14 April 2025

via electronic mail
SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7909 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, 28th Street, cor. 5th 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
29th 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 17-A (Annual Report 2024) of Aboitiz Equity Ventures Inc. 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

C	E	O	2	5	3	6					

S.E.C. Registration Number

A	B	O	I	T	I	Z		E	Q	U	I	T	Y		V	E	N	T	U	R	E	S		I	N	C	.		

(Company's Full Name)

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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																				

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

CONNIE G. CHU	(02) 8 886-2800
Contact Person	Company Telephone Number

2024

Annual Report

1	2		3	1
Month		*Day*		

Fiscal Year

1	7	-	A	

FORM TYPE

4th Monday of April

0	4		2	8
Month			*Day*	

Annual Meeting

N/A

Secondary License Type, if Applicable

SEC	N/A
Dept. Requiring this Doc	Amended Articles Number/Section

	x	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number	LCU
Document I.D.	Cashier

S T A M P S

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the year ended **2024**

2. SEC Identification Number **CEO2536** 3. BIR TIN **003-828-269-000-V**

4. Exact name of registrant as specified in its charter **Aboitiz Equity Ventures Inc.**

5. **Philippines** 6.
Province, country or other jurisdiction of incorporation — Industry Classification Code

7. **32nd Street, Bonifacio Global City, Taguig City, Metro Manila** **1634**
Address of principal office — Postal Code

8. **(02) 8 886-2800**
Issuer's telephone number, including area code

9. **NA**
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Section 4 and 8 of the RSA.

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock ₱1 Par Value	**5,552,805,057**
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 Part I Item 1 (b)(i).

11. Are any or all of the securities listed on a Stock Exchange?

Yes (✓) No ( )

If yes, state the name of such stock exchange and the classes 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).

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code (SRC) and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes (✓) No ( )

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

Yes (✓) No ( )

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

For 2024, aggregate voting stock of registrant held outside of its affiliates and/or officers and employees totaled 3,012,232,515 shares as of December 31, 2024 (for details please refer to the attached notes to financial statements and Schedule H of this report) while its market price per share was ₱34.35 at the close of the last trading day in 2024.

Based on this data, total market value of registrant's voting stock not held by its affiliates and/or officers and employees was computed to be ₱87,303,016,818.00.

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the registrant has filed all documents and reports required to be filed by Section 17 of the RSA subsequent to the distribution of securities under a plan confirmed by a court or the SEC.

Yes ( ) No (✓)

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders;
- Aboitiz Power Corporation's SEC Form 17-A (2024 Annual Report), particularly the following portions:
  - Business of the Registrant
  - Government Approvals
  - Patents, Copyrights and Franchises

- Effect of Existing or Probable Governmental Regulations
- Majoy Risk/s Involved in the Business
- Consolidated Annual Financial Statements

- UnionBank of the Philippines' SEC Form 17-A (2024 Annual Report), particularly the following portions:
  - Government Approvals
  - Patents, Copyrights and Franchises
- 2024 Audited Financial Statements of Aboitiz Equity Ventures Inc. (with BIR ITR Filing Reference)
- Integrated Annual Corporate Governance Report
- Sustainability Report Template and 2024 Annual Integrated Report

(b) Any information statement filed pursuant to SRC Rule 20;

- Company's SEC Form 20-IS (Information Statement) for 2025 Annual Stockholders' Meeting

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PART 1 – BUSINESS AND GENERAL INFORMATION

Item 1. Business

Overview of the 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 eight 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.

A. PARENT COMPANY

(1) Business Development

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 32nd 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 "A"** 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	**₱310,619**	₱306,861
Operating Profit	₱50,594	**₱38,045**	₱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%
Total	**337,074**	**100%**	**₱338,234**	**100%**	**₱332,135**	**100%**

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%
Total	**₱18,128**	**100%**	**₱23,546**	**100%**	**₱24,021**	**100%**

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%
Subtotal	**322,052**	**100**	323,777	100	**314,392**	**100%**
Eliminations	(19,226)	-	(13,157)	-	(8,070)	-
Total	**₱302,826**	**100**	**₱310,619**	**100**	**₱306,861**	**100%**

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. (CCEAP)

CCEAP 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, CCEAP'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 Annual Report 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 "B"** 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 Annual Report.

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

(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 competitions, 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
TOTAL	**152**	**5,347**	**1,232**	**2,569**	**269**	**708**	**631**	**4,678**
Unionized Employees	N/A	622	26	773	N/A	N/A	435	418
Expiry of CBA	N/A	31 May 2025	31 May 2025	**Indonesia:** GCI Bekasi – 31 December 2025 GCS Bekasi - 31 December 2025 **Malaysia:** GCFMBW - 31 December 2025 GCSSB - February 2027 **Vietnam:** AFC - January 2028 GCFBD - February 2027 GCFHN - January 2028** PVC - December 2027 GCFLA - October 2025	N/A	N/A	**Batangas** - Supervisor (June 2026); Rank & File (February 2027) **Bulacan** - Supervisor (December 2026); Rank & File (July 2027) **Teresa** - Supervisor (January 2024, ongoing negotiation) ; Rank & File (October 2024) **Norzagaray** - Supervisor (December 2025); Rank & File (February 2025) RCMI - Supervisor (May 2026); Rank & File (December 2025)	**Hedcor: 19** September 2028 **Visayan Electric:** 31 December 2026 **Cotabato Light:** 30 June 2029 **Davao Light:** 16 June 2026 **SFELAPCO;** 9 May 2024**

** 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.

(b) Requirements as to Certain Issues of Issuers

(i) Debt Issues

(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 (Per Prospectus)	Actual Usage*
Capital Infusion into Aboitiz Land, Inc.	₱9,892,000,000.00	₱10,000,000.00
Capital Infusion into Apo Agua Infrastructura, 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
TOTAL	**₱24,000,000,000.00**	**₱24,000,000,000.00**

**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 (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
TOTAL	**₱5,000,000**	**₱5,000,000**

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 (Per Prospectus)	Actual Usage[1]
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
TOTAL	**₱10,000,000**	**₱7,550,000**

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 (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

[1] The full allotment for the oversubscription was not availed.

Finance future funding requirements of Aboitiz InfraCapital in 2022 for its towers project	643,629	647,997
Bond issuance costs	135,341	134,973
TOTAL	**₱10,000,000**	**₱10,000,000**

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 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 (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
TOTAL	**₱20,000,000**	**₱20,000,000**

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 (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
TOTAL	₱17,450,000	₱6,069,770

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.

B. 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[2], (b) Power Distribution, where AboitizPower is the second largest distribution utility, in terms of captive customer connections and energy sales[3], (c) Retail Electricity Services (RES), where the combined RES segment of AboitizPower has the second

[2] Based on Resolution 03-2023 published by the Energy Regulatory Commission on April 5, 2023
[3] Based on DOE's Distribution Development Plan 2021-2030

highest number of customers and the largest in terms of contract capacity in megawatts (MW) and total retail market share,[4] 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.[5] 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.[6] 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 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 Annual Report.

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

[4] ERC Competitive Retail Electricity Market (CREM) and Green Energy Option Program (GEOP) Monthly Statistical Data as of July 2024
[5] Based on ERC Resolution No. 03, Series of 2023 dated April 5, 2023
[6] Based on Energy Regulatory Commission (ERC) Resolution No. 2, Series of 2024 dated 19 March 2024

(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.*

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) La Trinidad,	Run-of-river hydro	52.7	52.7	FIT/ Bilaterals

		Bineng 3, Ampohaw, FLS, Labay, Lon-oy, Irisan 1 and 3, and Sal-angan				
		Davao 1-5 (Mindanao) 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.*

Non-Renewable 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
Coal Group						
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
Oil Group						
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
			Total	**4,757***	**3,554***	

** 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 Annual Report.

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
Total	**8,886,926**	**8,203,148**	**7,650,434**	**1,653**	**1,528**	**1,407**	**1,200,987**	**1,169,606**	**1,137,402**

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

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. (AboitzPower 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%
Total Revenue	**227,320**	**100%**	**₱240,694**	**100%**	233,348	100%
Less: Eliminations	29,828		**-33,594**		-39,355	
Net Revenue	**₱197,492**		**₱207,100**		₱193,994	

Note: Values are in Million Pesos.

(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 Luzon, SN Aboitiz Power Group, TMO, TLI, and APRI provide various ancillary services such as regulating reserves, voltage support, contingency reserves, and reactive power support. In the Visayas, AboitizPower through Cebu Energy delivers contingency ancillary service. Meanwhile, TMI fulfills both contingency and dispatchable reserves requirements in Mindanao. Additionally, the DOE has mandated a Competitive Selection Process (CSP) for Ancillary Services procurement nationwide, aiming for transparency and efficiency. AboitizPower plans to actively participate in meeting the critical AS requirements across all grids.

The Hedcor Tudaya Hydro 2, Hedcor Irisan Hydro 1, Hedcor Sabangan, Hedcor Manolo Fortich 1 and 2, and Hedcor La Trinidad Hydro plants, all operating commercially, have received approval for inclusion in the Feed-in Tariff (FIT) system.

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 companies, Adventenergy and AESI, have existing electricity supply contracts to ensure continuous supply of power to their customers. Adventenergy and AESI 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. Prism Energy primarily serves contestable customers under the Visayan Electric franchise.

In addition, APRI and TLI were also granted RES licenses in 2020 and became registered members of the Renewable Energy Market last July 6, 2021. They were granted operating permits by the DOE, valid for five years, allowing them to participate in GEOP as well.

(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 TeaM Corporation, Electricity Generating Public Company Limited (EGCO), and Korea Electric Power Corporation, as well as power generation facilities owned or controlled by Filipino-owned companies such as AC Energy, Alsons Power Group, DMCI Holdings, Inc., FDC Utilities, Inc., First Gen Corporation, Mgen, and SMGP.

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 Annual Report.

(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 Annual Report.

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 from 7 September 2000	7 September 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 Annual Report 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 Annual Report.

(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 the section entitled "Effect of Existing or Probable Governmental Regulations" of AboitizPower's 2023 Annual Report.

(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 initiates 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) 30 June 2024 (Cotabato Light) 16 June 2026 (Davao Light) 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 AboitizPower'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 Annual Report.

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 bn, 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 mn common shares.

In May 2024, UnionBank concluded a stock rights offering of 327.12 mn shares with a total transaction value amounting to approximately 10.0 bn 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 trusteed 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*), 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.

Relationship Managers	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.
Branch Network	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. 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. 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. UnionBank introduced agency banking cash deposit capability through its partnership with 7-Eleven and ECPay among others.
ATM Networks	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.
Call Center	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. 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.
Customer Service Chatbot	UnionBank's *"Rafa"* is the country's first banking chatbot that delivers instant 24/7 customer service. *Rafa* 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 *Rafa* provides a more personal and conversational

	customer experience compared to the interactive voice response or auto reply forms.
Mobile and E-Banking	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. 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. 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, payment gateway, and many more to help MSMEs manage financial operations. 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.

(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 RRPs) 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 Annual Report 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 Annual Report.

(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 it's 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 Annual Report.

III. FOOD MANUFACTURING

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 Infrastructura, 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 Infrastructura, 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 Laguingdingan 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 Calumboyan 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^3, which not only passed but is significantly below the Philippine standard limit of 150 mg/Nm^3. 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 Annual Report, 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 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
TOTAL PPE	210,418,814	199,409,988
Right-Of-Use Assets	30,193,579	30,290,988
TOTALS	**₱240,612,393**	**₱229,700,594**

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 Corporation	Filipino	22,494,414	0.41%
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#PH3Q201 692	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%
	SUB-TOTAL		**5,015,319,826**	**90.32%**
	Other Stockholders		**537,485,231**	**9.68%**
	TOTAL SHARES		**5,552,805,057**	**100.00%**
	NET ISSUED AND OUTSTANDING SHARES		**5,552,805,057**	**100.00%**

(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 (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 Annual Report.

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 INVESTEES**

   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
EQUITY IN NET EARNINGS OF	**₱14,531,542**	₱23,637,125	(₱9,105,583)	-39%
EBITDA	**83,641,669**	81,182,234	2,459,435	3%
CASH FLOW GENERATED:				
Net cash flows from operating	**55,105,857**	57,826,663	(2,720,80	-5%
Net cash flows used in investing	**(41,160,281)**	(2,195,947)	(38,964,3	1774%
Net cash flows used in financing	**(45,516,201)**	(44,282,137)		3%
Net Increase (Decrease) in Cash & Cash Equivalents	**(31,570,625)**	11,348,579	(42,919,204)	-378%
Cash & Cash Equivalents, Beginning	**112,293,582**	101,526,260	10,767,32	11%
Cash & Cash Equivalents, End	**81,793,295**	112,293,582	(30,500,28	-27%
	DECEMBER 31, 2024	**DECEMBER 31, 2023**		
CURRENT RATIO	**1.6**	2.2	-0.6	-27%
NET DEBT-TO-EQUITY RATIO	**0.8**	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 GNPower 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

Income Statements (in PHP thousands)			Horizontal Analysis		Vertical Analysis	
	2024	2023	Change	% Change	2024	2023
REVENUES						
Sale of:						
Power	**₱195,680,252**	₱205,818,244	(₱10,137,99	-5%	65 %	66 %
Goods	**91,677,860**	92,323,721	(645,86	-1%	30 %	30 %
Real estate	**10,335,220**	9,476,487	858,73	9%	3 %	3 %
Service fees and others	**5,132,321**	3,000,637	2,131,68	71%	2 %	1 %
	302,825,653	310,619,089	(7,793,43	-3%	100 %	100 %
COSTS AND EXPENSES						
Cost of generated and purchased	**115,273,191**	135,433,770	(20,160,57	-15%	38 %	44 %
Cost of goods sold	**76,070,825**	81,329,202	(5,258,37	-6%	25 %	26 %
Operating expenses	**54,883,658**	50,806,725	4,076,93	8%	18 %	16 %
Cost of real estate sales	**6,004,438**	5,004,708	999,73	20%	2 %	2 %
	252,232,112	272,574,405	(20,342,29	-7%	83 %	88 %
OPERATING PROFIT	**50,593,541**	38,044,684	12,548,85	33%	17 %	12 %
Share in equity earnings	**14,531,542**	23,637,125	(9,105,58	-39%	5 %	8 %
Interest income	**3,517,196**	4,301,426	(784,23	-18%	1 %	1 %
Interest expense	**(22,544,384)**	(20,528,967)	(2,015,41	10%	(7)%	(7)%
Other income - net	**2,445,122**	6,060,374	(3,615,25	-60%	1 %	2 %
INCOME BEFORE INCOME TAX	**48,543,017**	51,514,642	(2,971,62	-6%	16 %	17 %
PROVISION FOR INCOME TAX	**10,645,594**	8,593,435	2,052,15	24%	4 %	3 %
NET INCOME	**₱37,897,423**	₱42,921,207	(₱5,023,78	-12%	13 %	14 %
ATTRIBUTABLE TO:						
Equity holders of the parent	**₱18,127,511**	₱23,546,289	(₱5,418,77	-23%	6 %	8 %
Non-controlling interests	**19,769,912**	19,374,918	394,99	2%	7 %	6 %
	₱37,897,423	₱42,921,207	(₱5,023,78	-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 Infrastructura, 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

			Horizontal Analysis		Vertical Analysis	
	Dec 31, 2024	Dec 31, 2023	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 %

Non-controlling Interests	113,083,341	103,391,713	9,691,628	9%	13 %	12 %
Total Equity	396,365,576	375,346,444	21,019,132	6%	44 %	45 %
TOTAL LIABILITIES AND EQUITY	₱893,700,554	₱833,874,659	₱59,825,895	7%	100 %	100 %

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 Annual Report *(e.g. for an extensive discussion on regulatory issues, see Effect of Existing or Probable Government Regulations on the Business of AboitizPower's Annual Report).*

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 INVESTEES	**₱23,637,125**	₱20,781,865	₱2,855,260	14%
EBITDA	**81,182,234**	71,176,30	10,005,930	14%
CASH FLOW GENERATED:				
Net cash flows from operating activities	**57,826,663**	30,180,674	27,645,989	92%
Net cash flows from (used in) investing activities	**(2,195,947)**	(74,477,629)	72,281,682	-97%
Net cash flows used in financing activities	**(44,282,137)**	(4,364,764)	(39,917,373)	-915%
Net Increase (Decrease) in Cash & Cash Equivalents	**11,348,579**	(48,661,719)	60,010,298	-123%
Cash & Cash Equivalents, Beginning	**101,526,260**	147,534,035	(46,007,775)	-31%
Cash & Cash Equivalents, End	112,293,582	101,526,260	10,767,322	11%
	DEC 31, 2023	**DEC 31, 2022**		
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 INVESTEES	**₱20,781,865**	₱17,245,643	₱3,536,222	21%
EBITDA	**71,175,770**	67,241,938	3,933,832	6%
CASH FLOW GENERATED:				
Net cash flows from operating activities	**30,180,674**	36,319,034	(6,138,360)	-17%
Net cash flows used in investing activities	**(75,969,859)**	(10,078,385)	(65,891,474)	-654%
Net cash flows from (used in) financing activities	**(4,364,764)**	52,988,973	(57,353,737)	-108%
Net Increase (Decrease) in Cash & Cash Equivalents	**(48,661,719)**	79,229,622	(127,891,341)	-161%
Cash & Cash Equivalents, Beginning	**47,534,035**	65,966,411	(18,432,376)	-28%
Cash & Cash Equivalents, End	**101,526,260**	147,534,035	(46,007,775)	-31%
	DEC 31, 2022	**DEC 31, 2021**		
CURRENT RATIO	**1.9**	2.3	(0.4)	-17%
DEBT-TO-EQUITY RATIO	**0.7**	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 is incorporated herein by reference. The schedules listed in the accompanying Index to Supplementary Schedules is filed as part of this Annual Report.

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
Audit and Audit Related Fees		
Audit Fees	₱625,000.00	₱575,000.00
Audit-Related Fees	3,457,500.00	11,257,500.00
Total	**₱4,082,500.00**	**₱11,832,500.00**
Non-Audit Service Fees		
Other Assurance Fees	₱3,307,500.00	₱3,480,935.00
Consultancy Fees	2,240,870.00	₱53,195.00
Total	**₱5,548,370.00**	**₱3,534,130.00**
Total Audit and Non-Audit Fees	**₱9,630,870.00**	**₱15,366,630.00**

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 – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

(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.

ENRIQUE M. ABOITIZ (Chairman of the Board, Non-Executive Director)

Age: 71
Citizenship: Filipino
Date of First Appointment: 10 May 1999
Tenure: 25 years

Committee Memberships:

Member	- Board Sustainability, Governance, and Related Party Transactions Committee - Board Executive Committee - Board Cyber and Information Security Committee (until 17 December 2024)

Present Positions:

Chairman of the Board of Directors	- Aboitiz Equity Ventures Inc.*
Vice Chairman of the Board of Directors	- Aboitiz & Company, Inc.

Previous Positions:

Chairman of the Board of Directors	- Aboitiz Power Corporation*
Chairman of the Board of Directors	- Jebsen 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.

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.

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 - Board Cyber and Information Security Committee - Board Executive Committee

Present Positions:

Director	- Aboitiz Equity Ventures Inc.* - Aboitiz Power Corporation*
Chairman of the Board of Directors	- Union Bank of the Philippines* - 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) - Aboitiz Power Corporation* (2018 to 2019) - 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 - Board Risk and Reputation Management Committee

Present Positions:

President and Chief Executive Officer	- Aboitiz Equity Ventures Inc.* - Aboitiz & Company, Inc.
Chairman of the Board	- Aboitiz Power Corporation* - Aboitiz Foundation, Inc. - Aboitiz Land, Inc. - CRH Aboitiz Holdings, Inc.
Director/President	- AEV CRH Holdings, Inc.
Director	- Aboitiz InfraCapital, Inc. - Aboitiz Construction International, Inc. - Aboitiz Construction, Inc. - AEV International Pte Ltd. - Lima Land, Inc. - Pilmico Animal Nutrition Corporation - Pilmico Foods Corporation - Republic Cement & Building Materials, Inc. - Republic Cement Services, Inc. - Unity Digital Infrastructure Inc. - Union Bank of the Philippines*

	- Aboitiz Foods Holdings, Inc. - Aboitiz Data Innovation Pte. Ltd. - CCEP Aboitiz Beverages Philippines Inc.
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	- Aboitiz Equity Ventures Inc.* - Union Bank of the Philippines*
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	- Aboitiz Land Inc. - Aboitiz InfraCapital, Inc. - Advanced Data Innovation, Inc. - AEV CRH Holdings, Inc., - CRH Aboitiz Holdings, Inc. - Republic Cement & Building Materials - Republic Cement Services, Inc. - Visayan Electric Company, Inc.
Assistant Vice President for Product Management	- Citibank, N.A. (2006 to 2008)

Educational and Professional Background:

- Bachelor of Arts degree in Art History/Painting from Boston College
- Master's Degree in Business Administration from New York University Stern School of Business

Ms. Delgado is not connected with any government agency or instrumentality.

JUSTO A. ORTIZ (Non-Executive Director)

Age: 67
Citizenship: Filipino
Date of First Appointment: 9 May 1994
Tenure: 27 years
(1994 -2017, 2021- present)

Committee Memberships:

Chairman	- Board Cyber and Information Security Committee
Member	- Board Executive Committee

Present Positions:

Director	- Aboitiz Equity Ventures Inc.* - Advanced Data Innovation, Inc. - Aboitiz Foods Holdings, Inc. - Pilmico Foods Corporation - Pilmico Animal Nutrition Corporation - UBX Philippines Corporation - Concepcion Industrial Corporation* - Philippine Payments Management, Inc.
Vice Chairman of the Board	- Union Bank of the Philippines*
Chairman of the Board	- Fintech Philippines Association, Inc. - Distributed Ledger Technology Association of the Philippines, Inc. - Union Digital Bank, Inc.
Board of Trustees	- The Insular Life Assurance Co., Ltd. - Philippine Trade Foundation, Inc.
Member	- Management Association of the Philippines - Makati Business Club - World Presidents Organization

Previous Positions:

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	- Citibank, N.A. (1978 to 1979)

Resource Executive	
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 - Board Risk and Reputation Management Committee

Present Positions:

Independent Director	- Aboitiz Equity Ventures Inc.* - Robinson Retail Holdings, Inc.* - 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 - Board Risk and Reputation Management Committee - 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 - Board Audit Committee - Board Risk and Reputation Management Committee - Board Cyber and Information Security Committee

Present Positions:

Chief Executive Officer	- Microsoft Philippines
Trustee/Director	- Makati Business Club - American Chamber of Commerce - 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	- LiveIt Investments, Ltd. (2010 to 2017)
Trustee	- IT & Business Process Association of the Philippines - 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 IV - Corporate Governance of this Annual Report.

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 Statment. 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.

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 Part II Item 9 (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.

LUIS MIGUEL O. ABOITIZ

Age: 60
Citizenship: Filipino

Present Positions:

Chairman of the Board	- Aboitiz Impact Ventures, Inc.
Director	- Aboitiz & Company, Inc. - Aboitiz Equity Ventures Inc.* - AB Capital Securities, Inc.
Director and President	- DDLS Aboitiz, Inc. (Lumify Work Philippines)
Trustee	- Pacific Basin Economic Council - Philippine Business for Social Progress

Previous Positions:

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**.**

(2) Officers for 2023-2024

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.

ENRIQUE M. ABOITIZ
Chairman – Board of Directors
Refer to Part II Item 9 (a) (1) for the profile of Mr. Enrique M. Aboitiz.

MIKEL A. ABOITIZ
Vice Chairman – Board of Directors
Refer to Part II Item 9 (a) (1) for the profile of Mr. Mikel A. Aboitiz.

SABIN M. ABOITIZ
Director / President and Chief Executive Officer
Refer to Part II Item 9 (a) (1) for the profile of Mr. Sabin M. Aboitiz.

JOSE EMMANUEL U. HILADO[7]
Senior Vice President/ Chief Financial Officer/ Corporate Information Officer/ Chief Risk Officer

Age: 61
Citizenship: Filipino

Committee Memberships:

Ex-Officio Member	- Board Risk and Reputation Management Committee - Board Executive Committee

[7] 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.

	- Board Cyber and Information Security Committee

Present Positions:

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* - AEV International Pte Ltd. - Archipelago Insurance Pte. Ltd. - Republic Cement and Building Materials, Inc. - Aboitiz Data Innovation Pte. Ltd. - Aboitiz Renewables, Inc. - CCEP Aboitiz Beverages Philippines, Inc. - AboitizPower International Pte. Ltd. - AEV Aviation Inc. - UnionDigital Bank Inc. - UBX Philippines Corp. (Chairman of the Board)
Treasurer	- Aboitiz InfraCapital Inc. - CRH Aboitiz Holdings, Inc. - 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) - Senior Executive Vice President – Treasurer and Head of Global Market (Jan. to Sept. 2022) - 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.

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.

CHRISTINE C. KEMPENEERS[8]
Assistant Vice President – Risk Management Head / Data Protection Officer

Age: 36
Citizenship: Filipino

Committee Memberships: N.A.

Present Positions:

Assistant Vice President – Risk Management Head / Data Protection Officer	- Aboitiz Equity Ventures Inc. *

Previous Positions:

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*

Educational and Professional Background:

- Bachelor of Arts Degree in European Studies, International Business Track from the Ateneo de Manila University
- Master of Business Administration, Major in Finance (with Distinction) from the Asian Institute of Management
- PARIMA-ANZIIF Certified Risk Professional
- Crisis Management Certified Expert from the BCM Institute
- Sustainability and Climate Risk Certification from the Global Association of Risk Professionals
- Certification from the International Association of Privacy Professionals

[8] 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.

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

CHARMAINE R.A. VALMONTE[9]
First Vice President - Chief Information and Security Officer / Data Protection Officer

Age: 55
Citizenship: Filipino

Committee Membership:

Ex-Officio Member	- Board Cyber and Information Security Committee

Present Position:

First Vice President - Chief Information and Security Officer / Data Protection Officer	- Aboitiz Equity Ventures Inc.*

Previous Positions:

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*

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.

[9] 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.

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) - 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.

(3) Significant Employees

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

(4) 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.

(5) 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.

(6) 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 Annual Report and the Company's 2024 Annual Financial Statements, there are no other related party transactions entered into by the Company with related parties, including transactions with directors or self-dealings by the Company's directors.

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.

(7) 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.

(a) 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 10. Compensation of Directors and Executive Officers

(1) 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
CHIEF EXECUTIVE OFFICER AND FOUR MOST HIGHLY COMPENSATED OFFICERS **2. SABIN M. ABOITIZ** *President and Chief Executive Officer* **3. JOSE EMMANUEL U. HILADO** *Senior Vice President and Chief Financial Officer / Chief Risk Officer* **4. SUSAN V. VALDEZ** (retired end of 2023) *Senior Vice President and Chief Corporate Services Officer* **5. MARIA VERONICA C. SO** *Senior Vice President – Group Treasurer* **6. CONNIE G. CHU** (beginning 2023) *Senior Vice President – Chief Legal and Compliance Officer/Corporate Secretary* **7. MARIA LOURDES Y. TANATE** (beginning 2024) *Vice President – Group Internal Audit Head* **8. CHARMAINE ROSE VALMONTE** (beginning 2025) *First Vice President – Chief Information and Security Officer / Data Protection Officer*				
All above named officers as a group	**Actual 2024**	**₱201,834,083.00**	**₱20,089,685.00**	**₱17,149,482.00**
	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

All other directors and officers- as a group unnamed	**Actual 2024**	**₱14,397,464.00**	**₱1,927,001.00**	**₱44,727,470.00**
	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 Part II Item 9 (a)(2) of the Annual Report.

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 (*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[10]
ENRIQUE M. ABOITIZ, *Chairman of the Board*	₱5,725,000
MIKEL A. ABOITIZ, *Vice Chairman of the Board*	₱4,075,000
ERRAMON I. ABOITIZ, *Director*	₱6,650,000
SABIN M. ABOITIZ*, *President and Chief Executive Officer*	₱5,325,000
ANA MARIA A. DELGADO*, *Director*	₱4,200,000
JUSTO A. ORTIZ*, *Director*	₱5,550,000
CESAR G. ROMERO, *Lead Independent Director*	₱5,950,000
JOANNE G. DE ASIS, *Independent Director*	₱5,750,000
PETER D. MAQUERA, *Independent Director*	₱5,700,000

(2) Other Arrangements

Other than payment of the directors' per diem and monthly allowance as previously stated, there are

[10] 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.

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 11. Security Ownership of Certain Beneficial Owners 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. **Aboitiz & Company, Inc. ("ACO")**[11] Aboitiz Corporate Center, Gov. Manuel A. Cuenco Avenue, Kasambagan, Cebu City (Stockholder)	ACO	Filipino	2,735,600,915 (Record and Beneficial)	49.27%
Common	2. **PCD Nominee Corporation (Filipino)**[12] 37th 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.[13]	Filipino	1,145,905,022 (Record)	20.64%
Common	3. **Ramon Aboitiz Foundation, Inc. ("RAFI")** 35 Lopez Jaena St., Cebu City (Stockholder)	RAFI	Filipino	426,804,093 (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
Enrique M. Aboitiz Chairman of the Board	Common	6,000	Direct	Filipino	0.00%
		921,610	Indirect		0.02%

[11] 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.
[12] 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.
[13] 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.

Mikel A. Aboitiz Vice Chairman of the Board	Common	10	Direct	Filipino	0.00%
		126,524,836	Indirect		2.28%
Erramon I. Aboitiz Director	Common	1,001,000	Direct	Filipino	0.02%
		77,074,387	Indirect		1.41%
Sabin M. Aboitiz Director/President and Chief Executive Officer	Common	14,415,651	Direct	Filipino	0.26%
		23,590,061	Indirect		0.41%
Ana Maria A. Delgado Director	Common	500	Direct	Filipino	0.00%
		32,023,888	Indirect		0.58%
Justo A. Ortiz Director	Common	1	Direct	Filipino	0.00%
		0	Indirect		0.00%
Cesar G. Romero Lead Independent Director	Common	50	Direct	Filipino	0.00%
		0	Indirect		0.00%
Joanne G. De Asis Independent Director	Common	100	Direct	Filipino	0.00%
		0	Indirect		0.00%
Peter D. Maquera Independent Director	Common	0	Direct	Filipino	0.00%
		20,100	Indirect		0.00%
Jose Emmanuel U. Hilado Senior Vice President/Chief Financial Officer/Corporate Information Officer	Common	0	Direct	Filipino	0.00%
		307,000	Indirect		0.00%
Connie G. Chu Senior Vice President – Chief Legal and Compliance Officer / Corporate Secretary	Common	0	Direct	Filipino	0.00%
		80,600	Indirect		0.00%
Maria Veronica C. So Senior Vice President – Group Treasurer	Common	0	Direct	Filipino	0.00%
		9,617	Indirect		0.00%
Christine C. Kempeneers[14] Assistant Vice President – Head of Risk Management / Data Protection Officer	Common	0	Direct	Filipino	0.00%
		800	Indirect		0.00%
Charmaine R.A. Valmonte[15] First Vice President - Chief Information and Security Officer / Data Protection Officer	Common	0	Direct	Filipino	0.00%
		20,000	Indirect		0.00%
Maria Lourdes Y. Tanate Vice President – Group Internal Audit Head	Common	0	Direct	Filipino	0.00%
		74,386	Indirect		0.00%

[14] Ms. Kempeneers replaced Ms. Santanina Apolinaria B. Castro as the Head of Risk Management effective 7 July 2023

[15] 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.

Mailene M. de la Torre Vice President – Governance and Compliance / Assistant Corporate Secretary	Common	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Sammy Dave A. Santos Assistant Corporate Secretary	Common	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
TOTAL		**276,070,597**			**4.97%**

(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 12. 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 Annual Report and the Company's 2024 Annual Financial Statements, there are no other related party transactions entered into by the Company with related parties, including transactions with directors or self-dealings by the Company's directors.

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.

PART IV – CORPORATE GOVERNANCE

Item 13. 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.aboitiz.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 (Age, Nationality)	**Designation /Directorship**	**Year First Elected**	**Tenure**	**Board and Committee Memberships and % of Attendance for 2024**	**Directorships in Other Listed Philippine Companies Outside the Aboitiz Group**
ENRIQUE M. ABOITIZ 71 years old Filipino	Chairman of the Board (NED)	10 May 1999	25	(C) BOD (83%) (M) ExCom (n.a) (M) SGRPT (67%) (M) Cyber (67%)	None
MIKEL A. ABOITIZ 70 years old Filipino	Vice-Chairman (NED)	15 May 2017	7	(VC) BOD (89%) (M) ExCom (n.a)	None
ERRAMON I. ABOITIZ 68 years old Filipino	Director (NED)	9 May 1994	30	(M) BOD (100%) (C) Risk (100%) (M) ExCom (n.a) (M) AudCom (100%) (M) Cyber (100%)	None
SABIN M. ABOITIZ 60 years old Filipino	President and CEO (ED)	21 May 2018	6	(M) BOD (100%) (C) ExCom (n.a) (M) SGRPT (100%) (M) Risk (67%)	None
ANA MARIA A. DELGADO 44 years old Filipino	Director (NED)	11 December 2018	6	(M) BOD (94%) (M) AudCom (75%)	None
JUSTO A. ORTIZ 67 years old Filipino	Director (NED)	9 May 1994	27	(M) BOD (100%) (C) Cyber (100%) (M) ExCom (n.a)	None
CESAR G. ROMERO 59 years old Filipino	Lead Independent Director	25 April 2022	2	(M) BOD (100%) (C) AudCom (100%) (C) SGRPT (100%) (M) Risk (100%) (M) RPT (100%)	• Robinsons Retail Holdings, Inc.
JOANNE G. DE ASIS 74 years old Filipino	Independent Director	26 April 2021	3	(M) BOD (94%) (C) RPT (100%) (M) AudCom (100%) (M) SGRPT (100%) (M) Risk (100%) (M) Cyber (100%)	• EasyCall Communications Philippines Inc. (ID) • Del Monte Pacific Ltd.

PETER D. MAQUERA 62 years old Filipino	Independent Director	26 October 2023	1	(M) BOD (100%) (M) Cyber (100%) (M) AudCom (n.a.) (M) SGRPT (n.a.) (M) Risk (n.a.) (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
1. Director Self-Assessment *Completed: September 2024*	**Respondents**: Members of the Board Scope: Individual and the collective performance of the members of the Board and Board committees.	(1) compliance with best governance practices and principles; (2) participation and contribution to the Board and committee meetings; and (3) performance of their duties and responsibilities as provided in the company's Revised Manuals, Charters, Amended Articles, and Amended By-Laws.
2. Key Officers Evaluation *Completed: September 2024*	**Respondents:** Members of the Board **Scope:** Chairman of the Board, Chief Executive Officer, Internal Audit Head, Chief Risk Officer, Corporate Secretary, and Chief Compliance Officer	
3. Director Evaluation *Completed: September 2024*	**Respondents:** Executive Officers **Scope**: 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.
4. Board and Committee Charter Assessment *Completed: December 2024*	**Respondents:** 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

Environmental and Social	• Updated the OneNewAboitiz Sustainability Playbook and monitored the progress of the Group-wide ESG Materiality Re-assessment. • Completed the prefeasibility stage of the Aboitiz CarbonPH Project • Ensured that the company's ESG programs were implemented. • Continued to monitor the implementation of the Group's 10-year Aboitiz ESG Roadmap.
Compliance	• Reviewed and monitored AEV's compliance with new laws and regulations • Reviewed and monitored the status of whistleblowing reports.
Corporate Governance	• 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.
Nomination and Compensation	• 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. • 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. • Reviewed the qualifications of all persons nominated to appointed positions by the Board. • Reviewed and approved the 2024 Group-wide merit increase guidelines.
Completion of RPT Certification	• 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 • Monitored the compliance of AEV with BIR's reportorial requirements and SEC requirements
Fairness of RPTs	• 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

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

Financial Reports	• Reviewed, discussed, and approved for public disclosure the quarterly unaudited consolidated financial statements in 2024 • Endorsed for approval by the full Board the 2023 annual audited financial statements of AEV, its Subsidiaries and Affiliates.
External Auditors	• Reviewed the performance of SGV as AEV's external auditor. • Endorsed to the Board the appointment of SGV as AEV's External Auditor for 2024. • Reviewed and approved the overall scope and audit plan of SGV. • Reviewed and approved the audit plan, fees, and terms of engagement, which covers audit and non-audit services provided by SGV.
Internal Auditors	• Reviewed and approved the annual audit program for 2024 which also covers the adequacy of resources, qualifications and competency of the staff, and independence of the internal auditor. • Confirmed that the internal audit function is executed effectively and internal auditors have conducted their responsibilities objectively and in an unbiased manner.
Committee Charter	• 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

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

Enterprise Risk Management	• 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.
Business Continuity	• Updated the Business Continuity Policy to reflect the minimum guardrails for Strategic Business Units in light of the Group's federalization. • Monitored Business Continuity Plan Testing of Aboitiz businesses.
Risk Finance	• Reviewed proposed structure and utilization of AEV's captive insurance vehicle.
Reputation	• Updated the committee on the annual reputation management plans, result of brand and reputation surveys of the company. • Discussed the Reputation Strategy & ESG Synergy framework.

