative to vote the shares on behalf of the corporate stockholder;
  - ii. Any valid stock certificate in the name of the corporate stockholder; and
  - iii. Documents required under Items 2.a.(i) and 2.a.(ii) above for the authorized representative.
3. The ASM Portal contains the Agenda items for approval as set out in the Notice and Agenda for the 2025 ASM.
- (a) For items other than the election of directors, stockholders have the option to vote: In Favor of, Against, or Abstain.
- (b) For the election of Directors, stockholders have the option to vote his shares for all nominees, not vote for any nominees, or vote for one or some nominees only, in such number of shares as the stockholder prefers, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected. The system will automatically compute the total number of votes the stockholder is allowed to cast, based on the number of shares he owns.
- (c) Once the stockholder finalizes his votes, he can proceed to submit the accomplished form by clicking the ‘Submit’ button.
- (d) After the ballot has been submitted, the stockholder may no longer change his/her vote.
4. Thereafter, the Office of the Corporate Secretary will send a confirmation email to the stockholder once his/her account has been verified and his/her vote has been recorded.

If the registration cannot be verified due to lacking, incomplete, or unreadable documents or information, the stockholder will be notified through an system-generated email from the ASM Portal. The Company shall send a subsequent email to inform the stockholder of the actions or documentations needed to complete the registration. Stockholders may contact [AEV\\_BoardSecretariat@aboitiz.com](mailto:AEV_BoardSecretariat@aboitiz.com) for queries regarding the online voting and registration.

If the account of a stockholder cannot be verified, then the votes cast by the non-verified stockholder shall not be recorded.

5. The Office of the Corporate Secretary shall tabulate all valid and confirmed votes cast through the ASM Portal, together with the votes cast through proxies. The Board of Election Inspectors will thereafter validate the results.

Votes cast until 08:00 a.m. of 28 April 2025. will be tabulated and presented during the ASM.

Stockholders may still vote at <https://aboitiz.com/2025asm/> after the cut-of time and the final votes received through the proxy and through the ASM Portal after the adjournment of the meeting will be included in the minutes of the 2025 ASM.

### III. ATTENDANCE IN THE 2025 ASM BY REMOTE COMMUNICATION

1. Stockholders who intend to participate in the 2025 ASM remotely may register using the link <https://aboitiz.com/2025asm/> until 08:00 a.m. of 28 April 2025.

To register, stockholders will need the requirements under Item II.2 above, depending on the type of ownership. Stockholders will also need to upload a valid I

2. D as proof of identity.

Upon successful registration, the stockholder will receive an email confirmation and a unique link which can be used to log in and view t

3. he 2025 ASM livestream.

If the registration cannot be verified due to lacking, incomplete, or unreadable documents or information, the stockholder will be notified through an system-generated email notification from the ASM Portal. The Company shall send a subsequent email to inform the stockholder of the actions and documentations needed to complete the registration. Stockholders may contact [AEV BoardSecretariat@aboitiz.com](mailto:AEV_BoardSecretariat@aboitiz.com) for queries regarding the online voting and registration.

4. Stockholders may send questions or remarks through the ASM Portal upon registration until the adjournment of the 2025 ASM.

The proceedings during the 20

5. 25 ASM will be recorded.

*For more questions and clarifications, stockholders may visit the Company's website at <https://aboitiz.com/> or contact:*

The Corporate Secretary at [AEV BoardSecretariat@aboitiz.com](mailto:AEV_BoardSecretariat@aboitiz.com)

Sammy Dave A. Santos at [sammy.santos@ab-itiz.com](mailto:sammy.santos@ab-itiz.com)

Michael Capoy - (02) 8403-2414 or (02) 5307-5037 or [mccapoy@stocktransfer.com.ph](mailto:mccapoy@stocktransfer.com.ph)



## DEFINITION OF TERMS

|                                                       |                                                                                                                                                                                                                                                                                                |                              |                                                                                                                                                                                                                                                |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Aboitiz Foundation</b>                             | Aboitiz Foundation, Inc.                                                                                                                                                                                                                                                                       |                              | MW Binga Hydroelectric Power Plant in Itogon, Benguet                                                                                                                                                                                          |
| <b>Aboitiz Group</b>                                  | ACO and the companies or entities in which ACO has beneficial interest and over which ACO, directly or indirectly, exercises management control, including, without limitation, AEV, AboitizPower, AboitizLand, Pilmico, Aboitiz InfraCapital and their respective Subsidiaries and Affiliates | <b>Amended Guidelines</b>    | AEV's Amended Guidelines for the Nomination and Election of Independent Directors                                                                                                                                                              |
| <b>Aboitiz InfraCapital</b>                           | Aboitiz InfraCapital, Inc. (formerly: AEV Infracapital, Inc.)                                                                                                                                                                                                                                  | <b>Apo Agua</b>              | Apo Agua Infraestructura, Inc.                                                                                                                                                                                                                 |
| <b>AboitizLand</b>                                    | Aboitiz Land, Inc.                                                                                                                                                                                                                                                                             | <b>APRI</b>                  | AP Renewables Inc.                                                                                                                                                                                                                             |
| <b>AboitizPower</b>                                   | Aboitiz Power Corporation                                                                                                                                                                                                                                                                      | <b>APX1</b>                  | Aboitiz Power Distributed Energy, Inc.                                                                                                                                                                                                         |
| <b>AboitizPower Group or Power Group</b>              | Aboitiz Power Corporation and its Subsidiaries                                                                                                                                                                                                                                                 | <b>APX2</b>                  | Aboitiz Power Distributed Renewables, Inc.                                                                                                                                                                                                     |
| <b>Abovant</b>                                        | Abovant Holdings, Inc.                                                                                                                                                                                                                                                                         | <b>Archipelago Insurance</b> | Archipelago Insurance Pte. Ltd.                                                                                                                                                                                                                |
| <b>ACO</b>                                            | Aboitiz & Company, Inc.                                                                                                                                                                                                                                                                        | <b>ARI</b>                   | Aboitiz Renewables, Inc. (formerly: Philippine Hydropower Corporation)                                                                                                                                                                         |
| <b>AdventEnergy</b>                                   | Adventenergy, Inc.                                                                                                                                                                                                                                                                             | <b>AS</b>                    | Ancillary Services                                                                                                                                                                                                                             |
| <b>AESI</b>                                           | Aboitiz Energy Solutions, Inc.                                                                                                                                                                                                                                                                 | <b>ASPA</b>                  | Ancillary Services Procurement Agreement                                                                                                                                                                                                       |
| <b>AEV Aviation</b>                                   | AEV Aviation, Inc. (formerly Davco Holdings, Inc.; Spin Realty Corporation)                                                                                                                                                                                                                    | <b>Associate</b>             | Refers to an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies |
| <b>AEV CRH</b>                                        | AEV CRH Holdings, Inc.                                                                                                                                                                                                                                                                         | <b>ATM</b>                   | Automated Teller Machine                                                                                                                                                                                                                       |
| <b>AEV Group or the Group</b>                         | AEV and its Subsidiaries                                                                                                                                                                                                                                                                       | <b>ATSC</b>                  | Aboitiz Transport System (ATSC) Corporation (now 2GO Group, Inc.)                                                                                                                                                                              |
| <b>AEV International</b>                              | AEV International Pte. Ltd.                                                                                                                                                                                                                                                                    | <b>Bakun AC Hydro Plant</b>  | Refers to Luzon Hydro Corporation's 70-MW Bakun run-of-river hydropower plant located in Amilongan, Alilem, Ilocos Sur                                                                                                                         |
| <b>AEV, the Company, the Issuer or the Registrant</b> | Aboitiz Equity Ventures Inc.                                                                                                                                                                                                                                                                   | <b>Balamban Enerzone</b>     | Balamban Enerzone Corporation                                                                                                                                                                                                                  |
| <b>Affiliate</b>                                      | With respect to any Person, any other Person directly or indirectly Controlled or is under common Control by such Person                                                                                                                                                                       | <b>BCM</b>                   | Business Continuity Management                                                                                                                                                                                                                 |
| <b>Ambuklao-Binga Hydroelectric Power Complex</b>     | Refers to SN Aboitiz Power-Benguet's 105-MW Ambuklao Hydroelectric Power Plant located in Bokod, Benguet and 140-                                                                                                                                                                              | <b>BCQ</b>                   | Bilateral Contract Quantity                                                                                                                                                                                                                    |
|                                                       |                                                                                                                                                                                                                                                                                                | <b>BIR</b>                   | Bureau of Internal Revenue                                                                                                                                                                                                                     |
|                                                       |                                                                                                                                                                                                                                                                                                | <b>BOI</b>                   | The Philippine Board of Investments                                                                                                                                                                                                            |

|                                          |                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BOT</b>                               | Build-Operate-Transfer                                                                                                                                                                                                                                                                                                                                  |
| <b>BPIA</b>                              | Bohol Panglao International Airport                                                                                                                                                                                                                                                                                                                     |
| <b>BPO</b>                               | Business Process Outsourcing                                                                                                                                                                                                                                                                                                                            |
| <b>BSP</b>                               | Bangko Sentral ng Pilipinas                                                                                                                                                                                                                                                                                                                             |
| <b>Bunker C</b>                          | A term used to designate the thickest residual fuels that is produced by blending any oil remaining at the end of the oil refining process with a lighter oil                                                                                                                                                                                           |
| <b>Business Unit</b>                     | A Subsidiary or an Affiliate of AEV                                                                                                                                                                                                                                                                                                                     |
| <b>CA</b>                                | Court of Appeals                                                                                                                                                                                                                                                                                                                                        |
| <b>CAAP</b>                              | Civil Aviation Authority of the Philippines                                                                                                                                                                                                                                                                                                             |
| <b>CBA</b>                               | Collective Bargaining Agreement                                                                                                                                                                                                                                                                                                                         |
| <b>CDPEI</b>                             | Cebu District Property Enterprise, Inc.                                                                                                                                                                                                                                                                                                                 |
| <b>Cebu Coal Project</b>                 | Refers to the construction and operation of the 3x82-MW coal-fired power plant of Cebu Energy Development Corporation located in Toledo City, Cebu.                                                                                                                                                                                                     |
| <b>Cebu Energy</b>                       | Cebu Energy Development Corporation                                                                                                                                                                                                                                                                                                                     |
| <b>CFB</b>                               | Circulating Fluidized Bed                                                                                                                                                                                                                                                                                                                               |
| <b>CIPDI</b>                             | Cebu Industrial Park Developers, Inc.                                                                                                                                                                                                                                                                                                                   |
| <b>CitySavings</b>                       | City Savings Bank, Inc.                                                                                                                                                                                                                                                                                                                                 |
| <b>Cleanergy</b>                         | Cleanergy, Inc. (formerly Northern Mini-Hydro Corporation)                                                                                                                                                                                                                                                                                              |
| <b>Coal Group or Coal Business Units</b> | Composed of the following Business Units: Therma Luzon, Inc., Therma South, Inc., Therma Visayas, Inc., GNPowr Mariveles Coal Plant Ltd. Co., GNPowr Dinginin Ltd. Co., Pagbilao Energy Corporation, Redondo Peninsula Energy, Inc., STEAG State Power, Inc., and Cebu Energy Development Corporation, which own and/or operate coal-fired power plants |
| <b>COC</b>                               | Certificate of Compliance                                                                                                                                                                                                                                                                                                                               |
| <b>Code of Ethics</b>                    | Refers to the Company's Code of Ethics and Business Conduct                                                                                                                                                                                                                                                                                             |

|                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Contestable Customer/ Contestable Market</b>           | Refers to the electricity end-users who have a choice of a supplier of electricity, as may be determined by the ERC in accordance with Sec. 4(h) of the EPIRA                                                                                                                                                                                                                                                                                                                                               |
| <b>Contracted Capacity</b>                                | Refers to the total capacity sold to customers at a given point in time                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Control</b>                                            | A term which refers to possession, directly or indirectly, by a Person of the power to direct or cause the direction of the management and policies of another Person whether through the ownership of voting securities or otherwise; provided, however, that the direct or indirect ownership of over 50% of the voting capital stock, registered capital or other equity interest of a Person is deemed to constitute control of that Person; "Controlling" and "Controlled" have corresponding meanings |
| <b>Cotabato Light</b>                                     | Cotabato Light & Power Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>CPDC</b>                                               | Cebu Praedia Development Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>CPPC</b>                                               | Cebu Private Power Corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>CRH Aboitiz</b>                                        | CRH Aboitiz Holdings, Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>CSEE</b>                                               | Contract for the Supply of Electric Energy                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>CSP</b>                                                | Competitive Selection Process                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Davao Light</b>                                        | Davao Light & Power Company, Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>DENR</b>                                               | Department of Environment and Natural Resources                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Dependable Capacity or Sellable Capacity</b>           | Refers to the capacity of a power plant, excluding station use and fuel constraints                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>DICT</b>                                               | Department of Information and Communications Technology                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Distribution Utilities or Power Distribution Group</b> | Refers to the companies within the AboitizPower Group engaged in Power Distribution, such as Balamban Enerzone,                                                                                                                                                                                                                                                                                                                                                                                             |

|                                                  |                                                                                                                                                                                                                        |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                  | Cotabato Light, Davao Light, Lima Enerzon, Malvar Enerzone, Subic Enerzone, SFELAPCO and Visayan Electric.<br>“Distribution Company” or “Distribution Utility” may refer to any one of the foregoing companies.        |
| <b>DOE</b>                                       | Department of Energy                                                                                                                                                                                                   |
| <b>DOLE</b>                                      | Department of Labor and Employment                                                                                                                                                                                     |
| <b>DOTr</b>                                      | Department of Transportation                                                                                                                                                                                           |
| <b>EAUC</b>                                      | East Asia Utilities Corporation                                                                                                                                                                                        |
| <b>ECC</b>                                       | Environmental Compliance Certificate                                                                                                                                                                                   |
| <b>Enerzone Group or Enerzone Business Units</b> | A term collectively referring to Balamban Enerzone, Lima Enerzone, Mactan Enerzone, Malvar Enerzone, Subic Enerzone and other Distribution Utilities of the AboitizPower Group operating within special economic zones |
| <b>EO</b>                                        | Executive Order                                                                                                                                                                                                        |
| <b>EPC</b>                                       | Engineering, Procurement and Construction                                                                                                                                                                              |
| <b>EPIRA</b>                                     | RA 9136, otherwise known as the “Electric Power Industry Reform Act of 2001,” as amended from time to time, and including the rules and regulations issued thereunder                                                  |
| <b>ERC</b>                                       | Energy Regulatory Commission                                                                                                                                                                                           |
| <b>ESG</b>                                       | environment, social, and governance                                                                                                                                                                                    |
| <b>FIA</b>                                       | Foreign Investments Act of 1991                                                                                                                                                                                        |
| <b>Filagri Holdings</b>                          | Filagri Holdings, Inc.                                                                                                                                                                                                 |
| <b>FIT</b>                                       | Feed-in-Tariff                                                                                                                                                                                                         |
| <b>FIT-All</b>                                   | Feed-in-Tariff Allowance                                                                                                                                                                                               |
| <b>Food Group</b>                                | A term collectively referring to Pilmico and its Subsidiaries and Pilmico International and Subsidiaries, which includes GCMH, the parent company of the Gold Coin Group; the Company’s                                |

|                                                       |                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                       | Business Units engaged in the food business                                                                                                                                                                                                                                                                                |
| <b>GCMH</b>                                           | Gold Coin Management Holdings, Pte. Ltd.                                                                                                                                                                                                                                                                                   |
| <b>Generation Companies or Power Generation Group</b> | Refers to the companies within the AboitizPower Group engaged in Power Generation; “Generation Companies” may refer to any one of these companies.                                                                                                                                                                         |
| <b>GEOP</b>                                           | Green Energy Option Program                                                                                                                                                                                                                                                                                                |
| <b>GMEC</b>                                           | GNPower Mariveles Energy Center Ltd. Co. (formerly GNPower Mariveles Coal Plant Ltd. Co. or GMCP)                                                                                                                                                                                                                          |
| <b>GNPD</b>                                           | GNPower Dinginin Ltd. Co.                                                                                                                                                                                                                                                                                                  |
| <b>Gold Coin Group</b>                                | GCMH and its Subsidiaries                                                                                                                                                                                                                                                                                                  |
| <b>Government</b>                                     | The Government of the Republic of the Philippines                                                                                                                                                                                                                                                                          |
| <b>Greenfield</b>                                     | Refers to power generation projects that are developed from inception on previously undeveloped sites                                                                                                                                                                                                                      |
| <b>Grid</b>                                           | As defined in the Implementing Rules and Regulations of the EPIRA, it is the high voltage backbone system of interconnected transmission lines, substations and related facilities located in each of Luzon, Visayas, and Mindanao or as may be otherwise determined by the ERC in accordance with Section 45 of the EPIRA |
| <b>GRSSA</b>                                          | Geothermal Resources Supply and Services Agreement                                                                                                                                                                                                                                                                         |
| <b>GWh</b>                                            | Gigawatt-hour, or 1,000,000 kilowatt-hours                                                                                                                                                                                                                                                                                 |
| <b>Hedcor</b>                                         | Hedcor, Inc.                                                                                                                                                                                                                                                                                                               |
| <b>Hedcor Group or Hedcor Business Units</b>          | Refers to the companies within the AboitizPower Group engaged in hydroelectric power generation, such as Hedcor, Inc., Hedcor Bukidnon, Inc., Hedcor Sabangan, Inc., Hedcor Sibulan, Inc., and Hedcor Tudaya, Inc.                                                                                                         |
| <b>Hedcor Sabangan</b>                                | Hedcor Sabangan, Inc                                                                                                                                                                                                                                                                                                       |
| <b>Hedcor Sibulan</b>                                 | Hedcor Sibulan, Inc.                                                                                                                                                                                                                                                                                                       |
| <b>Hedcor Tudaya</b>                                  | Hedcor Tudaya, Inc.                                                                                                                                                                                                                                                                                                        |



|                                                        |                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>HEPP</b>                                            | Hydroelectric Power Plant                                                                                                                                                                                                                                                                                                                                     |
| <b>IEMOP</b>                                           | Independent Electricity Market Operator of the Philippines Inc.                                                                                                                                                                                                                                                                                               |
| <b>Installed Generating Capacity or Gross Capacity</b> | Refers to the registered capacity of a power plant in WESM, inclusive of the power plant's station use                                                                                                                                                                                                                                                        |
| <b>IPO</b>                                             | Initial Public Offering                                                                                                                                                                                                                                                                                                                                       |
| <b>IPP</b>                                             | Independent Power Producers                                                                                                                                                                                                                                                                                                                                   |
| <b>IPPA</b>                                            | Independent Power Producer Administrator                                                                                                                                                                                                                                                                                                                      |
| <b>IRR</b>                                             | Implementing Rules and Regulations                                                                                                                                                                                                                                                                                                                            |
| <b>ISMS</b>                                            | Information Security Management System                                                                                                                                                                                                                                                                                                                        |
| <b>ISO</b>                                             | International Organization for Standardization                                                                                                                                                                                                                                                                                                                |
| <b>IT</b>                                              | Information Technology                                                                                                                                                                                                                                                                                                                                        |
| <b>Joint Venture</b>                                   | Refers to a type of joint agreement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually-agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require anonymous consent of the parties sharing control |
| <b>JVACC</b>                                           | J.V. Angeles Construction Company                                                                                                                                                                                                                                                                                                                             |
| <b>kV</b>                                              | Kilovolt, or 1,000 volts                                                                                                                                                                                                                                                                                                                                      |
| <b>kW</b>                                              | Kilowatt, or 1,000watts                                                                                                                                                                                                                                                                                                                                       |
| <b>kWh</b>                                             | Kilowatt-hour, the standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing 1,000 watts in one hour                                                                                                                                                             |
| <b>Land Group</b>                                      | refers to AboitizLand and the Company's Business Units engaged in the real estate                                                                                                                                                                                                                                                                             |
| <b>LGC</b>                                             | Local Government Code of 1991                                                                                                                                                                                                                                                                                                                                 |
| <b>LGU</b>                                             | Local Government Unit                                                                                                                                                                                                                                                                                                                                         |
| <b>LHC</b>                                             | Luzon Hydro Corporation                                                                                                                                                                                                                                                                                                                                       |

|                                        |                                                                                                                                         |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| <b>Lima Enerzone</b>                   | Lima Enerzone Corporation                                                                                                               |
| <b>Lima Water</b>                      | Lima Water Corporation                                                                                                                  |
| <b>LimaLand</b>                        | Lima Land, Inc.                                                                                                                         |
| <b>LTC</b>                             | LIMA Technology Center                                                                                                                  |
| <b>Maaraw San Carlos</b>               | Maaraw Holdings San Carlos, Inc.                                                                                                        |
| <b>Mactan Enerzone</b>                 | Mactan Enerzone Corporation                                                                                                             |
| <b>Magat Plant</b>                     | Refers to the 360-MW –EPP of SN Aboitiz Power - Magat, located at the border provinces of Isabela and Ifugao                            |
| <b>Malvar Enerzone</b>                 | Malvar Enerzone Corporation                                                                                                             |
| <b>Maris Plant</b>                     | The 8.5 MW run-of-river Maris Main Canal 1 Hydroelectric P–wer Plant                                                                    |
| <b>MCIAA</b>                           | Mactan - Cebu International Airport Authority                                                                                           |
| <b>MEPZ I</b>                          | Mactan Export Processing Zone I                                                                                                         |
| <b>MEPZ II</b>                         | Mactan Export Processing Zone II                                                                                                        |
| <b>Meralco</b>                         | Manila Electric Company                                                                                                                 |
| <b>MOA</b>                             | Memorandum of Agreement                                                                                                                 |
| <b>MORE</b>                            | Manila – Oslo Renewable Enterprise, Inc.                                                                                                |
| <b>MT</b>                              | Metric Tons                                                                                                                             |
| <b>MVA</b>                             | Megavolt Ampere                                                                                                                         |
| <b>MW</b>                              | Megawatt, or one mn watts                                                                                                               |
| <b>MWh</b>                             | Megawatt-hour                                                                                                                           |
| <b>MWP</b>                             | Megawatt-peak                                                                                                                           |
| <b>Net Attributable Capacity</b>       | Refers to the capacity attributed to a company's ownership in the power plant, excluding station use and fuel constraints               |
| <b>NGCP</b>                            | National Grid Corporation of the Philippines                                                                                            |
| <b>NIA</b>                             | National Irrigation Authority                                                                                                           |
| <b>NPC</b>                             | National Power Corporation                                                                                                              |
| <b>NPPC</b>                            | Naga Power Plant Complex, the 55 MW land-based gas turbine power plant located in Colon, Naga City, Cebu                                |
| <b>NWRB</b>                            | National Water Resources Board                                                                                                          |
| <b>Oil Group or Oil Business Units</b> | Refers to the following companies: East Asia Utilities Corporation, Cebu Private Power Corporation, Therma Marine, Inc., Therma Mobile, |

|                       |                                                                                                                                                                           |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       | Inc., Southern Philippines Power Corporation, and Western Mindanao Power Corporation, which own and operate Bunker C-fired power plants                                   |
| <b>Open Access</b>    | Retail Competition and Open Access                                                                                                                                        |
| <b>ORR</b>            | Operational Readiness Review                                                                                                                                              |
| <b>OT</b>             | Operations Technology                                                                                                                                                     |
| <b>Pagbilao Plant</b> | Refers to the 700-MW (2x350 MW) coal-fired thermal power plant located in Pagbilao, Quezon                                                                                |
| <b>PAN-JSC</b>        | Pilmico Animal Nutrition Joint Stock Company (formerly: Eurofeed) which was folded into the Gold Coin Group and renamed Gold Coin Feedmill (Binh Duong)                   |
| <b>PANC</b>           | Pilmico Animal Nutrition Corporation (formerly Fil-Am Foods, Inc.)                                                                                                        |
| <b>PAO</b>            | Provisional Authority to Operate                                                                                                                                          |
| <b>PBI</b>            | Progressive Bank, Inc.                                                                                                                                                    |
| <b>PBR</b>            | Performance-Based Rate-Setting Regulation                                                                                                                                 |
| <b>PCC</b>            | Philippine Competition Commission                                                                                                                                         |
| <b>PCRM</b>           | Pricing and Cost Recovery Mechanism                                                                                                                                       |
| <b>PDEx</b>           | Philippine Dealing & Exchange Corp., the fixed-income securities market which provides an electronic trading platform of exchange for fixed-income securities             |
| <b>PDNI</b>           | Propiedad del Norte, Inc.                                                                                                                                                 |
| <b>PEC</b>            | Pagbilao Energy Corporation                                                                                                                                               |
| <b>PEMC</b>           | Philippine Electricity Market Corporation                                                                                                                                 |
| <b>Person</b>         | Means an individual, corporation, partnership, association, joint stock company, trust, any unincorporated organization, or a government or political subdivision thereof |
| <b>PETNET</b>         | PETNET, Inc.                                                                                                                                                              |
| <b>PEZA</b>           | Philippine Economic Zone Authority                                                                                                                                        |

|                                    |                                                                                                                                                                                                                                                                               |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PGC</b>                         | Philippine Grid Code                                                                                                                                                                                                                                                          |
| <b>PGPC</b>                        | Philippine Geothermal Production Company, Inc.                                                                                                                                                                                                                                |
| <b>Philippine IPO</b>              | Philippine Intellectual Property Office                                                                                                                                                                                                                                       |
| <b>Philippine Pesos or ₱</b>       | The lawful currency of the Republic of the Philippines                                                                                                                                                                                                                        |
| <b>PhilRatings</b>                 | Philippine Rating Services Corporation                                                                                                                                                                                                                                        |
| <b>Pilmico</b>                     | Pilmico Foods Corporation                                                                                                                                                                                                                                                     |
| <b>Pilmico International</b>       | Pilmico International Pte. Ltd.                                                                                                                                                                                                                                               |
| <b>Pmax or Maximum Stable Load</b> | The maximum demand in MW that a generating unit or generating block or module in the case of a combined cycle power plant, can reliably sustain for an indefinite period of time, based on the generator capability tests. It also refers to the registered maximum capacity. |
| <b>Pmin or Minimum Stable Load</b> | The minimum demand in MW that a generating unit or generating block or module in the case of a combined cycle power plant, can reliably sustain for an indefinite period of time, based on the generator capability tests. It also refers to the registered minimum capacity. |
| <b>PPA</b>                         | Power Purchase Agreement                                                                                                                                                                                                                                                      |
| <b>Prism Energy</b>                | Prism Energy, Inc.                                                                                                                                                                                                                                                            |
| <b>PSA</b>                         | Power Supply Agreement                                                                                                                                                                                                                                                        |
| <b>PSALM</b>                       | Power Sector Assets and Liabilities Management Corporation                                                                                                                                                                                                                    |
| <b>PSE</b>                         | The Philippine Stock Exchange, Inc.                                                                                                                                                                                                                                           |
| <b>PV</b>                          | Photovoltaic                                                                                                                                                                                                                                                                  |
| <b>PVN</b>                         | Pilmico Vietnam Company Limited                                                                                                                                                                                                                                               |
| <b>PVN Trading</b>                 | Pilmico Viet Nam Trading Company Ltd.                                                                                                                                                                                                                                         |
| <b>PV Sinag</b>                    | PV Sinag Power, Inc.                                                                                                                                                                                                                                                          |
| <b>QMS</b>                         | Quality Management System                                                                                                                                                                                                                                                     |
| <b>RA</b>                          | Republic Act                                                                                                                                                                                                                                                                  |
| <b>RCBM</b>                        | Republic Cement and Building Materials, Inc.                                                                                                                                                                                                                                  |
| <b>RCII</b>                        | Republic Cement Iligan, Inc.                                                                                                                                                                                                                                                  |

|                                         |                                                                                                                                                                          |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>RCLR</b>                             | Republic Cement Land & Resources, Inc.                                                                                                                                   |
| <b>RCMI</b>                             | Republic Cement Mindanao, Inc.                                                                                                                                           |
| <b>RCSI</b>                             | Republic Cement Services, (Philippines) Inc.                                                                                                                             |
| <b>RE Law</b>                           | RA 9513, otherwise known as the Renewable Energy Act of 2008                                                                                                             |
| <b>REC</b>                              | Renewable Energy Certificates                                                                                                                                            |
| <b>REPA</b>                             | Renewable Energy Payment Agreement                                                                                                                                       |
| <b>RES</b>                              | Retail Electricity Supplier                                                                                                                                              |
| <b>RESA</b>                             | Renewable Energy Supply Agreement                                                                                                                                        |
| <b>RESC</b>                             | Renewable Energy Service Contracts                                                                                                                                       |
| <b>Revised Corporation Code</b>         | Republic Act No. 11232 or the Revised Corporation Code of the Philippines                                                                                                |
| <b>Revised Manual</b>                   | Refers to the Company's Revised Manual on Corporate Governance                                                                                                           |
| <b>RORB</b>                             | Return-on-Rate base                                                                                                                                                      |
| <b>RP Energy</b>                        | Redondo Peninsula Energy, Inc.                                                                                                                                           |
| <b>RPS</b>                              | Renewable Portfolio Standards                                                                                                                                            |
| <b>RPT</b>                              | Related Party Transactions                                                                                                                                               |
| <b>RTC</b>                              | Regional Trial Court                                                                                                                                                     |
| <b>Run-of-river hydroelectric plant</b> | Refers to a hydroelectric power plant that generates electricity from the natural flow and elevation drop of a river                                                     |
| <b>Sacasun</b>                          | San Carlos Sun Power Inc.                                                                                                                                                |
| <b>Sacasun Plant</b>                    | Refers to the 59 MWp Greenfield, stand-alone solar power generation project of Sacasun located at San Carlos Ecozone, Barangay Punao, San Carlos City, Negros Occidental |
| <b>SBFZ</b>                             | Subic Bay Freeport Zone                                                                                                                                                  |
| <b>SBMA</b>                             | Subic Bay Metropolitan Authority                                                                                                                                         |
| <b>SBU</b>                              | Strategic Business Units                                                                                                                                                 |
| <b>SEC</b>                              | The Securities and Exchange Commission of the Philippines                                                                                                                |
| <b>SFELAPCO</b>                         | San Fernando Electric Light and Power Co., Inc.                                                                                                                          |
| <b>SME</b>                              | small and medium sized                                                                                                                                                   |

|                                   |                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                   | enter—rises                                                                                                                                                                                                                                                                                                                                                     |
| <b>SN Aboitiz Power - Benguet</b> | SN Aboitiz Power - Benguet, Inc. (formerly SN Aboitiz Power Hydro, Inc.)                                                                                                                                                                                                                                                                                        |
| <b>SN Aboitiz Power - Magat</b>   | SN Aboitiz Power - Magat, Inc.                                                                                                                                                                                                                                                                                                                                  |
| <b>SN Aboitiz Power Group</b>     | Refers to the group of companies formed out of the strategic partnership between AboitizPower and SN Power, and refers to MORE and its Subsidiaries, including, SN Aboitiz Power-Benguet, Inc., SN Aboitiz Power-Gen, Inc., SN Aboitiz Power-RES, Inc., and SN Aboitiz Power-Magat, Inc.                                                                        |
| <b>Scatec ASA</b>                 | Renewable Power Company recently acquired SN Power, a leading hydro power developer and IPP                                                                                                                                                                                                                                                                     |
| <b>SN Power</b>                   | SN Power AS, a consorti between Statkraft AS and Norfund of Norway                                                                                                                                                                                                                                                                                              |
| <b>SN Power Group</b>             | Refers to the group formed by Statkraft AS and Norfund, and is composed of, among others, SN Power AS and Agua Imara AS. It is the leading Norwegian hydropower group with operations in Asia, Africa and Latin America                                                                                                                                         |
| <b>SPPC</b>                       | Southern Philippines Power Corporation                                                                                                                                                                                                                                                                                                                          |
| <b>SRC</b>                        | RA 8799 or the Securities Regulation Code of the Philippines                                                                                                                                                                                                                                                                                                    |
| <b>SSS</b>                        | Social Security System                                                                                                                                                                                                                                                                                                                                          |
| <b>STEAG Power</b>                | STEAG State Power Inc.                                                                                                                                                                                                                                                                                                                                          |
| <b>Subic Enerzone</b>             | Subic Enerzone Corporation                                                                                                                                                                                                                                                                                                                                      |
| <b>Subsidiary</b>                 | In respect of any Person, refers to any entity: (i) who has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) ability to use its power over the investee to affect its returns |



|                                          |                                                                                                                                                       |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Systems Loss or DSL</b>               | Refers to the Electric Energy Input minus the Electric Energy Output, as defined in ERC Resolution No. 10-2018                                        |
| <b>TCIC</b>                              | Taiwan Cogeneration International Corporation                                                                                                         |
| <b>TeaM Energy</b>                       | Team Energy Corporation                                                                                                                               |
| <b>THC</b>                               | Tsuneishi Holdings (Cebu), Inc.                                                                                                                       |
| <b>Tiwi-MakBan Geothermal Facilities</b> | Refers to the geothermal facilities composed of twelve geothermal plants and one binary plant, located in the provinces of Batangas, Laguna and Albay |
| <b>TLI</b>                               | Therma Luzon, Inc.                                                                                                                                    |
| <b>TMI</b>                               | Therma Marine, Inc.                                                                                                                                   |
| <b>TMO</b>                               | Therma Mobile, Inc.                                                                                                                                   |
| <b>TPI</b>                               | Therma Power, Inc.                                                                                                                                    |
| <b>TPVI</b>                              | Therma Power - Visayas, Inc.                                                                                                                          |
| <b>TransCo</b>                           | National Transmission Corporation and, as applicable, the National Grid Corporation of the Philippines or NGCP which is the Transco concessionaire    |
| <b>TSA</b>                               | Transmission Service Agreements                                                                                                                       |
| <b>TSI</b>                               | Therma South, Inc.                                                                                                                                    |
| <b>TVI</b>                               | Therma Visayas, Inc. (formerly Vesper Industrial and Development Corporation)                                                                         |

|                              |                                                                                                                                                                                                                                                                                                                            |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>UBPIC</b>                 | UBP Investments Corporation                                                                                                                                                                                                                                                                                                |
| <b>UBX PH</b>                | UBX Philippines Corporation                                                                                                                                                                                                                                                                                                |
| <b>UnionBank or the Bank</b> | Union Bank of the Philippines                                                                                                                                                                                                                                                                                              |
| <b>Unviable Area</b>         | refers to a geographical area within the franchise area of a DU where the immediate extension of the distribution line is not feasible, as defined by Rule 4 (ssss) of the EPIRA-IRR. Areas that are currently served by the DUs but are deemed unviable on account of huge operating costs shall also mean Unviable Areas |
| <b>UPE</b>                   | Ultimate Parent Entity                                                                                                                                                                                                                                                                                                     |
| <b>US\$</b>                  | The lawful currency of the United States of America                                                                                                                                                                                                                                                                        |
| <b>VAT</b>                   | Value Added Tax                                                                                                                                                                                                                                                                                                            |
| <b>Visayan Electric</b>      | Visayan Electric Company, Inc.                                                                                                                                                                                                                                                                                             |
| <b>Vivant Group</b>          | Refers to Vivant Corporation and its subsidiaries                                                                                                                                                                                                                                                                          |
| <b>WCIP</b>                  | West Cebu Industrial Park, Inc.                                                                                                                                                                                                                                                                                            |
| <b>WCIP-SEZ</b>              | West Cebu Industrial Park-Special Economic Zone                                                                                                                                                                                                                                                                            |
| <b>WESM</b>                  | Wholesale Electricity Spot Market                                                                                                                                                                                                                                                                                          |
| <b>WIPO</b>                  | World Intellectual Property Office                                                                                                                                                                                                                                                                                         |
| <b>WMPC</b>                  | Western Mindanao Power Corporation                                                                                                                                                                                                                                                                                         |

## ANNEX “I”

### AEV Patents, Copyrights and Franchises

AEV and its Subsidiaries own, or have pending applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos.

The following table sets out information regarding the trademark applications which AEV have filed with the Philippine Intellectual Property Office (“Philippine IPO”) and intellectual property offices abroad.

#### Philippine IPO

| Trademarks                                                                  | Owner                        | Registration No. / Date Issued                                                                            | Description                                                                                      | Status      |
|-----------------------------------------------------------------------------|------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-------------|
| Aboitiz word mark<br>(Class Nos. 30, 35, 36, 37, 39, 40 and 42)             | Aboitiz Equity Ventures Inc. | 04-2018-018635<br>17 March 2019                                                                           | Application for the word mark “Aboitiz”.                                                         | Registered. |
| Aboitiz word mark<br>(Additional activities under Class Nos. 36, 37)        | Aboitiz Equity Ventures Inc. | 04-2019-000086<br>8 August 2019                                                                           | Application for the word mark “Aboitiz” to cover additional services under Class Nos. 36 and 37. | Registered. |
| Advancing Business and Communities Logo<br>(Class Nos. 35 and 36)           | Aboitiz Equity Ventures Inc. | 04-2018-021743<br>7 November 2019                                                                         | Application for the device mark “Advancing Business and Communities”, with color claim.          | Registered. |
| Aboitiz Equity Ventures word mark<br>(Class Nos. 35 and 36)                 | Aboitiz Equity Ventures Inc. | 04-2018-021492<br>3 March 2020                                                                            | Application for the word mark “Aboitiz Ventures”.                                                | Registered. |
| Aboitiz Equity Ventures Logo<br>(Class Nos. 35 and 36)                      | Aboitiz Equity Ventures Inc. | 04-2018-021742<br>6 October 2019                                                                          | Application for the device mark “Aboitiz Equity Ventures”, with color claim.                     | Registered. |
| A Future Built By You<br>(Class No. 35)                                     | Aboitiz Equity Ventures Inc. | 4-2019-003834<br>8 August 2019                                                                            | Application for the mark “A Future Built By You”.                                                | Registered. |
| Aboitiz & Device – Black<br>(Class Nos. 30, 36, 37, 39, 40 and 42)          | Aboitiz & Co., Inc.          | 4-2005-012408<br>24 September 2007<br>(Trademark has been renewed and will expire on September 24, 2027.) | Application for the device mark “Aboitiz (Black)”.                                               | Registered. |
| Aboitiz & Device – Red<br>(Class Nos. 30, 36, 37, 39, 40 and 42)            | Aboitiz & Co., Inc.          | 4-2005-012409<br>24 September 2007<br>(Trademark has been renewed and will expire on September 24, 2027.) | Application for the device mark “Aboitiz (Red)”.                                                 | Registered. |
| Passion for better ways word mark<br>(Class Nos. 30, 36, 37, 39, 40 and 42) | Aboitiz & Co., Inc.          | 4-2005-012413<br>24 September 2007<br>(Trademark has been renewed and will expire on September 24, 2027.) | Application for the word mark “Passion for better ways”.                                         | Registered. |
| Techglomerate word mark                                                     | Aboitiz Equity Ventures Inc. | 4-2022-00518217<br>15 October 2022                                                                        | Application for the word mark                                                                    | Registered. |

|                                                           |                              |                                     |                                                           |             |
|-----------------------------------------------------------|------------------------------|-------------------------------------|-----------------------------------------------------------|-------------|
| (Class No. 35)                                            |                              |                                     | "Techglomerate".                                          |             |
| Techglomerate Premium word mark<br>(Class Nos. 35 and 36) | Aboitiz Equity Ventures Inc. | 4-2022-00518342<br>12 December 2022 | Application for the word mark<br>"Techglomerate Premium". | Registered. |

**International Trademarks Application (Non-Madrid)**

| Trademarks                            | Owner                         | Country of Application | Status      |
|---------------------------------------|-------------------------------|------------------------|-------------|
| Aboitiz (Word Mark)<br>(Class No. 30) | Aboitiz Equity Ventures, Inc. | Malaysia               | Registered. |
| Aboitiz (Word Mark)<br>(Class No. 35) | Aboitiz Equity Ventures Inc.  | Malaysia               | Registered. |
| Aboitiz (Word Mark)<br>(Class No. 36) | Aboitiz Equity Ventures Inc.  | Malaysia               | Registered. |
| Aboitiz (Word Mark)<br>(Class No. 37) | Aboitiz Equity Ventures Inc.  | Malaysia               | Registered. |
| Aboitiz (Word Mark)<br>(Class No. 39) | Aboitiz Equity Ventures Inc.  | Malaysia               | Registered. |
| Aboitiz (Word Mark)<br>(Class No. 40) | Aboitiz Equity Ventures Inc.  | Malaysia               | Registered. |
| Aboitiz (Word Mark)<br>(Class No. 42) | Aboitiz Equity Ventures Inc.  | Malaysia               | Registered. |
| Aboitiz<br>(Class No. 42)             | Aboitiz Equity Ventures Inc.  | Sri Lanka              | Pending.    |
| Aboitiz<br>(Class No. 40)             | Aboitiz Equity Ventures Inc.  | Sri Lanka              | Pending.    |
| Aboitiz<br>(Class No. 39)             | Aboitiz Equity Ventures Inc.  | Sri Lanka              | Pending.    |
| Aboitiz<br>(Class No. 37)             | Aboitiz Equity Ventures Inc.  | Sri Lanka              | Pending.    |
| Aboitiz<br>(Class No. 36)             | Aboitiz Equity Ventures Inc.  | Sri Lanka              | Pending.    |
| Aboitiz<br>(Class No. 35)             | Aboitiz Equity Ventures Inc.  | Sri Lanka              | Pending.    |
| Aboitiz<br>(Class No. 30)             | Aboitiz Equity Ventures Inc.  | Sri Lanka              | Pending.    |

**International Trademarks Application (Madrid Protocol)**

| Trademarks                                                                    | Owner                        | Country of Application | Status      |
|-------------------------------------------------------------------------------|------------------------------|------------------------|-------------|
| Aboitiz (Word Mark) (#1504418)<br>(Class Nos. 30, 35, 36, 37, 39, 40, and 42) | Aboitiz Equity Ventures Inc. | WIPO                   | Registered. |
| Aboitiz (Word Mark) (Class Nos. 30, 35, 36, 37, 39, 40, and 42)               | Aboitiz Equity Ventures Inc. | Laos                   | Registered. |
| Aboitiz (Word Mark) (Class Nos. 30, 35, 36, 37, 39, 40, and 42)               | Aboitiz Equity Ventures Inc. | Singapore              | Registered. |
| Aboitiz (Word Mark) (Class Nos. 30, 35, 36, 27, 29, 40 and 42)                | Aboitiz Equity Ventures Inc. | Brunei                 | Registered. |

AEV and its Subsidiaries have other pending trademark applications under the Madrid Protocol for the following countries: Brunei, China, Indonesia, Cambodia, Laos, Singapore, Thailand, and Vietnam





SECURITIES & EXCHANGE COMMISSION  
SEC Building, EDSA Greenhills  
Mandaluyong, Metro Manila

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The management of **Aboitiz Equity Ventures, Inc.** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 2024** and **2023**, 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 consolidated financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

A black rectangular redaction box covering the signature of Enrique M. Aboitiz Jr.

**ENRIQUE M. ABOITIZ JR.**  
Chairman of the Board

A black rectangular redaction box covering the signature of Sabin M. Aboitiz.

**SABIN M. ABOITIZ**  
President & Chief Executive Officer

A black rectangular redaction box covering the signature of Jose Emmanuel U. Hilado.

**JOSE EMMANUEL U. HILADO**  
Senior Vice President - Chief Financial Officer

Signed this 7<sup>th</sup> day of March, 2025.

Republic of the Philippines)  
Taguig City ) S.S.

Before me, a notary public in and for the city named above, personally appeared:

| Name                    | Passport/CTC                                                                       | Date/Place Issued |
|-------------------------|------------------------------------------------------------------------------------|-------------------|
| Enrique M. Aboitiz Jr.  |  |                   |
| Sabin M. Aboitiz        |                                                                                    |                   |
| Jose Emmanuel U. Hilado |                                                                                    |                   |

who are personally known to me and to me known to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this MAR 07 2025 day of 2025.

Doc. No. 176;  
Page No. 37;  
Book No. 68;  
Series of 2025.

  
ATTY. MIKHAIL JUDE AMANDO R. FABIO III  
NOTARY PUBLIC FOR AND IN MAKATI CITY  
APPOINTMENT NO. M32 VALID UNTIL DEC. 31, 2025  
PTR NO. MKT 10471129 / 01-06-2025 / MAKATI CITY  
IBP NO. 426832, ROLL NO. 810066  
MCLE COMPLIANCE NO. VIII-0008160  
VALID UNTIL APRIL 14, 2028  
FABIO LAW OFFICE  
UNIT 301-A NO. 3532 HILARIO ST. BRGY. PALANAN, MAKATI CITY

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

|   |   |   |   |   |   |   |  |  |  |  |
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## COMPANY NAME

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| A | N | D |   | S | U | B | S | I | D | I | A | R | I | E | S |   |   |   |   |   |   |   |   |  |   |   |   |   |  |  |
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## PRINCIPAL OFFICE ( No. / Street / Barangay / City / Town / Province )

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
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| C | i | t | y | , |   | T | a | g | u | i | g |   | C | i | t | y | , |   | M | e | t | r | o |   | M | a | n | i | l |
| a | , |   | P | h | i | l | i | p | p | i | n | e | s |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |

Form Type

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Department requiring the report

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Secondary License Type, If Applicable

|   |   |   |  |
|---|---|---|--|
| N | / | A |  |
|---|---|---|--|

## COMPANY INFORMATION

Company's Email Address

AEV\_BoardSecretariat@aboitiz.com

Company's Telephone Number

(02) 8886-2800

Mobile Number

None

No. of Stockholders

8210

Annual Meeting (Month / Day)

April 22

Fiscal Year (Month / Day)

December 31

## CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Timothy Joseph P. Abay

Email Address

timothy.abay@aboitiz.com

Telephone Number/s

(02) 8886-2496

Mobile Number

Not available

## CONTACT PERSON'S ADDRESS

c/o Aboitiz Equity Ventures, Inc., 32<sup>nd</sup> Street, Bonifacio Global City, Taguig City, Metro Manila, 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

The Stockholders and the Board of Directors  
Aboitiz Equity Ventures, Inc.  
32nd Street, Bonifacio Global City,  
Taguig City, Metro Manila  
Philippines

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of Aboitiz Equity Ventures, Inc. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024 and 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including a summary of 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 amount of goodwill for impairment. As of December 31, 2024, the goodwill attributable to the cash-generating units (CGUs) of GNPowder Mariveles Energy amounted to Center Ltd. Co. and Gold Coin Management Holdings Pte. Ltd. amounted to ₱61.0 billion or 7% of total consolidated assets, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to estimation uncertainty, specifically discount and growth rates, revenue assumptions, and material price inflation.

The Group's disclosures about goodwill are included in Note 14 to the consolidated financial statements.

### ***Audit Response***

We involved our internal specialist in assessing the methodologies and assumptions used. We compared the key assumptions used, such as growth rate and revenue assumptions against the historical performance of the CGUs, industry outlook and other relevant external data. We tested the parameters used in the determination of the discount rates against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of goodwill.

### ***Revenue Recognition of Distribution Utilities***

The distribution utilities' revenue from the sale of electricity amounting to ₱57.0 billion for the year ended December 31, 2024 accounts for 19% of the Group's consolidated revenues and is material to the Group. This matter is significant to the audit because the revenue recognized depends on the electric consumption captured, the rates applied across different customers, and the systems involved in the billing process. Electric consumption captured is based on the meter readings taken on various dates for the different types of customers (i.e., industrial, commercial, and residential customers) within the franchise areas of operations of the distribution utilities.

The Group's disclosures related to this matter are provided in Notes 2 and 26 to the consolidated financial statements.



#### *Audit Response*

We obtained an understanding and evaluated the design and tested the controls over the billing and revenue process which includes the capture and accumulation of meter data in the billing system and calculation of billed amounts, and uploading of billed amounts from the billing system to the financial reporting system.

We performed a test calculation of the rates using the Energy Regulatory Commission-approved rates and formulae, then compared them with the rates used in billing statements.

#### ***Accounting for Investment in an Associate (Union Bank of the Philippines)***

The Group has an investment in Union Bank of the Philippines (UBP), which is a universal bank that is publicly listed in the Philippine Stock Exchange and accounted for under the equity method. For the year ended December 31, 2024, the Group's share in the net income of UBP amounted to ₱6.0 billion and accounts for 16% of the Group's consolidated net income. The Group's share in UBP's net income is significantly affected by the level of provisioning of its loans and receivables applying the expected credit loss (ECL) model. This matter is significant to our audit because the application of the ECL model requires significant management judgment and estimates.

The Group's disclosures on investments in associates are in Notes 2 and 10 to the consolidated financial statements.

#### *Audit Response*

We obtained the financial information of UBP for the year ended December 31, 2024 and recomputed the Group's share in net income of UBP and assessed the disclosures of the investment in associate in the consolidated financial statements.

We obtained an understanding of the methodologies and models used for UBP's different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*, to reflect an unbiased and probability-weighted outcome, and to consider the time value of money and the best available forward-looking information. We also inspected and considered the results of the model validation on the risk rating performed by management's specialist.

We (a) assessed UBP's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, credit risk management policies and practices in place; (c) tested UBP's application of internal credit risk rating system, by reviewing the ratings of sample credit exposures; (d) tested loss given default by inspecting historical recoveries and related costs, write-offs and collateral valuations, and the effects of credit enhancements provided by any party; (e) tested exposure at default considering outstanding commitments and repayment scheme; (f) checked the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of UBP's lending portfolios and broader industry knowledge; and (g) tested the effective interest rate used in discounting the ECL.



Further, we checked the data used in the ECL models by reconciling data from source system reports to the data warehouse and from the data warehouse to the loss allowance models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets of debt financial assets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis.

We recalculated impairment provisions on a sample basis. We involved our internal specialists in the performance of the above procedures.

***Accounting for the Acquisition of Shares in Aboitiz GMR Megawide Cebu Airport Corporation (ASS)***

In September 2022, the Group, through Aboitiz Infracapital, Inc. (AIC), acquired 33 1/3% -1 share interest in AGMCAC for a total consideration of ₱9.5 billion. The investment in AGMCAC was classified by the Group as an investment in associate and accounted for under the equity method. In addition, for a total consideration of ₱15.5 billion, AIC acquired noninterest-bearing exchangeable notes which can either be settled by exchanging Megawide Construction Corporation and GMR Airports International, B.V.'s remaining 66 2/3% +1 share stake in AGMCAC on October 30, 2024 or through a cash option which is equivalent to ₱15.5 billion plus interest of 19% per annum. The exchangeable notes were classified as a financial asset measured at fair value through profit or loss.

On October 30, 2024, the Group converted the exchangeable notes upon its maturity in exchange for the remaining 66 2/3% +1 share of AGMCAC. The conversion of these exchangeable notes resulted to the Group obtaining control over AGMCAC.

The acquisition of AGMCAC was accounted for as step-acquisition business combination under PFRS 3, *Business Combinations* and accordingly, on the date when the control was obtained, the Group performed a remeasurement of its previously held interest in AGMCAC based on provisional fair value and a purchase price allocation based on the provisional fair values of AGMCAC's assets and liabilities.

We consider the accounting for this transaction as a key audit matter because of the significance of the amount and the significant judgments and estimations involved in determining the provisional fair value of the Group's previously held interest in AGMCAC and the provisional fair values of AGMCAC's assets and liabilities in the conduct of the purchase price allocation. The Group's disclosures about these transactions are in Note 9 to the consolidated financial statements.

***Audit Response***

We reviewed documents such as the share purchase agreement covering the acquisition and assessed whether the acquisition has been properly accounted for. We considered the terms of the relevant agreements in evaluating the Group's determination of the total costs of acquisition. We also evaluated management's basis in determining the fair value of its previously held interest in AGMCAC and the provisional fair values of AGMCAC's assets and liabilities in its purchase price allocation. We involved our internal specialist in evaluating the methodologies and assumptions used in determining the provisional fair value of the Group's previously held interest and in arriving at the provisional fair values of AGMCAC's assets and liabilities using available information as of acquisition date.



We also assessed the adequacy of the related disclosures in the consolidated financial statements.

### **Other information**

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

Our opinion on the financial statements does not cover the other information and we do 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 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, 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 review of the audit work performed for the purposes of the group 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, actions taken to eliminate threats or safeguards applied.

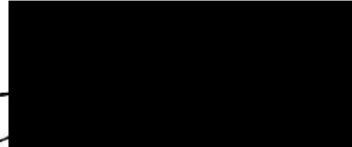




From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law 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  
Jhoanna Feliza C. Go.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go

Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

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

BIR Accreditation No. 08-001998-103-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465309, January 2, 2025, Makati City

March 7, 2025



**ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****(Amounts in Thousands)**

|                                                                   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|-------------------------------------------------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>                                                     |                          |                          |
| <b>Current Assets</b>                                             |                          |                          |
| Cash and cash equivalents (Note 4)                                | <b>₱81,793,295</b>       | ₱112,293,582             |
| Trade and other receivables (Note 5)                              | <b>62,204,817</b>        | 58,202,031               |
| Inventories (Note 6)                                              | <b>45,003,105</b>        | 45,569,654               |
| Derivative asset (Note 37)                                        | <b>328,981</b>           | 355,510                  |
| Other current assets (Notes 7 and 8)                              | <b>23,168,806</b>        | 37,963,070               |
| <b>Total Current Assets</b>                                       | <b>212,499,004</b>       | 254,383,847              |
| <b>Noncurrent Assets</b>                                          |                          |                          |
| Property, plant and equipment (Notes 13, 19 and 22)               | <b>240,612,393</b>       | 229,700,594              |
| Investments and advances (Note 10)                                | <b>250,139,819</b>       | 224,141,125              |
| Intangible assets (Note 14)                                       | <b>138,928,874</b>       | 81,887,996               |
| Investment properties (Notes 15 and 31)                           | <b>14,541,088</b>        | 14,077,502               |
| Deferred income tax assets - net (Note 32)                        | <b>2,167,548</b>         | 1,830,300                |
| Trade receivables - net of current portion (Note 5)               | <b>418,655</b>           | 377,214                  |
| Net pension assets (Note 30)                                      | <b>304,261</b>           | 262,814                  |
| Other noncurrent assets (Notes 8 and 16)                          | <b>34,088,912</b>        | 27,213,267               |
| <b>Total Noncurrent Assets</b>                                    | <b>681,201,550</b>       | 579,490,812              |
| <b>TOTAL ASSETS</b>                                               | <b>₱893,700,554</b>      | ₱833,874,659             |
| <b>LIABILITIES AND EQUITY</b>                                     |                          |                          |
| <b>Current Liabilities</b>                                        |                          |                          |
| Trade and other payables (Notes 17, 35 and 40)                    | <b>₱58,793,450</b>       | ₱56,145,901              |
| Bank loans (Note 18)                                              | <b>40,959,206</b>        | 41,040,449               |
| Current portions of:                                              |                          |                          |
| Long-term debts (Note 19)                                         | <b>30,397,739</b>        | 15,218,412               |
| Long-term obligation on Power Distribution System (PDS) (Note 14) | <b>40,000</b>            | 40,000                   |
| Lease liabilities (Notes 13 and 22)                               | <b>326,539</b>           | 245,762                  |
| Derivative liability (Note 37)                                    | <b>250,118</b>           | 506,335                  |
| Income tax payable                                                | <b>1,879,056</b>         | 724,243                  |
| <b>Total Current Liabilities</b>                                  | <b>132,646,108</b>       | 113,921,102              |

*(Forward)*

|                                                            | December 31, 2024   | December 31, 2023   |
|------------------------------------------------------------|---------------------|---------------------|
| <b>Noncurrent Liabilities</b>                              |                     |                     |
| Noncurrent portions of:                                    |                     |                     |
| Long-term debts (Note 19)                                  | ₱328,120,086        | ₱316,356,779        |
| Lease liabilities (Notes 22)                               | 4,470,965           | 3,101,890           |
| Trade payables (Notes 17 and 35)                           | 1,870,335           | 1,185,415           |
| Long-term obligation on PDS (Note 14)                      | 57,238              | 82,730              |
| Customers' deposits (Note 20)                              | 9,871,353           | 9,112,905           |
| Decommissioning liability (Note 21)                        | 5,259,205           | 7,363,729           |
| Deferred income tax liabilities - net (Note 32)            | 13,843,898          | 6,234,460           |
| Net pension liability (Note 30)                            | 1,192,092           | 1,169,205           |
| Derivative liability - net of current portion (Note 37)    | 3,698               | —                   |
| <b>Total Noncurrent Liabilities</b>                        | <b>364,688,870</b>  | <b>344,607,113</b>  |
| <b>Total Liabilities</b>                                   | <b>497,334,978</b>  | <b>458,528,215</b>  |
| <b>Equity Attributable to Equity Holders of the Parent</b> |                     |                     |
| Capital stock (Note 23)                                    | 5,694,600           | 5,694,600           |
| Additional paid-in capital (Note 23)                       | 13,013,197          | 13,013,197          |
| Equity reserve (Notes 2, 9 and 10)                         | 30,120,774          | 29,423,103          |
| Accumulated other comprehensive income (Note 25)           | 559,706             | (2,306,957)         |
| Retained earnings (Notes 10 and 24)                        |                     |                     |
| Appropriated                                               | 88,800,000          | 88,800,000          |
| Unappropriated                                             | 148,736,030         | 138,476,219         |
| Treasury stock at cost (Note 23)                           | (3,642,072)         | (1,145,431)         |
|                                                            | <b>283,282,235</b>  | <b>271,954,731</b>  |
| <b>Non-controlling Interests</b>                           | <b>113,083,341</b>  | <b>103,391,713</b>  |
| <b>Total Equity</b>                                        | <b>396,365,576</b>  | <b>375,346,444</b>  |
| <b>TOTAL LIABILITIES AND EQUITY</b>                        | <b>₱893,700,554</b> | <b>₱833,874,659</b> |

See accompanying Notes to Consolidated Financial Statements.



**ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF INCOME****(Amounts in Thousands, Except Earnings Per Share Amounts)**

|                                                                                                | <b>Years Ended December 31</b> |              |              |
|------------------------------------------------------------------------------------------------|--------------------------------|--------------|--------------|
|                                                                                                | <b>2024</b>                    | <b>2023</b>  | <b>2022</b>  |
| <b>REVENUES</b>                                                                                |                                |              |              |
| Sale of:                                                                                       |                                |              |              |
| Power (Note 26)                                                                                | <b>₱195,680,252</b>            | ₱205,818,244 | ₱193,625,879 |
| Goods                                                                                          | <b>91,677,860</b>              | 92,323,721   | 104,094,671  |
| Real estate (Notes 15 and 26)                                                                  | <b>10,335,220</b>              | 9,476,487    | 7,442,270    |
| Service fees and others (Notes 16, 35 and 40)                                                  | <b>5,132,321</b>               | 3,000,637    | 1,698,553    |
|                                                                                                | <b>302,825,653</b>             | 310,619,089  | 306,861,373  |
| <b>COSTS AND EXPENSES</b>                                                                      |                                |              |              |
| Cost of generated and purchased power<br>(Notes 27, 28, 35 and 40)                             | <b>115,273,191</b>             | 135,433,770  | 129,998,462  |
| Cost of goods sold (Notes 6 and 28)                                                            | <b>76,070,825</b>              | 81,329,202   | 93,365,449   |
| Operating expenses (Notes 28, 35, 38 and 39)                                                   | <b>54,900,463</b>              | 50,806,725   | 44,344,870   |
| Cost of real estate sales (Note 6 and 15)                                                      | <b>5,987,633</b>               | 5,004,708    | 4,057,279    |
|                                                                                                | <b>252,232,112</b>             | 272,574,405  | 271,766,060  |
| <b>OPERATING PROFIT</b>                                                                        | <b>50,593,541</b>              | 38,044,684   | 35,095,313   |
| Share in net earnings of associates and joint ventures<br>(Note 10)                            | <b>14,531,542</b>              | 23,637,125   | 20,781,865   |
| Interest income (Notes 4, 7, 16, 35 and 36)                                                    | <b>3,517,196</b>               | 4,301,426    | 1,867,224    |
| Interest expense (Notes 22 and 36)                                                             | <b>(22,544,384)</b>            | (20,528,967) | (17,856,684) |
| Other income (expense) - net (Notes 5, 31 and 35)                                              | <b>2,445,122</b>               | 6,060,374    | 4,138,884    |
| <b>INCOME BEFORE INCOME TAX</b>                                                                | <b>48,543,017</b>              | 51,514,642   | 44,026,602   |
| <b>PROVISION FOR INCOME TAX</b> (Note 32)                                                      | <b>10,645,594</b>              | 8,593,435    | 5,366,748    |
| <b>NET INCOME</b>                                                                              | <b>₱37,897,423</b>             | ₱42,921,207  | ₱38,659,854  |
| <b>ATTRIBUTABLE TO:</b>                                                                        |                                |              |              |
| Equity holders of the parent                                                                   | <b>₱18,127,511</b>             | ₱23,546,289  | ₱24,020,840  |
| Non-controlling interests                                                                      | <b>19,769,912</b>              | 19,374,918   | 14,639,014   |
|                                                                                                | <b>₱37,897,423</b>             | ₱42,921,207  | ₱38,659,854  |
| <b>EARNINGS PER SHARE</b> (Note 33)                                                            |                                |              |              |
| Basic and diluted, for net income for the year<br>attributable to equity holders of the parent | <b>₱3.25</b>                   | ₱4.19        | ₱4.27        |

See accompanying Notes to Consolidated Financial Statements.



**ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Amounts in Thousands)

|                                                                                                                                   | Years Ended December 31 |                    |                    |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------|--------------------|
|                                                                                                                                   | 2024                    | 2023               | 2022               |
| <b>NET INCOME ATTRIBUTABLE TO:</b>                                                                                                |                         |                    |                    |
| Equity holders of the parent                                                                                                      | ₱18,127,511             | ₱23,546,289        | ₱24,020,840        |
| Non-controlling interests                                                                                                         | 19,769,912              | 19,374,918         | 14,639,014         |
|                                                                                                                                   | <b>37,897,423</b>       | <b>42,921,207</b>  | <b>38,659,854</b>  |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>                                                                                          |                         |                    |                    |
| <i>Items that may be reclassified to consolidated statements of income:</i>                                                       |                         |                    |                    |
| Movement in cumulative translation adjustments                                                                                    | 2,727,757               | 474,598            | 1,357,951          |
| Movement in cash flow hedges, net of tax                                                                                          | 941,569                 | (3,523,081)        | 1,807,349          |
| Share in movement in cumulative translation adjustments of associates and joint ventures (Note 10)                                | 1,238,868               | (523,502)          | 910,902            |
| Share in movement in net unrealized mark-to-market gains (losses) on FVOCI investments of associates and joint ventures (Note 10) | 205,175                 | 5,920,629          | (6,299,539)        |
| Revaluation surplus, net of tax (Note 13)                                                                                         | —                       | —                  | 642,672            |
| Movement in net unrealized mark-to-market gains (losses) on FVOCI investments (Note 25)                                           | 65,198                  | 95,640             | (31,263)           |
|                                                                                                                                   | <b>5,178,567</b>        | <b>2,444,284</b>   | <b>(1,611,928)</b> |
| <i>Items that will not be reclassified to consolidated statements of income:</i>                                                  |                         |                    |                    |
| Share in movement in actuarial gains (losses) on defined benefit plans of associates and joint ventures, net of tax (Note 10)     | 3,954                   | (227,641)          | 250,113            |
| Movement in actuarial gains (losses) on defined benefit plans, net of tax (Note 30)                                               | 195,473                 | (436,800)          | 266,598            |
|                                                                                                                                   | <b>199,427</b>          | <b>(664,441)</b>   | <b>516,711</b>     |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                                                                                 | <b>₱43,275,417</b>      | <b>₱44,701,050</b> | <b>₱37,564,637</b> |
| <b>ATTRIBUTABLE TO:</b>                                                                                                           |                         |                    |                    |
| Equity holders of the parent                                                                                                      | ₱20,994,174             | ₱25,664,257        | ₱19,831,290        |
| Non-controlling interests                                                                                                         | 22,281,243              | 19,036,793         | 17,733,347         |
|                                                                                                                                   | <b>₱43,275,417</b>      | <b>₱44,701,050</b> | <b>₱37,564,637</b> |

See accompanying Notes to Consolidated Financial Statements.



ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022  
(Amounts in Thousands, Except Dividends Per Share Amounts)

|                                                                        | Attributable to equity holders of the parent |                                      |                                |                                                          |                        |                          |                          | Total        | Non-controlling Interest | Total        |
|------------------------------------------------------------------------|----------------------------------------------|--------------------------------------|--------------------------------|----------------------------------------------------------|------------------------|--------------------------|--------------------------|--------------|--------------------------|--------------|
|                                                                        | Capital Stock: Common (Note 23)              | Additional Paid-in Capital (Note 23) | Equity Reserve (Notes 2 and 9) | Accumulated Other Comprehensive Income (Notes 10 and 25) | Retained Earnings      |                          | Treasury Stock (Note 23) |              |                          |              |
|                                                                        |                                              |                                      |                                |                                                          | Appropriated (Note 24) | Unappropriated (Note 24) |                          |              |                          |              |
| Balances at January 1, 2024                                            | ₱5,694,600                                   | ₱13,013,197                          | ₱29,423,103                    | (₱2,306,957)                                             | ₱88,800,000            | ₱138,476,219             | (₱1,145,431)             | ₱271,954,731 | ₱103,391,713             | ₱375,346,444 |
| Net income for the year                                                | —                                            | —                                    | —                              | —                                                        | —                      | 18,127,511               | —                        | 18,127,511   | 19,769,912               | 37,897,423   |
| Other comprehensive income                                             | —                                            | —                                    | —                              | 2,866,663                                                | —                      | —                        | —                        | 2,866,663    | 2,511,331                | 5,377,994    |
| Total comprehensive income for the year                                | —                                            | —                                    | —                              | 2,866,663                                                | —                      | 18,127,511               | —                        | 20,994,174   | 22,281,243               | 43,275,417   |
| Cash dividends - ₱1.40 per share (Note 24)                             | —                                            | —                                    | —                              | —                                                        | —                      | (7,867,700)              | —                        | (7,867,700)  | —                        | (7,867,700)  |
| Acquisition of treasury shares (Note 23)                               | —                                            | —                                    | —                              | —                                                        | —                      | —                        | (2,496,641)              | (2,496,641)  | —                        | (2,496,641)  |
| Share in equity reserve from an associate (Note 10)                    | —                                            | —                                    | 186,463                        | —                                                        | —                      | —                        | —                        | 186,463      | —                        | 186,463      |
| Cash dividends and return of capital paid to non-controlling interests | —                                            | —                                    | —                              | —                                                        | —                      | —                        | —                        | —            | (11,374,238)             | (11,374,238) |
| Acquisition of non-controlling interests                               | —                                            | —                                    | 511,208                        | —                                                        | —                      | —                        | —                        | 511,208      | (1,144,093)              | (632,885)    |
| Changes in non-controlling interests                                   | —                                            | —                                    | —                              | —                                                        | —                      | —                        | —                        | —            | (71,284)                 | (71,284)     |
| Balances at December 31, 2024                                          | ₱5,694,600                                   | ₱13,013,197                          | ₱30,120,774                    | ₱559,706                                                 | ₱88,800,000            | ₱148,736,030             | (₱3,642,072)             | ₱283,282,235 | ₱113,083,341             | ₱396,365,576 |
|                                                                        |                                              |                                      |                                |                                                          |                        |                          |                          |              |                          |              |
| Balances at January 1, 2023                                            | ₱5,694,600                                   | ₱13,013,197                          | ₱29,491,200                    | (₱4,424,925)                                             | ₱79,800,000            | ₱132,206,361             | (₱647,672)               | ₱255,132,761 | ₱95,024,520              | ₱350,157,281 |
| Net income for the year                                                | —                                            | —                                    | —                              | —                                                        | —                      | 23,546,289               | —                        | 23,546,289   | 19,374,918               | 42,921,207   |
| Other comprehensive income                                             | —                                            | —                                    | —                              | 2,117,968                                                | —                      | —                        | —                        | 2,117,968    | (338,125)                | 1,779,843    |
| Total comprehensive income for the year                                | —                                            | —                                    | —                              | 2,117,968                                                | —                      | 23,546,289               | —                        | 25,664,257   | 19,036,793               | 44,701,050   |
| Cash dividends - ₱1.47 per share (Note 24)                             | —                                            | —                                    | —                              | —                                                        | —                      | (8,276,431)              | —                        | (8,276,431)  | —                        | (8,276,431)  |
| Acquisition of treasury shares (Note 23)                               | —                                            | —                                    | —                              | —                                                        | —                      | —                        | (497,759)                | (497,759)    | —                        | (497,759)    |
| Appropriation during the year, net of reversal (Note 24)               | —                                            | —                                    | —                              | —                                                        | 9,000,000              | (9,000,000)              | —                        | —            | —                        | —            |
| Cash dividends paid to non-controlling interests                       | —                                            | —                                    | —                              | —                                                        | —                      | —                        | —                        | —            | (13,065,431)             | (13,065,431) |
| Acquisition of non-controlling interests (Note 9)                      | —                                            | —                                    | (68,097)                       | —                                                        | —                      | —                        | —                        | (68,097)     | —                        | (68,097)     |
| Changes in non-controlling interests                                   | —                                            | —                                    | —                              | —                                                        | —                      | —                        | —                        | —            | 2,395,831                | 2,395,831    |
| Balances at December 31, 2023                                          | ₱5,694,600                                   | ₱13,013,197                          | ₱29,423,103                    | (₱2,306,957)                                             | ₱88,800,000            | ₱138,476,219             | (₱1,145,431)             | ₱271,954,731 | ₱103,391,713             | ₱375,346,444 |

(Forward)





| Attributable to equity holders of the parent     |                                       |                                               |                                   |                                                                      |                           |                             |                                |              |                             |              |
|--------------------------------------------------|---------------------------------------|-----------------------------------------------|-----------------------------------|----------------------------------------------------------------------|---------------------------|-----------------------------|--------------------------------|--------------|-----------------------------|--------------|
|                                                  | Capital Stock:<br>Common<br>(Note 23) | Additional<br>Paid-in<br>Capital<br>(Note 23) | Equity Reserve (Notes<br>2 and 9) | Accumulated<br>Other<br>Comprehensive<br>Income<br>(Notes 10 and 25) | Retained Earnings         |                             | Treasury<br>Stock<br>(Note 23) | Total        | Non-controlling<br>Interest | Total        |
|                                                  |                                       |                                               |                                   |                                                                      | Appropriated<br>(Note 24) | Unappropriated<br>(Note 24) |                                |              |                             |              |
| Balances at January 1, 2022                      | ₱5,694,600                            | ₱13,013,197                                   | ₱29,491,200                       | (₱235,375)                                                           | ₱9,200,000                | ₱187,906,486                | (₱647,672)                     | ₱244,422,436 | ₱82,847,909                 | ₱327,270,345 |
| Net income for the year                          | —                                     | —                                             | —                                 | —                                                                    | —                         | 24,020,840                  | —                              | 24,020,840   | 14,639,014                  | 38,659,854   |
| Other comprehensive income (loss)                | —                                     | —                                             | —                                 | (4,189,550)                                                          | —                         | —                           | —                              | (4,189,550)  | 3,094,333                   | (1,095,217)  |
| Total comprehensive income (loss) for the year   | —                                     | —                                             | —                                 | (4,189,550)                                                          | —                         | 24,020,840                  | —                              | 19,831,290   | 17,733,347                  | 37,564,637   |
| Cash dividends - ₱1.62 per share (Note 24)       | —                                     | —                                             | —                                 | —                                                                    | —                         | (9,120,965)                 | —                              | (9,120,965)  | —                           | (9,120,965)  |
| Appropriation during the year (Note 24)          | —                                     | —                                             | —                                 | —                                                                    | 70,600,000                | (70,600,000)                | —                              | —            | —                           | —            |
| Cash dividends paid to non-controlling interests | —                                     | —                                             | —                                 | —                                                                    | —                         | —                           | —                              | —            | (6,128,351)                 | (6,128,351)  |
| Changes in non-controlling interests             | —                                     | —                                             | —                                 | —                                                                    | —                         | —                           | —                              | —            | 571,615                     | 571,615      |
| Balances at December 31, 2022                    | ₱5,694,600                            | ₱13,013,197                                   | ₱29,491,200                       | (₱4,424,925)                                                         | ₱79,800,000               | ₱132,206,361                | (₱647,672)                     | ₱255,132,761 | ₱95,024,520                 | ₱350,157,281 |

See accompanying Notes to Consolidated Financial Statements.



# ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

|                                                                                                              | Years Ended December 31 |                    |                    |
|--------------------------------------------------------------------------------------------------------------|-------------------------|--------------------|--------------------|
|                                                                                                              | 2024                    | 2023               | 2022               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                  |                         |                    |                    |
| Income before income tax                                                                                     | <b>₱48,543,017</b>      | <b>₱51,514,642</b> | <b>₱44,026,602</b> |
| Adjustments for:                                                                                             |                         |                    |                    |
| Interest expense (Note 36)                                                                                   | <b>22,544,384</b>       | 20,528,967         | 17,856,684         |
| Depreciation and amortization (Note 28)                                                                      | <b>15,402,746</b>       | 15,127,901         | 13,778,454         |
| Net unrealized foreign exchange losses (gains)                                                               | <b>(81,254)</b>         | 125,684            | (1,546,712)        |
| Impairment loss (recovery) on property, plant and equipment, goodwill and other assets (Notes 13, 14 and 16) | <b>(367,427)</b>        | 224,774            | 1,224,108          |
| Write-off of project development costs (Note 31)                                                             | <b>429,485</b>          | 308,871            | 314,490            |
| Loss (gain) on sale/disposal of:                                                                             |                         |                    |                    |
| Property, plant and equipment and other assets (Notes 13 and 31)                                             | <b>278,080</b>          | (90,108)           | 158,832            |
| Fair value through profit or loss (FVTPL) and FVOCI investments                                              | <b>160</b>              | (61,408)           | (31,283)           |
| Investments and advances (Notes 9 and 10)                                                                    | <b>(153,203)</b>        | —                  | (183,299)          |
| Unrealized mark-to-market losses (gains) on derivatives                                                      | <b>6,424</b>            | 74,766             | (11,105)           |
| Unrealized valuation loss (gain) on financial assets (Note 31)                                               | <b>(1,903,856)</b>      | (84,425)           | 191,710            |
| Dividend income (Note 31)                                                                                    | <b>(1,502)</b>          | (8,107)            | (3,379)            |
| Net unrealized valuation gains on investment property (Notes 15 and 31)                                      | <b>(381,525)</b>        | (781,512)          | (527,154)          |
| Interest income (Note 36)                                                                                    | <b>(3,517,196)</b>      | (4,301,426)        | (1,867,224)        |
| Share in net earnings of associates and joint ventures (Note 10)                                             | <b>(14,531,542)</b>     | (23,637,125)       | (20,781,865)       |
| Loss (gain) from bargain purchase and remeasurement of previously held interest (Notes 9 and 31)             | <b>1,862,483</b>        | (1,745,655)        | —                  |
| Operating income before working capital changes                                                              | <b>68,129,274</b>       | 57,195,839         | 52,598,859         |
| Decrease (increase) in:                                                                                      |                         |                    |                    |
| Trade and other receivables                                                                                  | <b>2,351,710</b>        | 2,433,677          | (16,881,735)       |
| Inventories                                                                                                  | <b>315,669</b>          | 4,015,391          | (15,567,048)       |
| Other operating assets                                                                                       | <b>(2,041,603)</b>      | 7,043,517          | (6,192,653)        |
| Increase (decrease) in:                                                                                      |                         |                    |                    |
| Trade and other payables                                                                                     | <b>(5,097,962)</b>      | (7,163,456)        | 19,121,511         |
| Customers' deposits                                                                                          | <b>664,579</b>          | 795,777            | 980,007            |
| Net cash flows generated from operations                                                                     | <b>64,321,667</b>       | 64,320,745         | 34,058,941         |
| Income and final taxes paid                                                                                  | <b>(9,215,810)</b>      | (6,494,082)        | (3,878,267)        |
| Net cash flows from operating activities                                                                     | <b>55,105,857</b>       | 57,826,663         | 30,180,674         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                                  |                         |                    |                    |
| Cash dividends received (Note 10)                                                                            | <b>15,208,747</b>       | 4,491,446          | 5,737,663          |
| Interest received                                                                                            | <b>3,554,558</b>        | 4,392,197          | 1,543,936          |
| Proceeds from sale of:                                                                                       |                         |                    |                    |
| FVTPL and FVOCI investments                                                                                  | <b>1,264,981</b>        | 2,640,588          | 151,289            |
| Property, plant and equipment                                                                                | <b>124,937</b>          | 593,585            | 119,332            |

(Forward)



|                                                                                                                   | Years Ended December 31 |                     |                     |
|-------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------|---------------------|
|                                                                                                                   | 2024                    | 2023                | 2022                |
| Acquisition through business combination, net of cash acquired (Note 9)                                           | ₱403,989                | (₱570,098)          | ₱—                  |
| Disposal of a subsidiary, net of cash disposed                                                                    | —                       | —                   | (190,312)           |
| Proceeds from (additions to):                                                                                     |                         |                     |                     |
| Short-term cash deposits                                                                                          | 1,330,146               | 19,372,653          | (13,929,164)        |
| FVTPL, including exchangeable notes and FVOCI investments (Notes 10 and 16)                                       | —                       | (406,902)           | (16,644,751)        |
| Property, plant and equipment and investment properties (Notes 13 and 15)                                         | (25,196,343)            | (21,762,234)        | (16,238,852)        |
| Investments in and advances to associates (Note 10)                                                               | (36,136,458)            | (7,508,169)         | (30,731,074)        |
| Increase in intangible assets (Note 14)                                                                           | (2,608,609)             | (3,616,171)         | (2,540,531)         |
| Decrease (increase) in other noncurrent assets                                                                    | (916,229)               | 177,158             | (1,755,165)         |
| Proceeds from sale of common shares and redemption of preferred shares of associates and joint ventures (Note 10) | 1,810,000               | —                   | —                   |
| Net cash flows used in investing activities                                                                       | (41,160,281)            | (2,195,947)         | (74,477,629)        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                                       |                         |                     |                     |
| Proceeds from availment of long-term debts - net of transaction costs (Note 19)                                   | 13,045,546              | 49,326,661          | 63,063,047          |
| Net proceeds from (settlements of) bank loans                                                                     | (155,493)               | (4,327,137)         | 9,952,162           |
| Acquisition of treasury shares (Note 23)                                                                          | (2,496,641)             | (497,759)           | —                   |
| Acquisition of non-controlling interests (Note 9)                                                                 | (632,885)               | (128,882)           | —                   |
| Cash dividends paid to non-controlling interest                                                                   | (11,374,238)            | (13,065,431)        | (6,128,351)         |
| Cash dividends paid to equity holders of the parent (Note 24)                                                     | (7,867,700)             | (8,276,431)         | (9,120,965)         |
| Interest paid                                                                                                     | (20,608,154)            | (20,767,307)        | (14,785,307)        |
| Payments of:                                                                                                      |                         |                     |                     |
| Long-term debts (Note 19)                                                                                         | (14,926,303)            | (23,646,382)        | (37,113,280)        |
| Lease liabilities, including accretion of interest (Note 22)                                                      | (500,333)               | (22,899,469)        | (10,232,070)        |
| Net cash flows used in financing activities                                                                       | (45,516,201)            | (44,282,137)        | (4,364,764)         |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                                       | <b>(31,570,625)</b>     | <b>11,348,579</b>   | <b>(48,661,719)</b> |
| <b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>                                               | <b>1,070,338</b>        | <b>(581,257)</b>    | <b>2,653,944</b>    |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                                                             | <b>112,293,582</b>      | <b>101,526,260</b>  | <b>147,534,035</b>  |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)</b>                                                          | <b>₱81,793,295</b>      | <b>₱112,293,582</b> | <b>₱101,526,260</b> |

See accompanying Notes to Consolidated Financial Statements.



## ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except Par Value, Earnings Per Share, Number of Shares, and When Otherwise Indicated)

#### 1. Corporate Information

Aboitiz Equity Ventures, Inc. (the Company) was originally incorporated in the Philippines as Cebu Pan Asian Holdings, Inc. and registered with the Philippine Securities and Exchange Commission (SEC) on September 11, 1989. The Company changed its corporate name to the present one on December 29, 1993 and its ownership was opened to the general public through an initial public offering of its shares on November 16, 1994 (see Note 23).

The Company and its subsidiaries (collectively referred to as the "Group") are engaged in various business activities such as power generation, retail electricity supply, power distribution, food manufacturing, banking and financial services, real estate development, and infrastructure in the Philippines and several countries in Asia (see Note 34). The Company is the publicly-listed holding and management company of the Group. The parent and the ultimate parent of the Company is Aboitiz & Company, Inc. (ACO).

The registered office address of the Company is 32<sup>nd</sup> Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines.

On January 28, 2025, the Board of Directors (BOD) and the Stockholders of the Company approved the amendment in the Company's principal office address to Ayala Triangle Gardens Tower 2, Paseo de Roxas, corner Makati Avenue, Makati City. The application to amend the Company's article of incorporation reflecting the change was filed with the Philippine SEC. As of March 7, 2025, the application is still pending approval from the Philippine SEC.

The consolidated financial statements of the Group were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) of the Company on March 7, 2025.

#### 2. Group Information, Basis of Preparation and Summary of Significant Accounting Policies

The consolidated financial statements comprise the financial statements of the Company, subsidiaries controlled by the Company and a joint operation that is subject to joint control (collectively referred to as the Group). The following are the subsidiaries as of December 31:

|                                                                  | Nature of Business | Place of Incorporation | Percentage of Ownership |          |        |          |
|------------------------------------------------------------------|--------------------|------------------------|-------------------------|----------|--------|----------|
|                                                                  |                    |                        | 2024                    |          | 2023   |          |
|                                                                  |                    |                        | Direct                  | Indirect | Direct | Indirect |
| Aboitiz Power Corporation (AP) and Subsidiaries                  | Power              | Philippines            | 53.09                   | –        | 53.09  | –        |
| AboitizPower International Pte. Ltd.                             | Holding            | Singapore              | –                       | 100.00   | –      | 100.00   |
| Cleanergy Asia Power Holdings Pte. Ltd                           | Holding            | Singapore              | –                       | 100.00   | –      | 100.00   |
| AP Lariang Pte. Ltd.                                             | Holding            | Singapore              | –                       | 100.00   | –      | 100.00   |
| Adventpower, Inc. (API, formerly Aboitiz Energy Solutions, Inc.) | Power              | Philippines            | –                       | 100.00   | –      | 100.00   |
| Adventenergy, Inc. (AI)                                          | Power              | Philippines            | –                       | 100.00   | –      | 100.00   |
| Balamban Enerzone Corporation (BEZ)                              | Power              | Philippines            | –                       | 100.00   | –      | 100.00   |
| Mactan Enerzone Corporation (MEZ)                                | Power              | Philippines            | –                       | 100.00   | –      | 100.00   |
| Malvar Enerzone Corporation (MVEZ)                               | Power              | Philippines            | –                       | 100.00   | –      | 100.00   |
| East Asia Utilities Corporation (EAUC)                           | Power              | Philippines            | –                       | 100.00   | –      | 100.00   |
| Lima Enerzone Corporation (LEZ)                                  | Power              | Philippines            | –                       | 100.00   | –      | 100.00   |
| Subic Enerzone Corporation (SEZ)                                 | Power              | Philippines            | –                       | 100.00   | –      | 100.00   |

(Forward)



|                                                                             | Nature of Business         | Place of Incorporation | Percentage of Ownership |          |        |          |
|-----------------------------------------------------------------------------|----------------------------|------------------------|-------------------------|----------|--------|----------|
|                                                                             |                            |                        | 2024                    |          | 2023   |          |
|                                                                             |                            |                        | Direct                  | Indirect | Direct | Indirect |
| Cell Power Energy Corporation*                                              | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Tarlac Enerzone Corporation (TEZ)                                           | Power                      | Philippines            | –                       | 100.00   | –      | –        |
| Cotabato Light & Power Co., Inc. (CLP)                                      | Power                      | Philippines            | –                       | 99.94    | –      | 99.94    |
| Cotabato Ice Plant, Inc.                                                    | Manufacturing              | Philippines            | –                       | 100.00   | –      | 100.00   |
| Davao Light & Power Co., Inc. (DLP)                                         | Power                      | Philippines            | –                       | 99.93    | –      | 99.93    |
| SPI Power Incorporated (SPI, formerly STEAG State Power, Inc., (see Note 9) | Power                      | Philippines            | –                       | 85.00    | –      | 69.40    |
| Cebu Private Power Corporation (CPPC)                                       | Power                      | Philippines            | –                       | 60.00    | –      | 60.00    |
| Prism Energy, Inc. (PEI)                                                    | Power                      | Philippines            | –                       | 60.00    | –      | 60.00    |
| Visayan Electric Co., Inc. (VECO)                                           | Power                      | Philippines            | –                       | 55.26    | –      | 55.26    |
| Potentia Insurance Pte Ltd                                                  | Insurance                  | Singapore              | –                       | 100.00   | –      | –        |
| 1882 Energy Ventures Incorporated                                           | Holding                    | Philippines            | –                       | 100.00   | –      | –        |
| AP Electric Mobility Inc.*                                                  | Electric vehicle operation | Philippines            | –                       | 100.00   | –      | –        |
| Heritage Light and Power Corporation*                                       | Power                      | Philippines            | –                       | 100.00   | –      | –        |
| Peninsula Electric Corporation*                                             | Power                      | Philippines            | –                       | 100.00   | –      | –        |
| PowerPlus Innovation, Inc. *                                                | Management services        | Philippines            | –                       | 99.90    | –      | –        |
| Aboitiz Renewables Inc. (ARI) and Subsidiaries                              | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| AP Renewables, Inc. (APRI)                                                  | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Hedcor, Inc. (HI)                                                           | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Amihan Frontier Energy, Inc.*                                               | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Hedcor Benguet, Inc.*                                                       | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Hedcor Bukidnon, Inc. (Hedcor Bukidnon)                                     | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Hedcor Kabayan, Inc.*                                                       | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| PV Sinag Power, Inc.*                                                       | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Amihan Power, Inc. *                                                        | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Aboitiz Solar Power, Inc.*                                                  | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Hedcor Manolo Fortich, Inc.*                                                | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Hedcor Sabangan, Inc. (Hedcor Sabangan)                                     | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Hedcor Sibulan, Inc. (HSI)                                                  | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Hedcor Tamugan, Inc. *                                                      | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Hedcor Tudaya, Inc. (Hedcor Tudaya)                                         | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Aboitiz Power Distributed Renewables, Inc.                                  | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| AP Renewable Energy Corporation*                                            | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Aboitiz Power Distributed Energy, Inc.                                      | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| RE Resources, Inc.*                                                         | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Cleanergy, Inc. (CI)*                                                       | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Luzon Hydro Corporation (LHC)                                               | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Bakun Power Line Corporation*                                               | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Sinag Solar Power Corporation *                                             | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Retensol, Inc. *                                                            | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Aseagas Corporation (Aseagas)*                                              | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Cordillera Hydro Corporation (CHC)*                                         | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Visayas Cleanergy, Inc.*                                                    | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Tagoloan Hydro Corporation*                                                 | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Luzon Hydro Company Limited*                                                | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Electricidad, Inc. *                                                        | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Maaraw Renewable Energy Corporation*                                        | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Wind Renewable Energy Corporation*                                          | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Luzon Alternative Energy Sources, Inc. *                                    | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Luzon Cleanergy Generation, Inc.*                                           | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Luzon Cleanergy, Inc.*                                                      | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Maaraw Holdings Bais, Inc.*                                                 | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Mindanao Cleanergy, Inc.*                                                   | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| North Luzon Green and Sustainable Energy, Inc.*                             | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| North Luzon Green Power, Inc.*                                              | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| North Luzon Natural Energy, Inc.*                                           | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |
| Northern Sun Power, Inc.*                                                   | Power                      | Philippines            | –                       | 100.00   | –      | 100.00   |

(Forward)



|                                                                                          | Nature of Business | Place of Incorporation | Percentage of Ownership |          |        |          |
|------------------------------------------------------------------------------------------|--------------------|------------------------|-------------------------|----------|--------|----------|
|                                                                                          |                    |                        | 2024                    |          | 2023   |          |
|                                                                                          |                    |                        | Direct                  | Indirect | Direct | Indirect |
| Northern Sun Radiance, Inc.*                                                             | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| South Cleanergy, Inc.*                                                                   | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| South Luzon Energy Solutions, Inc.*                                                      | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| South Luzon Power Development, Inc.*                                                     | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| South Luzon Sustainable Energy, Inc.*                                                    | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Sinag Naraw Power, Inc.*                                                                 | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Cleanergy 1, Inc.*                                                                       | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Cleanergy 2, Inc.*                                                                       | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Cleanergy 1 Power, Inc.*                                                                 | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Cleanergy 2 Power, Inc.*                                                                 | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Cleanergy 3 Power, Inc.*                                                                 | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Cleanergy 4 Power, Inc.*                                                                 | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Cleanergy 5 Power, Inc.*                                                                 | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Cleanergy 6 Power, Inc.*                                                                 | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Cleanergy 7 Power, Inc.*                                                                 | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Cleanergy 8 Power, Inc.*                                                                 | Power              | Philippines            | —                       | 100.00   | —      | —        |
| Cleanergy 9 Power, Inc.*                                                                 | Power              | Philippines            | —                       | 100.00   | —      | —        |
| Cleanergy 10 Power, Inc.*                                                                | Power              | Philippines            | —                       | 100.00   | —      | —        |
| Inner Channel Wind Power Corporation *                                                   | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Maaraw Holdings San Carlos, Inc. (MHSCI)                                                 | Holding            | Philippines            | —                       | 100.00   | —      | 100.00   |
| San Carlos Sun Power, Inc. (Sacasan)                                                     | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Hydro Electric Development Corporation*                                                  | Power              | Philippines            | —                       | 99.97    | —      | 99.97    |
| Cornerstone Energy Development, Inc.*                                                    | Power              | Philippines            | —                       | 60.00    | —      | 60.00    |
| Therma Power, Inc. (TPI) and Subsidiaries                                                | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Mindanao Sustainable Solutions, Inc.*                                                    | Services           | Philippines            | —                       | 100.00   | —      | 100.00   |
| Therma Luzon, Inc. (TLI)                                                                 | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Therma Marine, Inc. (Therma Marine)                                                      | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Therma Mobile, Inc. (Therma Mobile)                                                      | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Therma South, Inc. (TSI)                                                                 | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Therma Power-Visayas, Inc. (TPVI)                                                        | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Therma Central Visayas, Inc.*                                                            | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Therma Subic, Inc.*                                                                      | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Therma Mariveles Holdings, Inc.                                                          | Holding            | Philippines            | —                       | 100.00   | —      | 100.00   |
| GNPower Mariveles Energy Center Ltd. Co. (GMEC)                                          | Power              | Philippines            | —                       | 78.33    | —      | 78.33    |
| Therma Dinginin Holdings, Inc.                                                           | Holding            | Philippines            | —                       | 100.00   | —      | 100.00   |
| Therma NatGas Power Inc.*                                                                | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Therma Pagbilao Power Inc.*                                                              | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Therma Quezon Energy Inc.*                                                               | Power              | Philippines            | —                       | 100.00   | —      | 100.00   |
| Therma Visayas, Inc. (TVI)                                                               | Power              | Philippines            | —                       | 80.00    | —      | 80.00    |
| Abovant Holdings, Inc.                                                                   | Holding            | Philippines            | —                       | 60.00    | —      | 60.00    |
| Aboitiz Foods Holdings, Inc. (formerly, Aboitiz FeedAll Holdings, Inc.) and Subsidiaries | Holding            | Philippines            | 100.00                  | —        | 100.00 | —        |
| Pilmico Foods Corporation (PFC) and Subsidiaries                                         | Food manufacturing | Philippines            | —                       | 100.00   | —      | 100.00   |
| Filagri Holdings, Inc.                                                                   | Holding            | Philippines            | —                       | 100.00   | —      | 100.00   |
| Pilmico Animal Nutrition Corporation (PANC)                                              | Food manufacturing | Philippines            | —                       | 100.00   | —      | 100.00   |
| Filagri, Inc.                                                                            | Food manufacturing | Philippines            | —                       | 100.00   | —      | 100.00   |
| AboitizLand, Inc. (AboitizLand) and Subsidiaries                                         | Real estate        | Philippines            | 100.00                  | —        | 100.00 | —        |
| Propriedad del Norte, Inc. (PDNI)                                                        | Real estate        | Philippines            | —                       | 100.00   | —      | 100.00   |
| Cebu Industrial Park Developers, Inc. (CIPDI)                                            | Real estate        | Philippines            | —                       | 60.00    | —      | 60.00    |
| Cebu Industrial Park Services, Inc.                                                      | Services           | Philippines            | —                       | 100.00   | —      | 100.00   |
| Misamis Oriental Land Development Corporation                                            | Real estate        | Philippines            | —                       | 60.00    | —      | 60.00    |
| ALLRise Development Corp. <sup>A</sup>                                                   | Real estate        | Philippines            | —                       | 100.00   | —      | 100.00   |
| 78 Point Blue, Inc.                                                                      | Real estate        | Philippines            | —                       | 100.00   | —      | 100.00   |
| Triplecrown Properties, Inc. (TCP)                                                       | Real estate        | Philippines            | —                       | 100.00   | —      | 100.00   |
| Firmwall Systems, Inc. (FSI)                                                             | Real estate        | Philippines            | —                       | 100.00   | —      | 100.00   |

(Forward)





|                                                                                       | Nature of Business | Place of Incorporation | Percentage of Ownership |          |        |          |
|---------------------------------------------------------------------------------------|--------------------|------------------------|-------------------------|----------|--------|----------|
|                                                                                       |                    |                        | 2024                    |          | 2023   |          |
|                                                                                       |                    |                        | Direct                  | Indirect | Direct | Indirect |
| AEV International Pte. Ltd. (AEV International) and Subsidiaries                      | Holding            | Singapore              | —                       | 100.00   | —      | 100.00   |
| Aboitiz Foods Pte. Ltd. (formerly, Pilmico International Pte. Ltd. ) and Subsidiaries | Holding            | Singapore              | —                       | 100.00   | —      | 100.00   |
| Abaqa International Pte Ltd.                                                          | Trading            | Singapore              | —                       | 100.00   | —      | 100.00   |
| Gold Coin Management Holdings Pte. Ltd. (GCMH) and Subsidiaries                       | Holding            | Singapore              | —                       | 100.00   | —      | 100.00   |
| GC Investment Holdings Limited                                                        | Holding            | Hong Kong              | —                       | 100.00   | —      | 100.00   |
| Gold Coin (ZhangJiang) Company Ltd.                                                   | Feedmills          | China                  | —                       | 100.00   | —      | 100.00   |
| Gold Coin (Zhangzhou) Company Ltd.                                                    | Feedmills          | China                  | —                       | 100.00   | —      | 100.00   |
| Gold Coin Animal Husbandry (Zhangzhou) Co. Ltd*                                       | Feedmills          | China                  | —                       | 100.00   | —      | 100.00   |
| Gold Coin (Zhuhai) Company Ltd.                                                       | Feedmills          | China                  | —                       | 100.00   | —      | 100.00   |
| Gold Coin Feedmill (Kunming) Co. Ltd.                                                 | Feedmills          | China                  | —                       | 100.00   | —      | 100.00   |
| Gold Coin Feedmill (Dongguan) Co. Ltd.                                                | Feedmills          | China                  | —                       | 100.00   | —      | 100.00   |
| Gold Coin (Yunnan) Co. Limited*                                                       | Feedmills          | China                  | —                       | 100.00   | —      | 100.00   |
| Gold Coin Agriculture (Guangxi) Co. Ltd.                                              | Feedmills          | China                  | —                       | 100.00   | —      | 100.00   |
| Gold Coin Management (Shenzhen) Co. Ltd.                                              | Holding            | China                  | —                       | 100.00   | —      | 100.00   |
| Gold Coin Sabah Sdn. Bhd.                                                             | Holding            | Malaysia               | —                       | 100.00   | —      | 100.00   |
| Gold Coin Feedmill (Dong Nai) Co. Ltd.                                                | Feedmills          | Vietnam                | —                       | 100.00   | —      | 100.00   |
| American Feeds Company Limited                                                        | Feedmills          | Vietnam                | —                       | 100.00   | —      | 100.00   |
| Gold Coin Feedmill Ha Nam Co. Ltd. (GCFHN)                                            | Feedmills          | Vietnam                | —                       | 100.00   | —      | 100.00   |
| Pilmico Vietnam Company Limited (PVCL)                                                | Feedmills          | Vietnam                | —                       | 100.00   | —      | 100.00   |
| Glen Arbor Holdings (Singapore) Pte. Ltd. (GAHS)                                      | Holding            | Singapore              | —                       | 100.00   | —      | 100.00   |
| Gold Coin Group Limited                                                               | Holding            | Hong Kong              | —                       | 100.00   | —      | 100.00   |
| Gold Coin Holdings Sdn Bhd                                                            | Holding            | Malaysia               | —                       | 100.00   | —      | 100.00   |
| Gold Coin Feedmill Binh Duong Company (GCFBDC)                                        | Feedmills          | Vietnam                | —                       | 100.00   | —      | 100.00   |
| KLEAN Greentech Co. Ltd.                                                              | Feedmills          | Thailand               | —                       | 100.00   | —      | 100.00   |
| Gold Coin Vietnam Holdings Pte. Ltd.                                                  | Holding            | Singapore              | —                       | 100.00   | —      | 100.00   |
| Gold Coin Aqua Feed Incorporated                                                      | Holding            | British Virgin Island  | —                       | 100.00   | —      | 100.00   |
| Gold Coin Aqua Feed (Singapore) Pte. Ltd.                                             | Holding            | Singapore              | —                       | 100.00   | —      | 100.00   |
| Gold Coin Specialities Sdn. Bhd. (GCSSB)                                              | Feedmills          | Malaysia               | —                       | 100.00   | —      | 100.00   |
| Gold Coin Specialities (Thailand) Co. Ltd.                                            | Feedmills          | Thailand               | —                       | 100.00   | —      | 100.00   |
| P.T. Gold Coin Trading Indonesia                                                      | Feedmills          | Indonesia              | —                       | 100.00   | —      | 100.00   |
| P.T. Gold Coin Indonesia                                                              | Feedmills          | Indonesia              | —                       | 100.00   | —      | 100.00   |
| P.T. Gold Coin Specialities                                                           | Feedmills          | Indonesia              | —                       | 99.90    | —      | 99.90    |
| PT Ayam Unggul (PTAYAM)                                                               | Feedmills          | Indonesia              | —                       | 60.00    | —      | 60.00    |
| FEZ Animal Nutrition Pte Ltd                                                          | Holding            | Singapore              | —                       | 100.00   | —      | 100.00   |
| FEZ Animal Nutrition Pakistan (Private Limited)                                       | Holding            | Pakistan               | —                       | 100.00   | —      | 100.00   |
| Gold Coin Malaysia Group Sdn. Bhd. (GCMG)                                             | Holding            | Malaysia               | —                       | 100.00   | —      | 100.00   |
| Gold Coin Feedmills (Malaysia) Sdn. Bhd.                                              | Feedmills          | Malaysia               | —                       | 100.00   | —      | 100.00   |
| Gold Coin Feedmill (Sabah) Sdn. Bhd.                                                  | Feedmills          | Malaysia               | —                       | 100.00   | —      | 100.00   |
| Gold Coin Sarawak Sdn. Bhd.                                                           | Feedmills          | Malaysia               | —                       | 72.80    | —      | 72.80    |
| Bintawa Fishmeal Factory Sdn. Bhd.                                                    | Feedmills          | Malaysia               | —                       | 72.86    | —      | 72.86    |
| Golden Livestock Sdn Bhd.                                                             | Holding            | Malaysia               | —                       | 100.00   | —      | 100.00   |
| Pilmico Aqua Pte. Ltd.                                                                | Holding            | Singapore              | —                       | 100.00   | —      | 100.00   |
| Aboitiz Data Innovation Pte. Ltd.                                                     | Data Analytics     | Singapore              | —                       | 100.00   | —      | 100.00   |
| Archipelago Insurance Pte Ltd (AIPL)                                                  | Insurance          | Singapore              | 100.00                  | —        | 100.00 | —        |
| AEV Aviation, Inc. (AEV Aviation)                                                     | Service            | Philippines            | 73.31                   | 26.69    | 73.31  | 26.69    |
| Advanced Data Innovation Inc.                                                         | Data Analytics     | Philippines            | 100.00                  | —        | 100.00 | —        |
| Cebu Praedia Development Corporation (CPDC)                                           | Real estate        | Philippines            | 100.00                  | —        | 100.00 | —        |
| Tenfold Ventures Corporation                                                          | Services           | Philippines            | 100.00                  | —        | 100.00 | —        |
| CCEP Aboitiz Beverages Philippines, Inc.                                              | Holding            | Philippines            | 100.00                  | —        | 100.00 | —        |

(Forward)



|                                                                                                                    | Nature of Business   | Place of Incorporation | Percentage of Ownership |          |        |          |
|--------------------------------------------------------------------------------------------------------------------|----------------------|------------------------|-------------------------|----------|--------|----------|
|                                                                                                                    |                      |                        | 2024                    |          | 2023   |          |
|                                                                                                                    |                      |                        | Direct                  | Indirect | Direct | Indirect |
| Aboitiz Infracapital, Inc. (AIC) and Subsidiaries                                                                  | Holding              | Philippines            | 100.00                  | —        | 100.00 | —        |
| Lima Land, Inc. (LLI)                                                                                              | Real estate          | Philippines            | —                       | 100.00   | —      | 100.00   |
| Lima Infrastructure, Inc.                                                                                          | Real estate          | Philippines            | —                       | 100.00   | —      | 100.00   |
| Lima Water Corporation (LWC)                                                                                       | Water Infrastructure | Philippines            | —                       | 100.00   | —      | 100.00   |
| Aboitiz GMR Megawide Cebu Airport Corporation (AGMCAC, see Note 9, formerly GMR Megawide Cebu Airport Corporation) | Airport              | Philippines            | —                       | 100.00   | —      | 33.33    |
| Globemercants, Inc.                                                                                                | Retail               | Philippines            | —                       | 100.00   | —      | —        |
| Apo Agua Infraestructura, Inc. (Apo Agua)                                                                          | Water Infrastructure | Philippines            | —                       | 70.00    | —      | 70.00    |

A) In 2023, ALAND acquired 50% of AllRise Development Corp.  
 \* No commercial operations as of December 31, 2024.

#### a. Basis of Preparation and Summary of Significant Accounting Policies

##### Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for derivative financial instruments, investments in certain debt and equity securities, and investment properties which are measured at fair value, and agricultural produce and biological assets which are measured at fair value less estimated costs to sell. The consolidated financial statements are presented in Philippine peso, which is the Company's functional currency, and all values are rounded to the nearest thousands, except for earnings per share and exchange rates and as otherwise indicated.

##### Statement of Compliance

The consolidated financial statements of the Group are prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

##### Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and a joint operation that is subject to joint control.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

##### Transactions with Non-controlling Interests

Non-controlling interests represent the portion of total comprehensive income or loss and net assets in the subsidiaries not held by the Group and are presented separately in the consolidated statement of income and consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from the equity attributable to equity holders of the parent. Transactions with non-controlling interests are accounted for as equity transactions. On acquisitions of non-controlling interests, the difference between the consideration and the book value of the share of the net assets acquired is reflected as being a transaction between owners and recognized directly in equity. Gain or loss on disposals to non-controlling interest holders is also recognized directly in equity.

##### Changes in Accounting Policies and Disclosures

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.

#### Standards Issued but not yet Effective

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 FRSC 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

The Group is currently assessing the impact the amendments will have on current practice.

- 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 Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (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.

### **Material Accounting Policy Information**

#### Business Combination 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, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the noncontrolling interest in the acquiree pertaining to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by PFRS Accounting Standards. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and 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.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability that is within the scope of PFRS 9 will be recognized either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest (based on the proportionate share of the Group in the identifiable net assets of the acquiree) over the Group's interest in the fair values of the net identifiable assets acquired and liabilities assumed. If this consideration is lower





than the fair value of the net assets of the subsidiary acquired, the difference is recognized as “bargain purchase gain” in the consolidated statement of income.

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 cash-generating units 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 forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

#### *Impairment of goodwill*

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized.

#### *Common control business combination*

Business combination of entities under common control is accounted for similar to pooling of interest method, which is scoped out of PFRS 3. Under the pooling of interest method, any excess of acquisition cost over the net asset value of the acquired entity is recorded in equity.

#### Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated balance sheet 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 a least twelve months after 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 or



- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as noncurrent.

Deferred income tax assets and liabilities are classified as non-current assets and liabilities.

#### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- 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 by 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

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

The Group's valuation team (the Team) determines the policies and procedures for fair value measurement of its investment properties. External valuers (the Valuers) are involved in the periodic valuation of these assets. The respective subsidiary's Team decides the selection of the Valuers after discussion with and approval by its Chief Financial Officer (CFO). Selection criteria



include market knowledge, reputation, independence and whether professional standards are maintained. The Team also determines, after discussions with the chosen valuers, which valuation techniques and inputs to use for each case.

At each balance sheet date, the Team analyzes the movements in the values of the investment properties which are required to be re-measured or re-assessed in accordance with the subsidiary's accounting policies. The Team, in coordination with the Valuers, also compares each of the changes in the fair value of each property with relevant external sources to determine whether the change is reasonable.

On the re-appraisal year, the Team and Valuers present the valuation results and the major assumptions used in the valuation to its CFO.

#### Investments in Associates and Joint Ventures

The Group's investments in its associates and joint ventures are accounted for using the equity method.

The aggregate of the Group's share in the profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are 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.

#### Foreign Currency Translation

The consolidated financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the consolidated statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as 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.

As at the balance sheet date, the assets and liabilities of subsidiaries and associates whose functional currencies are not the Philippine peso, are translated into the Group's presentation currency at the rate of exchange ruling at the balance sheet date, and their statements of income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to other comprehensive income as cumulative translation adjustment. On disposal of any of these subsidiaries or associates, the cumulative translation adjustment recognized in other comprehensive income relating to the disposed entity is recognized in the consolidated statement of income.



### Cash and Cash Equivalents

Cash and cash equivalents in the consolidated balance sheet consist of cash on hand and with banks, and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. They are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

### Financial Instruments - Classification and Measurement

#### *Classification of financial assets*

Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Group's business model for managing the financial assets. The Group classifies its financial assets into the following measurement categories:

- financial assets measured at amortized cost
- financial assets measured at fair value through profit or loss (FVTPL)
- financial assets measured at fair value through other comprehensive income (FVOCI), where cumulative gains or losses previously recognized are reclassified to profit or loss
- financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are not reclassified to profit or loss

#### *Contractual cash flows characteristics*

If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Group assesses whether the cash flows from the financial asset represent solely payment of principal and interest (SPPI) on the principal amount outstanding.

In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI on the principal amount outstanding.

#### *Business model*

The Group's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument.

The Group's business model refers to how it manages its financial assets in order to generate cash flows. The Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Group in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.



*Financial assets at amortized cost*

A financial asset is measured at amortized cost if (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the EIR method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in 'Interest income' in the consolidated statement of income and is calculated by applying the EIR to the gross carrying amount of the financial asset, except for (i) purchased or originated credit-impaired financial assets and (ii) financial assets that have subsequently become credit-impaired, where, in both cases, the EIR is applied to the amortized cost of the financial asset. Losses arising from impairment are recognized in 'Provision for credit and impairment losses' in the consolidated statement of income.

The Group's debt financial assets as of December 31, 2024 and 2023 consist of cash in banks, including restricted cash, cash equivalents and trade and other receivables. The Group assessed that the contractual cash flows of its debt financial assets are SPPI and are expected to be held to collect all contractual cash flows until their maturity. As a result, the Group concluded these debt financial assets to be measured at amortized cost.

*Financial assets at FVOCI*

A financial asset is measured at FVOCI if (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the ECL model.

The Group may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. Amounts recognized in OCI are not subsequently transferred to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

Dividends are recognized in profit or loss only when:

- the Group's right to receive payment of the dividend is established
- it is probable that the economic benefits associated with the dividend will flow to the Group; and
- the amount of the dividend can be measured reliably.



As of December 31, 2024 and 2023, the Group has investments in debt securities that are measured at FVOCI.

*Financial assets at FVTPL*

Financial assets at FVTPL are measured at unless these are measured at amortized cost or at FVOCI. Included in this classification are equity investments held for trading and debt instruments with contractual terms that do not represent solely payments of principal and interest. Financial assets held at FVTPL are initially recognized at fair value, with transaction costs recognized in the statement of income as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in the consolidated statement of income.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, the Group may choose at initial recognition to designate the financial asset at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

Trading gains or losses are calculated based on the results arising from trading activities of the Group, including all gains and losses from changes in fair value for financial assets and financial liabilities at FVTPL, and the gains or losses from disposal of financial investments.

The Group's investments in quoted equity securities and in unquoted equity shares are measured at FVTPL as of December 31, 2024 and 2023. The Group's exchangeable note is classified under this category as well (see Notes 7 and 10).

*Classification of financial liabilities*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, 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.

Financial liabilities are measured at amortized cost, except for the following:

- financial liabilities measured at FVTPL
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Group retains continuing involvement
- financial guarantee contracts
- commitments to provide a loan at a below-market interest rate
- contingent consideration recognized by an acquirer in accordance with PFRS 3

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- if a host contract contains one or more embedded derivatives; or
- if a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.





Where a financial liability is designated at FVTPL, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

The Group's financial liabilities measured at amortized cost (which was initially recognized at fair value net of directly attributable transaction costs) as of December 31, 2024 and 2023 include trade and other payables, customers' deposits, bank loans, lease liabilities, long-term obligation on PDS and long-term debts (see Note 36).

#### *Reclassifications of financial instruments*

The Group reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Group and any previously recognized gains, losses or interest shall not be restated. The Group does not reclassify its financial liabilities.

The Group does not reclassify its financial assets when:

- A financial asset that was previously a designated and effective hedging instrument in a cash flow hedge or net investment hedge no longer qualifies as such;
- A financial asset becomes a designated and effective hedging instrument in a cash flow hedge or net investment hedge; and
- There is a change in measurement on credit exposures measured at FVTPL.

#### Derivative Financial Instruments

Derivative financial instruments, including embedded derivatives, are initially recognized at fair value on the date in which a derivative transaction is entered into or bifurcated, and are subsequently remeasured at FVTPL, unless designated as effective hedge. Changes in fair values of derivative instruments not accounted as hedges are recognized immediately in the consolidated statement of income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

An embedded derivative within a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as either at amortized cost or at fair value depending on whether the cash flows of the hybrid contract are solely payments of principal and interest and the assessment of the business model within which the financial asset is held. On the other hand, an embedded derivative with a financial liability or a non-financial host is separated from the host and accounted for as a separate derivative if: its 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 fair value through profit or loss.

Separated 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 modified the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group uses derivative financial instruments, such as foreign currency forward, IRS and commodity swap contracts to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.



For the purpose of hedge accounting, the Group's hedges are classified as cash flow hedges. Hedges are classified as cash flow hedge when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it 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 Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

The Group's hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

#### *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 profit or loss. 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.

The Group uses foreign currency forward contracts as hedges of its exposure to foreign currency risk in forecast transactions, as well as commodity swap contracts for its exposure to volatility in the commodity prices. The Group also designates its foreign currency-denominated cash and cash equivalents, that have been set aside in anticipation of a highly probable foreign-currency denominated acquisition, as hedging instrument. The ineffective portion are recognized in other operating income or expenses as realized gain or loss on derivative instruments.

The Group designated all of the foreign currency forwards, commodity swap contracts and foreign-currency denominated cash and cash equivalents as hedging instruments. 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 nonfinancial 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 nonfinancial asset or nonfinancial 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 the consolidated statement of income 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 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 OCI must be accounted for depending on the nature of the underlying transaction as described above.

#### Derecognition of Financial Assets and Liabilities

##### *Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when, and only when:

- the rights to receive cash flows from the asset expires;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group retains the contractual rights to receive the cash flows of a financial asset but assumes a contractual obligation to pay those cash flows to one or more entities, the Group treats the transaction as a transfer of a financial asset if the Group:

- has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset;
- is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and
- has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In transactions where the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and it retains control over the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. The extent of the Group's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset. When the Group's continuing involvement takes the form of guaranteeing the transferred asset, the extent of the Group's continuing involvement is the lower of (i) the amount of the asset and (ii) the maximum amount of the consideration received that the Group could be required to repay ('the guarantee amount'). When the Group's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase. However, in the case of a written put option on an asset that is measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price. When the Group's continuing involvement takes the form of a cash-settled option or similar provision on the transferred asset, the extent of the Group's continuing involvement is measured in the same way as that which results from non-cash settled options.



#### *Modification of contractual cash flows*

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset.

#### *Financial liabilities*

A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability or a part of it are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

#### Impairment of Financial Assets

The Group recognizes ECL for the following financial assets that are not measured at FVTPL:

- debt instruments that are measured at amortized cost and FVOCI;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the balance sheet date about past events, current conditions and forecasts of future economic conditions.

Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

#### *Stage 1: 12-month ECL*

For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the balance sheet date are recognized.



*Stage 2: Lifetime ECL - not credit-impaired*

For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

*Stage 3: Lifetime ECL - credit-impaired*

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted EIR to the amortized cost of the financial asset.

Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the balance sheet 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 debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade', or when the exposure is less than 30 days past due.

*Determining the stage for impairment*

At each balance sheet 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 balance sheet 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.

The simplified approach, where changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL, is applied to trade receivables. The Group has established a provision matrix for customer segments that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Guarantee Contracts and Loan Commitments

Financial guarantees are contracts issued by the Group that require it to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.



Financial guarantees are initially recognized in the consolidated financial statements at fair value. Subsequently, these are measured at the higher of:

- the amount of the loss allowance determined in accordance with the ECL model; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of PFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans that can be settled net in cash or by delivering or issuing another financial instrument or that are issued at below-market interest rates.

For loan commitments and financial guarantee contracts, the loss allowance is recognized as a provision. However, for financial instruments that include both a loan and an undrawn commitment (i.e. loan commitment) component where the Group cannot separately identify the expected credit losses on the loan commitment component from those on the loan component, the expected credit losses on the loan commitment should be recognized together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses should be recognized as a provision.

#### Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Costs incurred in bringing each product to its present location and condition are accounted for as follows:

|                                                                                  |                                                                                                                                            |
|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Wheat grains                                                                     | – purchase cost on a specific identification basis                                                                                         |
| Other raw materials and production supplies, fuel, materials, parts and supplies | – purchase cost on a moving average method                                                                                                 |
| Finished goods and work in progress                                              | – cost of direct materials, labor and a portion of manufacturing overhead based on normal operating capacity but excluding borrowing costs |

NRV of finished goods is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. NRV of fuel and materials, parts and supplies is the current replacement costs. An allowance for inventory losses and inventory shrinkage is provided, when necessary, based on management's review of inventory turnover in accordance with prescribed policies.

#### *Real estate inventories*

Real estate inventories include land, land and land improvements and residential lots for sale. Real estate inventories are carried at the lower of cost and NRV (i.e., estimated selling price less estimated costs to complete and sell). Cost includes costs incurred for the acquisition, development and improvement of the properties. The costs of inventory recognized in the consolidated statement of income is determined with reference to the specific costs incurred on the real estate sold and an allocation on a pro-rata basis on any non-specific costs.

#### *Land and Improvements*

Land and improvements consist of properties for future development and are carried at the lower of cost and NRV. NRV is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale. Cost includes those costs



incurred for development and improvement of the properties. Cost of land and improvements is transferred to real estate inventories upon commencement of the real estate project.

Agricultural Activity

*Agricultural produce*

Agricultural produce (livestock and poultry) are measured at fair value less estimated costs to sell at point of harvest.

*Biological assets*

Biological assets are measured on initial recognition, and at each balance sheet date, at fair value less estimated costs to sell except when, on initial recognition, market-determined prices or values are not available and for which alternative estimates of fair value are determined to be clearly unreliable. In such cases, those biological assets are measured at accumulated costs less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such biological assets becomes reliably measurable, those biological assets are measured at fair value less estimated costs to sell.

Gains or losses arising on initial recognition of a biological asset (for market hogs, piglets, growing stock, broilers and others) at fair value less estimated costs to sell and from changes in their fair values less estimated costs to sell are included in the consolidated statement of income for the period in which they arise.

Biological assets measured at fair value less estimated costs to sell continue to be measured as such until disposed. Expenditures on biological assets subsequent to initial recognition, excluding the costs of day-to-day servicing, are capitalized.

Property, Plant and Equipment

Except for land, property, plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment in value.

Land is stated at cost less any accumulated impairment in value.

Depreciation and amortization of the Group's property, plant and equipment and assets under finance leases is calculated on a straight-line basis over the useful lives of the assets as follows:

| Category                                            | Estimated Useful Life (in years) |
|-----------------------------------------------------|----------------------------------|
| Buildings, warehouses and improvements              | 10 - 50                          |
| Power plant and equipment                           | 2 - 50                           |
| Steam field assets                                  | 20 - 25                          |
| Transmission, distribution and substation equipment | 12 - 40                          |
| Machinery and equipment                             | 2 - 30                           |
| Transportation equipment                            | 2 - 10                           |
| Office furniture, fixtures and equipment            | 2 - 25                           |
| Leasehold improvements                              | 3 - 20                           |
| Tools and others                                    | 2 - 20                           |





Leasehold improvements are amortized over the shorter of the lease terms and the lives of the improvements.

#### 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.

#### *Right-of-use assets*

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

| <u>Category</u>                           | <u>Number of Years</u> |
|-------------------------------------------|------------------------|
| Land                                      | 10-50                  |
| Building                                  | 2-50                   |
| Power plant                               | 20-38                  |
| Manufacturing plant, equipment and others | 2-20                   |

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

#### *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 its 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.



#### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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 office equipment 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 incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of income due to its operating nature. 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.

#### Service Concession Arrangements

Public-to-private service concession arrangements where: (a) the grantor controls or regulates what services the entities in the Group must provide with the infrastructure, to whom it must provide them, and at what price; and (b) the grantor controls - through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement, are accounted for under the provisions of Philippine Interpretation IFRIC 12, *Service Concession Arrangements*. Infrastructures used in a public-to-private service concession arrangement for its entire useful life (whole-of-life assets) are within the scope of this Interpretation if the conditions in (a) are met.

This interpretation applies to both: (a) infrastructure that the entities in the Group constructs or acquires from a third party for the purpose of the service arrangement; and (b) existing infrastructure to which the grantor gives the entity in the Group access for the purpose of the service arrangement.

Infrastructures within the scope of this Interpretation are not recognized as property, plant and equipment of the Group. Under the terms of contractual arrangements within the scope of this Interpretation, an entity acts as a service provider. An entity constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time.

An entity recognizes and measures revenue in accordance with PFRS 15 for the services it performs. If an entity performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable shall be allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

When an entity provides construction or upgrades services, the consideration received or receivable by the entity is recognized at the stand-alone selling price of the related service. An entity accounts for revenue and costs relating to construction or upgrade services in accordance with PFRS 15. Revenue from construction contracts is recognized based on the percentage-of-completion method, measured by reference to the percentage of costs incurred to date to estimated total costs for each contract. The applicable entities account for revenue and costs relating to operation services in accordance with PFRS 15.



An entity recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. An entity recognizes an intangible asset to the extent that it receives a right (a license) to charge users of the public service.

When the applicable entities have contractual obligations it must fulfill as a condition of its license (a) to maintain the infrastructure to a specified level of serviceability or (b) to restore the infrastructure to a specified condition before it is handed over to the grantor at the end of the service arrangement, it recognizes and measures these contractual obligations in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, i.e., at the best estimate of the expenditure that would be required to settle the present obligation at the balance sheet date.

Borrowing cost attributable to the construction of the asset if the consideration received or receivable is an intangible asset, is capitalized during the construction phase. In all other cases, borrowing costs are expensed as incurred.

#### Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of the acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

#### *Service concession right*

The Group's intangible asset - service concession right pertains mainly to its right to charge users of the public service in connection with the service concession and related arrangements. This is recognized initially at the fair value which consists of the cost of construction services and the fair value of future fixed fee payments in exchange for the license or right. Following initial recognition, the intangible asset is carried at cost less accumulated amortization and any accumulated impairment losses.

The intangible asset - service concession right is amortized using the straight-line method over the estimated useful economic life which is the service concession period except for AGMCAC's amortization policy which is determined on the method reflecting the asset's usage based on passenger volume and usage of the airport activities over the concession period, and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated economic useful life is ranging from 18 to 25 years. The amortization period and the amortization method are 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 are treated as changes in accounting estimates. The amortization expense is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible asset.

Following initial recognition, the service concession asset is carried at cost less any accumulated amortization and any accumulated impairment losses. The Parent Company's amortization policy is determined on the method reflecting the asset's usage based on passenger volume and usage of the airport activities over the concession period. The current amortization used reflects the pattern in which the concession's future economic benefits are expected to be consumed by the Parent



Company and is applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits.

The concession asset will be derecognized upon turnover to the Grantor. There will be no gain or loss upon derecognition as the concession asset, which is expected to be fully amortized upon turnover, will be handed over to the Grantor with no consideration.

The carrying value of the service concession asset is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the financial reporting period.

#### *Intangible assets - customer contracts*

The Group's intangible assets - customer contracts pertain to contracts entered by subsidiaries relating to the provision of utility services to locators within an industrial zone.

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The intangible assets - customer contracts are amortized using the straight-line method over the remaining life of the contract, and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and method are reviewed at least at each financial year end. The amortization expense is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible asset.

#### *Franchise*

The Group's franchise pertains to VECO's franchise to distribute electricity within an area granted by the Philippine Legislature, acquired in the business combination in 2013. The franchise is initially recognized at its fair value at the date of acquisition. Following initial recognition, the franchise is carried at cost less accumulated amortization and any accumulated impairment losses. The Group's franchise is amortized using the straight-line method over the estimated economic useful life, and assessed for impairment whenever there is an indication that the franchise may be impaired. The estimated economic useful life of the franchise is 40 years. The amortization period and amortization method for franchise are 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 franchise are accounted for by changing the amortization period or method, as appropriate, and treated as a change in accounting estimates. The amortization expense on franchise is recognized in the consolidated statement of income in the expense category consistent with its function.

#### *Project development costs*

Project development costs include power plant projects in the development phase which meet the "identifiability" requirement under PAS 38, *Intangible Assets*, as they are separable and capable to individual sale and are carried at acquisition cost. These assets are transferred to "Property, plant and equipment" when construction of each power plant commences. During the period of development, the asset is tested for impairment annually.

#### Research and Development Expenditure

The Group's policy is to record research expenses in the consolidated statement of income in the period when they are incurred.



Development costs are recognized as an intangible asset on the consolidated balance sheet if the Group can identify them separately and show the technical viability of the asset, its intention and capacity to use or sell it, and how it will generate probable future economic benefits.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

#### Investment Properties

Investment properties, which pertain to land, land improvements and buildings, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in fair values of investment properties are included in the consolidated statement of income in the year in which they arise.

#### Noncurrent Assets Held for Sale

An entity shall classify a noncurrent asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Noncurrent assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Cost to sell are the incremental cost directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when:

- The sale is highly probable;
- The asset is available for immediate sale in its present condition;
- Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn;
- Management must be committed to the plan to sell the asset; and
- The sale is expected to be completed within one year from the date of the classification.

Assets classified as held for sale are presented separately as current items in the statement of financial position.

The Group reclassified assets from investment properties to noncurrent assets held for sale since the carrying amount of the assets will be principally recovered through a sale transaction rather than through continuing use and the criteria above had been satisfied. Investment properties are not depreciated or amortized once classified as held for sale.

#### Impairment of Nonfinancial Assets

*Property, plant and equipment, intangible assets, investments and advances and other current and noncurrent assets excluding restricted cash and PSALM deferred adjustment*

The Group assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use 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 groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, 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. Impairment losses of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each balance sheet 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 recoverable amount is estimated. 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of accumulated depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### Decommissioning liability

The decommissioning liability arose from the Group's obligation, under its contracts, to decommission, abandon and perform surface rehabilitation at the end of the useful lives of the steam field assets or upon abandonment of the plant. A corresponding asset is recognized as part of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the consolidated statement of income as an "Accretion of decommissioning liability" under the "Interest expense" account. The estimated future costs of decommissioning are reviewed annually and adjusted prospectively.

Changes in the estimated future costs or in the discount rate applied are added or deducted from the cost of property, plant and equipment. The amount deducted from the cost of property, plant and equipment, shall not exceed its carrying amount.

If the decrease in the liability exceeds the carrying amount of the property, plant and equipment, the excess shall be recognized immediately in the consolidated statement of income.

#### Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value for all shares issued. When the Company issues more than one 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" 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 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 debited to the "Additional paid-in capital" account, net of tax. If additional paid-in capital is not sufficient, the excess is charged against an equity reserve account.

#### Retained Earnings

Retained earnings include accumulated earnings of the Company and reduced by dividends on capital stock. Dividends on capital stock are recognized as a liability and deducted from equity when they are approved by the BOD. Dividends for the year that are approved after the balance sheet date are dealt with as an event after the balance sheet date. Retained earnings may also include effect of changes in accounting policy as may be required by the transition provisions of new and amended standards.

#### Treasury Shares

The Group's own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### Revenue Recognition

The following specific recognition criteria must also be met before revenue is recognized:

##### *Sale of Power*

Contracts with customers for the Power Group generally include power generation and ancillary services, power distribution and retail supply.

For power generation and ancillary services where capacity and energy dispatched are separately identified, these two obligations are to be combined as one performance obligation since these are not distinct within the context of the contract as the buyer cannot benefit from the contracted capacity alone without the corresponding energy and the buyer cannot obtain energy without contracting a capacity. The combined performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer.

Revenue from power generation and ancillary services is recognized in the period actual capacity is generated. Revenue is recognized over time since the customer simultaneously receives and consumes the benefits as the seller supplies power.

In contracts with fixed capacity payments which are determined at contract inception, the fixed capacity payments for the entire contract period is determined at day 1 and is recognized over time. Specifically, on contracts where capacity payments are fixed but escalates throughout the contract period without any reference to market indices, the fixed escalation is recognized on a straight-line basis over the contract period.

Some contracts with customers provide unspecified quantity of energy, includes provisional Energy Regulatory Commission (ERC) rates, and volume and prompt payment discounts that give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved.

Power distribution and retail supply also qualify as a series of distinct goods or services that are substantially the same and have the same pattern of transfer accounted for as one performance obligation. Revenue is recognized over time based on the actual kilowatt hours consumed, which are billed on a monthly basis.





#### *Sale of Goods*

Revenue from the sale of goods is recognized at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery. The Group has concluded that it is the principal in its revenue arrangements because it controls the goods before transferring them to the customer.

#### *Sale of Real Estate*

Contracts with customers for the Real Estate Group's real estate segment generally include sale of lot, sale of house and lot and sale of unfurnished and fully furnished condominium units.

For the sale of lot, the lot and the development made on the lot are separately identifiable promises but are combined as one performance obligation since these are not distinct within the context of the contract as the development of lot is used as an input to deliver a combined output.

For the sale of house and lot, the house and lot are separately identifiable promises but are combined as one performance obligation since these are not distinct within the context of the contract. The obligation to deliver the house duly constructed in a specific lot is fully integrated in the lot in accordance with the approved plan.

If the sale of lot, house and lot and unfurnished and fully furnished condominium units occurs at completion, the Real Estate Group shall recognize revenue at a point in time when control of the asset is transferred to the customer, generally on delivery of the properties. Otherwise, if the sale occurs prior to completion, the Real Estate Group shall recognize revenue over time, using the output method (i.e., POC) as the appropriate measure of progress, satisfying the criterion of which the Real Estate Group's performance does not create an asset with an alternative use and the Real Estate Group has an enforceable right to payment for performance completed to date. This is based on the monthly project accomplishment report prepared by the project engineers which integrates the surveys of performance to date of the construction activities.

The buyer could enforce its rights to the promised property if the developer seeks to sell the unit to another buyer. This contractual restriction on the developer's ability to direct the promised property for another use is considered substantive as the property is not interchangeable with other properties that the entity could transfer to the buyer without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. The Real Estate Group also has enforceable right to payment for performance completed to date notwithstanding contract terminations.

In determining the transaction price for real estate sales, the Real Estate Group considers the existence of significant financing component. Contracts with real estate customers provide two alternative payment options, spot cash and installment payments, after the contracts are signed. For both payment options, the Real Estate Group concluded that there is a significant financing component because the timing between when the customer pays for the property and when the Real Estate Group transfers the property to the customer do not match and the period between transfers are more than a year. The transaction price for such contracts is determined by discounting the amount of promised consideration using the appropriate discount rate. The Real Estate Group also concluded that there is a significant financing component for those contracts where the customer elects to pay in advance considering the length of time between the customer's payment and the transfer of property to the customer, as well as the prevailing interest rates in the market.