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

Cybersecurity Manual and Committee Charter	• Reviewed and amended the Committee Charter.
Organizational	• Updated the membership to include the Chairman of the Board Risk and Reputation Management Committee as a permanent voting member.
Cybersecurity Strategy	• Approved the Guidelines for Federalization of Cybersecurity Management • 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.
Cybersecurity Risks	• Reviewed the Cyber Risk Management Framework.

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* 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* on or before 30 May 2025.

DISCLOSURE AND TRANSPARENCY

Pursuant to its commitment to transparency and accountability, AEV's website, *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*.

PART V – EXHIBITS AND SCHEDULES

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

(a) Exhibits.

None

(b) Reports on SEC Form 17-C

Reports filed by the AEV on SEC Form 17-C from April 2024 – March 2025 are as follows:

Date Reported	Disclosure Details
April 8, 2024	Share Buy-Back Transaction (8,000,000)
April 11, 2024	Share Buy-Back Transaction (1,052,600)
April 12, 2024	Share Buy-Back Transaction (620,000)
April 15, 2024	Share Buy-Back Transaction (2,000,000)
April 16, 2024	Share Buy-Back Transaction (700,000)
April 18, 2024	Share Buy-Back Transaction (310,200)
April 22, 2024	Results of the 2024 Annual Stockholders' Meeting
April 23, 2024	Results of the 2024 Organizational Meeting of Board of Directors
April 26, 2024	First Quarter 2024 Financial and Operating Results
April 26, 2024	Update authorized representatives for Share Buy Back Transactions
May 16, 2024	Share Buy-Back Transaction (1,500,000)
May 17, 2024	Share Buy-Back Transaction (600,000)
May 20, 2024	Share Buy-Back Transaction (500,000)
May 21, 2024	Share Buy-Back Transaction (914,500)
May 22, 2024	Share Buy-Back Transaction (1,005,000)
May 23, 2024	Share Buy-Back Transaction (990,000)
May 27, 2024	Share Buy-Back Transaction (200,000)
May 28, 2024	Share Buy-Back Transaction (100,000)
May 29, 2024	Share Buy-Back Transaction (500,000)
May 30, 2024	Share Buy-Back Transaction (149,000)
June 3, 2024	Share Buy-Back Transaction (19,134,600)
June 4, 2024	Share Buy-Back Transaction (4,011,000)
June 5, 2024	Share Buy-Back Transaction (2,131,800)
June 6, 2024	Share Buy-Back Transaction (1,476,700)
June 7, 2024	Share Buy-Back Transaction (550,200)
June 11, 2024	Share Buy-Back Transaction (200,000)
June 13, 2024	Share Buy-Back Transaction (1,374,500)
June 14, 2024	Share Buy-Back Transaction (771,400)
June 18, 2024	Share Buy-Back Transaction (806,400)
June 18, 2024	Sale of Shares in CDPEI
June 19, 2024	Share Buy-Back Transaction (300,000)
June 20, 2024	Share Buy-Back Transaction (1,357,400)
June 21, 2024	Share Buy-Back Transaction (2,000,000)
June 24, 2024	Share Buy-Back Transaction (286,200)
June 25, 2024	Share Buy-Back Transaction (891,600)
June 26, 2024	Share Buy-Back Transaction (1,820,400)
July 2, 2024	Share Buy-Back Transaction (1,566,800)
July 3, 2024	Share Buy-Back Transaction (1,007,000)
July 4, 2024	Share Buy-Back Transaction (53,400)
July 5, 2024	Share Buy-Back Transaction (300,000)
July 8, 2024	Share Buy-Back Transaction (3,000,000)
July 9, 2024	Share Buy-Back Transaction (2,800,000)

Date Reported	Disclosure Details
July 15, 2024	Share Buy-Back Transaction (1,000,000)
July 25, 2024	Second Quarter 2024 Financial and Operating Results
October 3, 2024	Press Release: Aboitiz InfraCapital Wins Bid to Operate Laguindingan Airport
October 10, 2024	Press Release: Aboitiz InfraCapital, Inc. (AIC) and House of Investments (HI) explore a potential partnership to develop mixed-use property in Tarlac
October 28, 2024	Third Quarter 2024 Financial and Operating Results
October 31, 2024	Aboitiz InfraCapital Inc. (AIC) assumes 100% ownership in GMR Megawide Cebu Airport Corporation (now, Aboitiz GMR Megawide Cebu Airport Corporation or AGMCAC) after the Exchangeable Notes issued by Megawide Construction Corporation (Megawide) and GAIBV Airports International B.V. (GAIBV) matured on 30 October 2024
November 5, 2024	Aboitiz Equity Ventures Inc. ("AEV", or the "Company") and Aboitiz Land, Inc.'s ("AboitizLand") received approval from the Philippine Competition Commission ("PCC") to proceed with the sale of their respective shares in Cebu District Property Enterprise Inc. ("CDPEI") to Ayala Land, Inc. ("ALI") (collectively, the "Parties")
November 27, 2024	Press Release: Aboitiz InfraCapital Expands Airports Platform with Bohol-Panglao International Airport Bid Win
December 18, 2024	Changes in Officers and in the Membership of the Board Cyber and Information Security Committee
January 15, 2025	Share Buy-Back Transaction (1,000,000)
January 30, 2025	Matters approved by the Board during its Regular Board Meeting dated January 28, 2025
January 30, 2025	Amendment to Article III of the Articles of Incorporation (AOI) of Aboitiz Equity Ventures Inc.
January 30, 2025	Amendment to Sections 1 Article I of the By-Laws of Aboitiz Equity Ventures Inc.
February 21, 2025	Final List of Nominees Qualified to be Members of the Board of Directors of Aboitiz Equity Ventures Inc.
February 27, 2025	Matters approved by the Board during its Regular Board Meeting dated February 26, 2025
March 7, 2025	Matters approved by the Board during its Special Board Meeting dated March 7, 2025
March 10, 2025	Declaration of Regular Cash Dividends
March 10, 2025	Notice and Agenda of 2025 Annual Stockholders' Meeting
March 10, 2025	Full Year 2024 Financial and Operating Results of Aboitiz Equity Ventures Inc.
March 27, 2025	Amended Notice and Agenda of 2025 Annual Stockholders' Meeting
March 27, 2025	Amendment to Article Seventh of the Articles of Incorporation (AOI) of Aboitiz Equity Ventures Inc.

(c) Sustainability Report

Please refer to **Annex "F"** (Reporting Template for Sustainability Report).

The 2024 Aboitiz Group Annual Report and Sustainability Report (the "2024 Annual Integrated Report") will be available for download at the Company's website at **https://aboitiz.com/investor-relations/latest-annual-report/**

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, AEV has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Taguig on APR 14 2025.

By:

[redacted]

SABIN M. ABOITIZ
Principal Executive Officer and Principal Operating Officer

[redacted]

JOSE EMMANUEL U. HILADO
Principal Financial Officer

[redacted]

CONNIE G. CHU
Corporate Secretary

[redacted]

BEVERLY B. TOLENTINO
Controller/Principal Accounting Officer

Before me, a notary public in and for the city named above, personally appeared:

NAME	PASSPORT	DATE/PLACE OF ISSUE
SABIN M. ABOITIZ	[redacted]	
JOSE EMMANUEL U. HILADO		
CONNIE G. CHU		
BEVERLY B. TOLENTINO		

who were identified by me through competent evidence of identity to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took an oath/affirmation before me as to such instrument.

Witness my hand and seal this APR 14 2025.

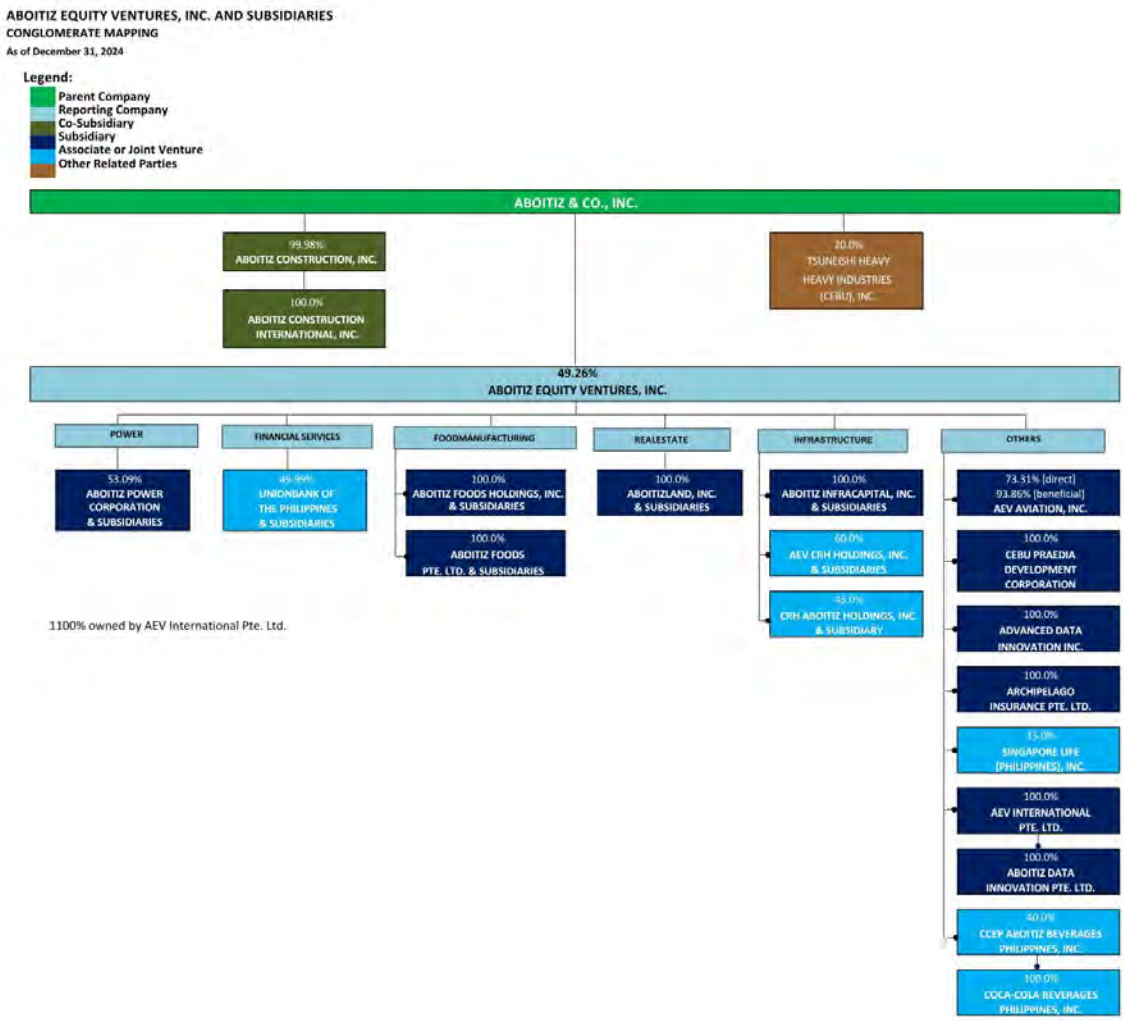
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Doc. No.: 295;
Page No. 60;
Book No. XX;
Series of 2025.

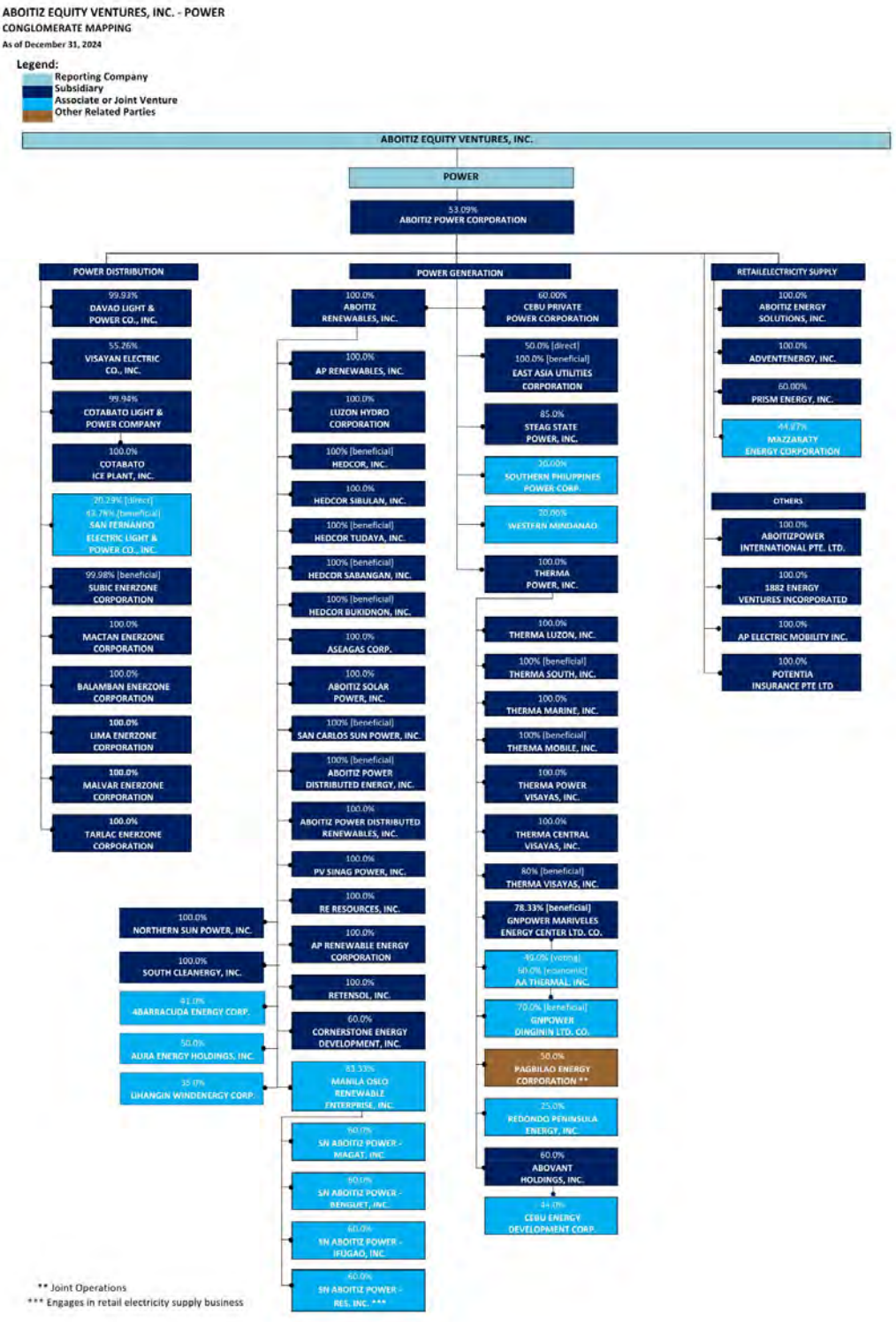
ATTY. MARIE CHRISTINE DURAN-SCHULZE
Notary Public for Taguig City
NCC No. 39 (2025-2026) Expires on 12/31/2026
Unit 1210 High Street South Corporate Plaza Tower 2
26th St. Bonifacio Global City, Taguig City
Roll No. 56901; LM IBP No. 08178; 15 April 2009; RSM
PTR No. A-6396381; 01/02/2025; Taguig City
MCLE No. VIII-0008154 valid until 04/14/2028

ANNEX "A"

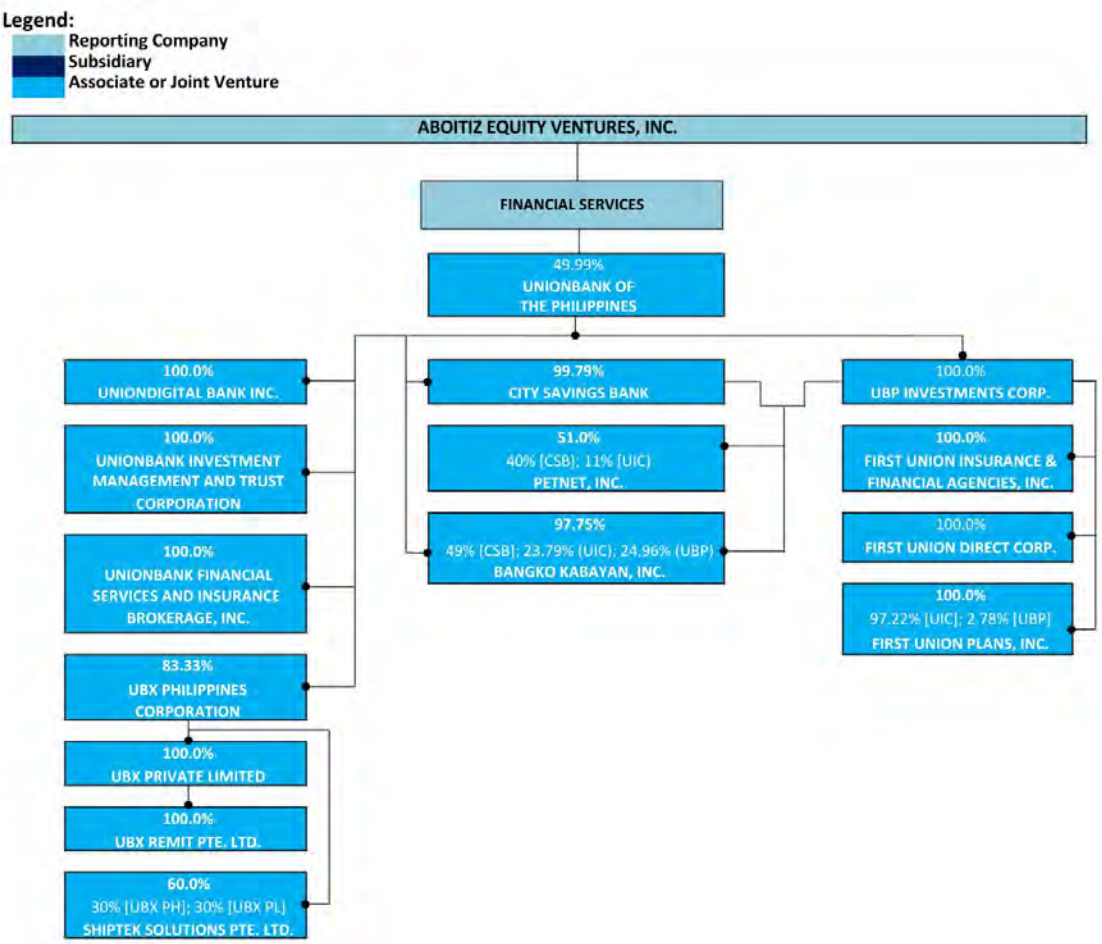
As of December 31, 2024



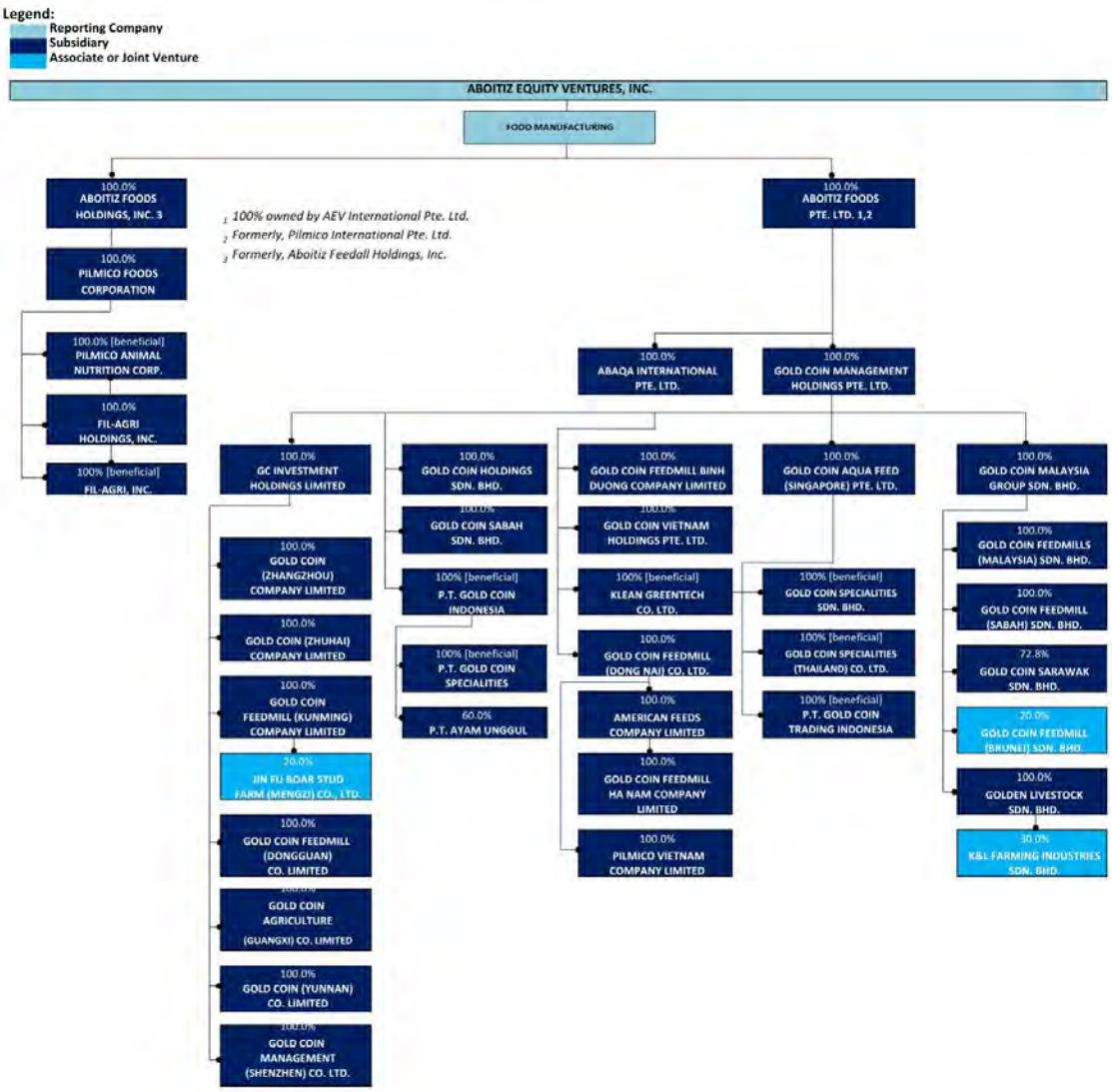
ABOITIZ EQUITY VENTURES, INC. - POWER
CONGLOMERATE MAPPING
As of December 31, 2024



ABOITIZ EQUITY VENTURES, INC. - FINANCIAL SERVICES
CONGLOMERATE MAPPING
As of December 31, 2024

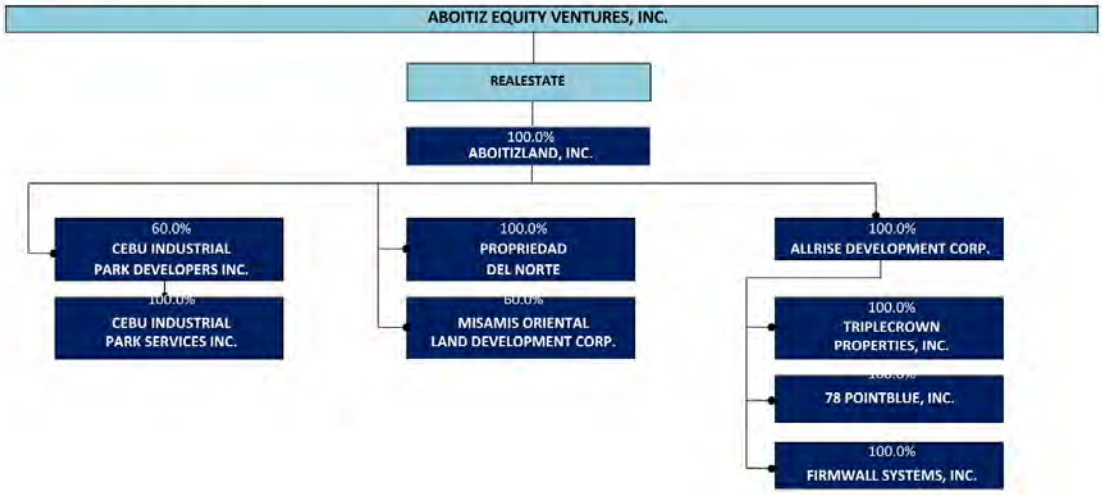


ABOITIZ EQUITY VENTURES, INC. - FOOD MANUFACTURING
CONGLOMERATE MAPPING
As of December 31, 2024



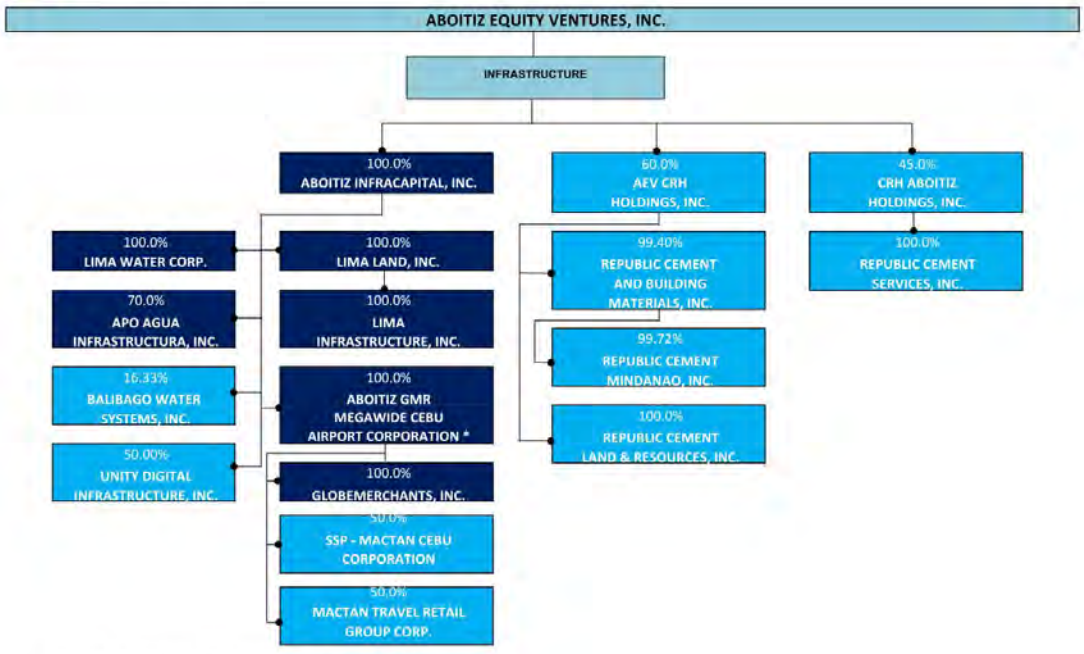
ABOITIZ EQUITY VENTURES, INC. - REAL ESTATE
CONGLOMERATE MAPPING
As of December 31, 2024

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*

ANNEX "B"

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 (Class Nos. 30, 35, 36, 37, 39, 40 and 42)	Aboitiz Equity Ventures Inc.	04-2018-018635 17 March 2019	Application for the word mark "Aboitiz".	Registered.
Aboitiz word mark (Additional activities under Class Nos. 36, 37)	Aboitiz Equity Ventures Inc.	04-2019-000086 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 (Class Nos. 35 and 36)	Aboitiz Equity Ventures Inc.	04-2018-021743 7 November 2019	Application for the device mark "Advancing Business and Communities", with color claim.	Registered.
Aboitiz Equity Ventures word mark (Class Nos. 35 and 36)	Aboitiz Equity Ventures Inc.	04-2018-021492 3 March 2020	Application for the word mark "Aboitiz Ventures".	Registered.
Aboitiz Equity Ventures Logo (Class Nos. 35 and 36)	Aboitiz Equity Ventures Inc.	04-2018-021742 6 October 2019	Application for the device mark "Aboitiz Equity Ventures", with color claim.	Registered.
A Future Built By You (Class No. 35)	Aboitiz Equity Ventures Inc.	4-2019-003834 8 August 2019	Application for the mark "A Future Built By You".	Registered.
Aboitiz & Device – Black (Class Nos. 30, 36, 37, 39, 40 and 42)	Aboitiz & Co., Inc.	4-2005-012408 24 September 2007 (Trademark has been renewed and will expire on September 24, 2027.)	Application for the device mark "Aboitiz (Black)".	Registered.
Aboitiz & Device – Red (Class Nos. 30, 36, 37, 39, 40 and 42)	Aboitiz & Co., Inc.	4-2005-012409 24 September 2007 (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 (Class Nos. 30, 36, 37, 39, 40 and 42)	Aboitiz & Co., Inc.	4-2005-012413 24 September 2007 (Trademark has been renewed and will expire on September 24, 2027.)	Application for the word mark "Passion for better ways".	Registered.
Techglomerate word mark (Class No. 35)	Aboitiz Equity Ventures Inc.	4-2022-00518217 15 October 2022	Application for the word mark "Techglomerate".	Registered.
Techglomerate Premium word mark (Class Nos. 35 and 36)	Aboitiz Equity Ventures Inc.	4-2022-00518342 12 December 2022	Application for the word mark "Techglomerate Premium".	Registered.

International Trademarks Application (Non-Madrid)

Trademarks	Owner	Country of Application	Status
Aboitiz (Word Mark) (Class No. 30)	Aboitiz Equity Ventures, Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 35)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 36)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 37)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 39)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 40)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 42)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Class No. 42)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 40)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 39)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 37)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 36)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 35)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (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)	Aboitiz Equity Ventures Inc.	WIPO	Registered.

(Class Nos. 30, 35, 36, 37, 39, 40, and 42)			
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.

ANNEX "C" INTERNAL CONTROL AND COMPLIANCE SYSTEM ATTESTATION

aboitiz
Equity Ventures

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.

[redacted]

Sabin M. Aboitiz
President & Chief Executive Officer

[redacted]

Maria Lourdes Y. Tanate
VP Group Internal Audit Head

[redacted]

Connie G. Chu
SVP Chief Legal and Compliance Officer

NAC Tower, 32nd Street, Bonifacio Global City, Taguig 1634, Metro Manila, Philippines
Tel: (632) 886-2800 | Fax: (632) 886-2470 | www.aboitiz.com

ANNEX "D" BOARD AUDIT COMMITTEE REPORT

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 Regular Meeting (Virtual)	Apr 24, 2024 Regular Meeting (Virtual)	July 24, 2024 Regular Meeting (Virtual)	Oct 25, 2024 Regular Meeting (Virtual)
CESAR G. ROMERO Chairman, Independent Director	✓	✓	✓	✓
PETER D. MAQUERA Independent Director	✓	✓	✓	✓
JOANNE DE ASIS Independent Director	✓	✓	✓	✓
ERRAMON I. ABOITIZ, JR. Non-Executive Director	✓	✓	✓	✓
ANA MARIA A. DELGADO 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 ISPPIA). 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,



Cesar G. Romero
Lead Independent Director
Board Audit Committee Chairman

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.phmessagemo@sec.gov.ph

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: April 08, 2025 05:05:23 PM

Company Information

SEC Registration No.: CEO0002536
Company Name: ABOITIZ EQUITY VENTURES INC.
Industry Classification: K74140
Company Type: Stock Corporation

Document Information

Document ID: OST10408202583154482
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2024
Submission Type: Parent
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	E	O	2	5	3	6				

COMPANY NAME

A	B	O	I	T	I	Z		E	Q	U	I	T	Y		V	E	N	T	U	R	E	S	,		I	N	C	.	

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

3	2	n	d		S	t	r	e	e	t	,		B	o	n	i	f	a	c	i	o		G	l	o	b	a	l	
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	Department requiring the report	Secondary License Type, If Applicable
A A F S	C R M D	- N A -

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
www.aboitiz.com	(02) 8886-2800	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
8210	April 22	December 31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Beverly Tolentino	beverly.tolentino@aboitiz.com	(02) 8886-2496	+63 917 598 3228

CONTACT PERSON's ADDRESS

c/o Aboitiz Equity Ventures, Inc. - 32nd 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.*

aboitiz
Equity Ventures

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. (Parent)** is responsible for the preparation and fair presentation of the 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 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 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 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.

[redacted]
ENRIQUE M. ABOITIZ JR.
Chairman of the Board

[redacted]
SABIN M. ABOITIZ
President & Chief Executive Officer

[redacted]
JOSE EMMANUEL U. HILADO
Senior Vice President - Chief Financial Officer

Signed this **7th** day **of March, 2025.**

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
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aboitiz
Equity Ventures

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN

The Management of **Aboitiz Equity Ventures, Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended **December 31, 2024.** Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended **December 31, 2024** and the accompanying Annual Income Tax Return are in accordance with the books and records of **Aboitiz Equity Ventures, Inc.**, complete and correct in all material respects. Management likewise affirms that:

(a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
(b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
(c) the **Aboitiz Equity Ventures, Inc.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

[redacted]
ENRIQUE M. ABOITIZ JR.
Chairman of the Board

[redacted]
SABIN M. ABOITIZ
President & Chief Executive Officer

[redacted]
JOSE EMMANUEL U. HILADO
Senior Vice President - Chief Financial Officer

Signed this 7th day of March 2025.

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SGV
Building a better working world

SyCip Gorres Velayo & Co.
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Brgy. Kamputhaw, Cebu
City 6000

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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 1634

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of Aboitiz Equity Ventures, Inc. (the Company), which comprise the parent company balance sheets as at December 31, 2024 and 2023, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its 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 Parent Company Financial Statements* section of our report. We are independent of the Company 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 parent company 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.

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

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

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In preparing the parent company 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.

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company 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 parent company 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 parent company 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 Company'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 Company'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 parent company 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 Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 27 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of the Company. The information has been subjected to the auditing procedures applied in our audit of the parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Jhoanna Feliza C. Go.

SYCIP GORRES VELAYO & CO.

[redacted]

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

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ABOITIZ EQUITY VENTURES, INC.