*Cost to obtain contract*

The incremental costs of obtaining contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Cost of real estate sales" account in the consolidated statement of income.

*Rendering of services*

Service revenues are recognized when the related services are rendered based on agreed hourly billing rates. Customer payments for which services have not yet been rendered are classified as unearned revenue under "Trade and other payables" account in the consolidated balance sheet.

*Rental income*

Rental income arising from operating leases is accounted for on a straight-line basis over the related lease terms.

*Dividend income*

Dividend income is recognized when the Group's right to receive payment is established.

*Interest income*

Interest income is recognized as it accrues taking into account the effective yield on the asset.

Pension Benefits

The net defined benefit liability or asset 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 cost
- 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 the consolidated statement of income. 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 the consolidated statement of income.



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 other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. 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.

#### Borrowing Costs

Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

#### Taxes

##### *Current income tax*

Current income 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 authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Current income tax relating to items recognized directly in OCI is recognized in the consolidated statement of comprehensive income and not in the consolidated statement of income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### *Deferred income tax*

Deferred income tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.



Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income 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 income tax assets are recognized for all deductible temporary differences and carryforward benefits of net operating loss carryover (NOLCO) and excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carryforward benefits of NOLCO and excess of MCIT over RCIT can be utilized, except:

- where the deferred income 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 income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income 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 balance sheet date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

#### Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

For its VAT-registered activities, when VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated balance sheet. When VAT passed on from purchases of goods 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 balance sheet up to the extent of the recoverable amount.



For its non-VAT registered activities, the amount of VAT passed on from its purchases of goods or service is recognized as part of the cost of goods/asset acquired or as part of the expense item, as applicable.

#### Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and 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 the consolidated statement of income, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

#### Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the probability of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

#### Events After the Reporting Period

Post year-end events that provide additional information about the Group's financial position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed when material.

#### Earnings Per Common Share

Basic earnings per common share are computed by dividing net income for the year attributable to the common shareholders of the parent by the weighted average number of common shares issued and outstanding during the year, after retroactive adjustments for any stock dividends declared and stock rights exercised during the year.

Diluted earnings per share amounts are calculated by dividing the net income for the year attributable to the common shareholders of the parent by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares that would be issued for outstanding common stock equivalents. The Group does not have dilutive common stock equivalents.

#### Operating Segments

For management purposes, the Group is organized into five major operating segments (power, food manufacturing, financial services, real estate and infrastructure) according to the nature of the products and the services provided. The Group's identified operating segments are consistent with the segments reported to the BOD which is the Group's Chief Operating Decision Maker (CODM). Financial information on operating segments is presented in Note 34.



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### 3. Summary of Significant Accounting Judgments, Estimates and Assumptions

The consolidated financial statements prepared in accordance with PFRS Accounting Standards require management to make judgment, estimates and assumptions that affect amount reported in the consolidated financial statements and related notes. The judgment, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates. Judgments, estimates and assumptions are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under circumstances. The following items are those matters which the Group assess to have significant risk arising from judgements and estimation uncertainties:

#### Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

#### *Determining functional currency*

Based on the economic substance of the underlying circumstances relevant to the companies in the Group, the functional currency of the companies in the Group has been determined to be the Philippine peso, except for certain subsidiaries and associates whose functional currencies are the US dollar (US\$), Singapore dollar, Vietnamese Dong, Indonesian Rupiah, Renminbi, Malaysian Ringgit or Thai Baht. The Philippine peso is the currency of the primary economic environment in which most of the companies in the Group operate and it is the currency that mainly influences their revenues and costs.

#### *Service concession arrangements - Companies in the Group as Operators*

By virtue of Revised Implementing Rules and Regulations of Republic Act (R.A.) No. 6957, "An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector and for Other Purposes", as Amended by R.A. No. 7718 (referred to as the "BOT Law"), the DOTr and MCIAA have granted the Parent Company an exclusive right to design, develop, and undertake the Project; and enjoy complete and uninterrupted possession of all movable and immovable assets whether tangible or intangible pertaining to concessionaire O&M facilities such as the existing assets, project land assets produced, installed, built and created pursuant to the concession agreement, including commercial assets and intellectual property rights, among others (collectively referred as Project Assets).

The Concession Agreement is for a period of 25 years commencing on O&M start date, which is on November 1, 2014, unless further extended pursuant to the Concession Agreement.

At the end of the concession period, AGMCAC shall hand-over the Project and the Project Assets to the Grantor without cost, free from any liens and encumbrances, including all improvements made to the airport facilities, commercial assets, works in progress, and right to receive revenues.

Pursuant to the Concession Agreement, AGMCAC shall be entitled to collect and receive concession revenue consisting of revenues on account of passenger service charge (PSC), airport parking fees, and tacking fees; other apron charges; and revenues from commercial charges.



Based on management's judgment, the provisions of Philippine Interpretation IFRIC 12 apply to AGMCAC's Concession Agreement with the Department of Transportation and Mactan Cebu International Airport Authority (MCIAA); SEZ's Distribution Management Service Agreement (DMSA) with Subic Bay Metropolitan Authority (SBMA); MEZ's Built-Operate-Transfer agreement with MCIAA; LHC's Power Purchase Agreement (PPA) with the National Power Corporation (NPC) and Apo Agua's Treated Bulk Water concession agreement with Davao City Water District (DCWD). AGMCAC, SEZ, MEZ, LHC and Apo Agua's service concession agreements were accounted for under the intangible asset model.

Management has also determined that the provisions of Philippine Interpretation IFRIC 12 apply to SPI's PPA with NPC. SPI's service concession agreement was accounted for under the financial asset model.

Refer to the accounting policy on service concession arrangements for the discussion of intangible asset and financial asset models.

*Determination of control, joint control or significant influence over an investee*

Control is presumed to exist when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. On the other hand, 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. In the absence of control or joint control over an investee, there is a presumption that there is significant influence when an investor has 20% or more ownership over an investee.

Management has determined that by virtue of its majority ownership of voting rights in its subsidiaries as of December 31, 2024 and 2023, the Company had the ability to exercise control over these investees (see Note 2).

*Nonconsolidation of certain investees*

The Group has 83.33% interest in Manila-Oslo Renewable Enterprise, Inc. (MORE) which has a 60% ownership interest in SN Aboitiz Power-Magat (SNAP-Magat), Inc., SN Aboitiz Power-Benguet (SNAP-Benguet), Inc., SN Aboitiz Power-RES, Inc. (SNAP-RES), and SN Aboitiz Power-Generation, Inc. (SNAP-Generation).

The Group has 60% and 70% interest in AA Thermal and GN Power Dinginin Ltd. Co. (GNPD), respectively.

The Group does not consolidate MORE, AA Thermal and GNPD since it does not have the ability to direct the relevant activities which most significantly affect the returns of MORE and its investees, AA Thermal and GNPD, and their respective investees. This is as a result of the agreements among the shareholders and partners which, among others, stipulate that the management and operation of MORE, AA Thermal and GNPD are vested in their respective BOD or "Management Committee" and the affirmative vote of the other shareholders or partners are required for the approval of certain company actions which include financial and operating undertakings.

The Group has 60% interest in AEV CRH Holdings, Inc. (AEV CRH) which has 99.09% ownership interest in Republic Cement and Building Materials, Inc. (RCBM), 99.63% ownership interest in Republic Cement Mindanao, Inc. (RCMI), 94.63% ownership interest in Republic Cement Iligan, Inc. (RCII) and 100% ownership interest in Luzon Continental Land Corporation (LCLC).





The Group does not consolidate AEV CRH since it does not have the ability to direct the relevant activities which most significantly affect the returns of AEV CRH and its investees. This is a result of the contractual arrangements that give the other party the power to direct the relevant non-nationalized activities of the subsidiaries of AEV CRH.

Consequently, the Group accounts for MORE, a joint venture, and AEV CRH and GNPD, associates, using the equity method in the consolidated financial statements.

#### *Determining a joint operation*

The Group has 50% interest in Pagbilao Energy Corporation (PEC). The Group assessed that the joint arrangement is a joint operation as the financial and operating activities of the operation are jointly controlled by the participating shareholders and are primarily designed for the provision of output to the shareholders.

#### *Classification of financial instruments*

The Group exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definition of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated balance sheets.

#### *Contractual cash flows assessment*

For each financial asset, the Group assesses the contractual terms to identify whether the instrument is consistent with the concept of SPPI.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

#### *Evaluation of business model in managing financial instruments*

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group’s business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Group’s assessment.



The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

#### *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 i) each distinct good or services in the series are transferred over time and ii) 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 power generation and ancillary services where capacity and energy dispatched are separately identified, these two obligations are to be combined as one performance obligation since these are not distinct within the context of the contract as the buyer cannot benefit from the contracted capacity alone without the corresponding energy and the buyer cannot obtain energy without contracting a capacity.

The combined performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer since the delivery of energy every month are distinct services which are all recognized over time and have the same measure of progress.

Power distribution and retail 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 are distinct services which are recognized over time and have the same measure of progress.

For sale of developed lots, the lot and the development made on the lot are separately identifiable promises but are combined as one performance obligation since these are not distinct within the context of the contract as the lot development is used as an input to deliver a combined output. For the sale of house and lot, the house and lot are separately identifiable promises but are combined as one performance obligation since these are not distinct within the context of the contract. The obligation to deliver the house duly constructed in a specific lot is fully integrated in the lot in accordance with the approved plan.

#### *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 concludes that:

- revenue from power generation, power distribution, ancillary services and retail supply are to be recognized over time, since customers simultaneously receives and consumes the benefits as the Group supplies power;
- when a contract is judged to be for the construction of a property, revenue is recognized using the POC method as construction progresses. The POC is made reference to the stage of completion of projects and contracts determined on the basis of the estimated completion of physical proportion of the contract work;
- for sale of goods, revenue is recognized at a point in time, generally on the delivery of goods.

*Identifying methods for measuring progress of revenue recognized over time*

The Group determines the appropriate method of measuring progress which is either through the use of input or output methods. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation while output method recognizes revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date.

For power generation and ancillary services, the Group determined that the output method is the best method in measuring progress since actual electricity is supplied to customers. The Group recognizes revenue based on:

For power generation and ancillary services:

- a. For the variable energy payment, actual kilowatt hours consumed which are billed on a monthly basis.
- b. For fixed capacity payments, the Group allocates the transaction price on a straight-line basis over the contract term. The allocated fixed payments are also billed on a monthly basis.

For power distribution and retail supply, the Group uses the actual kilowatt hours consumed, which are also billed on a monthly basis.

The Group recognizes revenues from real estate sales over time using output method in measuring progress. The use of output method is the best method in measuring progress since the entitlement of the customers to the output performed as of date is easily measured and observed on the basis that POC for the construction of real estate properties is determined using the estimated completion of physical proportion of the contract work.

*Determining method to estimate variable consideration and assessing the constraint*

The Group includes some or all the amounts of variable consideration estimated but only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Group considers both the likelihood and magnitude of the revenue reversal in evaluating the extent of variable consideration the Group will subject to constraint. Factors such as i) highly susceptibility to factors outside the Group's influence, ii) timing of resolution of the uncertainty, and iii) having a large number and broad range of possible considerations amount are considered.

For Power Group, some contracts with customers provide unspecified quantity of energy, provisional ERC rates, and volume and prompt payment discounts that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The expected value method of estimation takes into



account a range of possible outcomes while the most likely amount is used when the outcome is binary. It is determined that the expected value method is the appropriate method to use in estimating the variable consideration given the large number of customer contracts that have similar characteristics and the range of possible outcomes.

#### *Allocation of variable consideration*

Variable consideration may be attributable to the entire contract or to a specific part of the contract. For power generation, power distribution, ancillary services and retail supply revenue streams which are considered as series of distinct goods or services that are substantially the same and have the same pattern of transfer, the Group allocates the variable amount that is no longer subject to constraint to the satisfied portion (i.e., month) which forms part of the single performance obligation, and forms part of the monthly billing of the Group.

#### *Distinction among real estate inventories, land and improvements and investment properties*

The Group determines whether a property is classified as real estate inventories, land and improvements or investment properties:

- Real estate inventories comprise properties that are held for sale in the ordinary course of business. Principally, these are residential properties that the Group develops and intends to sell before or on completion of construction.
- Land and improvements comprise land and related improvements that are part of the Group's strategic land banking activities for development or sale in the medium or long-term. These properties are neither developed nor available for sale and therefore not yet considered as part of real estate inventories.
- Investment properties comprise land, land improvements and buildings (principally composed of offices, commercial warehouses and retail properties) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation.

The Group considers each property separately in making its judgment.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet 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 as follows:

#### *Estimating allowance for impairment losses on investments and advances*

Investments and advances are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or impairment recovery for any significant change in the expected historical or projected future operating results of the investees. In 2024 and 2023, the management performed impairment review on certain investments. No additional impairment loss was recognized based on this review.

The carrying amounts of the investments in and advances to associates and joint ventures amounted to ₱250.1 billion and ₱224.1 billion as of December 31, 2024 and 2023, respectively. The allowance for impairment losses amounted to ₱680.7 million as of December 31, 2024 and 2023 (see Note 10).

#### *Assessing impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate



the present value of those cash flows. The carrying amount of goodwill as of December 31, 2024 and 2023 amounted to ₱61.0 billion and ₱59.3 billion, respectively (see Note 14). No goodwill impairment was recognized in 2024 and 2023 and an impairment loss of ₱431.6 million was recognized in 2022.

*Estimating useful lives of property, plant and equipment*

The Group estimates the useful lives of property, plant and equipment based on the period over which assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, the estimation of the useful lives of property, plant and equipment is based on collective assessment of internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors and circumstances mentioned above. As of December 31, 2024 and 2023, the net book values of property, plant and equipment, excluding land, right-of-use asset and construction in progress, amounted to ₱180.4 billion and ₱173.2 billion, respectively (see Note 13).

*Estimating residual value of property, plant and equipment*

The residual value of the Group's property, plant and equipment is estimated based on the amount that the entity would obtain from disposal of the asset, after deducting estimated costs of disposal, if the asset is already of the age and in the condition expected at the end of its useful life. The estimated residual value of each asset is reviewed periodically and updated if expectations differ from previous estimates. As of December 31, 2024 and 2023, the net book values of property, plant and equipment, excluding land, amounted to ₱203.4 billion and ₱194.0 billion, respectively (see Note 13).

*Assessing impairment of nonfinancial assets*

The Group assesses whether there are any indicators of impairment for nonfinancial assets at each balance sheet date. These nonfinancial assets (other current assets, property, plant and equipment, intangible assets (excluding goodwill), and other noncurrent assets) are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Determining the recoverable amount of these assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect its consolidated financial statements. Future events could cause the Group to conclude that the other current assets, property, plant and equipment, intangible assets (excluding goodwill) and other noncurrent assets are impaired. Any resulting impairment loss could have a material adverse impact on the consolidated balance sheets and consolidated statements of income. The aggregate net book values of these assets as of December 31 are as follows:

|                                                    | 2024                | 2023                |
|----------------------------------------------------|---------------------|---------------------|
| Property, plant and equipment (see Note 13)        | <b>₱240,612,393</b> | ₱229,700,594        |
| Other current assets (see Note 7)                  | <b>14,852,709</b>   | 12,561,989          |
| Intangible assets excluding goodwill (see Note 14) | <b>77,966,891</b>   | 22,541,877          |
| Other noncurrent assets (see Note 16)              | <b>23,614,438</b>   | 14,987,925          |
|                                                    | <b>₱357,046,431</b> | <b>₱279,792,385</b> |



Impairment losses and write-offs recognized on these nonfinancial assets in 2024, 2023 and 2022 amounted to ₱0.1 billion, ₱0.5 billion and ₱1.1 billion, respectively.

#### *Measurement of ECL*

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- *Financial assets that are not credit-impaired at the balance sheet date:* 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.
- *Financial assets that are credit-impaired at the balance sheet date:* as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- *Undrawn loan commitments:* as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.
- *Financial guarantee contracts:* as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

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.

#### *Inputs, assumptions and estimation techniques*

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:

- *Probability of default*  
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 statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. 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. The 12-months 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 the balance sheet date and future economic conditions that affect credit risk.
- *Loss given default*  
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.
- *Exposure at default*  
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 customer segment.

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 LGD's are influenced by collection strategies including contracted debt sales and price.

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 and contract assets*

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the industrial segment, the historical default rates are adjusted. At every balance sheet 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 base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

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.

The macro-economic variables include the following key indicators for the Philippines: unemployment rates, inflation rates, gross domestic product growth and net personal income growth.

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 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.

An increase in the Group's allowance for ECL of trade and other receivables will increase the Group's recorded expenses and decrease current assets. As of December 31, 2024 and 2023, allowance for ECL amounted to ₱5.3 billion and ₱5.0 billion, respectively. Trade and other receivables, net of allowance for ECL, amounted to ₱62.6 billion and ₱58.6 billion as of December 31, 2024 and 2023, respectively (see Note 5).

#### *Estimating allowance for inventory obsolescence*

The Group estimates the allowance for inventory obsolescence based on the status of inventories. The amounts and timing of recorded expenses for any period would differ if different judgments or different estimates are made. An increase in allowance for inventory obsolescence would increase recorded expenses and decrease current assets. As of December 31, 2024 and 2023, allowance for inventory obsolescence amounted to ₱12.4 million and ₱95.6 million, respectively. The carrying amounts of inventories, including land and improvements, net of valuation allowance, amounted to ₱45.0 billion and ₱45.6 billion as of December 31, 2024 and 2023, respectively (see Note 6).

#### *Estimating the incremental borrowing rate (IBR)*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The carrying amount of the lease liabilities amounted to ₱4.8 billion and ₱3.3 billion as of December 31, 2024 and 2023, respectively (see Note 22).



#### *Estimating decommissioning liability*

Under the Geothermal Resource Service Contract (GRSC), the Group has a legal obligation to decommission, abandon and perform surface rehabilitation on its steam field asset at the end of its useful life. The Group also has a legal obligation under its land lease agreements to decommission the power plants at the end of its lease term. The Group recognizes the present value of the obligation to decommission the plant, abandon and perform surface rehabilitation of the steam field asset and capitalizes the present value of this cost as part of the balance of the related property, plant and equipment, which are being depreciated and amortized on a straight-line basis over the useful life of the related asset.

These costs are accrued based on in-house estimates, which incorporates estimates of the amount of obligations and interest rates, if appropriate. Assumptions used to compute the provision are reviewed and updated annually. Each year, the provision is increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with charges being recognized as accretion expense, included under "Interest expense" in the consolidated statements of income.

Changes in the decommissioning liability that result from a change in the current best estimate of cash flows required to settle the obligation or a change in the discount rate are added to (or deducted from) the amount recognized as the related asset and the periodic unwinding of the discount on the liability is recognized in the consolidated statement of income as it occurs.

While the Group has made its best estimate in establishing the decommissioning provision, because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning activities, the ultimate provision requirements could either increase or decrease significantly from the Group's current estimates.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Decommissioning liability amounted to ₱5.3 billion and ₱7.4 billion as of December 31, 2024 and 2023, respectively (see Note 21).

#### *Recognition of deferred income tax assets*

The Group reviews the carrying amounts of deferred income tax assets at each balance sheet date and reduces deferred income tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized. The Group has deferred income tax assets amounting ₱5.6 billion and ₱7.0 billion as of December 31, 2024 and 2023, respectively (see Note 32).

Details of the Group's recognized and unrecognized deferred income tax assets are discussed in Note 32.

#### *Pension benefits*

The costs of defined benefit pension plans, as well as the present value of the pension obligation, are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. 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 balance sheet date.



Net benefit expense amounted to ₱610.4 million in 2024, ₱554.8 million in 2023 and ₱697.9 million in 2022. The net pension assets as of December 31, 2024 and 2023 amounted to ₱304.3 million and ₱262.8 million, respectively. Net pension liabilities as of December 31, 2024 and 2023 amounted to ₱1,192.1 million and ₱1,169.2 million, respectively (see Note 30).

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

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 for the specific country.

Further details about the assumptions used are provided in Note 30.

#### *Fair value of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 37 for further disclosures.

#### *Revaluation of investment properties*

The Group carries its investment properties at fair value, with changes in fair value being recognized in the consolidated statements of income. The Group engaged an independent valuation specialist to assess the fair values of these properties. For these assets, the valuation methodology used was Sales Comparison Approach. This method considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison (see Note 15).

#### *Legal contingencies*

The estimate of probable costs for the resolution of possible claims has been developed in consultation with outside counsels handling the Group's defense in these matters and is based upon an analysis of potential results. No provision for probable losses arising from legal contingencies was recognized in the consolidated financial statements for the years ended December 31, 2024, 2023 and 2022.

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## 4. Cash and Cash Equivalents

|                           | 2024               | 2023         |
|---------------------------|--------------------|--------------|
| Cash on hand and in banks | <b>₱21,401,913</b> | ₱33,296,987  |
| Short-term deposits       | <b>60,391,382</b>  | 78,996,595   |
|                           | <b>₱81,793,295</b> | ₱112,293,582 |

Cash in banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods up to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Interest income earned



from cash and cash equivalents amounted to ₱3.2 billion in 2024, ₱3.7 billion in 2023 and ₱1.0 billion in 2022, respectively (see Note 36).

## 5. Trade and Other Receivables

|                                           | 2024               | 2023        |
|-------------------------------------------|--------------------|-------------|
| Trade receivables (see Note 35)           |                    |             |
| Power (see Note 36)                       | <b>₱30,541,572</b> | ₱29,946,688 |
| Food manufacturing                        | <b>9,812,643</b>   | 9,837,176   |
| Real estate                               | <b>14,589,347</b>  | 12,688,722  |
| Holding and others                        | <b>1,582,132</b>   | 1,924,844   |
|                                           | <b>56,525,694</b>  | 54,397,430  |
| Nontrade receivables                      | <b>9,116,179</b>   | 7,113,014   |
| Dividends receivable (see Note 10)        | <b>1,012,000</b>   | 878,720     |
| Advances to contractors                   | <b>491,140</b>     | 661,951     |
| Others                                    | <b>783,651</b>     | 554,331     |
|                                           | <b>67,928,664</b>  | 63,605,446  |
| Less allowance for expected credit losses | <b>5,305,192</b>   | 5,026,201   |
|                                           | <b>62,623,472</b>  | 58,579,245  |
| Less noncurrent portion                   | <b>418,655</b>     | 377,214     |
|                                           | <b>₱62,204,817</b> | ₱58,202,031 |

Trade receivables, except real estate receivables, are generally non-interest bearing and on 10 - 30 days' terms.

For terms and conditions relating to related party receivables, refer to Note 35.

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

Nontrade receivable relates mostly to claims from insurance and advances to partners in GMEC. This account also includes reimbursable expenses from contractors and customers of the real estate group.

Other receivables include accrued interest income.

### *Trade Receivables of Real Estate Group*

Trade receivables consist mostly of installment contract receivables from real estate customers. Installment contract receivables are collectible in monthly installments over a period of two to three years and are noninterest-bearing. Current and noncurrent portion of these receivables amounted to ₱14.2 billion and ₱0.4 billion, respectively, as of December 31, 2024, and ₱12.3 billion and ₱0.4 billion, respectively, as of December 31, 2023.

Trade receivables of real estate group include contract assets amounting to ₱9.0 billion and ₱5.9 billion as of December 31, 2024 and 2023, respectively. Contract assets represent excess of recognized revenues from contracts with real estate customers determined based on percentage-of-completion, against amounts billed to customers.



The rollforward analysis of allowance for expected credit losses is presented below:

**December 31, 2024**

|                                                | Trade Receivables |                       |             |                       | Total      |
|------------------------------------------------|-------------------|-----------------------|-------------|-----------------------|------------|
|                                                | Power             | Food<br>Manufacturing | Real Estate | Holding and<br>Others |            |
| At beginning of year                           | ₱3,376,162        | ₱1,493,838            | ₱156,201    | ₱—                    | ₱5,026,201 |
| Step-acquisition to subsidiary<br>(see Note 9) | —                 | —                     | —           | 36,426                | 36,426     |
| Provision (see Note 28)                        | 22,495            | 124,800               | 3,151       | 4,886                 | 155,332    |
| Write-off                                      | (182,920)         | (3,697)               | —           | —                     | (186,617)  |
| Effect of foreign exchange rates and<br>others | 297,153           | (23,303)              | —           | —                     | 273,850    |
| At end of year                                 | ₱3,512,890        | ₱1,591,638            | ₱159,352    | ₱41,312               | ₱5,305,192 |

**December 31, 2023**

|                                                | Trade Receivables |                       |             |                       | Total      |
|------------------------------------------------|-------------------|-----------------------|-------------|-----------------------|------------|
|                                                | Power             | Food<br>Manufacturing | Real Estate | Holding and<br>Others |            |
| At beginning of year                           | ₱3,329,397        | ₱1,306,221            | ₱156,339    | ₱—                    | ₱4,791,957 |
| Step-acquisition to subsidiary<br>(see Note 9) | 327,151           | —                     | —           | —                     | 327,151    |
| Provisions (reversal) (see Note 28)            | (227,964)         | 221,346               | 1,292       | —                     | (5,326)    |
| Write-off                                      | (133,245)         | —                     | (1,430)     | —                     | (134,675)  |
| Effect of foreign exchange rates and<br>others | 80,823            | (33,729)              | —           | —                     | 47,094     |
| At end of year                                 | ₱3,376,162        | ₱1,493,838            | ₱156,201    | ₱—                    | ₱5,026,201 |

**6. Inventories and Land and Improvements**

**Inventories**

|                                      | 2024        | 2023        |
|--------------------------------------|-------------|-------------|
| At cost:                             |             |             |
| Fuel                                 | ₱4,018,971  | ₱4,589,745  |
| Materials, parts and supplies        | 11,626,792  | 9,600,518   |
| Real estate inventories              | 10,915,852  | 10,751,854  |
| Raw materials                        | 2,024,700   | 2,692,704   |
| Land and improvements                | 7,921,009   | 8,401,135   |
| Finished goods (see Note 28)         | 1,507,679   | 2,172,712   |
| Work in progress                     | 39,217      | 12,922      |
| At NRV:                              |             |             |
| Wheat grains and other raw materials | 6,440,110   | 6,924,493   |
| Materials, parts and supplies        | 508,775     | 423,571     |
|                                      | ₱45,003,105 | ₱45,569,654 |

The cost of inventories recognized as part of cost of generated power in the consolidated statements of income amounted to ₱40.6 billion in 2024, ₱56.0 billion in 2023 and ₱52.2 billion in 2022 (see Note 28). The cost of inventories recognized as part of operating expenses in the consolidated statements of income amounted to ₱416.4 million in 2024, ₱548.9 million in 2023 and ₱337.8 million in 2022 (see Note 28).



Cost of inventories carried at NRV amounted to ₱6.9 billion and ₱7.5 billion as of December 31, 2024 and 2023, respectively.

A summary of the movement in real estate inventories is set out below:

|                                                                                                      | 2024        | 2023        |
|------------------------------------------------------------------------------------------------------|-------------|-------------|
| At January 1                                                                                         | ₱10,751,854 | ₱8,726,858  |
| Construction/development costs incurred                                                              | 3,237,111   | 3,556,875   |
| Contract cost asset related to capitalized sales commissions                                         | 123,867     | 37,506      |
| Transfers from land and improvements                                                                 | 1,952,397   | 2,009,360   |
| Reversal of capitalized commission related to forfeited units                                        | (3,762)     | 4,809       |
| Amortization of capitalized contract cost asset (recognized as cost of real estate inventories sold) | (124,319)   | (43,254)    |
| Cost of real estate inventories sold                                                                 | (4,896,660) | (3,723,004) |
| Transfers from investments properties                                                                | —           | 189,837     |
| Others                                                                                               | (124,636)   | (7,133)     |
| At December 31                                                                                       | ₱10,915,852 | ₱10,751,854 |

A summary of the movement in land and improvement is set out below:

|                                      | 2024        | 2023        |
|--------------------------------------|-------------|-------------|
| At January 1                         | ₱8,401,135  | ₱4,662,718  |
| Additions                            | 2,349,407   | 5,528,838   |
| Transfers to real estate inventories | (1,952,397) | (2,009,360) |
| Transfers to investment properties   | (456,340)   | —           |
| Other transfers/adjustments          | (420,796)   | 218,939     |
| At December 31                       | ₱7,921,009  | ₱8,401,135  |

## 7. Other Current Assets

|                                         | 2024        | 2023        |
|-----------------------------------------|-------------|-------------|
| Restricted cash                         | ₱6,198,924  | ₱5,269,703  |
| Prepaid expenses                        | 6,184,365   | 5,416,416   |
| Input VAT                               | 2,373,179   | 2,545,186   |
| Insurance assets                        | 2,329,626   | 1,947,434   |
| Concession contract asset (see Note 16) | 1,352,797   | 1,368,375   |
| Biological assets (see Note 8)          | 1,118,864   | 1,059,858   |
| Asset Held for sale                     | 1,088,760   | 143,375     |
| Advances to suppliers                   | 560,601     | 1,281,994   |
| Advances to NGCP                        | 551,506     | 551,506     |
| Short-term cash deposits                | 212,870     | 1,543,016   |
| Exchangeable notes (see Note 10)        | —           | 15,608,623  |
| Others                                  | 1,197,314   | 1,227,584   |
|                                         | ₱23,168,806 | ₱37,963,070 |



Restricted cash represents proceeds from sale of power under the control of trustees of TVI and TSI's lenders as per loan agreement (see Note 19). The asset will be used to pay the current portion of loans payable, interest payments and operating costs in the following period.

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

Short-term cash deposits are fixed-term deposits with maturities of more than three months to less than one year from dates of acquisition. These earn interest at the respective bank deposit rates. Interest income earned from short-term cash deposits amounted to ₱53.4 million in 2024, ₱277.0 million in 2023 and ₱750.0 million in 2022, respectively (see Note 36).

"Others" include income tax refundable.

The Exchangeable Note does not meet the solely payment of principal and interest criterion and, as such, classified as financial asset at FVTPL. The Exchangeable Note contains an embedded derivative related to the exchange option and cash settlement feature and put option. The Group has determined that the embedded derivative cannot be bifurcated from the host contract and, as such, the entire Exchangeable Note is carried at fair value.

The fair value of the Exchangeable Note, including the embedded derivative, was determined using a binomial model. The key inputs and assumptions used in the model include the current stock price of AGMCAC, the expected volatility of AGMCAC's stock price, the risk-free interest rate, and the credit.

AIC has performed a sensitivity analysis on the fair value of the Exchangeable Note, including the embedded derivative, with respect to changes in the key inputs and assumptions used in the binomial model.

In 2024 and 2023, gain from fair value change of Exchangeable Note recognized in "Other income" in the consolidated statements of income amounted to ₱1.9 billion and ₱82.2 million, respectively (see Note 31).

Details of the fair value methodology and significant inputs used as of October 31, 2024 upon maturity of the Exchangeable Note (see Note 9) and December 31, 2023 are as follows:

|                   | Fair value at<br>October 30, 2024  | Valuation Technique | Significant<br>unobservable inputs | Values  |
|-------------------|------------------------------------|---------------------|------------------------------------|---------|
|                   |                                    |                     | Historical stock<br>volatility     | 29.77 % |
| Exchangeable note | ₱17,510,156                        | Binomial Model      | Equity spot price                  | 3.32    |
|                   | Fair value at<br>December 31, 2023 | Valuation Technique | Significant<br>unobservable inputs | Values  |
|                   |                                    |                     | Historical stock<br>volatility     | 29.45%  |
| Exchangeable note | ₱15,608,623                        | Binomial Model      | Equity spot price                  | 3.07    |





## 8. Biological Assets

|                                                    | 2024              | 2023       |
|----------------------------------------------------|-------------------|------------|
| Presented under Other Current Assets (see Note 7): |                   |            |
| Market hogs                                        | <b>₱515,234</b>   | ₱583,459   |
| Piglets                                            | <b>416,143</b>    | 281,566    |
| Growing stocks                                     | <b>187,487</b>    | 153,057    |
| Others                                             | <b>—</b>          | 41,776     |
|                                                    | <b>1,118,864</b>  | 1,059,858  |
| Presented under Other Noncurrent Assets:           |                   |            |
| Bearers and breeders (see Note 16)                 | <b>303,246</b>    | 210,978    |
|                                                    | <b>₱1,422,110</b> | ₱1,270,836 |

As of December 31, 2024 and 2023, biological assets are measured at fair value under Level 3 input. Fair values are determined based on average market selling prices at balance sheet date. Market hogs, piglets, growing stocks and others are measured at fair value less estimated costs to sell.

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 reconciliation of changes in the carrying amount of consumable biological assets follows:

|                                      | 2024              | 2023       |
|--------------------------------------|-------------------|------------|
| At beginning of year                 | <b>₱1,270,836</b> | ₱1,220,832 |
| Additions                            | <b>1,395,372</b>  | 877,553    |
| Sales at fair value                  | <b>(779,451)</b>  | (585,893)  |
| Transferred to breeding herd         | <b>(429,200)</b>  | (259,370)  |
| Increase in fair value (see Note 31) | <b>596</b>        | 15,693     |
| Others                               | <b>(36,043)</b>   | 2,021      |
| At end of year                       | <b>₱1,422,110</b> | ₱1,270,836 |

Consumable biological assets are included under “Other current assets” account while bearers and breeders are included under “Other noncurrent assets” account in the consolidated balance sheets (see Notes 7 and 16).

## 9. Acquisitions and Disposals of Shares of Stock of Subsidiaries

### a. AIC’s acquisition of AGMCAC

AGMCAC’s is engaged in the business of building, rehabilitating, renovating, constructing, developing, operating, and maintaining the Mactan Cebu International Airport (MCIA), including the commercial assets thereof and all allied businesses for the operation and maintenance of said airport facility.

On December 16, 2022, AIC entered into a Deed of Assignment with Megawide Construction Corporation (MCC) and GMR Airports International B.V. (GAIBV) for the assignment of a portion of their rights, titles, and interest in AGMCAC. On said date, MCC and GAIBV ceded AGMCAC common



shares for ₱1.1 billion. AIC also subscribed to common shares of AGMCAC and infused equity amounting to ₱1.7 billion. This subscription together with the assignment by MCC and GAIBV of a portion of its interest in AGMCAC resulted in AIC acquiring 33 and 1/3% minus one share ownership in AGMCAC.

On December 16, 2022, AIC also entered into an Exchangeable Note agreement with MCC and GAIBV where MCC and GAIBV will issue unsecured and non-interest bearing notes from MCC and GAIBV amounting to ₱7.8 billion each for the funds advanced by AIC to the two entities.

On October 30, 2024, the Exchangeable Notes issued to AIC by MCC and GAIBV matured. Upon maturity, these notes were converted into common shares, representing the remaining 66 and 2/3% plus 1 share of the outstanding capital stock of AGMCAC. As a result, AIC became the legal and beneficial owner of 100% of the issued and outstanding capital stock of AGMCAC.

The following are the fair values of the identifiable assets and liabilities assumed on acquisition date:

|                                                   |             |
|---------------------------------------------------|-------------|
| Assets:                                           |             |
| Cash and cash equivalents                         | ₱403,989    |
| Trade and other receivables                       | 880,216     |
| Inventories                                       | 25,727      |
| Other current assets                              | 929,176     |
| Concession assets                                 | 53,786,544  |
| Property and equipment                            | 280,173     |
| Other noncurrent assets                           | 3,871,430   |
|                                                   | 60,177,255  |
| Liabilities:                                      |             |
| Trade and other payables                          | ₱2,236,262  |
| Income tax payable                                | 17,282      |
| Deferred income tax liabilities                   | 6,340,272   |
| Pension liability                                 | 32,318      |
| Long-term debt                                    | 26,081,142  |
| Other noncurrent liabilities                      | 92,055      |
|                                                   | 34,799,331  |
| Total identifiable net assets at fair value       | ₱25,377,924 |
|                                                   |             |
| Total consideration <sup>1</sup>                  | ₱17,510,156 |
| Fair value of previously-held interest            | 7,879,570   |
|                                                   | 25,389,726  |
| Less: Total identifiable net assets at fair value | 25,377,924  |
| Goodwill                                          | ₱11,802     |
|                                                   |             |
| Cash flow on acquisition:                         |             |
| Cash paid                                         | ₱—          |
| Net cash acquired with the subsidiary             | 403,989     |
| Net cash outflow                                  | ₱403,989    |

<sup>1</sup>Fair value of exchangeable notes upon conversion (see Note 7)



Remeasurement of the previously-held interest as at the date of acquisition follows:

|                                                       |              |
|-------------------------------------------------------|--------------|
| Fair value of previously-held interest                | ₱7,879,570   |
| Carrying value of the previously held-interest        | 9,742,053    |
| Loss on the remeasurement of previously-held interest | (₱1,862,483) |

In 2024, AGMCAC contributed ₱859 million to the consolidated revenue and ₱243 million to the net income of the Group. If the combination had taken place at the beginning of 2024, the Group's revenue would have been ₱306.3 billion and net income would have been ₱37.9 billion.

The loss on the remeasurement of previously-held interest is presented as part of "Other income" in the 2024 consolidated statement of income (see Note 31).

The accounting for this business combination was determined provisionally as AIC is still finalizing the fair valuation of the nonfinancial assets acquired.

**b. AP's acquisition of SPI**

SPI is the first coal-fired power plant in Mindanao operating with a 232 MW capacity.

Prior to the acquisition, AP holds a 34% stake in SPI. La Filipina Uy Gongco Corporation holds the other 15% while the majority of shares are owned by SPI GmbH (Germany), SPI's parent company, at 51%.

On September 15, 2022, SPI GmbH entered into a Share Purchase Agreement with AP, for AP to purchase an additional 35.4% stake in SPI. The total purchase price for the shares is US\$36.1 million, plus locked box interest at a simple rate of 4% per annum (on the basis of a 365-day year) from January 1, 2021 to March 31, 2022.

In June 2023, all of the closing conditions have been met for AP to complete the acquisition of the 35.4% ownership interest in SPI from SPI GmbH. As a result of the acquisition, AP's ownership in SPI increased to 69.4% and SPI (formerly an associate) became a subsidiary of AP.

The following are the provisional fair values of the identifiable assets and liabilities assumed on acquisition date:

|                             |            |
|-----------------------------|------------|
| Assets:                     |            |
| Cash and cash equivalents   | ₱1,562,017 |
| Trade and other receivables | 1,108,962  |
| Inventories                 | 2,254,849  |
| Other current assets        | 409,700    |
| Concession contract asset   | 9,937,575  |
| Property and equipment      | 373,078    |
| Pension asset               | 24,322     |
| Other noncurrent assets     | 452,748    |
|                             | 16,123,251 |

(Forward)



|                                                   |             |
|---------------------------------------------------|-------------|
| Liabilities:                                      |             |
| Trade and other payables                          | 1,477,444   |
| Income tax payable                                | 71,203      |
| Deferred income tax liabilities, net              | 1,311,276   |
| Lease liabilities                                 | 17,972      |
| Long-term debt                                    | 2,687,509   |
|                                                   | 5,565,404   |
| Total identifiable net assets at fair value       | ₱10,557,847 |
| Total consideration                               | ₱2,132,115  |
| Fair value of previously-held interest in SPI     | 3,589,668   |
| Fair value of NCI                                 | 3,230,701   |
|                                                   | 8,952,484   |
| Less: Total identifiable net assets at fair value | 10,557,847  |
| Bargain purchase gain                             | ₱1,605,363  |
| Cash flow on acquisition:                         |             |
| Cash paid                                         | ₱2,132,115  |
| Net cash acquired with the subsidiary             | 1,562,017   |
| Net cash outflow                                  | (₱570,098)  |

Remeasurement of the previously-held interest in SPI as at the date of acquisition follows:

|                                                       |            |
|-------------------------------------------------------|------------|
| Carrying value of the previously held-interest        | ₱3,449,376 |
| Fair value of previously-held interest                | 3,589,668  |
| Gain on the remeasurement of previously-held interest | ₱140,292   |

In 2023, SPI contributed ₱4.5 billion to the consolidated revenue and ₱878.4 million to the net income of the Group. If the combination had taken place at the beginning of 2023, the Group's revenue would have been ₱314.9 billion and net income would have been ₱43.2 billion.

The gain on bargain purchase including gain on remeasurement is presented as part of "Other income" in the 2023 consolidated statement of income (see Note 31). The gain on this acquisition arose from changes to the fair value of the net identifiable assets during the period prior to the closing date.

In May 2024, AP purchased the remaining 15.6% interest of SPI GmbH for US\$11.0 million (₱632.9 million) which resulted AP to own 85% equity interest in SPI.

This transaction was treated as an acquisition from a non-controlling shareholder.

Accordingly, the excess of consideration paid over the value of the net assets acquired was recorded as part of equity. This excess was determined as follows:

|                                                        |            |
|--------------------------------------------------------|------------|
| Carrying value of the additional interest in SPI       | ₱1,144,093 |
| Less consideration paid to non-controlling shareholder | 632,885    |
| Recognized under "Equity reserve"                      | ₱511,208   |



## 10. Investments and Advances

|                                                                                       | 2024         | 2023         |
|---------------------------------------------------------------------------------------|--------------|--------------|
| Acquisition cost:                                                                     |              |              |
| Balance at beginning of year                                                          | ₱138,229,708 | ₱135,195,009 |
| Additions during the year                                                             | 36,720,080   | 7,435,310    |
| Step acquisition to subsidiary (see Note 9)                                           | (9,494,813)  | (4,400,611)  |
| Disposal                                                                              | (1,810,000)  | —            |
| Balance at end of year                                                                | 163,644,975  | 138,229,708  |
| Accumulated share in net earnings:                                                    |              |              |
| Balance at beginning of year                                                          | 87,112,553   | 67,104,216   |
| Share in net earnings for the year                                                    | 14,531,542   | 23,637,125   |
| Step acquisition to subsidiary                                                        | (316,133)    | 942,552      |
| Disposals during the year                                                             | 153,203      | —            |
| Cash dividends received and receivable                                                | (15,339,244) | (4,571,340)  |
| Balance at end of year                                                                | 86,141,921   | 87,112,553   |
| Equity reserve                                                                        | 1,200,599    | 1,014,136    |
| Share in net unrealized mark-to-market gains on FVOCI investments of associates       | (782,878)    | (988,053)    |
| Share in cumulative translation adjustments of associates and joint ventures          | 1,736,166    | 497,298      |
| Share in actuarial losses on retirement benefit plan of associates and joint ventures | (1,121,683)  | (1,125,637)  |
|                                                                                       | 250,819,100  | 224,740,005  |
| Less allowance for impairment losses                                                  | 680,731      | 680,731      |
|                                                                                       | 250,138,369  | 224,059,274  |
| Advances to associates                                                                | 1,450        | 81,851       |
|                                                                                       | ₱250,139,819 | ₱224,141,125 |

The Group's investees and the corresponding equity ownership are as follows:

|                                                                                                                    | Nature of Business          | Percentage of ownership |       |
|--------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------|-------|
|                                                                                                                    |                             | 2024                    | 2023  |
| MORE <sup>1</sup> (see Note 3)                                                                                     | Holding                     | 83.33                   | 83.33 |
| GNPD <sup>1, 2 and 3</sup>                                                                                         | Power generation            | 70.00                   | 70.00 |
| AEV CRH (see Note 3)                                                                                               | Holding                     | 60.00                   | 60.00 |
| AA Thermal <sup>1 &amp; 2</sup>                                                                                    | Holding                     | 60.00                   | 60.00 |
| Cebu District Property Enterprise, Inc. (CDPEI) <sup>1 and 5*</sup>                                                | Real estate                 | —                       | 50.00 |
| Union Bank of the Philippines (UBP)                                                                                | Banking                     | 49.99                   | 49.94 |
| Hijos de F. Escaño, Inc. (Hijos)                                                                                   | Holding                     | 46.73                   | 46.73 |
| CRH ABOITIZ Holdings, Inc. (CRH ABOITIZ)                                                                           | Holding                     | 45.00                   | 45.00 |
| Mazzaraty Energy Corporation (MEC)                                                                                 | Retail electricity supplier | 44.87                   | 44.87 |
| San Fernando Electric Light & Power Co., Inc. (SFELAPCO)                                                           | Power distribution          | 43.78                   | 43.78 |
| Pampanga Energy Ventures, Inc. (PEVI)                                                                              | Holding                     | 42.84                   | 42.84 |
| Aboitiz GMR Megawide Cebu Airport Corporation (AGMCAC, formerly GMR Megawide Cebu Airport Corporation, see Note 9) | Airport operations          | —                       | 33.33 |
| Cebu Energy Development Corp. (CEDC)                                                                               | Power generation            | 26.40                   | 26.40 |
| Redondo Peninsula Energy, Inc. (RP Energy) *                                                                       | Power generation            | 25.00                   | 25.00 |
| Gold Coin Feed Mills (B) Sdn. Bhd.**                                                                               | Feedmills                   | 20.00                   | 20.00 |
| Southern Philippines Power Corporation (SPPC)                                                                      | Power generation            | 20.00                   | 20.00 |
| Western Mindanao Power Corporation (WMPC)                                                                          | Power distribution          | 20.00                   | 20.00 |
| Balibago Water Systems, Inc. (BWSI) <sup>3</sup>                                                                   | Water distribution          | 16.33                   | 15.94 |
| Singlife Philippines Inc. [SLPI] <sup>4</sup>                                                                      | Insurance                   | 15.00                   | 15.00 |
| Unity Digital Infrastructure Inc. <sup>1</sup>                                                                     | Services                    | 50.00                   | 50.00 |



|                                                       | Nature of Business | Percentage of ownership |       |
|-------------------------------------------------------|--------------------|-------------------------|-------|
|                                                       |                    | 2024                    | 2023  |
| Sinag Naraw Power, Inc.*                              | Power              | 44.00                   | —     |
| Jin Fu Boar Stud Farm (Mengzi) Co., Ltd***            | Food manufacturing | 20.00                   | 20.00 |
| 4 Barracuda Energy Corp. (4BEC)                       | Power generation   | 41.00                   | —     |
| Aura Energy Holdings Inc. (AEHI)                      | Holding            | 50.00                   | —     |
| Lihangin Wind Energy Corp. (LWEC)                     | Power generation   | 35.00                   | —     |
| CCEP Aboitiz Beverages Philippines Inc. (CABPI)       | Holding            | 40.00                   | —     |
| Aboitiz Upgrade Solar Inc.*                           | Power generation   | 50.00                   | —     |
| Therma Cebu Energy Inc. (TCEI)*                       | Power generation   | 50.00                   | —     |
| SSP - Mactan Cebu Corporation (SSP) <sup>6</sup>      | Retail             | 50.00                   | —     |
| Mactan Travel Retail Group Corp. (MTRGC) <sup>6</sup> | Retail             | 50.00                   | —     |

<sup>1</sup>Joint ventures.

<sup>2</sup>Economic interest.

<sup>3</sup>Includes 30% economic interest through AA Thermal.

<sup>4</sup>Significant influence by virtue of the board seat held by the Group.

<sup>5</sup>Sold to Ayala Land Inc. for ₱1.6 billion in 2024

<sup>6</sup>Acquired as part of the AGMCAC acquisition (see note 9)

\*No commercial operations as of December 31, 2024.

\*\*Registered in Malaysia and is part of GCMH Group.

\*\*\*Registered in China and is part of GCMH Group.

Unless otherwise indicated, the principal place of business and country of incorporation of the Group's associates and joint ventures are in the Philippines. All investees above are associates except as otherwise indicated.

All ownership percentages presented in the table above are direct ownership of the Group except for GNPD and SFELAPCO. As of December 31, 2024 and 2023, AA Thermal has an indirect ownership in GNPD of 50% while the Group's direct ownership in GNPD is 40% resulting to the Group's effective ownership in GNPD of 70%. PEVI has direct ownership in SFELAPCO of 54.83% while the Group's direct ownership in SFELAPCO is 20.29% resulting to the Group's effective ownership in SFELAPCO of 43.78%.

As of December 31, 2024 and 2023, the undistributed earnings of the associates and joint ventures included in the Group's retained earnings are not available for distribution to the stockholders unless declared by the associates and joint ventures (see Note 24).

## 2024

### CABPI

On August 2, 2023, the Company and Coca-Cola Europacific Partners PLC (CCEP) entered into a Letter of Intent with The Coca-Cola Company to acquire 100% ownership in Coca-Cola Beverages Philippines, Inc. (CCBPI).

On February 23, 2024, after all of the closing conditions have been met, CCEP and The Company completed the acquisition of CCBPI through CABPI based on a 60%:40% ownership structure between CCEP and The Company.

The Company infused capital to CABPI amounting to ₱29.1 billion.

### AEV CRH

On September 10, 2024, the Company made additional capital infusion to AEV CRH amounting to ₱1.1 billion.



#### UBP

In 2024, the Company exercised its option to avail from UBP's stock rights offering amounting to ₱5.0 billion.

#### ARI

In 2024, ARI entered into a subscription agreement to subscribe to 4BEC, AEHI and LWEC for a total subscription price of ₱175.2 million, ₱169.8 million and ₱77.8 million, respectively.

#### UDII

In 2024, the Group made capital contributions to UDII amounting to ₱480.9 million.

#### BWSI

In February 2024, the Group acquired additional common shares from various shareholders for a consideration of ₱32.4 million.

### 2023

#### UBP

In 2023, the Company exercised its option to avail from UBP's stock rights offering amounting to ₱6.0 billion.

#### UDII

In 2023, the Group made capital contributions to UDII amounting to ₱1.4 billion.

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

|               | 2024                | 2023                |
|---------------|---------------------|---------------------|
| UBP           | <b>₱101,828,768</b> | ₱91,616,006         |
| GNPD/ATI      | <b>80,646,155</b>   | 76,421,272          |
| CABPI         | <b>30,775,577</b>   | —                   |
| AEV CRH*      | <b>16,250,407</b>   | 23,795,694          |
| MORE          | <b>9,577,390</b>    | 10,092,085          |
| CEDC          | <b>3,184,468</b>    | 3,040,004           |
| UDII          | <b>3,241,647</b>    | 3,014,548           |
| SFELAPCO/PEVI | <b>1,326,424</b>    | 1,225,891           |
| BWSI          | <b>784,674</b>      | 683,695             |
| CRH ABOITIZ   | <b>605,128</b>      | 1,688,649           |
| SSP           | <b>424,386</b>      | —                   |
| WMPC          | <b>130,104</b>      | 156,895             |
| RP Energy     | <b>89,482</b>       | 90,433              |
| MTRGC         | <b>86,271</b>       | —                   |
| SPPC          | <b>76,626</b>       | 81,996              |
| AGMCAC        | —                   | 9,805,370           |
| CDPEI         | —                   | 1,677,288           |
| Others        | <b>1,110,862</b>    | 669,448             |
|               | <b>₱250,138,369</b> | <b>₱224,059,274</b> |

\*In 2024, AEV CRH recognized impairment loss related to the operation of its subsidiary.





The fair value of the investment in UBP for which there is a published price quotation amounted to ₱59.7 billion and ₱59.2 billion as of December 31, 2024 and 2023, respectively. Following is the summarized financial information of significant associates and joint ventures:

|                                                                    | 2024            | 2023          | 2022          |
|--------------------------------------------------------------------|-----------------|---------------|---------------|
| <b>UBP</b>                                                         |                 |               |               |
| Total current assets                                               | ₱136,475,979    | ₱126,151,838  | ₱158,162,594  |
| Total noncurrent assets                                            | 1,008,951,670   | 1,027,195,779 | 942,556,587   |
| Total current liabilities                                          | (1,006,925,715) | (919,036,162) | (892,607,957) |
| Total noncurrent liabilities                                       | (57,565,582)    | (50,493,627)  | (51,644,325)  |
| Equity attributable to equity holders of UBP                       | ₱195,207,637    | ₱174,991,166  | ₱155,622,125  |
| Gross revenue                                                      | ₱62,873,828     | ₱78,566,313   | ₱50,524,771   |
| Operating profit                                                   | 29,602,806      | 11,776,963    | 17,121,795    |
| Net income attributable to equity holders of the parent            | 11,929,971      | 9,072,217     | 12,600,745    |
| Total comprehensive income attributable to equity holders of UBP   | 12,365,322      | 20,513,716    | 288,523       |
| Group's share in net income                                        | ₱5,959,418      | ₱4,500,591    | ₱6,316,778    |
| <b>CABPI</b>                                                       |                 |               |               |
| Total current assets                                               | ₱27,980,071     | ₱—            | ₱—            |
| Total noncurrent assets                                            | 121,340,049     | —             | —             |
| Total current liabilities                                          | 37,066,450      | —             | —             |
| Total noncurrent liabilities                                       | 37,478,089      | —             | —             |
| Equity attributable to equity holders of UBP                       | ₱223,864,659    | ₱—            | ₱—            |
| Gross revenue                                                      | ₱102,752,745    | ₱—            | ₱—            |
| Operating profit                                                   | 7,562,305       | —             | —             |
| Net income attributable to equity holders of the parent            | 4,065,000       | —             | —             |
| Total comprehensive income attributable to equity holders of CABPI | 4,240,069       | —             | —             |
| Group's share in net income                                        | ₱1,626,000      | ₱—            | ₱—            |
| Additional information:                                            |                 |               |               |
| Cash and cash equivalents                                          | ₱1,642,241      | ₱—            | ₱—            |
| Current financial liabilities                                      | 33,804,935      | —             | —             |
| Noncurrent financial liabilities                                   | 25,402,652      | —             | —             |
| Depreciation and amortization                                      | 4,879,000       | —             | —             |
| Interest income                                                    | 40,104          | —             | —             |
| Interest expense                                                   | 1,681,268       | —             | —             |
| Income tax expense                                                 | 1,436,712       | —             | —             |
| <b>AEV CRH</b>                                                     |                 |               |               |
| Total current assets                                               | ₱11,044,497     | ₱9,836,627    | ₱12,340,769   |
| Total noncurrent assets                                            | 63,057,330      | 81,686,075    | 83,687,326    |
| Total current liabilities                                          | (11,326,757)    | (14,938,523)  | (15,582,145)  |
| Total noncurrent liabilities                                       | (38,247,744)    | (36,255,491)  | (39,280,876)  |
| Equity attributable to equity holders of AEV CRH                   | ₱24,527,326     | ₱40,482,913   | ₱41,206,807   |

(Forward)



|                                                    | 2024         | 2023         | 2022         |
|----------------------------------------------------|--------------|--------------|--------------|
| Gross revenue                                      | ₱20,512,102  | ₱24,964,668  | ₱27,033,731  |
| Operating profit (loss)                            | (1,233,018)  | 354,411      | 610,522      |
| Impairment loss                                    | (7,450,000)  | —            | —            |
| Net loss attributable to equity holders of AEV CRH | (19,186,817) | (1,322,467)  | (1,020,435)  |
| Group's share in net loss                          | (₱8,644,151) | (₱793,480)   | (₱612,261)   |
| <b>GNPD</b>                                        |              |              |              |
| Total current assets                               | ₱31,021,307  | ₱37,860,527  | ₱29,574,563  |
| Total noncurrent assets                            | 106,042,446  | 102,063,473  | 95,476,181   |
| Total current liabilities                          | (17,898,321) | (20,008,286) | (13,056,358) |
| Total noncurrent liabilities                       | (45,692,821) | (53,417,232) | (68,893,301) |
| Equity                                             | ₱73,472,611  | ₱66,498,482  | ₱43,101,085  |
| Gross revenue                                      | ₱53,961,357  | ₱58,164,067  | ₱54,402,996  |
| Operating income                                   | 348,598      | 24,923,576   | 14,788,321   |
| Net income                                         | 15,654,783   | 23,776,067   | 14,898,575   |
| Other comprehensive loss                           | 841          | (6,954)      | —            |
| Group's share in net income                        | ₱6,261,162   | ₱9,497,339   | ₱5,959,430   |
| Additional information:                            |              |              |              |
| Cash and cash equivalents                          | ₱18,849,818  | ₱27,311,823  | ₱15,250,602  |
| Current financial liabilities                      | 17,837,816   | 20,016,908   | 11,354,278   |
| Noncurrent financial liabilities                   | 42,149,062   | 51,862,000   | 65,075,513   |
| Depreciation and amortization                      | 3,952,810    | 112,107      | 124,902      |
| Interest income                                    | 23,845       | 25,789       | 27,177       |
| Interest expense                                   | 4,066,720    | (198,984)    | (246,524)    |
| Income tax expense                                 | 854,108      | 16,391       | 1,470,480    |
| <b>MORE</b>                                        |              |              |              |
| Total current assets                               | ₱564,415     | ₱48,213      | ₱63,207      |
| Total noncurrent assets                            | 11,000,723   | 12,130,146   | 11,122,609   |
| Total current liabilities                          | (56,642)     | (35,112)     | (18,506)     |
| Total noncurrent liabilities                       | (14,788)     | (39,100)     | (19,890)     |
| Equity                                             | ₱11,493,708  | ₱12,104,147  | ₱11,147,420  |
| Gross revenue                                      | ₱309,419     | ₱301,889     | ₱256,847     |
| Operating profit                                   | 3,932,378    | 2,027,514    | 3,934,504    |
| Net income                                         | 3,909,703    | 2,017,867    | 3,925,799    |
| Other comprehensive income (loss)                  | 27,046       | (11,142)     | 36,024       |
| Group's share in net income                        | ₱3,261,374   | ₱1,678,268   | ₱3,271,499   |
| Additional information:                            |              |              |              |
| Cash and cash equivalents                          | ₱54,045      | ₱28,611      | ₱46,149      |
| Current financial liabilities                      | 45,653       | 35,112       | 18,506       |
| Noncurrent financial liabilities                   | 14,261       | 39,100       | —            |
| Depreciation and amortization                      | 18,306       | 15,091       | 15,765       |
| Interest income                                    | 1,032        | 605          | 806          |
| Interest expense                                   | (5,759)      | (3,845)      | (904)        |
| Income tax expense                                 | 17,986       | 8,311        | 7,619        |

(Forward)



|                                                                     | 2024        | 2023        | 2022        |
|---------------------------------------------------------------------|-------------|-------------|-------------|
| <b>CEDC</b>                                                         |             |             |             |
| Total current assets                                                | ₱6,001,671  | ₱5,157,526  | ₱5,498,731  |
| Total noncurrent assets                                             | 8,887,997   | 9,526,258   | 10,286,602  |
| Total current liabilities                                           | (4,249,862) | (3,713,509) | (3,900,081) |
| Total noncurrent liabilities                                        | (3,435,956) | (4,092,414) | (4,958,095) |
| Equity                                                              | ₱7,203,850  | ₱6,877,861  | ₱6,927,157  |
| Gross revenue                                                       | ₱10,258,533 | ₱12,165,195 | ₱14,258,846 |
| Operating profit                                                    | 3,454,676   | 4,375,718   | 4,199,039   |
| Net income                                                          | ₱2,666,441  | ₱2,366,269  | ₱2,125,080  |
| Other comprehensive income (loss)                                   | (5,566)     | 62,732      | 60,743      |
| Group's share in net income                                         | ₱1,156,464  | ₱1,064,071  | ₱909,994    |
| <b>SFELAPCO</b>                                                     |             |             |             |
| Total current assets                                                | ₱1,376,062  | ₱1,451,888  | ₱1,293,870  |
| Total noncurrent assets                                             | 4,148,066   | 3,285,675   | 3,050,709   |
| Total current liabilities                                           | (951,027)   | (920,385)   | (822,482)   |
| Total noncurrent liabilities                                        | (956,616)   | (839,992)   | (738,362)   |
| Equity                                                              | ₱3,616,485  | ₱2,977,186  | ₱2,783,735  |
| Gross revenue                                                       | ₱6,632,055  | ₱6,415,512  | ₱5,142,904  |
| Operating profit                                                    | 668,235     | 678,618     | 658,375     |
| Net income                                                          | 561,381     | 591,967     | 560,139     |
| Other comprehensive income (loss)                                   | 3,753       | (50,746)    | 78,900      |
| Group's share in net income                                         | ₱297,422    | ₱263,941    | ₱270,374    |
| <b>CRH ABOITIZ</b>                                                  |             |             |             |
| Total current assets                                                | ₱1,457,831  | (₱2,144)    | ₱4,636,974  |
| Total noncurrent assets                                             | 1,784,595   | 255,185     | 894,034     |
| Total current liabilities                                           | (1,098,044) | 679         | (1,914,806) |
| Total noncurrent liabilities                                        | (1,097,794) | (1)         | (123,861)   |
| Equity attributable to equity holders of CRH ABOITIZ Parent Company | ₱1,046,588  | ₱252,363    | ₱3,492,341  |
| Gross revenue                                                       | ₱24,733     | ₱4,068      | ₱23,345,275 |
| Operating profit                                                    | 58,492      | 2,780       | 912,964     |
| Net income (loss) attributable to equity holders of the parent      | 34,097      | 9,763       | (50,708)    |
| Group's share in net income (loss)                                  | ₱15,344     | ₱4,393      | (₱22,819)   |
| <b>BWSI</b>                                                         |             |             |             |
| Total current assets                                                | ₱1,016,329  | ₱1,008,364  | ₱1,000,885  |
| Total noncurrent assets                                             | 3,717,746   | 3,396,381   | 3,210,892   |
| Total current liabilities                                           | (1,244,663) | (1,156,857) | (730,743)   |
| Total noncurrent liabilities                                        | (678,628)   | (606,902)   | (796,078)   |
| Equity                                                              | ₱2,810,784  | ₱2,640,986  | ₱2,684,956  |
| Gross revenue                                                       | ₱2,791,985  | ₱2,415,528  | ₱2,155,150  |
| Gross profit                                                        | 1,552,694   | 1,237,169   | 1,079,794   |
| Net income                                                          | 576,159     | 548,218     | 398,448     |
| Group's share in net income                                         | ₱94,087     | ₱83,041     | ₱63,513     |

(Forward)



|                                    | 2024         | 2023        | 2022        |
|------------------------------------|--------------|-------------|-------------|
| <b>WMPC</b>                        |              |             |             |
| Total current assets               | ₱877,589     | ₱849,438    | ₱910,761    |
| Total noncurrent assets            | 202,335      | 206,963     | 242,632     |
| Total current liabilities          | (317,330)    | (175,751)   | (162,654)   |
| Total noncurrent liabilities       | (101,668)    | (100,800)   | (110,028)   |
| Equity                             | ₱660,926     | ₱779,850    | ₱880,711    |
| Gross revenue                      | ₱1,088,440   | ₱1,498,713  | ₱1,793,183  |
| Operating profit                   | 237,065      | 469,616     | 615,791     |
| Net income                         | 75,627       | 202,133     | 277,729     |
| Group's share in net income        | ₱13,209      | ₱41,968     | ₱55,288     |
| <b>SPPC</b>                        |              |             |             |
| Total current assets               | ₱317,267     | ₱458,880    | ₱144,092    |
| Total noncurrent assets            | 124,857      | 127,670     | 165,862     |
| Total current liabilities          | (₱2,389)     | (₱122,918)  | (₱44,172)   |
| Total noncurrent liabilities       | (57,541)     | (54,212)    | (53,687)    |
| Equity                             | ₱382,194     | ₱409,420    | ₱212,095    |
| Gross revenue                      | ₱—           | ₱—          | ₱—          |
| Operating loss                     | (46,736)     | (4,940)     | (7,190)     |
| Net income (loss)                  | (18,783)     | 206,701     | (35,009)    |
| Other comprehensive income         | —            | —           | —           |
| Group's share in net income (loss) | (₱5,370)     | ₱39,656     | (₱6,028)    |
| <b>AA Thermal</b>                  |              |             |             |
| Total current assets               | ₱4,142       | ₱10,467     | ₱10,447     |
| Total noncurrent assets            | 16,775,941   | 16,775,941  | 16,775,941  |
| Total current liabilities          | (765)        | (853)       | (144)       |
| Total noncurrent liabilities       | —            | (195)       | (218)       |
| Equity                             | ₱16,779,318  | ₱16,785,360 | ₱16,786,026 |
| Gross revenue                      | ₱—           | ₱—          | ₱—          |
| Operating loss                     | (807)        | —           | —           |
| Net income (loss)                  | (13,042)     | (660)       | 468         |
| Other comprehensive income         | —            | —           | —           |
| Group's share in net loss          | (₱396)       | ₱—          | ₱—          |
| <b>UDII</b>                        |              |             |             |
| Total current assets               | ₱899,954     | ₱2,066,606  | ₱701,811    |
| Total noncurrent assets            | 18,460,413   | 14,671,204  | 3,815,575   |
| Total current liabilities          | (813,472)    | (691,674)   | (103,097)   |
| Total noncurrent liabilities       | (12,234,282) | (9,994,261) | (705,722)   |
| Equity                             | ₱6,312,613   | ₱6,051,874  | ₱3,708,567  |
| Gross revenue                      | ₱1,650,047   | ₱642,486    | ₱93,363     |
| Operating profit                   | 302,275      | (51,105)    | (178,623)   |
| Net income                         | (636,283)    | (331,258)   | (178,623)   |
| Other comprehensive income         | 868          | —           | —           |
| Group's share in net income (loss) | (₱318,141)   | (₱165,629)  | ₱1,170      |

(Forward)



|                                  | 2024       | 2023         | 2022         |
|----------------------------------|------------|--------------|--------------|
| <b>Additional information:</b>   |            |              |              |
| Cash and cash equivalents        | ₱292,182   | ₱324,967     | ₱392,919     |
| Current financial liabilities    | 661,435    | 691,674      | 78,806       |
| Noncurrent financial liabilities | 9,627,578  | 9,988,751    | 704,940      |
| Depreciation and amortization    | 13,994     | 346,120      | 62,160       |
| Interest income                  | 5,464      | 10,187       | 7,419        |
| Interest expense                 | 828,906    | 279,137      | 30,894       |
| Income tax expense               | 22,530     | —            | —            |
| <b>AGMCAC</b>                    |            |              |              |
| Total current assets             | ₱—         | ₱2,227,470   | ₱2,401,416   |
| Total noncurrent assets          | —          | 35,697,263   | 35,660,709   |
| Total current liabilities        | —          | (1,326,949)  | (3,551,516)  |
| Total noncurrent liabilities     | —          | (26,590,782) | (25,545,364) |
| Equity                           | ₱—         | ₱10,007,002  | ₱8,965,245   |
| Gross revenue*                   | ₱3,780,793 | ₱3,586,969   | ₱—           |
| Operating profit*                | 1,414,698  | 1,382,424    | —            |
| Net income*                      | 143,328    | 1,064,941    | —            |
| Group's share in net income*     | ₱47,298    | ₱354,945     | ₱—           |
| <b>Others**</b>                  |            |              |              |
| Total current assets             | ₱1,162,367 | ₱1,278,440   | ₱1,178,719   |
| Total noncurrent assets          | 3,561,283  | 9,388,572    | 10,057,560   |
| Total current liabilities        | (₱382,532) | (₱1,035,247) | (₱989,577)   |
| Total noncurrent liabilities     | (395,628)  | (4,167,944)  | (4,148,194)  |
| Gross revenue                    | ₱149,355   | ₱142,126     | ₱121,110     |
| Net income (loss)                | (51,217)   | (238,190)    | 63,041       |

\* For AGMCAC, amounts are from January 1 - October 30, 2024 period only.

\*\*The financial information of insignificant associates and joint ventures are indicated under "Others".

The amounts for SFELAPCO are based on appraised values which are adjusted to historical amounts upon equity take-up of the Group. Using cost method in accounting for property, plant and equipment, net income amounted to ₱639.1 million, ₱601.9 million and ₱610.8 million in 2024, 2023, and 2022, respectively.

#### 11. Material partly - owned subsidiary

As of December 31, 2024 and 2023, the Company has 53.09% interest in AP, a holding company incorporated in the Philippines.

The summarized consolidated financial information as of December 31, 2024, 2023 and 2022 of AP is provided below:

|                                          | 2024         | 2023         | 2022         |
|------------------------------------------|--------------|--------------|--------------|
| <i>Consolidated comprehensive income</i> |              |              |              |
| Revenue                                  | ₱197,492,257 | ₱207,099,897 | ₱193,993,588 |
| Cost of service                          | 115,273,191  | 135,433,770  | 129,998,462  |
| Operating expenses                       | 41,024,154   | 39,881,048   | 34,192,152   |
| Finance costs - net                      | 12,626,479   | 12,494,368   | 12,741,652   |
| Other income - net                       | 17,374,513   | 24,451,588   | 15,650,300   |

(Forward)



|                            | 2024               | 2023        | 2022        |
|----------------------------|--------------------|-------------|-------------|
| Profit before tax          | <b>₱45,942,946</b> | ₱43,742,299 | ₱32,711,622 |
| Income tax                 | <b>8,212,936</b>   | 7,276,865   | 4,701,005   |
| Profit for the year        | <b>₱37,730,010</b> | ₱36,465,434 | ₱28,010,617 |
| Total comprehensive income | <b>₱42,727,043</b> | ₱33,083,566 | ₱34,467,829 |

*Other financial information*

|                                                                      |                   |            |            |
|----------------------------------------------------------------------|-------------------|------------|------------|
| Total comprehensive income attributable to non-controlling interests | <b>₱4,022,576</b> | ₱3,353,505 | ₱2,182,455 |
| Dividends paid to non-controlling interests                          | <b>2,911,123</b>  | 1,567,246  | 1,380,664  |

*Consolidated balance sheet*

|                              | 2024                | 2023         | 2022         |
|------------------------------|---------------------|--------------|--------------|
| Total current assets         | <b>₱123,026,353</b> | ₱115,803,427 | ₱132,976,387 |
| Total noncurrent assets      | <b>394,589,714</b>  | 371,219,879  | 344,399,383  |
| Total current liabilities    | <b>78,985,995</b>   | 64,634,489   | 74,567,875   |
| Total noncurrent liabilities | <b>222,733,390</b>  | 228,414,452  | 224,675,376  |
| Equity                       | <b>₱215,896,682</b> | ₱193,974,365 | ₱178,132,519 |
| Non-controlling interest     | <b>₱12,664,657</b>  | ₱13,836,299  | ₱9,072,093   |

*Consolidated cash flow*

|                      | 2024                | 2023         | 2022         |
|----------------------|---------------------|--------------|--------------|
| Operating cash flows | <b>₱46,128,685</b>  | ₱50,268,979  | ₱34,213,337  |
| Investing cash flows | <b>(12,702,189)</b> | (15,086,375) | (11,442,216) |
| Financing cash flows | <b>(31,380,181)</b> | (45,434,740) | (14,475,876) |

## 12. Joint Operation

| Name of Joint Operation | Nature of Business | Percentage of Ownership |       |       |
|-------------------------|--------------------|-------------------------|-------|-------|
|                         |                    | 2024                    | 2023  | 2022  |
| PEC                     | Power generation   | <b>50.00</b>            | 50.00 | 50.00 |

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

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

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

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

## 13. Property, Plant and Equipment

|                                  | 2024                | 2023         |
|----------------------------------|---------------------|--------------|
| Property, plant and equipment    | <b>₱210,418,814</b> | ₱199,409,988 |
| Right-of-use asset (see Note 22) | <b>30,193,579</b>   | 30,290,606   |
|                                  | <b>₱240,612,393</b> | ₱229,700,594 |



December 31, 2024

|                                                  | Building,<br>Warehouses<br>and<br>Improvements | Power Plant<br>and Equipment and<br>Steamfield assets<br>(see Note 21) | Transmission,<br>Distribution<br>and Substation<br>Equipment | Machinery<br>and<br>Equipment | Transportation<br>Equipment | Office<br>Furniture,<br>Fixtures and<br>Equipment | Leasehold<br>Improvements | Land              | Tools and Others  | Construction<br>in Progress | Total               |
|--------------------------------------------------|------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------|-----------------------------|---------------------------------------------------|---------------------------|-------------------|-------------------|-----------------------------|---------------------|
| <b>Cost</b>                                      |                                                |                                                                        |                                                              |                               |                             |                                                   |                           |                   |                   |                             |                     |
| At January 1                                     | ₱69,371,172                                    | ₱137,954,568                                                           | ₱30,965,981                                                  | ₱12,670,059                   | ₱3,879,990                  | ₱18,777,958                                       | ₱3,635,196                | ₱5,644,057        | ₱2,372,537        | ₱23,428,168                 | ₱308,699,686        |
| Step acquisition to subsidiary (see Note 9)      | —                                              | —                                                                      | —                                                            | —                             | 38,914                      | 574,170                                           | —                         | —                 | —                 | —                           | 613,084             |
| Additions                                        | 311,171                                        | 542,908                                                                | 874,847                                                      | 342,094                       | 411,340                     | 867,070                                           | 14,176                    | 2,654,455         | 145,481           | 20,272,202                  | 26,435,744          |
| Disposals                                        | (139,411)                                      | (491,510)                                                              | (428)                                                        | (432,759)                     | (249,720)                   | (469,430)                                         | (124,727)                 | —                 | (28,040)          | —                           | (1,936,025)         |
| Reclassifications/transfers                      | 2,197,425                                      | (193,862)                                                              | 1,814,468                                                    | 1,481,531                     | 16,056                      | 11,190,412                                        | 28,819                    | (997,190)         | 171,705           | (18,097,272)                | (2,387,908)         |
| At December 31                                   | 71,740,357                                     | 137,812,104                                                            | 33,654,868                                                   | 14,060,925                    | 4,096,580                   | 30,940,180                                        | 3,553,464                 | 7,301,322         | 2,661,683         | 25,603,098                  | 331,424,581         |
| <b>Accumulated depreciation and amortization</b> |                                                |                                                                        |                                                              |                               |                             |                                                   |                           |                   |                   |                             |                     |
| At January 1                                     | 20,075,918                                     | 54,309,013                                                             | 8,919,261                                                    | 7,583,975                     | 2,292,475                   | 8,933,532                                         | 1,594,754                 | 229,779           | 783,045           | —                           | 104,721,752         |
| Step acquisition to subsidiary (see Note 9)      | —                                              | —                                                                      | —                                                            | —                             | 21,199                      | 311,712                                           | —                         | —                 | —                 | —                           | 332,911             |
| Depreciation and amortization (see Note 28)      | 2,563,614                                      | 6,044,832                                                              | 1,000,888                                                    | 903,003                       | 344,446                     | 1,273,242                                         | 166,913                   | 32,364            | 380,492           | —                           | 12,709,794          |
| Disposals                                        | (117,865)                                      | (200,643)                                                              | (32)                                                         | (409,805)                     | (200,731)                   | (465,179)                                         | (126,009)                 | —                 | (12,745)          | —                           | (1,533,009)         |
| Reclassifications/transfers                      | (2,196,198)                                    | 2,702,702                                                              | (21,136)                                                     | 186,213                       | (10,695)                    | 27,550                                            | (21,178)                  | 1,031             | (94,489)          | —                           | 573,800             |
| At December 31                                   | 20,325,469                                     | 62,855,904                                                             | 9,898,981                                                    | 8,263,386                     | 2,446,694                   | 10,080,857                                        | 1,614,480                 | 263,174           | 1,056,303         | —                           | 116,805,248         |
| <b>Accumulated Impairment</b>                    |                                                |                                                                        |                                                              |                               |                             |                                                   |                           |                   |                   |                             |                     |
| At January 1                                     | 18,804                                         | 1,692,757                                                              | 93,117                                                       | 20,598                        | 2,088                       | 95,302                                            | 251                       | —                 | —                 | 2,645,029                   | 4,567,946           |
| Impairment (reversal) (see Note 31)              | —                                              | (435,620)                                                              | —                                                            | —                             | —                           | —                                                 | 58,504                    | —                 | —                 | 9,689                       | (367,427)           |
| At December 31                                   | 18,804                                         | 1,257,137                                                              | 93,117                                                       | 20,598                        | 2,088                       | 95,302                                            | 58,755                    | —                 | —                 | 2,654,718                   | 4,200,519           |
| <b>Net Book Values</b>                           | <b>₱51,396,084</b>                             | <b>₱73,699,063</b>                                                     | <b>₱23,662,770</b>                                           | <b>₱5,776,941</b>             | <b>₱1,647,798</b>           | <b>₱20,764,021</b>                                | <b>₱1,880,229</b>         | <b>₱7,038,148</b> | <b>₱1,605,380</b> | <b>₱22,948,380</b>          | <b>₱210,418,814</b> |





December 31, 2023

|                                             | Building,<br>Warehouses<br>and<br>Improvements | Power Plant<br>and Equipment<br>(see Note 21) | Transmission,<br>Distribution<br>and Substation<br>Equipment | Machinery<br>and<br>Equipment | Transportation<br>Equipment | Office<br>Furniture,<br>Fixtures and<br>Equipment | Leasehold<br>Improvements | Land       | Tools and Others | Construction<br>in Progress | Total        |
|---------------------------------------------|------------------------------------------------|-----------------------------------------------|--------------------------------------------------------------|-------------------------------|-----------------------------|---------------------------------------------------|---------------------------|------------|------------------|-----------------------------|--------------|
| Cost                                        |                                                |                                               |                                                              |                               |                             |                                                   |                           |            |                  |                             |              |
| At January 1                                | ₱67,286,922                                    | ₱132,660,266                                  | ₱27,750,107                                                  | ₱11,968,898                   | ₱3,550,821                  | ₱16,985,009                                       | ₱3,417,209                | ₱4,105,228 | ₱2,293,821       | ₱16,046,139                 | ₱286,064,420 |
| Step-acquisition of subsidiaries            | 590,947                                        | 728,819                                       | —                                                            | —                             | —                           | 312,942                                           | 137,285                   | —          | —                | 40,146                      | 1,810,139    |
| Additions                                   | 192,526                                        | 1,238,910                                     | 1,130,654                                                    | 272,544                       | 499,408                     | 701,499                                           | 71,942                    | 263,969    | 94,026           | 16,514,795                  | 20,980,273   |
| Disposals                                   | (82,287)                                       | (874,922)                                     | (1,544)                                                      | (141,898)                     | (226,881)                   | (181,540)                                         | (14,360)                  | (7,043)    | (99,323)         | (36,635)                    | (1,666,433)  |
| Reclassifications/transfers                 | 1,383,064                                      | 4,201,495                                     | 2,086,764                                                    | 570,515                       | 56,642                      | 960,048                                           | 23,120                    | 1,281,903  | 84,013           | (9,136,277)                 | 1,511,287    |
| At December 31                              | 69,371,172                                     | 137,954,568                                   | 30,965,981                                                   | 12,670,059                    | 3,879,990                   | 18,777,958                                        | 3,635,196                 | 5,644,057  | 2,372,537        | 23,428,168                  | 308,699,686  |
| Accumulated depreciation and amortization   |                                                |                                               |                                                              |                               |                             |                                                   |                           |            |                  |                             |              |
| At January 1                                | 15,572,519                                     | 49,099,868                                    | 7,965,193                                                    | 6,993,921                     | 2,201,123                   | 7,805,387                                         | 1,313,611                 | 207,349    | 732,481          | —                           | 91,891,452   |
| Acquisition of subsidiaries                 | 432,753                                        | 643,192                                       | —                                                            | —                             | —                           | 263,095                                           | 98,021                    | —          | —                | —                           | 1,437,061    |
| Depreciation and amortization (see Note 28) | 3,164,953                                      | 6,272,191                                     | 903,282                                                      | 847,675                       | 304,738                     | 1,011,625                                         | 179,685                   | 27,542     | 162,817          | —                           | 12,874,508   |
| Disposals                                   | (69,761)                                       | (678,972)                                     | (847)                                                        | (138,334)                     | (193,711)                   | (171,298)                                         | (13,502)                  | (4,865)    | (87,450)         | —                           | (1,358,740)  |
| Reclassifications/transfers                 | 975,454                                        | (1,027,266)                                   | 51,633                                                       | (119,287)                     | (19,675)                    | 24,723                                            | 16,939                    | (247)      | (24,803)         | —                           | (122,529)    |
| At December 31                              | 20,075,918                                     | 54,309,013                                    | 8,919,261                                                    | 7,583,975                     | 2,292,475                   | 8,933,532                                         | 1,594,754                 | 229,779    | 783,045          | —                           | 104,721,752  |
| Accumulated Impairment                      |                                                |                                               |                                                              |                               |                             |                                                   |                           |            |                  |                             |              |
| At January 1                                | 9,955                                          | 1,472,757                                     | 93,117                                                       | —                             | 2,088                       | 94,778                                            | 251                       | —          | —                | 2,645,029                   | 4,317,975    |
| Impairment (see Note 31)                    | 8,849                                          | 220,000                                       | —                                                            | 20,598                        | —                           | 524                                               | —                         | —          | —                | —                           | 249,971      |
| At December 31                              | 18,804                                         | 1,692,757                                     | 93,117                                                       | 20,598                        | 2,088                       | 95,302                                            | 251                       | —          | —                | 2,645,029                   | 4,567,946    |
| Net Book Values                             | ₱49,276,450                                    | ₱81,952,798                                   | ₱21,953,603                                                  | ₱5,065,486                    | ₱1,585,427                  | ₱9,749,124                                        | ₱2,040,191                | ₱5,414,278 | ₱1,589,492       | ₱20,783,139                 | ₱199,409,988 |



In 2024 and 2023, the Group has determined that an impairment test has to be performed on certain segments of its property, plant and equipment amounting to ₱8.9 billion and ₱8.4 billion respectively. In performing an impairment test calculation, the Group determined the recoverable amount of the relevant property, plant and equipment through value in use (VIU). VIU is derived based on financial budgets prepared by senior management covering the project's entire life. Pre-tax discount rate of 7.72% to 10.67% in 2024 and 9.45% to 11.51% in 2023 was used

The calculation of value in use of these property, plant and equipment are most sensitive to the following assumptions:

- Discount rate - Discount rate reflects the management's estimate of risks applicable to these projects. The benchmark used by the management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates, consideration has been given to various market information, including, but not limited to, government bond yield, bank lending rates and market risk premium.
- Material price inflation - Estimates are obtained from published indices from which the materials are sourced, as well as data relating to specific commodities. Forecast figures are used if data is publicly available, otherwise past actual material price movements are used as an indicator of future price movement.
- Growth rate - The long-term rate used to extrapolate future cash flows excludes expansions and potential improvements in the future. Management also recognized the possibility of new entrants, which may have significant impact on existing growth rate assumptions. Management however, believes that new entrants will not have a significant adverse impact on the forecasts included in the financial budget.

Management have reflected future economic uncertainty in the risk-adjusted cash flows, giving a more accurate representation of the risks specific to the projects.

In addition, the Group also performed an assessment whether there are specific equipment that should have been impaired.

These assessments resulted to the net reversal of impairment losses amounting ₱367.4 million in 2024 and recognition of impairment losses amounting to ₱250.0 million in 2023 and ₱1.2 billion in 2022.

Reclassifications and others include adjustment from decommissioning liability, cumulative translation adjustments, and reclassification of construction-in-progress account to proper asset accounts. In 2024 and 2023, power plant equipment and steam field assets decreased by ₱2.5 billion and increased by ₱1.3 billion, respectively, due to the change in accounting estimate on decommissioning liability (see Note 21).

In 2024 and 2023, additions to "Construction in progress" include capitalized borrowing costs earned from short-term deposits, amounting to ₱2.5 billion and ₱0.6 billion, respectively (see Note 19). The rate used to determine the amount of borrowing costs eligible for capitalization ranged from 4.69% to 7.06% and 4.54% to 8.02% which are the effective interest rate of the specific borrowings in 2024 and 2023, respectively.



Property, plant and equipment with carrying amounts of ₱45.5 billion and ₱48.1 billion as of December 31, 2024 and 2023, respectively, are used to secure the Group's long-term debts (see Note 19).

As of December 31, 2024 and 2023, the Group has significant purchase commitments amounting to ₱6.7 billion and ₱16.6 billion, respectively (see Note 40).

#### 14. Intangible Assets

##### December 31, 2024

|                                             | Goodwill    | Service<br>concession<br>rights | Franchise  | Project<br>development<br>costs | Customer<br>contracts | Software<br>and<br>licenses | Total        |
|---------------------------------------------|-------------|---------------------------------|------------|---------------------------------|-----------------------|-----------------------------|--------------|
| <b>Cost:</b>                                |             |                                 |            |                                 |                       |                             |              |
| Balances at beginning of year               | ₱59,346,119 | ₱21,410,024                     | ₱3,078,431 | ₱2,502,911                      | ₱99,746               | ₱1,988,169                  | ₱88,425,400  |
| Additions during the year                   | —           | 887,865                         | —          | 1,523,714                       | —                     | 565,556                     | 2,977,135    |
| Acquisition of subsidiaries<br>(see Note 9) | 30,058      | 53,786,544                      | —          | 1,125,013                       | —                     | 6,636                       | 54,948,251   |
| Write-off (see Note 31)                     | —           | —                               | —          | (429,485)                       | —                     | —                           | (429,485)    |
| Exchange differences/Others                 | 1,585,806   | 27,598                          | —          | (883,249)                       | —                     | 120,060                     | 850,215      |
| Balances at end of year                     | 60,961,983  | 76,112,031                      | 3,078,431  | 3,838,904                       | 99,746                | 2,680,421                   | 146,771,516  |
| <b>Accumulated amortization:</b>            |             |                                 |            |                                 |                       |                             |              |
| Balances at beginning of year               | —           | 4,538,984                       | 814,502    | —                               | 99,746                | 1,084,172                   | 6,537,404    |
| Amortization (see Note 28)                  | —           | 955,627                         | 76,961     | —                               | —                     | 272,650                     | 1,305,238    |
| Balances at end of year                     | —           | 5,494,611                       | 891,463    | —                               | 99,746                | 1,356,822                   | 7,842,642    |
| Net book values                             | ₱60,961,983 | ₱70,617,420                     | ₱2,186,968 | ₱3,838,904                      | ₱—                    | ₱1,323,599                  | ₱138,928,874 |

##### December 31, 2023

|                                       | Goodwill    | Service<br>concession<br>rights | Franchise  | Project<br>development<br>costs | Customer<br>contracts | Software and<br>licenses | Total       |
|---------------------------------------|-------------|---------------------------------|------------|---------------------------------|-----------------------|--------------------------|-------------|
| <b>Cost:</b>                          |             |                                 |            |                                 |                       |                          |             |
| Balances at beginning of year         | ₱59,990,429 | ₱18,281,255                     | ₱3,078,431 | ₱1,532,444                      | ₱99,746               | ₱1,175,522               | ₱84,157,827 |
| Additions during the year             | —           | 3,131,920                       | —          | 1,503,025                       | —                     | 818,890                  | 5,453,835   |
| Impairment/Write-off<br>(see Note 31) | —           | —                               | —          | (308,871)                       | —                     | —                        | (308,871)   |
| Exchange differences/Others           | (644,310)   | (3,151)                         | —          | (223,687)                       | —                     | (6,243)                  | (877,391)   |
| Balances at end of year               | 59,346,119  | 21,410,024                      | 3,078,431  | 2,502,911                       | 99,746                | 1,988,169                | 88,425,400  |
| <b>Accumulated amortization:</b>      |             |                                 |            |                                 |                       |                          |             |
| Balances at beginning of year         | —           | 4,135,101                       | 737,541    | —                               | 96,771                | 813,162                  | 5,782,575   |
| Amortization (see Note 28)            | —           | 403,883                         | 76,961     | —                               | 2,975                 | 271,010                  | 754,829     |
| Balances at end of year               | —           | 4,538,984                       | 814,502    | —                               | 99,746                | 1,084,172                | 6,537,404   |
| Net book values                       | ₱59,346,119 | ₱16,871,040                     | ₱2,263,929 | ₱2,502,911                      | ₱—                    | ₱903,997                 | ₱81,887,996 |



### Goodwill

Goodwill acquired through business combinations have been attributed to the following cash-generating unit (CGU).

|                     | 2024               | 2023               |
|---------------------|--------------------|--------------------|
| GMEC                | ₱45,691,872        | ₱43,736,997        |
| GCMH                | 13,793,139         | 14,167,285         |
| LEZ                 | 467,586            | 467,586            |
| PVCL                | 433,273            | 428,814            |
| HI                  | 220,228            | 220,228            |
| BEZ                 | 191,471            | 191,471            |
| LLI                 | 61,202             | 61,202             |
| GCFBDC              | 60,065             | 59,447             |
| ICWPC               | 18,256             | —                  |
| TCP & PB            | 13,089             | 13,089             |
| AGMCAC (see Note 9) | 11,802             | —                  |
|                     | <b>₱60,961,983</b> | <b>₱59,346,119</b> |

The recoverable amount of the CGUs has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period.

### Key assumptions used in value in use calculation for December 31, 2024 and 2023

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

#### *Discount rates and growth rates*

The discount rate applied to cash flow projections are from 6.93% to 13.58% in 2024 and from 8.54% to 13.55% in 2023, and cash flows beyond the five-year period are extrapolated using 2% growth rate.

#### *Revenue assumptions*

##### **2024**

|                               | LEZ               | BEZ | GMEC | HI  | GCMH               | PVCL | GCFBDC | LLI       | TCP & PB |
|-------------------------------|-------------------|-----|------|-----|--------------------|------|--------|-----------|----------|
| Basis for Revenue Assumptions | Electricity sales |     |      |     | Animal feeds sales |      |        | Lot sales | Rental   |
| Year 1                        | 6%                | 16% | -5%  | 7%  | 7%                 | 87%  | -13%   | 19%       | 22%      |
| Year 2                        | 1%                | 11% | -3%  | 2%  | 7%                 | 11%  | 4%     | 16%       | 21%      |
| Year 3                        | 3%                | 4%  | 10%  | 0%  | 7%                 | 9%   | 4%     | -2%       | 5%       |
| Year 4                        | -11%              | 15% | -5%  | -1% | 5%                 | 12%  | 4%     | 26%       | 5%       |
| Year 5                        | 9%                | 1%  | 1%   | 6%  | 4%                 | 11%  | 4%     | 5%        | 5%       |

##### **2023**

|                               | LEZ               | BEZ  | GMEC | HI  | GCMH               | PVCL | GCFBDC | LLI       | TCP & PB |
|-------------------------------|-------------------|------|------|-----|--------------------|------|--------|-----------|----------|
| Basis for Revenue Assumptions | Electricity sales |      |      |     | Animal feeds sales |      |        | Lot sales | Rental   |
| Year 1                        | -5%               | -17% | -15% | -5% | 7%                 | 40%  | -28%   | 18%       | 41%      |
| Year 2                        | 2%                | 9%   | 2%   | 9%  | 12%                | 49%  | 2%     | 19%       | 22%      |
| Year 3                        | 3%                | 2%   | -2%  | -2% | 8%                 | 6%   | 5%     | 16%       | 21%      |
| Year 4                        | 4%                | 10%  | 12%  | -3% | 6%                 | 19%  | 5%     | -2%       | 5%       |
| Year 5                        | 10%               | 1%   | -3%  | 1%  | 5%                 | 12%  | 5%     | 26%       | 5%       |



#### *Materials price inflation*

In 2024, the assumption used to determine the value assigned to the materials price inflation is 3.4% in 2025, 3.2% in 2026, 3.4% in 2027, 3.6% in 2028, and 3.8% in 2029. The starting point of 2024 is consistent with external information sources.

In 2023, the assumption used to determine the value assigned to the materials price inflation is 2.39% in 2024, and settles at 2.61% for the next 4 years until 2028.

#### *Foreign exchange rates*

In 2024, the assumption used to determine foreign exchange rate is a weakening Philippine peso which starts at a rate of ₱55.97 to a dollar in 2025, then depreciates annually at an average of 1% until 2029.

In 2023, the assumption used to determine foreign exchange rate is weakening Philippine peso which starts at a rate of ₱54.87 to a dollar in 2024, then depreciates annually at an average of 0.5% until 2028.

With regard to the assessment of value-in-use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount.

#### Service Concession Rights

Service concession arrangements entered into by the Group are as follows:

- AGMCAC was granted a concession by the Department of Transportation and Mactan-Cebu International Airport (MCIA) Authority (Grantor) for the construction, renovation, expansion, and the operation and maintenance of the MCIA terminals, and the associated airport commercial assets and facilities.

The concession agreement is for a 25-year period, which commenced on November 1, 2014 subject to further extension pursuant to the agreement. Under the agreement, AGMCAC is entitled to collect and receive the concession revenue consisting of revenues on account of passenger service charges, airport parking and tacking fees, other apron charges and revenues from commercial charges.

At the end of the concession period, AGMCAC shall hand-over the concession assets to the Grantor without cost, free from any liens and encumbrances including all improvements made to the airport facilities, commercial assets, works in progress and right to receive revenues.

The carrying amount of the concession assets arising from the service concession arrangement amounted to ₱53.8 billion as of December 31, 2024.

- On November 24, 1996, LHC entered into a PPA with NPC, its sole customer, for the construction and operation of a 70-megawatt hydroelectric power generating facility (the Power Station) in Bakun River in Benguet and Ilocos Sur Provinces on a build-operate-transfer scheme. Under the PPA, LHC shall deliver to NPC all electricity generated over a cooperation period of 25 years until February 5, 2026.



On the Transfer Date, as defined in the PPA, LHC shall transfer to NPC, free from any lien or encumbrance, all its rights, title and interest in and to the Power Station and all such data as operating manuals, operation summaries/transfer notes, design drawings and other information as may reasonably be required by NPC to enable it to operate the Power Station.

Since NPC controls the ownership of any significant residual interest of the Power Station at the end of the PPA, the PPA is accounted for under the intangible asset model as LHC has the right to charge users for the public service under the service concession arrangement.

The Power Station is treated as intangible asset and is amortized over a period of 25 years, which is the service concession period in accordance with Philippine Interpretation IFRIC 12. The intangible asset with a carrying value of ₱308.9 million and ₱593.1 million as of December 31, 2024 and 2023, respectively, was used as collateral to secure LHC's long-term debt (see Note 19).

- On May 15, 2003, the SBMA, AEV and DLP entered into a DMSA for the privatization of the SBMA Power Distribution System (PDS) on a rehabilitate-operate-and-transfer arrangement; and to develop, construct, lease, lease out, operate and maintain property, structures and machineries in the Subic Bay Freeport Zone (SBFZ).

Under the terms of the DMSA, SEZ was created to undertake the rehabilitation, operation and maintenance of the PDS (the Project), including the provision of electric power service to the customers within the Subic Bay Freeport Secured Areas of the SBFZ as well as the collection of the relevant fees from them for its services and the payment by SBMA of the service fees throughout the service period pursuant to the terms of the DMSA. The DMSA shall be effective for a 25-year period commencing on the turnover date.

For and in consideration of the services and expenditures of SEZ, it shall be paid by the SBMA the service fees equivalent to all the earnings of the Project, provided, however, that SEZ shall remit the amount of ₱40.0 million to the SBMA at the start of every 12-month period throughout the service period, regardless of the earnings of the Project. The said remittances may be reduced by the outstanding power receivables from SBMA, including streetlights power consumption and maintenance, for the immediate preceding year.

Since SBMA controls ownership of the equipment at the end of the agreement, the PDS are treated as intangible assets and are amortized over a period of 25 years up to year 2028, in accordance with Philippine Interpretation IFRIC 12.

The carrying value of the intangible asset arising from the service concession arrangement amounted to ₱449.5 million and ₱504.4 million as of December 31, 2024 and 2023, respectively.

- The transmission and distribution equipment of MEZ are located within Mactan Export Processing Zone (MEPZ) II. Since MCIAA controls ownership of the equipment at the end of the agreement, the equipment are treated as intangible assets and amortized over a period of 21 years up to year 2028, in accordance with Philippine Interpretation IFRIC 12.

The carrying amount of the intangible asset arising from the service concession arrangement amounted to ₱52.6 million and ₱63.8 million as of December 31, 2024 and 2023, respectively.

- Service concession rights consist of the costs of construction of the treated bulk water supply facility, required for the delivery of treated bulk water to the Davao City Water District, pursuant to the concession agreement.



The carrying amount of the intangible asset arising from the service concession arrangement amounted to ₱16.5 billion and ₱15.7 billion as of December 31, 2024 and 2023, respectively.

The amortization of intangible assets is included in "Depreciation and amortization" under "Operating Expenses" in the consolidated statements of income (see Note 28).

## 15. Investment Properties

### December 31, 2024

|                                         | Land       | Buildings  | Land Improvements | Construction-in-Progress | Total       |
|-----------------------------------------|------------|------------|-------------------|--------------------------|-------------|
| At January 1                            | ₱8,133,196 | ₱4,239,438 | ₱688,954          | ₱1,015,914               | ₱14,077,502 |
| Additions                               | —          | 730,705    | 4,791             | —                        | 735,496     |
| Gain on fair valuation<br>(see Note 31) | 219,792    | 161,733    | —                 | —                        | 381,525     |
| Transfers/adjustments                   | 764,049    | (617,376)  | (1,404)           | (798,704)                | (653,435)   |
| At December 31                          | ₱9,117,037 | ₱4,514,500 | ₱692,341          | ₱217,210                 | ₱14,541,088 |

### December 31, 2023

|                                         | Land        | Buildings  | Land Improvements | Construction-In-Progress | Total       |
|-----------------------------------------|-------------|------------|-------------------|--------------------------|-------------|
| At January 1                            | ₱8,997,947  | ₱4,244,676 | ₱693,052          | ₱488,282                 | ₱14,423,957 |
| Additions                               | 300         | 51,152     | 21,726            | 527,632                  | 600,810     |
| Gain on fair valuation<br>(see Note 31) | 348,015     | 433,497    | —                 | —                        | 781,512     |
| Transfers/ adjustments                  | (1,213,066) | (489,887)  | (25,824)          | —                        | (1,728,777) |
| At December 31                          | ₱8,133,196  | ₱4,239,438 | ₱688,954          | ₱1,015,914               | ₱14,077,502 |

Rental income earned from and direct operating expenses of investment properties amounted to ₱1.4 billion and ₱0.6 billion, respectively, in 2024; ₱1.0 billion and ₱0.5 billion, respectively, in 2023; and ₱1.6 billion and ₱0.7 billion, respectively, in 2022 (see Note 26).

Direct costs of services and maintenance of investment properties for leasing included under "Cost of real estate sales" in the consolidated statements of income amounted to ₱1.0 billion in 2024 and ₱1.2 billion in 2023 and 2022.

As of December 31, 2024 and 2023, the fair values of the properties are based on valuations performed by an accredited independent valuer. The valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The fair values of the Group's investment properties were determined as follows:

- In valuing the land, the Group used the Sales Comparison Approach. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison.





- The appraiser gathers data on actual sales and/or listings, offers, and renewal options, and identifies the similarities and differences in the data, ranks the data according to their relevance, adjusts the sales prices of the comparable to account for the dissimilarities with the unit being appraised, and forms a conclusion as to the most reasonable and probable market value of the subject property.

The elements of comparison include location, physical characteristics, available utilities, zoning, and highest and best use. The most variable elements of comparison are the site's physical characteristics, which include its size and shape, frontage, topography and location.

Reproduction cost is the current cost of constructing a replica of the existing structures, employing the same design and similar building materials. The current cost of an identical new item.

- In valuing the land improvements and buildings, the Group used the Cost Approach and Income Approach, as applicable.

Cost approach is a comparative approach to the value of property or another asset that considers as a substitute for the purchase of a given property, the possibility of constructing another property that is a replica of, or equivalent to, the original or one that could furnish equal utility with no undue cost resulting from delay. It is based on the reproduction or replacement cost of the subject property or asset, less total (accrued) depreciation. In the context of asset valuation, depreciation refers to the adjustments made to the cost of reproducing or replacing the asset to reflect physical deterioration, functional (technical) obsolescence and economic (external) obsolescence in order to estimate the value of the asset in a hypothetical exchange in the market when there is no direct sales evidence available. Sound value of an asset is determined by applying the two types of depreciation such as physical deterioration and functional obsolescence. Market Value reflects all the three types of depreciation.

Income approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value.

Fair value of investment properties are determined using Level 3 inputs.

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

|                                    | Fair value<br>at December 31,<br>2024 | Valuation<br>technique             | Significant<br>unobservable inputs                                               | Range<br>(weighted<br>average)                                                         |
|------------------------------------|---------------------------------------|------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Land                               | ₱9,117,037                            | Sales Comparison<br>Approach       | Price per<br>square meter                                                        | ₱1,100 - ₱235,500                                                                      |
|                                    |                                       |                                    | External factor<br>(adjustment to the price<br>per square meter)                 | (15%) - 0%                                                                             |
| Buildings and land<br>Improvements | 5,206,841                             | Income Approach,<br>Cost Approach, | Net income per square<br>meter,<br>Reproduction cost,<br>Remaining economic life | ₱40,168 - ₱555,837<br>per square meter<br>₱1,191,000 -<br>₱25,671,000<br>14 – 29 years |



|                                    | Fair value<br>at December 31,<br>2023 | Valuation<br>technique                                | Significant<br>unobservable inputs                                                                                             | Range<br>(weighted<br>average)                                                                                           |
|------------------------------------|---------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Land                               | ₱8,133,196                            | Sales Comparison<br>Approach                          | Price per<br>square meter                                                                                                      | ₱1,100 - ₱201,100                                                                                                        |
|                                    |                                       |                                                       | External factor<br>(adjustment to the price<br>per square meter)                                                               | (20%) - 0%                                                                                                               |
| Buildings and land<br>Improvements | 4,928,392                             | Income Approach,<br>Cost Approach,<br>Market Approach | Price per actual and<br>current market listing<br>Net income per square<br>meter<br>Estimated useful life<br>Reproduction cost | ₱210,487 - ₱274,000<br>per square meter<br>₱48,549 - ₱50,381<br>per square meter<br>7 – 28 years<br>₱38,000 - 25,671,000 |

For land, significant increases (decreases) in price per square meter would result in a significantly higher (lower) fair value of the properties.

For buildings and land improvements, significant increases (decreases) in estimated replacement cost and remaining economic life would result in a significantly higher (lower) fair value of the properties.

For buildings and land improvements, significant increases (decreases) in net income per square meter would result in a significantly higher (lower) fair value of the properties.

#### 16. Other Noncurrent Assets

|                                                                                                                                                                                      | 2024               | 2023        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------|
| Concession contract asset, net of current portion                                                                                                                                    | <b>₱7,533,867</b>  | ₱7,977,067  |
| Input VAT and tax credit receivable, net of<br>allowance for impairment loss of ₱236.3 million<br>and ₱180.7 million as of December 31, 2024 and<br>2023, respectively (see Note 31) | <b>7,182,114</b>   | 5,805,371   |
| Prepaid taxes                                                                                                                                                                        | <b>6,025,256</b>   | 4,709,025   |
| Prepaid rent and other deposits                                                                                                                                                      | <b>4,918,999</b>   | 1,199,209   |
| Advances to contractors and projects                                                                                                                                                 | <b>2,847,660</b>   | 1,199,154   |
| Financial assets at FVOCI (see Note 37)                                                                                                                                              | <b>2,292,223</b>   | 3,353,210   |
| Advances to NGCP - net of current portion<br>(see Note 7)                                                                                                                            | <b>565,752</b>     | 565,732     |
| Deposit for future land acquisition                                                                                                                                                  | <b>425,945</b>     | 398,213     |
| Bearers and breeders (see Note 8)                                                                                                                                                    | <b>303,246</b>     | 210,978     |
| Financial assets at FVTPL                                                                                                                                                            | <b>82,632</b>      | 107,292     |
| Debt investments at amortized cost                                                                                                                                                   | —                  | 11,063      |
| Others                                                                                                                                                                               | <b>1,911,218</b>   | 1,676,953   |
|                                                                                                                                                                                      | <b>₱34,088,912</b> | ₱27,213,267 |



Prepaid taxes are composed of creditable withholding taxes.

Prepaid rent and other deposits include TLI's advance payment for PSALM Pagbilao Land Lease Agreement amounting to ₱3.02 billion (see Note 22).

Interest income earned from financial assets amounted to ₱240.0 million in 2024, ₱340.4 million in 2023 and ₱145.4 million in 2022, respectively (see Note 36).

Concession contract asset pertains to SPI's PPA with NPC which has been accounted for under the provisions of Philippine Interpretation IFRIC 12. Under the terms of the PPA, SPI will receive capital recovery fees from NPC representing recovery of SPI's capital cost incurred in relation to the construction of the Power Station. These capital recovery fees are recognized at their discounted value in the consolidated financial statements using a prevailing market rate when SPI was acquired by AP in June 2023 (see Note 9).

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

Total finance income recognized as part of revenue under "Service fees and others" in the 2024 and 2023 consolidated statements of comprehensive income amounted to ₱1.2 billion and ₱0.7 billion, respectively.

## 17. Trade and Other Payables

|                                                    | 2024        | 2023        |
|----------------------------------------------------|-------------|-------------|
| Trade payables (see Note 40)                       | ₱28,614,217 | ₱32,766,171 |
| Nontrade and other payables                        | 13,249,569  | 8,758,480   |
| Accrued expenses                                   |             |             |
| Interest                                           | 4,541,396   | 3,615,917   |
| Taxes and fees                                     | 1,996,058   | 1,581,545   |
| Others                                             | 3,206,693   | 2,618,070   |
| Output VAT                                         | 4,797,168   | 4,817,847   |
| Amounts due to contractors and other third parties | 3,339,364   | 2,977,997   |
| Customer deposits (see Note 20)                    | 878,568     | 191,112     |
| Unearned revenue                                   | 40,752      | 4,177       |
|                                                    | 60,663,785  | 57,331,316  |
| Less noncurrent portion                            | 1,870,335   | 1,185,415   |
|                                                    | ₱58,793,450 | ₱56,145,901 |

Trade payables are non-interest bearing and are usually on 30-90 days' terms.

Trade payables include contract liabilities amounting to ₱3.4 billion and ₱2.7 billion as of December 31, 2024 and 2023, respectively.

Accrued taxes and fees represent accrual of real property tax, transfer tax and other fees. Accrued others mainly include personnel-related accruals, commissions, customer discounts, freight costs and professional fees.



Nontrade and other payables include insurance contract liabilities amounting to ₱6.3 billion and ₱2.4 billion as of December 31, 2024 and 2023, respectively.

Other payables under accrued expenses represent withholding taxes, payroll related liabilities and other accrual of expenses arising in the ordinary course of business and are generally payable within 12 months from the balance sheet date.

Amounts due to contractors and other third parties include liabilities arising from construction projects (see Notes 13).

## 18. Bank Loans

|                                          | 2024               | 2023               |
|------------------------------------------|--------------------|--------------------|
| Philippine peso loans                    | ₱35,859,000        | ₱31,713,000        |
| US dollar loans                          | 2,164,488          | 4,467,823          |
| Chinese yuan loans                       | 1,502,464          | 1,980,370          |
| Malaysian ringgit loans                  | 1,044,175          | 1,838,619          |
| Vietnamese dong loans                    | 232,711            | 496,987            |
| Indonesian rupiah loans                  | 88,608             | 479,039            |
| Other foreign currency-denominated loans | 67,760             | 64,611             |
|                                          | <b>₱40,959,206</b> | <b>₱41,040,449</b> |

The bank loans are unsecured short-term notes payable obtained from local and foreign banks with annual interest rates ranging from 3.05% to 8.10% and 1.90% to 8.00% in 2024 and 2023, respectively. These loans will mature on various dates within the next 12 months.

The loans are covered by the respective borrower's existing credit lines with the banks and are not subject to any significant covenants and warranties.

## 19. Long-term Debts

|                                                      | 2024                 |             | 2023                 |             |
|------------------------------------------------------|----------------------|-------------|----------------------|-------------|
|                                                      | Annual Interest Rate | Amount      | Annual Interest Rate | Amount      |
| Company:                                             |                      |             |                      |             |
| Financial and non-financial institutions - unsecured | 3.30% - 7.53%        | ₱64,618,050 | 3.30% - 7.53%        | ₱68,068,050 |
| Subsidiaries:                                        |                      |             |                      |             |
| GMEC                                                 |                      |             |                      |             |
| Financial institutions - unsecured                   | LIBOR + 1.7% - 4.85% | 28,289,923  | LIBOR + 1.7% - 4.85% | 29,728,547  |
| Therma Marine                                        |                      |             |                      |             |
| Financial institutions - secured                     | 4.54% - 7.68%        | 2,112,500   | 4.54% - 7.68%        | 2,437,500   |
| Hedcor Sabangan                                      |                      |             |                      |             |
| Financial institutions - secured                     | 4.92%                | 862,985     | 4.92%                | 995,174     |
| TVI                                                  |                      |             |                      |             |
| Financial institutions - secured                     | 5.56% - 9.00%        | 20,399,210  | 5.56% to 9.00%       | 22,439,131  |
| (Forward)                                            |                      |             |                      |             |



| 2024                                                        |                       |             | 2023                  |             |
|-------------------------------------------------------------|-----------------------|-------------|-----------------------|-------------|
|                                                             | Annual Interest Rate  | Amount      | Annual Interest Rate  | Amount      |
| AP                                                          |                       |             |                       |             |
| Financial and non-financial institutions - Peso - unsecured | 3.82% - 8.51%         | ₱54,050,000 | 3.82% - 8.51%         | 54,100,000  |
| TSI                                                         |                       |             |                       |             |
| Financial institutions - secured                            | 4.27%                 | 15,621,873  | 4.27%                 | 16,884,883  |
| APRI                                                        |                       |             |                       |             |
| Financial institutions - secured                            | 4.91% - 6.67%         | 9,319,784   | 4.91% - 6.67%         | 10,304,000  |
| Hedcor Bukidnon                                             |                       |             |                       |             |
| Financial institutions - secured                            | 4.29% - 5.59%         | 6,866,618   | 4.29% - 5.59%         | 7,498,401   |
| HSI                                                         |                       |             |                       |             |
| Fixed rate corporate notes - unsecured                      | 5.21% - 5.42%         | 2,100,000   | 5.21% - 5.42%         | 2,550,000   |
| PFC                                                         |                       |             |                       |             |
| Financial institutions - unsecured                          | 5.16%                 | 2,826,500   | 5.16%                 | 2,841,000   |
| PANC                                                        |                       |             |                       |             |
| Financial institutions - unsecured                          | 4.50% - 6.43%         | 3,290,000   | 4.50% - 6.43%         | 3,360,000   |
| HI                                                          |                       |             |                       |             |
| Financial institutions - secured                            | 5.00%                 | 1,151,299   | 5.00%                 | 1,236,056   |
| API                                                         |                       |             |                       |             |
| Financial institution - unsecured                           | 4.87%                 | 576,000     | 4.87%                 | 582,000     |
| Hedcor Tudaya                                               |                       |             |                       |             |
| Financial institutions - secured                            | 4.92%                 | 576,533     | 4.92%                 | 635,022     |
| PVSINAG                                                     |                       |             |                       |             |
| Financial institution - secured                             | 7.06% - 8.02%         | 9,393,862   | 7.06% - 8.02%         | 8,850,000   |
| ARI                                                         |                       |             |                       |             |
| Financial institution - unsecured                           | 6.65% - 6.91%         | 19,929,412  | 6.91%                 | 12,000,000  |
| TLI                                                         |                       |             |                       |             |
| Financial institution - unsecured                           | 7.40%                 | 34,000,000  | 7.40%                 | 34,000,000  |
| SPI                                                         |                       |             |                       |             |
| Financial institution - secured                             | LIBOR + 1.50% - 5.00% | 1,943,591   | LIBOR + 1.50% - 5.00% | 2,404,165   |
| CEDI                                                        |                       |             |                       |             |
| Financial institution - unsecured                           | 8.00%                 | 107,195     | —%                    | —           |
| Apo Agua                                                    |                       |             |                       |             |
| Financial institutions - secured                            | 7.45% - 8.05%         | ₱11,493,920 | 7.45% - 8.05%         | ₱11,045,689 |
| LWC                                                         |                       |             |                       |             |
| Financial institutions - secured                            | 5.47%                 | 206,250     | 5.47%                 | 228,125     |
| LLI                                                         |                       |             |                       |             |
| Financial institution - unsecured                           | 5.76% - 7.70%         | 7,856,250   | 5.76% - 6.59%         | 5,000,000   |
| AGMCAC                                                      |                       |             |                       |             |
| Financial and non-financial institutions - Peso - unsecured | 5.39% - 7.18%         | 27,230,249  | —%                    | —           |
| AEV International                                           |                       |             |                       |             |
| Bonds - unsecured                                           | 4.20%                 | 23,138,000  | 4.20%                 | 22,148,000  |
| GCMH                                                        |                       |             |                       |             |
| Financial institution - unsecured                           | LIBOR + 1.44% - 5.19% | 3,058,868   | LIBOR + 1.44%         | 2,946,784   |

(Forward)



|                                        | 2024                 |              | 2023                 |              |
|----------------------------------------|----------------------|--------------|----------------------|--------------|
|                                        | Annual Interest Rate | Amount       | Annual Interest Rate | Amount       |
| PTAYAM                                 |                      |              |                      |              |
| Financial institution - unsecured      | JIBOR + 3.48%        | ₱125,408     | JIBOR + 3.48%        | 126,054      |
| Gold Coin Feedmill (Dong Nai) Co. Ltd. |                      |              |                      |              |
| Financial institution - unsecured      | Cost of fund + 2%    | 909,834      | 4.69% - 4.81%        | 542,487      |
| Aboitizland                            |                      |              |                      |              |
| Financial institution - secured        | 7.35%                | 1,700,000    | 3.97% - 4.41%        | 1,800,000    |
| TCP                                    |                      |              |                      |              |
| Financial institution - unsecured      | 7.50% - 8.95%        | 116,350      | 5.50% - 7.50%        | 146,350      |
| FSI                                    |                      |              |                      |              |
| Financial institution - unsecured      | 6.22% - 6.23%        | 122,123      | 6.22% - 6.23%        | 135,054      |
| Joint Operation - PEC                  |                      |              |                      |              |
| Financial institution - secured        | 5.77% - 6.27%        | 7,719,459    | 5.77% - 6.27%        | 8,698,783    |
| Total                                  |                      | 361,712,046  |                      | 333,731,255  |
| Deferred financing costs               |                      | (3,194,221)  |                      | (2,156,064)  |
|                                        |                      | 358,517,825  |                      | 331,575,191  |
| Less current portion                   |                      | 30,397,739   |                      | 15,218,412   |
| Noncurrent portion                     |                      | ₱328,120,086 |                      | ₱316,356,779 |

### The Company

In September 2023, the Company issued a total of ₱17.45 billion bonds, broken down into ₱5.81 billion 2-year bonds due 2025 at a fixed rate equivalent to 6.34%, ₱5.83 billion 5-year bonds due 2028 at a fixed rate equivalent to 6.48% and ₱5.81 billion 10-year bond due 2033 at a fixed rate equivalent to 6.80%.

In December 2022, the Company issued a total of ₱20.0 billion bonds, broken down into ₱9.1 billion 3.5-year bonds due 2026 at a fixed rate equivalent to 6.87% and a ₱10.1 billion 7-year bond due 2029 at a fixed rate equivalent to 7.53%.

In August 2021, the Company issued a total of ₱10.0 billion bonds, broken down into ₱5.0 billion 4-year and ₱5.0 billion 7-year bonds at fixed interest rates ranging from 3.30% to 4.32%.

In November 2020, the Company issued a total of ₱7.6 billion bonds, broken down into ₱6.9 billion 3-year and ₱0.7 billion 5-year bonds at fixed interest rates ranging from 2.84% to 3.31%. In November 2023, the Company paid the ₱6.9 billion 3-year bonds.

In June 2019, the Company issued a total of ₱5.0 billion bonds, broken down into ₱3.4 billion 5-year and ₱1.6 billion 10-year bonds at fixed interest rates ranging from 6.02% to 6.32%. In June 2024, the Company paid the ₱3.35 billion 5-year bonds.

All of the Company's issued retail bonds have been rated PRS Aaa by the Philippine Rating Services Corporation (PhilRatings).

The principal amount of the above bonds shall be payable on a lump sum basis on the respective maturity date at its face value. These bonds may be redeemed in advance by the Company based on stipulated early redemption option dates and on agreed early redemption price.



In April 2020, the Company executed an agreement with Metropolitan Bank and Trust Company (MBTC) for a 7-year loan in the amount of ₱10.0 billion at an annual fixed rate of 4.45%. In November 2020, ₱10.0 billion was drawn from this facility.

#### GMEC

On August 29, 2017, GMEC entered into a Notes Facility Agreement (NFA) with local banks with BDO Capital and Investment Corporation as Lead Arranger, with the maximum principal amount of US\$800.0 million, the proceeds of which will be used to refinance GMEC's existing loan obligation and for other general corporate purposes.

On September 29, 2017, US\$600.0 million was drawn from the NFA, out of which US\$462.4 million was used to prepay the outstanding loans. In February 2018, the remaining principal amount of US\$200.0 million was drawn from the NFA.

Loans payable consist of the following dollar denominated loans:

|                                        | 2024      | 2023      | Interest Rate Per Annum                                                                                                                                                           | Payment Schedule                                                      |
|----------------------------------------|-----------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| <i>NFA</i>                             |           |           |                                                                                                                                                                                   |                                                                       |
| Fixed Rate Loan                        | \$304,902 | \$334,559 | (i) Fixed rates of 2.5514% and 3.4049% plus 1.45% margin for the first seven-year period and (ii) Fixed Rate Loan Benchmark plus 1.45% margin for the subsequent five-year period | 24 semi-annual payments starting from the first interest payment date |
| LIBOR Loan                             | 181,408   | 201,733   | Six-month LIBOR plus 1.70% margin                                                                                                                                                 |                                                                       |
| <i>Working Capital</i>                 |           |           |                                                                                                                                                                                   |                                                                       |
| SCB                                    | 23,000    | 30,000    | LIBOR plus 5.50% applicable margin                                                                                                                                                | Payable within three months                                           |
| Total borrowings                       | 509,310   | 566,292   |                                                                                                                                                                                   |                                                                       |
| Less current portion                   | 47,756    | 78,489    |                                                                                                                                                                                   |                                                                       |
| Loans payable - net of current portion | \$461,554 | \$487,803 |                                                                                                                                                                                   |                                                                       |

#### TMI

On February 23, 2021, TMI entered into a Loan Agreement with China Banking Corporation (CBC) for an aggregate principal amount of ₱2.6 billion. The loan proceeds will be utilized, among others, to finance capital expenditures for the development and integration of a Battery Energy Storage System, working capital requirements, and for other financing and corporate purposes of TMI. Total amount drawn as of December 31, 2021 is ₱1.8 billion. In 2022, TMI made additional drawdown totaling ₱810.0 million.

Interest is payable semiannually and rate is fixed for the first five years from 4.54%-7.68%, with an adjustment for inflation on the five-year period thereafter. The principal amount is payable starting September 1, 2023 in 16 equal semi-annual installments.

#### HSAB

On December 16, 2021, HSAB entered into an Omnibus Notes Facility and Security Agreement (Agreement) with Bank of the Philippine Islands (BPI, Lender) for a loan facility in the principal amount of ₱1.2 billion for capital expenditures and other general purposes.

Based on the loan agreement, borrowing shall be for a term of ten (10) years reckoned from initial borrowing date. HSAB shall pay the first principal amount in six months from the initial borrowing date and shall continue on every six months interval. HSAB may not re-borrow any part of the loan that has already been paid.





This loan is subject to an annual interest fixed at 4.92% for the first 5 years. For the remaining five years, interest rate will be repriced. HSAB shall pay interest on the unpaid principal amount of the loan on each interest payment date. The interest rate shall be set on an interest rate setting date, and on the interest rate resetting date, as applicable.

#### TVI

On June 18, 2015, TVI entered into an omnibus agreement with local banks for a project loan facility with an aggregate principal amount of ₱32.0 billion. As of December 31, 2024 and 2023, ₱31.5 billion has been drawn from the loan facility.

The loan is available in two tranches, as follows:

- Tranche A, in the amount of ₱25.6 billion, with interest rate fixed for the first eight years and will be repriced and fixed for another seven years.
- Tranche B, in the amount of ₱5.9 billion, with a fixed interest rate for fifteen years.

70% of the principal amount of the loan is payable in 20 equal semi-annual installments, with the remaining 30% payable in full on the final maturity date. TVI may prepay the loan in part or in full beginning on the end of the fourth year from the initial advance or on the project completion date, whichever is earlier. Any prepayment shall be subject to a certain percentage of prepayment penalty on the principal to be prepaid.

The loan is secured by a mortgage of all its assets with carrying amount of ₱38.6 billion and ₱40.4 billion as of December 31, 2024 and 2023, respectively, and a pledge of TVI's shares of stock held by its shareholders.

#### AP

In July 2017, AP issued a ₱3.0 billion 10-year bond due 2027 at an annual fixed rate equivalent to 5.34%.

In October 2018, AP issued a total of ₱10.2 billion bonds, broken down into a ₱7.7 billion 5.25-year bond due 2024 at an annual fixed rate equivalent to 7.51% and a ₱2.50 billion 10-year bond due 2028 at an annual fixed rate equivalent to 8.51%. In October 2022, AP prepaid the 5.25-year bond amounting to ₱7.7 billion.

In October 2019, AP issued ₱7.3 billion 7-year bond due 2026 at an annual fixed rate equivalent to 5.28%.

In July 2020, AP issued the fourth and last tranche of its ₱30.0 billion debt securities program, totaling to ₱9.6 billion, broken down into a ₱9.0 billion 2-year bonds due 2022 at an annual fixed rate equivalent to 3.13% and a ₱0.5 billion 5-year bonds due 2025 at an annual fixed rate equivalent to 3.94%. In July 2022, the AP fully paid the 2-year bond availed in 2020 amounting to ₱9.0 billion.

In March 2021, AP issued the first tranche of its ₱30.0 billion debt securities program equivalent to ₱8.0 billion (the "Series A Bonds") with an annual fixed rate of 3.82% due in 2026.

In July 2021, AP availed ₱6.0 billion 7-year fixed-rate notes due 2028 at an annual fixed rate equivalent to 4%.



In December 2021, AP issued the second tranche of its ₱30.0 billion debt securities program equivalent to ₱12.0 billion (the "Series B and Bonds"), broken down into ₱4.8 billion 4-year bond due 2025 at a fixed rate equivalent to 4% p.a. and a ₱7.2 billion 7-year bond due 2028 at a fixed rate equivalent to 5.03% p.a.

In March 2022, the AP issued ₱3.0 billion 5-year bond due 2027 and ₱7.0 billion 7-year bond due 2029 at an annual fixed rate equivalent to 5.31% and 5.74%, respectively, and as part of the third tranche of its ₱30.0 billion debt securities program.

All of AP's issued retail bonds have been rated PRS Aaa by PhilRatings.

The principal amount of the bonds shall be payable on a lump sum basis on the respective maturity date at its face value. These bonds may be redeemed in advance by AP based on stipulated early redemption option dates and on agreed early redemption price.

In April 2019, AP executed and availed a US\$300.0 million syndicated bridge loan facility loan agreement with foreign banks to finance the AA Thermal, Inc. acquisition. The loan bears a floating interest based on credit spread over applicable LIBOR plus 1.2% margin. The loan will mature on the 5th anniversary of the first utilization date.

In April and July 2021, AP prepaid a total of \$245.0 million of the \$300.0 million syndicated bridge loan facility availed in 2019 to finance the AA Thermal, Inc. acquisition. This loan is due in 2024.

In April 2022, AP fully paid the remaining balance amounting to \$55.0 million out of the \$300.0 million loan.

is secured by a mortgage of all its assets with carrying amount of ₱38.6 billion and ₱40.4 billion as of December 31, 2024 and 2023, respectively, and a pledge of TVI's shares of stock held by its shareholders.

In November 2019, AP obtained a ₱5.0 billion 7-year long term loan from a local bank at an annual fixed rate of 5.28%.

In 2020, AP amended the "Mode of Payment" for the Principal from bullet payment to partial payments equal to 1% of total principal amount payable annually starting November 2020 and the remaining 94% upon maturity.

On July 13, 2021, AP reached a rate reduction agreement to amend the interest rates of the loan from fixed rate loan of 5.28% to the sum of a benchmark rate and a spread of 0.90%, divided by an applicable factor and 4.125% per annum, whichever is higher.

#### API

On April 16, 2020, API entered into a loan agreement with BPI with a principal amount of ₱600.0 million, which was fully drawn in 2020. The term of the loan is 10 years and interest is fixed at 4.87% for 5 years subject to reset 2 days prior to the 5th anniversary. The loan is payable in equal, semi-annual amortizations of at least one percent (1%) of the loan amount per annum, with balloon payment at maturity date.



#### TSI

On October 14, 2013, TSI entered into an omnibus agreement with local banks for a project loan facility with an aggregate principal amount of ₱24.0 billion, which was fully drawn in 2014.

On October 28, 2015, TSI entered into an additional loan agreement with principal amount of ₱1.7 billion, which was fully drawn in 2016.

The loan is secured by a mortgage of all its assets with carrying amount of ₱19.71 billion and ₱28.60 billion as of December 31, 2024 and 2023, and a pledge of TSI's shares of stock held by the shareholders and TPI.

Fifty percent of the principal amount of the loan is payable at semi-annual installments within 12 years with a two-year grace period, with the remaining 50% payable in full on the final maturity date.

TSI may prepay the loan in part or in full beginning on the end of the third year from the initial advance or on the project completion date, whichever is earlier. is secured by a mortgage of all its assets with carrying amount of ₱19.71 billion and ₱28.60 billion as of December 31, 2024 and 2023, and a pledge of TSI's shares of stock held by the shareholders and TPI.

In 2021, TSI also entered into amendments of its existing loan agreements with local banks to obtain additional financing intended to finance the prepayment of its loan, to pay costs, expenses and fees in relation to the loan prepayment and amendments and to re-leverage and optimize the capital structure of TSI. Moreover, the parties have agreed to amend certain financial terms of the existing loan agreements, including but not limited to the interest rate and final maturity date, and shall take effect after the prepayment.

The amendments resulted to the following:

- a. TSI has drawn additional loan principal in the amount of ₱2.5 billion;
- b. Interest rate for the initial 5-year period from the effective date of amendment until the 5th anniversary of the effective date will be the 3-day average of the 5-year BVAL rate plus a spread of 130 basis points (the original spread), divided by the applicable premium factor, subject to a floor rate of 4.25% per annum. For the subsequent 7-year period commencing on the date following the 5th anniversary of the effective date, interest rate will be the 3-day average of the 7-year BVAL rate plus a spread equivalent to the original spread, divided by the applicable premium factor, subject to a floor rate equivalent to the initial 5-year rate divided by the applicable premium factor; and,
- c. 58.5% of the outstanding principal amount is payable in 18 equal semi-annual installments, 16.5% of the remaining principal amount is payable in another 5 equal semi-annual installments, with the remaining 25% payable in the final maturity date of the loan in 2033.

#### APRI

On February 29, 2016, APRI entered into an omnibus agreement with BPI, Asian Development Bank (ADB) and Credit Guarantee and Investment Facility (CGIF). This has been certified to have met the requirements of the Climate Bond Standard. The loan proceeds were used for return of equity to shareholders and to fund necessary operating and capital expenditures.



The loan is available in two tranches, as follows:

- a. The Notes Facility Agreement, in the amount of ₱10.7 billion, with interest rate already fixed for ten years. 41.6% of the principal amount is payable in ten equal semi-annual installments and the balance payable in another ten semi-annual installments;
- b. The ADB Facility Agreement, in the amount of ₱1.8 billion, with interest rate fixed for five years and principal repayments made in ten equal semi-annual installments.

On December 23, 2021, APRI entered into a ₱12.0 billion loan facility agreement with BPI to refinance its existing term loan under the Omnibus Agreement; finance the design, development, construction, and operation of the 16 MW Binary Cycle Geothermal Plant to be developed in Tiwi, Albay (Project); and other general corporate purposes.

The loan is available in three tranches, as follows:

- a. A portion of the Facility in the amount equivalent to the total amount outstanding under the Omnibus Agreement, duly supported by a Statement of Account to be provided by the Intercreditor Agent, and to be used to finance its payment of all outstanding obligations under the Omnibus Agreement.
- b. A portion of the Facility to be used by APRI for other general corporate purposes, in the amount equivalent to the resulting difference after deducting Tranche A and Tranche C from the maximum amount of the Facility.
- c. A portion of the Facility to be used by APRI to finance the Project up to the total amount of ₱1.4 billion. APRI has started the construction of 16 MW Binary Cycle Geothermal Plant and the construction is expected to be completed in December 2023.

Tranche A and B were already drawn from the initial borrowing date with the interest rate already fixed for 5 years. Maturity of all tranches shall be up to ten (10) years from initial drawdown date. 40% of the principal amount is payable in ten equal semi-annual installments, 20% is payable in succeeding four equal semi-annual installments, 30% is payable in succeeding five equal semi-annual installments, and the 10% balance is payable in the last installment.

The loan is secured by mortgage of its assets with carrying amount of ₱29.0 billion as of December 31, 2024, and pledge of APRI's shares of stock held by shareholders and assignment of Project Agreements and Project Accounts.