PARENT COMPANY BALANCE SHEETS

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱7,832,397,106**	₱44,899,087,343
Trade and other receivables (Notes 5 and 16)	**72,073,030**	247,494,050
Derivative asset (Note 23)	**11,937,646**	—
Noncurrent asset held for sale (Note 10)	**949,629,963**	—
Other current assets	**—**	47,914,111
Total Current Assets	**8,866,037,745**	45,194,495,504
Noncurrent Assets		
Investments (Notes 7 and 8)	**170,495,101,518**	144,202,162,133
Due from subsidiaries - net of current portion (Notes 5 and 16)	**—**	300,000,000
Property and equipment (Note 9)	**212,811,253**	289,488,957
Investment properties (Note 10)	**—**	949,629,963
Financial assets at fair value to other comprehensive income (FVOCI) (Note 11)	**986,292,223**	2,190,464,683
Financial assets at fair value through profit or loss (FVTPL) (Note 23)	**71,111,642**	68,455,779
Pension asset (Note 20)	**187,962,475**	192,583,572
Other noncurrent assets (Note 6)	**1,419,540,480**	1,641,346,739
Total Noncurrent Assets	**173,372,819,591**	149,834,131,826
TOTAL ASSETS	**₱182,238,857,336**	₱195,028,627,330
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Notes 12 and 13)	**₱714,499,945**	₱708,790,509
Current portion of:		
Lease liability (Note 24)	**45,653,249**	40,780,928
Long-term debts (Note 13)	**11,562,568,581**	3,434,817,444
Total Current Liabilities	**12,322,721,775**	4,184,388,881
Noncurrent Liabilities		
Noncurrent portion of:		
Lease liability (Note 24)	**8,251,796**	53,905,045
Long-term debts (Note 13)	**52,659,624,026**	64,086,389,577
Deferred income tax liabilities (Note 21)	**220,542,654**	7,279,269
Total Noncurrent Liabilities	**52,888,418,476**	64,147,573,891
Total liabilities	**65,211,140,251**	68,331,962,772
Equity		
Capital stock (Note 14)	**5,694,599,621**	5,694,599,621
Additional paid-in capital (Note 14)	**12,693,153,652**	12,693,153,652
Net unrealized mark-to-market (MTM) gains on investments in financial assets at FVOCI (Note 11)	**12,109,969**	8,916,326
Actuarial losses on defined benefit plan (Note 20)	**(192,758,543)**	(193,287,325)
Cash flow hedge reserve (Note 23)	**—**	(607,067,413)
Retained earnings (Notes 15)		
Appropriated	**88,800,000,000**	88,800,000,000
Unappropriated	**13,662,684,339**	21,445,780,679
Treasury stock at cost (Note 14)	**(3,642,071,953)**	(1,145,430,982)
Total Equity	**117,027,717,085**	126,696,664,558
TOTAL LIABILITIES AND EQUITY	**₱182,238,857,336**	₱195,028,627,330

See accompanying Notes to Parent Company Financial Statements.

BUREAU OF INTERNAL REVENUE
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ABOITIZ EQUITY VENTURES, INC.

PARENT COMPANY STATEMENTS OF INCOME

	Years Ended December 31		
	2024	2023	2022
REVENUE			
Dividend income (Note 16)	₱12,901,950,500	₱10,255,285,854	₱11,184,128,577
Management, professional and technical fees (Note 16)	964,274,694	1,166,808,248	1,414,953,448
	13,866,225,194	11,422,094,102	12,599,082,025
COST OF SERVICES (Note 17)	308,646,493	519,404,526	557,243,241
GROSS PROFIT	13,557,578,701	10,902,689,576	12,041,838,784
General and administrative expenses (Note 18)	(1,563,316,480)	(1,663,714,850)	(1,561,468,787)
Interest income (Notes 4, 5, 11 and 16)	911,820,967	2,140,138,332	957,494,560
Interest expense (Notes 13 and 24)	(4,074,853,131)	(3,521,401,774)	(1,830,535,851)
	(4,726,348,644)	(3,044,978,292)	(2,434,510,078)
OTHER INCOME (CHARGES)			
Foreign exchange gain - net	195,891,352	494,663,618	5,069,357,706
Service income (Note 16)	39,145,964	101,335,117	52,297,907
Rent income (Note 16)	28,691,340	24,943,320	13,473,234
Unrealized mark-to-market gain (loss) on financial assets at FVTPL	2,655,863	(1,568,913)	2,403,022
Write-off of investments and advances, project costs and other assets	(69,922,539)	(94,945,025)	(76,468,771)
Valuation losses on derivative transactions-net (Note 23)	(143,647,354)	(119,005,341)	(578,502,296)
Impairment loss on investment (Note 8)	(8,750,000,000)	—	—
Gains (losses) on sale of:			
Investment properties and property and equipment (Notes 9 and 10)	(5,712,250)	(10,147,017)	(200,446)
Investment in subsidiaries (Note 7)	—	—	447,068,194
Unrealized valuation gain on investment properties (Note 10)	—	—	1,131,130,544
Others (Note 16)	123,730,246	103,623,870	70,608,840
	(8,579,167,378)	498,899,629	6,131,167,934
INCOME BEFORE INCOME TAX	252,062,679	8,356,610,913	15,738,496,640
PROVISION FOR INCOME TAX (Note 21)	167,458,959	64,728,014	362,810,297
NET INCOME	₱84,603,720	₱8,291,882,899	₱15,375,686,343
EARNINGS PER COMMON SHARE (Note 15)			
Basic and diluted, for net income for the year	₱0.02	₱1.47	₱2.73

See accompanying Notes to Parent Company Financial Statements.

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
APR 0 8 2025
LT DIVISION-CEB

ABOITIZ EQUITY VENTURES, INC.

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2024	2023	2022
NET INCOME	**₱84,603,720**	₱8,291,882,899	₱15,375,686,343
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that may be reclassified subsequently to parent company statements of income:			
Net unrealized mark-to-market gains (losses) on FVOCI investments (Note 11)	**3,193,643**	45,707,429	(36,672,780)
Items that will not be reclassified to parent company statements of income:			
Cash flow hedge reserve (Note 23)	**809,423,217**	(809,423,217)	—
Actuarial gains (losses) on defined benefit plan (Note 20)	**705,043**	(155,568,719)	220,113,744
Income tax effect	**(202,532,065)**	241,247,984	(55,028,436)
	607,596,195	(723,743,952)	165,085,308
TOTAL COMPREHENSIVE INCOME	**₱695,393,558**	₱7,613,846,376	₱15,504,098,871

See accompanying Notes to Parent Company Financial Statements.

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ABOITIZ EQUITY VENTURES, INC.

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Capital Stock (Note 14)	Additional Paid-In Capital (Note 14)	Net Unrealized Mark-to-Market Losses on financial assets at FVOCI (Note 11)	Actuarial Losses on Defined Benefit Plan (Note 20)	Cash Flow Hedge Reserve (Note 23)	Retained Earnings		Treasury Stock (Note 14)	Total
						Appropriated (Note 15)	Unappropriated (Note 15)		
Balances at January 1, 2022	₱5,694,599,621	₱12,693,153,652	(₱118,323)	(₱241,696,094)	₱—	₱9,200,000,000	₱94,775,608,100	(₱647,672,411)	₱121,473,874,545
Net income for the year	—	—	—	—	—	—	15,375,686,343		15,375,686,343
Other comprehensive income (loss)	—	—	(36,672,780)	165,085,308	—	—	—	—	128,412,528
Total comprehensive income for the year	—	—	(36,672,780)	165,085,308	—	—	15,375,686,343	—	15,504,098,871
Appropriation during the year (Note 15)	—	—	—	—		70,600,000,000	(70,600,000,000)	—	—
Cash dividends - ₱1.62 per common share (Note 15)	—	—	—	—	—	—	(9,120,965,240)	—	(9,120,965,240)
Balances at December 31, 2022	₱5,694,599,621	₱12,693,153,652	(₱36,791,103)	(₱76,610,786)	₱—	₱79,800,000,000	₱30,430,329,203	(₱647,672,411)	₱127,857,008,176
			—						
Balances at January 1, 2023	₱5,694,599,621	₱12,693,153,652	(₱36,791,103)	(₱76,610,786)	₱—	₱79,800,000,000	₱30,430,329,203	(₱647,672,411)	₱127,857,008,176
Net income for the year	—	—	—	—	—	—	8,291,882,899	—	8,291,882,899
Other comprehensive income (loss)	—	—	45,707,429	(116,676,539)	(607,067,413)	—	—	—	(678,036,523)
Total comprehensive income for the year	—	—	45,707,429	(116,676,539)	(607,067,413)	—	8,291,882,899	—	7,613,846,376
Purchase of treasury shares (Note 13)	—	—	—	—		—	—	(497,758,571)	(497,758,571)
Appropriation during the year, net of reversal (Note 15)	—	—	—	—	—	9,000,000,000	(9,000,000,000)	—	—
Cash dividends - ₱1.47 per common share (Note 15)	—	—	—	—	—	—	(8,276,431,423)	—	(8,276,431,423)
Balances at December 31, 2023	₱5,694,599,621	₱12,693,153,652	₱8,916,326	(₱193,287,325)	(₱607,067,413)	₱88,800,000,000	₱21,445,780,679	(₱1,145,430,982)	₱126,696,664,558
			—						
Balances at January 1, 2024	₱5,694,599,621	₱12,693,153,652	₱8,916,326	(₱193,287,325)	(₱607,067,413)	₱88,800,000,000	₱21,445,780,679	(₱1,145,430,982)	₱126,696,664,558
Net income for the year	—	—	—	—	—	—	84,603,720	—	84,603,720
Other comprehensive income	—	—	3,193,643	528,782	607,067,413	—	—	—	610,789,838
Total comprehensive income for the year	—	—	3,193,643	528,782	607,067,413	—	84,603,720	—	695,393,558
Purchase of treasury shares (Note 14)	—	—	—	—	—	—	—	(2,496,640,971)	(2,496,640,971)
Cash dividends - ₱1.40 per common share (Note 15)	—	—	—	—	—	—	(7,867,700,060)	—	(7,867,700,060)
Balances at December 31, 2024	₱5,694,599,621	₱12,693,153,652	₱12,109,969	(₱192,758,543)	₱—	₱88,800,000,000	₱13,662,684,339	(₱3,642,071,953)	₱117,027,717,085

See accompanying Notes to Parent Company Financial Statements.

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
APR 08 2025

ABOITIZ EQUITY VENTURES, INC.

PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱252,062,679**	₱8,356,610,913	₱15,738,496,640
Adjustments for:			
Impairment loss on investment (Note 8)	**8,750,000,000**	—	—
Interest expense (Notes 13 and 24)	**4,074,853,131**	3,521,401,774	1,830,535,851
Depreciation and amortization (Notes 9, 17 and 18)	**97,255,276**	97,655,209	81,657,146
Write-off of investments and advances, project costs and other assets	**69,922,539**	94,945,025	76,468,771
Amortization of computer software (Notes 6, 17 and 18)	**46,117,299**	29,507,537	11,898,828
Loss (gain) on sale of:			
investment properties and property and equipment (Notes 9 and 10)	**5,712,250**	10,147,017	200,446
Investment in subsidiaries (Note 7)	—	—	(447,068,194)
Unrealized foreign exchange gain	**(617,855,676)**	(122,781,770)	(2,874,227,972)
Interest income (Notes 4, 5 and 16)	**(911,820,967)**	(2,140,138,332)	(957,494,560)
Unrealized MTM losses (gain) on derivatives (Note 23)	**(11,937,646)**	149,843,068	(149,843,068)
Unrealized marked-to-market (gain) loss on financial assets at FVTPL	**(2,655,863)**	1,568,913	(2,403,022)
Unrealized valuation gain on investment properties (Note 10)	—	—	(1,131,130,544)
Operating income before working capital changes	**11,751,653,022**	9,998,759,354	12,177,090,322
Decrease (increase) in:			
Trade and other receivables	**389,977,863**	(96,485,782)	1,268,098,400
Other operating assets	**(92,392,061)**	(63,010,810)	(23,752,604)
Increase in accounts payable and accrued expenses	**16,323,713**	119,126,297	97,575,762
Net cash flows generated from operations	**12,065,562,537**	9,958,389,059	13,519,011,880
Income and final taxes paid	**(67,166,918)**	(81,227,638)	(38,188,132)
Net cash flows from operating activities	**11,998,395,619**	9,877,161,421	13,480,823,748
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	**997,264,124**	2,353,154,471	646,901,833
Proceeds from sale of:			
Investment in associate (Notes 8)	**1,629,000,000**	—	—
Investment properties and property and equipment (Notes 9 and 10)	**8,754,557**	215,084,597	1,216,163
Proceeds from (additions to):			
Financial assets at FVOCI, FVTPL and debt investments at amortized cost	**1,253,918,344**	1,352,707,679	(921,847,971)
Redemption of preferred shares by a subsidiary (Note 7)	**19,060,000**	19,060,000	12,242,870
Short-term deposits	—	19,800,569,271	(19,286,184,149)
Investments and advances (Note 7)	—	—	(25,648,467)
Other noncurrent assets	**978,293,980**	(922,475,979)	(500,586,861)
Acquisitions of:			
Investments (Notes 7 and 8)	**(36,690,999,385)**	(6,852,561,949)	(55,299,149,013)
Property and equipment (Note 9)	**(35,667,008)**	(69,451,326)	(87,032,449)
Computer software development (Note 6)	(7,032,751)	(42,956,517)	(38,981,590)
Net cash flows from (used in) investing activities	(31,847,408,139)	15,853,130,247	(75,499,069,634)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid on common shares (Note 14)	**(7,867,700,060)**	(8,276,431,423)	(9,120,965,240)
Proceeds from:			
Long-term debt	—	17,233,529,984	19,759,320,594

(Forward)

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	Years Ended December 31		
	2024	2023	2022
Payments of:			
Long-term debt	**(₱3,450,000,000)**	(₱6,953,300,000)	(₱50,000,000)
Interest	**(3,929,013,732)**	(3,511,153,381)	(1,662,802,712)
Lease liabilities, including accretion of interest (Note 24)	**(45,626,389)**	(30,075,152)	(53,938,407.00)
Acquisition of treasury shares (Note 14)	(2,496,640,971)	(497,758,571)	—
Net cash flows from (used in) financing activities	(17,788,981,152)	(2,035,188,543)	8,871,614,235
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(37,637,993,672)**	23,695,103,125	(53,146,631,651)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**571,303,435**	(266,341,032)	2,283,647,930
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**44,899,087,343**	21,470,325,250	72,333,308,971
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱7,832,397,106**	₱44,899,087,343	₱21,470,325,250

See accompanying Notes to Parent Company Financial Statements.

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
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BY:

1. Corporate Information

Aboitiz Equity Ventures, Inc. (the Company) was incorporated in the Republic of the Philippines on September 11, 1989. It is registered with the Philippine Securities and Exchange Commission (SEC) and is the publicly listed holding and management company of the Aboitiz Group of Companies. Through its subsidiaries and associates, it is engaged in various business activities, mainly in the Philippines, including electricity generation and distribution, banking and financial services, food manufacturing, real estate development and infrastructure. The ultimate parent of the Company is Aboitiz & Company, Inc. (ACO), a company incorporated in the Philippines.

The registered office address of the Company is 32nd 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 financial statements of the Company were authorized for issue in accordance with a resolution by the Board of Directors (BOD) on March 7, 2025.

2. Basis of Preparation and Summary of Significant Accounting Policies

Basis of Preparation

The parent company financial statements have been prepared on a historical cost basis, except for investments in certain debt and equity securities and derivatives which are measured at fair value. The parent company financial statements are presented in Philippine peso, which is the Company's functional currency, and all values are rounded to the nearest peso except as otherwise indicated.

The Company also prepares and issues consolidated financial statements for the same period as the parent company financial statements, presented in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. These may be obtained at 32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines.

Statement of Compliance

The parent company financial statements, which are prepared for submission to the Philippine SEC and the Bureau of Internal Revenue (BIR), have been prepared in compliance with PFRS Accounting Standards.

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 Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements of the Company.

- 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. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Company 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 Company 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

Current versus Noncurrent Classification

The Company presents assets and liabilities in the parent company 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 at 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 the Company.

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 Company 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 parent company 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 parent company financial statements on a recurring basis, the Company 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 Company 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.

Cash and Cash Equivalents

Cash and cash equivalents in the parent company 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.

Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, at FVOCI and at fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at its transaction price.

In order for a debt financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.



Subsequent Measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial assets at amortized cost
The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the parent company statement of income when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost as at December 31, 2024 consist of cash in banks, cash equivalents, short-term cash deposits, trade and other receivables and debt investments in the parent company balance sheets. The Company 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 Company concluded these debt financial assets to be measured at amortized cost.

Financial Assets at FVOCI
A financial asset is measured at FVOCI if both of the following conditions are met:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 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 (OCI) 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 the parent company statement of income upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the ECL model.

The Company 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 the parent company statement of income. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in the parent company statement of income, unless the dividend clearly represents a recovery of part of the cost of the investment.



Dividends are recognized in the parent company statement of income only when:

- the Company'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 Company; and
- the amount of the dividend can be measured reliably.

As of December 31, 2024 and 2023, the Company has investments in debt securities that are measured at FVOCI.

Financial assets at FVTPL
Financial assets are measured at FVTPL 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 parent company statement of income as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in the parent company statement of income.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, the Company 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 Company, 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 Company's investments in equity shares are measured at FVTPL as of December 31, 2024 and 2023.

Impairment of Financial Assets
The Company applied the ECL model on the impairment of the following debt instruments financial assets not measured at FVTPL:

- those that are measured at amortized cost and FVOCI;
- loan commitments; and
- financial guarantee contracts.

ECL calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions.

Amount of ECL to be recognized is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The following stages are applicable to those financial assets being assessed for ECL depending on its credit quality:

Stage 1: 12-month
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 reporting date are recognized.

Stage 2: Lifetime ECL
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: 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 effective interest rate 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 reporting date. A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company 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 reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company 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 credit quality deteriorates. If, in a subsequent period, credit 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 Company 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.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the parent company balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



When the Company has transferred its rights to receive cash flows from an asset or has entered into a "pass-through" arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

The Company assesses at each reporting date whether there is an objective evidence that a financial or group of financial asset is impaired. Objective evidences of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Company triggers its assessment whether its financial asset is in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities
Initial Recognition and Measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities are all classified and measured at amortized cost.

The Company's financial liabilities include "Accounts payable and accrued expenses", "Long-term debts" and "Lease liability".

Loans and Borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the parent company statement of income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the parent company statement of income. This category generally applies to interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the parent company statement of income.

Derivative Financial Instruments and Hedge Accounting
The Company enters into derivative and hedging transactions, primarily foreign currency forwards to for the purpose of managing the foreign currency risk associated with the Company's operations.

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 an effective hedge. Changes in fair values of derivative instruments not accounted as hedges are recognized immediately in the parent company 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 FVTPL category.

For purposes of hedge accounting, hedges can be designated as either as cash flow hedges or fair value hedges depending on the type of risk exposure it hedges.

At the inception of a hedge relationship, the Company 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 Company 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.



A hedging instrument may be a derivative (except for some written options) or non-derivative financial instrument measured at FVTPL unless it is a financial liability designated as at FVTPL for which changes due to credit risk are presented in OCI. For a hedge of foreign currency risk, the foreign currency risk component of a non-derivative financial instrument, except equity investments designated as FVTOCI, may be designated as the hedging instrument.

Cash flow hedge
Under a cash flow hedge, 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 Company designates certain foreign currency-denominated cash and cash equivalents as hedging instrument to hedge the variability in cash flows due to fluctuations in PHP/USD exchange rate associated with the highly probable foreign currency-denominated acquisition. The Company's risk management strategy and how it is applied to manage risks is explained in Note 22.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to the parent company 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.

Financial Guarantee Contracts and Loan Commitments
Financial guarantees are contracts issued by the Company 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 parent company 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 Company are measured as the amount of the loss allowance. The Company 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 Company 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.



Redeemable Preferred Shares (RPS)
The component of the RPS that exhibits characteristics of a liability is recognized as a liability in the parent company balance sheet, net of transaction costs. The corresponding dividends on those shares are charged as interest expense in the parent company statement of income. On issuance of the RPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long-term liability on the amortized cost basis until extinguished on redemption.

Investments
Investments in subsidiaries
Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. 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. Investments in subsidiaries are carried at cost less any impairment in value.

Business combination of entities under common control is accounted for using a method similar to pooling of interest. Under the pooling of interest method, any excess of acquisition cost over the net asset value of the acquired entity is recorded in equity.

Investments in associates
An associate is an entity over which the Company 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. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Company's investments in subsidiaries and associates are accounted for under the cost method of accounting in the parent company financial statements. These investments are carried in the parent company balance sheet at cost less any impairment in value. The Company recognizes income from the investments only to the extent that the Company receives distributions from accumulated profits of the subsidiaries and associates arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

The reporting dates of the associates and the Company are identical and the associates' accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

Property and Equipment
Property and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and amortization and accumulated impairment in value. The initial cost of property and equipment comprises its purchase price, including import duties, if any, and nonrefundable taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Cost includes the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met. Repairs and maintenance costs are recognized in the parent company statement of income as incurred.

Depreciation and amortization are calculated on a straight-line basis over the useful lives of the assets as follows:

Category	Number of Years
Transportation equipment	5
Office equipment, furniture and fixtures	3-5
Leasehold improvements	5
Computer equipment	3



Leasehold improvements are amortized over the shorter of the lease terms and the lives of the improvements.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Fully depreciated assets are retained in the accounts until these are no longer in use. When assets are retired or otherwise disposed of, both the cost and related accumulated depreciation and amortization and any allowance for impairment losses are removed from the accounts and any resulting gain or loss is credited or charged to current operations. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the parent company statement of income in the year the asset is derecognized.

The assets' residual values, useful lives and depreciation and amortization method are reviewed, and adjusted if appropriate, at each financial year-end.

When each major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied.

Leases

The Company 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.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use asset representing the right to use the underlying assets.

Right-of-use asset

The Company recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset 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 asset 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 asset are depreciated on a straight-line basis over the shorter of the lease term of 3 years and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company 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 asset are also subject to impairment.

The Company's right-of-use asset is presented as part of property and equipment.

Lease liabilities

At the commencement date of the lease, the Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company 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.

Company as a lessor
Leases in which the Company 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 parent company statement 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.

Investment Properties
Investment properties, which pertain to buildings and building improvements, are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. 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 parent company statement of income in the year in which they arise.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the parent company statement of income in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development with a view to sale. For a transfer from investment property to owner-occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Company as an owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the parent company statement of income. When the Company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the parent statement of income.

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 plant 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 Company 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.

Computer Software Development Cost
Costs incurred in the development of computer software are capitalized and included under "Other noncurrent assets". The costs are amortized using the straight-line method over a period of two to three years.

The carrying value of computer development costs is reviewed for impairment annually when the asset is not yet in use or otherwise when events or changes in circumstances indicate that carrying value may not be recoverable.

Project Costs
Project costs include 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 the proper account based on the nature of the underlying project upon its commencement. During the period of development, the asset is tested for impairment annually.

Impairment of Nonfinancial Assets
Investments, property and equipment, computer software development costs, project costs, other current assets and noncurrent assets

The Company 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 Company 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 group 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 parent company statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the 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 and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company 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



and amortization charge are 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.

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. If additional paid-in capital is not sufficient, the excess is charged against equity.

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 financial reporting date are dealt with as an event after the financial reporting 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 Company's own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognized in the parent company statement of income on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Foreign Currency Transactions

The parent company financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency based on the exchange 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 reporting date. All differences arising from settlement or restatement are taken to the parent company statement of income.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent.

The following specific recognition criteria must also be met before revenue is recognized:

Dividend income

Dividend income is recognized when the Company's right to receive payment is established.

Rendering of services

Management, professional and technical fees are recognized over time 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 parent company balance sheet.



Rent income
Rent income arising from operating leases is accounted for on a straight-line basis over the related lease terms.

Interest income
Interest income is recognized as it accrues taking into account the effective yield on the asset.

Costs and Expenses
Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

Pension Benefits
The net defined benefit liability 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, 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 parent company 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 is the change during the period in the net defined benefit liability 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 is recognized as expense in the parent company 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 the parent company statement of income 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 Company, nor can they be paid directly to the Company. 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 Company'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 directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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 equity is recognized in the parent company statement of comprehensive income and not in the parent company 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 reporting 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. Deferred income tax assets are recognized for all deductible temporary differences and carryforward benefits of net operating loss carryover (NOLCO) and 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.

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 income 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.

Value-added Tax (VAT)

Revenues, expenses and assets are recognized net of the amount of VAT, if applicable.

VAT from sales of goods and/or services (output VAT) is recognized as payable, while VAT passed on from purchases of goods or services (input VAT) is recognized as an asset in the parent company 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 parent company balance sheet up to the extent of the recoverable amount.

Provisions

Provisions are recognized when the Company 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 Company 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 parent company 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 parent company financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the parent company financial statements but disclosed when an inflow of economic benefits is probable.

Events after the Reporting Period

Post year-end events that provide additional information about the Company's financial position at the balance sheet date (adjusting events) are reflected in the parent company financial statements. Post year-end events that are not adjusting events are disclosed when material.

Dividends on Common Shares

Dividends on common shares are recognized as a liability and deducted from retained earnings when approved by the respective shareholders of the Company. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

Earnings Per Common Share

Basic earnings per common share are computed by dividing net income for the year 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 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.

Operating Segments

For management purposes, the Company is the parent of the Aboitiz Equity Ventures, Inc. Group that is organized 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).



3. **Significant Accounting Judgement, Estimates and Assumptions**

The preparation of the parent company financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities. However, uncertainty about these assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company based its assumptions and estimates on parameters available when the parent company financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Judgments, key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are consistent with those applied in the most recent annual financial statements.

Judgments

In the process of applying the Company's accounting policies, management has made judgments, apart from those involving estimations which have the most significant effect on the amounts recognized in the parent company financial statements.

Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed follow:

Estimating allowance for impairment losses on investments

Investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In 2024 and 2023, the Company recognized impairment losses amounting to ₱8.8 billion and nil, respectively. The carrying amounts of the investments amounted to ₱170.5 billion and ₱144.2 billion as of December 31, 2024 and 2023, respectively (see Notes 7 and 8).

Assessment for ECL on financial assets at amortized cost

The Company determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets at day one to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Company has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized in 2024 and 2023. The carrying amounts of financial assets at amortized cost, comprised of cash and cash equivalents and trade and other receivables, amounted to ₱7.9 billion and ₱45.4 billion as of December 31, 2024 and 2023, respectively.

Assessing impairment of nonfinancial assets
The Company assesses whether there are any indicators of impairment for nonfinancial assets at each reporting date. These nonfinancial assets (property and equipment, other current assets, computer software development costs 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 Company to make estimates and assumptions that can materially affect its parent company financial statements. Future events could cause the Company to conclude that the property and equipment, other current assets, computer software development costs and other noncurrent assets are impaired. Any resulting impairment loss could have a material adverse impact on the parent company balance sheets and parent company statements of income. The aggregate carrying values of these assets as of December 31 are as follows:

	2024	2023
Property and equipment (see Note 9)	**₱212,811,253**	₱289,488,957
Other current assets	**—**	47,914,111
Other noncurrent assets (see Note 6)	**1,407,321,126**	1,629,127,385
	₱1,620,132,379	₱1,966,530,453

Write-offs recognized on project costs in 2024 and 2023 amounted to ₱69.92 million and ₱94.95 million, respectively. No impairment indicators were noted on the other nonfinancial assets in 2024 and 2023, accordingly, no impairment loss was recognized.

Recognition of deferred income tax assets
The Company reviews the carrying amounts of deferred income tax assets at each reporting date and reduces 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 assets to be utilized.

Details of the Company's recognized and unrecognized deferred income tax assets are discussed in Note 21.

Fair value of financial instruments
When the fair values of financial assets and financial liabilities recorded in the parent company 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 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. Judgements 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 23 for further disclosures.



Fair value of investment properties
The Company carries its investment properties at fair value, with changes in fair value being recognized in the parent company 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 10).

Legal contingencies
The estimate of probable costs for the resolution of possible claims has been developed in consultation with outside counsel handling the Company'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 parent company financial statements as of December 31,2024 and 2023.

4. Cash and Cash Equivalents

	2024	2023
Cash on hand and in banks	**₱65,061,416**	₱24,077,265
Short-term investments	**7,767,335,690**	44,875,010,078
	₱7,832,397,106	₱44,899,087,343

Cash in banks earn interest at floating rates based on daily bank deposit rates. Short-term investments are made for varying periods of up to three months depending on the immediate cash requirements of the Company.

Interest income earned on from cash in banks and short-term investments amounted to ₱848.0 million in 2024, ₱1.8 billion in 2023 and ₱106.1 million in 2022.

The Company's fixed term deposits with maturities of more than three months to less than one year from dates of acquisition are presented as part of "short-term cash deposits" in the parent company balance sheets and with nil balance as of December 31, 2024 and 2023. The Company's short-term investments and cash deposits earn interest at the respective investment rates. Interest income earned from short-term cash deposits amounted to nil in 2024, ₱113.8 million in 2023 and ₱737.3 million in 2022.

5. Trade and Other Receivables

	2024	2023
Trade receivables (see Note 16)	**₱33,761,054**	₱28,754,881
Interest receivable (see Notes 4 and 16)	**20,709,356**	106,152,513
Dividend receivable	**5,767,298**	3,515,215
Recoverable deposits	**6,471,535**	4,010,989
Due from affiliates (see Note 16)	**—**	399,579,405
Others	**5,363,787**	5,481,047
	72,073,030	547,494,050
Less noncurrent portion of due from affiliates (see Note 16)	**—**	300,000,000
	₱72,073,030	₱247,494,050

Trade receivables are noninterest-bearing and are normally on a 30-60 days' term. Other receivables mainly represent unsettled claims due from various third parties.

As of December 31, 2024 and 2023, dividend receivable pertains to dividends declared by AEV Aviation, Inc. (AVI) payable in the first quarter of 2025 and 2024, respectively.

As of December 31, 2024 and 2023, interest receivable is composed of accrued interest on short-term investments amounting to ₱20.7 million and ₱106.2 million, respectively.

For terms and conditions relating to due from affiliates, refer to Note 16.

6. Other Noncurrent Assets

	2024	2023
Prepaid income taxes - net of current portion	**₱1,364,207,035**	₱1,307,795,260
Computer software development cost	**43,023,639**	82,108,187
Recoverable deposits	**12,219,354**	12,219,354
Project costs	**—**	238,617,043
Deferred input VAT	**90,452**	606,895
	₱1,419,540,480	₱1,641,346,739

The following table shows the movements of computer software development cost:

	2024	2023
Costs:		
At the beginning of year	**₱151,752,668**	₱115,423,355
Additions	**7,032,751**	42,956,517
Disposals	**(2,338,497)**	(6,602,353)
Reclassification and others	**—**	(24,851)
At the end of the year	**156,446,922**	151,752,668
Accumulated amortization		
At the beginning of year	**69,644,481**	41,052,909
Additions	**46,117,299**	29,507,537
Disposals	**(2,338,497)**	(6,597,506)
Reclassification and others	**—**	5,681,541
At the end of the year	**113,423,283**	69,644,481
Net book value	**₱43,023,639**	₱82,108,187

Recoverable deposits represent security deposits under the Company's lease agreement.

7. Investments in Subsidiaries

Subsidiaries	Nature of Business	Percentage of Ownership			
		2024		2023	
		Direct	**Indirect**	Direct	Indirect
Advanced Data Innovation Inc. (ADI) (formerly AEV Properties, Inc.)	Data Processing	**100.00**	**–**	100.00	–
AEV International Pte. Ltd (AEV International) **	Holding	**100.00**	**–**	100.00	–
Archipelago Insurance Pte. Ltd (AIPL)**	Insurance	**100.00**	**–**	100.00	–
AboitizLand, Inc. (AboitizLand)	Real Estate	**100.00**	**–**	100.00	–
Propriedad del Norte, Inc. (PDNI)	Real Estate	**–**	**100.00**	–	100.00
Aboitiz Foods Holdings, Inc. (formerly Aboitiz Feedall Holdings Inc.)	Food Manufacturing	**100.00**	**–**	100.00	–
Cebu Praedia Development Corporation (CPDC)	Real Estate	**100.00**	**–**	100.00	–
Aboitiz Power Corporation (AP)	Power	**53.09**	**–**	53.09	–
AEV Aviation, Inc. (AVI)	Service	**73.31**	**26.69**	73.31	26.69
Aboitiz Infracapital, Inc. (AIC)	Infrastructure	**100.00**	**–**	100.00	–
Tenfold Ventures Corporation (TVC) (formerly Weather Solutions, Inc.)*	Services	**100.00**	**–**	100.00	–
Aboitiz Impact Ventures, Inc. (AIV)*	Holding	**100.00**	**–**	100.00	–

** No commercial operations.*
*** Incorporated in Singapore. All other companies are incorporated in the Philippines.*

The details of the Company's investments in subsidiaries accounted for under the cost method are as follows:

	2024	2023
AIC	**₱44,728,802,125**	₱43,342,568,125
AEV International	**10,222,143,163**	10,222,143,163
AboitizLand	**9,659,800,000**	9,659,800,000
AP	**7,716,829,647**	7,716,829,647
AFHI	**3,128,022,728**	3,128,022,728
CPDC	**1,276,546,023**	1,276,546,023
PDNI	**650,000,000**	650,000,000
AVI	**341,191,264**	360,251,264
TVC	**62,150,000**	62,150,000
ADI	**48,240,000**	25,000,000
AIV	**25,020,000**	25,020,000
AIPL	**21,739,130**	21,739,130
CABPI	**–**	5,244,000
	₱77,880,484,080	₱76,495,314,080

Capital infusions to Tenfold Ventures Corporation
On various dates in 2023, the Company infused additional capital to Tenfold Ventures Corporation amounting to ₱52.2 million.

Capital infusions to AIC
On various dates in 2024, the Company infused additional capital to AIC amounting to ₱1,386.2 million. On November 14, 2023 the Company infused additional capital to AIC amounting to ₱750.0 million.

Capital infusions to ADI
On November 8, 2024, the Company infused additional capital to ADI amounting to ₱23.2 million.

Redemption of preferred shares to AVI
On March 27, 2024, AVI redeemed a portion of its preferred shares totaling to ₱19.06 million.

On April 28, 2023, AVI redeemed a portion of its preferred shares totaling to ₱19.06 million.

8. **Investments in Associates**

		Percentage of Ownership	
	Nature of Business**	**2024**	2023
AEV CRH Holdings, Inc. (AEV CRH)	Holding	**60.00**	60.00
Union Bank of the Philippines (UBP)	Banking	**49.99**	49.94
CRH Aboitiz Holdings, Inc. (CRH Aboitiz)	Holding	**45.00**	45.00
CCEP Aboitiz Beverages Philippines, Inc. (CABPI)****	Holding	**40.00**	100.00
Singlife Philippine, Inc. (SLPI)***	Insurance	**15.00**	15.00
Cebu District Property Enterprise, Inc. (CDPEI)*	Real Estate	**–**	50.00

** The Company owns 50% of the non-voting, participating and non-cumulative preferred shares of CDPEI.*
*** All companies are incorporated in the Philippines.*
**** The Company has significant influence by virtue of board seats of SLPI.*
***** Incorporated in 2023*

The details of the Company's investments in and advances to associates accounted for under the cost method follow:

	2024	2023
UBP	**₱47,137,625,387**	₱42,095,077,832
CABPI	**29,145,356,978**	–
AEV CRH	**15,922,578,942**	23,573,714,090
SLPI	**240,000,000**	240,000,000
CRH ABOITIZ	**169,056,131**	169,056,131
CDPEI	**–**	1,629,000,000
	₱92,614,617,438	₱67,706,848,053

Investment in 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 AEV completed the acquisition of CCBPI through CABPI based on a 60%:40% ownership structure between CCEP and AEV and the Company infused capital to CABPI amounting to ₱29.15 billion.