#### Hedcor Bukidnon

On April 3, 2020, Hedcor Bukidnon entered into a loan agreement with BPI, up to the maximum principal amount of ₱225.0 million which was fully drawn in 2020, for the construction of the Transformer Facility and other general corporate purposes.

The term of the loan is 8 years and the loan shall be paid as follows: (i) payment of an aggregate amount equivalent to 70% of the total principal amount of the loans, by equal semi-annual amortizations beginning on the seventh interest payment date up to and including the maturity date; and (ii) payment of the amount equivalent to 30% of the total principal amount of the loans, on the maturity date.

On September 29, 2020, Hedcor Bukidnon entered into an omnibus agreement for a loan facility in the principal amount of ₱9.1 billion which was fully drawn in 2020 to refinance the project loan availed in 2015.



The term of the loan is 10 years and the loan shall be paid as follows: (i) payment of an aggregate amount equivalent to 70% of the total original amount of the loan, by equal semi-annual amortizations beginning on the first interest payment date up to and including the Maturity Date; and (ii) payment of the amount equivalent to 30% of the total original amount of the loan, on the maturity date.

#### TPVI

On December 23, 2019, TPVI entered into a Loan Agreement with the PNB for an aggregate amount of ₱1.5 billion available in two drawdowns. The loan proceeds were utilized, among others, in funding necessary operating and capital expenditures. Drawdowns were made on December 26, 2019 and April 27, 2020 for ₱1.3 billion and ₱200.0 million respectively. The loan is payable for 15 years, with a grace period of 3 years. The mode of repayment is sculpted with balloon payment of 70%. TPVI will pay PNB an interest of 5.06% and 3.32% for the first 8 years, with the rate being expected to go up to 5.25% for the rest of the term due to: (1) continued inflation, and; (2) liquidity tightness due to funds held and additional borrowings by the Bureau of Treasury. The interest is payable semi-annually.

On December 27, 2023, the remaining principal of ₱1.50 billion was pre-terminated by TPVI. Accrued interest, catch-up adjustments for gross receipts tax on interest, and prepayment penalties amounting to ₱95.7 million were paid in connection with the pretermination.

#### HSI

On November 17, 2016, HSI entered into a NFA with various institutions with Metrobank - Trust Banking Group as the Notes Facility Agent, for a loan facility with an aggregate principal amount of up to ₱4.1 billion to return equity to shareholders, and for other general corporate purposes.

The unsecured notes were issued in ten tranches with interest payable semi-annually at annual fixed rates ranging from 4.05% - 5.42% with principal maturity as follows:

| Tranche         | Maturity Date                   | Principal Amount |
|-----------------|---------------------------------|------------------|
| 1               | Fifteen months from issue date  | ₱96.8 million    |
| 2               | Two (2) years from issue date   | ₱96.8 million    |
| 3               | Three (3) years from issue date | ₱84.0 million    |
| 4               | Four (4) years from issue date  | ₱84.0 million    |
| 5               | Five (5) years from issue date  | ₱284.0 million   |
| 6 (Series A&B)  | Six (6) years from issue date   | ₱388.4 million   |
| 7 (Series A&B)  | Seven (7) years from issue date | ₱445.8 million   |
| 8               | Eight (8) years from issue date | ₱451.4 million   |
| 9               | Nine (9) years from issue date  | ₱508.1 million   |
| 10 (Series A&B) | Ten (10) years from issue date  | ₱1,660.7 million |

Prior to maturity date, HSI may redeem in whole or in part the relevant outstanding notes on any interest payment date plus a one percent prepayment penalty.



#### PFC

PFC availed of ₱1.0 billion and ₱500 million loans from the NFA it signed on May 5, 2015, with Land Bank of the Philippines (LBP) as the Note Holder on May 11, 2015 and July 13, 2015, respectively. As provided for in the NFA, the 12-year corporate notes are issued as an exempt security pursuant to Section 9.2 of RA No. 8799 and Rule 9.2(2)(B) of the amended implementing rules of the Securities Regulation Code (SRC) ("exempt security").

In October 2019, PFC availed of ₱1.4 billion from the NFA it signed with LBP as the Note Holder. The NFA provided for the issuance of 10-year corporate notes issued as an exempt security.

PFC may early redeem in whole or in part the relevant outstanding notes on any interest payment date without premium or penalty. If prepayment is made on a different date, a certain fee shall be charged on the principal to be prepaid.

#### PANC

On December 28, 2016, PANC availed of a total of ₱700 million loan from NFA signed on December 28, 2016 with Security Bank Corporation (SBC) as Note Holder.

On September 17, 2014, PANC availed of a total of ₱2.0 billion loan from NFA signed on September 17, 2014 with LBP as Note Holder.

The 2016 and 2014 notes are redeemable on a lump sum basis on their respective maturity dates at December 29, 2026 and September 22, 2026, respectively, at its face value. PANC may early redeem in whole or in part the relevant outstanding notes on any interest payment date without premium or penalty. If prepayment is made on a different date, a certain fee shall be charged on the principal to be prepaid.

On June 30, 2022, PANC availed ₱600.0 million from SBC with an annual interest rate of 6.35%. Principal maturity as follows:

- Annual principal repayment of ₱17.13 million starting June 30, 2026 until June 30, 2029;
- ₱137.16 million on June 30, 2030 and
- ₱197.16 million on June 30, 2031 till maturity date June 30, 2032

On July 8, 2022, PANC availed ₱400.0 million from SBC with an annual interest rate of 6.43%. Principal maturity is as follows:

- Annual principal repayment of ₱11.42 million starting June 30, 2026 until June 30, 2029,
- ₱91.44 million on June 30, 2030 and ₱131.44 million on June 30, 2031 till maturity date June 30, 2032

#### HI

On August 6, 2013, HI availed of a ten-year ₱900 million loan from a local bank. This loan is subject to a semi-annual principal payment with annual interest fixed at 5.25% for the first 5 years. For the remaining five years, interest rate will be repriced and fixed on the fifth anniversary from the drawdown date. The debt is secured by a pledge of HI's shares of stock held by ARI.

On December 14, 2018, HI entered into a Notes Facility Agreement with a local bank to borrow ₱1.4 billion, which will mature on August 31, 2033, to finance the rehabilitation and/or expansion of the Bineng hydropower plant, refinance its short-term loans and for other general corporate purposes. This loan is subject to a semi-annual principal payment with annual interest fixed at 7.87% for the first 5 years. For the next five years, interest rate will be repriced and fixed one



banking day prior to August 31, 2023. For the remaining five years, interest rate will be repriced and fixed one banking day prior to August 31, 2028. The debt is secured by a continuing suretyship from ARI.

#### PV Sinag

On November 11, 2022, PV Sinag entered into an Omnibus Notes Facility and Security Agreement (Agreement) with BPI (Lender) for a loan facility in the principal amount of ₱3.6 billion for capital expenditures of project.

Based on the loan agreement, the borrowing shall be for a term of fifteen (15) years, reckoned from initial borrowing date. PV Sinag shall pay the first principal amount at the end of twelve (12) months after the First Issue Date, seventy percent (70%) of the principal amount outstanding shall be repaid in semi-annual installments, and the balance of thirty percent (30%) of the principal amount outstanding shall be paid on Maturity Date.

All payments of interest (including default interest) shall be computed on the basis of number of actual days elapsed in three hundred sixty (360) day year basis.

On March 15, 2023, PV Sinag made and executed an amended and restated Omnibus Notes Facility and Security Agreement with BPI.

The Note Holder hereby grants PV Sinag an aggregate amount up to ₱9.70 billion broken down as follows:

- a. up to ₱6.10 billion worth of Series B notes wherein P0.85 billion issued on March 14, 2024 and ₱5.25 billion issued on March 22, 2023 to fund the Laoag Solar Project; and
- b. up to ₱3.60 billion worth of Series A notes issued on November 11, 2022 to fund the Cayanga-Bugallon Solar Project

#### ARI

On December 23, 2022, ARI entered into a Notes Facility Agreement with LBP as the issuer, with a principal amount of up to ₱20.0 billion worth of fixed-rate corporate notes, of which ₱12.0 billion was drawn on December 28, 2022, at an annual interest rate of 6.91%, to be repriced on the 5th anniversary of the first issue date.

On March 14, 2024, ARI drew the second tranche amounting to ₱8.00 billion at an annual interest rate of 6.6457% to be repriced on the 5th anniversary of the issuance date.

Based on the facility agreement, interest is payable every six months. The principal's maturity date is 10 years after the issue date, inclusive of 12-month grace period. Ten percent (10%) of the principal amount shall be paid in equal semi-annual installments commencing after the expiration of the grace period until maturity date. Thereafter, the remaining ninety percent (90%) of the principal amount shall be paid on maturity date.

#### HTI

On December 16, 2021, HTI entered into an Omnibus Notes Facility and Security Agreement (Agreement) with BPI (Lender) for a loan facility in the principal amount of ₱752.0 million for capital expenditures and other general purposes.



Based on the loan agreement, borrowing shall be for a term of ten (10) years reckoned from initial borrowing date. HTI shall pay the first principal amount in six months from the initial borrowing date and shall continue on every six months interval. HTI may not re-borrow any part of the loan that has already been paid.

This loan is subject to an annual interest fixed at 4.92% for the first 5 years. For the remaining five years, interest rate will be repriced. HTI shall pay interest on the unpaid principal amount of the loan on each interest payment date. The interest rate shall be set on an interest rate setting date, and on the interest rate resetting date, as applicable.

#### TLI

On October 21, 2022, TLI entered into a term loan agreement with a local bank intended for the settlement of monthly payments to PSALM in the amount of P15.0 billion. Interest rate is 7.39% floating rate every five years. 2% of the principal is payable on the third year in equal semi-annual installments, 8.5% is payable on the fourth year, 4.95% is payable in 11 equal semi-annual installments and the 40% is payable on the final maturity date of the loan.

A new loan was availed by TLI on November 8, 2023 for a total amount of ₱11.4 billion. Interest rate is 7.4% floating rate every five years.

#### SPI

On December 8, 2014, SPI and BDO together with BDO Unibank Inc. Trust and Investments Group as Onshore Trustee, DB Trustees (Hong Kong) Limited as Offshore Trustee and SPI GmbH, AP and La Filipina Uygongco Corporation as Sponsors agreed to further amend and restate the Original Omnibus Agreement to incorporate the Second BDO Facility Agreement. The Original Omnibus Agreement as amended on September 2, 2010 and December 8, 2014 is hereinafter referred to as the "Omnibus Agreement". The Second BDO Facility Agreement covers a 10-year \$40.2 million term loan for general corporate expenses. The interest rate of the loan under the BDO Second Facility Agreement is fixed at 5% per annum and repayment for the principal is in accordance with a specified schedule with January 31, 2015 specified as first repayment date.

#### CEDI

In 2018, CEDI entered into a USD-denominated loan agreement with Mainstream Renewable Power Limited (MRPL) to enable CEDI to finance respective working capital requirements. In 2018, the BOD of CEDI also approved the conversion of CEDI's advances from affiliates to loan payables amounting to 26.60 million. In 2023, CEDI also obtained loans from MRPL subject to 8% interest amounting to US\$0.16 million (8.62 million).

On November 8, 2023, the BOD of CEDI approved the conversion of long-term debt amounting to US\$1.20 million (₱65.49 million) to equity.

In order to facilitate the completion of the debt-to-equity conversion, the following were undertaken on November 29, 2023:

- MRPL, with the intention to be partially substituted by its subsidiary IMRPL in the Loan Agreement, entered into a partial novation with IMRPL and CEDI for a portion of the principal amounting to US\$1.20 million (65.49 million).
- CEDI, IMRPL and MRPPHBV entered into a novation agreement substituting IMRPL by MRPPHBV as creditor of the principal loan amounting to US\$1.20 million (65.49 million).





In 2023, CEDI and MRPL entered into Deed of Waiver and Release, wherein, MRPL waives partial principal of the loan amounting to 14.57 million and interest payable amounting to 45.28 million. No interest will be charged to CEDI after the waiver.

The outstanding loan as of December 31, 2024 will be waived in 2025 as part of the share purchase agreement between ARI and MRPPHBV.

#### Apo Agua

On November 29, 2018, the Apo Agua entered into an Omnibus Notes Facility and Security Agreement (the "Agreement") with Bank of the Philippine Islands ("BPI"), China Banking Corporation ("CBC"), Development Bank of the Philippines ("DBP") and Bank of Commerce ("BOC") for a project loan facility in the aggregate principal amount of up to 9.0 billion to design, develop, procure, construct, operate and maintain a water treatment plant at Brgy. Gumalang, Davao City.

The notes issued under the Agreement were drawn in seven (7) tranches with interest payable semi-annually at annual fixed rates ranging from 5.75% to 8.26% for the first five (5) years. For the remaining ten (10) years, interest rate will be repriced and fixed on fifth and tenth anniversary from the drawdown date.

On September 27, 2023, Apo Agua entered into another Omnibus Notes Facility and Security Agreement (the "Top-up Facility Agreement") with BPI for an additional project loan facility amounting to ₱2.3 billion. Proceeds of which were used to finance the project completion, settlement of the short-term bridge loan facility with the same bank, and settlement of taxes and other finance related expenses.

On October 03, 2023, Apo Agua drew the entire amount from the Top-up Facility Agreement with an interest rate of 8.1% per annum. The interest rate will be repriced on the fifth and tenth anniversary from the drawdown date of the Omnibus Notes Facility and Security Agreement.

On December 18, 2024, Apo Agua entered into another Omnibus Notes Facility and Security Agreement (the "Omnibus Agreement") with LBP and SBC for an additional project loan facility amounting to ₱2.6 billion. Proceeds of which were used to finance the project completion, settlement of the short-term bridge loan facility, and settlement of taxes and other finance related expenses.

On November 30, 2023, the interest rates of the notes under the Agreement and the Top-up Facility Agreement were repriced to 7.45% and 8.05%, respectively.

The loans under the Agreements are payable semi-annually at pre-agreed installments until the maturity on December 4, 2033.

#### LWC

On December 15, 2021, LWC entered into a loan agreement with Rizal Commercial Banking Corporation amounting to ₱250 million with an interest rate of 5.47% and payable in 10 years.

#### AEV International

In January 2020, AEV International issued a US dollar-denominated Regulation S-only senior unsecured notes, at an aggregate principal amount of US\$400 million and a tenor of 10 years (the "Notes"). The Notes are unrated, have a fixed coupon rate of 4.2% payable semiannually, and are unconditionally and irrevocably guaranteed by the Company as the guarantor. The Notes are listed on the Singapore Exchange.



### TCP

TCP entered into a various loan agreement with a local bank whereby the latter agreed to provide TCP an aggregate principal amount of loan up to ₱250.0 million to finance the construction of TCP's real estate projects. Interest is payable quarterly and was initially set at 8.65% per annum for the first 3 months, subject to reset thereafter.

| <b>Drawdown Date</b> | <b>Maturity Date</b> | <b>Outstanding as of<br/>December 31, 2024</b> |
|----------------------|----------------------|------------------------------------------------|
| June 19, 2018        | June 16, 2028        | ₱8.2M                                          |
| October 15, 2018     | October 12, 2028     | ₱9.4M                                          |
| July 26, 2019        | July 23, 2029        | ₱9.4M                                          |
| September 17, 2019   | September 14, 2029   | ₱9.4M                                          |
| September 13, 2018   | September 11, 2028   | ₱11.1M                                         |
| July 25, 2019        | July 25, 2028        | ₱11.1M                                         |
| September 30, 2019   | July 25, 2028        | ₱8.8M                                          |
| February 7, 2019     | January 29, 2029     | ₱5.0M                                          |
| September 27, 2019   | February 4, 2029     | ₱10.0M                                         |
| December 27, 2018    | December 27, 2028    | ₱11.8M                                         |
| March 6, 2019        | July 22, 2029        | ₱12.6M                                         |
| August 20, 2019      | September 12, 2028   | ₱9.4M                                          |
|                      |                      | <b>₱116.4M</b>                                 |

### AboitizLand

On September 16, 2021, AboitizLand entered into a loan agreement with BPI with a principal amount of P2.0 billion, which was fully drawn in 2021. The term of the loan is 5 years and bears a floating interest based on BVAL reference rate plus margin or floor rate, whichever is higher. At least 5% of the loan amount is payable on the 1st to the 3rd anniversary of the first drawdown, 15% on the 4th anniversary and balloon payment at maturity date. The loan is secured by landbank assets of the AboitizLand.

| <b>Drawdown Date</b> | <b>Maturity Date</b> | <b>Principal Amount</b> |
|----------------------|----------------------|-------------------------|
| September 16, 2021   | September 16, 2026   | ₱900.0M                 |
| October 1, 2021      | September 16, 2026   | ₱600.0M                 |
| November 9, 2021     | September 16, 2026   | ₱500.0M                 |

### LLI

In December 2021, LLI availed of ₱2.0 billion long term loan with BPI, payable over 5 years. Interest is initially set at 5.76%-5.97%, payable semi-annually.

On August 2022, LLI availed of ₱1.6 billion unsecured, long term loan with MBTC, payable over ten (10) years at a fixed interest rate of 6.59% per annum for the first 5 years and subject to repricing for another five years.

On December 2022, LLI availed an additional ₱1,6 billion unsecured, long term loan from MBT, payable over ten (10) years at a fixed interest rate of 7.45% per annum for the first 5 years and subject to repricing for another five years.



In August 2024, LLI availed of ₱1.0 billion unsecured long term loan with BPI, payable over 10 years at a fixed interest rate of 6.77% to 7.22%, payable in 8 annual installments.

In 2024, the LLI availed of ₱2.3 billion unsecured, long term loan with MBT, payable over eight (8) years at a fixed interest rate of 7.11% and 7.07% per annum for the first 5 years and subject to repricing for another three years.

#### GCMH and Subsidiaries

GCMH Group obtained loans from various lenders with floating interest rates ranging from 4.69% to 6.60% and from 4.69% to 10.43% in 2024 and 2023, respectively.

#### AGMCAC

AGMCAC has an existing ₱22.9 billion and US\$73.9 million loan, which is part of the Omnibus Loan and Security Agreement (OLSA) it entered into with various financial institution. The proceeds from the loan were used to refinance the bridge facility which was used to partly finance the payment of the Upfront Premium and to finance the capital expenditures and other cost in relation to the Project.

As security for timely payment of the loan and prompt observance of all provision of the OLSA, the following are pledged as collateral on the loan:

- all monies deposited by AGMCAC and from time to time standing in the Cash Flow Waterfall Accounts;
- the Project receivables;
- the proceeds of any asset and business insurance obtained by AGMCAC, except for the proceeds of insurance policies arising from damage of any Project Assets;
- the Project Documents (Accession Agreement, Technical Service Agreement and Engineering and Procurement Contract); and
- the 100% of the total issued and outstanding capital stock of AGMCAC.

On April 28, 2023, AGMCAC further amended the existing amended and restated OLSA and the existing long-term debt were refinanced. Under the amended terms, the semi-annual principal and interest payments shall be made on May 8th and November 11th of each year until the new maturity date of May 8, 2033, except during the grace period of principal repayments.

Under the amended terms, interest rate on PHP loan is at 7.18%, subject to repricing after seven (7) years from the B-2 Initial Drawdown Date. Interest rate on USD loans is fixed at 5.39%, subject to repricing after five (5) years from the B-2 Initial Drawdown Date.

#### Long-term debt of Joint Operation

This pertains to TPI's share of the outstanding project debt of its joint operation.

In May 2014, PEC entered into an omnibus agreement with various local banks for a loan facility in the aggregate principal amount of up to ₱33.3 billion with maturity period of 15 years.

The loan facility is subject to a semi-annual interest payment with annual fixed interest ranging from 5.50% - 8.31%. The loans may be voluntarily prepaid in full or in part commencing on and from the third year of the date of initial drawdown with a prepayment penalty.



The loans are secured by a mortgage of substantially all its assets with carrying amount of ₱31.1 billion and ₱36.7 billion as of December 31, 2024 and 2023, respectively, and a pledge of the shares of stock held by the joint operators.

#### Loan covenants

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

These restrictions and requirements were complied with by the Group as of December 31, 2024 and 2023.

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## 20. Customers' Deposits

|                                    | 2024       | 2023       |
|------------------------------------|------------|------------|
| Bill and load                      | ₱6,284,851 | ₱5,900,708 |
| Lines and poles                    | 1,913,923  | 1,618,794  |
| Transformers                       | 1,317,117  | 1,342,309  |
| Others                             | 1,234,030  | 442,206    |
| Total                              | 10,749,921 | 9,304,017  |
| Less current portion (see Note 17) | 878,568    | 191,112    |
| Noncurrent portion                 | ₱9,871,353 | ₱9,112,905 |

Transformers and lines and poles deposits are obtained from certain customers principally as cash bond for their proper maintenance and care of the said facilities while under their exclusive use and responsibility.

Effective April 1, 2010, the Amended Distribution Services and Open Access Rules (Amended DSOAR), increased the refund rate from 25% to 75% of the gross distribution revenue generated from the extension lines and facilities until such amounts are fully refunded.

Bill deposit serves to guarantee payment of bills by a customer which is estimated to equal one month's consumption or bill of the customer.

Both the Magna Carta and Distribution Services and Open Access Rules (DSOAR) also provide that residential and non-residential customers, respectively, must pay a bill deposit to guarantee payment of bills equivalent to their estimated monthly billing. The amount of deposit shall be adjusted after one year to approximate the actual average monthly bills. A customer who has paid his electric bills on or before due date for three consecutive years, may apply for the full refund of the bill deposit, together with the accrued interests, prior to the termination of the service; otherwise, bill deposits and accrued interests shall be refunded within one month from termination of service, provided all bills have been paid.

In cases where the customer has previously received the refund of his bill deposit pursuant to Article 7 of the Magna Carta, and later defaults in the payment of his monthly bills, the customer shall be required to post another bill deposit with the distribution utility and lose his right to avail of the right to refund his bill deposit in the future until termination of service. Failure to pay the required bill deposit shall be a ground for disconnection of electric service.



Other customer deposits pertain mainly to deposits from real estate buyers.

Interest expense on customers' deposits amounted to ₱10.8 million in 2024, ₱2.5 million in 2023, and ₱1.2 million in 2022 (see Note 36).

The Group classified customers' deposits under noncurrent liabilities due to the expected long-term nature of these accounts. The portion of customers' deposit to be refunded within the next 12 months amounted to ₱878.6 million and ₱191.1 million as of December 31, 2024 and 2023, respectively, and are presented as part of "Trade and other payables" (see Note 17).

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## 21. Decommissioning liability

Decommissioning liability includes the estimated costs to decommission, abandon and perform surface rehabilitation on steam field assets at the end of their useful lives, and the best estimate of the expenditure required to settle the obligation to decommission power plant at the end of its lease term (see Note 13).

|                                                      | 2024        | 2023       |
|------------------------------------------------------|-------------|------------|
| Balances at beginning of year                        | ₱7,363,729  | ₱5,654,234 |
| Change in accounting estimate (see Note 13)          | (2,520,525) | 1,287,688  |
| Accretion of decommissioning liability (see Note 36) | 416,001     | 421,807    |
| Balances at end of year                              | ₱5,259,205  | ₱7,363,729 |

The actual dismantling and removal cost could vary substantially from the above estimate because of new regulatory requirements, changes in technology, increased cost of labor, materials, and equipment or actual time required to complete all dismantling and removal activities. Adjustment, if any, to the estimated amount will be recognized prospectively as they become known and reliably estimable. The change in accounting estimate is due to the updating of discount and inflation rates. The asset retirement obligation was discounted using interest rates ranging from 5.19% - 6.11% in 2024 and 5.20% - 6.25% in 2023.

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## 22. Leases

### TLI

In 2009, TLI was appointed by PSALM as Administrator of the coal-fired power plant in Pagbilao, Quezon under the IPP Administration Agreement, giving TLI the right to receive, manage and control the capacity of the power plant for its own account and at its own cost and risk; and the right to receive the transfer of the power plant at the end of the IPP Administration Agreement for no consideration.

In view of the nature of the IPP Administration Agreement, the arrangement has been accounted for as a lease. Accordingly, TLI recognized the right-of-use asset and related liability of ₱44.8 billion (equivalent to the present value of the minimum lease payments using TLI's incremental borrowing rates of 10% and 12% for dollar and peso payments, respectively) in the consolidated financial statements as part of "ROU - Power plant" and "Lease liabilities" accounts, respectively (see Notes 3 and 13).



In November 2023, TLI prepaid the full amount of the remaining lease payments amounting to ₱13.8 billion. This resulted to a reduction in the right-of-use asset account amounting to ₱3.6 billion.

In December 2024, TLI entered into a lease agreement with PSALM for the parcels of land situated in Pagbilao. The lease will commence on the transfer date of the power plant for a period of 20 years. In 2024, TLI prepaid the lease amounting to ₱3.0 million (see Note 16).

#### APRI

On May 25, 2009, APRI entered into a lease agreement with PSALM for a parcel of land owned by the latter on which a portion of the assets purchased under the Asset Purchase Agreement (APA) is situated. The lease term is for a period of twenty-five (25) years commencing from the Closing Date as defined in the APA which falls on May 25, 2009. The rental fees for the whole term of 25 years amounting to ₱492.0 million were paid in full after the receipt by APRI of the Certificate of Effectivity on the lease.

#### GMEC

In August 2007, a 25-year lease agreement with Authority of the Freeport Area of Bataan for land at Bataan Economic Zone, used as an access road and right of way for electric power transmission lines.

In January 2010, a 50-year land lease agreement with PMR Group Retirement Plan, Inc. (PGRPI), used for its power plant facilities. GMEC, upon mutual agreement of PGRPI, has the right and option to extend the lease for a period of twenty-five years. In August 2016, GMEC entered into another lease agreement with PGRPI for land to be used for staff house.

#### Sacasun

Sacasun entered into a contract for lease of land where the power plant is located. The contract pertains to rent for 23 years renewable upon mutual agreement by the parties.

#### HI, HTI, HBI, HSAB, LHC and HSI

HI, HTI, HBI, HSAB, LHC and HSI entered into contracts with various lot owners for lease of land where their power plants are located. Terms of contract are for a period of 1 to 50 years renewable upon mutual agreement by the parties.

#### TMI

TMI entered into a lease contract with the Philippine Fisheries Development Authority on April 26, 2022 for some portions of the breakwater area of the Navotas Fishport Complex for a period of 15 years. They also have a lease contract with Montgomery Real Estate Lessor for their administrative office for a period of 15 years.

#### EAUC

Lease agreement with PEZA for a piece of land located inside Mactan Economic Zone for its power plant facilities for a period of 25 years.

#### TPVI

TPVI entered into a contract for lease of land where the power plant is located. The contract pertains to rent for 25 years renewable upon mutual agreement by the parties. The lease term may be renewed or extended for another 5 years upon the mutual written agreement of the parties. In 2024, TPVI assigned to its affiliate the right to purchase the land. The sale was executed on October 9, 2024. This resulted to derecognition of the right-of-use asset with carrying value of ₱447.0 million.



SPI

Lease agreement covering its head office, which was renewed in May 2021 until June 2026, with escalation clause of 3% applicable annually starting on the second year of the term.

CEDI

CEDI entered into a foreign Land Use Agreement with the Philippine Government for the exclusive right to occupy the, manage and develop forest land for the construction of its project effective until December 31, 2043. The lease contract has an escalation rate of 10.0%.

AP

AP entered into an operating lease agreement with Ayala Land Inc. for its use of administrative office space and parking space for a period of 16 years from August 1, 2024 to July 31, 2040. The lease contract has an escalation of 3.0% per annum

APREC

APREC executed a lease agreement with various lessors on pieces of land where the plant is located in Olongapo City, Zambales for a period of 25 to 99 years. The lease term may be renewed or extended upon the mutual written agreement of the parties.

RERI

RERI executed a lease agreement with various lessors on pieces of land where the two (2) power plants are located in City of Tarlac for a period of 25 to 30 years. The lease term may be renewed or extended upon the mutual written agreement of the parties.

ASPI

ASPI executed a lease agreement for the eight (8) parcels of land located in Calatrava, Province of Negros Occidental for twenty-seven (27) years. The contract shall be renewable at the option of the Lessee and be effective for another five (5) years from renewal.

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

2024

|                          | Right-of-use assets |            |             |                                           | Total       | Lease Liability |
|--------------------------|---------------------|------------|-------------|-------------------------------------------|-------------|-----------------|
|                          | Land                | Building   | Power Plant | Manufacturing Plant, Equipment and Others |             |                 |
| As at January 1          | ₱4,033,097          | ₱415,211   | ₱25,658,351 | ₱183,947                                  | ₱30,290,606 | ₱3,347,652      |
| Additions                | 734,337             | 929,014    | —           | —                                         | 1,663,351   | 1,556,624       |
| Amortization expense     | (199,105)           | (227,466)  | (938,170)   | (22,973)                                  | (1,387,714) | —               |
| Capitalized amortization | (28,480)            | —          | —           | —                                         | (28,480)    | —               |
| Interest expense         | —                   | —          | —           | —                                         | —           | 292,133         |
| Capitalized interest     | —                   | —          | —           | —                                         | —           | 43,818          |
| Payments                 | —                   | —          | —           | —                                         | —           | (500,333)       |
| Others                   | (364,536)           | 17,635     | —           | 2,717                                     | (344,184)   | 57,610          |
| As at December 31        | ₱4,175,313          | ₱1,134,394 | ₱24,720,181 | ₱163,691                                  | ₱30,193,579 | ₱4,797,504      |



2023

|                          | Right-of-use assets |           |             |                                           |             | Lease Liability |
|--------------------------|---------------------|-----------|-------------|-------------------------------------------|-------------|-----------------|
|                          | Land                | Building  | Power Plant | Manufacturing Plant, Equipment and Others | Total       |                 |
| As at January 1          | ₱4,151,107          | ₱203,910  | ₱30,296,186 | ₱205,524                                  | ₱34,856,727 | ₱27,860,923     |
| Additions                | 107,633             | 432,040   | —           | 8,281                                     | 547,954     | 543,510         |
| Amortization expense     | (189,423)           | (209,157) | (1,073,265) | (26,719)                                  | (1,498,564) | —               |
| Capitalized amortization | (4,584)             | —         | —           | —                                         | (4,584)     | —               |
| Interest expense         | —                   | —         | —           | —                                         | —           | 1,300,890       |
| Prepayments              | —                   | —         | (3,564,570) | —                                         | (3,564,570) | (3,564,570)     |
| Payments                 | —                   | —         | —           | —                                         | —           | (22,899,469)    |
| Others                   | (31,636)            | (11,582)  | —           | (3,139)                                   | (46,357)    | 106,368         |
| As at December 31        | ₱4,033,097          | ₱415,211  | ₱25,658,351 | ₱183,947                                  | ₱30,290,606 | ₱3,347,652      |

The carrying amount of the Group's right-of-use assets as of December 31, 2024 and 2023 is presented as part of "Property, plant and equipment" account.

The Group also has certain leases of equipment, meeting rooms and event sites with lease terms of 12 months or less. The Group applies the short-term lease recognition exemption of these leases.

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

|                                             | 2024              | 2023       | 2022       |
|---------------------------------------------|-------------------|------------|------------|
| Amortization expense of right-of-use assets | <b>₱1,387,714</b> | ₱1,498,564 | ₱1,485,470 |
| Interest expense on lease liabilities       | <b>292,133</b>    | 1,300,890  | 2,418,570  |
| Rent expense - short-term leases            | <b>238,290</b>    | 290,497    | 179,939    |
| Rent expense - low value assets             | <b>6,909</b>      | 10,965     | 8,461      |
|                                             | <b>₱1,925,046</b> | ₱3,100,916 | ₱4,092,440 |

### 23. Capital Stock

Information on the Company's authorized capital stock as of December 31, 2024 and 2023 are as follows:

|                                | Number of Shares |
|--------------------------------|------------------|
| Authorized capital stock:      |                  |
| Common shares, ₱1 par value    | 9,600,000,000    |
| Preferred shares, ₱1 par value | 400,000,000      |

Outstanding capital stock are as follows:

|                        | Number of Shares     |               |
|------------------------|----------------------|---------------|
|                        | 2024                 | 2023          |
| Common shares issued   | <b>5,694,599,621</b> | 5,694,599,621 |
| Less treasury shares   | <b>140,794,564</b>   | 74,813,864    |
| Balance at end of year | <b>5,553,805,057</b> | 5,619,785,757 |





On November 16, 1994, the Company listed with the Philippine Securities Exchange its 3,650,385,204 common shares with a par value of ₱1.00 per share to cover the initial public offering (IPO) of 821,486,204 common shares at an offer price of ₱5.70 per share. Gross proceeds from this issuance of new shares amounted to ₱4.6 billion. Transaction costs incidental to the IPO totaling ₱528.0 million were charged against "Additional paid-in capital" in the consolidated balance sheets.

On May 23, 1995 and August 30, 1996, the Company distributed 20% stock dividend equivalent to 730.08 million shares and 30% stock dividend equivalent to 1.31 billion shares, respectively. Both stock dividends were issued at ₱1.00 per share. At the end of 1996, common shares issued totaled 5.69 billion.

The preferred shares are non-voting, non-participating, non-convertible, cumulative re-issuable and redeemable and may be issued from time to time by the BOD in one or more series and fixed before issuance thereof, the number of shares in each series, and all designations, relative rights, preferences and limitations of the shares in each series. Preferred shares that are redeemed by the Company may be re-issued.

There were no preferred shares issued as of December 31, 2024 and 2023.

As of December 31, 2024 and 2023, the Company has 8,210 and 8,241 shareholders, respectively.

#### Treasury Shares

The Company purchased 66.0 million and 10.4 million treasury shares for a consideration of ₱2.5 billion and ₱0.5 billion in 2024 and 2023, respectively. This brings total treasury shares held by the Company to 140.8 million and 74.8 million shares with corresponding acquisition costs of ₱3.6 billion and ₱1.1 billion as of December 31, 2024 and 2023, respectively.

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## **24. Retained Earnings**

On March 05, 2024, the BOD approved the declaration of a regular cash dividend of ₱1.40 per share (₱7.9 billion) to all stockholders of record as of March 19, 2024. These dividends were taken out of the unrestricted retained earnings as of December 31, 2023, and were paid on March 26, 2024.

On March 03, 2023, the BOD approved the following:

- a. Declaration of a regular cash dividend of ₱1.47 per share (₱8.3 billion) to all stockholders of record as of March 17, 2023. These dividends were taken out of the unrestricted retained earnings as of December 31, 2022, and were paid on March 30, 2023.
- b. Appropriation of ₱20.0 billion of the Company's retained earnings as of December 31, 2022 for the debt payment of AEV and the reversal of appropriation of ₱11.0 billion for the prepayment of US dollar loans.

On March 4, 2022, the BOD approved the following:

- a. Declaration of a regular cash dividend of ₱1.62 per share (₱9.1 billion) to all stockholders of record as of March 18, 2022. These dividends were taken out of the unrestricted retained earnings as of December 31, 2021, and were paid on March 30, 2022.



- b. Appropriation of ₱70.6 billion of the Company's retained earnings as of December 31, 2021 for the additional capital infusion into UBP and AIC to finance their on-going projects, and for debt payment of AEV.

As mentioned in Note 19, the Company shall not permit its DE ratio to exceed 3:1 calculated based on the Group's year-end debts and consolidated equity.

The balance of retained earnings includes the accumulated equity in net earnings of subsidiaries, associates and joint arrangements amounting to ₱162.8 billion and ₱153.1 billion as of December 31, 2024 and 2023, respectively. Such amounts are not available for distribution until such time that the Company receives the dividends from the respective subsidiaries, associates and joint arrangements (see Note 10).

## 25. Other Comprehensive Income

|                                                                                            | 2024        | 2023         |
|--------------------------------------------------------------------------------------------|-------------|--------------|
| <b>Cumulative Translation Adjustments</b>                                                  |             |              |
| Balance at beginning of year                                                               | ₱558,087    | ₱1,809,142   |
| Movements                                                                                  | 1,049,860   | (1,251,055)  |
| Balance at end of year                                                                     | 1,607,947   | 558,087      |
| <b>Cash Flow Hedge Reserve</b>                                                             |             |              |
| Balance at beginning of year                                                               | (750,028)   | 1,376,129    |
| Movements                                                                                  | 784,655     | (2,126,157)  |
| Balance at end of year                                                                     | 34,627      | (750,028)    |
| <b>Actuarial Losses on Defined Benefit Plans</b>                                           |             |              |
| Balances at beginning of year                                                              | (893,806)   | (601,318)    |
| Movements                                                                                  | 95,865      | (292,488)    |
| Balance at end of year                                                                     | (797,941)   | (893,806)    |
| <b>Net Unrealized Gains on Financial Assets at FVOCI</b>                                   |             |              |
| Balance at beginning of year                                                               | 64,259      | (31,381)     |
| Movements                                                                                  | 65,198      | 95,640       |
| Balance at end of year                                                                     | 129,457     | 64,259       |
| <b>Share in Cumulative Translation Adjustments of Associates and Joint Ventures</b>        |             |              |
| Balance at beginning of year                                                               | ₱252,571    | ₱237,512     |
| Movements                                                                                  | 661,388     | 15,059       |
| Balance at end of year                                                                     | 913,959     | 252,571      |
| <b>Share in Actuarial Losses on Defined Benefit Plans of Associates and Joint Ventures</b> |             |              |
| Balance at beginning of year                                                               | (1,145,207) | (901,547)    |
| Movements                                                                                  | (1,074)     | (243,660)    |
| Balance at end of year                                                                     | (1,146,281) | (1,145,207)  |
| <b>Share in Fair Value Changes on Financial Assets at FVOCI of Associates</b>              |             |              |
| Balance at beginning of year                                                               | (1,035,505) | (6,956,134)  |
| Movements                                                                                  | 210,771     | 5,920,629    |
| Balance at end of year                                                                     | (824,734)   | (1,035,505)  |
| <b>Revaluation surplus</b>                                                                 | 642,672     | 642,672      |
|                                                                                            | ₱559,706    | (₱2,306,957) |



## 26. Revenues

### a. Power

#### Sale from Distribution of Power

The Uniform Rate Filing Requirements (UFR) on the rate unbundling released by the ERC on October 30, 2001 specified that the billing for sale and distribution of power and electricity will have the following components: Generation Charge, Transmission Charge, System Loss Charge, Distribution Charge, Supply Charge, Metering Charge, the Currency Exchange Rate Adjustment and Interclass and Lifeline Subsidies. National and local franchise taxes, the Power Act Reduction (for residential customers) and the Universal Charge are also separately indicated in the customer's billing statements.

Pursuant to Section 43(f) of Republic Act (R.A.) No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), and Rule 15, section 5(a) of its Implementing Rules and Regulations (IRR), the ERC promulgated the Distribution Wheeling Rates Guidelines on December 10, 2004. These were subsequently updated and released on July 26, 2006 as the Rules for Setting Distribution Wheeling Rates (RDWR) for Privately Owned Utilities entering Performance Based Regulation (PBR).

Details of the PBR regulatory period and the date of implementation of the approved rates are as follows:

|                                                                                   | CLP                                | DLP                              | VECO                             | SEZ                                      |
|-----------------------------------------------------------------------------------|------------------------------------|----------------------------------|----------------------------------|------------------------------------------|
| Current regulatory period                                                         | April 1, 2023 to<br>March 31, 2027 | July 1, 2024 to<br>June 30, 2028 | July 1, 2024 to<br>June 30, 2028 | October 1, 2025 to<br>September 30, 2029 |
| Date of implementation of approved<br>distribution supply and metering<br>charges | May 1, 2009                        | August 1, 2010                   | August 1, 2010                   | November 26, 2011                        |

The reset process for the Third Regulatory Period to adjust the previously approved distribution supply and metering charges were deferred due to the changes on PBR rules.

The Energy Regulatory Commission has issued ERC Resolution No. 10, Series of 2021 Modifying the Rules for Setting the Distribution Wheeling Rates (RDWR) for Privately-Owned Distribution Utilities Entering Performance-Based Regulation (PBR) and ERC Resolution No. 11, Series of 2021 Adopting the Regulatory Asset Base (RAB) Roll-Forward Handbook for Privately-Owned Electricity Distribution Utilities.

Based on the RDWR, the regulatory periods shall be as follows:

- i. CLP: April 1, 2023 to March 31, 2027
- ii. DLP and VECO: July 1, 2024 to June 30, 2028
- iii. SEZ: October 1, 2025 to September 30, 2029

The reset process for the Fourth Regulatory Period has not started for all private DUs as the above-mentioned ERC rules have not been published, which is a condition for their effectivity.

Total sale from distribution of power amounted to ₱57.0 billion, ₱53.4 billion and ₱57.2 billion in 2024, 2023 and 2022, respectively.



### Sale from Generation of Power and Retail Electricity

#### *Energy Trading through the Philippine Wholesale Electricity Spot Market (WESM)*

Certain subsidiaries are trading participants and direct members under the generator sector of the WESM. These companies are allowed to access the WESM Market Management System through its Market Participant Interface (MPI). The MPI is the facility that allows the trading participants to submit and cancel bids and offers, and to view market results and reports. Under its price determination methodology as approved by the ERC, locational marginal price method is used in computing prices for energy bought and sold in the market on a per node, per hour basis. In the case of bilateral power supply contracts, however, the involved trading participants settle directly with their contracting parties.

Total sale of power to WESM amounted to ₱33.8 billion in 2024, ₱33.0 billion in 2023 and ₱27.7 billion in 2022, respectively.

#### *Power Supply Agreements*

- i. Power Supply Contracts assumed under Asset Purchase Agreement (APA) and IPP Administration Agreement

Revenue recognition for customers under the power supply contracts assumed under the APA and IPP Administration Agreements are billed based on the contract price which is calculated based on the pricing structure approved by the ERC. Rates are calculated based on the time-of-use pricing schedule with corresponding adjustments using the GRAM and the ICERA.

- ii. Power Purchase/Supply Agreement and Energy Supply Agreement (PPA/PSA and ESA)

Certain subsidiaries have negotiated contracts with NPC, Private Distribution Utilities, Electric Cooperatives and Commercial and Industrial Consumers referred to as PPA/PSA or ESA. These contracts provide a tariff that allows these companies to charge for capacity fees, fixed operating fees and energy fees.

- iii. Feed-in-Tariff (FIT)

Certain subsidiaries were issued a FIT Certificate of Compliance from the ERC which entitles them to avail the FIT rate. These subsidiaries also signed agreements with the National Transmission Corporation (NTC), 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, for the entire duration of its FIT eligibility period.

Total sale of power under power supply agreements amounted to ₱52.4 billion in 2024, ₱69.6 billion in 2023 and ₱70.0 billion in 2022.

#### *Ancillary Services Procurement Agreement (ASPA)*

Certain subsidiaries have ASPA with the NGCP. Ancillary services are support services such as as frequency regulating, contingency and dispatchable reserves, reactive power support, and black start capability which are necessary to support the transmission capacity and energy that are essential in maintaining power quality and security of the grid.



Total sale of power under ASPA amounted to ₱6.6 billion in 2024, ₱4.2 billion in 2023 and ₱3.5 billion in 2022.

*Retail Electricity Supply Agreements*

Certain subsidiaries have negotiated contracts with contestable customers. These contracts provide supply and delivery of electricity where capacity fees, fixed operating fees and energy fees are at fixed price/kwh or time of use.

Total sale of power under retail electricity supply agreements amounted to ₱45.9 billion in 2024, ₱46.1 billion in 2023 and ₱35.2 billion in 2022, respectively.

- b. Real estate revenues consist of the following:

|                   | 2024               | 2023       | 2022       |
|-------------------|--------------------|------------|------------|
| Real estate sales | <b>₱8,977,353</b>  | ₱8,450,860 | ₱5,845,404 |
| Rental income     | <b>1,357,867</b>   | 1,025,627  | 1,596,866  |
|                   | <b>₱10,335,220</b> | ₱9,476,487 | ₱7,442,270 |

## 27. Purchased Power

Distribution

The Group's distribution utilities entered into contracts with NPC/PSALM and generation companies for the purchase of electricity, and into Transmission Service Agreements with NGCP for the transmission of electricity.

To avail of opportunities in the competitive electricity market, some of the Group's distribution utilities registered as direct participants of the WESM.

Total purchased power amounted to ₱28.6 billion, ₱26.5 billion, ₱29.6 billion in 2024, 2023 and 2022, respectively.

Generation

Purchased power takes place during periods when power generated from power plants are not sufficient to meet customers' required power as stated in the power supply contracts. Insufficient supply of generated energy results from the shutdowns due to scheduled maintenance or an emergency situation. The Group purchases power from WESM to ensure uninterrupted supply of power and meet the requirements in the power supply contracts.

The Group entered into Replacement Power Contracts with certain related parties (see Note 34). Under these contracts, the Group supplies power to counterparties when additional power is needed. Correspondingly, when faced with energy shortfalls, the Group purchases power from counterparties.

Total purchased power amounted to ₱9.7 billion, ₱15.4 billion, ₱23.9 billion in 2024, 2023 and 2022, respectively.

Retail Electricity Supply

The Group also purchases from WESM in order to supply its contestable customers.



Total purchased power amounted to ₱29.9 billion, ₱29.6 billion and ₱15.9 billion in 2024, 2023 and 2022, respectively.

## 28. Costs and Expenses

Cost of generated power consists of:

|                                  | 2024               | 2023        | 2022        |
|----------------------------------|--------------------|-------------|-------------|
| Fuel costs (see Note 6)          | <b>₱40,619,982</b> | ₱56,001,318 | ₱52,189,877 |
| Steam supply costs (see Note 40) | <b>5,694,787</b>   | 6,891,818   | 7,514,100   |
| Energy fees                      | <b>630,737</b>     | 832,137     | 664,405     |
| Wheeling expenses                | <b>107,897</b>     | 182,310     | 185,299     |
| Ancillary charges                | <b>75,401</b>      | 65,317      | 65,448      |
|                                  | <b>₱47,128,804</b> | ₱63,972,900 | ₱60,619,129 |

Cost of goods sold consists of:

|                                                                                                    | 2024               | 2023        | 2022        |
|----------------------------------------------------------------------------------------------------|--------------------|-------------|-------------|
| Raw materials used, purchases and changes in biological assets and inventories (see Notes 6 and 8) | <b>₱68,228,481</b> | ₱73,770,484 | ₱88,125,036 |
| Direct labor (see Note 29)                                                                         | <b>730,372</b>     | 709,591     | 732,621     |
| Manufacturing overhead                                                                             |                    |             |             |
| Depreciation (see Note 13)                                                                         | <b>1,532,756</b>   | 1,432,620   | 1,345,190   |
| Power                                                                                              | <b>858,290</b>     | 777,967     | 912,901     |
| Repairs and maintenance                                                                            | <b>815,191</b>     | 725,085     | 756,517     |
| Indirect labor (see Note 29)                                                                       | <b>810,719</b>     | 791,186     | 729,682     |
| Outside services                                                                                   | <b>363,619</b>     | 504,311     | 285,256     |
| Fuel and lubricants                                                                                | <b>323,523</b>     | 339,077     | 402,211     |
| Employees' benefits (see Notes 29 and 30)                                                          | <b>308,347</b>     | 269,708     | 256,432     |
| Toll milling expenses                                                                              | <b>235,868</b>     | 134,549     | 182,606     |
| Office and general supplies                                                                        | <b>148,792</b>     | 145,299     | 146,061     |
| Insurance                                                                                          | <b>136,489</b>     | 141,186     | 157,157     |
| Taxes and licenses                                                                                 | <b>111,227</b>     | 112,265     | 102,709     |
| Freight and handling                                                                               | <b>106,978</b>     | 112,094     | 77,971      |
| Medicines and vaccines                                                                             | <b>100,525</b>     | 50,112      | 51,849      |
| Rental                                                                                             | <b>76,494</b>      | 97,047      | 104,808     |
| Pest control                                                                                       | <b>31,074</b>      | 28,754      | 29,844      |
| Others                                                                                             | <b>487,047</b>     | 432,256     | 457,354     |
|                                                                                                    | <b>6,446,939</b>   | 6,093,516   | 5,998,548   |
| Cost of goods manufactured                                                                         | <b>75,405,792</b>  | 80,573,591  | 94,856,205  |
| Finished goods inventory (see Note 6)                                                              |                    |             |             |
| Beginning of year                                                                                  | <b>2,172,712</b>   | 2,928,323   | 1,437,567   |
| End of year                                                                                        | <b>(1,507,679)</b> | (2,172,712) | (2,928,323) |
|                                                                                                    | <b>₱76,070,825</b> | ₱81,329,202 | ₱93,365,449 |



Operating expenses consist of:

|                                                                                            | 2024               | 2023        | 2022        |
|--------------------------------------------------------------------------------------------|--------------------|-------------|-------------|
| Depreciation and amortization<br>(see Notes 13, 14 and 22)                                 | <b>₱13,840,286</b> | ₱13,625,030 | ₱12,433,264 |
| Personnel costs (see Notes 29 and 30)                                                      | <b>12,939,206</b>  | 12,021,193  | 10,085,981  |
| Outside services (see Note 35)                                                             | <b>5,925,192</b>   | 4,538,803   | 3,409,286   |
| Repairs and maintenance                                                                    | <b>4,913,262</b>   | 3,974,686   | 4,200,084   |
| Taxes and licenses                                                                         | <b>4,165,400</b>   | 4,194,498   | 3,366,300   |
| Insurance                                                                                  | <b>3,279,618</b>   | 3,457,067   | 3,007,163   |
| Freight and handling                                                                       | <b>1,797,202</b>   | 1,754,691   | 1,961,078   |
| Transportation and travel                                                                  | <b>1,144,241</b>   | 1,198,397   | 925,990     |
| Management and professional fees<br>(see Note 35)                                          | <b>1,127,137</b>   | 1,255,816   | 1,245,574   |
| Advertising                                                                                | <b>1,107,918</b>   | 896,167     | 711,404     |
| Information technology and communication                                                   | <b>758,029</b>     | 612,889     | 322,564     |
| Materials and supplies                                                                     | <b>406,403</b>     | 541,679     | 334,435     |
| Rent                                                                                       | <b>211,236</b>     | 194,773     | 138,132     |
| Training and development                                                                   | <b>183,450</b>     | 165,462     | 156,420     |
| Provision for (reversal of) expected<br>credit losses of trade receivables<br>(see Note 5) | <b>155,332</b>     | (5,326)     | 280,651     |
| Utilities                                                                                  | <b>143,363</b>     | 142,431     | 173,780     |
| Commissions                                                                                | <b>91,843</b>      | 83,144      | 38,368      |
| Fuel and lubricants                                                                        | <b>17,823</b>      | 13,658      | 10,740      |
| Others                                                                                     | <b>2,693,522</b>   | 2,141,667   | 1,543,656   |
|                                                                                            | <b>₱54,900,463</b> | ₱50,806,725 | ₱44,344,870 |

Other operating expenses consist of miscellaneous items, the most significant of which are materials and supplies.

Sources of depreciation and amortization are as follows:

|                                                | 2024               | 2023        | 2022        |
|------------------------------------------------|--------------------|-------------|-------------|
| Property, plant and equipment<br>(see Note 13) | <b>₱12,709,794</b> | ₱12,874,508 | ₱11,670,964 |
| Right-of-use assets (see Note 22)              | <b>1,387,714</b>   | 1,498,564   | 1,485,470   |
| Intangible assets (see Note 14)                | <b>1,305,238</b>   | 754,829     | 622,020     |
|                                                | <b>₱15,402,746</b> | ₱15,127,901 | ₱13,778,454 |

## 29. Personnel Costs

|                                 | 2024               | 2023        | 2022        |
|---------------------------------|--------------------|-------------|-------------|
| Salaries and wages              | <b>₱10,257,608</b> | ₱11,354,518 | ₱9,406,853  |
| Employee benefits (see Note 30) | <b>3,808,809</b>   | 2,340,588   | 2,175,690   |
|                                 | <b>₱14,066,417</b> | ₱13,695,106 | ₱11,582,543 |



### 30. Pension Benefit Plans

Under the existing regulatory framework, Republic Act 7641, otherwise known as *The Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity. It further states that the employees' 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 Company and its subsidiaries have funded, noncontributory, pension benefit plans ("Plan") covering all regular and full-time employees and requiring contributions to be made to separately administered funds. The retirement benefit fund ("Fund") of each subsidiary is in the form of a trust being maintained and managed by AEV, under the supervision of the Board of Trustees (BOT) of the Plan. The BOT, whose members are also corporate officers, is responsible for the investment of the Fund assets. Taking into account the Plan's objectives, benefit obligations and risk capacity, the BOT periodically defines the investment strategy in the form of a long-term target structure.

The following tables summarize the components of net benefit expense recognized in the consolidated statements of income and the funded status and amounts recognized in the consolidated balance sheets for the respective plans.

#### *Net benefit expense (recognized as part of personnel costs under operating expenses)*

|                                                                         | 2024            | 2023     | 2022     |
|-------------------------------------------------------------------------|-----------------|----------|----------|
| Retirement expense recognized in the consolidated statements of income: |                 |          |          |
| Service cost                                                            | <b>₱541,174</b> | ₱543,006 | ₱688,002 |
| Net interest cost                                                       | <b>67,214</b>   | 12,457   | 9,056    |
| Remeasurement of other long-term employee benefits                      | <b>1,963</b>    | (691)    | 831      |
|                                                                         | <b>₱610,351</b> | ₱554,772 | ₱697,889 |

|                                                                                                 | 2024           | 2023       | 2022     |
|-------------------------------------------------------------------------------------------------|----------------|------------|----------|
| Remeasurement gains (losses) recognized in the consolidated statements of comprehensive income: |                |            |          |
| Actuarial gains (losses) on defined benefit plan                                                | <b>₱13,556</b> | (₱325,167) | ₱280,321 |
| Return (losses) on assets excluding amount included in net interest cost                        | <b>(1,155)</b> | (226,561)  | 72,837   |
|                                                                                                 | <b>₱12,401</b> | (₱551,728) | ₱353,158 |

#### *Net pension liabilities*

|                             | 2024               | 2023        |
|-----------------------------|--------------------|-------------|
| Present value of obligation | <b>₱5,851,509</b>  | ₱5,479,162  |
| Fair value of plan assets   | <b>(4,963,678)</b> | (4,572,771) |
| <b>Pension liability</b>    | <b>₱887,831</b>    | ₱906,391    |





Changes in the present value of the defined benefit obligation are as follows:

|                                                                  | 2024              | 2023              |
|------------------------------------------------------------------|-------------------|-------------------|
| At January 1                                                     | <b>₱5,479,162</b> | <b>₱4,139,439</b> |
| Net benefit costs in the consolidated statements of income       |                   |                   |
| Current service costs                                            | <b>593,381</b>    | 538,454           |
| Interest cost                                                    | <b>350,125</b>    | 310,149           |
| Past service costs                                               | <b>(52,207)</b>   | 4,552             |
| Transfers and others                                             | <b>(1,500)</b>    | (785)             |
| Remeasurement of other long-term employee benefits               | <b>1,963</b>      | (691)             |
| Benefits paid                                                    | <b>(538,177)</b>  | (235,178)         |
| Remeasurements in other comprehensive income:                    |                   |                   |
| Actuarial losses (gains) due to experience adjustments           | <b>(99,402)</b>   | (106,125)         |
| Actuarial losses (gains) due to changes in financial assumptions | <b>85,846</b>     | 431,292           |
|                                                                  | <b>₱5,819,191</b> | <b>₱5,081,107</b> |
| Increase from step-acquisition of subsidiaries<br>(see Note 9)   | <b>32,318</b>     | 398,055           |
| At December 31                                                   | <b>₱5,851,509</b> | <b>₱5,479,162</b> |

Changes in the fair value of plan assets are as follows:

|                                                              | 2024              | 2023              |
|--------------------------------------------------------------|-------------------|-------------------|
| At January 1                                                 | <b>₱4,572,771</b> | <b>₱3,870,164</b> |
| Actual contributions                                         | <b>620,202</b>    | 392,825           |
| Interest income included in net interest cost                | <b>282,911</b>    | 297,692           |
| Transfers and others                                         | <b>186</b>        | 23,419            |
| Increase from step-acquisition to a subsidiary (see Note 9)  | <b>—</b>          | 422,377           |
| Actual return excluding amount included in net interest cost | <b>(1,155)</b>    | (226,561)         |
| Benefits paid                                                | <b>(511,237)</b>  | (207,145)         |
| At December 31                                               | <b>₱4,963,678</b> | <b>₱4,572,771</b> |

Changes in net pension liability recognized in the consolidated balance sheets are as follows:

|                                                                      | 2024             | 2023            |
|----------------------------------------------------------------------|------------------|-----------------|
| At January 1                                                         | <b>₱906,391</b>  | <b>₱269,275</b> |
| Contribution to retirement fund                                      | <b>(620,202)</b> | (392,825)       |
| Retirement expense for the year                                      | <b>610,351</b>   | 554,772         |
| Actuarial losses recognized for the year                             | <b>(12,401)</b>  | 551,728         |
| Transfers and others                                                 | <b>(1,686)</b>   | (24,204)        |
| Benefits paid from Group operating funds                             | <b>(26,940)</b>  | (28,033)        |
| Increase from step-acquisition/disposal of subsidiaries (see Note 9) | <b>32,318</b>    | (24,322)        |
| At December 31                                                       | <b>₱887,831</b>  | <b>₱906,391</b> |



The fair value of plan assets by each class as at the end of the reporting period are as follows:

|                                   | 2024              | 2023       |
|-----------------------------------|-------------------|------------|
| Cash and fixed-income investments | <b>₱2,098,048</b> | ₱2,728,370 |
| Equity instruments:               |                   |            |
| Power                             | <b>538,386</b>    | 475,046    |
| Holding                           | <b>990,953</b>    | 256,735    |
| Financial institution             | <b>255,480</b>    | 579,915    |
| Others                            | <b>1,080,811</b>  | 532,705    |
| Fair value of plan assets         | <b>₱4,963,678</b> | ₱4,572,771 |

All equity and debt instruments held have quoted prices in active market. The remaining plan assets do not have quoted market prices in active market.

The plan assets have diverse investments and do not have any concentration risk.

The principal assumptions used in determining pension benefit obligations for the Group's plans are shown below:

|                      | 2024                  | 2023          | 2022          |
|----------------------|-----------------------|---------------|---------------|
| Discount rate        | <b>5.93% - 7.273%</b> | 5.83% - 7.93% | 3.51% - 8.55% |
| Salary increase rate | <b>5% - 7%</b>        | 5% - 7%       | 5% - 7%       |

The sensitivity analysis below has been determined based on reasonable 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:

#### December 31, 2024

|                         | Increase<br>(decrease) in<br>basis points | Effect on<br>defined benefit<br>obligation |
|-------------------------|-------------------------------------------|--------------------------------------------|
| Discount rates          | 100<br>(100)                              | (₱365,402)<br>420,245                      |
| Future salary increases | 100<br>(100)                              | ₱509,392<br>(446,815)                      |

#### December 31, 2023

|                         | Increase<br>(decrease) in<br>basis points | Effect on<br>defined benefit<br>obligation |
|-------------------------|-------------------------------------------|--------------------------------------------|
| Discount rates          | 100<br>(100)                              | (₱313,397)<br>320,961                      |
| Future salary increases | 100<br>(100)                              | ₱329,106<br>(326,922)                      |



The pension benefit plans are funded by the Company and its subsidiaries. The Group expects to contribute approximately ₱576.4 million to the retirement benefit funds in 2025.

The average durations of the defined benefit obligation as of December 31, 2024 and 2023 are 1.48 - 18.65 years and 6.19 - 18.30 years, respectively.

The Board of Trustees reviews the performance of the plans on a regular basis. It assesses whether the retirement plans will achieve investment returns which, together with contributions, will be sufficient to pay retirement benefits as they fall due. The Group also reviews the solvency position of the different member companies on an annual basis and estimates, through the actuary, the expected contribution to the Plan in the subsequent year.

### 31. Other Income (Expense) - net

|                                                                                                                                             | 2024               | 2023       | 2022        |
|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------|-------------|
| Surcharges                                                                                                                                  | <b>₱616,315</b>    | ₱632,134   | ₱633,962    |
| Net unrealized fair valuation gains<br>on investment properties (see Note 15)                                                               | <b>381,525</b>     | 781,512    | 527,154     |
| Rental income (see Note 35)                                                                                                                 | <b>213,543</b>     | 249,814    | 218,503     |
| Non-utility operating income                                                                                                                | <b>126,774</b>     | 99,236     | 146,723     |
| Unrealized valuation gain (loss) on financial<br>assets (see Note 7)                                                                        | <b>1,903,856</b>   | 84,425     | (191,710)   |
| Dividend income                                                                                                                             | <b>1,502</b>       | 8,107      | 3,379       |
| Increase (decrease) in fair value of biological<br>assets (see Note 8)                                                                      | <b>596</b>         | 15,693     | (111,768)   |
| Net foreign exchange gains (losses)                                                                                                         | <b>(526,692)</b>   | 319,678    | 2,984,416   |
| Gain (loss) on sale/disposal of:                                                                                                            |                    |            |             |
| Investments and advances                                                                                                                    | <b>153,203</b>     | —          | 183,299     |
| Property, plant and equipment                                                                                                               | <b>(278,080)</b>   | 90,108     | (158,832)   |
| Financial assets at FVTPL                                                                                                                   | <b>(160)</b>       | 61,408     | 31,283      |
| Recovery of (provision for) impairment losses on<br>property, plant and equipment, goodwill and<br>other assets - net (see Notes 13 and 14) | <b>367,427</b>     | (224,774)  | (1,224,108) |
| Write off of project development costs<br>(see Note 14)                                                                                     | <b>(429,485)</b>   | (308,871)  | (314,490)   |
| Gain (Loss) from bargain purchase and<br>remeasurement of previously held interest<br>(see Note 9)                                          | <b>(1,862,483)</b> | 1,745,655  | —           |
| Others - net                                                                                                                                | <b>1,777,281</b>   | 2,506,249  | 1,411,073   |
|                                                                                                                                             | <b>₱2,445,122</b>  | ₱6,060,374 | ₱4,138,884  |

Included in "Net foreign exchange gain (loss)" are the net gains and losses relating to currency forward transactions (see Note 36).



Reversal of (provision for) impairment losses mainly pertains to the impairment test calculation of Sacasun and TPVI's property, plant and equipment. Sacasun recognized a gain from the reversal of impairment loss amounting to ₱490.7 million in 2024 while TPVI recognized additional impairment losses amounting to ₱55.1 million, ₱220.0 million and ₱685.0 million in 2024, 2023 and 2022, based on specifically identified components that are already considered obsolete.

"Others" include derivative gain/loss arising from TLI's commodity hedge amounting to ₱4.2 million in 2024 ₱194.0 million in 2023 and ₱1.70 billion in 2022, derivative gain/loss arising from ARI's currency forward transactions amounting to ₱308.8 million in 2024 and ₱121.0 million in 2023, and insurance claims amounting to ₱303.6 million in 2024 and ₱1.40 billion in 2023. "Others" also include non-recurring items like sale of scrap and sludge oil, and reversal of provisions.