Investment in AEV CRH and CRH ABOITIZ
The Company holds 60% of the equity shares of AEV CRH. Management assessed that since the Company does not have the ability to direct the relevant activities which most significantly affect the returns of the subsidiaries of AEV CRH, it cannot consolidate AEV CRH group. This is a result of the contractual arrangements that give the other partner the power to direct the relevant non-nationalized activities of these companies. Consequently, the Company recognizes AEV CRH as an associate.

On September 10, 2024, the Company infused additional capital to AEV CRH amounting to ₱1.10 billion. In 2024, the Company recognized impairment loss on its investment in AEV CRH amounting to ₱8.8 billion.

Acquisition of UBP shares
In 2024, the Company exercised its option to avail from UBP's stock rights offering amounting to ₱5.0 billion. In 2023, the Company exercised its option to avail from UBP's stock rights offering amounting to ₱6.0 billion.

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.

Sale of CDPEI shares
On November 4, 2024, the Company sold its CDPEI shares to Ayala Land Inc. amounting to ₱1.6 billion.

9. Property and Equipment

December 31, 2024

	Transportation Equipment	Office Equipment, Furniture and Fixtures	Leasehold Improvements	Computer Equipment	Right-of-Use Asset (see Note 24)	Total
Cost:						
At January 1	**₱109,842,896**	**₱117,041,721**	**₱166,824,708**	**₱234,664,251**	**₱130,528,064**	**₱758,901,640**
Additions	**26,951,363**	**317,010**	**7,291,936**	**1,106,699**	**–**	**35,667,008**
Disposals	**(27,152,416)**	**(94,989,402)**	**(1,751,495)**	**(66,358,067)**	**–**	**(190,251,380)**
Others	**–**	**(71,832)**	**–**	**(550,797)**	**–**	**(622,629)**
At December 31	**109,641,843**	**22,297,497**	**172,365,149**	**168,862,086**	**130,528,064**	**603,694,639**
Accumulated Depreciation and Amortization:						
At January 1	**35,990,551**	**106,199,280**	**93,357,986**	**208,484,410**	**25,380,456**	**469,412,683**
Depreciation and amortization (see Notes 17 and 18)	**20,706,404**	**4,213,232**	**16,408,940**	**12,417,345**	**43,509,355**	**97,255,276**
Disposals	**(14,456,271)**	**(94,972,136)**	**(707,028)**	**(65,649,138)**	**–**	**(175,784,573)**
At December 31	**42,240,684**	**15,440,376**	**109,059,898**	**155,252,617**	**68,889,811**	**390,883,386**
Net Book Values	**₱67,401,159**	**₱6,857,121**	**₱63,305,251**	**₱13,609,469**	**₱61,638,253**	**₱212,811,253**

December 31, 2023

	Transportation Equipment	Office Equipment, Furniture and Fixtures	Leasehold Improvements	Computer Equipment	Right-of-Use Asset (see Note 24)	Total
Cost:						
At January 1	₱99,724,576	₱111,730,496	₱167,538,394	₱226,047,722	₱144,885,728	₱749,926,916
Additions	49,966,388	6,525,559	–	12,959,379	130,528,064	199,979,390
Disposals	(39,848,068)	(1,256,802)	(713,686)	(4,342,850)	(144,885,728)	(191,047,134)
Reclassifications/others	–	42,468	–	–	–	42,468
At December 31	109,842,896	117,041,721	166,824,708	234,664,251	130,528,064	758,901,640
Accumulated Depreciation and Amortization:						
At January 1	36,742,413	102,665,847	75,998,211	201,586,922	131,217,502	548,210,895
Depreciation and amortization	19,936,997	4,914,944	17,631,831	16,122,755	39,048,682	97,655,209
Disposals	(20,688,859)	(1,208,375)	(272,056)	(3,518,502)	(144,885,728)	(170,573,520)
Reclassifications/others	–	(173,136)	–	(5,706,765)	–	(5,879,901)
At December 31	35,990,551	106,199,280	93,357,986	208,484,410	25,380,456	469,412,683
Net Book Values	₱73,852,345	₱10,842,441	₱73,466,722	₱26,179,841	₱105,147,608	₱289,488,957

As of December 31, 2024 and 2023, no property and equipment are used to secure the Company's long-term debts (see Note 13).

10. Investment Properties

In 2022, the Company received building and building improvement as property dividend from CPDC in the form of investment properties (see Note 16).

On December 17, 2024 the BOD authorizes the sale, transfer and conveyance of the property located in 110 Legazpi Street and Gallardo Street, Barangay San Lorenzo, Legazpi Village, Makati City, Metro Manila. Accordingly, the Company reclassified the investment properties as noncurrent asset held for sale presented under "Current assets" in the balance sheet with carrying amount of ₱949.63 million

Rent income earned from the investment properties amounted to ₱28.60 million and ₱24.44 million in 2024 and 2023, respectively. No significant costs were incurred in maintaining these investment properties. There were no restrictions on the realizability of these investment properties.

In April 2023, the Company sold one of the properties, including the related improvements, with a total carrying amount of ₱204.8 million for ₱197.2 million, with a loss on sale amounting to ₱7.6 million.

Fair Value

As of December 31, 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 value of the Company's investment properties were determined as follows:

In valuing the building and building improvements, the Company used the Market Approach. This is an appraisal technique in which the Fair Value estimate is predicated based upon prices paid in actual market transactions and current listings, the former fixing the lower limit of value in a static or advancing market (price wise), and fixing the higher limit of value in a declining market; and thelatter fixing the higher limit in any market.

The appraiser gathers data on sales and listings of comparable property registered within the vicinity. The technique of Market Approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable.

The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The most variable elements of comparison was premised on the factors of location, size and shape of the lot, time element and others.

Fair value investment properties are estimated under Level 3 inputs.

	Fair value at 2023	Valuation technique	Significant unobservable inputs	Range (weighted average)
Building and Building Improvements	₱949,629,963	Market Approach	Price per actual market and current listings	₱204,000 - ₱246,000 per sqm

If said properties were measured using the cost model, the carrying amount would be ₱14.8 million as of December 31, 2023.

11. Financial Assets at Fair Value Through Other Comprehensive Income

The Company's financial assets at FVOCI consist of the following:

	2024	2023
Private bonds and commercial papers	**₱986,292,223**	₱1,626,910,682
Government bonds	**–**	563,554,001
	₱986,292,223	₱2,190,464,683

The debt securities from government bonds have interest rate of 4.2% per annum in 2024 and 2023, while debt securities from private bonds have interest rates ranging from 4.2% to 6.68% and 3.28% to 6.68% per annum in 2024 and 2023, respectively.

The Company recognized net unrealized mark-to-market gain on FVOCI investments amounting to ₱3.2 million and ₱45.7 million in 2024 and 2023, respectively. These amounts were included under 'Other comprehensive income (loss)' in the parent company statements of comprehensive income.

In 2024 and 2023, the Company recognized interest income from FVOCI investments amounting to ₱52.3 million and ₱160.3 million, respectively.

In 2024 and 2023, the Company made several withdrawals from FVOCI investments amounting to $30.9 million and $27.8 million, respectively.

12. Accounts Payable and Accrued Expenses

	2024	2023
Accrued expenses	**₱389,099,386**	₱320,838,581
Accrued interest (see Note 12)	**262,734,300**	272,725,948
Withholding taxes payable	**20,682,226**	29,354,679
VAT output payable	**40,273,173**	84,172,473
Others	**1,710,860**	1,698,828
	₱714,499,945	₱708,790,509

Accrued expenses include payroll, travel and transportation expenses.

13. Long-term Debts

	2024	2023
Term loan	**₱9,750,000,000**	₱9,850,000,000
2023 Retail bonds	**17,450,000,000**	17,450,000,000
2022 Retail bonds	**20,000,000,000**	20,000,000,000
2021 Retail bonds	**10,000,000,000**	10,000,000,000
2020 Retail bonds	**696,700,000**	696,700,000
2019 Retail bonds	**1,650,000,000**	5,000,000,000
2015 Retail bonds	**5,071,350,000**	5,071,350,000
	64,618,050,000	68,068,050,000
Less deferred transaction costs	**395,857,393**	546,842,979
	64,222,192,607	67,521,207,021
Less current portion	**11,562,568,581**	3,434,817,444
Noncurrent portion	**₱52,659,624,026**	₱64,086,389,577

2020 Term Loan - ₱10.0 billion
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. In 2024 and 2023, the Company paid ₱100.0 million.

2023 Retail Bonds - ₱17.45 billion
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 bond due 2028 at a fixed rate equivalent to 6.48% and a ₱5.81 billion 10-year bond due 2033 at a fixed rate equivalent to 6.80%.

2022 Retail Bonds - ₱20.0 billion
In December 2022, the Company issued a total of ₱20 billion bonds, broken down into ₱9.10 billion 3.5-year bonds due 2026 at a fixed rate equivalent to 6.87% and a ₱10.90 billion 7-year bond due 2029 at a fixed rate equivalent to 7.53%.

2021 Retail Bonds - ₱10.0 billion
In August 2021, the Company issued a total of ₱10 billion bonds, broken down into ₱5 billion 4-year due 2025 at a fixed rate equivalent to 3.3% and a ₱5.0 billion 7-year bond due 2028 at a fixed rate equivalent to 4.1%.

2020 Retail Bonds - ₱7.6 billion
In November 2020, the Company issued a total of ₱7.6 billion bonds, broken down into ₱6.9 billion 3-year and ₱697 million 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.

2019 Retail Bonds - ₱5.0 billion
In June 2019, the Company issued a total of ₱5.0 billion bonds, broken down into ₱3.35 billion 5-year and ₱1.65 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.

2015 Retail Bonds - ₱24.0 billion
In August 2015, the Company issued a total of ₱24.0 billion bonds, broken down into ₱10.5 billion 5-year, ₱8.5 billion 7-year and ₱5.0 billion 12-year bonds at fixed interest rates ranging from 4.47% to 6.02%. In November 2020, the Company paid at maturity the 5-year bonds amounting to ₱10.5 billion. In August 2021, the Company prepaid the ₱8.5 billion 7-year bonds due in 2022 at 101% of its face amount.

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.

Total interest expense recognized amounted to ₱3.92 billion, ₱3.38 billion, ₱1.74 billion in 2024, 2023 and 2022, respectively.

	2024	2023	2022
Interest expense	**₱3,919,022,084**	₱3,379,476,393	₱1,738,845,369
Amortization of deferred financing cost	**150,985,586**	139,559,185	89,230,295
Total Interest expense	**₱4,070,007,670**	₱3,519,035,578	₱1,828,075,664

Loan covenants
The loan agreements on long-term debt of the Company provide for certain restrictions with respect to, among others, incurrence of additional debts, payment of dividends, investment and guaranties, mergers or consolidations or other material changes in ownership, corporate set-up or management, disposition of mortgage of assets and maintenance of financial ratios.

Under the bond trust agreements, the Company shall not permit its debt-to-equity ratio to exceed 3:1 calculated based on the year-end debt and consolidated equity. These restrictions and requirements were complied with by the Company as of December 31, 2024 and 2023.

14. Capital Stock and Redeemable Preferred Shares

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 as of December 31, 2024 and 2023 are as follows:

	Number of Shares	
	2024	2023
Common shares issued	**5,694,599,621**	5,694,599,621
Less treasury shares	**140,794,564**	74,813,864
Balance at end of year	**5,553,805,057**	5,619,785,757

On November 16, 1994, the Company listed with the Philippine Securities Exchange (PSE) 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 parent company balance sheet.

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 amounting to ₱2,496.6 million and ₱497.8 million in 2024 and 2023, respectively. This brings total treasury shares held by the Company to 140.8 million and 74.8 million with corresponding acquisition cost of ₱3.6 billion and ₱1.1 billion as of December 31, 2024 and 2023, respectively.

15. Retained Earnings

On March 5, 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 3, 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 retained earnings as of December 31, 2022 for 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 retained earnings as of December 31, 2021 for the additional capital infusion into UBP and AIC to finance its on-going projects and for debt payment of AEV.

As mentioned in Note 13, the Company shall not permit its DE ratio to exceed 3:1 calculated based on the Company's year-end debt and consolidated equity.

Earnings per Common Share

Earnings per common share amounts were computed as follows:

	2024	2023	2022
a. Net income	**₱84,603,720**	₱8,291,882,899	₱15,375,686,343
b. Weighted average number of common shares issued and outstanding	**5,572,732,032**	5,625,005,607	5,630,225,457
c. Earnings per common share (a/b)	**₱0.02**	₱1.47	₱2.73

There are no dilutive potential common shares as of December 31, 2024, 2023 and 2022.

16. 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.

In the normal course of business, the Company enters into transactions with related parties, principally consisting of the following:

a. Interest-bearing short-term and long-term advances granted to certain affiliates. Annual interest rates, which are determined on arm's length basis, range from 6.125% - 6.7153% in 2024, 2.4% - 6.43% in 2023, and 2.4% - 6.43% in 2022. In 2024 and 2023, the Company extended advances to CPDEI amounting to ₱86.9 million and ₱99.6 million, respectively.

b. Professional and technical fees charged to related parties at arm's length basis.

c. Rentals paid at current market rates to CPDC for the use of CPDC's properties by the Company's officers and employees.

d. Aviation service fees paid at an arm's length basis to AVI for the use of aircraft during travel of the Company's officers and employees.

e. Cash deposits and money market placements with UBP and City Savings Bank (CSB). At prevailing rates, these fixed-rate investments earned interest income amounting to ₱311.6 million, ₱396.2 million and ₱34.7 million in 2024, 2023 and 2022, respectively. Outstanding balances amounted to ₱2.9 billion and ₱10.7 billion as of December 31, 2024 and 2023, respectively.

f. 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.

The parent company balance sheets and statements of income include the following accounts resulting from these related party transactions (amounts in thousands):

Due from Affiliates

	Advances/Interest Income			Outstanding Balance			
	2024	2023	2022	**2024**	2023	Terms	Conditions
Subsidiaries							
Advent Energy, Inc. (AEI)	**₱2,304**	₱19,025	₱10,061	**₱—**	₱300,000	Payable in 2027; interest-bearing	Unsecured; no impairment
PFC	**—**	—	13,106	**—**	—	Payable in March 20, 2022; interest-bearing	Unsecured; no impairment
Associates							
CSB	**—**	—	5,094	**—**	—	On demand; interest-bearing	Unsecured; no impairment
CDPEI	**96,021**	100,080	—	**—**	99,579		Unsecured; no impairment
	₱98,325	₱119,105	₱28,261	**₱—**	₱399,579		

Revenues - Management, Professional and Technical Fees

	Revenue			Trade Receivable			
	2024	2023	2022	**2024**	2023	Terms	Conditions
Parent Company							
ABOITIZ & COMPANY, INC.	**₱13,610**	₱12,611	₱16,757	**₱–**	₱–	30-day; interest-free	Unsecured; no impairment
Under Common Ownership	–	–	–	–	–		
ABOITIZ CONSTRUCTION, INC.	**7,246**	8,764	15,296	–	–	30-day; interest-free	Unsecured; no impairment
ABOITIZ CONSTRUCTION INTERNATIONAL INC.	**73**	—	189	81	–	30-day; interest-free	Unsecured; no impairment
Subsidiaries					–		
ABOITIZ POWER CORPORATION	**33,987**	67,544	113,841	1,157	–	30-day; interest-free	Unsecured; no impairment
ADVENTPOWER, INC.	**1,068**	439	1,327	—	–	30-day; interest-free	Unsecured; no impairment
ABOITIZ RENEWABLES, INC.	**580**	1,530	3,060	—	–	30-day; interest-free	Unsecured; no impairment
AP RENEWABLES, INC.	**4,921**	21,531	18,391	66	–	30-day; interest-free	Unsecured; no impairment
ABOITIZ DATA INNOVATION PTE.LTD.	**419**	—	—	1,155	–	30-day; interest-free	Unsecured; no impairment
BALAMBAN ENERZONE CORPORATION	**247**	370	1,140	–	–	30-day; interest-free	Unsecured; no impairment
CEBU PRIVATE POWER CORPORATION	**—**	2,728	4,034	–	–	30-day; interest-free	Unsecured; no impairment

(Forward)

	Revenue			Trade Receivable			
	2024	2023	2022	**2024**	2023	Terms	Conditions
COTABATO LIGHT & POWER COMPANY	**₱1,926**	₱3,072	₱5,140	**₱–**	₱–	30-day; interest-free	Unsecured; no impairment
DAVAO LIGHT AND POWER CO., INC.	**158,472**	14,335	21,110	–	–	30-day; interest-free	Unsecured; no impairment
HEDCOR SIBULAN, INC.	**2,223**	5,890	5,398	–	–	30-day; interest-free	Unsecured; no impairment
HEDCOR, INC.	**5,103**	11,971	19,598	–	–	30-day; interest-free	Unsecured; no impairment
LUZON HYDRO CORPORATION	**469**	3,694	3,503	–	–	30-day; interest-free	Unsecured; no impairment
MACTAN ENERZONE CORPORATION	**303**	423	1,370	–	–	30-day; interest-free	Unsecured; no impairment
SUBIC ENERZONE CORPORATION	**1,064**	1,615	3,023	–	–	30-day; interest-free	Unsecured; no impairment
THERMA LUZON, INC.	**4,107**	16,906	19,620	–	–	30-day; interest-free	Unsecured; no impairment
THERMA MARINE, INC.	**5,785**	12,629	14,779	–	–	30-day; interest-free	Unsecured; no impairment
THERMA MOBILE INC.	**549**	5,802	4,394	–	–	30-day; interest-free	Unsecured; no impairment
THERMA POWER, INC.	**—**	—	3,290	–	–	30-day; interest-free	Unsecured; no impairment
THERMA SOUTH, INC.	**3,348**	14,871	13,836	–	–	30-day; interest-free	Unsecured; no impairment
THERMA VISAYAS, INC.	**76,718**	299,735	13,952	–	–	30-day; interest-free	Unsecured; no impairment
VISAYAN ELECTRIC CO., INC.	**332,342**	373,617	373,429	–	–	30-day; interest-free	Unsecured; no impairment
ABOITIZ INFRACAPITAL INC	**9,760**	3,833	37,573	–	–	30-day; interest-free	Unsecured; no impairment
APO AGUA INFRASTRUCTURA, INC.	**3,786**	10,265	9,617	–	–	30-day; interest-free	Unsecured; no impairment
ABOITIZLAND, INC.	**14,148**	30,046	28,752	–	–	30-day; interest-free	Unsecured; no impairment
AEV AVIATION, INC.	**2,739**	2,407	4,301	–	–	30-day; interest-free	Unsecured; no impairment
ABOITIZ POWER DISTRIBUTED ENERGY, INC.	**21**	66	305	–	–	30-day; interest-free	Unsecured; no impairment
ABOVANT HOLDINGS INC.	–	—	207	–	–	30-day; interest-free	Unsecured; no impairment
ADVENTENERGY INC.	**755**	521	1,089	–	–	30-day; interest-free	Unsecured; no impairment
CEBU INDUSTRIAL PARK DEVELOPERS, INC.	**1,572**	5,435	4,043	–	–	30-day; interest-free	Unsecured; no impairment
EAST ASIA UTILITIES CORPORATION	**967**	2,536	1,681	–	–	30-day; interest-free	Unsecured; no impairment
HEDCOR BUKIDNON, INC	**632**	4,299	4,178	–	–	30-day; interest-free	Unsecured; no impairment
HEDCOR SABANGAN, INC.	**457**	3,725	2,130	–	–	30-day; interest-free	Unsecured; no impairment
HEDCOR TUDAYA, INC.	**430**	1,846	1,846	–	–	30-day; interest-free	Unsecured; no impairment
LIMA ENERZONE CORPORATION	**335**	536	1,433	–	–	30-day; interest-free	Unsecured; no impairment
LIMA LAND INC.	**8,245**	17,487	9,481	–	–	30-day; interest-free	Unsecured; no impairment
LIMA WATER CORPORATION	**2,143**	3,916	3,438	–	–	30-day; interest-free	Unsecured; no impairment
MALVAR ENERZONE CORPORATION	**209**	131	477	–	–	30-day; interest-free	Unsecured; no impairment
PRISM ENERGY, INC.	**827**	279	707	–	–	30-day; interest-free	Unsecured; no impairment

(Forward)

	Revenue			Trade Receivable			
	2024	2023	2022	**2024**	2023	Terms	Conditions
SAN CARLOS SUN POWER INC	**₱414**	₱532	₱1,731	**₱–**	₱–	30-day; interest-free	Unsecured; no impairment
THERMA POWER - VISAYAS, INC.	–	2,352	1,870	–	–	30-day; interest-free	Unsecured; no impairment
CEBU PRAEDIA DEVELOPMENT CORPORATION	**3,518**	3,519	4,314	–	–	30-day; interest-free	Unsecured; no impairment
PILMICO FOODS CORPORATION	**21,733**	27,489	81,590	–	–	30-day; interest-free	Unsecured; no impairment
PILMICO ANIMAL NUTRITION CORPORATION	**14,788**	12,057	22,935	–	–	30-day; interest-free	Unsecured; no impairment
ADVANCED DATA INNOVATION INC	**992**	—	—	**1,091**	–	30-day; interest-free	Unsecured; no impairment
Associate or Joint Venture					–		
REPUBLIC CEMENT & BUILDING MATERIALS, INC.	**11,255**	12,839	236,379	**118**	–	30-day; interest-free	Unsecured; no impairment
SAN FERNANDO ELETRIC LIGHT & POWER CO., INC.	**73,499**	96,811	110,181	–	–	30-day; interest-free	Unsecured; no impairment
CEBU ENERGY DEVELOPMENT CORP.	**69,500**	84,100	82,700	–	–	30-day; interest-free	Unsecured; no impairment
UNION BANK OF THE PHILIPPINES	**14,022**	23,156	21,685	**3,348**	–	30-day; interest-free	Unsecured; no impairment
REPUBLIC CEMENT MINDANAO, INC.	**—**	—	86,849	–	–	30-day; interest-free	Unsecured; no impairment
SN ABOITIZ POWER - MAGAT, INC.	**11,890**	3,884	7,123	–	–	30-day; interest-free	Unsecured; no impairment
SN ABOITIZ POWER - BENGUET, INC.	**11,890**	3,212	6,782	–	–	30-day; interest-free	Unsecured; no impairment
MANILA-OSLO RENEWABLE ENTERPRISE INC	**1,138**	307	843	–	–	30-day; interest-free	Unsecured; no impairment
REPUBLIC CEMENT SERVICES, INC.	**—**	—	1,268	–	–	30-day; interest-free	Unsecured; no impairment
CITY SAVINGS BANK	–	740	885	–	–	30-day; interest-free	Unsecured; no impairment
PETNET, INC.	–	50	635	–	–	30-day; interest-free	Unsecured; no impairment
SN ABOITIZ POWER - GENERATION, INC.	**5**	–	–	–	–	30-day; interest-free	Unsecured; no impairment
UNITY DIGITAL INFRATRACTURE INC. (FORMERLY ABOITIZ AIRPORTS ADVISORY SERVICES CORPORATION	**3,739**	2,375	–	–	–	30-day; interest-free	Unsecured; no impairment
HIJOS DE F. ESCANO, INC.	–	–	242	–	–	30-day; interest-free	Unsecured; no impairment
ABOITIZ GMR MEGAWIDE CEBU AIRPORT CORPORATION	**1,485**	–	–	**1,544**	–	30-day; interest-free	Unsecured; no impairment
SN ABOITIZ POWER - RES, INC	**5**	–	–	**—**	–	30-day; interest-free	Unsecured; no impairment
Other Related Parties	**16,932**	14,963	21,775	**108**	430	30-day; interest-free	Unsecured; no impairment
	₱958,391	₱1,255,791	₱1,477,522	**₱8,668**	₱430		

Rental and Aviation Services (see Notes 17 and 18)

	Expense			Accounts Payable			
	2024	2023	2022	**2024**	2023	Terms	Conditions
Subsidiaries							
AVI	**₱22,678**	₱17,366	₱27,768	**₱—**	₱—	30-day; interest-free	Clean; no collateral
CPDC	**12,126**	22,860	24,505	**—**	—	30-day; interest-free	Clean; no collateral
	₱34,804	₱40,226	₱52,273	**₱—**	₱—		

Cash Deposits and Placements

	Interest Income			Outstanding Balance (in millions)			
	2024	2023	2022	**2024**	2023	Terms	Conditions
UBP	**₱9,762**	₱112,837	₱24,181	**₱60**	₱2,479	90 days or less; interest-bearing	No impairment
CSB	**301,869**	283,336	10,504	**2,857**	8,200	90 days or less; Interest-bearing	No impairment
	₱311,631	₱396,173	₱34,685	**₱2,917**	₱10,679		

The above transactions are settled in cash.

Other Transactions

The Company billed its affiliates for reimbursement of expenses amounting to ₱136.0 million, ₱122.3 million, and ₱122.9 million in 2024, 2023, and 2022, respectively, and incur expenses amounting to ₱10.2 million, ₱36.4 million and ₱10.9 million in 2024, 2023, and 2022, respectively, from various transactions billed by affiliates to the Company.

In 2024 and 2023, the Company billed its affiliates for rental and sale of property, plant and equipment amounting to ₱6.5 million and ₱13.5 million, respectively.

In 2024, the Company received cash dividends from the following affiliates:

	Per share	Amount
Subsidiaries		
AP	₱2.30	**₱8,799,327,656**
AboitizLand	13.34	**892,756,739**
AIPL	$30.00	**878,490,000**
CPDC	0.02	**31,000,000**
AVI	0.02	**5,767,298**
Associates		
UBP	0.80	**1,194,340,826**
CRH Aboitiz	6.50	**1,098,864,852**
		₱12,900,547,371

In 2023, the Company received cash dividends from the following affiliates:

	Per share	Amount
Subsidiaries		
AP	₱1.87	₱7,154,235,964
AboitizLand	10.46	700,000,000
CPDC	0.04	45,000,000
AVI	0.01	3,488,317
Associate		
UBP	2	2,351,040,390
		₱10,253,764,671

The Company has foreign exchange trading transaction for the purchase of dollar with PETNET, a subsidiary of UBP, amounting to ₱24.9 million and ₱9.1 million in 2024 and 2023, respectively.

The Company's retirement benefit fund ("Fund") is in the form of a trust being maintained and managed by ACO under the supervision of the Board of Trustees (BOT) of the plan.

The Company's retirement benefit fund ("Fund") is in the form of a trust being maintained and managed by ACO under the supervision of the Board of Trustees (BOT) of the plan. The Fund has a carrying amount and a fair value of ₱890.1 million and ₱941.9 million as of December 31, 2024 and 2023, respectively (see Note 20). The assets and investments of the Fund are as follows (amounts in thousands):

	2024	2023
Equity investments at FVTPL	**₱745,390**	₱871,578
Financial assets at amortized cost	**127,574**	52,263
Debt investments at FVOCI	**17,142**	18,041
	₱890,106	₱941,882

Fixed-income investments represent money market placements and investment in bonds and preferred shares with maturities ranging from less than a year up to five years. Investment in debt and equity securities mainly comprise quoted equity securities which are carried at their fair values.

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 of the Fund arising from such investments for the years then ended are as follows (amounts in thousands):

	2024		2023	
	Carrying Value	**Gain (Loss)**	Carrying Value	**Gain (Loss)**
AEV common shares	**₱71,448**	**(₱16,420)**	₱75,908	(₱22,296)
AP common shares	**352,065**	**931**	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	**₱248,308,912**	₱194,946,356	₱208,358,715
Post-employment benefits	**12,416,272**	12,332,456	10,350,189
	₱260,725,184	₱207,278,812	₱218,708,904

17. **Cost of Services**

	2024	2023	2022
Salaries and wages (see Note 19)	**₱180,058,840**	₱295,770,496	₱347,510,924
Outside services	**34,818,895**	45,737,383	45,562,406
Repairs and maintenance	**26,405,698**	52,466,898	44,475,475
Depreciation and amortization (see Note 9)	**19,681,408**	18,778,680	30,249,369
Professional fees	**9,361,235**	10,648,799	1,227,857
Employees' benefits (see Note 19)	**9,308,175**	30,906,893	26,668,354
Amortization of computer software (see Note 6)	**8,968,531**	8,762,012	4,235,105
Communication, light and water	**5,098,768**	8,484,108	11,823,183
Office and medical supplies	**2,707,987**	8,251,708	3,093,677
Rent (see Note 16)	**2,230,119**	20,280,489	8,217,784
Others	**10,006,837**	19,317,060	34,179,107
	₱308,646,493	₱519,404,526	₱557,243,241

18. **General and Administrative Expenses**

	2024	2023	2022
Salaries and wages (see Note 19)	**₱745,826,003**	₱690,258,620	₱628,845,626
Professional fees	**247,589,593**	334,337,462	322,280,868
Repairs and maintenance	**109,375,671**	124,224,134	80,481,523
Transportation and travel	**102,502,692**	114,788,479	90,676,352
Depreciation and amortization (see Note 9)	**77,573,868**	78,876,529	51,407,777
Amortization of computer software (see Note 6)	**37,148,768**	20,745,525	7,663,723
Entertainment, amusement and recreation	**34,868,613**	47,352,374	45,880,498
Training and development	**32,682,255**	39,454,419	55,940,182
Insurance	**26,511,853**	13,783,535	18,653,787
Employees' benefits (see Notes 19 and 20)	**22,171,173**	29,774,452	73,843,646
Communication, light and water	**21,119,728**	20,087,542	21,394,887
Taxes and licenses	**19,924,833**	18,339,024	39,706,046
Outside services	**17,849,129**	47,786,042	65,752,590
Office and medical supplies	**11,216,815**	19,537,294	5,598,228
Donations and contributions	**10,013,750**	8,632	1,981,044
Rent (see Note 16)	**9,237,428**	6,602,561	14,870,661
Bank charges	**8,123,596**	8,406,478	2,723,615
Advertising	**7,596,499**	25,230,562	11,566,038
Others	**21,984,213**	24,121,186	22,201,696
	₱1,563,316,480	₱1,663,714,850	₱1,561,468,787

"Others" include books and periodicals, freight and handling, and miscellaneous expenses that do not have specific account classification.

19. **Personnel Expenses**

	2024	2023	2022
Salaries and wages (see Notes 17 and 18)	**₱925,884,843**	₱986,029,116	₱976,356,550
Employees' benefits (see Notes 17, 18 and 20)	**31,479,348**	60,681,345	100,512,000
	₱957,364,191	₱1,046,710,461	₱1,076,868,550

20. **Pension Benefit Plan**

Under the existing regulatory framework, Republic Act (RA) 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 has a funded, noncontributory, defined benefit pension plan ("Plan") covering all regular and full-time employees and requiring contributions to be made to separately administered fund. This Fund is in the form of a trust being maintained and managed by ACO, under the supervision of the BOT of the Plan. The BOT, whose members are also officers of the Company, is responsible for the investment of the Fund assets. Taking into account the Plans' 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 parent company statements of income and the funded status and amounts recognized in the parent company balance sheets for the Plan.

Net benefit expense

	2024	2023	2022
Retirement expense recognized in the parent company statements of income:			
Current service cost	**₱67,809,575**	₱60,471,045	₱84,861,478
Past service cost (income)	**(50,697,320)**	—	—
Net interest cost (income)	**(11,786,115)**	(24,645,747)	(7,554,846)
	₱5,326,140	₱35,825,298	₱77,306,632
Remeasurement effects recognized in the parent company statements of comprehensive income:			
Actuarial gain (loss) on defined benefit plan	**₱56,620,436**	(₱49,594,661)	₱44,040,647
Return on assets excluding amount included in net interest cost	**(55,915,393)**	(105,974,058)	176,073,097
	₱705,043	(₱155,568,719)	₱220,113,744

Pension asset

	2024	2023
Present value of obligation	**₱702,143,801**	₱749,298,863
Fair value of plan assets	**(890,106,276)**	(941,882,435)
Pension asset	**(₱187,962,475)**	(₱192,583,572)

Changes in the present value of the defined benefit obligation are as follows:

	2024	2023
At January 1	**₱749,298,863**	₱683,224,937
Net benefit costs in parent company statements of income:		
Current service costs	**67,809,575**	60,471,045
Past service cost (benefit)	**(50,697,320)**	—
Interest cost	**45,857,090**	52,949,933
	62,969,345	113,420,978
Benefits paid	**(31,697,033)**	(94,596,127)
Benefits paid from company operating funds	**—**	(10,027,374)
Transfers	**(21,806,938)**	7,681,788
Remeasurements in other comprehensive income:		
Actuarial loss (gain) due to experience adjustments	**(56,054,964)**	(4,323,743)
Actuarial loss (gain) due to changes in demographic and financial assumptions	**(565,472)**	53,918,404
	(56,620,436)	49,594,661
At December 31	**₱702,143,801**	₱749,298,863

Changes in the fair value of plan assets are as follows:

	2024	2023
At January 1	**₱941,882,435**	₱1,001,234,581
Interest income included in net interest cost	**57,643,205**	77,595,680
Actual return excluding amount included in net interest cost	**(55,915,393)**	(105,974,058)
Actual contributions	**—**	55,940,571
Benefits paid	**(31,697,033)**	(94,596,127)
Transfers	**(21,806,938)**	7,681,788
At December 31	**₱890,106,276**	₱941,882,435

Changes in pension asset recognized in the parent company balance sheets are as follows:

	2024	2023
At January 1	**(₱192,583,572)**	(₱318,009,644)
Retirement expense for the year	**5,326,140**	35,825,298
Actuarial gains recognized for the year	**(705,043)**	155,568,719
Benefits paid from company operating funds	**—**	(10,027,374)
Contribution to retirement fund	**—**	(55,940,571)
At December 31	**(₱187,962,475)**	(₱192,583,572)

The fair value of plan assets by each class at the end of the reporting period are as follows:

	2024	2023
Cash and fixed-income investments	**₱177,675,544**	₱202,399,882
Financial assets at FVOCI	**17,142,269**	18,041,482
Financial assets at FVTPL:		
Power	**332,505,837**	332,505,837
Holding	**53,185,138**	76,436,214
Financial institution	**121,199,617**	69,839,868
Others	**238,499,752**	392,795,721
Liabilities of the fund	**(50,101,881)**	(150,136,569)
Fair value of plan assets	**₱890,106,276**	₱941,882,435

All equity instruments held have quoted prices in the active market. The remaining plan assets do not have quoted market prices in active market.

The principal assumptions used in determining the net pension asset for the Company's plan are shown below:

	2024	2023
Discount rate	**6.14%**	6.12%
Salary increase rate	**7.00%**	7.00%

The sensitivity analysis below has been determined based on reasonable possible changes of each significant assumption on the defined benefit obligation assuming all other assumptions were held constant:

		2024	2023
	Increase (decrease) in basis points	**Effect on defined benefit obligation**	Effect on defined benefit obligation
Discount rates	100	**₱30,876,465**	₱34,457,824
	(100)	**(35,138,467)**	(39,338,914)
Future salary increases	100	**(37,739,381)**	(42,094,340)
	(100)	**33,861,619**	37,650,472

The Company does not expect to contribute to the retirement fund in 2025.

The average duration of the defined benefit obligation as of December 31, 2024 and 2023 is 8.99 years and 8.92 years, respectively.

The BOT 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 (to which the Company belongs) 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.

21. Income Tax

The "Provision for (benefit from) income tax" account consists of:

	2024	2023	2022
Current:			
Corporate income tax	**₱89,560,719**	₱48,131,914	₱40,683,530
Final tax	**67,166,918**	81,227,638	13,986,859
	156,727,637	129,359,552	54,670,389
Deferred	**10,731,322**	(64,631,538)	308,139,908
	₱167,458,959	₱64,728,014	₱362,810,297

The current provisions for income tax in 2024, 2023 and 2022 represent MCIT.

The net deferred income tax asset represent the tax effects of the following:

	2024	2023
Deferred income tax recognized in the parent company statements of income:		
Deferred income tax assets:		
NOLCO	**₱416,594,196**	₱1,158,911,171
Unamortized past service cost	**34,708,721**	43,482,034
Lease liabilities	**13,476,261**	23,671,493
	464,779,178	1,226,064,698
Deferred income tax liabilities:		
Unrealized foreign exchange gains	**(385,205,528)**	(1,127,522,504)
Fair value gain on investment property	**(234,731,711)**	(233,744,472)
Pension asset	**(111,243,467)**	(112,575,002)
ROU asset	**(15,409,563)**	(26,286,902)
Unrealized valuation gain on derivatives	**(2,984,412)**	—
	(749,574,681)	(1,500,128,880)
	(284,795,503)	(274,064,182)
Deferred income tax asset recognized in other comprehensive income:		
Remeasurement effects on defined benefit plan	**64,252,848**	64,429,109
Hedge reserve	**—**	202,355,804
	(₱220,542,655)	(₱7,279,269)

Revenue Memorandum Circular (RMC) No. 69-2023
On June 20, 2023, the Bureau of Internal Revenue issued RMC No. 69-2023 reverting the MCIT rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023, upon the effectivity of CREATE Act in 2021.

Consequently, the Company recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

As of December 31, 2024, the Company has the following MCIT that can be claimed as deduction from future income tax liabilities:

MCIT

Period of Recognition	Availment Period	Amount	MCIT Applied in Previous Years	MCIT Applied	Expired	Balance
2021	2022-2024	₱10,957,375	₱—	₱—	₱10,957,375	₱—
2022	2023-2025	40,683,530	—	—	—	40,683,530
2023	2024-2026	48,131,914	—	—	—	48,131,914
2024	2025-2027	89,560,719	—	—	—	89,560,719
		₱189,333,538	₱—	₱—	₱10,957,375	₱178,376,163

Bayanihan to Recover as One Act (Bayanihan 2)
On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 of Bayanihan 2 which states that the NOLCO incurred for taxable years 2021 and 2020 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2024, the Company has NOLCO in the following taxable years which can be claimed as deduction against the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan 2, as follows:

Period of Recognition	Availment Period	Amount	Expired	Applied	Amount
2020	2021-2025	₱2,951,472,045	₱—	₱—	₱2,951,472,045
2021	2022-2026	1,360,940,683	—		1,360,940,683
		₱4,312,412,728	₱—	₱—	₱4,312,412,728

As of December 31, 2024, the Company has NOLCO which can be claimed as deduction against the regular taxable income for the next three (3) consecutive taxable years as follows:

Period of Recognition	Availment Period	Amount	NOLCO Applied	Amount
2023	2024-2026	₱1,929,004,047	₱—	₱1,929,004,047
2024	2025-2027	1,259,377,977	—	1,259,377,977
		₱3,188,382,024	₱—	₱3,188,382,024

As of December 31, 2024, the Company did not recognize deferred income tax assets on its NOLCO and MCIT amounting to ₱5.8 billion and ₱178.4 million, respectively, since management believes that it is not probable that the Company will be able to benefit from the carryforward benefits of unused NOLCO and excess MCIT.

The reconciliation of the provision for income tax on income before income tax computed at the statutory tax rate to the provision for income tax reported in the parent company statements of income follows:

	2024	2023	2022
Provision for income tax at the statutory tax rate of 25%	**₱63,015,670**	₱2,089,152,728	₱3,934,624,160
Add (deduct) income tax effects of the following:			
Unrecognized deferred tax assets	**3,372,110,430**	537,168,334	(393,859,713)
Nondeductible expenses	**42,179,986**	104,108,112	32,167,930
Nontaxable income	**(3,225,487,625)**	(2,563,821,463)	(3,190,581,828)
Income subjected to final tax	**(84,359,502)**	(101,879,697)	(19,540,252)
	₱167,458,959	₱64,728,014	₱362,810,297

22. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash in banks and cash equivalents, investment in debt and equity securities, long-term debts, and lease liabilities. The main purpose of these financial instruments is to raise finance for the Company's operations and its investments in existing subsidiaries and associates and in new projects. The Company has other financial assets and liabilities such as trade and other receivables and accounts payable and accrued expenses which arise directly from operations.

The main risks arising from the Company's financial instruments are interest rate risk resulting from movements in interest rates that may have an impact on outstanding long-term loans; credit risk involving possible exposure to counterparty default on its cash and cash equivalents and investment in debt and equity securities; 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.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company's credit risk on its cash in banks and cash equivalents, trade and other receivables and due from subsidiaries pertains to possible default by the counterparty, with a maximum exposure equal to the carrying amount of these assets. With respect to cash equivalents, the risk is mitigated by the short-term and/or liquid nature of its short-term investments mainly in bank deposits and placements, which are placed with financial institutions of high credit standing. With respect to accounts receivables and advances to subsidiaries and associates, credit risk is controlled by the application of credit approval, limit and monitoring procedures. It is the Company's policy that all debtors who wish to trade on credit terms are subject to credit procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company has no significant concentration risk to a counterparty or company of counterparties.

As of December 31, 2024 and 2023, the credit quality is considered to be of high grade as these are expected to be collectible without incurring any credit losses.

The Company trades with related parties and recognized, creditworthy third parties.

Counterparty risk
The Company's counterparty risk encompasses issuer risk on investment securities and credit risk on cash in bank. The Company manages its counterparty risk by transacting with counterparties of good financial condition and selecting investment grade securities.

The Company's maximum counterparty exposure is related to its cash and cash equivalents accounts have a balance of ₱7.8 billion and ₱44.9 billion as of December 31, 2024 and 2023, respectively.

Liquidity risk
Liquidity risk is the potential of not meeting obligations as they come due because of an inability to liquidate assets or obtain adequate funding. The Company maintains sufficient cash and cash equivalents to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet maturing obligations and pay dividend declarations. The Company, in general, matches the appropriate long-term funding instruments with the general nature of its equity investments.

In managing its short-term fund requirements, the Company's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term borrowings. With regards to its long-term financing requirements, the Company's policy is that not more than 25.0% of long-term borrowings should mature in any 12-month period.

Cash and cash equivalents and trade and other receivables, which are all short-term in nature, have balances of ₱7.9 billion and ₱45.1 billion as of December 31, 2024 and 2023, respectively. These financial assets will be used to fund short-term and operational liquidity needs of the Company.

The following table summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments including interest (amounts in thousand pesos):

December 31, 2024

	Total Carrying Value	Contractual undiscounted payments				
		Total	On demand	Less than 1 year	1 to 5 years	More than 5 years
Accounts payable and accrued expenses*	**₱651,834**	**₱651,834**	**₱—**	**₱651,834**	**₱—**	**₱—**
Lease liabilities	**53,905**	**56,054**	**—**	**47,908**	**8,146**	**—**
Long-term debts	**64,222,193**	**78,317,837**	**—**	**9,208,296**	**62,215,041**	**6,894,500**
Total	**₱64,927,932**	**₱79,025,725**	**₱—**	**₱9,908,038**	**₱62,223,187**	**₱6,894,500**

**Excludes statutory liabilities*

December 31, 2023

	Total Carrying Value	Contractual undiscounted payments				
		Total	On demand	Less than 1 year	1 to 5 years	More than 5 years
Accounts payable and accrued expenses*	₱593,565	₱593,565	₱—	₱593,565	₱—	₱—
Lease liabilities	94,686	101,680	—	45,626	56,054	—
Long-term debts	67,521,207	85,698,217	—	7,380,379	71,028,214	7,289,624
Total	₱68,209,458	₱86,393,462	₱—	₱8,019,570	₱71,084,268	₱7,289,624

**Excludes statutory liabilities*

Market risk

The Company's activities expose it primarily to the financial risks of changes in interest rates. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Company's exposure to market risk for changes in interest rates relates primarily to its long-term debts obligations. To manage this risk, the Company 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 and 2023, all of the Company's long-term debts are with fixed rates, ranging from 3.30% to 7.53% and 2.84% to 7.53%, respectively.

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Company that are non-interest bearing, are not subject to interest rate risk.

Foreign exchange risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its highly probable forecast acquisition. 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. The Company manages its foreign currency risk by hedging transactions that are expected to occur within the next 12 months.

The Company enters into a foreign-currency forward contracts to economically hedge its US dollar-denominated cash and cash equivalents and short-term cash deposits. As discussed in Note 23, the Company has cash and cash equivalents designated as cash flow hedges of the foreign currency risks arising from a highly probable forecasted acquisition.

	2024		2023	
	US Dollar	**Peso Equivalent**	US Dollar	Peso Equivalent
Financial assets				
Cash and cash equivalents	**$84,851,135**	**₱4,908,213,893**	$618,661,405	₱34,255,281,983
Investments in financial assets at FVTPL, FVOCI and debt investments	**17,050,605**	**986,292,223**	39,560,496	2,190,464,683
	$101,901,740	**₱5,894,506,116**	$658,221,901	₱36,445,746,666

The exchange rate for December 31, 2024 and 2023 is ₱57.85 and ₱55.37 per US$1, respectively. As a result of the translation of these foreign currency denominated assets, the Company reported net foreign exchange gain of ₱617.9 million and ₱494.7 million in 2024 and 2023, respectively.

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 Company's income before income tax as of December 31, 2024 and 2023:

	Increase (decrease) in US dollar rate against the Peso	Effect on income before income tax
2024		
US dollar denominated accounts	**US Dollar strengthens by 5%**	**₱294,725,306**
	US Dollar weakens by 5%	**(294,725,306)**
2023		
US dollar denominated accounts	US Dollar strengthens by 5%	₱1,822,287,333
	US Dollar weakens by 5%	(1,822,287,333)

Capital Management
Capital includes equity attributable to the equity holders of the parent company. The primary objective of the Company'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 Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares



No changes were made in the objectives, policies or processes during the years ended December 31, 2024 and 2023.

The Company is required to maintain a certain level of equity under its bond trust agreement (see Note 13).

The Company monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. The Company's policy is to keep the gearing ratio at 70% or below. The Company determines net debt of long-term debts less cash and cash equivalents and advances to related parties.

Gearing ratios of the Company are as follows (amounts in thousand pesos):

	2024	2023
Long-term debts (including lease liabilities)	**₱64,276,098**	₱67,615,893
Cash and cash equivalents	**(7,832,397)**	(44,899,087)
Advances to related parties	**—**	(399,579)
Net debt (a)	**56,443,701**	22,317,227
Equity	**117,027,717**	126,696,665
Equity and net debt (b)	**₱173,471,418**	₱149,013,892
Gearing ratio (a/b)	**32.54%**	14.98%

23. 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 value of all of the Company's long-term debts whose fair value is different from its carrying amount (amount in thousand pesos):

	2024		2023	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Liability:				
Long-term debts:				
Fixed rate	**₱64,222,193**	**₱63,427,608**	₱67,521,207	₱66,725,102
Lease liabilities	**53,905**	**53,573**	94,686	94,361
	₱64,276,098	**₱63,481,181**	₱67,615,893	₱66,819,463

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

Cash and cash equivalents, trade and other receivables, accounts payable and accrued expenses and derivative liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and accounts payable and accrued expenses approximate their fair value due to the relatively short-term maturity of these financial instruments.

Investments in financial asset at FVTPL and FVOCI
These securities are carried at fair values based on quoted market prices.

Fixed-rate borrowings
The fair values of fixed rate interest bearing loans are based on the discounted value of future cash flows using the applicable rates for similar types of loans ranging from 6.27% to 7.69% and 6.07% to 7.55% in 2024 and 2023, respectively.

Lease liabilities
The fair values are using Level 3 of the fair value hierarchy and are based on discounted value of expected cash flows using the applicable credit-adjusted risk-free rates of 6.37% and 6.16% in 2024 and 2023, respectively.

Derivative financial instruments
The fair value of the foreign currency forward is calculated by reference to prevailing exchange rate differential and spot exchange rate as of valuation date, taking into account its remaining term to maturity.

Starting 2021, the Company started to enter foreign currency forward contracts to economically hedge the Company's exposure on foreign currency fluctuation.

As of December 31, 2024 and 2023, the outstanding notional amount of the forward contracts amounted $50.0 million and nil, respectively. As of December 31, 2024 and 2023, derivative asset amounted to ₱11.9 million and nil, respectively.

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 parent company statements of income. Realized gain (loss) on derivatives financial instruments amounted to ₱155.6 million loss and ₱30.7 million gain in 2024 and 2023, respectively. In addition, the Company recognized unrealized fair value gain (loss) on derivatives amounting to ₱11.9 million gain in 2024 and ₱149.8 million loss in 2023.

As of December 31, 2024 and 2023, the Company held the following financial instruments that are measured and carried or disclosed at fair value (amounts in thousand pesos):

December 31, 2024

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Investments in equity				
at FVTPL	**₱71,112**	**₱71,112**	**₱—**	**₱—**
at FVOCI	**986,292**	**986,292**	**—**	**—**
Derivative asset	**11,938**	**—**	**11,938**	**—**
Disclosed at fair value:				
Long-term debts - fixed rate	**63,427,608**	**—**	**—**	**63,427,608**
Lease liabilities	**53,573**	**—**	**—**	**53,573**

December 31, 2023

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Investments in equity				
at FVTPL	₱68,456	₱68,456	₱—	₱—
at FVOCI	2,190,465	2,190,465	—	—
Disclosed at fair value:				
Long-term debts - fixed rate	66,725,102	—	—	66,725,102
Lease liabilities	94,361	—	—	94,361

During 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 measurement.

Cash flow hedges

In 2023 certain USD-denominated cash and cash equivalents in various banks aggregating to $589.05 million are designated as hedging instrument for the foreign currency risk of the $589.05 million portion of $720 million highly probable forecasted acquisition.

There is an economic relationship between the hedged item and the hedging instrument since the critical terms of the forecasted acquisition costs and the USD-denominated cash and cash equivalents (notional amount and currency denomination) are matched. The hedge ratio is 1:1 as the notional amount of the hedging instrument exactly matches the notional amount of the hedged portion of the USD-denominated forecasted acquisition costs.

A possible source of ineffectiveness could be the impact of the time value of money due to the timing of the highly probable forecasted acquisition. Nonetheless, since the expected acquisition is highly probable within the next twelve months, the impact of the time value of money might be considered insignificant.

The impact of the hedging instrument on the statement of financial position as of December 31, 2023 is as follows:

	Notional amount US$000	Carrying amount ₱'000	Line item in the balance sheet	Foreign currency revaluation gain/(loss) used for measuring ineffectiveness for the period ₱'000
USD-denominated cash and cash equivalents	$589,047,193	₱809,423,217	Cash and cash equivalents	₱809,423,217

No ineffectiveness was recognized in profit or loss by the Company in 2023 pertaining to the cash flow hedge.

24. **Lease Agreements**

The Company entered into a lease agreement with Manta Equities, Inc. (MEI) for its use of administrative and office space and parking space for a period of ten (10 years) from April 1, 2013 to May 31, 2023 and nine (9) years and three months from March 1, 2014 to May 31, 2023, respectively. Both lease contracts have an escalation rate of 5.0%

In 2023, the Company renewed the lease with MEI for the use of its administrative and office space and parking space for a period of three (3) years from June 1, 2023 to May 31, 2026. The lease contract has an escalation rate of 5.0%

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the year:

2024

	Right-of-use assets	**Lease Liability**
As at January 1	**₱105,147,608**	**₱94,685,973**
Amortization expense	**(43,509,355)**	**—**
Interest expense	**—**	**4,845,461**
Payments	**—**	**(45,626,389)**
As at December 31	**₱61,638,253**	**₱53,905,045**

2023

	Right-of-use assets	Lease Liability
As at January 1	₱13,668,226	₱6,452,437
Additions	130,528,064	130,528,064
Amortization expense	(39,048,682)	—
Interest expense	—	2,366,196
Payments	—	(30,075,152)
Others	—	(14,585,572)
As at December 31	₱105,147,608	₱94,685,973

The carrying amount of the Company's right-of-use assets is presented as part of "Property, and equipment".

Set out below, are the amounts recognized in the Parent Company statements of income:

	2024	2023	2022
Amortization expense of right-of-use	**₱43,509,355**	₱39,048,682	₱29,129,574
Interest expense on lease liabilities	**4,845,461**	2,366,196	2,460,186
Rent expense – low value assets	**3,477,389**	2,560,324	399,091
Rent expense – short-term leases	**7,990,158**	24,322,727	22,689,354
	₱59,822,363	₱68,297,929	₱54,678,205

25. Notes to Statements of Cash Flows

The following are the cash flow movements of the Company's financing liabilities:

December 31, 2024

			Non-cash Change				
	January 1, 2024	Net cash flows	Amortized deferred financing costs	Accreted interest	Interest expense	Reclassification and Others	December 31, 2024
Current interest-bearing loans	**₱3,434,817,444**	**(₱3,450,000,000)**	**(₱35,418,863)**	**₱—**	**₱—**	**₱11,613,170,000**	**₱11,562,568,581**
Current lease liabilities	**40,780,928**	**(45,626,389)**	**—**	**4,845,461**	**—**	**45,653,249**	**45,653,249**
Accrued interest	**272,725,948**	**(3,929,013,732)**	**—**	**—**	**3,919,022,084**	**—**	**262,734,300**
Non-current interest-bearing loans	**64,086,389,577**	**—**	**186,404,449**	**—**	**—**	**(11,613,170,000)**	**52,659,624,026**
Non-current Lease liabilities	**53,905,045**	**—**	**—**	**—**	**—**	**(45,653,249)**	**8,251,796**
	₱67,888,618,942	**(₱7,424,640,121)**	**₱150,985,586**	**₱4,845,461**	**₱3,919,022,084**	**₱—**	**₱64,538,831,952**

December 31, 2023

			Non-cash Change				
	January 1, 2024	Net cash flows	Amortized deferred financing costs	Accreted interest	Interest expense	Reclassification and Others	December 31, 2024
Current interest-bearing loans	₱6,914,535,734	(₱6,953,300,000)	₱23,581,710	₱—	₱—	₱3,450,000,000	₱3,434,817,444
Current lease liabilities	6,452,437	(30,075,152)	—	—	—	64,403,643	40,780,928
Accrued interest	262,477,555	(3,511,153,381)	—	—	3,521,401,774	—	272,725,948
Non-current interest-bearing loans	50,186,882,118	17,233,529,984	115,977,475	—	—	(3,450,000,000)	64,086,389,577
Non-current Lease liabilities	—	—	—	2,366,196	—	51,538,849	53,905,045
	₱57,370,347,844	₱6,739,001,451	₱139,559,185	₱2,366,196	₱3,521,401,774	₱115,942,492	₱67,888,618,942

26. Events After the Reporting Period and Other Matters

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.

27. Supplementary Information Required Under Revenue Regulations (RR) 15-2010

On November 25, 2010, the Bureau of Internal Revenue (BIR) issued RR 15-2010, requiring additional tax disclosures on the notes to the financial statements that will be submitted as an attachment to tax returns.

The Company reported and/or paid the following types of taxes in 2024:

Value-added tax (VAT)
The Company's sales are subject to output VAT while its importations and purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12.0%.

a. Net Sales/Receipts and Output VAT declared in the Company's VAT returns for 2024

	Net Sales/ Receipts	Output VAT
Taxable sales:		
Sale of goods	₱—	₱—
Sale of services	1,049,960,778	125,995,293
	₱1,049,960,778	₱125,995,293

Zero-rated sales of goods and services consist of those rendered to persons or entities whose exemptions are provided under special laws or international agreements to which the Philippines is a signatory.

b. Input VAT claimed per 2024 VAT Returns

Balance at January 1	₱—
Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	4,721,880
Capital goods not subject to amortization	3,543,330
Services lodged under cost of services sold and other accounts	50,916,732
	59,181,942
VAT input applied against VAT output	59,181,942
Balance at December 31	₱—

Other Taxes and Licenses
Taxes and licenses, local and national, include real estate taxes, licenses and permit fees for 2024:

Included in General and Administrative Expenses:	
License and permits fees	₱13,597,431
Documentary stamps taxes	4,512,576
Others	1,814,826
	₱19,924,833

Withholding Taxes

Final withholding taxes	₱139,467,313
Withholding taxes on compensation and benefits	228,345,406
Expanded withholding taxes	36,946,679
	₱404,759,398

Tax Assessments and Cases
The Company has no pending tax cases outside the administration of the BIR.





SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.phmessagesmo@sec.gov.ph

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Company Information

SEC Registration No.: CEO0002536
Company Name: ABOITIZ EQUITY VENTURES INC.
Industry Classification: K74140
Company Type: Stock Corporation

Document Information

Document ID: OST10408202583154716
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2024
Submission Type: Consolidated
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	E	0	2	5	3	6				

COMPANY NAME

A	B	O	I	T	I	Z		E	Q	U	I	T	Y		V	E	N	T	U	R	E	S	,		I	N	C	.	
A	N	D		S	U	B	S	I	D	I	A	R	I	E	S															

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

3	2	n	d		S	t	r	e	e	t	,		B	o	n	i	f	a	c	i	o		G	l	o	b	a	l	
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	Department requiring the report	Secondary License Type, If Applicable
A C F S	C R M D	N / A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
AEV_BoardSecretariat@aboitiz.com	(02) 8886-2800	None

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
8210	April 22	December 31

CONTACT PERSON INFORMATION

The designated contact person *MUST* be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Timothy Joseph P. Abay	timothy.abay@aboitiz.com	(02) 8886-2496	Not available

CONTACT PERSON's ADDRESS

c/o Aboitiz Equity Ventures, Inc., 32nd 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.

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Equity Ventures

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.

[redacted]
ENRIQUE M. ABOITIZ JR.
Chairman of the Board

[redacted]
SABIN M. ABOITIZ
President & Chief Executive Officer

[redacted]
JOSE EMMANUEL U. HILADO
Senior Vice President - Chief Financial Officer

Signed this **7th day** of **March, 2025.**

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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.	[redacted]	
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.**

[redacted]

ATTY. MIKHAIL JUDE AMANDO R. FABIO III
NOTARY PUBLIC FOR AND IN MAKATI CITY
APPOINTMENT NO. M226 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

Doc. No. 176;
Page No. 37;
Book No. 65;
Series of **2025.**

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SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

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

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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 GNPower 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.

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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.

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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.

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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

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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.

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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.

[redacted]

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

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ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands)

	December 31, 2024	December 31, 2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱81,793,295**	₱112,293,582
Trade and other receivables (Note 5)	**62,204,817**	58,202,031
Inventories (Note 6)	**45,003,105**	45,569,654
Derivative asset (Note 37)	**328,981**	355,510
Other current assets (Notes 7 and 8)	**23,168,806**	37,963,070
Total Current Assets	**212,499,004**	254,383,847
Noncurrent Assets		
Property, plant and equipment (Notes 13, 19 and 22)	**240,612,393**	229,700,594
Investments and advances (Note 10)	**250,139,819**	224,141,125
Intangible assets (Note 14)	**138,928,874**	81,887,996
Investment properties (Notes 15 and 31)	**14,541,088**	14,077,502
Deferred income tax assets - net (Note 32)	**2,167,548**	1,830,300
Trade receivables - net of current portion (Note 5)	**418,655**	377,214
Net pension assets (Note 30)	**304,261**	262,814
Other noncurrent assets (Notes 8 and 16)	**34,088,912**	27,213,267
Total Noncurrent Assets	**681,201,550**	579,490,812
TOTAL ASSETS	**₱893,700,554**	₱833,874,659
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 17, 35 and 40)	**₱58,793,450**	₱56,145,901
Bank loans (Note 18)	**40,959,206**	41,040,449
Current portions of:		
Long-term debts (Note 19)	**30,397,739**	15,218,412
Long-term obligation on Power Distribution Svstem (PDS) (Note 14)	**40,000**	40,000
Lease liabilities (Notes 13 and 22)	**326,539**	245,762
Derivative liability (Note 37)	**250,118**	506,335
Income tax payable	**1,879,056**	724,243
Total Current Liabilities	**132,646,108**	113,921,102

(Forward)

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	December 31, 2024	December 31, 2023
Noncurrent Liabilities		
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	—
Total Noncurrent Liabilities	**364,688,870**	344,607,113
Total Liabilities	497,334,978	458,528,215
Equity Attributable to Equity Holders of the Parent		
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)
	283,282,235	271,954,731
Non-controlling Interests	**113,083,341**	103,391,713
Total Equity	**396,365,576**	375,346,444
TOTAL LIABILITIES AND EQUITY	**₱893,700,554**	₱833,874,659

See accompanying Notes to Consolidated Financial Statements.

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ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Earnings Per Share Amounts)

	Years Ended December 31		
	2024	2023	2022
REVENUES			
Sale of:			
Power (Note 26)	₱195,680,252	₱205,818,244	₱193,625,879
Goods	91,677,860	92,323,721	104,094,671
Real estate (Notes 15 and 26)	10,335,220	9,476,487	7,442,270
Service fees and others (Notes 16, 35 and 40)	5,132,321	3,000,637	1,698,553
	302,825,653	310,619,089	306,861,373
COSTS AND EXPENSES			
Cost of generated and purchased power (Notes 27, 28, 35 and 40)	115,273,191	135,433,770	129,998,462
Cost of goods sold (Notes 6 and 28)	76,070,825	81,329,202	93,365,449
Operating expenses (Notes 28, 35, 38 and 39)	54,900,463	50,806,725	44,344,870
Cost of real estate sales (Note 6 and 15)	5,987,633	5,004,708	4,057,279
	252,232,112	272,574,405	271,766,060
OPERATING PROFIT	50,593,541	38,044,684	35,095,313
Share in net earnings of associates and joint ventures (Note 10)	14,531,542	23,637,125	20,781,865
Interest income (Notes 4, 7, 16, 35 and 36)	3,517,196	4,301,426	1,867,224
Interest expense (Notes 22 and 36)	(22,544,384)	(20,528,967)	(17,856,684)
Other income (expense) - net (Notes 5, 31 and 35)	2,445,122	6,060,374	4,138,884
INCOME BEFORE INCOME TAX	48,543,017	51,514,642	44,026,602
PROVISION FOR INCOME TAX (Note 32)	10,645,594	8,593,435	5,366,748
NET INCOME	₱37,897,423	₱42,921,207	₱38,659,854
ATTRIBUTABLE TO:			
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
	₱37,897,423	₱42,921,207	₱38,659,854
EARNINGS PER SHARE (Note 33)			
Basic and diluted, for net income for the year attributable to equity holders of the parent	₱3.25	₱4.19	₱4.27

See accompanying Notes to Consolidated Financial Statements.

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ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
NET INCOME ATTRIBUTABLE TO:			
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
	37,897,423	42,921,207	38,659,854
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may be reclassified to consolidated statements of income:			
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)
	5,178,567	2,444,284	(1,611,928)
Items that will not be reclassified to consolidated statements of income:			
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
	199,427	(664,441)	516,711
TOTAL COMPREHENSIVE INCOME	**₱43,275,417**	₱44,701,050	₱37,564,637
ATTRIBUTABLE TO:			
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
	₱43,275,417	₱44,701,050	₱37,564,637

See accompanying Notes to Consolidated Financial Statements.

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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									
					Retained Earnings					
	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)	Appropriated (Note 24)	Unappropriated (Note 24)	Treasury Stock (Note 23)	Total	Non-controlling Interest	Total
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)

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
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	Attributable to equity holders of the parent									
					Retained Earnings					
	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)	Appropriated (Note 24)	Unappropriated (Note 24)	Treasury Stock (Note 23)	Total	Non-controlling Interest	Total
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.

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
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ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱48,543,017	₱51,514,642	₱44,026,602
Adjustments for:			
Interest expense (Note 36)	22,544,384	20,528,967	17,856,684
Depreciation and amortization (Note 28)	15,402,746	15,127,901	13,778,454
Net unrealized foreign exchange losses (gains)	(81,254)	125,684	(1,546,712)
Impairment loss (recovery) on property, plant and equipment, goodwill and other assets (Notes 13, 14 and 16)	(367,427)	224,774	1,224,108
Write-off of project development costs (Note 31)	429,485	308,871	314,490
Loss (gain) on sale/disposal of:			
Property, plant and equipment and other assets (Notes 13 and 31)	278,080	(90,108)	158,832
Fair value through profit or loss (FVTPL) and FVOCI investments	160	(61,408)	(31,283)
Investments and advances (Notes 9 and 10)	(153,203)	—	(183,299)
Unrealized mark-to-market losses (gains) on derivatives	6,424	74,766	(11,105)
Unrealized valuation loss (gain) on financial assets (Note 31)	(1,903,856)	(84,425)	191,710
Dividend income (Note 31)	(1,502)	(8,107)	(3,379)
Net unrealized valuation gains on investment property (Notes 15 and 31)	(381,525)	(781,512)	(527,154)
Interest income (Note 36)	(3,517,196)	(4,301,426)	(1,867,224)
Share in net earnings of associates and joint ventures (Note 10)	(14,531,542)	(23,637,125)	(20,781,865)
Loss (gain) from bargain purchase and remeasurement of previously held interest (Notes 9 and 31)	1,862,483	(1,745,655)	—
Operating income before working capital changes	68,129,274	57,195,839	52,598,859
Decrease (increase) in:			
Trade and other receivables	2,351,710	2,433,677	(16,881,735)
Inventories	315,669	4,015,391	(15,567,048)
Other operating assets	(2,041,603)	7,043,517	(6,192,653)
Increase (decrease) in:			
Trade and other payables	(5,097,962)	(7,163,456)	19,121,511
Customers' deposits	664,579	795,777	980,007
Net cash flows generated from operations	64,321,667	64,320,745	34,058,941
Income and final taxes paid	(9,215,810)	(6,494,082)	(3,878,267)
Net cash flows from operating activities	55,105,857	57,826,663	30,180,674
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash dividends received (Note 10)	15,208,747	4,491,446	5,737,663
Interest received	3,554,558	4,392,197	1,543,936
Proceeds from sale of:			
FVTPL and FVOCI investments	1,264,981	2,640,588	151,289
Property, plant and equipment	124,937	593,585	119,332

(Forward)

BUREAU OF INTERNAL REVENUE
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	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)
CASH FLOWS FROM FINANCING ACTIVITIES			
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)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(31,570,625)	11,348,579	(48,661,719)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	1,070,338	(581,257)	2,653,944
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	112,293,582	101,526,260	147,534,035
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱81,793,295	₱112,293,582	₱101,526,260

See accompanying Notes to Consolidated Financial Statements.

BUREAU OF INTERNAL REVENUE
LARGE TAXPAYERS SERVICE
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LT DIVISION-CEBU

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 32nd 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 Direct	2024 Indirect	2023 Direct	2023 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)

BUREAU OF INTERNAL REVENUE LARGE TAXPAYERS SERVICE RECEIVED APR 0 8 2025 ... T DIVISION-CIRCU

	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. (Sacasun)	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.[A]	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 Direct	2024 Indirect	2023 Direct	2023 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 Direct	2024 Indirect	2023 Direct	2023 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
Globemerchants, Inc.	Retail	Philippines	**–**	**100.00**	–	–
Apo Agua Infrastructura, 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.

<u>Financial Guarantee Contracts and Loan Commitments</u>
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:

Category	Number of Years
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 plant 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.



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)	**₱240,612,393**	₱229,700,594
Other current assets (see Note 7)	**14,852,709**	12,561,989
Intangible assets excluding goodwill (see Note 14)	**77,966,891**	22,541,877
Other noncurrent assets (see Note 16)	**23,614,438**	14,987,925
	₱357,046,431	₱279,792,385

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.

4. Cash and Cash Equivalents

	2024	2023
Cash on hand and in banks	**₱21,401,913**	₱33,296,987
Short-term deposits	**60,391,382**	78,996,595
	₱81,793,295	₱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)	**₱30,541,572**	₱29,946,688
Food manufacturing	**9,812,643**	9,837,176
Real estate	**14,589,347**	12,688,722
Holding and others	**1,582,132**	1,924,844
	56,525,694	54,397,430
Nontrade receivables	**9,116,179**	7,113,014
Dividends receivable (see Note 10)	**1,012,000**	878,720
Advances to contractors	**491,140**	661,951
Others	**783,651**	554,331
	67,928,664	63,605,446
Less allowance for expected credit losses	**5,305,192**	5,026,201
	62,623,472	58,579,245
Less noncurrent portion	**418,655**	377,214
	₱62,204,817	₱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				
	Power	**Food Manufacturing**	**Real Estate**	**Holding and Others**	**Total**
At beginning of year	**₱3,376,162**	**₱1,493,838**	**₱156,201**	**₱—**	**₱5,026,201**
Step-acquisition to subsidiary (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 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				
	Power	Food Manufacturing	Real Estate	Holding and Others	Total
At beginning of year	₱3,329,397	₱1,306,221	₱156,339	₱—	₱4,791,957
Step-acquisition to subsidiary (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 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 October 30, 2024	Valuation Technique	Significant unobservable inputs	Values
			Historical stock volatility	29.77 %
Exchangeable note	₱17,510,156	Binomial Model	Equity spot price	3.32
	Fair value at December 31, 2023	Valuation Technique	Significant unobservable inputs	Values
			Historical stock 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	**₱515,234**	₱583,459
Piglets	**416,143**	281,566
Growing stocks	**187,487**	153,057
Others	**—**	41,776
	1,118,864	1,059,858
Presented under Other Noncurrent Assets:		
Bearers and breeders (see Note 16)	**303,246**	210,978
	₱1,422,110	₱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	**₱1,270,836**	₱1,220,832
Additions	**1,395,372**	877,553
Sales at fair value	**(779,451)**	(585,893)
Transferred to breeding herd	**(429,200)**	(259,370)
Increase in fair value (see Note 31)	**596**	15,693
Others	**(36,043)**	2,021
At end of year	**₱1,422,110**	₱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[1]	₱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

[1] *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:

		Percentage of ownership	
	Nature of Business	**2024**	2023
MORE[1] (see Note 3)	Holding	**83.33**	83.33
GNPD[1, 2 and 3]	Power generation	**70.00**	70.00
AEV CRH (see Note 3)	Holding	**60.00**	60.00
AA Thermal[1 & 2]	Holding	**60.00**	60.00
Cebu District Property Enterprise, Inc. (CDPEI) [1 and 5 *]	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)[3]	Water distribution	**16.33**	15.94
Singlife Philippines Inc. [SLPI][4]	Insurance	**15.00**	15.00
Unity Digital Infrastructure Inc.[1]	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)[6]	Retail	**50.00**	—
Mactan Travel Retail Group Corp. (MTRGC)[6]	Retail	**50.00**	—

[1]Joint ventures.

[2]Economic interest.

[3]Includes 30% economic interest through AA Thermal.

[4]Significant influence by virtue of the board seat held by the Group.