### 32. Income Taxes

The provision for (benefit from) income tax consists of:

|                      | 2024        | 2023       | 2022       |
|----------------------|-------------|------------|------------|
| Current              |             |            |            |
| Corporate income tax | ₱9,422,619  | ₱6,797,600 | ₱4,019,584 |
| Final tax            | 446,690     | 476,635    | 222,637    |
|                      | 9,869,309   | 7,274,235  | 4,242,221  |
| Deferred             | 776,285     | 1,319,200  | 1,124,527  |
|                      | ₱10,645,594 | ₱8,593,435 | ₱5,366,748 |

A reconciliation between the statutory income tax rate and the Group's effective income tax rates follows:

|                                                                   | 2024   | 2023    | 2022    |
|-------------------------------------------------------------------|--------|---------|---------|
| Statutory income tax rate                                         | 25.00% | 25.00%  | 25.00%  |
| Tax effects of:                                                   |        |         |         |
| Changes on unrecognized deferred income tax assets                | 2.83   | 7.46    | 8.67    |
| Non-deductible interest expense                                   | 2.34   | 1.17    | 1.54    |
| Non-deductible depreciation expense                               | 0.09   | 0.66    | 0.59    |
| Deductible lease payments                                         | —      | (3.93)  | (5.14)  |
| Nontaxable share in net earnings of associates and joint ventures | (7.48) | (13.77) | (10.79) |
| Income under ITH                                                  | (0.23) | (1.63)  | (2.41)  |
| Interest income subjected to final tax at lower rates - net       | (1.31) | (1.32)  | (0.35)  |
| Others                                                            | 0.70   | 3.04    | (4.92)  |
|                                                                   | 21.94% | 16.68%  | 12.19%  |



Net deferred income tax assets at December 31 relate to the following:

|                                                                                   | 2024              | 2023       |
|-----------------------------------------------------------------------------------|-------------------|------------|
| Deferred income tax assets:                                                       |                   |            |
| Unrealized foreign exchange losses                                                | <b>₱1,063,011</b> | ₱698,991   |
| Net income from commissioning                                                     | <b>1,230,826</b>  | 1,103,664  |
| NOLCO                                                                             | <b>623,278</b>    | 638,890    |
| Allowances for impairment and probable losses                                     | <b>572,205</b>    | 635,802    |
| Accrued retirement benefits                                                       | <b>48,787</b>     | 29,366     |
| Unamortized contributions for past service                                        | <b>43,875</b>     | 48,155     |
| Tax effects of items in other comprehensive income                                | <b>52,157</b>     | 57,405     |
| Difference between the carrying amount of nonmonetary assets and related tax base | <b>159,138</b>    | —          |
| MCIT                                                                              | <b>49,796</b>     | 7,205      |
| Others                                                                            | <b>652,757</b>    | 573,519    |
|                                                                                   | <b>4,495,830</b>  | 3,792,997  |
| Deferred income tax liabilities:                                                  |                   |            |
| Difference between the carrying amount of nonmonetary assets and related tax base | <b>1,953,792</b>  | 1,579,344  |
| Revaluation prior to transfer to investment property                              | <b>214,224</b>    | 214,224    |
| Consumable biological assets                                                      | <b>99,395</b>     | 99,246     |
| Pension asset                                                                     | <b>2,689</b>      | 16,752     |
| Unrealized foreign exchange gain                                                  | <b>1,420</b>      | 92         |
| Others                                                                            | <b>56,762</b>     | 53,039     |
|                                                                                   | <b>2,328,282</b>  | 1,962,697  |
|                                                                                   | <b>₱2,167,548</b> | ₱1,830,300 |

Net deferred income tax liabilities at December 31 relate to the following:

|                                                                             | 2024               | 2023        |
|-----------------------------------------------------------------------------|--------------------|-------------|
| Deferred income tax liabilities:                                            |                    |             |
| Unrealized gain on investment property                                      | <b>₱1,243,418</b>  | ₱1,031,918  |
| Unamortized franchise                                                       | <b>546,742</b>     | 565,982     |
| Percentage-of-completion recognition of real estate sales and related costs | <b>97,842</b>      | 38,154      |
| Difference in treatment of PPA under financial and tax reporting            | <b>6,444,629</b>   | 1,327,887   |
| Unamortized customs duties and taxes capitalized                            | <b>3,434</b>       | 3,659       |
| Unrealized foreign exchange gains                                           | <b>415,206</b>     | 1,128,441   |
| Pension asset                                                               | <b>111,243</b>     | 131,682     |
| Lease liability                                                             | <b>6,168,658</b>   | 6,374,957   |
| Right-of-use assets                                                         | <b>(2,257,839)</b> | (3,226,683) |
| Others                                                                      | <b>2,209,391</b>   | 841,701     |
|                                                                             | <b>14,982,724</b>  | 8,217,698   |
| Deferred income tax assets:                                                 |                    |             |
| Tax effects of items in other comprehensive income                          | <b>206,745</b>     | 357,130     |
| NOLCO                                                                       | <b>417,670</b>     | 1,165,431   |
| Allowance for Impairment and probable losses                                | <b>413,524</b>     | 380,329     |
| Pension asset                                                               | <b>31,594</b>      | 16,349      |

(Forward)



|                                    | 2024               | 2023       |
|------------------------------------|--------------------|------------|
| Unamortized past service cost      | <b>₱36,504</b>     | ₱55,549    |
| Unrealized foreign exchange losses | <b>8,112</b>       | 8,112      |
| Others                             | <b>24,677</b>      | 338        |
|                                    | <b>1,138,826</b>   | 1,983,238  |
|                                    | <b>₱13,843,898</b> | ₱6,234,460 |

In computing for deferred income tax assets and liabilities, the tax rates used were 25% and 10%, which are the rates expected to apply to taxable income in the years in which the deferred income tax assets and liabilities are expected to be recovered or settled and considering the tax rate for renewable energy developers as allowed by the Renewable Energy Act of 2008.

No deferred income tax assets were recognized on the Group's NOLCO and MCIT amounting to ₱31.3 billion and ₱797.3 million, respectively, as of December 31, 2024 and ₱27.15 billion and ₱619.3 million, respectively, as of December 31, 2024 and 2023. Management expects that no sufficient taxable income and income tax payable will be generated in the future to allow all of the corresponding deferred income tax assets to be utilized.

The Group did not recognize deferred income tax liability on its undistributed retained earnings of its subsidiaries on the basis that there are no income tax consequences to the Group attaching to the payment of dividends to its shareholders or that the reversal of the temporary differences are not expected to reverse in the foreseeable future (see Note 24).

The Organisation for Economic Co-operation and Development (OECD) has published the Global Anti-Base Erosion (GloBE) Model Rules ("Pillar Two Rules"), which subjects multinational enterprises with an annual consolidated group revenue of EUR750 million or more for 2 out of the 4 immediately preceding fiscal years to a minimum 15% tax rate in each of the jurisdictions where they operate.

The Group is in-scope for Pillar Two. The Group assessed the applicable Pillar Two tax legislation in all the countries in which its subsidiaries operate to determine whether a Pillar Two 'top-up' tax liability needs to be recognized. There are jurisdictions in which the Group operates where Pillar Two tax legislation has an enacted and effective for the current audit period. However, the Group does not expect an exposure to Pillar Two income taxes for the year 2024.

The Group assessed its potential Pillar Two 'top-up tax' exposure for the year ended December 31, 2024 by applying the Transitional Country-by-Country Report (CbCR) Safe Harbour (TCSH) tests to the jurisdictions where it operates. The Group used the most recent information on the financial performance of the Group. Based on the assessment performed, the jurisdictions where the Group operates should benefit from the transitional CbCR safe harbour relief such that there should be no impact to the consolidated financial statements of the Group for the current audit period.

The Group adopts the PAS 12 amendments which allows a mandatory temporary exception from recognizing or disclosing information about deferred tax assets and liabilities related to Pillar Two at December 31, 2024.



### 33. Earnings per Common Share

Earnings per common share amounts were computed as follows:

|                                                                    | 2024               | 2023        | 2022        |
|--------------------------------------------------------------------|--------------------|-------------|-------------|
| a. Net income attributable to equity holders of the parent         | <b>₱18,127,511</b> | ₱23,546,289 | ₱24,020,840 |
| b. Weighted average number of common shares issued and outstanding | <b>5,572,732</b>   | 5,625,006   | 5,630,225   |
| c. Earnings per common share (a/b)                                 | <b>₱3.25</b>       | ₱4.19       | ₱4.27       |

There are no dilutive potential common shares as of December 31, 2024, 2023 and 2022.

### 34. Operating Segment Information

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

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

- power segment, which is engaged in power generation and sale of electricity;
- financial services segment, which is engaged in banking and money remittance operations;
- food manufacturing segment, which is engaged in the production of flour and feeds and swine breeding; this segment also includes beverage in 2024 following the acquisition of CCEAP.
- real estate segment, which is engaged in real property development for sale and lease;
- infrastructure segment, which is engaged in the production of cement and other building materials, airport operations, supply of treated bulk water; and economic estates operation.
- the parent company and others, which include the operations of the Company and the service provider subsidiaries that cater mainly to the Group.

In addition, The Group presents geographical segments based on two categories, as follows:

- Philippines, which represents the Group's local operations; and
- Rest of Asia, which represents the foreign operations of the Group across several countries in Asia.

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment revenue and segment expenses are measured in accordance with PFRS Accounting Standards. The presentation and classification of segment revenue and segment expenses are consistent with the consolidated statements of income. Interest expense and financing charges, depreciation and amortization expense and income taxes are managed on a per segment basis.



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

Segment assets do not include deferred income tax assets, pension asset and other noncurrent assets. Segment liabilities do not include deferred income tax liabilities, income tax payable and pension liability. Capital expenditures consist of additions of property, plant and equipment and intangible assets except goodwill. Adjustments as shown below include items not presented as part of segment assets and liabilities.

Financial information on the operations of the various business segments are summarized as follows:

|                                                        | 2024                |                    |                    |                   |                     |                           |                      |                     |
|--------------------------------------------------------|---------------------|--------------------|--------------------|-------------------|---------------------|---------------------------|----------------------|---------------------|
|                                                        | Power               | Financial Services | Food and Beverage  | Real Estate       | Infrastructure      | Parent Company and Others | Eliminations         | Consolidated        |
| <b>REVENUES</b>                                        |                     |                    |                    |                   |                     |                           |                      |                     |
| Third parties                                          | ₱197,125,807        | ₱—                 | ₱91,680,142        | ₱4,274,206        | ₱8,797,789          | ₱947,709                  | ₱—                   | ₱302,825,653        |
| Inter-segment                                          | 366,450             | —                  | 17,509,606         | 662               | 119,647             | 1,229,689                 | (19,226,054)         | —                   |
| <b>Total revenue</b>                                   | <b>₱197,492,257</b> | <b>₱—</b>          | <b>109,189,748</b> | <b>₱4,274,868</b> | <b>₱8,917,436</b>   | <b>₱2,177,398</b>         | <b>(₱19,226,054)</b> | <b>₱302,825,653</b> |
| <b>RESULTS</b>                                         |                     |                    |                    |                   |                     |                           |                      |                     |
| Segment results                                        | ₱41,194,911         | ₱—                 | ₱6,782,365         | ₱1,177,149        | ₱2,041,913          | (₱633,903)                | ₱31,106              | ₱50,593,541         |
| Unallocated corporate income (expenses) - net          | 1,677,405           | —                  | 3,444              | 400,583           | 162,195             | 208,774                   | (7,279)              | 2,445,122           |
| <b>INCOME FROM OPERATIONS</b>                          |                     |                    |                    |                   |                     |                           |                      | <b>53,038,663</b>   |
| Interest expense                                       | (14,600,722)        | —                  | (1,236,721)        | (85,486)          | (1,583,044)         | (5,049,874)               | 11,463               | (22,544,384)        |
| Interest income                                        | 1,974,244           | —                  | 387,172            | 39,325            | 53,860              | 1,074,058                 | (11,463)             | 3,517,196           |
| Share in net earnings of associates and joint ventures | 15,693,423          | 5,959,418          | 1,649,402          | (20,491)          | (8,746,781)         | 23,236,842                | (23,240,271)         | 14,531,542          |
| Provision for income tax                               | (8,212,936)         | —                  | (1,640,353)        | (252,569)         | (244,841)           | (294,895)                 | —                    | (10,645,594)        |
| <b>NET INCOME</b>                                      | <b>₱37,726,325</b>  | <b>₱5,959,418</b>  | <b>₱5,945,309</b>  | <b>₱1,258,511</b> | <b>(₱8,316,698)</b> | <b>₱18,541,002</b>        | <b>(₱23,216,444)</b> | <b>₱37,897,423</b>  |
| <b>OTHER INFORMATION</b>                               |                     |                    |                    |                   |                     |                           |                      |                     |
| Segment assets                                         | ₱123,026,354        | ₱—                 | ₱31,774,585        | ₱17,163,619       | ₱27,736,011         | ₱13,812,937               | (₱1,014,502)         | ₱212,499,004        |
| Investments and advances                               | 95,909,573          | 101,828,768        | 30,878,228         | —                 | 21,392,515          | 187,412,958               | (187,282,223)        | 250,139,819         |
| Unallocated corporate assets                           | 298,680,136         | —                  | 2,868,188          | 9,572,104         | 82,310,194          | 37,718,632                | (87,523)             | 431,061,731         |
| <b>Consolidated total assets</b>                       |                     |                    |                    |                   |                     |                           |                      | <b>₱893,700,554</b> |
| Segment liabilities                                    | ₱294,013,185        | ₱—                 | ₱32,044,216        | ₱8,502,854        | ₱56,637,328         | ₱90,233,153               | (₱1,014,502)         | ₱480,416,234        |
| Unallocated corporate liabilities                      | 7,706,200           | —                  | 745,410            | 890,776           | 6,929,536           | 646,822                   | —                    | 16,918,744          |
| <b>Consolidated total liabilities</b>                  |                     |                    |                    |                   |                     |                           |                      | <b>₱497,334,978</b> |
| Capital expenditures                                   | ₱23,561,036         | ₱—                 | ₱2,720,287         | ₱42,671           | ₱1,435,966          | ₱44,992                   | ₱—                   | ₱27,804,952         |
| Depreciation and amortization                          | ₱12,538,419         | ₱—                 | ₱1,858,391         | 49,834            | ₱739,083            | ₱217,019                  | ₱—                   | ₱15,402,746         |





| 2023                                                   |              |                    |                    |             |                |                           |               |              |
|--------------------------------------------------------|--------------|--------------------|--------------------|-------------|----------------|---------------------------|---------------|--------------|
|                                                        | Power        | Financial Services | Food Manufacturing | Real Estate | Infrastructure | Parent Company and Others | Eliminations  | Consolidated |
| REVENUES                                               |              |                    |                    |             |                |                           |               |              |
| Third parties                                          | ₱206,757,277 | ₱—                 | ₱92,296,802        | ₱3,588,082  | ₱6,409,380     | ₱1,567,548                | ₱—            | ₱310,619,089 |
| Inter-segment                                          | 342,618      | —                  | 11,489,691         | 2,735       | 139,751        | 1,182,650                 | (13,157,445)  | —            |
| Total revenue                                          | ₱207,099,895 | ₱—                 | ₱103,786,493       | ₱3,590,817  | ₱6,549,131     | ₱2,750,198                | (₱13,157,445) | ₱310,619,089 |
| RESULTS                                                |              |                    |                    |             |                |                           |               |              |
| Segment results                                        | ₱31,785,077  | ₱—                 | ₱3,314,887         | ₱926,928    | ₱2,234,523     | (₱270,943)                | ₱54,212       | ₱38,044,684  |
| Unallocated corporate income (expenses) - net          | 4,633,817    | —                  | (113,599)          | 613,680     | 403,815        | 522,661                   | —             | 6,060,374    |
| INCOME FROM OPERATIONS                                 |              |                    |                    |             |                |                           |               | 44,105,058   |
| Interest expense                                       | (14,161,649) | —                  | (1,469,629)        | (73,669)    | (376,042)      | (4,467,504)               | 19,526        | (20,528,967) |
| Interest income                                        | 1,667,281    | —                  | 201,533            | 32,425      | 156,758        | 2,262,955                 | (19,526)      | 4,301,426    |
| Share in net earnings of associates and joint ventures | 19,817,774   | 4,500,591          | 7,447              | (30,765)    | (658,582)      | 21,798,758                | (21,798,098)  | 23,637,125   |
| Provision for income tax                               | (7,276,865)  | —                  | (689,184)          | (81,776)    | (317,069)      | (228,541)                 | —             | (8,593,435)  |
| NET INCOME                                             | ₱36,465,435  | ₱4,500,591         | ₱1,251,455         | ₱1,386,823  | ₱1,443,403     | ₱19,617,386               | (₱21,743,886) | ₱42,921,207  |
| OTHER INFORMATION                                      |              |                    |                    |             |                |                           |               |              |
| Segment assets                                         | ₱115,803,428 | ₱—                 | ₱35,978,249        | ₱17,107,953 | ₱36,927,280    | ₱53,030,773               | (₱4,463,836)  | ₱254,383,847 |
| Investments and advances                               | 91,640,709   | 91,616,006         | 95,296             | 1,677,288   | 38,987,955     | 171,195,713               | (171,071,842) | 224,141,125  |
| Unallocated corporate assets                           | 279,579,168  | —                  | 34,279,506         | 9,061,533   | 23,489,257     | 9,656,545                 | (716,322)     | 355,349,687  |
| Consolidated total assets                              |              |                    |                    |             |                |                           |               | ₱833,874,659 |
| Segment liabilities                                    | ₱286,843,613 | ₱—                 | ₱40,494,812        | ₱8,458,265  | ₱24,421,500    | ₱94,945,953               | (₱4,763,836)  | ₱450,400,307 |
| Unallocated corporate liabilities                      | 6,205,328    | —                  | 452,277            | 791,284     | 234,533        | 444,486                   | —             | 8,127,908    |
| Consolidated total liabilities                         |              |                    |                    |             |                |                           |               | ₱458,528,215 |
| Capital expenditures                                   | ₱17,998,358  | ₱—                 | ₱2,649,761         | ₱107,256    | ₱912,139       | ₱241,415                  | ₱—            | ₱21,908,929  |
| Depreciation and amortization                          | ₱13,109,562  | ₱—                 | ₱1,689,440         | ₱50,693     | ₱84,582        | ₱193,624                  | ₱—            | ₱15,127,901  |

| 2022                                                   |              |                    |                    |             |                |                           |               |              |
|--------------------------------------------------------|--------------|--------------------|--------------------|-------------|----------------|---------------------------|---------------|--------------|
|                                                        | Power        | Financial Services | Food Manufacturing | Real Estate | Infrastructure | Parent Company and Others | Eliminations  | Consolidated |
| REVENUES                                               |              |                    |                    |             |                |                           |               |              |
| Third parties                                          | ₱193,703,938 | ₱—                 | ₱104,094,671       | ₱4,289,653  | ₱3,636,886     | ₱1,136,225                | ₱—            | ₱306,861,373 |
| Inter-segment                                          | 289,650      | —                  | 6,631,194          | 49,407      | 55,615         | 1,044,592                 | (8,070,458)   | —            |
| Total revenue                                          | ₱193,993,588 | ₱—                 | ₱110,725,865       | ₱4,339,060  | ₱3,692,501     | ₱2,180,817                | (₱8,070,458)  | ₱306,861,373 |
| RESULTS                                                |              |                    |                    |             |                |                           |               |              |
| Segment results                                        | ₱29,802,974  | ₱—                 | ₱3,180,628         | ₱1,145,420  | ₱1,273,603     | (₱376,633)                | ₱69,321       | ₱35,095,313  |
| Unallocated corporate income (expenses) - net          | 493,128      | —                  | (1,128,379)        | 303,419     | 436,097        | 4,034,619                 | —             | 4,138,884    |
| INCOME FROM OPERATIONS                                 |              |                    |                    |             |                |                           |               | 39,234,197   |
| Interest expense                                       | (13,420,348) | —                  | (1,565,638)        | (65,349)    | (160,902)      | (2,667,614)               | 23,167        | (17,856,684) |
| Interest income                                        | 678,696      | —                  | 74,353             | 4,503       | 130,710        | 1,002,129                 | (23,167)      | 1,867,224    |
| Share in net earnings of associates and joint ventures | 15,134,970   | 6,316,778          | 9,619              | (13,614)    | (665,405)      | 16,144,672                | (16,145,155)  | 20,781,865   |
| Provision for income tax                               | (4,713,148)  | —                  | (344,011)          | (48,169)    | (121,319)      | (140,101)                 | —             | (5,366,748)  |
| NET INCOME                                             | ₱27,976,272  | ₱6,316,778         | ₱226,572           | ₱1,326,210  | ₱892,784       | ₱17,997,072               | (₱16,075,834) | ₱38,659,854  |
| OTHER INFORMATION                                      |              |                    |                    |             |                |                           |               |              |
| Segment assets                                         | ₱132,976,387 | ₱—                 | ₱41,908,310        | ₱17,645,182 | ₱18,229,279    | ₱53,213,873               | (₱6,014,093)  | ₱257,958,938 |
| Investments and advances                               | 77,928,459   | 77,700,780         | 92,402             | 1,708,053   | 38,310,505     | 160,508,904               | (160,393,358) | 195,855,745  |
| Unallocated corporate assets                           | 266,484,892  | —                  | 33,402,056         | 8,333,401   | 34,665,728     | 11,793,641                | (716,322)     | 353,963,396  |
| Consolidated total assets                              |              |                    |                    |             |                |                           |               | ₱807,778,079 |

(Forward)



|                                   | 2022         |                    |                    |             |                |                           |              |              |
|-----------------------------------|--------------|--------------------|--------------------|-------------|----------------|---------------------------|--------------|--------------|
|                                   | Power        | Financial Services | Food Manufacturing | Real Estate | Infrastructure | Parent Company and Others | Eliminations | Consolidated |
| Segment liabilities               | ₱295,735,859 | ₱—                 | ₱45,205,929        | ₱8,696,528  | ₱18,468,712    | ₱90,204,998               | (₱6,314,093) | ₱451,997,933 |
| Unallocated corporate liabilities | 3,521,630    | —                  | 343,872            | 981,027     | 119,460        | 656,876                   |              | 5,622,865    |
| Consolidated total liabilities    |              |                    |                    |             |                |                           |              | ₱457,620,798 |
| Capital expenditures              | ₱12,085,502  | ₱—                 | ₱2,194,743         | ₱83,015     | ₱838,914       | ₱146,441                  | ₱—           | ₱15,348,615  |
| Depreciation and amortization     | ₱11,863,670  | ₱—                 | ₱1,627,827         | ₱42,421     | ₱62,605        | ₱181,931                  | ₱—           | ₱13,778,454  |

Revenues and noncurrent operating assets by geographical locations are summarized below:

|              | Revenue      |              |              | Property, Plant and Equipment |              | Intangible Assets |             |
|--------------|--------------|--------------|--------------|-------------------------------|--------------|-------------------|-------------|
|              | 2024         | 2023         | 2022         | 2024                          | 2023         | 2024              | 2023        |
| Philippines  | ₱250,956,365 | ₱257,356,479 | ₱242,674,145 | ₱203,456,661                  | ₱193,002,060 | ₱76,808,607       | ₱22,501,438 |
| Rest of Asia | 86,117,367   | 80,877,760   | 89,461,098   | 6,962,153                     | 6,407,928    | 33,271            | 40,439      |
|              | ₱337,073,732 | ₱338,234,239 | ₱332,135,243 | ₱210,418,814                  | ₱199,409,988 | ₱76,841,878       | ₱22,541,877 |

The revenue information above is based on the locations of customers. Noncurrent operating assets consist of property, plant and equipment and intangible assets.

### 35. Related Party Disclosures

Parties are considered to be related if one party has the ability to control, directly or indirectly, 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 or common significant influence. Related parties may be individuals or corporate entities.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group enters into transactions with its parent, associates, joint ventures and other related parties, principally consisting of the following:

- Service contracts of certain associates with ACO, AEV and AP at fees based on agreed rates. Professional and technical fees paid by these associates and joint ventures to ACO, AEV and AP totaled ₱418.2 million, ₱530.2 million and ₱727.7 million in 2024, 2023 and 2022, respectively.
- Cash deposits and placements with UBP earn interest at prevailing market rates (see Note 4).
- Aviation services are rendered by AEV Aviation to certain associates.
- Lease of commercial office units by ACO and certain associates from CPDC.
- Power sales to and purchases from certain associates and joint ventures based on the Group's power supply and purchase agreements, respectively (see Notes 26 and 27).
- Services rendered by Aboitiz Construction, Inc. (ACI), a wholly owned subsidiary of ACO, to the Group for various construction projects.



The above transactions are settled in cash.

Significant outstanding account balances with related parties as of December 31, 2024 and 2023 are as follows:

a. Revenue - Management, Professional and Technical Fees

|                                       | Revenue  |          |          | Accounts Receivable |         |                          |                             |
|---------------------------------------|----------|----------|----------|---------------------|---------|--------------------------|-----------------------------|
|                                       | 2024     | 2023     | 2022     | 2024                | 2023    | Terms                    | Conditions                  |
| Ultimate Parent                       |          |          |          |                     |         |                          |                             |
| ACO                                   | ₱13,610  | ₱17,880  | ₱16,757  | ₱—                  | ₱—      | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| Investees of ACO                      |          |          |          |                     |         |                          |                             |
| ACI                                   | 8,020    | 8,764    | 15,296   | —                   | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| ACII                                  | 73       | —        | 189      | 81                  | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| Associates and Joint Ventures         |          |          |          |                     |         |                          |                             |
| RCBM (see Note 10)                    | 13,087   | 12,839   | 236,379  | 118                 | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| SFELAPCO                              | 98,868   | 122,686  | 116,181  | 4,978               | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| CEDC                                  | 69,500   | 84,100   | 82,700   | —                   | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| RCMI (see Note 10)                    | —        | —        | 86,849   | —                   | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| AEV CRH Holdings, Inc.                | —        | 6        | —        | —                   | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| GNPD                                  | 153,224  | 44,910   | 43,478   | 37,551              | 3,593   | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| SNAP-Magat                            | 19,390   | 22,103   | 13,819   | 1,250               | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| SNAP-Benguet                          | 19,390   | 22,351   | 13,478   | 3,381               | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| SNAP-Res, Inc.                        | 5        | —        | —        | —                   | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| MORE                                  | 1,138    | 325      | 843      | —                   | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| UBP                                   | 21,890   | 145,359  | 95,921   | 13,950              | 13,950  | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| CSB                                   | —        | 4,958    | —        | 1,688               | 1,688   | 30-day;<br>interest-free | Clean; no<br>impairment     |
| PETNET                                | —        | 2,374    | —        | —                   | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| UNITY DIGITAL<br>INFRASTRUCTURE, INC. | —        | 12,819   | —        | —                   | 923     | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| BALIBAGO WATER SYSTEMS,<br>INC.       | —        | 28,701   | —        | —                   | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| SNAP-Generation                       | 5        | 1        | 1,310    | —                   | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| RCSI                                  | —        | 60       | 4,526    | —                   | —       | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| Total                                 | ₱418,200 | ₱530,236 | ₱727,726 | ₱62,997             | ₱20,154 |                          |                             |



b. Cash Deposits and Placements with UBP

|                                | Interest Income |                 |                 | Outstanding Balance |                    | Terms                             | Condition     |
|--------------------------------|-----------------|-----------------|-----------------|---------------------|--------------------|-----------------------------------|---------------|
|                                | 2024            | 2023            | 2022            | 2024                | 2023               |                                   |               |
| AP and Subsidiaries            | <b>₱610,688</b> | ₱603,953        | ₱91,330         | <b>₱13,967,050</b>  | ₱23,836,396        | 90 days or less; interest-bearing | No impairment |
| AEV                            | <b>9,762</b>    | 112,837         | 108,626         | <b>59,593</b>       | 2,479,390          | 90 days or less; interest-bearing | No impairment |
| PILMICO and Subsidiaries       | <b>597</b>      | 4,275           | 1,084           | <b>193,252</b>      | 186,109            | 90 days or less; interest-bearing | No impairment |
| AboitizLand and Subsidiaries   | <b>1,594</b>    | 953             | 1,431           | <b>472,472</b>      | 558,519            | 90 days or less; interest-bearing | No impairment |
| AIC and Subsidiaries           | <b>2,924</b>    | 4,229           | 5,866           | <b>1,654,434</b>    | 798,338            | 90 days or less; interest-bearing | No impairment |
| CPDC                           | <b>456</b>      | 58              | 456             | <b>62,798</b>       | 4,256              | 90 days or less; interest-bearing | No impairment |
| AEV AVIATION                   | <b>3,123</b>    | 1,923           | 187             | <b>93,967</b>       | 92,825             | 90 days or less; interest-bearing | No impairment |
| AIPL                           | —               | —               | —               | <b>13,157</b>       | 12,630             | 90 days or less; interest-bearing | No impairment |
| Weather Solutions, Inc.        | <b>413</b>      | 318             | —               | <b>10,060</b>       | 13,980             | 90 days or less; interest-bearing | No impairment |
| Advanced Data Innovation, Inc. | <b>22</b>       | 36              | —               | <b>49,838</b>       | 348                | 90 days or less; interest-bearing | No impairment |
| Petnet                         | —               | —               | —               | —                   | —                  | 90 days or less; interest-bearing | No impairment |
|                                | <b>₱629,579</b> | <b>₱728,582</b> | <b>₱208,980</b> | <b>₱16,576,621</b>  | <b>₱27,982,791</b> |                                   |               |

c. Revenue - Aviation Services

|                                 | Revenue |         |         | Accounts Receivable |      |                          |                             |
|---------------------------------|---------|---------|---------|---------------------|------|--------------------------|-----------------------------|
|                                 | 2024    | 2023    | 2022    | 2024                | 2023 | Terms                    | Conditions                  |
| Investees of ACO                |         |         |         |                     |      |                          |                             |
| ACI                             | ₱175    | ₱185    | ₱—      | ₱55                 | ₱—   | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| Associates and Joint Ventures   |         |         |         |                     |      |                          |                             |
| SNAP-Magat                      | 12,504  | 9,880   | 7,162   | —                   | —    | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| SNAP-Benguet                    | 1,857   | 1,972   | 1,844   | —                   | —    | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| UBP                             | 1,500   | 1,500   | 1,500   | —                   | —    | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| CCBPI                           | 3,098   | —       | —       | 64                  | —    | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| Republic Cement Services        | 1,211   | —       | —       | —                   | —    | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| Tsuneishi Holdings (Cebu), Inc. | —       | —       | 297     | —                   | —    | 30-day;<br>interest-free | Unsecured;<br>no impairment |
|                                 | ₱20,345 | ₱13,537 | ₱10,803 | ₱119                | ₱—   |                          |                             |



d. Revenue - Rental

|                  | Revenue |         |        | Accounts Receivable |      |                          |                             |
|------------------|---------|---------|--------|---------------------|------|--------------------------|-----------------------------|
|                  | 2024    | 2023    | 2022   | 2024                | 2023 | Terms                    | Conditions                  |
| Ultimate Parent  |         |         |        |                     |      |                          |                             |
| ACO              | ₱—      | ₱5,258  | ₱4,997 | ₱—                  | ₱—   | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| Investees of ACO |         |         |        |                     |      |                          |                             |
| ACI              | 1,921   | 1,842   | —      | 18                  | —    | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| Associates       |         |         |        |                     |      |                          |                             |
| UBP              | 9,357   | 3,087   | 2,558  | —                   | —    | 30-day;<br>interest-free | Unsecured;<br>no impairment |
| UDII             | 1,450   | —       | —      | —                   | —    | 30-day;<br>interest-free | Unsecured;<br>no impairment |
|                  | ₱12,728 | ₱10,187 | ₱7,555 | ₱18                 | ₱—   |                          |                             |

e. Revenue - Sale of Power

|                                                         | Revenue (see Note 26) |            |            | Receivable |          | Terms                    | Conditions                  |
|---------------------------------------------------------|-----------------------|------------|------------|------------|----------|--------------------------|-----------------------------|
|                                                         | 2024                  | 2023       | 2022       | 2024       | 2023     |                          |                             |
| Associate and Joint Ventures                            |                       |            |            |            |          |                          |                             |
| SFELAPCO                                                | ₱458,136              | ₱237,293   | ₱2,142,713 | ₱58,870    | ₱61,635  | 30-day;<br>interest-free | Unsecured; no<br>impairment |
| RCBM                                                    | 1,938,675             | 2,322,855  | 2,587,557  | 167,336    | 277,162  | 30-day;<br>interest-free | Unsecured; no<br>impairment |
| SNAP-Magat                                              | 732,134               | 732,471    | 1,511,909  | 7,659      | 376,383  | 30-day;<br>interest-free | Unsecured; no<br>impairment |
| GNPD                                                    | 60,647                | 167,879    | 516,901    | 1,329      | —        | 30-day;<br>interest-free | Unsecured; no<br>impairment |
| MEC                                                     | —                     | —          | 11,738     | —          | —        | 30-day;<br>interest-free | Unsecured; no<br>impairment |
| SNAP-RES                                                | 58,467                | 46,471     | —          | 6,144      | 3,565    | 30-day;<br>interest-free | Unsecured; no<br>impairment |
| SNAP-Benguet                                            | 70,606                | 251,733    | —          | 1,183      | 105,786  | 30-day;<br>interest-free | Unsecured; no<br>impairment |
| Coca Cola Beverages Phils<br>Inc. (an associate of AEV) | 223,709               | —          | —          | 46,970     | —        | 30-day;<br>interest-free | Unsecured; no<br>impairment |
| Investees of ACO                                        |                       |            |            |            |          |                          |                             |
| Tsuneishi Heavy Industries<br>(Cebu), Inc.              | 411,485               | 193,177    | 174,355    | 25,812     | 16,094   | 30-day;<br>interest-free | Unsecured; no<br>impairment |
| Aboitiz Construction<br>International, Inc.             | 11,401                | 3,844      | 1,767      | 1,722      | —        | 30-day;<br>interest-free | Unsecured; no<br>impairment |
| Aboitiz Construction Inc.                               | 115                   | —          | —          | 11         | —        | 30-day;<br>interest-free | Unsecured; no<br>impairment |
|                                                         | ₱3,965,375            | ₱3,955,723 | ₱6,946,940 | ₱317,036   | ₱840,625 |                          |                             |

g. Cost of Purchased Power

|                               | Purchases (see Note 26) |            |            | Payable  |        |                          |           |
|-------------------------------|-------------------------|------------|------------|----------|--------|--------------------------|-----------|
|                               | 2024                    | 2023       | 2022       | 2024     | 2023   | Terms                    | Condition |
| Associates and Joint Ventures |                         |            |            |          |        |                          |           |
| CEDC                          | ₱4,404,767              | ₱6,521,068 | ₱5,005,221 | ₱394,295 | ₱488   | 30-day;<br>interest-free | Unsecured |
| SNAP-Magat                    | 1,926,407               | 1,318,600  | 2,815,696  | 8,280    | 22     | 30-day;<br>interest-free | Unsecured |
| SFELAPCO                      | 130,266                 | 113,305    | 33,664     | 14,760   | 12,785 | 30-day;<br>interest-free | Unsecured |

(Forward)



|              | Purchases (see Note 26) |                    |                   | Payable           |                   | Terms                    | Condition |
|--------------|-------------------------|--------------------|-------------------|-------------------|-------------------|--------------------------|-----------|
|              | 2024                    | 2023               | 2022              | 2024              | 2023              |                          |           |
| SNAP RES     | <b>₱20,684</b>          | <b>₱—</b>          | <b>₱—</b>         | <b>₱412</b>       | <b>₱—</b>         | 30-day;<br>interest-free | Unsecured |
| GNPD         | <b>15,462,401</b>       | 15,740,852         | —                 | <b>1,770,940</b>  | 1,518,818         | 30-day;<br>interest-free | Unsecured |
| SNAP-Benguet | <b>1,414,292</b>        | 821,815            | 1,478,492         | <b>6,585</b>      | 107,590           | 30-day;<br>interest-free | Unsecured |
|              | <b>₱23,358,817</b>      | <b>₱24,515,640</b> | <b>₱9,333,073</b> | <b>₱2,195,272</b> | <b>₱1,639,703</b> |                          |           |

#### h. Capitalized Construction and Rehabilitation Costs

|                   | Purchases |          |          | Payable |      | Terms                    | Condition |
|-------------------|-----------|----------|----------|---------|------|--------------------------|-----------|
|                   | 2024      | 2023     | 2022     | 2024    | 2023 |                          |           |
| Fellow Subsidiary |           |          |          |         |      |                          |           |
| ACI               | ₱—        | ₱296,759 | ₱313,249 | ₱—      | ₱—   | 30-day;<br>interest-free | Unsecured |

#### Retirement Benefit Fund

The Company's retirement benefit fund is in the form of a trust being maintained and managed by ACO under the supervision of the BOT of the plan.

The Fund has a carrying amount and a fair value of ₱0.9 billion as of December 31, 2024 and 2023. The assets and investments of the Fund are as follows:

|                                    | 2024            | 2023            |
|------------------------------------|-----------------|-----------------|
| Equity investments at FVTPL        | <b>₱745,390</b> | ₱871,578        |
| Financial assets at amortized cost | <b>127,574</b>  | 52,263          |
| Debt investments at FVOCI          | <b>17,142</b>   | 18,041          |
|                                    | <b>₱890,106</b> | <b>₱941,882</b> |

The Company's retirement benefit fund for its employees has investments in the equities of the Company and one of its subsidiaries. The carrying values of these investments as of December 31, 2024 and 2023 and the gains and losses of the Fund arising from such investments for the years then ended are as follows:

|                   | 2024           |                  | 2023           |           |
|-------------------|----------------|------------------|----------------|-----------|
|                   | Carrying Value | Gains            | Carrying Value | Losses    |
| AEV common shares | <b>₱71,448</b> | <b>(₱16,420)</b> | ₱75,908        | (₱22,296) |
| AP common shares  | <b>352,065</b> | <b>931</b>       | 352,065        | 34,927    |

The above investments of the Fund were approved by the BOT. The voting rights over these equity securities are exercised by the chairman of the BOT.



### Compensation of Key Management Personnel

|                          | 2024     | 2023     | 2022     |
|--------------------------|----------|----------|----------|
| Short-term benefits      | ₱248,309 | ₱194,946 | ₱208,359 |
| Post-employment benefits | 12,416   | 12,333   | 10,350   |
|                          | ₱260,725 | ₱207,279 | ₱218,709 |

## 36. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, investments in FVTPL or FVOCI, bank loans, and long-term debts. The main purpose of these financial instruments is to raise finances for the Group's operations and its investments in existing subsidiaries and associates and in new projects. The Group has other financial assets and liabilities such as trade and other receivables, trade and other payables, customer deposits and lease liabilities which arise directly from operations.

The Group also enters into derivative transactions, particularly foreign currency forwards to economically hedge its foreign currency risk from foreign currency denominated liabilities and purchases, commodity swap contracts to hedge the price volatility of forecast coal purchases and interest rate swap agreement to hedge the variability in the interest cash flow of its LIBOR loan.

### Risk Management Structure

The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Group.

### *Financial risk committee*

The Financial Risk Committee has the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Group's approach to risk issues in order to make relevant decisions.

### *Treasury service group*

The Treasury Service Group is responsible for the comprehensive monitoring, evaluating and analyzing of the Group's risks in line with the policies and limits.

The main risks arising from the Group's financial instruments are interest rate risk resulting from movements in interest rates that may have an impact on outstanding long-term debts; credit risk involving possible exposure to counter-party default on its cash and cash equivalents, investments in financial assets at FVOCI and trade and other receivables; liquidity risk in terms of the proper matching of the type of financing required for specific investments; and foreign exchange risk in terms of foreign exchange fluctuations that may significantly affect its foreign currency denominated placements and borrowings.



### Market Risk

The risk of loss, immediate or over time, due to adverse fluctuations in the price or market value of instruments, products, and transactions in the Group's overall portfolio (whether on or off-balance sheet) is market risk. These are influenced by foreign and domestic interest rates, foreign exchange rates and gross domestic product growth.

### *Interest rate risk*

The Group's exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations. To manage this risk, the Group determines the mix of its debt portfolio as a function of the level of current interest rates, the required tenor of the loan, and the general use of the proceeds of its various fund-raising activities. As of December 31, 2024, 7.5% of the Group's long-term debt had annual floating interest rates ranging from 4.54% to 8.05%, and 92.5% are with fixed rates ranging from 3.30% to 8.95%. As of December 31, 2023, 9.2% of the Group's long-term debt had annual floating interest rates ranging from 4.54% to 8.26%, and 90.8% are with fixed rates ranging from 3.30% to 8.51%.

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

### December 31, 2024

|                        | Less than<br>1 year | 1-5 years          | More than<br>5 years | Total              |
|------------------------|---------------------|--------------------|----------------------|--------------------|
| <b>Long-term debts</b> |                     |                    |                      |                    |
| <b>Floating rate</b>   | <b>₱2,643,816</b>   | <b>₱17,816,373</b> | <b>₱6,438,605</b>    | <b>₱26,898,794</b> |

### December 31, 2023

|                        | Less than<br>1 year | 1-5 years          | More than<br>5 years | Total              |
|------------------------|---------------------|--------------------|----------------------|--------------------|
| <b>Long-term debts</b> |                     |                    |                      |                    |
| <b>Floating rate</b>   | <b>₱2,320,428</b>   | <b>₱11,065,168</b> | <b>₱17,152,934</b>   | <b>₱30,538,530</b> |

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on the other financial instruments of the Group that are not included in the above tables are either fixed-rate or non-interest bearing, and are therefore not subject to interest rate risk. Its derivative assets and liabilities are subject to fair value interest rate risk.

The interest expense recognized during the years ended December 31 is as follows:

|                                                         | 2024               | 2023        | 2022        |
|---------------------------------------------------------|--------------------|-------------|-------------|
| Long-term debts (see Note 19)                           | <b>₱19,624,450</b> | ₱16,435,031 | ₱13,918,060 |
| Lease liabilities (see Note 22)                         | <b>292,133</b>     | 1,300,890   | 2,418,570   |
| Long-term obligation on PDS<br>and others (see Note 21) | <b>579,545</b>     | 569,777     | 774,249     |
| Bank loans (see Note 18)                                | <b>2,037,448</b>   | 2,212,191   | 683,154     |
| Loss on loan extinguishment                             | —                  | 8,586       | 61,444      |
| Customers' deposits (see Note 20)                       | <b>10,808</b>      | 2,492       | 1,207       |
|                                                         | <b>₱22,544,384</b> | ₱20,528,967 | ₱17,856,684 |





The interest income recognized during the years ended December 31 is as follows:

|                                        | 2024              | 2023       | 2022       |
|----------------------------------------|-------------------|------------|------------|
| Cash and cash equivalents (see Note 4) | <b>₱3,223,727</b> | ₱3,684,062 | ₱971,835   |
| Short-term cash deposits (see Note 7)  | <b>53,430</b>     | 276,960    | 750,013    |
| Others (see Note 16)                   | <b>240,039</b>    | 340,404    | 145,376    |
|                                        | <b>₱3,517,196</b> | ₱4,301,426 | ₱1,867,224 |

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) as of December 31, 2024, 2023 and 2022:

|             | Increase<br>(decrease)<br>in basis points | Effect on income<br>before tax      |
|-------------|-------------------------------------------|-------------------------------------|
| <b>2024</b> | <b>200</b><br><b>(100)</b>                | <b>(₱537,976)</b><br><b>268,988</b> |
| 2023        | 200<br>(100)                              | (₱610,771)<br>305,385               |
| 2022        | 200<br>(100)                              | (₱553,906)<br>276,953               |

The Group's sensitivity to an increase/decrease in interest rates pertaining to derivative instruments is expected to be insignificant in 2024, 2023 and 2022 due to their short-term maturities and immateriality relative to the total assets and liabilities of the Group.

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

#### *Commodity Price Risk*

Commodity price risk of the Group arises from transactions on the world commodity markets to secure the supply of fuel, particularly coal, which is necessary for the generation of electricity.

The Group's objective is to minimize the impact of commodity price fluctuations and this exposure is hedged in accordance with the Group's commodity price risk management strategy.

Based on a 36-month forecast of the required coal supply, the Group hedges the purchase price of coal using commodity swap contracts. The commodity swap contracts do not result in physical delivery of coal, but are designated as cash flow hedges to offset the effect of price changes in coal.

Currently, the management is monitoring the development of the situation in Ukraine which could directly impact the Group because of higher prices of fuel.

#### *Foreign exchange risk*

The foreign exchange risk of the Group pertains significantly to its foreign currency denominated borrowings, including lease liabilities. To mitigate the risk of incurring foreign exchange losses, foreign currency holdings are matched against the potential need for foreign currency in financing equity investments and new projects. As of December 31, 2024 and 2023, foreign currency denominated borrowings account for 16.5% and 17.3%, respectively, of total consolidated borrowings.



The following table presents the Group's foreign currency denominated assets and liabilities:

|                                                       | 2024        |                                         | 2023      |                                         |
|-------------------------------------------------------|-------------|-----------------------------------------|-----------|-----------------------------------------|
|                                                       | US dollar   | Philippine peso Equivalent <sup>1</sup> | US dollar | Philippine peso Equivalent <sup>2</sup> |
| Financial assets:                                     |             |                                         |           |                                         |
| Cash and cash equivalents                             | \$419,424   | ₱24,261,581                             | \$878,744 | ₱48,656,067                             |
| Short-term cash deposits                              | 3,680       | 212,870                                 | 34,706    | 1,921,676                               |
| Trade and other receivables                           | 13,689      | 791,840                                 | 109,947   | 6,087,765                               |
| Investments in FVTPL and FVOCI                        | 39,092      | 2,261,277                               | 61,469    | 3,403,512                               |
| Total financial assets                                | 475,885     | 27,527,568                              | 1,084,866 | 60,069,020                              |
| Financial liabilities:                                |             |                                         |           |                                         |
| Bank loans                                            | 14,419      | 834,067                                 | 50,690    | 2,806,705                               |
| Trade and other payables                              | 58,271      | 3,370,686                               | 196,221   | 10,864,757                              |
| Long-term debts                                       | 513,900     | 29,726,546                              | 440,000   | 24,362,800                              |
| Total financial liabilities                           | 586,590     | 33,931,299                              | 686,911   | 38,034,262                              |
| Net foreign currency denominated assets (liabilities) | (\$110,705) | (₱6,403,731)                            | \$397,955 | ₱22,034,758                             |

<sup>1</sup>\$1= ₱57.85

<sup>2</sup>\$1= ₱55.37

The following table demonstrates the sensitivity to a reasonable possible change in the US dollar exchange rates, with all other variables held constant, of the Group's profit before tax :

|      | Increase (decrease) in US dollar rate against the Philippine peso | Effect on income before income tax |
|------|-------------------------------------------------------------------|------------------------------------|
| 2024 | US dollar strengthens by 5%                                       | (₱320,187)                         |
|      | US dollar weakens by 5%                                           | 320,187                            |
| 2023 | US dollar strengthens by 5%                                       | ₱1,101,738                         |
|      | US dollar weakens by 5%                                           | (1,101,738)                        |

The increase in US dollar rate represents depreciation of Philippine peso while the decrease in US dollar rate represents appreciation of Philippine peso.

The following table presents LHC's and GMEC's foreign currency denominated assets and liabilities:

|                                         | 2024            |                                   | 2023            |                                   |
|-----------------------------------------|-----------------|-----------------------------------|-----------------|-----------------------------------|
|                                         | Philippine Peso | US Dollar Equivalent <sup>1</sup> | Philippine Peso | US Dollar Equivalent <sup>2</sup> |
| Financial assets:                       |                 |                                   |                 |                                   |
| Cash and cash equivalents               | ₱6,989,954      | \$120,839                         | ₱9,008,117      | \$162,689                         |
| Trade and other receivables             | 11,077,046      | 191,495                           | 7,078,677       | 127,843                           |
|                                         | 18,067,000      | 312,334                           | 16,086,794      | 290,532                           |
| Financial liability:                    |                 |                                   |                 |                                   |
| Trade and other payables                | 8,480,737       | 146,611                           | 4,154,504       | 75,032                            |
| Net foreign currency denominated assets | ₱9,586,263      | \$165,723                         | ₱11,932,290     | \$215,500                         |

<sup>1</sup>\$1= ₱57.85

<sup>2</sup>\$1= ₱55.37



The following tables demonstrate the sensitivity to a reasonable possible change in the US dollar exchange rate in relation to Philippine peso, with all variables held constant, of the Group's income before tax:

| <b>2024</b>                                                  | Effect on<br>income<br>before tax |
|--------------------------------------------------------------|-----------------------------------|
| <b>US dollar appreciates against Philippine peso by 5.0%</b> | <b>(\$8,286)</b>                  |
| <b>US dollar depreciates against Philippine peso by 5.0%</b> | <b>8,286</b>                      |
| <b>2023</b>                                                  |                                   |
| US dollar appreciates against Philippine peso by 5.0%        | (\$10,775)                        |
| US dollar depreciates against Philippine peso by 5.0%        | 10,775                            |

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

#### *Equity price risk*

Equity price risk is the risk that the fair value of traded equity instruments decreases as the result of the changes in the levels of equity indices and the value of the individual stock.

As of December 31, 2024 and 2023, the Group's exposure to equity price risk is minimal.

#### Credit Risk

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

#### *Concentration risk*

Credit risk concentration of the Group's receivables according to the customer category as of December 31, 2024 and 2023 is summarized in the following table:

|                        | <b>2024</b>        | <b>2023</b> |
|------------------------|--------------------|-------------|
| Power distribution:    |                    |             |
| Industrial             | <b>₱11,415,839</b> | ₱9,250,799  |
| Residential            | <b>3,363,528</b>   | 2,193,446   |
| Commercial             | <b>1,135,639</b>   | 1,147,583   |
| City street lighting   | <b>36,456</b>      | 33,964      |
| Power generation:      |                    |             |
| Power supply contracts | <b>9,956,115</b>   | 14,139,560  |
| Spot market            | <b>4,633,995</b>   | 3,181,336   |
|                        | <b>₱30,541,572</b> | ₱29,946,688 |



The above receivables were provided with allowance for ECL amounting to ₱3.5 billion and ₱3.4 billion as of December 31, 2024 and 2023, respectively (see Note 5).

The aging analysis per class of financial assets, including contract assets, is as follows:

**December 31, 2024**

|                             | Total        | Current      | Less than<br>30 days | 31 days<br>to 60 days | Over<br>60 days | Impaired   |
|-----------------------------|--------------|--------------|----------------------|-----------------------|-----------------|------------|
| Cash and cash equivalents   | ₱81,793,295  | ₱81,793,295  | ₱—                   | ₱—                    | ₱—              | ₱—         |
| Restricted cash             | 6,198,924    | 6,198,924    | —                    | —                     | —               | —          |
| Short-term deposits         | 212,870      | 212,870      | —                    | —                     | —               | —          |
| Trade and other receivables |              |              |                      |                       |                 |            |
| Trade receivables           |              |              |                      |                       |                 |            |
| Power                       | 30,541,572   | 20,358,628   | 2,339,373            | 621,889               | 3,708,792       | 3,512,890  |
| Food manufacturing          | 9,812,643    | 7,021,129    | 289,786              | 197,871               | 712,219         | 1,591,638  |
| Real estate                 | 14,589,347   | 8,406,183    | 146,765              | 164,550               | 5,712,497       | 159,352    |
| Holding and others          | 1,582,132    | 926,304      | 98,760               | 64,561                | 451,195         | 41,312     |
| Other receivables           | 11,402,970   | 9,726,346    | 22,905               | 206,576               | 1,447,143       | —          |
| Concession contract asset   | 8,886,664    | 8,886,664    | —                    | —                     | —               | —          |
| Financial assets at FVTPL:  |              |              |                      |                       |                 |            |
| Quoted shares of stock      | 45,224       | 45,224       | —                    | —                     | —               | —          |
| Unquoted shares of stock    | 37,408       | 37,408       | —                    | —                     | —               | —          |
| Financial assets at FVOCI   | 2,292,223    | 2,292,223    | —                    | —                     | —               | —          |
| Derivative asset            | 328,981      | 328,981      | —                    | —                     | —               | —          |
|                             | ₱167,724,253 | ₱146,234,179 | ₱2,897,589           | ₱1,255,447            | ₱12,031,846     | ₱5,305,192 |

**December 31, 2023**

|                                       | Total        | Current      | Less than<br>30 days | 31 days<br>to 60 days | Over<br>60 days | Impaired   |
|---------------------------------------|--------------|--------------|----------------------|-----------------------|-----------------|------------|
| Cash and cash equivalents             | ₱112,293,582 | ₱112,293,582 | ₱—                   | ₱—                    | ₱—              | ₱—         |
| Restricted cash                       | 5,269,703    | 5,269,703    | —                    | —                     | —               | —          |
| Short-term deposits                   | 1,543,016    | 1,543,016    | —                    | —                     | —               | —          |
| Trade and other receivables           |              |              |                      |                       |                 |            |
| Trade receivables                     |              |              |                      |                       |                 |            |
| Power                                 | 29,946,688   | 19,726,798   | 2,903,990            | 840,660               | 3,099,078       | 3,376,162  |
| Food manufacturing                    | 9,837,177    | 6,883,797    | 555,824              | 287,658               | 616,060         | 1,493,838  |
| Real estate                           | 12,688,722   | 7,139,072    | 366,978              | 312,161               | 4,714,310       | 156,201    |
| Holding and others                    | 1,924,843    | 1,469,757    | 506                  | 181,125               | 273,455         | —          |
| Other receivables                     | 9,208,016    | 7,784,164    | 41,458               | 141,259               | 1,241,135       | —          |
| Exchangeable Notes                    | 15,608,623   | 15,608,623   | —                    | —                     | —               | —          |
| Concession contract asset             | 9,345,442    | 9,345,442    | —                    | —                     | —               | —          |
| Debt investments at amortized<br>cost | 11,063       | 11,063       | —                    | —                     | —               | —          |
| Financial assets at FVTPL:            |              |              |                      |                       |                 |            |
| Quoted shares of stock                | 79,018       | 79,018       | —                    | —                     | —               | —          |
| Unquoted shares of stock              | 28,274       | 28,274       | —                    | —                     | —               | —          |
| Financial assets at FVOCI             | 3,353,210    | 3,353,210    | —                    | —                     | —               | —          |
| Derivative asset                      | 355,510      | 355,510      | —                    | —                     | —               | —          |
|                                       | ₱211,492,887 | ₱190,891,029 | ₱3,868,756           | ₱1,762,863            | ₱9,944,038      | ₱5,026,201 |



The following are the details of the Group's assessment of credit quality and related ECLs as at December 31, 2024 and 2023:

|                       | 2024         |              |              |                     | Total        |
|-----------------------|--------------|--------------|--------------|---------------------|--------------|
|                       | Stage 1      | Stage 2      | Stage 3      | Lifetime ECL        |              |
|                       | 12-month ECL | Lifetime ECL | Lifetime ECL | Simplified Approach |              |
| Gross carrying amount | ₱111,198,559 | ₱—           | ₱—           | ₱56,525,694         | ₱167,724,253 |
| Loss allowance        | —            | —            | —            | 5,305,192           | 5,305,192    |
| Carrying amount       | ₱111,198,559 | ₱—           | ₱—           | ₱51,220,502         | ₱162,419,061 |

|                       | 2023         |              |              |                     | Total        |
|-----------------------|--------------|--------------|--------------|---------------------|--------------|
|                       | Stage 1      | Stage 2      | Stage 3      | Lifetime ECL        |              |
|                       | 12-month ECL | Lifetime ECL | Lifetime ECL | Simplified Approach |              |
| Gross carrying amount | ₱157,095,457 | ₱—           | ₱—           | ₱54,397,430         | ₱211,492,887 |
| Loss allowance        | —            | —            | —            | 5,026,201           | 5,026,201    |
| Carrying amount       | ₱157,095,457 | ₱—           | ₱—           | ₱49,371,229         | ₱206,466,686 |

Trade and other receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments and accounts under dispute and legal proceedings.

The Group evaluated its cash and cash equivalents, restricted cash and short-term cash deposits as high-quality financial assets since these are placed in financial institutions of high credit standing.

With respect to other receivables, debt investments at amortized cost, FVOCI and FVTPL investments and derivative asset, the Group evaluates the counterparty's external credit rating in establishing credit quality.

#### Liquidity Risk

Liquidity risk is the risk that an entity in the Group will be unable to meet its obligations as they become due. The Group manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows, making use of a centralized treasury function to manage pooled business unit cash investments and borrowing requirements.

Currently, the Group is maintaining a positive cash position, conserving its cash resources through renewed focus on working capital improvement and capital reprioritization. The Group meets its financing requirements through a mixture of cash generated from its operations and short-term and long-term borrowings. Adequate banking facilities and reserve borrowing capacities are maintained.

The Group is in compliance with all of the financial covenants per its loan agreements, none of which is expected to present a material restriction on funding or its investment policy in the near future. The Group has sufficient undrawn borrowing facilities, which could be utilized to settle obligations.

In managing its long-term financial requirements, the policy of the Group is that not more than 25% of long-term borrowings should mature in any twelve-month period. As of December 31, 2024 and 2023, the portion of the total long-term debt, inclusive of customers' deposits, that will mature in less than one year is 8.23% and 4.49%, respectively. For its short-term funding, the policy of the



Group is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

Cash and cash equivalents and trade and other receivables, which are all short-term in nature, have balances of ₱81.8 billion and ₱62.2 billion as of December 31, 2024, respectively and of ₱112.3 billion and ₱58.2 billion as of December 31, 2023, respectively (see Notes 4 and 5). These financial assets will be used to fund short-term and operational liquidity needs of the Group.

The table below analyzes the financial liabilities of the Group into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows and include interest.

### **December 31, 2024**

|                             | Total<br>carrying<br>value | Contractual undiscounted payments |            |                     |              |              |
|-----------------------------|----------------------------|-----------------------------------|------------|---------------------|--------------|--------------|
|                             |                            | Total                             | On demand  | Less than<br>1 year | 1-5 years    | > 5 years    |
| Financial liabilities:      |                            |                                   |            |                     |              |              |
| Operating                   |                            |                                   |            |                     |              |              |
| Trade and other payables*   | ₱53,212,759                | ₱53,212,759                       | ₱2,630,825 | ₱48,711,599         | ₱1,870,335   | ₱—           |
| Customers' deposits         | 10,749,921                 | 10,749,921                        | —          | 878,568             | 811,635      | 9,059,718    |
| Financing                   |                            |                                   |            |                     |              |              |
| Bank loans                  | 40,959,206                 | 41,059,180                        | —          | 41,059,180          | —            | —            |
| Long-term debts             | 358,517,825                | 411,185,854                       | —          | 34,661,932          | 251,707,891  | 124,816,031  |
| Lease liabilities           | 4,797,504                  | 8,856,398                         | —          | 462,480             | 1,678,116    | 6,715,802    |
| Long-term obligation on PDS | 97,238                     | 120,000                           | —          | 40,000              | 80,000       | —            |
| Others                      |                            |                                   |            |                     |              |              |
| Derivative liabilities      | 253,816                    | 253,816                           | —          | 250,118             | 3,698        | —            |
|                             | ₱468,588,269               | ₱525,437,928                      | ₱2,630,825 | ₱126,063,877        | ₱256,151,675 | ₱140,591,551 |

\*Excludes statutory liabilities

### **December 31, 2023**

|                             | Total carrying value | Contractual undiscounted payments |            |                  |              |              |
|-----------------------------|----------------------|-----------------------------------|------------|------------------|--------------|--------------|
|                             |                      | Total                             | On demand  | Less than 1 year | 1-5 years    | > 5 years    |
| Financial liabilities:      |                      |                                   |            |                  |              |              |
| <i>Operating</i>            |                      |                                   |            |                  |              |              |
| Trade and other payables*   | ₱51,748,365          | ₱51,748,365                       | ₱3,705,291 | ₱46,857,659      | ₱1,185,415   | ₱—           |
| Customers' deposits         | 9,304,017            | 9,304,017                         | —          | 191,112          | 734,813      | 8,378,092    |
| <i>Financing</i>            |                      |                                   |            |                  |              |              |
| Bank loans                  | 41,040,449           | 41,312,707                        | —          | 41,312,707       | —            | —            |
| Long-term debts             | 331,575,191          | 378,764,040                       | —          | 23,104,545       | 204,749,542  | 150,909,953  |
| Lease liabilities           | 3,347,652            | 6,674,472                         | —          | 325,064          | 1,165,894    | 5,183,514    |
| Long-term obligation on PDS | 122,730              | 160,000                           | —          | 40,000           | 120,000      | —            |
| <i>Others</i>               |                      |                                   |            |                  |              |              |
| Derivative liabilities      | 506,335              | 506,335                           | —          | 506,335          | —            | —            |
|                             | ₱437,644,739         | ₱488,469,936                      | ₱3,705,291 | ₱112,337,422     | ₱207,955,664 | ₱164,471,559 |

\*Excludes statutory liabilities



### Capital Management

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

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

Certain entities within the Group that are registered with the Board of Investments (BOI) are required to raise a minimum amount of capital in order to avail of their registration incentives. As of December 31, 2024 and 2023, these entities have complied with this requirement as applicable (see Note 39).

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

Gearing ratios of the Group as of December 31, 2024 and 2023 are as follows:

|                         | 2024                | 2023          |
|-------------------------|---------------------|---------------|
| Bank loans              | <b>₱40,959,206</b>  | ₱41,040,449   |
| Long-term obligations   | <b>363,315,329</b>  | 334,922,843   |
| Cash funds              | <b>(88,205,089)</b> | (119,106,301) |
| Net debt (a)            | <b>316,069,446</b>  | 256,856,991   |
| Equity                  | <b>396,365,576</b>  | 375,346,444   |
| Equity and net debt (b) | <b>₱712,435,022</b> | ₱632,203,435  |
| Gearing ratio (a/b)     | <b>44.36%</b>       | 40.63%        |

Part of the Group's capital management is to ensure that it meets financial covenants attached to long-term borrowings. Breaches in meeting the financial covenants would permit the banks to immediately call loans and borrowings. The Group is in compliance with the financial covenants attached to its long-term debt as of December 31, 2024 and 2023 (see Note 19).

No changes were made in the objectives, policies or processes during the years ended December 31, 2024 and 2023.

### Financial and Other Risk Relating to Livestock

The Group is exposed to financial risks arising from the change in cost and supply of feed ingredients and the selling price of hogs, all of which are determined by constantly changing market forces of supply and demand, and other factors. The other factors include environmental regulations, weather conditions and livestock diseases which the Group has little control. The mitigating factors are listed below:

- The Group is subject to risks relating to its ability to maintain animal health status considering that it has no control over neighboring livestock farms. Livestock health problems could adversely impact production and consumer confidence. However, the Group monitors the health of its livestock on a daily basis and proper procedures are put in place.



- The livestock industry is exposed to risk associated with the supply and price of raw materials, mainly grain prices. Grain prices fluctuate depending on the harvest results. The shortage in the supply of grain will result in adverse fluctuation in the price of grain and will ultimately increase production cost. The Group monitors the prices of grains regularly. The formulation of feeds at a least cost being done by the Group considers the appropriate nutrients the hogs need. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

### 37. Financial Instruments

#### Fair Value of Financial Instruments

Fair value is defined as the amount at which the financial instrument could be sold in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced liquidation or sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, pricing services or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. For a financial instrument with an active market, the quoted market price is used as its fair value. On the other hand, if transactions are no longer regularly occurring even if prices might be available and the only observed transactions are forced transactions or distressed sales, then the market is considered inactive. For a financial instrument with no active market, its fair value is determined using a valuation technique (e.g. discounted cash flow approach) that incorporates all factors that market participants would consider in setting a price.

Set out below is a comparison by category of carrying amounts and fair values of the Group's financial instruments whose fair values are different from their carrying amounts.

|                             | 2024            |              | 2023            |              |
|-----------------------------|-----------------|--------------|-----------------|--------------|
|                             | Carrying Amount | Fair Value   | Carrying Amount | Fair Value   |
| Financial asset:            |                 |              |                 |              |
| Concession contract asset   | ₱8,886,664      | ₱10,167,633  | ₱9,345,442      | ₱9,345,442   |
| Financial liabilities:      |                 |              |                 |              |
| Lease liabilities           | ₱4,797,504      | ₱6,440,166   | ₱3,347,652      | ₱3,559,210   |
| Long-term debt - fixed rate | 331,619,031     | 338,613,651  | 301,036,661     | 281,188,571  |
| Long-term obligation on PDS | 97,238          | 119,261      | 122,730         | 167,708      |
|                             | ₱336,513,773    | ₱345,173,078 | ₱304,507,043    | ₱284,915,489 |

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

*Cash and cash equivalents (including restricted cash), short-term cash deposits, trade and other receivables, short-term loans and trade and other payables*

The carrying amounts of cash and cash equivalents, short-term cash deposits, trade and other receivables, short-term loans and trade and other payables approximate their fair values due to the relatively short-term maturity of these financial instruments.





*Lease liabilities*

The fair value of the lease liabilities was calculated by discounting future cash flows using discount rates of 5.17% for dollar payments and 4.98% to 12.50% for peso payments in 2024; and 9.11% for dollar payments and 2.68% to 12.5% for peso payments in 2023.

*Concession contract asset*

The fair value of the concession contract asset is calculated by discounting expected future cash flows at prevailing market rates. Discount rate used in discounting the asset is 7.89% in 2024. In 2023, the carrying amount approximates to its fair value.

*Fixed-rate borrowings*

The fair value of fixed rate interest-bearing loans is based on the discounted value of future cash flows using the applicable rates for similar types of loans. Interest-bearing loans were discounted using credit-adjusted interest rates ranging from 4.82% to 8.05% in 2024 and 1.31% to 8.01% in 2023. The disclosed fair value is determined using Level 3 inputs.