[5]Sold to Ayala Land Inc. for ₱1.6 billion in 2024

[6]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	**₱101,828,768**	₱91,616,006
GNPD/ATI	**80,646,155**	76,421,272
CABPI	**30,775,577**	—
AEV CRH*	**16,250,407**	23,795,694
MORE	**9,577,390**	10,092,085
CEDC	**3,184,468**	3,040,004
UDII	**3,241,647**	3,014,548
SFELAPCO/PEVI	**1,326,424**	1,225,891
BWSI	**784,674**	683,695
CRH ABOITIZ	**605,128**	1,688,649
SSP	**424,386**	—
WMPC	**130,104**	156,895
RP Energy	**89,482**	90,433
MTRGC	**86,271**	—
SPPC	**76,626**	81,996
AGMCAC	**—**	9,805,370
CDPEI	**—**	1,677,288
Others	**1,110,862**	669,448
	₱250,138,369	₱224,059,274

**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
UBP			
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
CABPI			
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**	—	—
AEV CRH			
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)
GNPD			
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
MORE			
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
CEDC			
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
SFELAPCO			
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
CRH ABOITIZ			
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)
BWSI			
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
WMPC			
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
SPPC			
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)
AA Thermal			
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)**	₱—	₱—
UDII			
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
Additional information:			
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**	—	—
AGMCAC			
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	₱—
Others**			
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
Consolidated comprehensive income			
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	**₱45,942,946**	₱43,742,299	₱32,711,622
Income tax	**8,212,936**	7,276,865	4,701,005
Profit for the year	**₱37,730,010**	₱36,465,434	₱28,010,617
Total comprehensive income	**₱42,727,043**	₱33,083,566	₱34,467,829

Other financial information

Total comprehensive income attributable to non-controlling interests	**₱4,022,576**	₱3,353,505	₱2,182,455
Dividends paid to non-controlling interests	**2,911,123**	1,567,246	1,380,664

Consolidated balance sheet

	2024	2023	2022
Total current assets	**₱123,026,353**	₱115,803,427	₱132,976,387
Total noncurrent assets	**394,589,714**	371,219,879	344,399,383
Total current liabilities	**78,985,995**	64,634,489	74,567,875
Total noncurrent liabilities	**222,733,390**	228,414,452	224,675,376
Equity	**₱215,896,682**	₱193,974,365	₱178,132,519
Non-controlling interest	**₱12,664,657**	₱13,836,299	₱9,072,093

Consolidated cash flow

	2024	2023	2022
Operating cash flows	**₱46,128,685**	₱50,268,979	₱34,213,337
Investing cash flows	**(12,702,189)**	(15,086,375)	(11,442,216)
Financing cash flows	**(31,380,181)**	(45,434,740)	(14,475,876)

12. **Joint Operation**

		Percentage of Ownership		
Name of Joint Operation	Nature of Business	**2024**	2023	2022
PEC	Power generation	**50.00**	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	**₱210,418,814**	₱199,409,988
Right-of-use asset (see Note 22)	**30,193,579**	30,290,606
	₱240,612,393	₱229,700,594

December 31, 2024

	Building, Warehouses and Improvements	Power Plant and Equipment and Steamfield assets (see Note 21)	Transmission, Distribution and Substation Equipment	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Leasehold Improvements	Land	Tools and Others	Construction in Progress	Total
Cost											
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
Accumulated depreciation and amortization											
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
Accumulated Impairment											
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
Net Book Values	₱51,396,084	₱73,699,063	₱23,662,770	₱5,776,941	₱1,647,798	₱20,764,021	₱1,880,229	₱7,038,148	₱1,605,380	₱22,948,380	₱210,418,814

December 31, 2023

	Building, Warehouses and Improvements	Power Plant and Equipment (see Note 21)	Transmission, Distribution and Substation Equipment	Machinery and Equipment	Transportation Equipment	Office Furniture, Fixtures and Equipment	Leasehold Improvements	Land	Tools and Others	Construction 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 concession rights	Franchise	Project development costs	Customer contracts	Software and licenses	Total
Cost:							
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 (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**
Accumulated amortization:							
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 concession rights	Franchise	Project development costs	Customer contracts	Software and licenses	Total
Cost:							
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 (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
Accumulated amortization:							
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**	—
	₱60,961,983	₱59,346,119

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 (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 (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 at December 31, 2024	Valuation technique	Significant unobservable inputs	Range (weighted average)
Land	**₱9,117,037**	**Sales Comparison Approach**	**Price per square meter**	**₱1,100 - ₱235,500**
			External factor (adjustment to the price per square meter)	**(15%) - 0%**
Buildings and land Improvements	**5,206,841**	**Income Approach, Cost Approach,**	**Net income per square meter, Reproduction cost, Remaining economic life**	**₱40,168 - ₱555,837 per square meter ₱1,191,000 - ₱25,671,000 14 – 29 years**

	Fair value at December 31, 2023	Valuation technique	Significant unobservable inputs	Range (weighted average)
Land	₱8,133,196	Sales Comparison Approach	Price per square meter	₱1,100 - ₱201,100
			External factor (adjustment to the price per square meter)	(20%) - 0%
Buildings and land Improvements	4,928,392	Income Approach, Cost Approach, Market Approach	Price per actual and current market listing	₱210,487 - ₱274,000 per square meter
			Net income per square meter	₱48,549 - ₱50,381 per square meter
			Estimated useful life	7 – 28 years
			Reproduction cost	₱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	**₱7,533,867**	₱7,977,067
Input VAT and tax credit receivable, net of allowance for impairment loss of ₱236.3 million and ₱180.7 million as of December 31, 2024 and 2023, respectively (see Note 31)	**7,182,114**	5,805,371
Prepaid taxes	**6,025,256**	4,709,025
Prepaid rent and other deposits	**4,918,999**	1,199,209
Advances to contractors and projects	**2,847,660**	1,199,154
Financial assets at FVOCI (see Note 37)	**2,292,223**	3,353,210
Advances to NGCP - net of current portion (see Note 7)	**565,752**	565,732
Deposit for future land acquisition	**425,945**	398,213
Bearers and breeders (see Note 8)	**303,246**	210,978
Financial assets at FVTPL	**82,632**	107,292
Debt investments at amortized cost	**—**	11,063
Others	**1,911,218**	1,676,953
	₱34,088,912	₱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
	₱40,959,206	₱41,040,449

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
NFA				
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	
LIBOR Loan	**181,408**	201,733	Six-month LIBOR plus 1.70% margin	24 semi-annual payments starting from the first interest payment date
Working Capital				
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.

Drawdown Date	Maturity Date	Outstanding as of December 31, 2024
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
		₱116.4M

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.

Drawdown Date	Maturity Date	Principal Amount
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.

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).

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.

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					
	Land	Building	Power Plant	Manufacturing Plant, Equipment and Others	Total	Lease Liability
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					
	Land	Building	Power Plant	Manufacturing Plant, Equipment and Others	Total	Lease Liability
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	**₱1,387,714**	₱1,498,564	₱1,485,470
Interest expense on lease liabilities	**292,133**	1,300,890	2,418,570
Rent expense - short-term leases	**238,290**	290,497	179,939
Rent expense - low value assets	**6,909**	10,965	8,461
	₱1,925,046	₱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	**5,694,599,621**	5,694,599,621
Less treasury shares	**140,794,564**	74,813,864
Balance at end of year	**5,553,805,057**	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.

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
Cumulative Translation Adjustments		
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
Cash Flow Hedge Reserve		
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)
Actuarial Losses on Defined Benefit Plans		
Balances at beginning of year	**(893,806)**	(601,318)
Movements	**95,865**	(292,488)
Balance at end of year	**(797,941)**	(893,806)
Net Unrealized Gains on Financial Assets at FVOCI		
Balance at beginning of year	**64,259**	(31,381)
Movements	**65,198**	95,640
Balance at end of year	**129,457**	64,259
Share in Cumulative Translation Adjustments of Associates and Joint Ventures		
Balance at beginning of year	**₱252,571**	₱237,512
Movements	**661,388**	15,059
Balance at end of year	**913,959**	252,571
Share in Actuarial Losses on Defined Benefit Plans of Associates and Joint Ventures		
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)
Share in Fair Value Changes on Financial Assets at FVOCI of Associates		
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)
Revaluation surplus	**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 March 31, 2027	July 1, 2024 to June 30, 2028	July 1, 2024 to June 30, 2028	October 1, 2025 to September 30, 2029
Date of implementation of approved distribution supply and metering 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	**₱8,977,353**	₱8,450,860	₱5,845,404
Rental income	**1,357,867**	1,025,627	1,596,866
	₱10,335,220	₱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)	**₱40,619,982**	₱56,001,318	₱52,189,877
Steam supply costs (see Note 40)	**5,694,787**	6,891,818	7,514,100
Energy fees	**630,737**	832,137	664,405
Wheeling expenses	**107,897**	182,310	185,299
Ancillary charges	**75,401**	65,317	65,448
	₱47,128,804	₱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)	**₱68,228,481**	₱73,770,484	₱88,125,036
Direct labor (see Note 29)	**730,372**	709,591	732,621
Manufacturing overhead			
Depreciation (see Note 13)	**1,532,756**	1,432,620	1,345,190
Power	**858,290**	777,967	912,901
Repairs and maintenance	**815,191**	725,085	756,517
Indirect labor (see Note 29)	**810,719**	791,186	729,682
Outside services	**363,619**	504,311	285,256
Fuel and lubricants	**323,523**	339,077	402,211
Employees' benefits (see Notes 29 and 30)	**308,347**	269,708	256,432
Toll milling expenses	**235,868**	134,549	182,606
Office and general supplies	**148,792**	145,299	146,061
Insurance	**136,489**	141,186	157,157
Taxes and licenses	**111,227**	112,265	102,709
Freight and handling	**106,978**	112,094	77,971
Medicines and vaccines	**100,525**	50,112	51,849
Rental	**76,494**	97,047	104,808
Pest control	**31,074**	28,754	29,844
Others	**487,047**	432,256	457,354
	6,446,939	6,093,516	5,998,548
Cost of goods manufactured	**75,405,792**	80,573,591	94,856,205
Finished goods inventory (see Note 6)			
Beginning of year	**2,172,712**	2,928,323	1,437,567
End of year	**(1,507,679)**	(2,172,712)	(2,928,323)
	₱76,070,825	₱81,329,202	₱93,365,449

Operating expenses consist of:

	2024	2023	2022
Depreciation and amortization (see Notes 13, 14 and 22)	**₱13,840,286**	₱13,625,030	₱12,433,264
Personnel costs (see Notes 29 and 30)	**12,939,206**	12,021,193	10,085,981
Outside services (see Note 35)	**5,925,192**	4,538,803	3,409,286
Repairs and maintenance	**4,913,262**	3,974,686	4,200,084
Taxes and licenses	**4,165,400**	4,194,498	3,366,300
Insurance	**3,279,618**	3,457,067	3,007,163
Freight and handling	**1,797,202**	1,754,691	1,961,078
Transportation and travel	**1,144,241**	1,198,397	925,990
Management and professional fees (see Note 35)	**1,127,137**	1,255,816	1,245,574
Advertising	**1,107,918**	896,167	711,404
Information technology and communication	**758,029**	612,889	322,564
Materials and supplies	**406,403**	541,679	334,435
Rent	**211,236**	194,773	138,132
Training and development	**183,450**	165,462	156,420
Provision for (reversal of) expected credit losses of trade receivables (see Note 5)	**155,332**	(5,326)	280,651
Utilities	**143,363**	142,431	173,780
Commissions	**91,843**	83,144	38,368
Fuel and lubricants	**17,823**	13,658	10,740
Others	**2,693,522**	2,141,667	1,543,656
	₱54,900,463	₱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 (see Note 13)	**₱12,709,794**	₱12,874,508	₱11,670,964
Right-of-use assets (see Note 22)	**1,387,714**	1,498,564	1,485,470
Intangible assets (see Note 14)	**1,305,238**	754,829	622,020
	₱15,402,746	₱15,127,901	₱13,778,454

29. **Personnel Costs**

	2024	2023	2022
Salaries and wages	**₱10,257,608**	₱11,354,518	₱9,406,853
Employee benefits (see Note 30)	**3,808,809**	2,340,588	2,175,690
	₱14,066,417	₱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	**₱541,174**	₱543,006	₱688,002
Net interest cost	**67,214**	12,457	9,056
Remeasurement of other long-term employee benefits	**1,963**	(691)	831
	₱610,351	₱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	**₱13,556**	(₱325,167)	₱280,321
Return (losses) on assets excluding amount included in net interest cost	**(1,155)**	(226,561)	72,837
	₱12,401	(₱551,728)	₱353,158

Net pension liabilities

	2024	2023
Present value of obligation	**₱5,851,509**	₱5,479,162
Fair value of plan assets	**(4,963,678)**	(4,572,771)
Pension liability	**₱887,831**	₱906,391

Changes in the present value of the defined benefit obligation are as follows:

	2024	2023
At January 1	**₱5,479,162**	₱4,139,439
Net benefit costs in the consolidated statements of income		
Current service costs	**593,381**	538,454
Interest cost	**350,125**	310,149
Past service costs	**(52,207)**	4,552
Transfers and others	**(1,500)**	(785)
Remeasurement of other long-term employee benefits	**1,963**	(691)
Benefits paid	**(538,177)**	(235,178)
Remeasurements in other comprehensive income:		
Actuarial losses (gains) due to experience adjustments	**(99,402)**	(106,125)
Actuarial losses (gains) due to changes in financial assumptions	**85,846**	431,292
	₱5,819,191	₱5,081,107
Increase from step-acquisition of subsidiaries (see Note 9)	**32,318**	398,055
At December 31	**₱5,851,509**	₱5,479,162

Changes in the fair value of plan assets are as follows:

	2024	2023
At January 1	**₱4,572,771**	₱3,870,164
Actual contributions	**620,202**	392,825
Interest income included in net interest cost	**282,911**	297,692
Transfers and others	**186**	23,419
Increase from step-acquisition to a subsidiary (see Note 9)	**—**	422,377
Actual return excluding amount included in net interest cost	**(1,155)**	(226,561)
Benefits paid	**(511,237)**	(207,145)
At December 31	**₱4,963,678**	₱4,572,771

Changes in net pension liability recognized in the consolidated balance sheets are as follows:

	2024	2023
At January 1	**₱906,391**	₱269,275
Contribution to retirement fund	**(620,202)**	(392,825)
Retirement expense for the year	**610,351**	554,772
Actuarial losses recognized for the year	**(12,401)**	551,728
Transfers and others	**(1,686)**	(24,204)
Benefits paid from Group operating funds	**(26,940)**	(28,033)
Increase from step-acquisition/disposal of subsidiaries (see Note 9)	**32,318**	(24,322)
At December 31	**₱887,831**	₱906,391

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	**₱2,098,048**	₱2,728,370
Equity instruments:		
Power	**538,386**	475,046
Holding	**990,953**	256,735
Financial institution	**255,480**	579,915
Others	**1,080,811**	532,705
Fair value of plan assets	**₱4,963,678**	₱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	**5.93% - 7.273%**	5.83% - 7.93%	3.51% - 8.55%
Salary increase rate	**5% - 7%**	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 (decrease) in basis points	**Effect on defined benefit obligation**
Discount rates	**100**	**(₱365,402)**
	(100)	**420,245**
Future salary increases	**100**	**₱509,392**
	(100)	**(446,815)**

December 31, 2023

	Increase (decrease) in basis points	Effect on defined benefit obligation
Discount rates	100	(₱313,397)
	(100)	320,961
Future salary increases	100	₱329,106
	(100)	(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	**₱616,315**	₱632,134	₱633,962
Net unrealized fair valuation gains on investment properties (see Note 15)	**381,525**	781,512	527,154
Rental income (see Note 35)	**213,543**	249,814	218,503
Non-utility operating income	**126,774**	99,236	146,723
Unrealized valuation gain (loss) on financial assets (see Note 7)	**1,903,856**	84,425	(191,710)
Dividend income	**1,502**	8,107	3,379
Increase (decrease) in fair value of biological assets (see Note 8)	**596**	15,693	(111,768)
Net foreign exchange gains (losses)	**(526,692)**	319,678	2,984,416
Gain (loss) on sale/disposal of:			
Investments and advances	**153,203**	—	183,299
Property, plant and equipment	**(278,080)**	90,108	(158,832)
Financial assets at FVTPL	**(160)**	61,408	31,283
Recovery of (provision for) impairment losses on property, plant and equipment, goodwill and other assets - net (see Notes 13 and 14)	**367,427**	(224,774)	(1,224,108)
Write off of project development costs (see Note 14)	**(429,485)**	(308,871)	(314,490)
Gain (Loss) from bargain purchase and remeasurement of previously held interest (see Note 9)	**(1,862,483)**	1,745,655	—
Others - net	**1,777,281**	2,506,249	1,411,073
	₱2,445,122	₱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	**₱1,063,011**	₱698,991
Net income from commissioning	**1,230,826**	1,103,664
NOLCO	**623,278**	638,890
Allowances for impairment and probable losses	**572,205**	635,802
Accrued retirement benefits	**48,787**	29,366
Unamortized contributions for past service	**43,875**	48,155
Tax effects of items in other comprehensive income	**52,157**	57,405
Difference between the carrying amount of nonmonetary assets and related tax base	**159,138**	—
MCIT	**49,796**	7,205
Others	**652,757**	573,519
	4,495,830	3,792,997
Deferred income tax liabilities:		
Difference between the carrying amount of nonmonetary assets and related tax base	**1,953,792**	1,579,344
Revaluation prior to transfer to investment property	**214,224**	214,224
Consumable biological assets	**99,395**	99,246
Pension asset	**2,689**	16,752
Unrealized foreign exchange gain	**1,420**	92
Others	**56,762**	53,039
	2,328,282	1,962,697
	₱2,167,548	₱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	**₱1,243,418**	₱1,031,918
Unamortized franchise	**546,742**	565,982
Percentage-of-completion recognition of real estate sales and related costs	**97,842**	38,154
Difference in treatment of PPA under financial and tax reporting	**6,444,629**	1,327,887
Unamortized customs duties and taxes capitalized	**3,434**	3,659
Unrealized foreign exchange gains	**415,206**	1,128,441
Pension asset	**111,243**	131,682
Lease liability	**6,168,658**	6,374,957
Right-of-use assets	**(2,257,839)**	(3,226,683)
Others	**2,209,391**	841,701
	14,982,724	8,217,698
Deferred income tax assets:		
Tax effects of items in other comprehensive income	**206,745**	357,130
NOLCO	**417,670**	1,165,431
Allowance for Impairment and probable losses	**413,524**	380,329
Pension asset	**31,594**	16,349

(Forward)

	2024	2023
Unamortized past service cost	**₱36,504**	₱55,549
Unrealized foreign exchange losses	**8,112**	8,112
Others	**24,677**	338
	1,138,826	1,983,238
	₱13,843,898	₱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	**₱18,127,511**	₱23,546,289	₱24,020,840
b. Weighted average number of common shares issued and outstanding	**5,572,732**	5,625,006	5,630,225
c. Earnings per common share (a/b)	**₱3.25**	₱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
REVENUES								
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)	—
Total revenue	₱197,492,257	₱—	109,189,748	₱4,274,868	₱8,917,436	₱2,177,398	(₱19,226,054)	₱302,825,653
RESULTS								
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
INCOME FROM OPERATIONS								53,038,663
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)
NET INCOME	₱37,726,325	₱5,959,418	₱5,945,309	₱1,258,511	(₱8,316,698)	₱18,541,002	(₱23,216,444)	₱37,897,423
OTHER INFORMATION								
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
Consolidated total assets								₱893,700,554
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
Consolidated total liabilities								₱497,334,978
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:

a. 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.

b. Cash deposits and placements with UBP earn interest at prevailing market rates (see Note 4).

c. Aviation services are rendered by AEV Aviation to certain associates.

d. Lease of commercial office units by ACO and certain associates from CPDC.

e. 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).

f. 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; interest-free	Unsecured; no impairment
Investees of ACO							
ACI	**8,020**	8,764	15,296	**—**	—	30-day; interest-free	Unsecured; no impairment
ACII	**73**	—	189	**81**	—	30-day; interest-free	Unsecured; no impairment
Associates and Joint Ventures							
RCBM (see Note 10)	**13,087**	12,839	236,379	**118**	—	30-day; interest-free	Unsecured; no impairment
SFELAPCO	**98,868**	122,686	116,181	**4,978**	—	30-day; interest-free	Unsecured; no impairment
CEDC	**69,500**	84,100	82,700	**—**	—	30-day; interest-free	Unsecured; no impairment
RCMI (see Note 10)	**—**	—	86,849	**—**	—	30-day; interest-free	Unsecured; no impairment
AEV CRH Holdings, Inc.	**—**	6	—	**—**	—	30-day; interest-free	Unsecured; no impairment
GNPD	**153,224**	44,910	43,478	**37,551**	3,593	30-day; interest-free	Unsecured; no impairment
SNAP-Magat	**19,390**	22,103	13,819	**1,250**	—	30-day; interest-free	Unsecured; no impairment
SNAP-Benguet	**19,390**	22,351	13,478	**3,381**	—	30-day; interest-free	Unsecured; no impairment
SNAP-Res, Inc.	**5**	—	—	**—**	—	30-day; interest-free	Unsecured; no impairment
MORE	**1,138**	325	843	**—**	—	30-day; interest-free	Unsecured; no impairment
UBP	**21,890**	145,359	95,921	**13,950**	13,950	30-day; interest-free	Unsecured; no impairment
CSB	**—**	4,958	—	**1,688**	1,688	30-day; interest-free	Clean; no impairment
PETNET	**—**	2,374	—	**—**	—	30-day; interest-free	Unsecured; no impairment
UNITY DIGITAL INFRASTRUCTURE, INC.	**—**	12,819	—	**—**	923	30-day; interest-free	Unsecured; no impairment
BALIBAGO WATER SYSTEMS, INC.	**—**	28,701	—	**—**		30-day; interest-free	Unsecured; no impairment
SNAP-Generation	**5**	1	1,310	**—**	—	30-day; interest-free	Unsecured; no impairment
RCSI	**—**	60	4,526	**—**	—	30-day; interest-free	Unsecured; no impairment
Total	**₱418,200**	₱530,236	₱727,726	**₱62,997**	₱20,154		

b. Cash Deposits and Placements with UBP

	Interest Income			Outstanding Balance			
	2024	2023	2022	**2024**	2023	Terms	Condition
AP and Subsidiaries	**₱610,688**	₱603,953	₱91,330	**₱13,967,050**	₱23,836,396	90 days or less; interest-bearing	No impairment
AEV	**9,762**	112,837	108,626	**59,593**	2,479,390	90 days or less; interest-bearing	No impairment
PILMICO and Subsidiaries	**597**	4,275	1,084	**193,252**	186,109	90 days or less; interest-bearing	No impairment
AboitizLand and Subsidiaries	**1,594**	953	1,431	**472,472**	558,519	90 days or less; interest-bearing	No impairment
AIC and Subsidiaries	**2,924**	4,229	5,866	**1,654,434**	798,338	90 days or less; interest-bearing	No impairment
CPDC	**456**	58	456	**62,798**	4,256	90 days or less; interest-bearing	No impairment
AEV AVIATION	**3,123**	1,923	187	**93,967**	92,825	90 days or less; interest-bearing	No impairment
AIPL	**—**	—	—	**13,157**	12,630	90 days or less; interest-bearing	No impairment
Weather Solutions, Inc.	**413**	318	—	**10,060**	13,980	90 days or less; interest-bearing	No impairment
Advanced Data Innovation, Inc.	**22**	36		**49,838**	348	90 days or less; interest-bearing	No impairment
Petnet	**—**	—	—	**—**	—	90 days or less; interest-bearing	No impairment
	₱629,579	₱728,582	₱208,980	**₱16,576,621**	₱27,982,791		

c. Revenue - Aviation Services

	Revenue			Accounts Receivable			
	2024	2023	2022	**2024**	2023	Terms	Conditions
Investees of ACO							
ACI	**₱175**	₱185	₱—	**₱55**	₱—	30-day; interest-free	Unsecured; no impairment
Associates and Joint Ventures							
SNAP-Magat	**12,504**	9,880	7,162	**—**	—	30-day; interest-free	Unsecured; no impairment
SNAP-Benguet	**1,857**	1,972	1,844	**—**	—	30-day; interest-free	Unsecured; no impairment
UBP	**1,500**	1,500	1,500	**—**	—	30-day; interest-free	Unsecured; no impairment
CCBPI	**3,098**	—	—	**64**	—	30-day; interest-free	Unsecured; no impairment
Republic Cement Services	**1,211**	—	—	**—**	—	30-day; interest-free	Unsecured; no impairment
Tsuneishi Holdings (Cebu), Inc.	**—**	—	297	**—**	—	30-day; interest-free	Unsecured; 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; interest-free	Unsecured; no impairment
Investees of ACO							
ACI	**1,921**	1,842	—	**18**	—	30-day; interest-free	Unsecured; no impairment
Associates							
UBP	**9,357**	3,087	2,558	**—**	—	30-day; interest-free	Unsecured; no impairment
UDII	**1,450**	—	—	**—**	—	30-day; interest-free	Unsecured; no impairment
	₱12,728	₱10,187	₱7,555	**₱18**	₱—		

e. Revenue - Sale of Power

	Revenue (see Note 26)			Receivable			
	2024	2023	2022	**2024**	2023	Terms	Conditions
Associate and Joint Ventures							
SFELAPCO	**₱458,136**	₱237,293	₱2,142,713	**₱58,870**	₱61,635	30-day; interest-free	Unsecured; no impairment
RCBM	**1,938,675**	2,322,855	2,587,557	**167,336**	277,162	30-day; interest-free	Unsecured; no impairment
SNAP-Magat	**732,134**	732,471	1,511,909	**7,659**	376,383	30-day; interest-free	Unsecured; no impairment
GNPD	**60,647**	167,879	516,901	**1,329**	—	30-day; interest-free	Unsecured; no impairment
MEC	**—**	—	11,738	**—**	—	30-day; interest-free	Unsecured; no impairment
SNAP-RES	**58,467**	46,471	—	**6,144**	3,565	30-day; interest-free	Unsecured; no impairment
SNAP-Benguet	**70,606**	251,733	—	**1,183**	105,786	30-day; interest-free	Unsecured; no impairment
Coca Cola Beverages Phils Inc. (an associate of AEV)	**223,709**	—	—	**46,970**	—	30-day; interest-free	Unsecured; no impairment
Investees of ACO							
Tsuneishi Heavy Industries (Cebu), Inc.	**411,485**	193,177	174,355	**25,812**	16,094	30-day; interest-free	Unsecured; no impairment
Aboitiz Construction International, Inc.	**11,401**	3,844	1,767	**1,722**	—	30-day; interest-free	Unsecured; no impairment
Aboitiz Construction Inc.	**115**	—	—	**11**	—	30-day; interest-free	Unsecured; no 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; interest-free	Unsecured
SNAP-Magat	**1,926,407**	1,318,600	2,815,696	**8,280**	22	30-day; interest-free	Unsecured
SFELAPCO	**130,266**	113,305	33,664	**14,760**	12,785	30-day; interest-free	Unsecured

(Forward)

	Purchases (see Note 26)			Payable			
	2024	2023	2022	**2024**	2023	Terms	Condition
SNAP RES	**₱20,684**	₱—	₱—	**₱412**	₱—	30-day; interest-free	Unsecured
GNPD	**15,462,401**	15,740,852	—	**1,770,940**	1,518,818	30-day; interest-free	Unsecured
SNAP-Benguet	**1,414,292**	821,815	1,478,492	**6,585**	107,590	30-day; interest-free	Unsecured
	₱23,358,817	₱24,515,640	₱9,333,073	**₱2,195,272**	₱1,639,703		

h. Capitalized Construction and Rehabilitation Costs

	Purchases			Payable			
	2024	2023	2022	**2024**	2023	Terms	Condition
Fellow Subsidiary							
ACI	**₱—**	₱296,759	₱313,249	**₱—**	₱—	30-day; 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	**₱745,390**	₱871,578
Financial assets at amortized cost	**127,574**	52,263
Debt investments at FVOCI	**17,142**	18,041
	₱890,106	₱941,882

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	**₱71,448**	**(₱16,420)**	₱75,908	(₱22,296)
AP common shares	**352,065**	**931**	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 1 year	**1-5 years**	**More than 5 years**	**Total**
Long-term debts				
Floating rate	**₱2,643,816**	**₱17,816,373**	**₱6,438,605**	**₱26,898,794**

December 31, 2023

	Less than 1 year	1-5 years	More than 5 years	Total
Long-term debts				
Floating rate	₱2,320,428	₱11,065,168	₱17,152,934	₱30,538,530

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)	**₱19,624,450**	₱16,435,031	₱13,918,060
Lease liabilities (see Note 22)	**292,133**	1,300,890	2,418,570
Long-term obligation on PDS and others (see Note 21)	**579,545**	569,777	774,249
Bank loans (see Note 18)	**2,037,448**	2,212,191	683,154
Loss on loan extinguishment	**—**	8,586	61,444
Customers' deposits (see Note 20)	**10,808**	2,492	1,207
	₱22,544,384	₱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)	**₱3,223,727**	₱3,684,062	₱971,835
Short-term cash deposits (see Note 7)	**53,430**	276,960	750,013
Others (see Note 16)	**240,039**	340,404	145,376
	₱3,517,196	₱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 (decrease) in basis points	Effect on income before tax
2024	**200**	**(₱537,976)**
	(100)	**268,988**
2023	200	(₱610,771)
	(100)	305,385
2022	200	(₱553,906)
	(100)	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[1]**	US dollar	Philippine peso Equivalent[2]
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

[1]$1= ₱57.85
[2]$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[1]**	Philippine Peso	US Dollar Equivalent[2]
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

[1]$1= ₱57.85
[2]$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:

2024	Effect on income before tax
US dollar appreciates against Philippine peso by 5.0%	**($8,286)**
US dollar depreciates against Philippine peso by 5.0%	**8,286**
2023	
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:

	2024	2023
Power distribution:		
Industrial	**₱11,415,839**	₱9,250,799
Residential	**3,363,528**	2,193,446
Commercial	**1,135,639**	1,147,583
City street lighting	**36,456**	33,964
Power generation:		
Power supply contracts	**9,956,115**	14,139,560
Spot market	**4,633,995**	3,181,336
	₱30,541,572	₱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 30 days	31 days to 60 days	Over 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 30 days	31 days to 60 days	Over 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 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				
	Stage 1	**Stage 2**	**Stage 3**	**Lifetime ECL**	
	12-month ECL	**Lifetime ECL**	**Lifetime ECL**	**Simplified Approach**	**Total**
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				
	Stage 1	Stage 2	Stage 3	Lifetime ECL	
	12-month ECL	Lifetime ECL	Lifetime ECL	Simplified Approach	Total
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 carrying value	Contractual undiscounted payments				
		Total	On demand	Less than 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:						
Operating						
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
Financing						
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	—
Others						
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	**₱40,959,206**	₱41,040,449
Long-term obligations	**363,315,329**	334,922,843
Cash funds	**(88,205,089)**	(119,106,301)
Net debt (a)	**316,069,446**	256,856,991
Equity	**396,365,576**	375,346,444
Equity and net debt (b)	**₱712,435,022**	₱632,203,435
Gearing ratio (a/b)	**44.36%**	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					
	Less than 3 months	**3 to 6 months**	**6 to 12 months**	**1 to 2 years**	**More than 2 years**	**Total**
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					
	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	More than 2 years	Total
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)**
Foreign currency forwards and dollar hold				
Derivative Asset	**₱41,505**	**₱27,170**	**₱27,170**	**₱—**
Derivative liability	**(27,617)**	**(7,417)**	**(7,417)**	**—**
Commodity swaps				
Derivative asset	**63,236**	**63,236**	**63,236**	**—**
Non-deliverable forwards				
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)
IRS				
Derivative asset	₱333,290	₱333,290	₱333,290	—
Forward exchange currency forwards				
Derivative asset	21,794	21,592	21,592	—
Derivative liability	(24,740)	—	—	—
Commodity swaps				
Derivative asset	426	426	426	—
Non-deliverable forwards				
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)	**(₱215,114)**	₱2,135,647
Changes in fair value recorded in equity	**499,389**	(678,157)
	284,275	1,457,490
Derecognition	**(249,967)**	—
Changes in fair value transferred to profit or loss	**25,409**	(1,761,431)
Balance at end of year before deferred tax effect	**59,717**	(303,941)
Deferred tax effect	**5,504**	88,827
Balance at end of year (net of tax)	**₱65,221**	(₱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

	Total	**Level 1**	**Level 2**	**Level 3**
Carried at fair value:				
Investments in financial assets:				
At FVTPL	**₱82,632**	**₱82,632**	**₱—**	**₱—**
At FVOCI	**2,292,223**	**2,292,223**	**—**	**—**
Derivative asset	**328,981**	**—**	**328,981**	**—**
Derivative liability	**253,816**	**—**	**253,816**	**—**
Disclosed at fair value:				
Concession contract asset	**10,167,633**	**—**	**—**	**10,167,633**
Lease liabilities	**6,440,166**	**—**	**—**	**6,440,166**
Long-term debt - fixed rate	**338,613,651**	**—**	**—**	**338,613,651**
PSALM deferred adjustment	**—**	**—**	**—**	**—**
Long-term obligation on PDS	**119,261**	**—**	**—**	**119,261**

December 31, 2023

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Investments in financial assets:				
At FVTPL	₱107,292	₱107,292	₱—	₱—
At FVOCI	3,353,210	3,353,210	—	—
Exchangeable notes	15,608,623	15,608,623	—	—
Derivative asset	355,510	—	355,510	—
Derivative liability	506,335	—	506,335	—
Disclosed at fair value:				
Concession contract asset	9,345,442	—	—	9,345,442
Lease liabilities	3,559,210	—	—	3,559,210
Long-term debt - fixed rate	281,188,571	—	—	281,188,571
Long-term obligation on PDS	167,708	—	—	167,708

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:

			Non-cash Changes					
	January 1, 2024	Net cash flows	Amortized deferred financing costs	Foreign exchange movement	Changes in fair values	Accreted interest	Others	December 31, 2024
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**
Total liabilities from financing activities	**₱376,469,627**	**(₱2,536,583)**	**₱340,484**	**₱1,902,911**	**(₱252,519)**	**₱292,133**	**(₱30,155)**	**₱402,238,358**

			Non-cash Changes					
	January 1, 2023	Net cash flows	Amortized deferred financing costs	Foreign exchange movement	Changes in fair values	Accreted interest	Others	December 31, 2023
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
Total liabilities from financing activities	₱377,428,928	(₱1,546,327)	₱250,597	(₱420,452)	(₱155,066)	₱1,300,890	(₱388,943)	₱376,469,627

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 [1]	3 years
New Producer of Table Eggs and By- Products	April 7, 2015	October 2015 [1]	4 years
New Producer of Hogs and Pork Meat *	July 16, 2017	July 2017 [1]	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 [1]	5 years
New Producer of Pork Meat or Carcass and Culled Sows	July 13, 2023	August 2023 [1]	6 years

[1] 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 Manue 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.

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.

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.

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.

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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.

[redacted]

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

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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.