*Variable-rate borrowings*

Where the repricing of the variable-rate interest-bearing instruments is frequent (i.e., three-month repricing), the carrying value approximates the fair value. Otherwise, the fair value is determined by discounting the principal plus the known interest payment using current market rates.

*Long-term obligation on PDS and PSALM deferred adjustment*

The fair values of the long-term obligations on PDS and PSALM deferred adjustment are calculated by discounting expected future cash flows at prevailing market rates. Discount rates used in discounting the obligation ranges from 3.94% to 5.94% in 2024 and nil in 2023.

*Customers' deposits*

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

*Financial assets at FVTPL and FVOCI*

These securities are carried at fair value.

*Exchangeable Note*

The fair value of the Exchangeable Note, including the embedded derivative, was determined using a binomial model, using the current stock price of AGMCAC, the expected volatility of AGMCAC's stock price, the risk-free interest rate, and the credit spread (see Note 9).

*Derivative asset and liabilities*

The fair value of forward contracts is calculated by reference to prevailing spot exchange rate as of valuation date. The fair value of the IRS is determined by generally accepted valuation techniques with reference to observable market data such as interest rates.



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

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

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

#### *IRS*

On September 29, 2017, GMEC entered into an IRS agreement to hedge the variability in the interest cash flows on the entire amount of its LIBOR Loan (see Note 19), which bears interest based on six-month US LIBOR. Under the swap agreement, GMEC pays a fixed rate of 2.18% and receives six-month US LIBOR rate, semi-annually from March 29, 2018 until September 27, 2024. The IRS settlement dates coincide with the semi-annual interest payment dates of the NFA. GMEC designated the swap as a cash flow hedge. Due to the demise of LIBOR effective June 30, 2023, GMEC has transitioned to the adoption of US\$ Secured Overnight Financing Rate (SOFR), computed in arrears and a credit adjustment of 35 basis points.

As of December 31, 2023, the outstanding notional amount and derivative liability as a result of the swap amounted to US\$200.8 million and ₱333.3 million, respectively.

#### *Foreign currency forward contracts*

The Group enters into foreign currency forward contracts to economically hedge the Group's exposure on foreign currency fluctuation.

The net losses from the net fair value changes of derivatives not designated as accounting hedges are included under "Other income (expense) - net" in the consolidated statements of income. Realized gain (loss) on derivatives financial instruments amounted to ₱30.7 million gain and ₱728.3 million loss in 2023 and 2022, respectively. In addition, the Company recognized unrealized fair value gain on derivatives amounting to ₱149.8 million in 2022.

TLI entered into forward contracts to hedge the foreign currency risk arising from forecasted US dollar denominated coal purchases. These forecasted transactions are highly probable, and they comprise about 20% of the TLI's total expected coal purchases. The forward contracts were designated as cash flow hedges.

#### *Non-deliverable forward contracts*

In 2022, the Group entered into non-deliverable forward (NDF) contracts with counterparty banks to manage foreign currency risks associated with US Dollar commitments for the completion of its renewable projects. The Group designated these NDF contracts as a cash flow hedge. In 2024, these NDF contracts matured and settled.



In 2024, the Group entered into another NDF contract to manage foreign currency risk associated with its Chinese Yuan (CNY) commitments.

As of December 31, 2024, the outstanding notional amount and fair value of the NDF contracts amounted to ₱4.90 billion and ₱481.6 million, respectively. As of December 31, 2023, the outstanding notional amount and fair value of the NDF contracts amounted to ₱1.92 billion and ₱65.2 million, respectively.

#### *Foreign Currency-Denominated Cash and Cash Equivalents*

On October 1, 2023, the Group designates its foreign currency-denominated cash and cash equivalents as a hedging instrument in anticipation of a planned foreign currency-denominated acquisition. This hedging instrument amounts to \$589.0 million (translated to ₱32.4 billion) and will be used to pay for the acquisition with an anticipated total costs of \$720.0 million (translated to ₱40.0 billion) in 2024.

In 2024, certain USD-denominated cash and cash equivalents in various banks aggregating to US\$98.3 million are designated as hedging instrument for the foreign currency risk of the US\$98.3 million portion of US\$712.3 million highly probable forecasted acquisition.

#### *Commodity swap contracts*

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

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign currency forward, IRS and commodity swap contracts match the terms of the expected highly probable foreign currency denominated forecasted purchases and floating rate loans. The Group has established a hedge ration of 1:1 for the hedging relationships as the underlying risk of the foreign currency forward, IRS and commodity swap contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative technique and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Different reference prices linked to the hedged risk of the hedged items and hedging instruments
- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments
- Non-zero fair value hedging instruments



The Company is holding the following hedging instruments designated as cash flow hedges:

## December 31, 2024

|                                                        | Maturity           |               |                |              |                   | Total     |
|--------------------------------------------------------|--------------------|---------------|----------------|--------------|-------------------|-----------|
|                                                        | Less than 3 months | 3 to 6 months | 6 to 12 months | 1 to 2 years | More than 2 years |           |
| Foreign Currency Forward Contracts - Derivative Assets |                    |               |                |              |                   |           |
| Notional amount (in PHP)                               | —                  | 476,789       | 966,041        | 700,037      | —                 | 2,142,867 |
| Average forward rate (in PHP)                          | —                  | 56            | 56             | 55           | —                 |           |
| Foreign Currency Swap - Derivative Assets              |                    |               |                |              |                   |           |
| Notional amount (in PHP)                               | —                  | —             | 1,940,241      | —            | —                 | 1,940,241 |
| Average forward rate (in PHP)                          |                    |               | 57             |              |                   |           |
| NDF - Derivative Liability                             |                    |               |                |              |                   |           |
| Notional amount (in PHP)                               | 775,477            | 402,640       | 622,262        | 123,069      | —                 | 4,903,795 |
| Average forward rate (in PHP)                          | 7                  | 7             | 7              | 7            | —                 |           |
| Dollar Hold - Derivative Asset                         |                    |               |                |              |                   |           |
| Notional amount                                        | 64,452             | —             | —              | —            | —                 | 64,452    |
| Average rate                                           | 55.61-57.642       | —             | —              | —            | —                 |           |
| Forwards - Derivative Liability                        |                    |               |                |              |                   |           |
| Notional amount                                        | 330,000            | —             | —              | —            | —                 | 330,000   |
| Average forward rate                                   | 58.108-59.103      | —             | —              | —            | —                 |           |
| NDF - Derivative Asset                                 |                    |               |                |              |                   |           |
| Notional amount (in PHP)                               | 82,499             | —             | —              | —            | —                 | 82,499    |
| Average rate                                           | 55.88-57.642       | —             | —              | —            | —                 |           |
| Foreign Currency Denominated Cash and Cash Equivalents |                    |               |                |              |                   |           |
| Notional amount (in PHP)                               | —                  | —             | —              | —            | —                 | —         |
| Foreign exchange rate                                  | —                  | —             | —              | —            | —                 |           |

## December 31, 2023

|                                                        | Maturity           |               |                |              |                   | Total      |
|--------------------------------------------------------|--------------------|---------------|----------------|--------------|-------------------|------------|
|                                                        | Less than 3 months | 3 to 6 months | 6 to 12 months | 1 to 2 years | More than 2 years |            |
| IRS - Derivative Assets                                |                    |               |                |              |                   |            |
| Notional amount (in PHP)                               | —                  | —             | 11,116,912     | —            | —                 | 11,116,912 |
| Average fixed interest rate (%)                        | —%                 | —%            | 2.18%          | —%           | —%                |            |
| Foreign Currency Forward Contracts - Derivative Assets |                    |               |                |              |                   |            |
| Notional amount (in PHP)                               | —                  | 459,043       | 930,418        | 700,037      | —                 | 2,089,498  |
| Average forward rate (in PHP)                          | —                  | 54            | 54             | 55           | —                 |            |
| Commodity swaps - Derivative Asset                     |                    |               |                |              |                   |            |
| Notional amount (in metric)                            | 1,000              | —             | —              | —            | —                 | 1,000      |
| Notional amount (in PHP)                               | 7,201,203          | —             | —              | —            | —                 | 7,201,203  |
| Average hedged rate (in PHP per metric tonne)          | 7,101              | —             | —              | —            | —                 |            |
| NDF - Derivative Liability                             |                    |               |                |              |                   |            |
| Notional amount (in PHP)                               | —                  | —             | 4,903,795      | —            | —                 | 4,903,795  |
| Average forward rate (in PHP)                          | —                  | —             | 61             | —            | —                 |            |
| Foreign Currency Denominated Cash and Cash Equivalents |                    |               |                |              |                   |            |
| Notional amount (in PHP)                               | —                  | 32,397,596    | —              | —            | —                 | 32,397,596 |
| Foreign exchange rate                                  | —                  | 57            | —              | —            | —                 |            |



The impact of the hedged items and hedging instruments in the consolidated balance sheets and consolidated statements of income and comprehensive income is as follows:

| December 31, 2024                                |                 |                                                         |                                             |                                                                    |
|--------------------------------------------------|-----------------|---------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------|
|                                                  | Carrying amount | Change in fair value used for measuring ineffectiveness | Total hedging gain (loss) recognized in OCI | Ineffectiveness recognized in other comprehensive income (charges) |
| <b>Foreign currency forwards and dollar hold</b> |                 |                                                         |                                             |                                                                    |
| Derivative Asset                                 | ₱41,505         | ₱27,170                                                 | ₱27,170                                     | ₱—                                                                 |
| Derivative liability                             | (27,617)        | (7,417)                                                 | (7,417)                                     | —                                                                  |
| <b>Commodity swaps</b>                           |                 |                                                         |                                             |                                                                    |
| Derivative asset                                 | 63,236          | 63,236                                                  | 63,236                                      | —                                                                  |
| <b>Non-deliverable forwards</b>                  |                 |                                                         |                                             |                                                                    |
| Derivative asset                                 | 224,240         | 224,240                                                 | 224,240                                     | —                                                                  |
| Derivative liability                             | (226,199)       | (226,199)                                               | (226,199)                                   | —                                                                  |
| As at December 31, 2023                          |                 |                                                         |                                             |                                                                    |
|                                                  | Carrying amount | Change in fair value used for measuring ineffectiveness | Total hedging gain (loss) recognized in OCI | Ineffectiveness recognized in other comprehensive income (charges) |
| <b>IRS</b>                                       |                 |                                                         |                                             |                                                                    |
| Derivative asset                                 | ₱333,290        | ₱333,290                                                | ₱333,290                                    | —                                                                  |
| <b>Forward exchange currency forwards</b>        |                 |                                                         |                                             |                                                                    |
| Derivative asset                                 | 21,794          | 21,592                                                  | 21,592                                      | —                                                                  |
| Derivative liability                             | (24,740)        | —                                                       | —                                           | —                                                                  |
| <b>Commodity swaps</b>                           |                 |                                                         |                                             |                                                                    |
| Derivative asset                                 | 426             | 426                                                     | 426                                         | —                                                                  |
| <b>Non-deliverable forwards</b>                  |                 |                                                         |                                             |                                                                    |
| Derivative liability                             | (481,595)       | (481,595)                                               | (481,595)                                   | —                                                                  |

The movements in fair value changes of all derivative instruments for the years ended December 31, 2024 and 2023 are as follows:

|                                                                              | 2024       | 2023        |
|------------------------------------------------------------------------------|------------|-------------|
| At beginning of year                                                         | (₱150,825) | ₱2,403,461  |
| Net changes in fair value of derivatives designated as cash flow hedges      | 207,317    | (2,921,642) |
| Net changes in fair value of derivatives not designated as accounting hedges | 138,059    | 251,347     |
| Fair value of settled instruments                                            | (119,386)  | 116,009     |
| At end of year                                                               | ₱75,165    | (₱150,825)  |

The net losses from the net fair value changes of derivatives not designated as accounting hedges are included under “Other income (expense) - net”. In 2021, this pertains to a foreign currency forward not designated as an accounting hedge to economically hedge the Group’s exposure on foreign currency fluctuation.

The changes in the fair value of derivatives designated as accounting hedges were deferred in equity under “Cash flow hedge reserve”.



The net movement of changes to cash flow hedge reserve is as follows:

|                                                     |                   |             |
|-----------------------------------------------------|-------------------|-------------|
| Balance at beginning of year (net of tax)           | <b>(₱215,114)</b> | ₱2,135,647  |
| Changes in fair value recorded in equity            | <b>499,389</b>    | (678,157)   |
|                                                     | <b>284,275</b>    | 1,457,490   |
| Derecognition                                       | <b>(249,967)</b>  | —           |
| Changes in fair value transferred to profit or loss | <b>25,409</b>     | (1,761,431) |
| Balance at end of year before deferred tax effect   | <b>59,717</b>     | (303,941)   |
| Deferred tax effect                                 | <b>5,504</b>      | 88,827      |
| Balance at end of year (net of tax)                 | <b>₱65,221</b>    | (₱215,114)  |

The Group has not bifurcated any embedded derivatives as of December 31, 2024 and 2023.

The Group held the following financial instruments that are measured and carried or disclosed at fair value:

**December 31, 2024**

|                                  | <b>Total</b>       | <b>Level 1</b>   | <b>Level 2</b> | <b>Level 3</b>     |
|----------------------------------|--------------------|------------------|----------------|--------------------|
| <b>Carried at fair value:</b>    |                    |                  |                |                    |
| Investments in financial assets: |                    |                  |                |                    |
| At FVTPL                         | <b>₱82,632</b>     | <b>₱82,632</b>   | <b>₱—</b>      | <b>₱—</b>          |
| At FVOCI                         | <b>2,292,223</b>   | <b>2,292,223</b> | <b>—</b>       | <b>—</b>           |
| Derivative asset                 | <b>328,981</b>     | <b>—</b>         | <b>328,981</b> | <b>—</b>           |
| Derivative liability             | <b>253,816</b>     | <b>—</b>         | <b>253,816</b> | <b>—</b>           |
| <b>Disclosed at fair value:</b>  |                    |                  |                |                    |
| Concession contract asset        | <b>10,167,633</b>  | <b>—</b>         | <b>—</b>       | <b>10,167,633</b>  |
| Lease liabilities                | <b>6,440,166</b>   | <b>—</b>         | <b>—</b>       | <b>6,440,166</b>   |
| Long-term debt - fixed rate      | <b>338,613,651</b> | <b>—</b>         | <b>—</b>       | <b>338,613,651</b> |
| PSALM deferred adjustment        | <b>—</b>           | <b>—</b>         | <b>—</b>       | <b>—</b>           |
| Long-term obligation on PDS      | <b>119,261</b>     | <b>—</b>         | <b>—</b>       | <b>119,261</b>     |

**December 31, 2023**

|                                  | <b>Total</b>       | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b>     |
|----------------------------------|--------------------|-------------------|----------------|--------------------|
| <b>Carried at fair value:</b>    |                    |                   |                |                    |
| Investments in financial assets: |                    |                   |                |                    |
| At FVTPL                         | <b>₱107,292</b>    | <b>₱107,292</b>   | <b>₱—</b>      | <b>₱—</b>          |
| At FVOCI                         | <b>3,353,210</b>   | <b>3,353,210</b>  | <b>—</b>       | <b>—</b>           |
| Exchangeable notes               | <b>15,608,623</b>  | <b>15,608,623</b> | <b>—</b>       | <b>—</b>           |
| Derivative asset                 | <b>355,510</b>     | <b>—</b>          | <b>355,510</b> | <b>—</b>           |
| Derivative liability             | <b>506,335</b>     | <b>—</b>          | <b>506,335</b> | <b>—</b>           |
| <b>Disclosed at fair value:</b>  |                    |                   |                |                    |
| Concession contract asset        | <b>9,345,442</b>   | <b>—</b>          | <b>—</b>       | <b>9,345,442</b>   |
| Lease liabilities                | <b>3,559,210</b>   | <b>—</b>          | <b>—</b>       | <b>3,559,210</b>   |
| Long-term debt - fixed rate      | <b>281,188,571</b> | <b>—</b>          | <b>—</b>       | <b>281,188,571</b> |
| Long-term obligation on PDS      | <b>167,708</b>     | <b>—</b>          | <b>—</b>       | <b>167,708</b>     |

During the years ended December 31, 2024 and 2023, there were no transfers between level 1 and level 2 fair value measurements and transfers into and out of level 3 fair value measurement.



### 38. Notes to Consolidated Statements of Cash Flows

The following are the cash flow movements of the Group's financing liabilities in 2024 and 2023:

|                                                                                | January 1,<br>2024  | Net<br>cash flows   | Non-cash Changes                            |                                 |                           |                      |                  | December 31,<br>2024 |
|--------------------------------------------------------------------------------|---------------------|---------------------|---------------------------------------------|---------------------------------|---------------------------|----------------------|------------------|----------------------|
|                                                                                |                     |                     | Amortized<br>deferred<br>financing<br>costs | Foreign<br>exchange<br>movement | Changes in<br>fair values | Accreted<br>interest | Others           |                      |
| Current interest-bearing loans and borrowings, excluding lease liabilities     | ₱56,258,861         | (₱155,493)          | —                                           | ₱74,250                         | ₱—                        | ₱—                   | ₱14,597,819      | ₱71,282,695          |
| Current lease liabilities                                                      | 245,762             | (493,759)           | —                                           | 20,052                          | —                         | —                    | 559,578          | 326,539              |
| Non-current interest-bearing loans and borrowings, excluding lease liabilities | 316,356,779         | (1,880,757)         | 340,484                                     | 1,808,609                       | —                         | —                    | (16,227,105)     | 325,904,343          |
| Non-current lease liabilities                                                  | 3,101,890           | (6,574)             | —                                           | —                               | —                         | 292,133              | 1,039,553        | 4,470,965            |
| Derivatives                                                                    | 506,335             | —                   | —                                           | —                               | (252,519)                 | —                    | —                | 253,816              |
| <b>Total liabilities from financing activities</b>                             | <b>₱376,469,627</b> | <b>(₱2,536,583)</b> | <b>₱340,484</b>                             | <b>₱1,902,911</b>               | <b>(₱252,519)</b>         | <b>₱292,133</b>      | <b>(₱30,155)</b> | <b>₱402,238,358</b>  |

|                                                                                | January 1, 2023     | Net<br>cash flows   | Non-cash Changes                            |                                 |                           |                      |                   | December 31,<br>2023 |
|--------------------------------------------------------------------------------|---------------------|---------------------|---------------------------------------------|---------------------------------|---------------------------|----------------------|-------------------|----------------------|
|                                                                                |                     |                     | Amortized<br>deferred<br>financing<br>costs | Foreign<br>exchange<br>movement | Changes in<br>fair values | Accreted<br>interest | Others            |                      |
| Current interest-bearing loans and borrowings, excluding lease liabilities     | ₱63,294,249         | (₱4,327,137)        | ₱—                                          | ₱—                              | ₱—                        | ₱—                   | (₱2,708,251)      | ₱56,258,861          |
| Current lease liabilities                                                      | 9,420,133           | (22,899,469)        | —                                           | (15,978)                        | —                         | —                    | 13,741,076        | 245,762              |
| Non-current interest-bearing loans and borrowings, excluding lease liabilities | 285,612,355         | 25,680,279          | 250,597                                     | (404,474)                       | —                         | —                    | 5,218,022         | 316,356,779          |
| Non-current lease liabilities                                                  | 18,440,790          | —                   | —                                           | —                               | —                         | 1,300,890            | (16,639,790)      | 3,101,890            |
| Derivatives                                                                    | 661,401             | —                   | —                                           | —                               | (155,066)                 | —                    | —                 | 506,335              |
| <b>Total liabilities from financing activities</b>                             | <b>₱377,428,928</b> | <b>(₱1,546,327)</b> | <b>₱250,597</b>                             | <b>(₱420,452)</b>               | <b>(₱155,066)</b>         | <b>₱1,300,890</b>    | <b>(₱388,943)</b> | <b>₱376,469,627</b>  |

Noncash movements under investing activities include the following:

- Conversion of exchangeable notes and additions to investments amounting ₱17.5 billion and ₱0.5 billion, respectively, for the acquisition of AGMCAC in 2024 (see Note 9); and,
- Additions to property, plant and equipment and investment properties which include right-of-use assets and assets on account and reclassifications amounting to ₱3.6 billion and ₱0.5 billion in 2024 and 2023, respectively.

### 39. Registrations with the Board of Investments (BOI)

#### a. Power Segment

Certain power generation companies in the Group have been registered with the BOI. Accordingly, they are entitled to, among others, ITH incentives covering four (4) to seven (7) years. The ITH shall be limited only to sales/revenue generated from sales of electricity of the power plant and revenues generated from the sales of carbon emission reduction credits. To be able to avail of the incentives, the companies are required to maintain a minimum equity level. As of December 31, 2024 and 2023 these companies have complied with the requirements.



b. Food Manufacturing Segment

*PFC*

On October 9, 2015, the BOI approved the registration of PFC's feedmill plant expansion as "Expanding Producer of Animal Feeds" (2015-210) on a nonpioneer status under the Omnibus Investment Code of 1987. Among others, said registration entitles PFC to three-year ITH from January 2016 or actual start of commercial operations, whichever is earlier, and importation of capital equipment at zero duty for a period of five years.

On January 22, 2020, the BOI approved the registration of the PFC's feedmill plant expansion as "New Producer of Animal Feeds" (2020-016) on a nonpioneer status under the Omnibus Investment Code of 1987. Among others, said registration entitles PFC to four-year ITH from January 2021 or actual start of commercial operations, whichever is earlier, and importation of capital equipment at zero duty for a period of five years.

On December 14, 2023, the BOI partially approved PFC's request for the deferment of ITH availment for the taxable years 2021 and 2022 pursuant to Section 2, Rule 23 of the Implementing Rules and Regulations of RA 11534 or the CREATE Act and FIRB Resolution No. 24-21, Series of 2021, authorizing the BOI to implement temporary measures for exceptional circumstance such as COVID-19, among others. With this, PFC shall be entitled to its remaining ITH entitlement period equivalent to four (4) years or from January 1, 2023 to December 31, 2026.

On August 6, 2024, the BOI accepted PFC's intent to transfer its registration to Corporate Recovery and Tax Incentive for Enterprises (CREATE) Act. This is in accordance to Section 1 of BOI Memorandum Circular (MC Non. 2024-002), which allows BOI-registered business enterprises with existing projects registered with an Investment Promotion Agency prior to the effectivity of the CREATE Act that are pre-operating or operating, and have not actually availed of the ITH incentive under the terms and conditions of the BOI registration may be permitted to transfer registration under the CREATE Act in order to avail the incentive thereunder. With this, PFC was authorized to submit an Application for Transfer to the CREATE Act to the Project Evaluation and Registration Division (PERD), Resource Based Industries Service (RBIS).

On December 13, 2024, the BOI acknowledged receipt of PFC's application for transfer to CREATE Act and is now awaiting board's final approval.

PFC recognized adjustments to income tax in 2024 resulting from the reversal of recognized ITH availment for the taxable year 2023 amounting to ₱39.3 million.

PFC's ITH incentive is nil on December 31, 2024 and 2023, respectively.

*PANC*

PANC has been registered with the BOI and granted the following incentives:

- ITH for a period of three to five years:

| Type of Registration                        | BOI Approval Date | Start of ITH Period       | ITH Period |
|---------------------------------------------|-------------------|---------------------------|------------|
| Expanding Producer of Animal Feeds          | June 24, 2016     | July 2016 <sup>1</sup>    | 3 years    |
| New Producer of Table Eggs and By- Products | April 7, 2015     | October 2015 <sup>1</sup> | 4 years    |
| New Producer of Hogs and Pork Meat *        | July 16, 2017     | July 2017 <sup>1</sup>    | 3 years    |





| Type of Registration                                                                                  | BOI Approval Date | Start of ITH Period       | ITH Period |
|-------------------------------------------------------------------------------------------------------|-------------------|---------------------------|------------|
| New Operator of Slaughterhouse Integrated with Fabrication and Cold Storage/Blast Freezing Facility** | October 8, 2020   | January 2025 <sup>1</sup> | 5 years    |
| New Producer of Pork Meat or Carcass and Culled Sows                                                  | July 13, 2023     | August 2023 <sup>1</sup>  | 6 years    |

<sup>1</sup> Or actual start of commercial operations, whichever is earlier, but not earlier than registration date,

\* ITH period for taxable year 2020 was deferred and can be availed for the period January 1, 2021 to June 30, 2022

\*\* ITH period was amended from "January 1, 2021 to December 31, 2026" to "January 1, 2022 to December 31, 2027"

- Importation of capital equipment at zero duty for a period of five years from date of registration;
- Other tax and duty exemptions on purchase of certain inventories.

PANC's ITH incentive is ₱2.8 million and ₱0.1 million in 2024 and 2023, respectively. As of December 31, 2024, PANC has complied with the terms and conditions indicated in the above BOI registrations.

c. Infrastructure Segment

On January 24, 2018, the BOI approved Apo Agua's application for registration as new operator of Bulk Water Supply (Davao City Bulk Water Project) under the 2017 IPP on a non-pioneer status under Omnibus Investments Code of 1987. The BOI issued the Certificate of Registration on April 12, 2018 which entitles Apo Agua to an ITH of four years from February 2022 or actual start of commercial operations, whichever is earlier but availment shall in no case be earlier than the date of registration. On December 21, 2022, the BOI approved for the amendment of the start of commercial operation from August 2022 to May 2023.

#### 40. Fuel Supply and Other Agreements

a. Steam Supply Agreement

On May 26, 2013, APRI's steam supply contract with Chevron Geothermal Philippines Holdings, Inc. (CGPHI) shifted to a Geothermal Resource Sales Contract (GRSC). The change is due to an existing provision under the government's existing contract with CGPHI when the Tiwi-Makban facilities were bidded out under the former's privatization program. Under the GRSC, the effective steam price of APRI payable to CGPHI will be at a premium to coal.

To ensure that APRI will continue to remain competitive in the market, a two-month interim agreement supplementing the GRSC was implemented on August 4, 2013 and extended until August 25, 2018. On August 24, 2018, a new contract was signed by the Company and Philippine Geothermal Production Company, Inc. which aims to ensure long-term operations of both parties. The Geothermal Resources Supply and Services Agreement took effect August 26, 2018 and shall continue in effect until October 22, 2034, unless earlier terminated or extended by mutual agreement of the Parties.

Total steam supply cost incurred by APRI, reported as part of "Cost of generated power" amounted to ₱5.7 billion in 2024, ₱6.9 billion in 2023 and ₱7.5 billion in 2022.

b. Coal Supply Agreements (CSA)

TLI, TVI, and TSI enter into short-term coal supply agreements. Outstanding coal supply agreements as of December 31, 2023 have aggregate supply amounts of 3,691,050 MT (equivalent dollar value is estimated to be at \$282.2 million), which are due for delivery from January 2024 to December 2025. Outstanding coal supply agreements as of December 31, 2022



have aggregate supply amounts of 5,677,587 MT (equivalent dollar value is estimated to be at \$713.1 million), which are due for delivery from January 2023 to December 2025. Terms of payment are by letter of credit where payment is due at sight against presentation of documents, and by telegraphic transfer where payment is due within 7 days from receipt of original invoice.

GMEC entered into Coal Supply Agreements (CSAs) with Avra Commodities Pte. Ltd. (Avra) and PT Arutmin Indonesia (Arutmin) dated December 20, 2019 and December 23, 2019, respectively, for coal deliveries commencing on January 1, 2020. Avra shall annually deliver between a minimum of 500,000 metric tonnes to a maximum of 1,200,000 metric tonnes of coal until the CSA expires on December 31, 2024, while Arutmin shall annually deliver 1,650,000 metric tonnes of coal with an additional quantity of 160,000 metric tonnes at GMEC's option until the CSA expires on December 31, 2029. In addition, GMEC entered into a CSA with PT. Bayan Resources TBK (Bayan) on April 8, 2020. Bayan shall annually deliver between a minimum of 500,000 metric tonnes to a maximum of 1,000,000 until the CSA expires on April 30, 2030.

On December 12, 2019, SPI entered into a CSA with PT Bara Tabang for the supply of coal to meet the fuel requirements of the Power Plant on a fixed base and option tonnage. On December 15, 2021, the parties signed the Amendment Agreement to the CSA which extended the term until December 31, 2023 or until the last shipment under the fourth Contract Year.

On December 6, 2022, the CSA was amended to include one shipment as additional contract quantity for contract year 2023, and to include coal specifications and pricing. On September 11, 2023, SPI signed a short-term CSA which covers two shipments to be delivered in October and November 2023 plus an option tonnage to be notified before October 2023. The option was exercised, and the shipment was delivered in December 2023. The September 11, 2023 CSA was amended on December 27, 2023 to cover additional shipments to be delivered in January and February 2024.

On September 15, 2023, SPI entered into a Coal Supply Agreement (CSA) with AVRA International DMCC for a spot cargo in September 2023.

c. Fuel Supply Agreements

TMI entered into Heavy Fuel Oil (HFO) Supply Agreement with Pilipinas Shell Petroleum Corporation (PSPC) On September 1, 2014. The said agreement provides for the supply and delivery of HFO by PSPC to TMI, subject to terms and conditions of the agreement. The actual quantities may vary from month to month and are contingent to the actual generation of the TMI's power plant. The actual aggregate HFO delivered to the TMI from PSPC as of December 31, 2024 and 2023 is 204.3 million liters and 138.7 million liters, respectively. Moreover, on December 1, 2016, TMI entered into a Lube Oil Supply Agreement with PSPC for the supply and delivery of lube oil products with an agreed aggregate volume of 3.8 million liters. The actual aggregate of lube oil products delivered to TMI from PSPC as of December 31, 2024 and 2023 is 1.8 million liters and 1.7 million liters, respectively.

EAUC has a Lube Oil Supply Agreement (LOSA) with PSPC dated December 1, 2016. The actual aggregate lube oil delivered to the Company from PSPC as of December 31, 2023 and 2022 are 487,583 liters and 403,432 liters, respectively. Total consumption of lube oil amounted to ₱9.5 million and ₱11.9 million in 2023 and 2022, respectively. On March 20, 2018, Heavy Fuel Oil Supply Agreement with Phoenix Petroleum Philippines Inc. (PPPI) is to supply and deliver HFO on a consignment basis. The actual quantities may vary from month to month and are contingent on the actual generation of the EAUC's power plant. As of December 31, 2023 and 2022, the actual HFO



consumed from the supply agreement is 13.1 million liters and 55.6 million liters, respectively. Total consumption of HFO acquired from PPPI amounted to ₱535.9 million and ₱722.6 million in 2023 and 2022, respectively.

d. Pagbilao IPP Administration Agreement

TLI and PSALM executed the IPP Administration Agreement wherein PSALM appointed TLI to manage the 700MW contracted capacity (the “Capacity”) of NPC in the coal-fired power plant in Pagbilao, Quezon.

The IPP Administration Agreement includes the following obligations TLI would have to perform until the transfer date of the power plant (or the earlier termination of the IPP Administration Agreement):

- a. Supply and deliver all fuel for the power plant in accordance with the specifications of the original Energy Conservation Agreement (ECA); and
- b. Pay to PSALM the monthly payments (based on the bid) and energy fees (equivalent to the amount paid by NPC to the IPP).

TLI has the following rights, among others, under the IPP Administration Agreement:

- a. The right to receive, manage and control the Capacity of the power plant for its own account and at its own cost and risk;
- b. The right to trade, sell or otherwise deal with the Capacity (whether pursuant to the spot market, bilateral contracts with third parties or otherwise) and contract for or offer related ancillary services, in all cases for its own account and its own risk and cost. Such rights shall carry the rights to receive revenues arising from such activities without obligation to account therefore to PSALM or any third party;
- c. The right to receive the transfer of the power plant at the end of the IPP Administration Agreement (which is technically the end of the ECA) for no consideration; and
- d. The right to receive an assignment of NPC’s interest to existing short-term bilateral Power Supply Contract from the effective date of the IPP Administration Agreement the last of which were scheduled to end in November 2011.

e. Engineering, Procurement, and Construction Contracts

a. ASPI executed the following contracts for the Calatrava Solar Power Project.

On August 10, 2023, ASPI entered into an (i) Offshore Engineering, Design and Supply Contract with Sumec Complete Equipment and Engineering Co., Ltd. (“SCEECO”) and (ii) Onshore Installation, Construction, Testing and Commissioning with Consortium of Everstone and Sumec Philippines to perform the offshore and onshore parts, respectively. The Project is to be paid on the basis of the milestones achieved.

On November 9, 2023, ASPI entered into a Coordination Agreement with SCEECO to perform construction and repair related services.

b. APREC executed the following contracts for the Olongapo Solar Power Project.

On August 10, 2023, APREC entered into an (i) Offshore Engineering, Design and Supply Contract with China Energy Engineering Group Zhejiang Electric Power Design Institute Co., Ltd. (“China Energy”) and (ii) Onshore Installation, Construction, Testing and Commissioning with GEDI Construction Development Corporation (“GEDI”) to perform the offshore and



onshore parts, respectively. The Project is to be paid on the basis of the milestones achieved.

On the same date, APREC also entered into a Coordination Agreement with China Energy to perform construction and repair related services.

- c. RERI executed the following contracts for the Armenia Solar Power Project and San Manuel Solar Power Project.

On November 9, 2023, RERI entered into (i) an Offshore Engineering, Design and Supply Contract with China Energy and (ii) Onshore Installation, Construction, Testing and Commissioning with Consortium of Anhui and JCE to perform the offshore and onshore parts, respectively, of the Armenia Solar Power Project.

On the same date, RERI entered into a Coordination Agreement with China Energy to perform construction and repair related services.

On August 29, 2024, RERI entered into (i) Offshore Engineering, Design and Supply Contract with China Energy and (ii) Onshore Installation, Construction, Testing, Commissioning, Completion and Remedying of Defects with GEDI to perform the offshore and onshore parts, respectively, of the San Manuel Solar Power Project.

The Projects are to be paid on the basis of the milestones achieved.

On August 29, 2024, RERI entered into a Coordination Agreement with China Energy to perform construction and repair related services to the San Manuel Solar Power Project.

f. Joint Venture Agreement

On March 17, 2015, Apo Agua entered into a Joint Venture Agreement (JVA) with the Davao City Water District (DCWD) in accordance with the Guidelines and Procedures for Entering into JVAs between Government and Private Entities issued by the National Economic Development Authority. Based on the JVA, Apo Agua shall undertake the development and operations of a treated bulk water supply facility while the DCWD shall assign a water permit to Apo Agua to enable it to operate the treated bulk water supply facility that shall generate revenues, primarily from the supply of treated bulk water to the DCWD. The principal place of business of the joint venture shall be in Davao City.

Pursuant to the JVA, Apo Agua entered into a Bulk Water Purchase Agreement (BWPA) with the DCWD for the supply and delivery of treated bulk water to the latter.

Under the BWPA, Apo Agua shall supply and deliver to the DCWD an agreed volume of Treated Bulk Water sourced from the Tamuga River, for a delivery period of thirty (30) years beginning on the first day of the operations of the Facility. Under the BWPA, the Apo Agua shall be entitled to a fixed rate per cubic meter of water delivered, subject to an annual rate adjustment that is based on the Annual Inflation Rate as determined by the National Statistical Coordination Board. The ownership, commissioning, operation, and management of the Facility required for the delivery of the Treated Bulk Water to the DCWD shall be vested in Apo Agua. Although the legal title to these assets shall remain with Apo Agua at the end of the concession period, the concession period is for the entire estimated useful life of the assets.



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#### 41. Contingencies

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

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#### 42. Other Matters

a. Renewable Energy Act of 2008

On January 30, 2009, R.A. No. 9513, *An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes*, which shall be known as the "Renewable Energy Act of 2008" (the Act), became effective. The Act aims to (a) accelerate the exploration and development of renewable energy resources such as, but not limited to, biomass, solar, wind, hydro, geothermal and ocean energy sources, including hybrid systems, to achieve energy self-reliance, through the adoption of sustainable energy development strategies to reduce the country's dependence on fossil fuels and thereby minimize the country's exposure to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy; (b) increase the utilization of renewable energy by institutionalizing the development of national and local capabilities in the use of renewable energy systems, and promoting its efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives; (c) encourage the development and utilization of renewable energy resources as tools to effectively prevent or reduce harmful emissions and thereby balance the goals of economic growth and development with the protection of health and environment; and (d) establish the necessary infrastructure and mechanism to carry out mandates specified in the Act and other laws.

As provided for in the Act, renewable energy (RE) developers of RE facilities, including hybrid systems, in proportion to and to the extent of the RE component, for both power and non-power applications, as duly certified by the DOE, in consultation with the BOI, shall be entitled to incentives, such as, ITH, duty-free importation of RE machinery, equipment and materials, zero percent VAT rate on sale of power from RE sources, and tax exemption of carbon credits, among others.

b. EPIRA of 2001

RA No. 9136 was signed into law on June 8, 2001 and took effect on June 26, 2001. The law provides for the privatization of NPC and the restructuring of the electric power industry. The Implementing Rules and Regulations (IRR) were approved by the Joint Congressional Power Commission on February 27, 2002.

R.A. No. 9136 and the IRR impact the industry as a whole. The law also empowers the ERC to enforce rules to encourage competition and penalize anti-competitive behavior.

R.A. No. 9136, the EPIRA, and the covering IRR provides for significant changes in the power sector, which include among others:

- i. The unbundling of the generation, transmission, distribution and supply and other disposable assets of a company, including its contracts with IPPs and electricity rates;



- ii. Creation of a WESM; and
- iii. Open and non-discriminatory access to transmission and distribution systems.

The law also requires public listing of not less than 15% of common shares of generation and distribution companies within 5 years from the effectivity date of the EPIRA. It provides cross ownership restrictions between transmission and generation companies and a cap of 50% of its demand that a distribution utility is allowed to source from an associated company engaged in generation except for contracts entered into prior to the effectivity of the EPIRA.

There are also certain sections of the EPIRA, specifically relating to generation companies, which provide for a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity.

c. Temporary Restraining Order (TRO) affecting Power Generation Companies trading in WESM

On December 19, 2013, Bayan Muna representatives filed a Petition for Certiorari against the ERC and the Manila Electric Company (MERALCO) with the Supreme Court (SC). On December 20, 2013, National Association of Electricity Consumers for Reforms filed a Petition for Certiorari and/or Prohibition against MERALCO, ERC and DOE. These cases raised and questioned, among others, the alleged substantial increase in MERALCO's power rates for the billing period of November 2013, the legality of Sections 6, 29 and 45 of the EPIRA, the failure of ERC to protect consumers from the high energy prices and the perceived market collusion of the generation companies.

These cases were consolidated by the SC which issued a TRO for a period of 60 days from December 23, 2013 to February 21, 2014, preventing MERALCO from collecting the increase in power rates for the billing period of November 2013. The TRO was subsequently extended for another 60 days ending April 22, 2014 by the SC. Thereafter, the TRO was extended indefinitely.

MERALCO, in turn, filed a counter-petition impleading generation companies supplying power to the WESM. The SC also ordered all the parties in the consolidated cases to file their respective pleadings in response to MERALCO's counter-petition. The Supreme Court set the consolidated cases for oral arguments last January 21, February 4 and 11, 2014. After hearing, all parties were ordered to file their comments and/or memorandum. The case is now submitted for resolution.

As a result of the TRO, Meralco has not been able to fully bill its consumers for the generation costs for the supply month of November 2013; and in turn, it has not been able to fully pay its suppliers of generation costs. In a Decision dated August 3, 2021, the Supreme Court declared that the ERC's action of allowing MERALCO to stagger its collection of pass-through generation costs for the November 2013 billing month in view of the high increase in generation costs was valid, but declared as null and void the Order of the ERC setting aside the Luzon WESM prices and imposing regulated prices for the November 2013 billing period. The Supreme Court denied with finality the motions for reconsideration filed by NASECORE, ERC, and Bayan Muna, in a Resolution dated October 11, 2022.

d. Imposition of financial penalties on Therma Mobile by the Philippine Electricity Market Corporation (PEMC)

This case involves an investigation of Therma Mobile in the dispatch of its power barges during the November and December 2013 supply period. As a result of the Meralco price hike case brought before the SC, the SC ordered the ERC to investigate anti-competitive behavior and abuse of market power allegedly committed by some WESM participants.



PEMC conducted the investigation under the “Must-Offer” rules of the WESM Rules.

PEMC initially found that Therma Mobile violated the “Must-Offer Rule” during the period under investigation. In its letter dated January 30, 2015, the PEM Board imposed financial penalties amounting to ₱234.9 million on Therma Mobile. According to the PEM Board, the penalties will be collected from Therma Mobile through the WESM settlement process.

Therma Mobile maintains that there is no basis for the PEMC decision. It did not violate the Must-Offer Rule, for the period ended, as it was physically impossible for Therma Mobile to transmit more than 100MW to Meralco. Although Therma Mobile’s rated capacity is 234 MW (Net), it could only safely, reliably and consistently deliver 100MW during the November and December 2013 supply period because of transmission constraints. Therma Mobile’s engines and transmission lines were still undergoing major repairs to address issues on post rehabilitation.

On February 13, 2015, Therma Mobile filed a notice of dispute with the PEMC to refer the matter to dispute resolution under the WEM Rules and the WESM Dispute Resolution Market Manual.

Therma Mobile also filed a Petition for the Issuance of Interim Measures of Protection with the Regional Trial Court (RTC) of Pasig to hold off enforcement of the payment of the penalties during the pendency of the Therma Mobile and PEMC dispute resolution proceedings. Last February 24, 2015, the RTC issued in favor of Therma Mobile an ex parte 20-day Temporary Order of Protection directing PEMC to refrain from (a) demanding and collecting from Therma Mobile the ₱234.9 million financial penalty; (b) charging and accruing interest on the financial penalty; and (c) transmitting the PEMC-ECO investigation report to the ERC.

On April 1, 2015, the RTC granted the prayer for the issuance of Writ of Preliminary Injunction, which ruling was assailed by the PEMC and elevated to the Court of Appeals (CA) via Petition for Review. On December 15, 2015, the CA issued a Decision confirming the RTC’s findings. PEMC filed a Motion for Reconsideration, and in compliance with Resolution of the CA, has filed a comment on the said motion.

On June 6, 2016, PEMC filed a petition before the SC questioning the CA’s Decision. TMO also filed its Comment on the Petition on November 14, 2016. On June 1, 2017, TMO received the SC Notice dated March 29, 2017. In the Resolution, the SC noted TMO’s Comment and PEMC’s Reply. As of December 31, 2024, the petition is still pending resolution with the SC.

e. Therma Marine Cases

In 2013, ERC issued Final Approval of various ESAs of Therma Marine with some modifications on ERC’s provisionally approved rates which directed both parties to devise a scheme for the refund of the difference between the final and the provisionally approved rates.

On November 25, 2013, ERC issued its order for Therma Marine to refund the amount of ₱180.0 million to its customers for a period of 6 months with equal installments per month.

On August 27, 2014, ERC issued an order directing NGCP to refund its customers the amount of ₱12.7 million and the corresponding VAT for a period of twelve months. As such, Therma Marine will refund the said amount to NGCP and the latter will refund the same to its customers.



In 2015, ERC issued Provisional Approvals (PA) on ESA contracts extensions with capacity fees lower than the previously approved rates. Therma Marine filed MRs on these PAs. During the last quarter of 2015, ERC issued Final Approvals on some of these ESA's sustaining the decision in the PA's, thus Therma Marine filed MRs on the final decisions. As of December 31, 2024, there has been no resolution on the MRs on the Final Approvals.

f. ERC Case No. 2013-077 MC

On August 29, 2013, MERALCO filed a petition for dispute resolution against TLI/APRI, among other Successor Generating Companies ("SGCs") under ERC Case No. 2013-077 MC. The case arose from a claim of refund of the alleged over charging of transmission line losses pursuant to the ERC Order dated March 4, 2013 and July 1, 2013 in ERC Case No. 2008-083 MC.

On September 20, 2013, TLI, together with the other SGCs, filed a Joint Motion to Dismiss arguing that MERALCO's petition should be dismissed for failure to state a cause of action and ERC's lack of jurisdiction over the subject matter of the case. The SGCs and Meralco have filed their respective comments, reply, rejoinder and sur-rejoinder after the filing of the Joint Motion to Dismiss. The Joint Motion to Dismiss has since then been submitted for resolution with the ERC. As of December 31, 2024, the ERC has yet to render its decision on the Joint Motion to Dismiss.

g. DLP Case

On December 7, 1990, certain customers of DLP filed before the then Energy Regulatory Board (ERB) a letter-petition for recovery claiming that with the SC's decision reducing the sound appraisal value of DLP's properties, DLP exceeded the 12% Return on Rate Base (RORB). The ERB's order dated June 4, 1998, limited the computation coverage of the refund from January 19, 1984 to December 14, 1984. No amount was indicated in the ERB order as this has yet to be recomputed.

The CA, in Court of Appeals General Register Special Proceeding (CA-GR SP) No. 50771, promulgated a decision dated February 23, 2001 which reversed the order of the then ERB, and expanded the computation coverage period from January 19, 1984 to September 18, 1989.

The SC in its decision dated November 30, 2006 per GR150253 reversed the CA's decision CA-GR SP No. 50771 by limiting the period covered for the refund from January 19, 1984 to December 14, 1984, approximately 11 months. The respondent/customers filed a Motion for Reconsideration with the SC, which was denied with finality by the SC in its Order dated July 4, 2007.

The SC, following its decision dated November 30, 2006, ordered the ERC to proceed with the refund proceedings instituted by the respondents with reasonable dispatch.

On March 17, 2010, the ERC directed DLP to submit its proposed scheme in implementing the refund to its customers. In compliance with the order, the DLP filed its compliance stating that DLP cannot propose a scheme for implementing a refund as its computation resulted to no refund.

A clarificatory meeting was held where DLP was ordered to submit its memoranda.

On October 4, 2010, in compliance with the ERC directive, DLP submitted its memoranda reiterating that no refund can be made. In a decision dated February 10, 2021, the ERC ruled in favor of DLP's position that no refund from DLP to its consumers.





h. LHC Franchise Tax Assessment

In 2007, the Provincial Treasurer of Benguet issued a franchise tax assessment against LHC, requiring LHC to pay franchise tax amounting to approximately ₱40.4 million, inclusive of surcharges and penalties covering the years 2002 to 2007. In 2008, LHC has filed for a petition for the annulment of the franchise tax assessment, based primarily on the fact that LHC is not liable for franchise tax because it does not have a franchise to operate the business. Section 6 of R.A. No. 9136 provides that power generation shall not be considered a public utility operation. As such, an entity engaged or which shall engage in power generation and supply of electricity shall not be required to secure a national franchise. Accordingly, no provision has been made in the consolidated financial statements. The case remains pending as of December 31, 2024.

i. Retail Competition and Open Access

The EPIRA mandates the implementation of Retail Competition and Open Access (RCOA) subject to the fulfilment of the conditions as provided in the EPIRA. The ERC was tasked under the EPIRA Implementing Rules and Regulations to declare, after due notice and public hearing, the initial implementation of RCOA. Through the RCOA, eligible customers will have the option to source their electricity from eligible suppliers that have secured Retail Electricity Supplier (RES) licenses from the ERC. End users with a monthly average peak demand of at least 1 Megawatt (MW) for the preceding 12 months are eligible to be contestable customers. The 1 MW qualification would gradually be reduced upon evaluation of the ERC.

In June 2011, after due notice and public hearings, the ERC declared December 26, 2011 as the date to mark the commencement of the full operation of RCOA in Luzon and Visayas. However, due to deficiencies in the rules and guidelines governing the RCOA at that time, the December 26, 2011 commencement date was deferred several times until an interim system commenced on July 26, 2013.

The DOE and ERC have issued and revised several circulars, rules and resolutions on the implementation of the RCOA and the issuance of RES licenses, including a Code of Conduct, Rules on Contestability, and Rules on RES Licensing.

On February 21, 2017, the SC issued a TRO enjoining the DOE and ERC from implementing the following issuances:

1. DOE Circular No. DC-2015-06-0010 or the DOE Circular Providing Policies to Facilitate the Full Implementation of RCOA in the Philippine Electric Power Industry;
2. ERC Resolution No. 5, Series of 2016 or the Rules Governing the Issuance of Licenses to RES and Prescribing the Requirements and Conditions Therefor;
3. ERC Resolution No. 10, Series of 2016 or a Resolution adopting the Revised Rules for Contestability;
4. ERC Resolution No. 11, Series of 2016 or a Resolution Imposing Restrictions on the Operations of DUs and RES in the Competitive Retail Electricity Market; and
5. ERC Resolution No. 28, Series of 2016 or the Revised Timeframe for Mandatory Contestability, Amending Resolution No. 10, Series of 2016, entitled Revised Rules of Contestability.

The TRO effectively enjoined the DOE and the ERC from imposing the mandatory migration of end-users with average monthly peak demand of at least 1MW and 750 kW on February 26, 2017 and June 26, 2017, respectively, and barring Local RESs and DUs from supplying electricity to the Contestable Market.



Due to the TRO, no new or renewed RES licenses were issued by the ERC due to the perceived risk of being declared in contempt by the SC. The renewal of PEI, AEI and API's RES licenses remain pending before the ERC. The application for RES licenses of TLI and APRI are likewise pending.

On November 29, 2017, DOE issued Department Circular No. 2017-12-0013, which provides, among other things, for voluntary participation of Contestable Customers in the Retail Market. On the same date, DOE issued Department Circular No. 2017-12-0014, which provides, among other things, the guidelines on the licensing of RES. Both DOE Circulars enjoin the ERC to promote the supporting guidelines to the DOE Circulars. Once the ERC promulgates these rules, approval of RES license applications and renewals can be expected.

j. PSALM deferred adjustment

*Deferred Accounting Adjustments (DAA)*

The ERC issued a Decision dated March 26, 2012 which granted PSALM DAA pertaining to GRAM and ICERA and in its Order dated June 20, 2017, the ERC authorized PSALM to implement the methodology for the recovery/refund of the approved DAA.

Upon Private Electric Power Operators Association's (PEPOA) motion, the ERC, in an Order dated October 19, 2017, deferred the implementation of the approved DAA pending clarification by the ERC of the queries raised in the motion for clarification.

In its Order dated December 19, 2017, the ERC clarified that the GRAM and ICERA DAA are deferred adjustments, which were incurred by PSALM/NPC in supplying energy during the corresponding period; thus, it should be recovered/refunded by PSALM/NPC to its customers. Hence, the Distribution Utilities (DUs) are not just mere collectors of the said DAA but these are charges that they should pay to NPC/PSALM and charged to their customers as part of their generation charge. In the same Order, the ERC directed the DUs to resume the implementation of the GRAM and ICERA starting the January 2018 billing period.

*Automatic Cost Recovery Mechanism (ACRM)*

On June 20, 2017, the ERC issued its Decision, authorizing PSALM to recover/refund the True-up Adjustments of Fuel and Purchased Power Costs and Foreign Exchange-Related Costs effective its next billing period.

In an Order dated October 19, 2017, the implementation of the ACRM was deferred to the January 2018 billing period pending the evaluation of the clarifications raised in PEPOA's letter and motion and on December 19, 2017, the Commission issued an Order directing PSALM and the DUS to abide with the clarifications issued by the Commission. As of December 31, 2023, the balance of PSALM deferred adjustment was fully settled and collected.

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#### 43. Events after the Reporting Period

- a. To comply with the requirements of Section 43 of the Corporation Code, on March 7, 2025, the BOD approved the declaration of a regular cash dividend of ₱1.54 per share (₱8.54 billion) to all stockholders of record as of March 21, 2025. These dividends will be taken out of the unrestricted retained earnings as of December 31, 2024, and will be paid on March 28, 2025.



b. Authority to Offer and Issue Peso-Denominated Fixed-Rate Retail Bonds

On February 25, 2025, AP Board approved, among others, the filing of a registration statement under the shelf registration program of the SEC for peso-denominated fixed-rate retail bonds in the aggregate principal amount of ₱100 billion (the “Retail Bonds”), which will, from time to time and subject to market conditions, be issued in tranches. AP Board also approved the issuance of the first tranche of the Retail Bonds, consisting of up to ₱20.0 billion with oversubscription option of up to ₱10.0 billion.

c. Chromite Gas Investment Agreement with Meralco PowerGen Corporation

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

On December 23, 2024, the transaction was approved by the Philippine Competition Commission. On January 28, 2025, after the satisfaction of the conditions precedent, the parties have completed the transaction.

d. Transfer of Mainstream Renewable Power Philippines Holdings B.V.’s (“MRPPHBV”) shares in CEDI to ARI

On January 10, 2025, ARI entered into an agreement with MRPPHBV for the acquisition of its 40% non-controlling interest in CEDI. As a result of this transaction, ARI now holds 100% ownership of CEDI. Additionally, as part of the transaction, MRPPHBV condoned a ₱107 million loan previously extended to CEDI.



## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
Aboitiz Equity Ventures, Inc.  
32nd Street, Bonifacio Global City  
Taguig City, Metro Manila  
Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Aboitiz Equity Ventures, Inc. and Subsidiaries as at December 31, 2024 and 2023, and have issued our report thereon dated March 7, 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 Supplementary Schedules are the responsibility of the Company'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.



Jhoanna Feliza C. Go

Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

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

BIR Accreditation No. 08-001998-103-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465309, January 2, 2025, Makati City

March 7, 2025

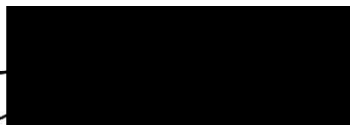


## **INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors  
Aboitiz Equity Ventures, Inc.  
32nd Street, Bonifacio Global City  
Taguig City, Metro Manila  
Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Aboitiz Equity Ventures, Inc. and Subsidiaries 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 7, 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 Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company'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 Company'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.



Jhoanna Feliza C. Go  
Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

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

BIR Accreditation No. 08-001998-103-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465309, January 2, 2025, Makati City

March 7, 2025



ABOITIZ EQUITY VENTURES, INC.  
AND SUBSIDIARIES

Supplementary Schedules  
to the Financial Statements  
Required by the Securities and Exchange Commission  
For the Year Ended December 31, 2024

and

Independent Auditor's Report

Philippine  
Pesos

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**ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES**

**Supplementary Schedules Required  
By the Securities and Exchange Commission  
As of and for the Year Ended December 31, 2024**

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| I - Trade and Other Receivables from Related Parties which are<br>Eliminated during the Consolidation of Financial Statements             | 6    |
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| Financial Ratios                                                                                                                          | 9    |
| Conglomerate Mapping                                                                                                                      | 10   |

NA: NOT APPLICABLE

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS

AS OF DECEMBER 31, 2024  
(Amounts in Thousands)

| Name of Issuing Entity and Association of each Issue                   | Number of Shares or Principal Amount of Bonds and Notes | Amount Shown in the Balance Sheet | Value Based on Market Quotation at Balance Sheet Date | Income Received and Accrued |
|------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------|-------------------------------------------------------|-----------------------------|
| CASH ON HAND AND IN BANKS, INCLUDING RESTRICTED CASH                   |                                                         |                                   |                                                       |                             |
| Australia and New Zealand Banking Group Limited (ANZ)                  | Not applicable                                          | P 2,722,883                       | Not applicable                                        | P 69,820                    |
| Asian United Bank                                                      | Not applicable                                          | -                                 | Not applicable                                        | 17                          |
| Banco de Oro                                                           | Not applicable                                          | 9,359,285                         | Not applicable                                        | 319,236                     |
| Bank of Commerce                                                       | Not applicable                                          | 80,100                            | Not applicable                                        | -                           |
| Bank of the Philippine Islands                                         | Not applicable                                          | 1,534,977                         | Not applicable                                        | 61,341                      |
| China Banking Corporation                                              | Not applicable                                          | 31,403                            | Not applicable                                        | 13                          |
| Citibank                                                               | Not applicable                                          | 45,162                            | Not applicable                                        | -                           |
| City Savings Bank                                                      | Not applicable                                          | 1,116,858                         | Not applicable                                        | 37,749                      |
| Development Bank of the Philippines                                    | Not applicable                                          | 41,278                            | Not applicable                                        | 36                          |
| ING Bank N.V.                                                          | Not applicable                                          | 3,491                             | Not applicable                                        | -                           |
| JP Morgan                                                              | Not applicable                                          | 962                               | Not applicable                                        | -                           |
| Landbank of the Philippines                                            | Not applicable                                          | 183,066                           | Not applicable                                        | 5                           |
| Metropolitan Bank and Trust Company                                    | Not applicable                                          | 712,459                           | Not applicable                                        | 41,544                      |
| PB Com                                                                 | Not applicable                                          | 59,554                            | Not applicable                                        | 9                           |
| Philippine National Bank                                               | Not applicable                                          | 23,231                            | Not applicable                                        | 20                          |
| Security Bank Corporation                                              | Not applicable                                          | 172,491                           | Not applicable                                        | 3,048                       |
| Union Bank of the Philippines                                          | Not applicable                                          | 5,644,979                         | Not applicable                                        | 43,571                      |
| Agriculutre Bank of China                                              | Not applicable                                          | 53,064                            | Not applicable                                        | 85                          |
| Bank Central Asia                                                      | Not applicable                                          | 28,417                            | Not applicable                                        | 384                         |
| Bank Mandiri                                                           | Not applicable                                          | 1,947                             | Not applicable                                        | 44                          |
| Bank Muamalat                                                          | Not applicable                                          | 324,805                           | Not applicable                                        | 2,430                       |
| Bank of China                                                          | Not applicable                                          | 112,494                           | Not applicable                                        | 313                         |
| China Merchants Bank                                                   | Not applicable                                          | 9,531                             | Not applicable                                        | 11                          |
| Commerce International Merchant Bankers Berhad (CIMB)                  | Not applicable                                          | 52,206                            | Not applicable                                        | 370                         |
| EPCI Bank                                                              | Not applicable                                          | 51                                | Not applicable                                        | -                           |
| Hongkong Shanghai Banking Corporation                                  | Not applicable                                          | 3,148,969                         | Not applicable                                        | 54,312                      |
| Malayan Banking Berhad                                                 | Not applicable                                          | 30,002                            | Not applicable                                        | -                           |
| Mizuho Corporatet Bank, Ltd.                                           | Not applicable                                          | 14,908                            | Not applicable                                        | 183                         |
| Rizal Commercial Banking Corporation                                   | Not applicable                                          | 47,164                            | Not applicable                                        | 646                         |
| Robinson's Bank                                                        | Not applicable                                          | 587                               | Not applicable                                        | 4                           |
| Rural Credit Cooperatives Association                                  | Not applicable                                          | 230                               | Not applicable                                        | 2                           |
| Industrial and Commercial Bank of China                                | Not applicable                                          | 580                               | Not applicable                                        | -                           |
| Saigon Thuong Tin Commercial Joint Stock Bank (Sacombank)              | Not applicable                                          | 19,436                            | Not applicable                                        | 147                         |
| Standard Chartered Bank                                                | Not applicable                                          | 99,034                            | Not applicable                                        | 1,831                       |
| The Bank of China Construction                                         | Not applicable                                          | 23,934                            | Not applicable                                        | 18                          |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) | Not applicable                                          | 245,359                           | Not applicable                                        | 3,768                       |
| Vietinbank                                                             | Not applicable                                          | 769                               | Not applicable                                        | 3                           |
| Development Bank of Singapore                                          | Not applicable                                          | 122,403                           | Not applicable                                        | 5,067                       |
| Mitsubishi UFJ Financial Group (MUFG)                                  | Not applicable                                          | 844,765                           | Not applicable                                        | 8,109                       |
| Sumitomo Mitsui Banking Corporation                                    | Not applicable                                          | 279,989                           | Not applicable                                        | -                           |
| China Trust Banking Corporation                                        | Not applicable                                          | 3,355                             | Not applicable                                        | 73,965                      |
| One Network Bank                                                       | Not applicable                                          | 7,941                             | Not applicable                                        | -                           |
| Philippine Bank of Communications                                      | Not applicable                                          | 2,313                             | Not applicable                                        | -                           |
| The Hongkong and Shanghai Banking Corporation                          | Not applicable                                          | 41,286                            | Not applicable                                        | -                           |
| Standard Chartered Bank SG                                             | Not applicable                                          | 581                               | Not applicable                                        | 7                           |
| Standard Chartered Bank PH                                             | Not applicable                                          | 668                               | Not applicable                                        | 17                          |
| Bank Rakyat                                                            | Not applicable                                          | 4,364                             | Not applicable                                        | 73                          |
| Bank of Investment and Development of Vietnam (BIDV)                   | Not applicable                                          | 136,475                           | Not applicable                                        | 4,334                       |
| China CITIC Bank International                                         | Not applicable                                          | 503                               | Not applicable                                        | 8                           |
| Cash on Hand, Cash in Vault and Revolving Fund                         | Not applicable                                          | 210,528                           | Not applicable                                        | -                           |



ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS

AS OF DECEMBER 31, 2024  
(Amounts in Thousands)

| Name of Issuing Entity and Association of each Issue       | Number of Shares or Principal Amount of Bonds and Notes | Amount Shown in the Balance Sheet | Value Based on Market Quotation at Balance Sheet Date | Income Received and Accrued |
|------------------------------------------------------------|---------------------------------------------------------|-----------------------------------|-------------------------------------------------------|-----------------------------|
| TOTAL                                                      |                                                         | P27,600,837                       |                                                       | P732,540                    |
| Money Market Placements, Including Short-term Deposits     |                                                         |                                   |                                                       |                             |
| Australia and New Zealand Banking Group Limited (ANZ Bank) | Not applicable                                          | P2,960,717                        | Not applicable                                        | P335,840                    |
| Banco de Oro                                               | Not applicable                                          | 4,628,140                         | Not applicable                                        | 65,129                      |
| Bank of the Philippine Islands                             | Not applicable                                          | 3,846,946                         | Not applicable                                        | 81,693                      |
| City Savings Bank                                          | Not applicable                                          | 6,339,773                         | Not applicable                                        | 567,020                     |
| Hongkong & Shanghai Banking Corporation                    | Not applicable                                          | 2,045,191                         | Not applicable                                        | 103,046                     |
| Rizal Commercial Banking Corporation                       | Not applicable                                          | 3,499,606                         | Not applicable                                        | 86,100                      |
| Security Bank Corporation                                  | Not applicable                                          | 10,122,957                        | Not applicable                                        | 203,465                     |
| Mitsubishi UFJ Financial Group (MUFG)                      | Not applicable                                          | 2,385,189                         | Not applicable                                        | 232,039                     |
| Union Bank of the Philippines                              | Not applicable                                          | 10,931,642                        | Not applicable                                        | 586,006                     |
| United Coconut Planters Bank                               | Not applicable                                          | 345,230                           | Not applicable                                        | 19,500                      |
| Metropolitan Bank and Trust Company                        | Not applicable                                          | 4,562,924                         | Not applicable                                        | 213,107                     |
| China Trust Banking Corporation                            | Not applicable                                          | 3,608,046                         | Not applicable                                        | 5,188                       |
| Bank of Tokyo - Mitsubishi UFJ                             | Not applicable                                          | 4,621,027                         | Not applicable                                        | 11,910                      |
| ING Bank N.V.                                              | Not applicable                                          | —                                 | Not applicable                                        | 10,369                      |
| Standard Chartered Bank PH                                 | Not applicable                                          | 12,250                            | Not applicable                                        | 588                         |
| Standard Chartered Bank Singapore Ltd                      | Not applicable                                          | 12,376                            | Not applicable                                        | 592                         |
| UBS                                                        | Not applicable                                          | 682,238                           | Not applicable                                        | 18,208                      |
| CITIBANK                                                   | Not applicable                                          | —                                 | Not applicable                                        | 4,817                       |
| TOTAL                                                      |                                                         | P60,604,252                       |                                                       | P2,544,617                  |
| Trade Receivables                                          |                                                         |                                   |                                                       |                             |
| Power                                                      | Not applicable                                          | P30,541,572                       | Not applicable                                        | Not applicable              |
| Food manufacturing                                         | Not applicable                                          | 9,812,643                         | Not applicable                                        | Not applicable              |
| Real estate                                                | Not applicable                                          | 14,589,347                        | Not applicable                                        | Not applicable              |
| Holding and others                                         | Not applicable                                          | 1,582,132                         | Not applicable                                        | Not applicable              |
| TOTAL                                                      |                                                         | P56,525,694                       |                                                       |                             |
| Other Receivables                                          |                                                         |                                   |                                                       |                             |
| Nontrade receivables                                       | Not applicable                                          | P9,116,179                        | Not applicable                                        | Not applicable              |
| Dividends receivable                                       | Not applicable                                          | 1,012,000                         | Not applicable                                        | Not applicable              |
| Advances to contractors                                    | Not applicable                                          | 491,140                           | Not applicable                                        | Not applicable              |
| Others                                                     | Not applicable                                          | 783,651                           | Not applicable                                        | Not applicable              |
| TOTAL                                                      |                                                         | P11,402,970                       |                                                       |                             |
| Financial assets at FVTPL                                  |                                                         |                                   |                                                       |                             |
| Quoted Shares of Stock                                     |                                                         |                                   |                                                       |                             |
| Alta Vista Golf and Country Club                           | 2                                                       | ₱3,245                            | ₱2,265                                                | ₱-                          |
| Golf and Country Club of Iligan                            | 1                                                       | 1                                 | -                                                     | -                           |
| Vistamar Country Club                                      | 1                                                       | 90                                | -                                                     | -                           |
| Aboitiz Equity Ventures, Inc.                              | 157,297                                                 | 5,403                             | 5,403                                                 | -                           |
| Apo Golf and Country Club                                  | 1                                                       | 2                                 | 2                                                     | -                           |
| CEBECO1-VECO Subtransmission Company, Inc.                 | 1                                                       | 375                               | 375                                                   | -                           |
| Rizal Commercial Bank                                      | 1,382,672                                               | 34,359                            | 34,359                                                | 1,402                       |
| Empire East Land, Inc.                                     | 4,377,063                                               | 525                               | 525                                                   | -                           |
| Filinvest Development Corporation                          | 160,316                                                 | 792                               | 792                                                   | -                           |
| Megaworld Properties, Inc.                                 | 1,842,750                                               | 3,778                             | 3,778                                                 | -                           |
| Filinvest Land, Inc.                                       | 303,515                                                 | 222                               | 222                                                   | -                           |
|                                                            |                                                         | P48,792                           | P47,721                                               | P1,402                      |
| Unquoted Shares of Stock                                   |                                                         |                                   |                                                       |                             |
| AEV Development Corporation                                | -                                                       | 65                                | -                                                     | -                           |
| International Container Terminal Services, Inc.            | 100                                                     | 2                                 | -                                                     | -                           |
| Cebu Holdings, Inc.                                        | 1                                                       | 1,038                             | -                                                     | -                           |

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS

AS OF DECEMBER 31, 2024  
(Amounts in Thousands)

| Name of Issuing Entity and Association of each Issue | Number of Shares or<br>Principal Amount of<br>Bonds and Notes | Amount Shown in<br>the Balance Sheet | Value Based on<br>Market Quotation at<br>Balance Sheet Date | Income Received<br>and Accrued |
|------------------------------------------------------|---------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------|--------------------------------|
| Cebu Country Club                                    | 3                                                             | 9,600                                | -                                                           | -                              |
| Lever VC GP Limited                                  | -                                                             | 21,769                               | -                                                           | -                              |
| PICOP                                                | 164                                                           | 8                                    | -                                                           | -                              |
| Philex Mining Corporation                            | 2,618                                                         | 5                                    | -                                                           | -                              |
| Philippine Long Distance and Telephone Company       | 44,344                                                        | 560                                  | -                                                           | -                              |
| Equitable Banking Corporation                        | 8,050                                                         | 793                                  | -                                                           | -                              |
|                                                      |                                                               | P 33,840                             | P -                                                         | P -                            |
| Financial assets at FVOCI                            |                                                               |                                      |                                                             |                                |
| Union Bank of the Philippines                        | 2,182,600                                                     | 986,292                              | 986,292                                                     | 52,327                         |
| Lombard Odier - IMA                                  | -                                                             | 1,278,649                            | 1,278,649                                                   | -                              |
| JP Morgan                                            |                                                               | 27,282                               | 27,282                                                      | 502                            |
|                                                      |                                                               | P 2,292,223                          | P 2,292,223                                                 | P 52,829                       |
| Debt Investments at Amortized Cost                   |                                                               |                                      |                                                             |                                |
| SMC Global Power Holdings                            | -                                                             | -                                    | -                                                           | -                              |
| JP Morgan                                            | -                                                             | -                                    | -                                                           | -                              |
|                                                      |                                                               | P -                                  | P -                                                         | P -                            |
| TOTAL                                                |                                                               | P 2,374,855                          | P 2,339,944                                                 | P 54,231                       |

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES  
WHICH ARE ELIMINATED DURING THE CONSOLIDATION  
OF FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2024  
(Amounts in Thousands)

| Name and Designation of Debtor                | Beginning<br>Balance | Additions    | Deductions           |                        | Current     | Non-Current | Ending<br>Balance |
|-----------------------------------------------|----------------------|--------------|----------------------|------------------------|-------------|-------------|-------------------|
|                                               |                      |              | Amounts<br>Collected | Amounts<br>Written Off |             |             |                   |
|                                               |                      |              |                      |                        |             |             |                   |
| Abaqa International Pte. Ltd.                 | P -                  | P 35,829,729 | P 34,922,789         | P -                    | P 906,940   | P -         | P 906,940         |
| AdventEnergy, Inc.                            | 318,477              | 170,657      | 474,344              | -                      | 14,790      | -           | 14,790            |
| AdventPower, Inc.                             | -                    | 23,572       | 18,138               | -                      | 5,434       | -           | 5,434             |
| Aboitiz Power Distributed Energy, Inc.        | -                    | 9,438        | 8,980                | -                      | 458         | -           | 458               |
| Aboitizland, Inc.                             | 1,739                | 23,457       | 22,653               | -                      | 2,543       | -           | 2,543             |
| Advanced Data Innovation, Inc.                | -                    | 120,900      | 92,991               | -                      | 27,909      | -           | 27,909            |
| Aboitiz Data Innovation Pte. Ltd.             | -                    | 54,511       | 2,212                | -                      | 52,299      | -           | 52,299            |
| Aboitiz Power Distributed Renewable, Inc.     | -                    | 6,143        | 5,786                | -                      | 357         | -           | 357               |
| Aboitiz Equity Ventures, Inc.                 | 2,939                | 1,013,115    | 1,010,762            |                        | 5,292       | -           | 5,292             |
| AEV Aviation, Inc.                            | -                    | 124,406      | 124,226              | -                      | 180         | -           | 180               |
| Aboitiz Infracapital, Inc.                    | 1                    | -            | 1                    | -                      | -           | -           | -                 |
| Fil-Agri Holdings, Inc.                       | -                    | 13,063       | 13,049               | -                      | 14          | -           | 14                |
| AP Renewables, Inc.                           | 19,050               | -            | 19,050               | -                      | -           | -           | -                 |
| Balamaban Enerzone Corporation                | -                    | 2,773        | 2,418                | -                      | 355         | -           | 355               |
| Cebu Industrial Park Developers, Inc.         | 24,554               | 210          | 24,764               | -                      | -           | -           | -                 |
| Cotabato Light & Power Company                | -                    | -            | -                    | -                      | -           | -           | -                 |
| Cebu Praedia Development Corporation          | 2,969                | 44,732       | 47,689               | -                      | 12          | -           | 12                |
| Davao Light and Power Co., Inc.               | -                    | 2,880        | 2,579                | -                      | 301         | -           | 301               |
| East Asia Utilities Corporation               | -                    | -            | -                    | -                      | -           | -           | -                 |
| Gold Coin Management Holdings Pte. Ltd.       | 360                  | 83,438       | 83,798               | -                      | -           | -           | -                 |
| Gold Coin Feedmill Ha Nam Company Limited     | -                    | 108,593      | 96,034               | -                      | 12,559      | -           | 12,559            |
| Aboitiz GMR Megawide Cebu Airport Corporation | -                    | -            | -                    | -                      | -           | -           | -                 |
| Hedcor, Inc.                                  | -                    | 3,957        | 2,638                | -                      | 1,319       | -           | 1,319             |
| Hedcor Bukidnon, Inc.                         | -                    | -            | -                    | -                      | -           | -           | -                 |
| Hedcor Sibulan, Inc.                          | -                    | -            | -                    | -                      | -           | -           | -                 |
| Hedcor Sabangan, Inc.                         | -                    | -            | -                    | -                      | -           | -           | -                 |
| Hedcor Tudaya, Inc.                           | -                    | -            | -                    | -                      | -           | -           | -                 |
| Lima Land, Inc.                               | 61,254               | 118,546      | 179,800              | -                      | -           | -           | -                 |
| Lima Water Corp.                              | 2                    | 10,085       | 10,087               | -                      | -           | -           | -                 |
| Lima Enerzone Corporation                     | 94,160               | 38,193       | 127,173              | -                      | 5,180       | -           | 5,180             |
| Mactan Enerzone Corporation                   | -                    | 16,136       | 15,080               | -                      | 1,056       | -           | 1,056             |
| Luzon Hydro Corporation                       | -                    | -            | -                    | -                      | -           | -           | -                 |
| Malvar Enerzone Corporation                   | -                    | -            | -                    | -                      | -           | -           | -                 |
| Pilmico Foods Corporation                     | 2,728,442            | -            | 2,726,896            | -                      | 1,546       | -           | 1,546             |
| Pilmico Animal Nutrition Corporation          | 231,063              | 735          | 207,866              | -                      | 23,932      | -           | 23,932            |
| Aboitiz Foods International Pte. Ltd.         | -                    | -            | -                    | -                      | -           | -           | -                 |
| Pilmico Vietnam Company Limited               | -                    | 699          | 699                  | -                      | -           | -           | -                 |
| Subic Enerzone Corporation                    | -                    | -            | -                    | -                      | -           | -           | -                 |
| Prism Energy, Inc.                            | -                    | -            | -                    | -                      | -           | -           | -                 |
| San Carlos Sun Power, Inc.                    | -                    | -            | -                    | -                      | -           | -           | -                 |
| PV Sinag Power Inc.                           | -                    | -            | -                    | -                      | -           | -           | -                 |
| Therma Luzon Inc.                             | -                    | 28,852       | 28,852               | -                      | -           | -           | -                 |
| Therma South, Inc.                            | (834)                | 43,930       | 40,231               | -                      | 2,865       | -           | 2,865             |
| Therma Visayas, Inc.                          | 299,880              | -            | 299,880              | -                      | -           | -           | -                 |
| Visayan Electric Co., Inc.                    | 2,426                | 8,742        | 9,313                | -                      | 1,855       | -           | 1,855             |
| Aboitiz Power Corporation                     | 4                    | -            | 4                    | -                      | -           | -           | -                 |
| Therma Luzon, Inc.                            | 971,754.00           | -            | 971,754              | -                      | -           | -           | -                 |
| Cebu District Property Enterprise, Inc.       | 551                  | -            | 551                  | -                      | -           | -           | -                 |
| APO Agua Infraestructura Inc.                 | 250                  | -            | 250                  | -                      | -           | -           | -                 |
| AEV Aviation, Inc.                            | 4,795                | -            | 4,795                | -                      | -           | -           | -                 |
| Total                                         | P 4,763,836          | P 37,901,492 | P 41,598,132         | P -                    | P 1,067,196 | P -         | P 1,067,196       |

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE D - INTANGIBLE ASSETS AND OTHER ASSETS

AS OF DECEMBER 31, 2024

(Amount in Thousands)

| Description                                       | Beginning<br>Balance | Additions<br>At Cost | DEDUCTIONS                       |                              | Other Changes<br>Additions<br>(Deductions) | Discontinued<br>Operation | Ending<br>Balance   |
|---------------------------------------------------|----------------------|----------------------|----------------------------------|------------------------------|--------------------------------------------|---------------------------|---------------------|
|                                                   |                      |                      | Charged to Costs<br>and Expenses | Charged to<br>Other Accounts |                                            |                           |                     |
| <b>A. Intangibles</b>                             |                      |                      |                                  |                              |                                            |                           |                     |
| Goodwill                                          | P 59,346,119         | P 30,058             | P -                              | P -                          | P 1,585,806                                | P -                       | P 60,961,983        |
| Service concession rights                         | 16,871,040           | 54,674,409           | (955,627)                        | -                            | 27,598                                     | -                         | 70,617,420          |
| Franchise                                         | 2,263,929            | -                    | (76,961)                         | -                            | -                                          | -                         | 2,186,968           |
| Project development costs                         | 2,502,911            | 2,648,727            | -                                | (429,485)                    | (883,249)                                  | -                         | 3,838,904           |
| Customer contracts                                | -                    | -                    | -                                | -                            | -                                          | -                         | -                   |
| Software and licenses                             | 903,997              | 572,192              | (272,650)                        | -                            | 120,060                                    | -                         | 1,323,599           |
| <b>B. Other Noncurrent Assets</b>                 |                      |                      |                                  |                              |                                            |                           |                     |
| Exchangeable Notes                                | -                    | -                    | -                                | -                            | -                                          | -                         | -                   |
| Input VAT and tax credit receivable               | 5,805,371            | 1,376,743            | -                                | -                            | -                                          | -                         | 7,182,114           |
| Financial assets at FVTPL                         | 107,292              | -                    | -                                | -                            | (24,660)                                   | -                         | 82,632              |
| Financial assets at FVOCI                         | 3,353,210            | -                    | -                                | -                            | (1,060,987)                                | -                         | 2,292,223           |
| Debt investments at amortized cost                | 11,063               | -                    | -                                | -                            | (11,063)                                   | -                         | -                   |
| Prepaid rent and other deposits                   | 1,199,209            | 3,719,790            | -                                | -                            | -                                          | -                         | 4,918,999           |
| Advances to contractors and projects              | 1,199,154            | 1,648,506            | -                                | -                            | -                                          | -                         | 2,847,660           |
| Biological assets (see Note 8)                    | 210,978              | 92,268               | -                                | -                            | -                                          | -                         | 303,246             |
| Prepaid taxes                                     | 4,709,025            | 1,316,231            | -                                | -                            | -                                          | -                         | 6,025,256           |
| Receivable from NGCP                              | 565,732              | 20                   | -                                | -                            | -                                          | -                         | 565,752             |
| Concession contract asset, net of current portion | 7,977,067            | -                    | -                                | -                            | (443,200)                                  | -                         | 7,533,867           |
| Deposit for future land acquisition               | 398,213              | 27,732               | -                                | -                            | -                                          | -                         | 425,945             |
| Others                                            | 1,676,953            | 234,265              | -                                | -                            | -                                          | -                         | 1,911,218           |
| <b>Total</b>                                      | <b>P109,101,263</b>  | <b>P66,340,941</b>   | <b>(P1,305,238)</b>              | <b>(P429,485)</b>            | <b>(P689,695)</b>                          | <b>P0</b>                 | <b>P173,017,786</b> |



ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE E - LONG-TERM DEBT

AS OF DECEMBER 31, 2024

(Amounts in Thousands)

| Name of Issuer and<br>Type of Obligation                    | Amount<br>Authorized<br>by Indentures | Amount<br>Shown as<br>Current | Amount<br>Shown as<br>Long-Term | Remarks |
|-------------------------------------------------------------|---------------------------------------|-------------------------------|---------------------------------|---------|
| Parent Company:                                             |                                       |                               |                                 |         |
| BPI Capital Corporation                                     | 5,064,100                             | -                             | 5,064,100                       |         |
| BDO Capital & Investment Corporation                        | 1,639,027                             | -                             | 1,639,027                       |         |
| Metropolitan Bank and Trust Company                         | 9,717,890                             | -                             | 9,717,890                       |         |
| BDO Unibank, Inc.                                           | 47,801,175                            | 11,562,569                    | 36,238,606                      |         |
| Subsidiaries:                                               |                                       |                               |                                 |         |
| Aboitiz Power Corporation                                   | 53,790,380                            | 5,395,289                     | 48,395,091                      |         |
| AP Renewables, Inc.                                         | 9,267,358                             | 973,066                       | 8,294,292                       |         |
| ARI Parent                                                  | 19,797,341                            | 176,031                       | 19,621,310                      |         |
| Hedcor, Inc.                                                | 1,145,694                             | 87,898                        | 1,057,796                       |         |
| Hedcor Bukidnon, Inc.                                       | 6,832,802                             | 624,561                       | 6,208,241                       |         |
| Hedcor Sibulan, Inc.                                        | 2,094,573                             | 496,831                       | 1,597,742                       |         |
| Hedcor Sabangan                                             | 858,120                               | 116,868                       | 741,252                         |         |
| PV Sinag Power, Inc.                                        | 9,332,051                             | 410,529                       | 8,921,522                       |         |
| Hedcor Tudaya, Inc.                                         | 573,198                               | 57,830                        | 515,368                         |         |
| Adventenergy, Inc (formerly Aboitiz Energy Solutions, Inc.) | 576,000                               | 12,000                        | 564,000                         |         |
| Pagbilao Energy Corporation (Joint Operation)               | 7,643,997                             | 944,494                       | 6,699,503                       |         |
| Therma South, Inc.                                          | 15,472,882                            | 1,239,658                     | 14,233,224                      |         |
| Therma Luzon, Inc.                                          | 33,787,536                            | 271,169                       | 33,516,367                      |         |
| Therma Visayas, Inc.                                        | 20,276,785                            | 2,013,323                     | 18,263,462                      |         |
| Therma Marine, Inc.                                         | 2,106,884                             | 321,009                       | 1,785,875                       |         |
| GNPower Mariveles Energy Center Ltd. Co.                    | 28,130,608                            | 2,762,441                     | 25,368,167                      |         |
| SPI Power Incorporated (formerly STEAG State Power, Inc.)   | 1,925,862                             | 455,068                       | 1,470,794                       |         |
| Cornerstone Energy Development Inc.                         | 107,195                               | 107,195                       | -                               |         |
| Pilmico Foods Corporation                                   | 2,819,131                             | 12,692                        | 2,806,439                       |         |
| Pilmico Animal Nutrition Corp.                              | 3,281,936                             | 67,899                        | 3,214,037                       |         |
| AEV International and Subsidiaries                          | 27,161,673                            | 201,288                       | 26,960,385                      |         |
| AboitizLand, Inc. and Subsidiaries                          | 1,946,609                             | 345,121                       | 1,601,488                       |         |
| Aboitiz Infra Capital                                       | 45,367,018                            | 1,742,910                     | 43,624,108                      |         |
| <b>Total</b>                                                | <b>P358,517,825</b>                   | <b>P30,397,739</b>            | <b>P328,120,086</b>             |         |

**ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES**

**SCHEDULE H - CAPITAL STOCK**

**AS OF DECEMBER 31, 2024**  
**(Amounts in Thousands)**

| Title of Issue   | Number of<br>Shares<br>Authorized | Number of<br>Shares Issued<br>and<br>Outstanding | Number of<br>Shares Reserved<br>for Options, Warrants,<br>Conversions, and<br>Other Rights | Number of Shares Held By |                                         |           |
|------------------|-----------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------|-----------------------------------------|-----------|
|                  |                                   |                                                  |                                                                                            | Affiliates               | Directors,<br>Officers and<br>Employees | Others    |
| COMMON SHARES    | 9,600,000                         | 5,553,805                                        | -                                                                                          | 2,737,173                | 275,060                                 | 2,541,573 |
| PREFERRED SHARES | 400,000                           | -                                                | -                                                                                          | -                        | -                                       | -         |

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE I - TRADE AND OTHER RECEIVABLES FROM RELATED PARTIES  
WHICH ARE ELIMINATED DURING THE CONSOLIDATION  
OF FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2024  
(Amounts in Thousands)

| Related Party                                 | Balances    |           |             | Volume       |          |          |          |        | Terms   |
|-----------------------------------------------|-------------|-----------|-------------|--------------|----------|----------|----------|--------|---------|
|                                               | Trade       | Non-trade | Total       | Sales        | Rental   | Interest | Advances | Others |         |
| Abaqa International Pte. Ltd.                 | P 906,940   | P -       | P 906,940   | P 35,829,729 |          | P -      | P -      | P -    | 30 days |
| AdventEnergy, Inc.                            | 14,790      |           | 14,790      | 170,657      |          | -        | -        | -      | 30 days |
| AdventPower, Inc.                             | 5,434       |           | 5,434       | 23,572       |          | -        | -        | -      | 30 days |
| Aboitiz Power Distributed Energy, Inc.        | 458         |           | 458         | 9,438        |          | -        | -        | -      | 30 days |
| Aboitizland, Inc.                             | 2,543       |           | 2,543       | 23,457       |          | -        | -        | -      | 30 days |
| Advanced Data Innovation, Inc.                | 27,909      |           | 27,909      | 120,900      |          | -        | -        | -      | 30 days |
| Aboitiz Data Innovation Pte. Ltd.             | 52,299      |           | 52,299      | 54,511       |          | -        | -        | -      | 30 days |
| Aboitiz Power Distributed Renewable, Inc.     | 357         |           | 357         | 6,143        |          | -        | -        | -      | 30 days |
| Aboitiz Equity Ventures, Inc.                 | 5,292       |           | 5,292       | 1,013,115    |          | -        | -        | -      | 30 days |
| AEV Aviation, Inc.                            | 180         |           | 180         | 124,406      |          | -        | -        | -      | 30 days |
| Aboitiz Infracapital, Inc.                    |             |           | -           |              |          | -        | -        | -      | 30 days |
| Fil-Agri Holdings, Inc.                       |             | 14        | 14          | 13,063       |          | -        | -        | -      | 30 days |
| AP Renewables, Inc.                           |             |           | -           |              |          | -        | -        | -      | 30 days |
| Balamaban Enerzone Corporation                |             | 355       | 355         | 2,773        |          | -        | -        | -      | 30 days |
| Cebu Industrial Park Developers, Inc.         |             |           | -           | 119          | 91       | -        | -        | -      | 30 days |
| Cotabato Light & Power Company                |             |           | -           |              |          | -        | -        | -      | 30 days |
| Cebu Praedia Development Corporation          | 12          |           | 12          |              | 44,732   | -        | -        | -      | 30 days |
| Davao Light and Power Co., Inc.               |             | 301       | 301         | 2,880        |          | -        | -        | -      | 30 days |
| East Asia Utilities Corporation               |             |           | -           |              |          | -        | -        | -      | 30 days |
| Gold Coin Management Holdings Pte. Ltd.       |             |           | -           | 83,438       |          | -        | -        | -      | 30 days |
| Gold Coin Feedmill Ha Nam Company Limited     | 12,559      |           | 12,559      | 108,593      |          | -        | -        | -      | 30 days |
| Aboitiz GMR Megawide Cebu Airport Corporation |             |           | -           |              |          | -        | -        | -      | 30 days |
| Hedcor, Inc.                                  |             | 1,319     | 1,319       | 3,957        |          | -        | -        | -      | 30 days |
| Hedcor Bukidnon, Inc.                         |             |           | -           |              |          | -        | -        | -      | 30 days |
| Hedcor Sibulan, Inc.                          |             |           | -           |              |          | -        | -        | -      | 30 days |
| Hedcor Sabangan, Inc.                         |             |           | -           |              |          | -        | -        | -      | 30 days |
| Hedcor Tudaya, Inc.                           |             |           | -           |              |          | -        | -        | -      | 30 days |
| Lima Land, Inc.                               |             |           | -           | 118,546      |          | -        | -        | -      | 30 days |
| Lima Water Corp.                              |             |           | -           | 10,085       |          | -        | -        | -      | 30 days |
| Lima Enerzone Corporation                     |             | 5,180     | 5,180       | 38,193       |          | -        | -        | -      | 30 days |
| Mactan Enerzone Corporation                   |             | 1,056     | 1,056       | 16,136       |          | -        | -        | -      | 30 days |
| Luzon Hydro Corporation                       |             |           | -           |              |          | -        | -        | -      | 30 days |
| Malvar Enerzone Corporation                   |             |           | -           |              |          | -        | -        | -      | 30 days |
| Pilmico Foods Corporation                     | 1,546       |           | 1,546       |              |          | -        | -        | -      | 30 days |
| Pilmico Animal Nutrition Corporation          | 23,932      |           | 23,932      | 735          |          | -        | -        | -      | 30 days |
| Aboitiz Foods International Pte. Ltd.         |             |           | -           |              |          | -        | -        | -      | 30 days |
| Pilmico Vietnam Company Limited               |             |           | -           | 699          |          | -        | -        | -      | 30 days |
| Subic Enerzone Corporation                    |             |           | -           |              |          | -        | -        | -      | 30 days |
| Prism Energy, Inc.                            |             |           | -           |              |          | -        | -        | -      | 30 days |
| San Carlos Sun Power, Inc.                    |             |           | -           |              |          | -        | -        | -      | 30 days |
| PV Sinag Power Inc.                           |             |           | -           |              |          | -        | -        | -      | 30 days |
| Therma Luzon Inc.                             |             |           | -           | 28,852       |          | -        | -        | -      | 30 days |
| Therma South, Inc.                            |             | 2,865     | 2,865       | 43,930       |          | -        | -        | -      | 30 days |
| Therma Visayas, Inc.                          |             |           | -           |              |          | -        | -        | -      | 30 days |
| Visayan Electric Co., Inc.                    |             | 1,855     | 1,855       | 8,742        |          | -        | -        | -      | 30 days |
|                                               |             |           |             |              |          |          |          |        |         |
| Total                                         | P 1,054,251 | P 12,945  | P 1,067,196 | P 37,856,669 | P 44,823 | P -      | P -      | P -    |         |



**ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES**  
**SCHEDULE J- TRADE AND OTHER PAYABLES TO RELATED PARTIES**  
**WHICH ARE ELIMINATED DURING THE CONSOLIDATION**  
**OF FINANCIAL STATEMENTS**

**AS OF DECEMBER 31, 2024**  
**(Amounts in Thousands)**

| Related Party                                 | Balances           |                 |                    | Volume              |                 |            |            |            | Terms   |
|-----------------------------------------------|--------------------|-----------------|--------------------|---------------------|-----------------|------------|------------|------------|---------|
|                                               | Trade              | Non-trade       | Total              | Purchases           | Rental          | Interest   | Advances   | Others     |         |
| Apo Agua Infraestructura, Inc.                | P -                | P 1,621         | P 1,621            | P 12,553            | P -             | P -        | P -        | P -        | 30 days |
| AdventPower, Inc.                             | 12,452             | -               | 12,452             | 1,068               | -               | -          | -          | -          | 30 days |
| Aboitiz Power Corporation                     | 1,169              | -               | 1,169              | 104,509             | 222             | -          | -          | -          | 30 days |
| Aboitiz Renewables, Inc.                      | 99                 | -               | 99                 | 5,999               | -               | -          | -          | -          | 30 days |
| Advanced Data Innovation, Inc.                | 53,390             | -               | 53,390             | 53,122              | -               | -          | -          | -          | 30 days |
| Aboitiz Data Innovation Pte. Ltd.             | 18,344             | -               | 18,344             | -                   | -               | -          | -          | -          | 30 days |
| AdventEnergy, Inc.                            | 6,125              | -               | 6,125              | 3,059               | 438             | -          | -          | -          | 30 days |
| Aboitiz Equity Ventures, Inc.                 | 530                | -               | 530                | 31,573              | 12,126          | -          | -          | -          | 30 days |
| AEV Aviation, Inc.                            | -                  | -               | -                  | 2,739               | -               | -          | -          | -          | 30 days |
| Aboitiz Infracapital, Inc.                    | 1,660              | -               | 1,660              | 14,736              | 242             | -          | -          | -          | 30 days |
| Aboitizland, Inc.                             | 102                | 1,867           | 1,969              | 44,401              | 8,856           | -          | -          | -          | 30 days |
| AP Renewables, Inc.                           | 147                | -               | 147                | 18,556              | -               | -          | -          | -          | 30 days |
| Balamaban Enerzone Corporation                | -                  | -               | -                  | 247                 | 127             | -          | -          | -          | 30 days |
| Cebu Industrial Park Developers, Inc.         | -                  | 1,397           | 1,397              | 31,249              | 914             | -          | -          | -          | 30 days |
| Cotabato Light & Power Company                | -                  | -               | -                  | 1,940               | 632             | -          | -          | -          | 30 days |
| Cebu Praedia Development Corporation          | 1,061              | -               | 1,061              | 12,414              | -               | -          | -          | -          | 30 days |
| Davao Light and Power Co., Inc.               | -                  | -               | -                  | 133,678             | 2,531           | -          | -          | -          | 30 days |
| East Asia Utilities Corporation               | -                  | -               | -                  | 978                 | -               | -          | -          | -          | 30 days |
| Gold Coin Management Holdings Pte. Ltd.       | 96                 | -               | 96                 | 13,036              | -               | -          | -          | -          | 30 days |
| Gold Coin Feedmills (Malaysia) Sdn. Bhd.      | 20                 | -               | 20                 | -                   | -               | -          | -          | -          | 30 days |
| Aboitiz GMR Megawide Cebu Airport Corporation | 1,544              | 3,395           | 4,939              | 288,996             | -               | -          | -          | -          | 30 days |
| Hedcor, Inc.                                  | -                  | -               | -                  | 5,983               | -               | -          | -          | -          | 30 days |
| Hedcor Bukidnon, Inc.                         | 3,407              | -               | 3,407              | 4,010               | -               | -          | -          | -          | 30 days |
| Hedcor Sibulan, Inc.                          | -                  | -               | -                  | 1,326               | -               | -          | -          | -          | 30 days |
| Hedcor Sabangan, Inc.                         | -                  | -               | -                  | 1,783               | -               | -          | -          | -          |         |
| Hedcor Tudaya, Inc.                           | -                  | -               | -                  | 1,756               | -               | -          | -          | -          |         |
| Lima Land, Inc.                               | 43                 | 8,245           | 8,288              | 111,898             | 1,264           | -          | -          | -          |         |
| Lima Water Corp.                              | -                  | 2,972           | 2,972              | 26,830              | -               | -          | -          | -          |         |
| Lima Enerzone Corporation                     | -                  | -               | -                  | 105,339             | 127             | -          | -          | -          |         |
| Mactan Enerzone Corporation                   | -                  | -               | -                  | 303                 | 127             | -          | -          | -          |         |
| Luzon Hydro Corporation                       | -                  | -               | -                  | 1,423               | -               | -          | -          | -          |         |
| Malvar Enerzone Corporation                   | -                  | -               | -                  | 209                 | -               | -          | -          | -          |         |
| Pilmico Foods Corporation                     | 315,322            | 2,865           | 318,187            | 13,596,120          | 5,513           | -          | -          | -          |         |
| Pilmico Animal Nutrition Corporation          | 285,854            | 11,607          | 297,461            | 2,757,319           | -               | -          | -          | -          |         |
| Aboitiz Foods International Pte. Ltd.         | 177                | -               | 177                | -                   | -               | -          | -          | -          |         |
| Pilmico Vietnam Company Limited               | 5,166              | -               | 5,166              | -                   | -               | -          | -          | -          |         |
| Subic Enerzone Corporation                    | -                  | -               | -                  | 1,077               | 253             | -          | -          | -          |         |
| Prism Energy, Inc.                            | -                  | -               | -                  | 827                 | -               | -          | -          | -          |         |
| San Carlos Sun Power, Inc.                    | -                  | -               | -                  | 414                 | -               | -          | -          | -          |         |
| PV Sinag Power Inc.                           | -                  | -               | -                  | -                   | -               | -          | -          | -          |         |
| Therma Luzon Inc.                             | 4,862              | -               | 4,862              | 11,175,004          | -               | -          | -          | -          |         |
| Therma South, Inc.                            | 319,062            | -               | 319,062            | 4,106,853           | -               | -          | -          | -          |         |
| Therma Visayas, Inc.                          | 53                 | -               | 53                 | 4,828,845           | -               | -          | -          | -          |         |
| Visayan Electric Co., Inc.                    | 2,542              | -               | 2,542              | 105,172             | 4,183           | -          | -          | -          |         |
| Therma Mobile, Inc.                           | -                  | -               | -                  | 549                 | -               | -          | -          | -          |         |
| Therma Marine, Inc.                           | -                  | -               | -                  | 9,893               | -               | -          | -          | -          |         |
| Therma Power, Inc.                            | -                  | -               | -                  | 16,535              | -               | -          | -          | -          |         |
| <b>Total</b>                                  | <b>P 1,033,227</b> | <b>P 33,969</b> | <b>P 1,067,196</b> | <b>P 37,634,321</b> | <b>P 37,555</b> | <b>P -</b> | <b>P -</b> | <b>P -</b> |         |



**Aboitiz Equity Ventures, Inc.**  
**32nd Street, Bonifacio Global City**  
**Taguig City, Metro Manila**

**Statement of Reconciliation of Retained Earnings Available for Dividend Declaration**  
**For the year ended December 31, 2024**  
**(Amounts in Philippine Currency and in Thousands)**

|                                                                                    |                                                                                                                                                                                                                                                                            |                    |
|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>Unappropriated Retained Earnings, beginning</b>                                 |                                                                                                                                                                                                                                                                            | <b>20,300,350</b>  |
| <b>Add:</b>                                                                        | <b>Category A: Items that are directly credited to Unappropriated Retained Earnings</b>                                                                                                                                                                                    |                    |
|                                                                                    | Reversal of Retained Earnings Appropriation/s                                                                                                                                                                                                                              | -                  |
|                                                                                    | Effect of restatements or prior-period adjustments                                                                                                                                                                                                                         | -                  |
|                                                                                    | Unrealized valuation of investment property                                                                                                                                                                                                                                | -                  |
|                                                                                    | Others                                                                                                                                                                                                                                                                     | -                  |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
| <b>Less:</b>                                                                       | <b>Category B: Items that are directly debited to Unappropriated Retained Earnings</b>                                                                                                                                                                                     |                    |
|                                                                                    | Dividend declaration during the reporting period                                                                                                                                                                                                                           | (7,867,700)        |
|                                                                                    | Retained Earnings appropriated during the reporting period                                                                                                                                                                                                                 | -                  |
|                                                                                    | Effect of restatements or prior-period adjustments                                                                                                                                                                                                                         | -                  |
|                                                                                    | Provision for income tax - deferred on investment property                                                                                                                                                                                                                 | -                  |
|                                                                                    | Others                                                                                                                                                                                                                                                                     | (7,867,700)        |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
| <b>Unappropriated Retained Earnings, as adjusted</b>                               |                                                                                                                                                                                                                                                                            | <b>12,432,650</b>  |
| <b>Add/Less: Net Income (loss) for the current year</b>                            |                                                                                                                                                                                                                                                                            | <b>8,834,604</b>   |
| <b>Less:</b>                                                                       | <b>Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>                                                                                                                                                           |                    |
|                                                                                    | Equity in net income of associate/joint venture, net of dividends declared                                                                                                                                                                                                 | -                  |
|                                                                                    | Unrealized foreign exchange gain, except those attributable to cash and cash equivalents                                                                                                                                                                                   | -                  |
|                                                                                    | Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)                                                                                                                                              | (2,656)            |
|                                                                                    | 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 PFRS                                                                                                                                            | (11,938)           |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
|                                                                                    | <b>Sub-total</b>                                                                                                                                                                                                                                                           | <b>(14,594)</b>    |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
| <b>Add:</b>                                                                        | <b>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)</b>                                                                                                               |                    |
|                                                                                    | Realized foreign exchange gain, except those attributable to cash and cash equivalents                                                                                                                                                                                     | -                  |
|                                                                                    | 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                                                                                                                                              | -                  |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
|                                                                                    | <b>Sub-total</b>                                                                                                                                                                                                                                                           | <b>-</b>           |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
| <b>Add:</b>                                                                        | <b>Category C.3: Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)</b>                                                                                                                         |                    |
|                                                                                    | Reversal of previously recorded 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 realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded                                                                                                             | -                  |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
|                                                                                    | <b>Sub-total</b>                                                                                                                                                                                                                                                           | <b>-</b>           |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
| <b>Adjusted Net Income/Loss</b>                                                    |                                                                                                                                                                                                                                                                            | <b>21,252,660</b>  |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
| <b>Add:</b>                                                                        | <b>Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</b>                                                                                                                                                                 |                    |
|                                                                                    | Depreciation on revaluation increment (after tax)                                                                                                                                                                                                                          | -                  |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
|                                                                                    | <b>Sub-total</b>                                                                                                                                                                                                                                                           | <b>-</b>           |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
| <b>Add/Less:</b>                                                                   | <b>Category E: Adjustments related to relief granted by the SEC and BSP</b>                                                                                                                                                                                                |                    |
|                                                                                    | Amortization of the effect of reporting relief                                                                                                                                                                                                                             | -                  |
|                                                                                    | Total amount of reporting relief granted during the year                                                                                                                                                                                                                   | -                  |
|                                                                                    | Others                                                                                                                                                                                                                                                                     | -                  |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
|                                                                                    | <b>Sub-total</b>                                                                                                                                                                                                                                                           | <b>-</b>           |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
| <b>Add/Less:</b>                                                                   | <b>Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution</b>                                                                                                                                        |                    |
|                                                                                    | Net movement of treasury shares (except for reacquisition of redeemable shares)                                                                                                                                                                                            | (2,496,641)        |
|                                                                                    | Net movement of deferred tax asset not considered in the reconciling items under the previous categories                                                                                                                                                                   | (451,303)          |
|                                                                                    | Net movement in the 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 | 1,933              |
|                                                                                    | Adjustment due to a deviation from PFRS/GAAP - gain (loss)                                                                                                                                                                                                                 | -                  |
|                                                                                    | Others                                                                                                                                                                                                                                                                     | -                  |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
|                                                                                    | <b>Sub-total</b>                                                                                                                                                                                                                                                           | <b>(2,946,011)</b> |
|                                                                                    |                                                                                                                                                                                                                                                                            | <hr/>              |
| <b>Total Retained Earnings, end of the reporting period available for dividend</b> |                                                                                                                                                                                                                                                                            | <b>18,306,649</b>  |

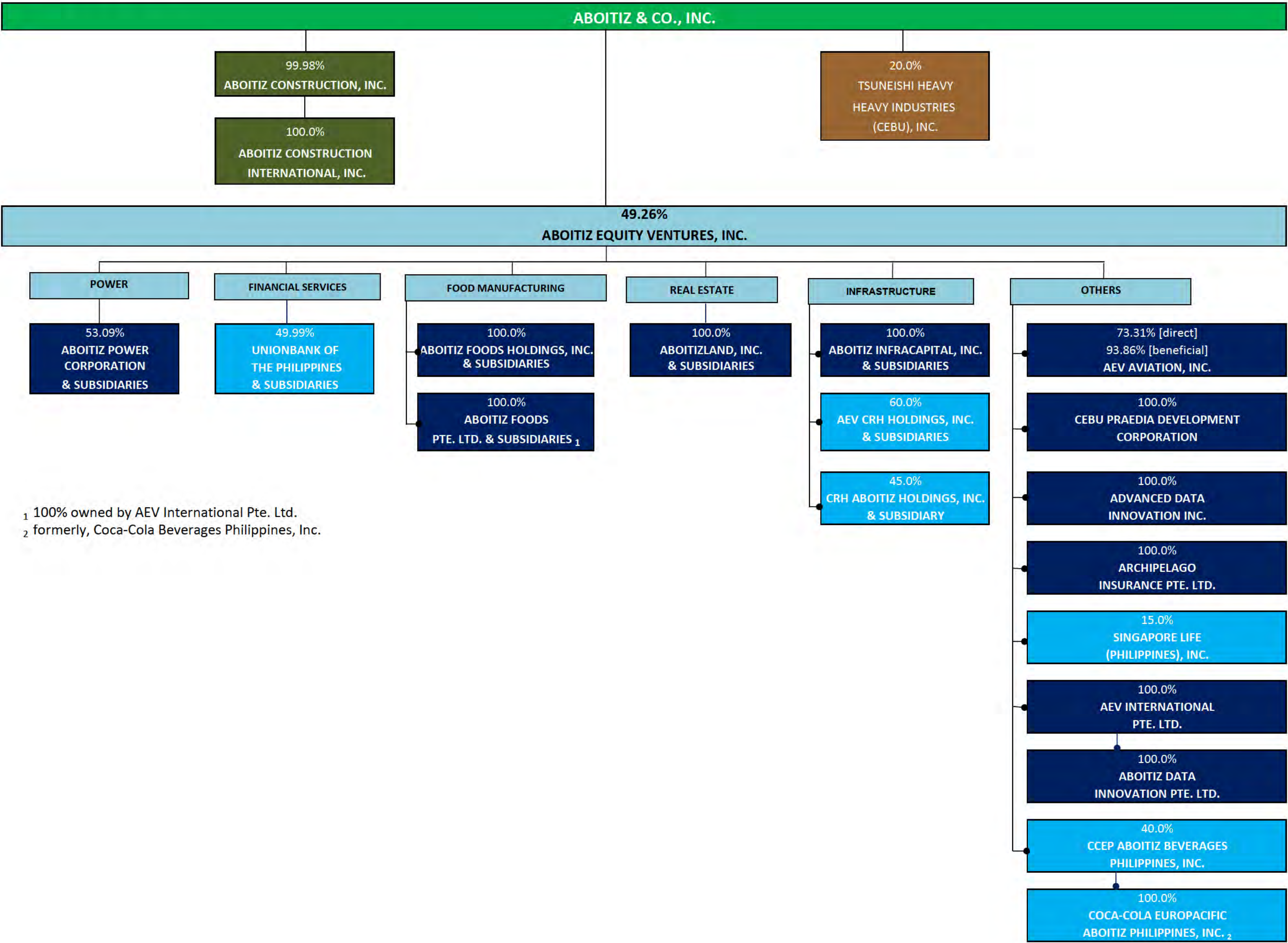
**ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES**

**SCHEDULE OF RELEVANT FINANCIAL RATIOS**

|                             | <b>FORMULA</b>                                                                                                                     | <b>DEC 2023</b> | <b>DEC 2024</b> |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>LIQUIDITY RATIOS</b>     |                                                                                                                                    |                 |                 |
| Current ratio               | $\frac{\text{Current assets}}{\text{Current liabilities}}$                                                                         | 2.2             | <b>1.6</b>      |
| Acid test ratio             | $\frac{\text{Cash + Marketable Securities} + \text{Accounts Receivable} + \text{Other Liquid Assets}}{\text{Current liabilities}}$ | 1.6             | <b>1.1</b>      |
| <b>SOLVENCY RATIOS</b>      |                                                                                                                                    |                 |                 |
| Debt to equity ratio        | $\frac{\text{Total liabilities}}{\text{Total equity}}$                                                                             | 1.2             | <b>1.3</b>      |
| Asset to equity ratio       | $\frac{\text{Total assets}}{\text{Total equity}}$                                                                                  | 2.2             | <b>2.3</b>      |
| Net debt to equity ratio    | $\frac{\text{Debt - cash \& cash equivalents}}{\text{Total equity}}$                                                               | 0.7             | <b>0.8</b>      |
| Gearing ratio               | $\frac{\text{Debt - cash \& cash equivalents}}{\text{Total equity} + (\text{Debt - cash \& cash equivalents})}$                    | 40.6%           | <b>44.4%</b>    |
| Interest coverage ratio     | $\frac{\text{EBIT}}{\text{Net interest expense}}$                                                                                  | 4.1             | <b>3.6</b>      |
| <b>PROFITABILITY RATIOS</b> |                                                                                                                                    |                 |                 |
| Operating Margin            | $\frac{\text{Operating Profit}}{\text{Total revenues}}$                                                                            | 12.2%           | <b>16.7%</b>    |
| Return on Equity            | $\frac{\text{Net income after tax}^*}{\text{Total beginning equity}^*}$                                                            | 9.2%            | <b>6.7%</b>     |

*\*attributable to equity holders of the Parent*

- Legend:
- Parent Company
  - Reporting Company
  - Co-Subsidiary
  - Subsidiary
  - Associate or Joint Venture
  - Other Related Parties

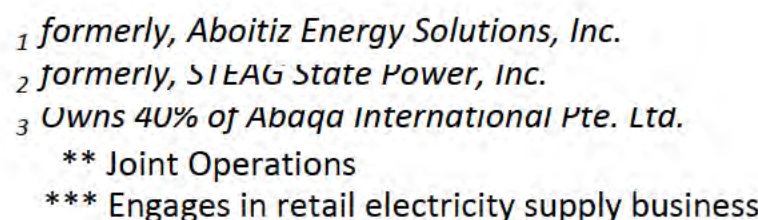




**As of December 31, 2024**

**Legend:**

|  |                            |
|--|----------------------------|
|  | Reporting Company          |
|  | Subsidiary                 |
|  | Associate or Joint Venture |
|  | Other Related Parties      |





ABOITIZ EQUITY VENTURES, INC. - FINANCIAL SERVICES  
CONGLOMERATE MAPPING

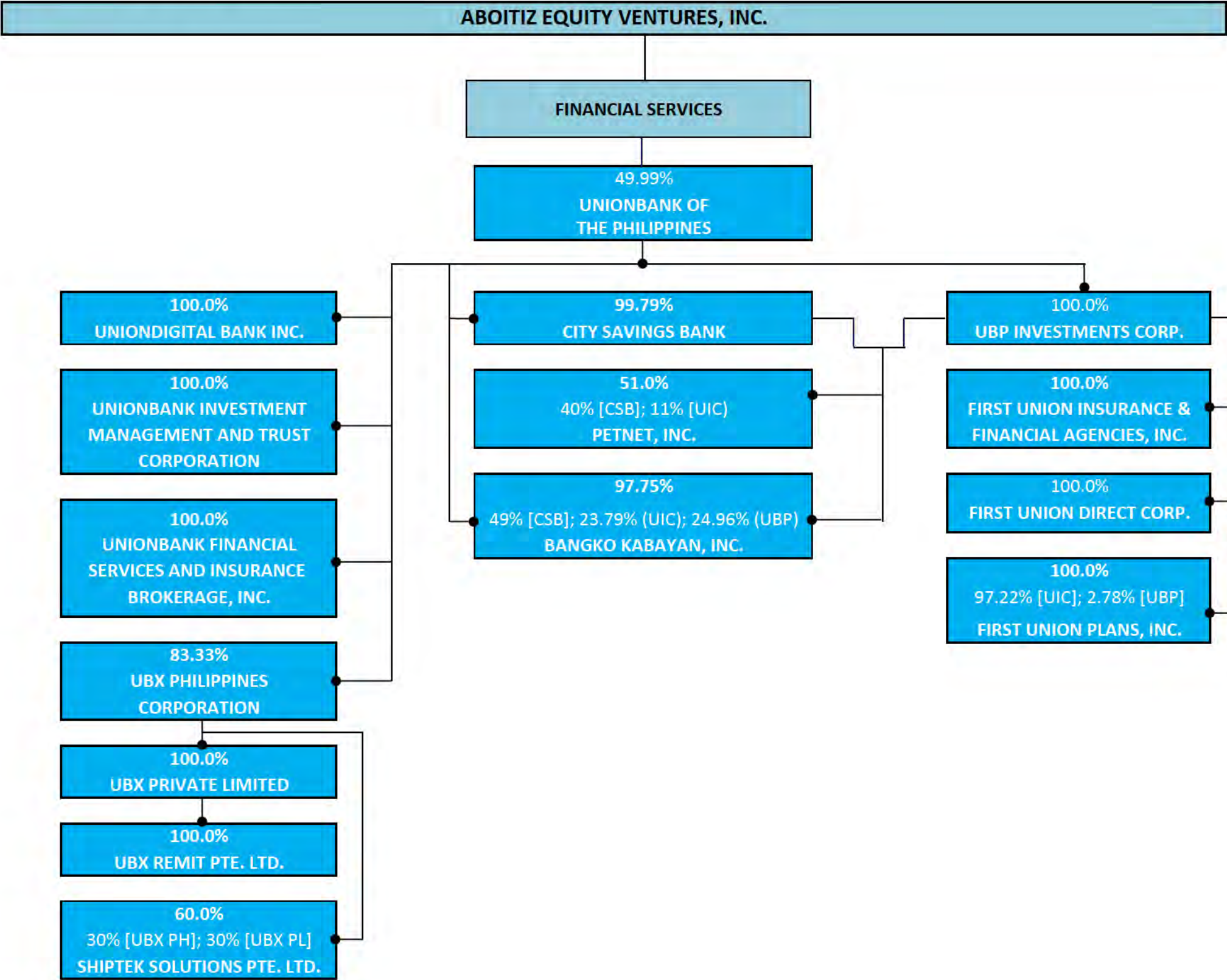
As of December 31, 2024

Legend:

Reporting Company

Subsidiary

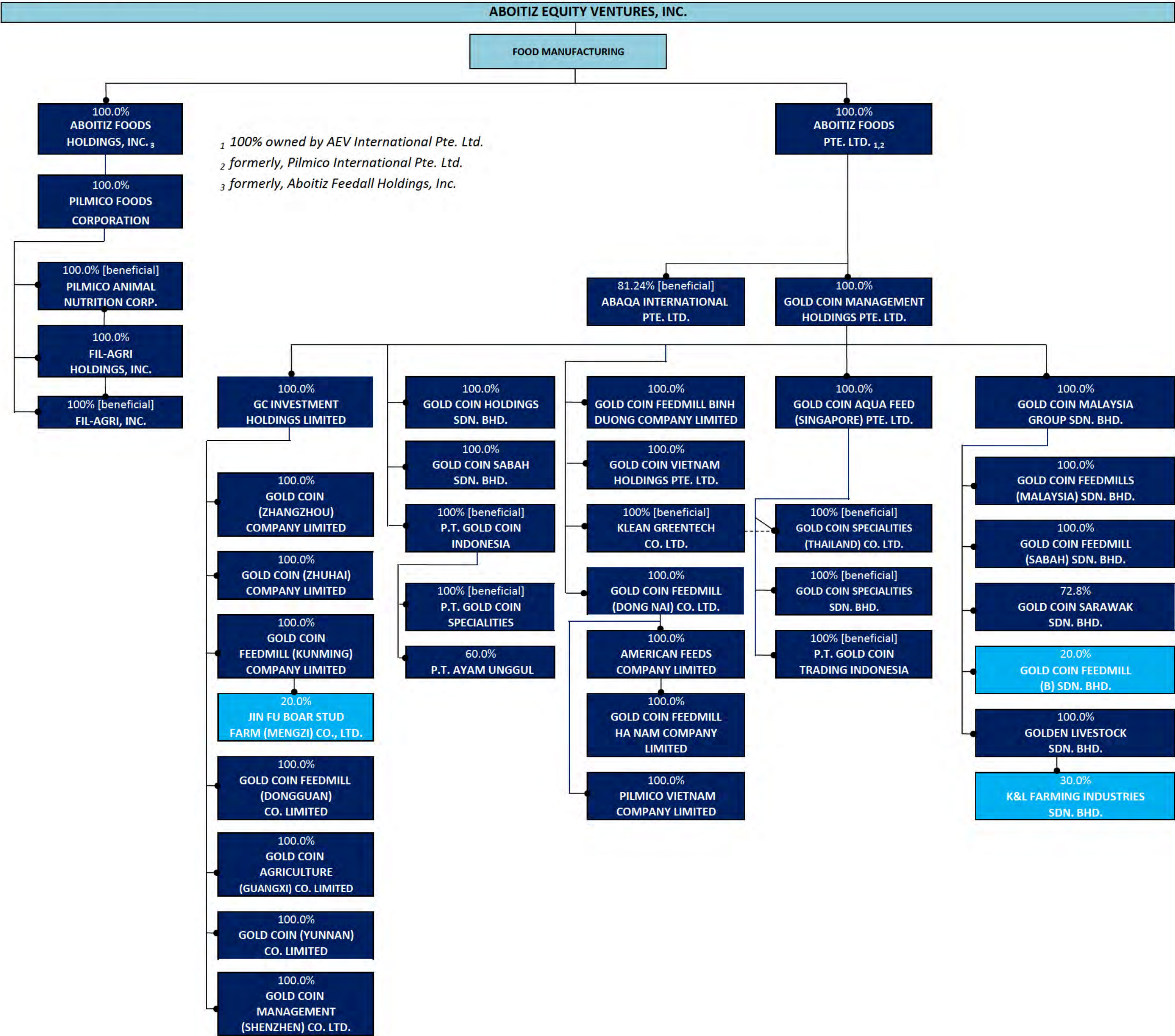
Associate or Joint Venture





ABOITIZ EQUITY VENTURES, INC. - FOOD MANUFACTURING  
CONGLOMERATE MAPPING  
As of December 31, 2024

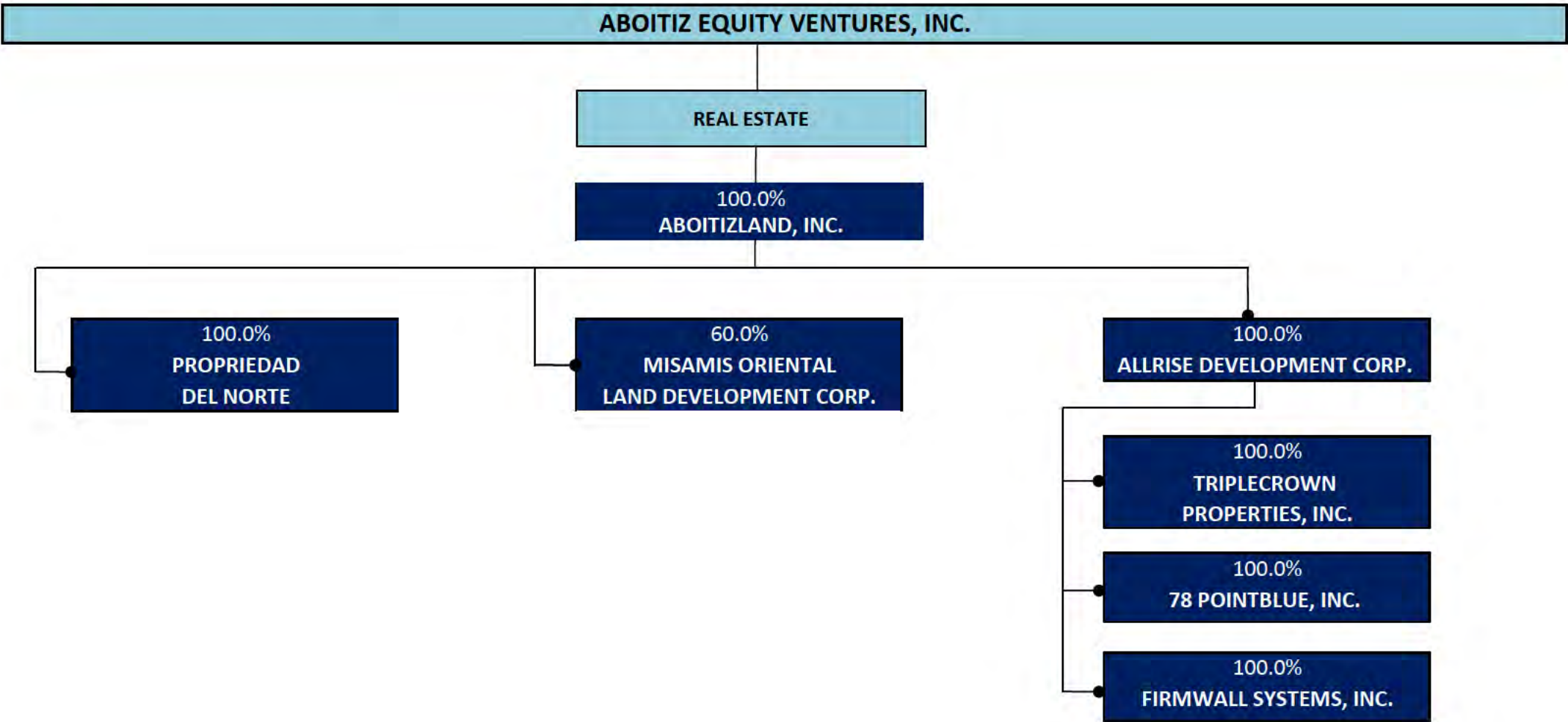
Legend:  
Reporting Company  
Subsidiary  
Associate or Joint Venture





ABOITIZ EQUITY VENTURES, INC. - REAL ESTATE  
CONGLOMERATE MAPPING  
As of December 31, 2024

- Legend:
- Reporting Company
  - Subsidiary
  - Associate or Joint Venture

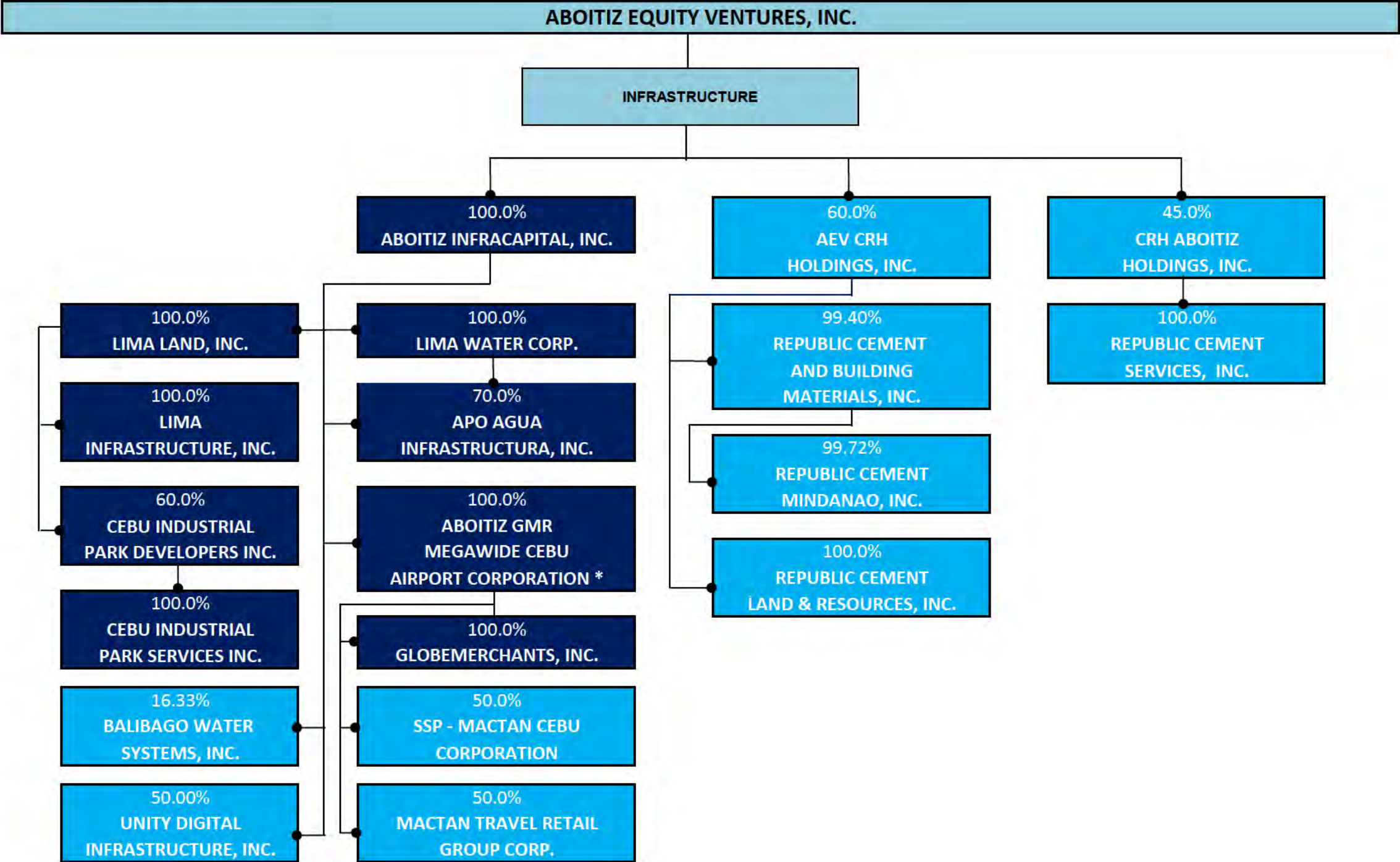


Legend:

Reporting Company

Subsidiary

Associate or Joint Venture



\* formerly, GMR Megawide Cebu Airport Corporation



**Aboitiz Equity Ventures, Inc.****SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION****For the year ended December 31, 2024**

(Amounts in Philippine Currency and in Thousands)

|                                       | <b>2024</b>     | <b>2023</b>    |
|---------------------------------------|-----------------|----------------|
| <b>Total Audit Fees</b>               | <b>P76,475</b>  | <b>P61,974</b> |
| Non-audit services fees:              |                 |                |
| Other assurance services              | 5,792           | 12,047         |
| Tax services                          | 14,306          | 15,076         |
| All other services                    | 19,240          | 951            |
| <b>Total Non-audit Fees</b>           | <b>39,338</b>   | <b>28,074</b>  |
| <b>Total Audit and Non-audit Fees</b> | <b>P115,813</b> | <b>P90,048</b> |







**ABOITIZ EQUITY VENTURES INC.**

NAC Tower, 32<sup>nd</sup> Street Bonifacio Global City, Taguig City  
1634 Metro Manila, Philippines

The undersigned stockholder of **ABOITIZ EQUITY VENTURES INC.** (the “Company”) hereby appoints \_\_\_\_\_ or, in his absence, the Chairman of the meeting, as *attorney-in-fact* and *proxy*, to represent and vote all shares registered in the name of undersigned stockholder, at the Annual Stockholders’ Meeting of the Company on **April 28, 2025 at 11:00 a.m.**, and at any adjournments thereof (the “2025 ASM”). Undersigned stockholder confirms receipt of the Agenda and rationale for the 2025 ASM, together with the Information Statements, and hereby directs its proxy to vote as follows:

1. Approval of Minutes of the Annual Stockholders’ Meeting held on April 22, 2024  
☐ Yes    ☐ No    ☐ Abstain
2. Approval of the 2024 Annual Report and Financial Statements  
☐ Yes    ☐ No    ☐ Abstain
3. Appointment of Sycip Gorres Velayo & Co. as the Company’s External Auditor for 2025  
☐ Yes    ☐ No    ☐ Abstain
4. Election of the Members of the Board of Directors  
Vote my shares as follows (Please check one):  
☐ Equally to all nine (9) nominees for directors;  
☐ Abstain for all nine (9) nominees for directors;  
☐ Distribute or cumulate my shares to the nominee/s, as follows: *(Indicate the number of shares to be voted for each nominee in the table below)*
5. Delegation to the Board of Directors of the Authority to List the Company’s Common and/or Preferred Shares  
☐ Yes    ☐ No    ☐ Abstain
6. Amendment of the Company’s Articles of Incorporation:
  - 6.1 Article Three to Change the Company’s Principal Place of Business; and
  - 6.2 Article Seven to Delegate to the Board of Directors the Authority to List the Company’s Common or Preferred Shares  
☐ Yes    ☐ No    ☐ Abstain
7. Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management from April 22, 2024 up to April 27, 2025  
☐ Yes    ☐ No    ☐ Abstain
- 7.1 Ratification of the Authority to Amend the By-Laws to Change the Company’s Principal Place of Business and Align with the Provisions of the Revised Corporation Code, the Company’s Updated Corporate Governance Practices, and Applicable SEC Rules and Regulations  
☐ Yes    ☐ No    ☐ Abstain
8. Any issue/question that may arise related to any item in the Agenda of the meeting  
☐ Yes    ☐ No    ☐ Abstain

| NAME OF NOMINEE                             | NO. OF SHARES VOTED |         |
|---------------------------------------------|---------------------|---------|
|                                             | YES                 | ABSTAIN |
| Enrique M. Aboitiz                          |                     |         |
| Mikel A. Aboitiz                            |                     |         |
| Erramon I. Aboitiz                          |                     |         |
| Sabin M. Aboitiz                            |                     |         |
| Ana Maria Aboitiz-Delgado                   |                     |         |
| Luis Miguel O. Aboitiz                      |                     |         |
| Joanne G. de Asis<br>(Independent Director) |                     |         |
| Cesar G. Romero<br>(Independent Director)   |                     |         |
| Peter D. Maquera<br>(Independent Director)  |                     |         |
| <b>TOTAL*</b>                               |                     |         |

\* Total votes cast should not exceed the number of shares in your name multiplied by the number of board seats (9).

PRINTED NAME AND SIGNATURE OF  
STOCKHOLDER\*\*

DATE

|                    |                                             |
|--------------------|---------------------------------------------|
| No. of Shares Held | Tel. No./Mobile Phone No. of<br>Stockholder |
|--------------------|---------------------------------------------|

\*\* If a representative will sign on behalf of the stockholder, this proxy must be submitted together with a duly executed Special or General Power of Attorney showing the authority of the representative to sign on behalf of the individual stockholder. A sample Special Power of Attorney is available at <https://aboitiz.com/2025asm>.

**This proxy must be received by the Office of the Corporate Secretary on or before 5:00 p.m., April 21, 2025 through email at [AEV\\_BoardSecretariat@aboitiz.com](mailto:AEV_BoardSecretariat@aboitiz.com). You may also send the hard copy to the Company’s address stated above.**

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is given, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by management or the Board of Directors.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expressed his intention to vote in person.

Notarization of this proxy is not required.