[redacted]

Jhoanna Feliza C. Go
Partner
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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

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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F	-	Indebtedness to Related Parties (Long-Term Loans from Related Companies)	NA
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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
T O T A L		**P 27,600,837**		**P 732,540**
Money Market Placements, Including Short-term Deposits				
Australia and New Zealand Banking Group Limited (ANZ Bank)	Not applicable	P 2,960,717	Not applicable	P 335,840
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
T O T A L		**P 60,604,252**		**P 2,544,617**
Trade Receivables				
Power	Not applicable	P 30,541,572	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
T O T A L		**P 56,525,694**		
Other Receivables				
Nontrade receivables	Not applicable	P 9,116,179	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
T O T A L		**P 11,402,970**		
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	-
		P 48,792	**P 47,721**	**P 1,402**
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 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
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 -**
T O T A L		**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 Balance	Additions	Deductions		Current	Non-Current	Ending Balance
			Amounts Collected	Amounts 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 Infrastructura 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 Balance	Additions At Cost	DEDUCTIONS		Other Changes Additions (Deductions)	Discontinued Operation	Ending Balance
			Charged to Costs and Expenses	Charged to Other Accounts			
A. Intangibles							
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. Other Noncurrent Assets							
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
T o t a l	**P109,101,263**	**P66,340,941**	**(P1,305,238)**	**(P429,485)**	**(P689,695)**	**P0**	**P173,017,786**

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE E - LONG-TERM DEBT

AS OF DECEMBER 31, 2024
(Amounts in Thousands)

Name of Issuer and Type of Obligation	Amount Authorized by Indentures	Amount Shown as Current	Amount Shown as 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	
Total	**P358,517,825**	**P30,397,739**	**P328,120,086**	

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE H - CAPITAL STOCK

AS OF DECEMBER 31, 2024
(Amounts in Thousands)

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and 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 Infrastructura, 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	-				
Total	**P 1,033,227**	**P 33,969**	**P 1,067,196**	**P 37,634,321**	**P 37,555**	**P -**	**P -**	**P -**	

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)

Unappropriated Retained Earnings, beginning			**20,300,350**
Add:	**Category A: Items that are directly credited to Unappropriated Retained Earnings**		
	Reversal of Retained Earnings Appropriation/s	-	
	Effect of restatements or prior-period adjustments	-	
	Unrealized valuation of investment property	-	
	Others		-
Less:	**Category B: Items that are directly debited to Unappropriated Retained Earnings**		
	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)
Unappropriated Retained Earnings, as adjusted			**12,432,650**
Add/Less:	**Net Income (loss) for the current year**		8,834,604
Less:	**Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)**		
	Equity in net income of associate/joint venture, net of dividends declared	-	
	Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
	Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
	Unrealized fair value gain of Investment Property	(2,656)	
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
	Sub-total	-	**(14,594)**
			21,252,660
Add:	**Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)**		
	Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
	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	-	
	Sub-total		**-**
Add:	**Category C.3: Unrealized income recognized in the profit or loss in prior peiods but reversed in the current reporting period (net of tax)**		
	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	-	
	Sub-total		**-**
Adjusted Net Income/Loss			**21,252,660**
Add:	**Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)**		
	Depreciation on revaluation increment (after tax)	-	
	Sub-total		**-**
Add/Less:	**Category E: Adjustments related to relief granted by the SEC and BSP**		
	Amortization of the effect of reporting relief	-	
	Total amount of reporting relief granted during the year	-	
	Others	-	
	Sub-total		**-**
Add/Less:	**Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution**		
	Net movement of treasury shares (except for reacquisition of redeemable shares)	(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	-	
	Sub-total		**(2,946,011)**
Total Retained Earnings, end of the reporting period available for dividend			**18,306,649**

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE OF RELEVANT FINANCIAL RATIOS

	FORMULA	DEC 2023	DEC 2024
LIQUIDITY RATIOS			
Current ratio	Current assets / Current liabilities	2.2	**1.6**
Acid test ratio	(Cash + Marketable Securities + Accounts Receivable + Other Liquid Assets) / Current liabilities	1.6	**1.1**
SOLVENCY RATIOS			
Debt to equity ratio	Total liabilities / Total equity	1.2	**1.3**
Asset to equity ratio	Total assets / Total equity	2.2	**2.3**
Net debt to equity ratio	Debt - cash & cash equivalents / Total equity	0.7	**0.8**
Gearing ratio	Debt - cash & cash equivalents / Total equity + (Debt - cash & cash equivalents)	40.6%	**44.4%**
Interest coverage ratio	EBIT / Net interest expense	4.1	**3.6**
PROFITABILITY RATIOS			
Operating Margin	Operating Profit / Total revenues	12.2%	**16.7%**
Return on Equity	Net income after tax* / Total beginning equity*	9.2%	**6.7%**

**attributable to equity holders of the Parent*

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)

	2024	2023
Total Audit Fees	**P76,475**	**P61,974**
Non-audit services fees:		
Other assurance services	5,792	12,047
Tax services	14,306	15,076
All other services	19,240	951
Total Non-audit Fees	**39,338**	**28,074**
Total Audit and Non-audit Fees	**P115,813**	**P90,048**



Annex C. Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

We are pleased to present the 2024 Aboitiz Integrated Report (AIR). The Report provides information on financial, operational, governance, social, and environmental performance that are material to AEV's business and stakeholders.

The Report contains a full-year's data— from January 1 to December 31, 2024—and focuses on AEV's strategic business units: Power, Banking and Financial Services, Food, Infrastructure, Land, and Data Science and Artificial Intelligence (DSAI).

We gathered reports on their performance in the following focus areas: team member engagement and development, corporate social responsibility, customer focus, disaster resilience, carbon emissions reduction, resource efficiency, renewable energy, waste management, and financial growth and returns. Monetary values in this Report are presented in Philippine Pesos (PHP), which is AEV's functional currency. All information is disclosed to uphold the principles of ethics and transparency, and to communicate vital information to our stakeholders.

This report is in compliance with the Securities and Exchange Commission Memorandum Circular No. 4 Series of 2020: "Sustainability Reporting Guidelines for Publicly Listed Companies."

Kindly refer to the 2024 AIR available for downloading at the main Aboitiz Website and the Aboitiz Sustainability Microsite. Please take note that the page number indicated in the references of each disclosure item are PDF pages.

Contextual Information

Company Details	
Name of Organization	Aboitiz Equity Ventures Inc.
Location of Headquarters	NAC Tower, 32nd Street, Bonifacio Global City, Taguig City, 1643 Philippines
Location of Operations	The locations where the operations of the Aboitiz Group's businesses are found on pages 46-47 of the 2024 Aboitiz Integrated Report.

Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	The reporting scope is found on the Reporting Standards and Guidelines section, pages 6-9, of the 2024 Aboitiz Integrated Report.
Business Model, including Primary Activities, Brands, Products, and Services	Kindly refer to pages 10-25 of the 2024 Aboitiz Integrated Report.
Reporting Period	January 1, 2024 to December 31, 2024
Highest Ranking Person responsible for this report	Mr. Sabin M. Aboitiz, President and Chief Executive Officer

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
The discussion on the materiality assessment process can be found on Our Approach: Materiality. Materiality, as defined by the GRI reporting framework, includes topics and disclosures that reflect the Group's significant economic, environmental, and social impacts, or those that would substantially influence the assessments and decisions of our stakeholders. Our process involved an internal analysis of the importance of a broad list of sustainability issues related to our core businesses of power, banking and financial services, food, infrastructure, land, DSAI, and our corporate foundation. At the parent company level, we integrated the common material issues that are within the medium-term horizon of our reporting parameters. We also used discussions from stakeholder dialogues and company-wide feedback channels to inform the selection of these material issues, which were discussed and approved by the Aboitiz Group Management Committee as part of the focus areas of our Aboitiz Sustainability Synergy. We used our stakeholder dialogues and company-wide feedback channels to inform the selection of these material issues, which were discussed and approved by the Aboitiz Group Management Committee as part of the focus areas of our Aboitiz Sustainability Framework. Additional information on the Aboitiz Sustainability Playbook is found on page 137 of the 2024 AIR while other supporting references on stakeholder management can be found on Sustainability at Aboitiz: Social.

[1] See *GRI 102-46* (2016) for more guidance.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

AEV's financial performance is summarized on pages 34-35 for Financial Highlights, and discussed in the CFOs' Message on pages 38-43 of the 2024 Aboitiz Integrated Report.

Economic and Governance practices of AEV are also available in the company website at https://sustainability.aboitiz.com/sustainability-at-aboitiz/economic/ .

A more detailed breakdown of AEV's financial information is found on the PART II – Operational and Financial Information section of AEV's SEC Form 20-IS, which can be downloaded at the Aboitiz: Disclosures page.

Disclosure	Amount	Units
Direct economic value generated (revenue)		PhP
Direct economic value distributed:		
a. Operating costs		PhP
b. Employee wages and benefits		PhP
c. Payments to suppliers, other operating costs		Php
d. Dividends given to stockholders and interest payments to loan providers		PhP
e. Taxes given to government		PhP
f. Investments to community (e.g. donations, CSR)		PhP

A discussion on management of material topics in addressing material economic indicators are found on Our Approach: Materiality.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Climate-related risks and opportunities[2]

Our disclosures of the Climate Risk Scenario Analysis and Climate Strategy can be found in our Aboitiz Sustainability Microsite at Our Approach: Climate Strategy.

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities	Disclose the actual and potential impacts[3] of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Disclose how the organization identifies, assesses, and manages climate-related risks	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

[2] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

[3] For this disclosure, impact refers to the impact of climate-related issues on the company.

	where such information is material		
Recommended Disclosures			
a) Describe the board's oversight of climate-related risks and opportunities	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	a) Describe the organization's processes for identifying and assessing climate-related risks	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
b) Describe management's role in assessing and managing climate-related risks and opportunities	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	b) Describe the organization's processes for managing climate-related risks	b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers		%

For Supply Chain Management Approach, kindly refer to Sustainability at Aboitiz: Social.

In addition, refer to the 2024 EESG Data in the Sustainability microsite for supply chain-related indicators.

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
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Anti-corruption

For our disclosures relevant to Anti-Corruption refer to page 182 of the 2024 Aboitiz Integrated Report and pages 165-166 of AEV's SEC Form 20-IS, which can be downloaded at the Aboitiz: Disclosures page. Refer to AEV's Anti-Corruption Guidelines for more details of our policy.

For the 2024 Incident Report and training data related to the Code of Conduct, this is viewable in the 2024 AIR Appendix, which can be downloaded at the Aboitiz Sustainability Microsite's EESG Data page.

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to		%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to		%
Percentage of directors and management that have received anti-corruption training		%
Percentage of employees that have received anti-corruption training		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
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Identify the opportunity/ies related to material topic of the organization		

Incidents of Corruption

Corruption-related reports or incidents are discussed on pages 165-166 of AEV's SEC Form 20-IS, which can be downloaded at the Aboitiz: Disclosures page.

For the 2024 Incident Report, this is viewable in the 2024 AIR Appendix, which can be downloaded at the Aboitiz Sustainability Microsite's EESG Data page.

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption		#
Number of incidents in which employees were dismissed or disciplined for corruption		#
Number of incidents when contracts with business partners were terminated due to incidents of corruption		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

ENVIRONMENT

Information on environmental indicators material to the Aboitiz Group are found on the Aboitiz Sustainability Microsite's EESG Data page.

The Cost and Effects of Compliance with Environmental Laws can be found on pages 62-63 of AEV's SEC Form 20-IS, which can be downloaded at Aboitiz: Disclosures page.

A discussion on the Aboitiz Group's management approaches and initiatives to environmental stewardship is found on pages 138-143 of the 2024 AIR.

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)		MWh
Energy consumption (gasoline)		MWh
Energy consumption (LPG)		MWh
Energy consumption (diesel)		MWh
Energy consumption (electricity)		MWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)		GJ
Energy reduction (LPG)		GJ
Energy reduction (diesel)		GJ
Energy reduction (electricity)		kWh
Energy reduction (gasoline)		GJ

What is the impact and where does it occur? What is the	Which stakeholders are affected?	Management Approach

organization's involvement in the impact?		
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Water consumption within the organization

Disclosure	**Quantity**	**Units**
Water withdrawal		Cubic meters
Water consumption		Cubic meters
Water recycled and reused		Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects,*

Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)		*programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Materials used by the organization

Disclosure	**Quantity**	**Units**
Materials used by weight or volume		tonne
● renewable		tonne
● non-renewable		tonne
Percentage of recycled input materials used to manufacture the organization's primary products and services		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
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Identify the opportunity/ies related to material topic of the organization		

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	**Quantity**	**Units**
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	(identify all sites)	
Habitats protected or restored		ha
IUCN[4] Red List species and national conservation list species with habitats in areas affected by operations	(list)	

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
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Identify risk/s related to material topic of the organization		
What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**

[4] International Union for Conservation of Nature

Identify the opportunity/ies related to material topic of the organization		

Environmental impact management

Air Emissions

GHG

Disclosure	**Quantity**	**Units**
Direct (Scope 1) GHG Emissions		Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions		Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)		Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
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Air pollutants

Disclosure	**Quantity**	**Units**

NO_x		kg
SO_x		kg
Persistent organic pollutants (POPs)		kg
Volatile organic compounds (VOCs)		kg
Hazardous air pollutants (HAPs)		kg
Particulate matter (PM)		kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
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Solid and Hazardous Wastes

Non-Hazardous Waste

Disclosure	**Quantity**	**Units**
Total non-hazardous waste generated		tonne
Reused		tonne

Recycled		tonne
Composted		tonne
Incinerated		tonne
Residuals/Landfilled		tonne

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
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What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Hazardous Waste

Disclosure	**Quantity**	**Units**
Total weight of hazardous waste generated		tonne
Total weight of hazardous waste transported		kg

What is the impact and where does it occur? What is the	**Which stakeholders are affected?**	**Management Approach**

organization's involvement in the impact?		
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
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What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Effluents

Disclosure	**Quantity**	**Units**
Total volume of water discharges		Cubic meters
Percent of wastewater recycled		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
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What are the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
Identify the opportunity/ies related to material topic of the organization		

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations		PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations		#
No. of cases resolved through dispute resolution mechanism		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*(e.g. employees, community, suppliers, government, vulnerable groups)*	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
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Identify risk/s related to material topic of the organization		

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Identify the opportunity/ies related to material topic of the organization		

SOCIAL

Information on social indicators material to the Aboitiz Group are found on the EESG Data page. Other social practices of AEV are also available on the Sustainability at Aboitiz: Social page and the Aboitiz Policies and Protocols page.

A discussion on the Aboitiz Group's social management approaches and talent analytics are found on pages 144-149 of the 2024 AIR.

Our Corporate Social Responsibility approaches and performance is reported on pages 124-133 of the 2024 AIR.

Personnel Costs and Pension Benefit Plans of the Aboitiz Group can be found on pages 272-273 and 342-346 (actual PDF pages) of AEV's SEC Form 20-IS, which can be downloaded at the Aboitiz: Disclosures page.

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[5]		#
a. Number of female employees		#
b. Number of male employees		#
Attrition rate[6]		rate
Ratio of lowest paid employee against minimum wage		ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS			

[5] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

[6] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

PhilHealth			
Pag-ibig			
Parental leaves			
Vacation leaves			
Sick leaves			
Medical benefits (aside from PhilHealth))			
Housing assistance (aside from Pag-ibig)			
Retirement fund (aside from SSS)			
Further education support			
Company stock options			
Telecommuting			
Flexible-working Hours			
(Others)			

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
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Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees		hours
b. Male employees		hours
Average training hours provided to employees		
a. Female employees		hours/employee
b. Male employees		hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
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Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements		%
Number of consultations conducted with employees concerning employee-related policies		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
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What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce		%
% of male workers in the workforce		%
Number of employees from indigenous communities and/or vulnerable sector*		#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**

Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	**Quantity**	**Units**
Safe Man-Hours		Man-hours
No. of work-related injuries		#
No. of work-related fatalities		#
No. of work related ill-health		#
No. of safety drills		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
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Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor		#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor		
Child labor		
Human Rights		

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
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Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
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Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

Suppliers/ Contractors Fair Dealing & Selection Policy

Vendor Code of Conduct, Vendor Management Policy, and Business Partner Due Diligence Guidelines can be downloaded at https://sustainability.aboitiz.com/report/

Supply Chain Management approach is also available on the Sustainability at Aboitiz: Social page.

Our disclosures on relevant Supply Chain indicators can be found on the EESG Data page of the Aboitiz Sustainability Microsite.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance		
Forced labor		
Child labor		
Human rights		
Bribery and corruption		

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**

Identify risk/s related to material topic of the organization	
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Identify the opportunity/ies related to material topic of the organization	

Relationship with Community

Our disclosures relevant to our Relationship with Community can be found on pages 124-133 of the 2024 AIR and the Sustainability at Aboitiz: Social page.

Relevant indicators can be found on the EESG Data page of the Aboitiz Sustainability Microsite.

There were no reported incidents for 2024 on violations involving rights of indigenous peoples and breaches related to data privacy and security.

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	**Location**	**Vulnerable groups (if applicable)***	**Does the particular operation have impacts on indigenous people (Y/N)?**	**Collective or individual rights that have been identified that or particular concern for the community**	**Mitigating measures (if negative) or enhancement measures (if positive)**

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates	**Quantity**	**Units**
FPIC process is still undergoing		#
CP secured		#

What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Customer Management

Customer Satisfaction

Disclosure	**Score**	**Did a third party conduct the customer satisfaction study (Y/N)?**
Customer satisfaction		N

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and*

Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Health and Safety

Disclosure	**Quantity**	**Units**
No. of substantiated complaints on product or service health and safety*		#
No. of complaints addressed		#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*		#
No. of complaints addressed		#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*		#
No. of complaints addressed		#
No. of customers, users and account holders whose information is used for secondary purposes		#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

Data Security

Disclosure	**Quantity**	**Units**
No. of data breaches, including leaks, thefts and losses of data		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)	*What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?*
What are the Risk/s Identified?	**Management Approach**
Identify risk/s related to material topic of the organization	
What are the Opportunity/ies Identified?	**Management Approach**
Identify the opportunity/ies related to material topic of the organization	

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

We align our key performance indicators with the United Nations Sustainable Development Goals (SDGs). These highlight our contributions to poverty reduction, education, climate change, responsible consumption, disaster preparedness, technological innovation, and institutional partnership to achieve these shared targets.

In 2024, the Aboitiz Group further deepened our understanding of ESG, zooming in on what truly matters to address sustainability challenges effectively. Banking on the 2023-launched Aboitiz Sustainability Playbook, we've focused on a results-driven approach, empowering teams and stakeholders through innovation and technology. This is led by the Aboitiz Sustainability Council (formerly the ESG Technical Working Group), a team of Sustainability leaders across the Group that convenes regularly to tackle key ESG matters and share best practices, emphasizing our collaborative commitment to meaningful progress. Read more on the Group's management approach on pages 133-163 of the 2024 Aboitiz Integrated Report.

To learn more about our Sustainability Framework, Materiality Assessment Process, Sustainability Governance, and SDG Journey, please visit the Aboitiz Sustainability Microsite.

Our Businesses	Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Banking and Financial Services	Banking and Financial Services	• Smart banking solutions • Accessibility for the unbanked market SDG 8 and 9	Potential negative environmental impacts to SDG 13. Potential negative impacts to SDG 10.	• Managing our operations by providing programs to address impacts to SDG 12 and 13. • Inclusive banking programs increased its reach to the unbanked population and this addressed SDG 10 goals.
Power	Power Generation &	• Ample and reliable power supply	Potential negative impacts of Carbon	• Managing Carbon footprint of our

	Distribution Service	• Reasonable and competitive price • Availability of a right mix of energy supply SDG 7	footprint to SDG 13 14 and 15	operations through compliance to regulatory standards and minimizing by promoting Carbon sequestration and biodiversity programs
Food	Food Products & Animal Nutrition Products	• High-quality food supply • Partnership entrepreneurship towards economic growth SDG 2 and 8	Potential negative impacts to SDG 12 and 13	• Managing the Carbon footprint of our operations through compliance to regulatory standards and responsible consumptions and production by converting agricultural waste to bunker fuel. • Supported local cooperatives and small farms to address goals for SDG 8
Land	Real Estate Development	• Build deliberately designed townships • Boost economic growth through right mix of commercial, industrial and residential communities SDG 11	Potential negative impacts to SDG 13 14 and 15	• Managing impacts of land use and development based on regulatory standards and promoting programs to sustain life on land and water. • Utilizing renewable energy in our industrial estates. • Provide opportunities for

				decent work and economic growth through industrial, commercial and residential developments.
Infrastructure	Water Utilities	• Innovative Infrastructure Solutions • Access to clean water and transportation SDG 6 and 9	Potential negative impact to SDG 6	Managing impacts water distribution and use based on regulatory standards and promoting programs to sustain clean water and sanitation and maintaining watersheds to ensure availability of water supply.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

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INTEGRATED REPORT 2024

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CHAPTER

01

About the Report

Reporting Standards and Guidelines

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AEV Financial Highlights & Summary

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CFOs' Message

Shareholder Values

Aboitiz Group Map of Operations

AP Map of Operations

Our Leaders

About the Report

We are pleased to present the 2024 Aboitiz Integrated Report. This comprehensive report highlights the financial, operational, governance, social, and environmental performance areas that are most material to Aboitiz Equity Ventures Inc. (AEV) and its stakeholders.

Covering the full year from January 1 to December 31, 2024, the report focuses on AEV's strategic business units: Power, Banking and Financial Services, Food, Infrastructure, Land, and Data Science and Artificial Intelligence (DSAI).

We gathered reports on their performance in the following focus areas: team member engagement and development, corporate social responsibility, customer focus, disaster resilience, carbon emissions reduction, resource efficiency, renewable energy, waste management, and financial growth and returns.

Monetary values in this Report are presented in Philippine Pesos (PHP), which is AEV's functional currency. All information is disclosed to uphold the principles of ethics and transparency, and to communicate vital information to our stakeholders.

This report is published on April 15, 2025, coinciding with its submission to the Securities and Exchange Commission. Our previous Annual Integrated Reports are downloadable via the Corporate Governance section of our website www.aboitiz.com.

Reporting Standards and Guidelines

GRI Standards

AEV has reported with reference to the GRI Standards for the period from January 1, 2024 to December 31, 2024. We provide a summary of how we developed this report, determining material topics and reporting disclosures using GRI Material Topics 2021 and GRI Topic Standards for each material topic, as well as our GRI Content index to help readers locate specific information about our policies, programs, and performance.

Taskforce on Climate-related Financial Disclosure

AEV is the first Philippine signatory to the Task Force on Climate-related Financial Disclosures. We are committed to aligning our disclosures to its framework that will provide the company with better information and preparedness towards the impacts of climate-related business scenarios.

UN Global Compact Communication on Progress



Our Communication on Progress (CoP) sets out key information, including the following requirements:

1. Our CEO Message includes statements expressing our continued support for the UN Global Compact and renewing AEV's ongoing commitment to the initiative.
2. AEV's description of practical actions that the company has taken, or plans to take to implement the Ten Principles in each of the four areas: human rights, labor, environment, and anti-corruption.
3. Outcomes that are measured based on the aligned key performance indicators with the United Nations Sustainable Development Goals (SDGs) and the 10 business principles of the United Nations Global Compact. The company is also one of the participants of the enhanced CoP Early Adopter Program, and we have been providing information on our progress through the CoP Digital Platform since 2022.

SEC Compliance

This Report is in compliance with the Securities and Exchange Commission (SEC) Memorandum Circular No. 4 Series of 2019: "Sustainability Reporting Guidelines for Publicly Listed Companies."

Reporting Principles

To define the content of this sustainability report, we follow these reporting principles:

- Balance: provided a balanced representation of our economic, governance, social, and environmental performance.
- Clarity: presented our information in a clear and concise manner to ensure that our stakeholders can easily understand our performance.
- Comparability: provided a basis for comparison with our previous performance and with other organizations to enhance transparency and accountability.
- Sustainability Context: identified the broader sustainability context of our business and provided information on how our performance aligns with our sustainability goals.
- Timeliness: reported on our performance within a reasonable timeframe to ensure that the information provided is relevant and up-to-date.
- Verifiability: ensured that our reported information is accurate and can be verified through a transparent and independent auditing process.
- Materiality: identified economic, social, and environmental issues that impact our business growth and of utmost importance to our stakeholders
- Stakeholder Inclusiveness: identified stakeholders and response to their expectations
- Completeness: identified material topics that are covered within identified boundaries were ensured to provide sufficient information that reflects the significant economic, social and environmental topics within the reporting period.

These report elements aim to provide a level of comfort among our stakeholders that our information is timely, accurate, reliable, and complete.

Reporting Scope

The reporting scope of our 2024 Aboitiz Integrated Report considers the level of operational control and influence that the holding company has on its business subsidiaries. The scope is different from the consolidation and scoping of our Annual Audited Financial Statements for reference please see our 2024 20-IS Report. We worked closely with the Aboitiz Group Sustainability Council and their respective sustainability stewards in business units across the region where we operate, using a standardized data collection and monitoring process. The business units covered in this report are:

POWER
- Aboitiz Power Corporation
- AP Renewables, Inc.
- Balamban EnerZone Corporation
- Cotabato Light and Power Company
- Davao Light and Power Company, Inc.
- East Asia Utilities Corporation
- Hedcor, Inc.
- Hedcor Sibulan, Inc.
- Hedcor Tudaya, Inc.
- Hedcor Sabangan, Inc.
- Hedcor Bukidnon, Inc.
- LiMA EnerZone Corporation
- Luzon Hydro Corporation
- Mactan EnerZone Corporation
- Malvar EnerZone Corporation
- PV Sinag Power, Inc.
- San Carlos Sun Power, Inc.
- SN Aboitiz Power - Magat, Inc.
- SN Aboitiz Power - Benguet, Inc.
- Subic EnerZone Corporation
- Therma Marine, Inc.
- Therma Mobile, Inc.
- Therma Power-Visayas, Inc.
- Therma South, Inc.
- Therma Visayas, Inc.
- Visayan Electric Company, Inc.

BANKING AND FINANCIAL SERVICES
- Union Bank of the Philippines
- City Savings Bank, Inc.
- PETNET, Inc.
- UnionDigital Bank, Inc.
- UBX Philippines Corporation

FOOD
- Aboitiz Foods Holdings, Inc.
- Pilmico Foods Corporation
- AEV International Pte. Ltd.
- Aboitiz Foods Pte. Ltd.

INFRASTRUCTURE
- Aboitiz InfraCapital, Inc.
- Apo Agua Infrastructura, Inc.
- Lima Water Corporation
- LIMA Land, Inc.
- Mactan-Cebu International Airport
- Republic Cement and Building Materials, Inc.
- Unity Digital Infrastructure, Inc.

LAND
- Aboitiz Land, Inc.

DATA SCIENCE AND ARTIFICIAL INTELLIGENCE (DSAI)
- Aboitiz Data Innovation

CORPORATE SOCIAL RESPONSIBILITY
- Aboitiz Foundation, Inc.

Materiality Assessment

Materiality, as defined by the GRI reporting framework, includes topics and disclosures that reflect the Group's significant economic, environmental, and social impacts, or those that would substantially influence the assessments and decisions of our stakeholders.

Our process involved an internal analysis of the importance of a broad list of sustainability issues related to our core businesses of power, banking and financial services, food, infrastructure, land, data science and artificial intelligence (DSAI), and our corporate foundation. At the parent company level, we integrated the common material issues that are within the medium-term horizon of our reporting parameters.

We also used discussions from stakeholder dialogues and company-wide feedback channels to inform the selection of these material issues, which were discussed and approved by the Aboitiz Group Management Committee as part of the focus areas of our Aboitiz Sustainability Synergy.



◀ Grounded in transparency and accountability, the Aboitiz Integrated Report reflects our commitment to balanced, reliable, and stakeholder-driven reporting.

Our Businesses

ABOITIZ EQUITY VENTURES

Aboitiz Equity Ventures Inc. (PSE: AEV) is the public holding company of the Aboitiz Group with major investments in power, banking and financial services, food and beverages, infrastructure, land, and data science and artificial intelligence. Today, it is recognized as one of the best-managed companies in the Philippines and in the ASEAN region, consistently cited for its commitment to good corporate governance and corporate social responsibility.

With five generations of success behind it, AEV is currently undergoing a Great Transformation to become the Philippines' first techglomerate. Amidst this evolution, Aboitiz remains committed to its core mission of driving change for a better world by advancing businesses and communities.



POWER

Aboitiz Power Corporation (PSE:AP) is a power generation, power distribution, and retail electricity provider that aims to supply reliable, reasonably priced, and responsibly sourced energy to communities and businesses.

In 2024, AboitizPower reinforced its position as a key player in the Philippine energy sector, adapting to shifting energy needs and growing calls for sustainability. With strategic foresight, we made significant progress by completing multiple renewable energy projects to expand our Cleanergy portfolio, which now exceeds 1,000 MW of capacity. At the same time, we also focused on reinforcing our thermal assets, ensuring a well-rounded energy mix that can meet baseload and peak demands.

AboitizPower produces over 20% of the country's total generation capacity, making it one of the Philippines' largest electricity producers. We plan to continue expanding our portfolio by enhancing our mix of hydroelectric, geothermal, wind, and solar energy alongside thermal plants, contributing to grid stability. Through our distribution utilities, AboitizPower also serves high-growth areas nationwide, delivering reliable and sustainable electricity to millions of Filipinos.

Looking ahead, we remain focused on accelerating the growth of our renewable energy capacity to support the national goal of achieving a 35% renewable energy share by 2030. With a strategic plan to triple our Cleanergy capacity by the turn of this decade, we are driven to play our role in advancing the Philippines' energy transition. By investing in innovative solutions such as energy storage and smart grid technologies, we are positioned to contribute to a more resilient energy future. With a clear vision and unwavering drive, we are poised to continue delivering value to all our stakeholders, contributing to the Philippines' journey toward a cleaner, more sustainable future.

More about this report on Page 60 ▶



BANKING AND FINANCIAL SERVICES

Union Bank of the Philippines (PSE: UBP), a publicly listed universal bank, is at the forefront of redefining the future of banking. Widely recognized as a digital trailblazer, UnionBank continues to champion innovation. It has been strategically working toward its Great Retail Bank aspiration and now aims to build the next- generation institution for Filipinos and businesses.

On its digital transformation journey, UnionBank has set noteworthy milestones in banking innovation. It launched a well-designed, user-friendly, and feature-rich bank website, introduced online banking services, pioneered the Philippines' first electronic savings account (EON), and developed the chatbot Rafa. UnionBank also led the way in fully digital account opening and redefined branch banking with The Ark—its fully digital branch concept.

Capitalizing on the gains of transformation, UnionBank continued on the path of pursuing customer-focused banking solutions. In 2018, it launched UBX, now the Philippines' top open finance platform. In July 2022, it introduced UnionDigital, the only digital bank owned by a publicly listed bank in the country. By 2024, UnionBank successfully integrated Citigroup's retail business, a major acquisition from 2022.

UnionBank's commitment to innovation, digital transformation, and excellence in banking services, has consistently set industry benchmarks in customer experience and financial technology as seen by the local and international awards it has collected.

UnionBank's future-forward vision is to maintain its industry leadership by delivering exceptional experiences and empowering customers and businesses to achieve their financial goals.

More about this report on Page 70 ▶



FOOD AND BEVERAGES

Aboitiz Foods is an integrated regional food and agribusiness company driven by its massive transformative purpose, "Sustainably Feeding Asia's Growth from Mill to Meal." The company is committed to growing sustainably alongside Asia's evolving needs.

As one of Asia's largest privately-owned food and agribusiness companies, Aboitiz Foods operates in eight countries: the Philippines, Singapore, China, Vietnam, Malaysia, Indonesia, Thailand, and Brunei. Through its subsidiaries, Pilmico and Gold Coin, Aboitiz Foods integrates the value chain, from trading, feeds, specialty nutrition, and food. By leveraging world-class technology and expertise, Aboitiz Foods delivers quality products and services to its customers.

In its journey moving forward, advancing business and communities is how the Aboitiz Group will drive change for a better world, with Aboitiz Foods upholding its brand promise: "Together we nourish the future."

Coca-Cola Europacific Aboitiz Philippines (CCEAP)—the bottling arm of Coca-Cola in the country—has a substantial local footprint and, consequently, a corresponding massive responsibility. It operates 18 manufacturing facilities, almost 70 distribution centers and sales offices nationwide, employs almost 9,000 regular employees, and supports and serves over 1 million micro-retailers as well as over 6,000 key accounts.

Coca-Cola Europacific Aboitiz Philippines is jointly owned by Coca-Cola Europacific Partners and Aboitiz Equity Ventures. CCEAP remains committed to its vision of refreshing Filipinos and making a difference across the Philippines.

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INFRASTRUCTURE

Aboitiz InfraCapital (AIC), the infrastructure arm of the Aboitiz Group, aims to build purpose-driven infrastructure and serve as one of the building blocks of the country's economy. AIC develops and operates economic estates, water, digital infrastructure, and transport and mobility projects that enable businesses and uplift communities.

AIC Economic Estates, namely LIMA Estate in Batangas, MEZ2 (Mactan Economic Zone 2) Estate and West Cebu Estate in Cebu, and TARI Estate in Tarlac, account for over 2,000 hectares of development that are home to over 240 locators and around 100,000 employees. These economic zones are complemented by commercial, residential, and institutional components run by Aboitiz affiliates, including AboitizLand, AboitizPower, and Aboitiz Construction.

AIC's estate water units, namely LIMA Water, MEZ2 Water, West Cebu Water, and TARI Water provide end-to-end water and wastewater services to AIC Economic Estates, serving the growth needs of locators and businesses. In Davao City, Apo Agua Infrastructura, Inc. operates the largest bulk water treatment facility in the country, providing the Davao City Water District with 300 million liters of safe drinking water daily and serving over one million Davaoeños. AIC also owns a minority stake in Balibago Waterworks Systems, the country's fourth-largest water concessionaire, providing running water to over 330,000 households in its franchise area.

Unity Digital Infrastructure, Inc., AIC's joint venture with leading global private markets firm Partners Group, builds and operates passive telecommunications tower infrastructure across the Philippines to boost the coverage and connectivity of local telecommunications operators. AIC has also diversified into the data center industry through its partnership with EdgeConneX, the pioneer in global Hyperlocal to Hyperscale Data Center Solutions in the United States.

In 2024, AIC fully acquired the developer and operator of the award-winning Mactan Cebu International Airport, the country's second-busiest gateway whose Terminal 2 holds a Skytrax 4-Star Rating. AIC also holds the concessions to operate, upgrade, and maintain Laguindingan International Airport and Bohol-Panglao International Airport, the country's sixth- and ninth-busiest gateways, respectively, with scheduled official turnovers in April and June 2025.

Republic Cement, AEV's partnership with global building materials group CRH, operates six facilities across the Philippines that produce the biggest supply of cement in the country.

More about this report on Page 94 ▶



LAND

For 30 years, **Aboitiz Land, Inc.** has remained committed to delivering innovative housing solutions for Filipinos, carrying its legacy from Cebu to Luzon to shape the landscape of residential living across the Philippines. Established in 1994, Aboitiz Land transformed Cebu's real estate landscape with premier master-planned communities such as North Town Homes, Pristina North and Priveya Hills, making them among the most sought-after addresses in the city. Our national expansion began in 2014 with the strategic acquisition of LIMA Technology Center in Batangas. By 2020, we sharpened our focus on residential development, transferring our industrial and commercial business units to Aboitiz InfraCapital Economic Estates.

Our dedication to innovative residential development is reflected in a diverse portfolio catering to various homeowner needs. Our notable projects include the award-winning beachside community Seafront Residences in San Juan, Batangas, and Ajoya communities in Cabanatuan, Nueva Ecija; Capas, Tarlac; and Mexico, Pampanga—key developments driving our growth in Luzon. A major milestone followed in 2019 with the launch of The Villages at Lipa, a 49-hectare residential enclave within LIMA Estate, blending residential spaces with dynamic business districts to redefine living in progressive South Luzon. Further strengthening our footprint, we made a strategic move into Metro Manila's rental market with the full acquisition of Point Blue, a network of micro-studio rental apartments in prime business districts.
Looking ahead, Aboitiz Land is poised to play a critical role in the expansion of Aboitiz Economic Estates, leveraging our established presence in key growth areas—Southern Luzon, Central Luzon, and Cebu.

With a diverse portfolio of residential offerings—ranging from workforce housing like Point Blue to mid-market, high-end, and leisure communities—we ensure accessibility, quality, and value across different price points. This breadth of offerings allows us to address the evolving needs of businesses, employees, and families.

By strategically aligning with the Economic Estates' growth trajectory, we reinforce our leadership in these high-potential locations and strengthen our role in shaping progressive, integrated communities. This synergy not only capitalizes on the increasing demand for high-quality developments beyond Metro Manila but also underscores our competitive advantage—scale, innovation, and a deep integration with industry and business. Now, with a comprehensive and forward-thinking housing strategy, Aboitiz Land is well-positioned as a key player in the evolution of residential living in the Philippines.

More about this report on Page 106 ▶



DATA SCIENCE AND ARTIFICIAL INTELLIGENCE

Aboitiz Data Innovation (ADI) is a forward-thinking data science and AI start-up with a strong commitment to research and a human-centric approach. Our mission is to provide transformative AI-powered products and capabilities to businesses across diverse sectors.

With a heritage rooted in the Philippines' Aboitiz Group and headquartered in Singapore, ADI is uniquely positioned to serve clients in banking and financial services, power, and smart cities (real estate, airports, construction, land, and food) industries.

The company is committed to making a positive impact through innovation, sustainability, and excellence. Its team of experts leverages advanced data science techniques and a human-centric AI approach to developing solutions that are not only effective but also socially responsible. ADI's transformative Data & AI solutions drive value—fostering smarter and sustainable cities, strengthening risk management, and enhancing energy efficiency, benefitting both clients and society at large.

More about this report on Page 116 ▶



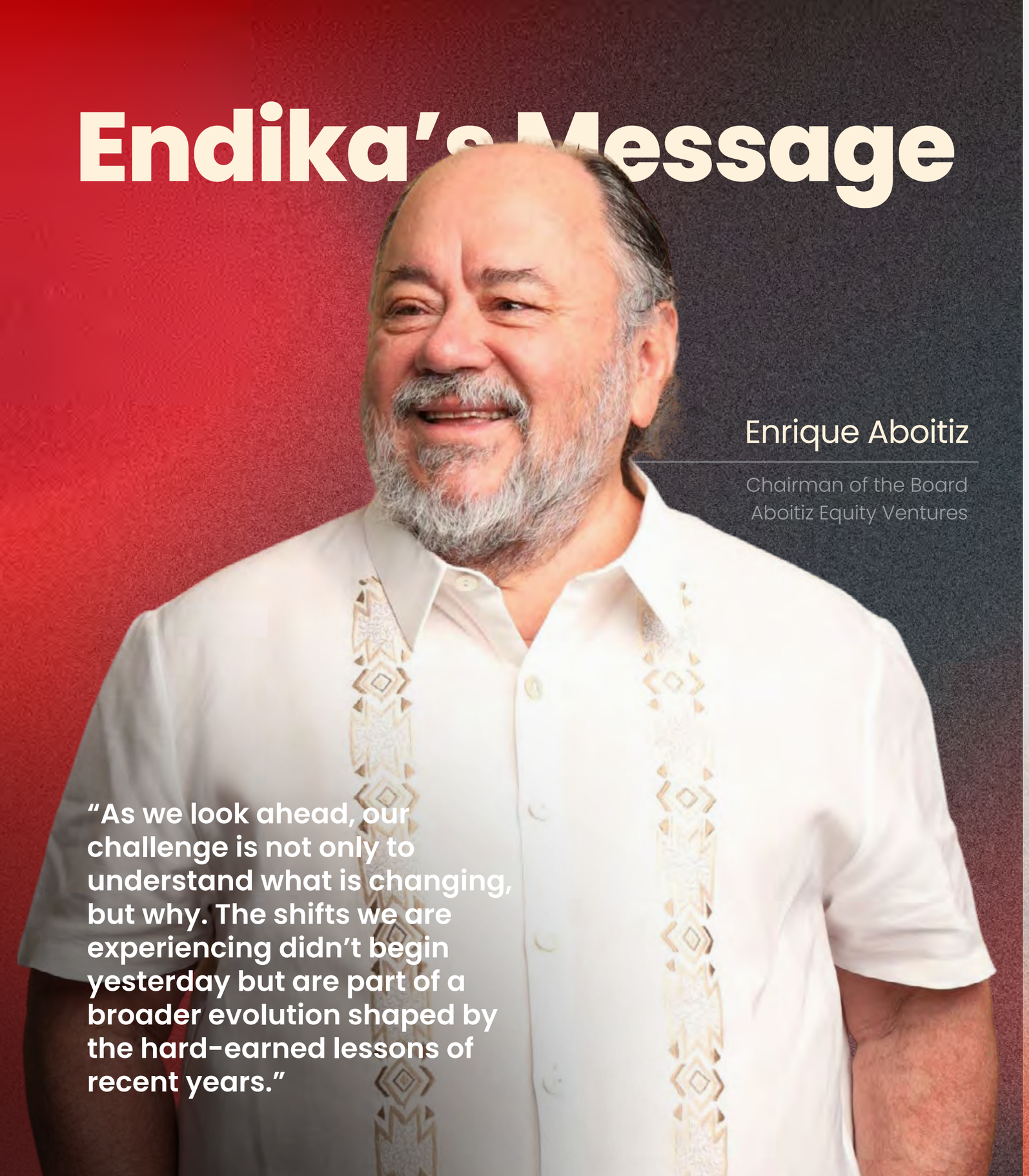
CORPORATE SOCIAL RESPONSIBILITY

Aboitiz Foundation, Inc. is the Aboitiz Group's corporate foundation established in 1988. In partnership with Aboitiz business units, the foundation empowers future leaders with resources and scholarships, creates jobs through community development and digital skills training, and prioritizes climate action with nature-based solutions for a sustainable future. After 35 years, it continues its legacy with a renewed commitment to expand flagship programs, foster global collaborations, and harness innovation in its unwavering mission to shape a brighter future for its communities, and for the nation.



More about this report on Page 124 ▶

Endika's Message



Enrique Aboitiz

Chairman of the Board
Aboitiz Equity Ventures

"As we look ahead, our challenge is not only to understand what is changing, but why. The shifts we are experiencing didn't begin yesterday but are part of a broader evolution shaped by the hard-earned lessons of recent years."

We Invite You To Bet With Us!

Dear *Fellow Shareholders,*

Half a decade after Covid, we find ourselves navigating a world filled with increasing uncertainty and increasing complexity, both of which bring us more opportunity. What Aboitiz has learned from over 150 years of doing business in the Philippines is that chance favors the prepared. Being ready is what matters most as we adapt to change at the optimal moment. If adaptation is evolution's test for survival, then optimal adaptation is man's test to thrive. As an institution, we must strive to thrive by being prepared and adapting continually.

A flexible structure that adapts quickly has taken Aboitiz to where it is today. We operate with a governance and management structure at the helm of a team that adapts to remain relevant and competitive. This structure drives our behavior of cultivating committed shareholders who reinvest, stay the course, and pass their shares and values on to their children. We will continue to work as a team with adaptation pains to remain relevant, competitive, dynamic, and evergreen.

Our strategy is to focus on gaining competitive edges by doing what few can. It has guided our decision to divest a quarter of our power holdings, enabling us to invest in the retail business of our financial services group, our airport ventures, and Coca-Cola. All three areas are bets on the rising middle class, both in the Philippines and across the region.

We are betting that our three economic pillars, overseas workers, ICT BPO, and more and more tourism will drive the expansion of consumption for more and more of our people. We are betting that more and more of our Southeast Asian and Asean neighbors, as well as those from further out, will visit our spectacular country, pass through our airports, and consume power while experiencing Philippine hospitality as they enjoy a Coca-Cola. We are betting that infrastructure will be built at an increasing pace. Will that building be as fast as our neighbors? We hope so but bet that it will be sufficient.

“How are we adapting to thrive in a world of geopolitical and micro-political chaos?” is the question we must keep asking ourselves. This report will offer some pertinent answers and highlights. As we look ahead, our challenge is not only to understand what is changing, but why. The shifts we are experiencing didn’t begin yesterday but are part of a broader evolution shaped by the hard-earned lessons of recent years.

On behalf of the Board and management of the Aboitiz Group, thank you for your continued trust and confidence in us to do what is right to grow your company. We are determined to stay ahead by maximizing opportunities, strengthening our partnerships, and leading with impact. Bet with us.

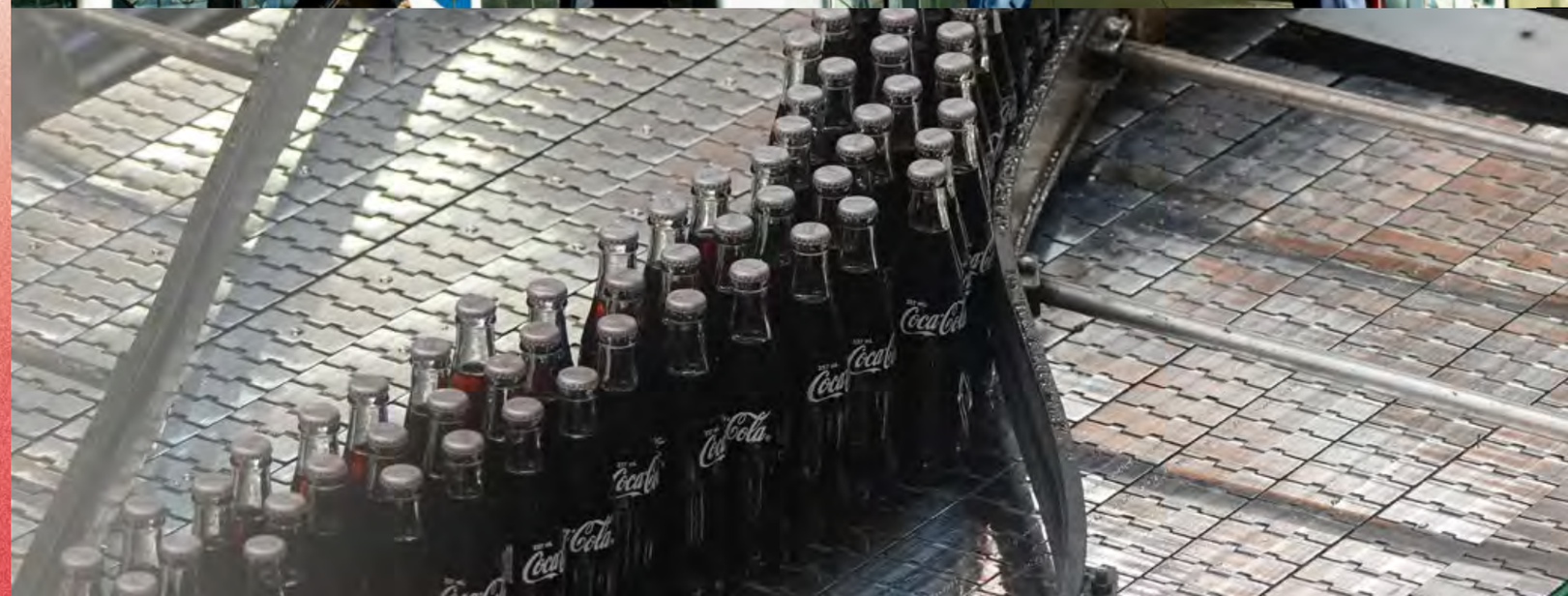
Mabuhay!

Endika

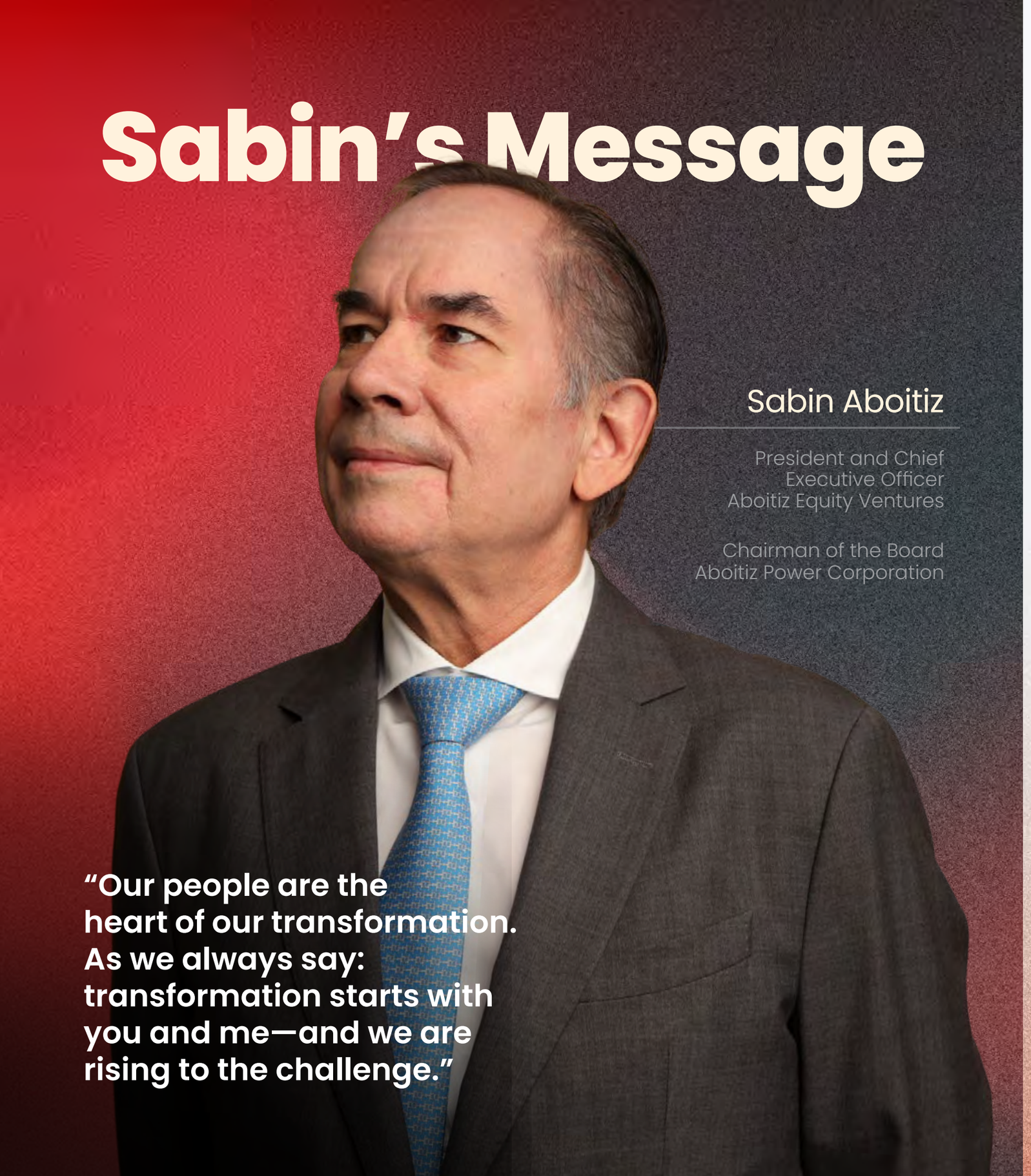
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Sabin's Message



Sabin Aboitiz

President and Chief Executive Officer
Aboitiz Equity Ventures

Chairman of the Board
Aboitiz Power Corporation

"Our people are the heart of our transformation. As we always say: transformation starts with you and me—and we are rising to the challenge."

Dear *Shareholders*,

2024 was the year we became a techglomerate. And like all meaningful transformations, this one wasn't marked by a single moment—but by a series of decisions that signaled a shift in how we see ourselves and how we create value.

Over the past few years, we've spoken often about our Great Transformation. We began moving from believing in change to behaving differently. In 2024, we saw signs of *becoming* the future-focused organization we envisioned. We didn't just dream about transformation—we are making it happen.

Last year, we were awarded the Laguindingan and Bohol-Panglao airports, and began management in 2025, extending our capabilities in nation-building infrastructure. We welcomed Coca-Cola into the Aboitiz Group with a great partner, CCEP, giving us a powerful foothold in the consumer sector. We ventured into LNG, via our 40% stake in Chromite Gas Holdings Inc, enhancing our energy portfolio. We launched the Aboitiz Foods identity, giving form to a revitalized business with renewed ambition. We completed the full integration of Citi's retail business into UnionBank. And we initiated leadership transitions across AP, UnionBank, Aboitiz Land, and Aboitiz Data Innovation to ensure we have the right people at the helm as we accelerate into the future.

These were not incremental steps. They were defining moves that restructured our portfolio, expanded our reach, and reshaped the mindset of our organization. Yet as any seasoned investor knows, transformation doesn't stop at ambition—it must translate into performance.

And here, the truth is clear: while we've made progress, we are not yet where we want to be.

Returns are improving, but they remain below expectations. And our businesses—while evolving—are still too complex.



By acquiring a stake in CCBPI, AEV expanded into consumer goods and strengthened business synergies, prompting a rebrand to Coca-Cola Europacific Aboitiz Philippines Inc. in early 2025.

2025: Being a Techglomerate

2025, then, must be the year of acceleration. The year of execution. The year of *Being* a techglomerate.

We will simplify. Too many of our business units have grown into "mini-conglomerates," adding layers of complexity that slow us down. We must cut through the noise to create focus, clarity, and efficiency.

We will connect the dots. Our businesses are becoming an interconnected ecosystem where insights, capabilities, and opportunities flow more freely across the Group. A new Synergy Office is unlocking these connections, enabling everything from shared infrastructure and talent strategies to integrated data systems that help us make smarter, faster decisions. Data-sharing across business units is beginning to uncover operational efficiencies, customer insights, and cross-sector innovation we've only begun to tap. This is how we turn our scale into a true advantage—and how we'll accelerate value creation from the inside out.

And we will explore bold, breakout moves. Our CEOs are pursuing strong, well-planned strategies—but linear plans alone won't get us to our targets fast enough. We're exploring partnerships, restructurings, and new models that could reimagine our path to value creation. Like with Coca-Cola, where bringing in a world-class partner unlocked enormous potential—we believe this "Coke Model" can be applied elsewhere, from banking to infrastructure to food.

This mindset—*simplify, connect, reimagine*—will define us in 2025 and beyond.

A Future We Are Building Together

As we step into this new chapter, we do so with a sharper sense of who we are:
We are not a traditional conglomerate.
We are not a holding company.
We are a *techglomerate*—a unique ecosystem of businesses advancing innovation, sustainability, and impact, powered by a people-first culture and an insight-driven portfolio strategy.

Our teams across the Group are embracing AI, harnessing data, and pushing boundaries. We've embedded transformation metrics into scorecards, created foresight capabilities to anticipate change, and aligned business units around core strategic goals. Sustainability is not a sidebar—it's built into how we think, how we act, and how we invest.

In 2024, we advanced several renewable energy projects and supported climate resilience efforts in our host communities, reinforcing our long-standing commitment to people, planet, and prosperity.

But more than tools or strategies, our greatest transformation is cultural. And like all meaningful change, it's still in its early stages. Across the Group, new people are joining—some unfamiliar with our culture, others already aligned. This mix brings its own set of challenges and opportunities. We are building a workplace where curiosity is encouraged, ownership is expected, and collaboration becomes second nature—but we are not there yet. What's clear is that our people are the heart of our transformation. As we always say: transformation starts with you and me—and we are rising to the challenge.

And with transformation come real risks. Some of our biggest opportunities—like power privatizations, our foreign investments, and our capital-raising plans—carry uncertainty. But the greater risk is standing still. We move forward, eyes open, with a balanced view of ambition and discipline, and a firm belief in the power of execution.

To our shareholders, your continued belief in this journey gives us the license to keep pushing forward. You have trusted us to be bold. You have supported us through disruption. And we intend to reward that trust with performance, discipline, and long-term value.

Let's keep connecting the dots—between what we dream and what we do, between people and purpose, between capital and impact. The future isn't waiting. It's ours to build.

Sincerely,

Sabin



Transformation starts with our people—driving innovation, culture, and impact across the Group.

Financial Highlights

(in PHP millions)

Revenues



EBITDA



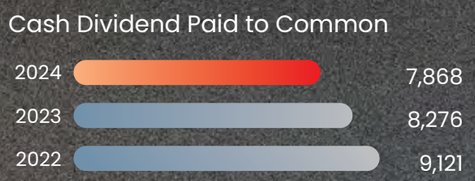
Net Income to Equity Holders of the Parent



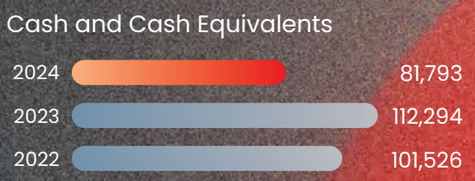
Core Net Income



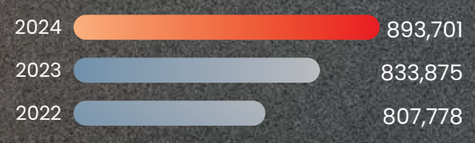
Cash Dividend Paid to Common



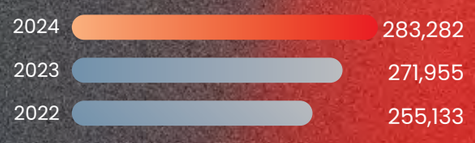
Cash and Cash Equivalents



Total Assets



Equity Attributable to Equity Holders of the Parent



Market Capitalization



Financial Summary

(in PHP millions)	2022	2023	2024	% Change (2024 vs. 2023)
INCOME STATEMENT				
Revenues	306,861	310,619	**302,826**	-3%
Operating costs & expenses	(271,766)	(272,574)	**(252,232)**	
Operating profit	35,095	38,045	**50,594**	33%
Equity in net earnings of associates	20,782	23,637	**14,532**	-39%
Net interest expense	(15,989)	(16,228)	**(19,027)**	
Other income	4,139	6,060	**2,445**	-60%
Income before income tax	44,027	51,515	**48,543**	-6%
Provision for income tax	(5,367)	(8,593)	**(10,646)**	
Net Income before non-controlling interests	38,660	42,921	**37,897**	-12%
Non-controlling interests	(14,639)	(19,375)	**(19,770)**	
Net income attributable to equity holders of parent	24,021	23,546	**18,128**	-23%
EBITDA	71,176	81,182	**83,642**	3%
FINANCIAL CONDITION				
Total assets	807,778	833,875	**893,701**	7%
Total liabilities	457,621	458,528	**497,335**	8%
Non-controlling interests	95,025	103,392	**113,083**	9%
Equity attributable to equity holders of the parent	255,133	271,955	**283,282**	4%
RATIOS				
Per Share (Pesos)				
Earnings	4.27	4.18	**3.25**	-22%
Book Value	45.31	48.39	**51.01**	5%
Cash dividend to common	1.62	1.47	**1.40**	-5%
Return on equity	9.8%	9.2%	**6.7%**	
Current ratio	1.9	2.2	**1.6**	
Debt/Equity	1.3	1.2	**1.3**	
Net debt/Equity	0.7	0.7	**0.8**	

Breakdown

Per Business Segment (in PHP millions)

	Income Contribution	Equity Investment
Power	2024 17,997 2023 17,280 2022 13,514	2024 108,285 2023 96,025 2022 89,352
Banking and Financial Services	2024 5,959 2023 4,501 2022 6,317	2024 101,829 2023 91,616 2022 77,701
Food and Beverages	2024 5,908 2023 1,283 2022 (14)	2024 62,994 2023 29,849 2022 30,333
Infrastructure	2024 (7,985) 2023 1,572 2022 1,553	2024 66,164 2023 72,784 2022 70,661
Land	2024 943 2023 1,031 2022 865	2024 14,033 2023 15,617 2022 15,152

Financial Highlights

(in PHP millions)

Revenues



EBITDA



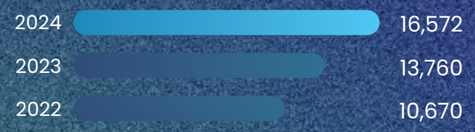
Net Income to Equity Holders of the Parent*



Core Net Income



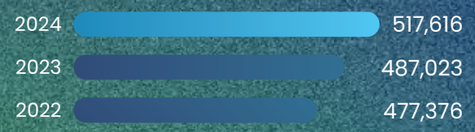
Cash Dividend Paid to Common



Cash and Cash Equivalents



Total Assets



Equity Attributable to Equity Holders of the Parent



Market Capitalization

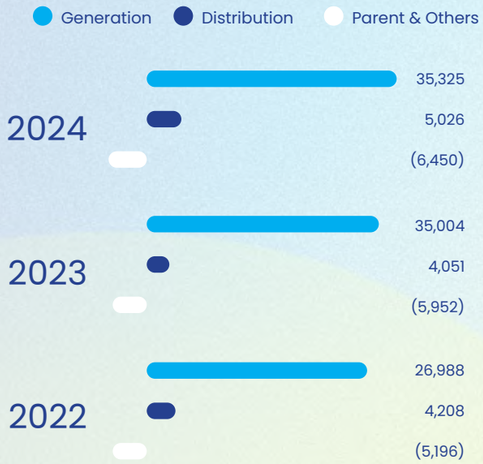


*AboitizPower

Financial Summary

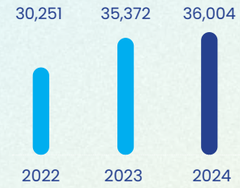
(in PHP millions)	2022 (As restated)	2023	2024	% Change (2024 vs. 2023)
INCOME STATEMENT				
Revenues	193,994	207,100	**197,492**	-5%
Operating costs & expenses	(164,191)	(175,315)	**(156,297)**	-11%
Operating profit	29,803	31,785	**41,195**	30%
Equity in net earnings of associates	15,135	19,818	**15,693**	-21%
Net interest expense	(12,742)	(12,494)	**(12,626)**	1%
Other income	515	4,634	**1,681**	-64%
Income before income tax	32,712	43,742	**45,943**	5%
Provision for income tax	(4,701)	(7,277)	**(8,213)**	13%
Net Income before non-controlling interests	28,011	36,465	**37,730**	3%
Non-controlling interests	(2,012)	(3,364)	**(3,830)**	
Net income attributable to equity holders of parent	25,999	33,102	**33,900**	2%
EBITDA	57,597	67,914	**71,734**	6%
FINANCIAL CONDITION				
Total assets	477,376	487,023	**517,616**	6%
Total liabilities	299,243	293,049	**301,719**	3%
Non-controlling interests	9,072	13,836	**12,665**	-8%
Equity attributable to equity holders of the parent	169,060	180,138	**203,232**	13%
RATIOS				
Per Share (Pesos)				
Earnings	3.53	4.52	**4.70**	4%
Book Value	22.97	25.00	**28.20**	13%
Cash dividend to common	1.45	1.88	**2.30**	22%
Return on equity	19%	21%	**20%**	-5%
Current ratio	1.78	1.79	**1.56**	-13%
Debt/Equity	1.68	1.51	**1.40**	-7%
Net debt/Equity	1.00	0.92	**0.84**	-9%

Income Contribution Breakdown
Per Business Segment (in PHP millions)

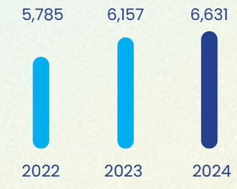


Attributable Power Sales
(in GWh)

Generation



Distribution



CFOs' Message



Jose Emmanuel Hilado

Senior Vice President
Chief Financial Officer
Aboitiz Equity Ventures Inc.



Juan Alejandro Aboitiz

Senior Vice President
Chief Financial Officer
Aboitiz Power Corporation

Dear *Fellow Stakeholders,*

2024 had been a transformative year for AEV as we continued to execute on our diversification strategy. We acquired a 40% stake in Coca-Cola Bottlers Philippines, Inc. (CCBPI), which we later renamed to Coca-Cola Europacific Aboitiz Philippines, Inc. (CCEAP), through a joint venture with The Coca-Cola Company's largest bottler by revenue globally, Coca-Cola Europacific Partners (CCEP). This marked our entry into the fast-moving consumer goods (FMCG) sector, which further strengthened our push to increase revenues coming from the consumer market. AboitizPower entered into a joint venture agreement with Meralco PowerGen Corp, to purchase a 40% stake in Chromite Gas Holdings, Inc., which in turn, purchased a 67% stake in two liquified natural gas (LNG) plants and a gas terminal from San Miguel Global Power Holdings Corp. This is AboitizPower's first foray into the LNG space.

Aboitiz InfraCapital (AIC), on the other hand, continued to execute on its portfolio strategy. In February 2024, it commenced commercial operations of its bulk water supply business under Apo Agua Infrastractura, Inc. in Davao City. With a capacity of 300 million liters per day, it stands as the largest facility of its kind in the Philippines. In addition, AIC was awarded two new regional airports - the Laguindingan and Bohol-Panglao airports. With these two new additions, along with Mactan-Cebu International Airport, AIC is well on its way to building its airport portfolio.

All of these investments happened under a favorable macroeconomic environment. With the downtrend in domestic inflation rates, the Bangko Sentral ng Pilipinas (BSP) cut policy rates by 75 basis points from 6.50% to 5.75% allowing the local economy to achieve a full-year GDP growth of 5.6%.

AEV's beneficial EBITDA (earnings before interest, taxes, depreciation, and amortization), which represents our proportional share in the EBITDAs of our subsidiaries and affiliates, rose 32% to PHP64.5 billion in 2024, from PHP48.9 billion in 2023. AboitizPower remains to be the largest contributor, accounting for 60% of our total beneficial EBITDA. On a year-on-year basis, growth was mainly driven by our Food and Beverage segment, whose EBITDA more than doubled to PHP13.9 billion in 2024.

The growth in AEV's beneficial EBITDA translated to a 15% year-on-year growth in our core net income to PHP25.5 billion. However, after booking a PHP7.5 billion impairment on our 45% stake in Republic Cement and Building Mtaerials, AEV's net income stood at PHP18.1 billion, down 23% from PHP23.5 billion in 2023. This translates to an earnings per share of PHP3.24 in 2024 and a return on shareholders' equity (ROE) of 7%.

AEV's consolidated balance sheet remains well-positioned for opportunistic expansions. We ended 2024 with total cash levels of PHP80.8 billion, down from PHP112.3 billion, following the settlement of our acquisition of 40% of CCEAP in February and our participation in UnionBank's stock rights offering in May. Despite the decline in cash, growth in investments and property, plant, and equipment led to an increase in our consolidated asset base, which rose to PHP893.0 billion from PHP833.9 billion in 2023. Total liabilities increased by 8%, primarily driven by higher debt availments to fund our ongoing expansions in the power and infrastructure segments. Despite this increase, our net debt-to-equity and debt-to-equity ratios remained stable at 0.8x and 1.0x, respectively.

On March 7, 2025, the Board of Directors of AEV approved a cash dividend of PHP1.54 per share. This is equivalent to 33% of AEV's core net income in 2024, with an implied dividend yield of 4.6% on the day of its announcement.

Meanwhile, the beneficial EBITDA of AboitizPower rose by 13% to PHP73.3 billion in 2024. EBITDA growth was fueled by higher gross margins in power generation and higher energy sales across the distribution utilities. The double-digit beneficial EBITDA growth in 2024 drove core net income 5% higher to PHP33.7 billion. This translated to an earnings per share of PHP4.70 and an ROE of 20%.

On March 7, 2025, the Board of Directors of AboitizPower also approved a cash dividend of PHP2.35 per share. This is equivalent to 50% of its net income in 2024 and implied a dividend yield of 5.7% on the date of its announcement. This is the highest dividend per share that AboitizPower has paid out in the company's history.

FUND RAISING

In 2024, AEV, together with CCEP, secured a PHP24 billion, 10-year term loan with the Bank of the Philippine Islands to fund our acquisition of CCEAP. Beyond this, the Parent focused on servicing its outstanding debt.

AboitizPower, on the other hand, secured a total of PHP22.2 billion of loans, of which PHP13.2 billion was used to fund its renewable energy pipeline, while PHP9.1 billion was used to refinance the maturing financial obligations of its distribution utilities.

S&P Global Ratings

MSCI ESG RATINGS A

In 2024, AEV continued to be recognized as a constituent company in the S&P Global Corporate Sustainability Assessment. The S&P Global Sustainability Assessment is highly regarded for companies to benchmark their improvements in ESG performance. AEV scored 47 at the 81st percentile rank in the 2024 S&P Global Corporate Sustainability Assessment (CSA Score as of 18.09.2024), performing in the top quintile of the Industrial Conglomerates Sector among 102 companies in the same industry. Meanwhile, the company maintained its A rating in the MSCI ESG Rating.

S&P Global Ratings

SUSTAINALYTICS RATED

AboitizPower's efforts to "transform energy for a better world" continue to be recognized by various independent ESG assessors. S&P Global gave the Company a score of 50 in its 2024 Corporate Sustainability Assessment (CSA), a one-point decrease compared to the previous year. The Company is positioned at the 75th percentile among its global peers in the Electric Utilities industry, showing strong performance in the areas of Labor Practices, Privacy Protection and Information Security / Cybersecurity & System Availability, Privacy Protection, and marked improvements in the areas of Market Opportunities, Materiality, and overall Environmental Dimension.

In the Sustainalytics ESG Risk Ratings, the Company remains in the medium risk category at 27.3. According to the report, despite the Company's high exposure to various ESG risks, its strong management kept its risk rating at a medium level, especially in Environmental Management, Health and Safety Management Systems, and improvements in the performance of Carbon Intensity.

Following the FTSE4Good Index Series Quarterly Review in September 2023, AboitizPower was delisted from the FTSE4Good Index Series as the company was ineligible for the FTSE All-World Index. Despite this, FTSE Russell continues to assess the Company annually and gave an ESG score of 3.4 in 2024, 0.4 points higher than the previous year. The increase in score was due to improvements in Risk Management and Pollution & Resources.

ESG ASSESSMENTS

Sustainability remains at the core of AEV's Great Transformation. The company continues to rank in the upper quartile among global peers in the same category and, in September 2024, placed first among Philippine companies in the Industrial Conglomerate Sector of the 2024 S&P Global Corporate Sustainability Assessments.

Likewise, AboitizPower ranks at the 73rd percentile in the Electric Utilities Sector of the 2024 S&P Global Corporate Sustainability Assessment, with a score of 50/100—a one-point decline from the previous year. It also received an ESG Risk Rating of 27.3 (Medium) from Sustainalytics, placing the company ahead of its local peers assessed within the same industry.

RISK FINANCE

In 2024, the Group focused on managing the rise in premium costs. On top of continuing to leverage on the Group's diverse portfolio and scale to secure competitive coverage, AEV, including all of its SBUs, conducted bespoke risk studies to better understand exposures, engaged in strategic business discussions with lead insurers through a series of roadshows, and explored maximizing local insurer's capacities and alternative risk transfer solutions in order to optimize risk transfer costs.

AEV's captive insurance company, Archipelago Insurance, continues to play a vital role in retaining risk for programs where industry pricing does not align with the risk management practices of our SBUs.

In 2024, AboitizPower established its own captive entity, Potentia International Pte Ltd, enabling Archipelago Insurance to re-allocate its coverage to the Group's non-power SBUs, strengthening the Group's commitment to proactive risk management and sustainable risk financing.

▼ AboitizPower continues to deliver strong returns while scaling renewables, entering LNG, and driving the country's energy transition.





◀ Coca-Cola Europacific Aboitiz Philippines marks a bold step in AEV's journey toward diversification and consumer impact.

THANK YOU

To our valued shareholders, we deeply appreciate your unwavering confidence and trust. We are poised for an even more transformative year in 2025 as we focus on simplifying operations, prioritizing efficiency, and ensuring that our SBUs operate smarter and more collaboratively. With a diverse portfolio spanning power, banking, food, real estate, infrastructure, and fast-moving consumer goods, we are committed to delivering sustainable, long-term value to you, our shareholders, and to the nation.

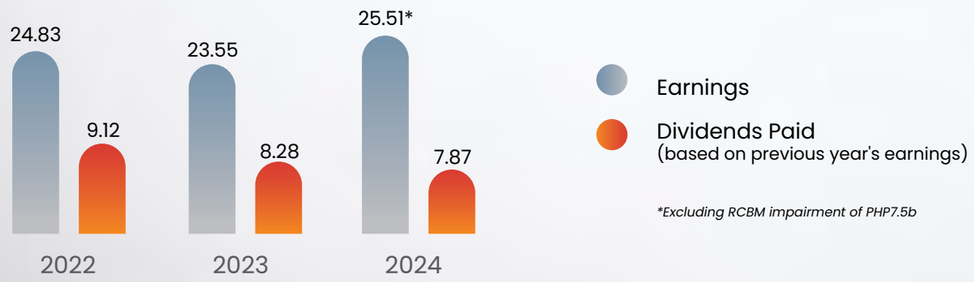
Sincerely yours,

Toto Sandro

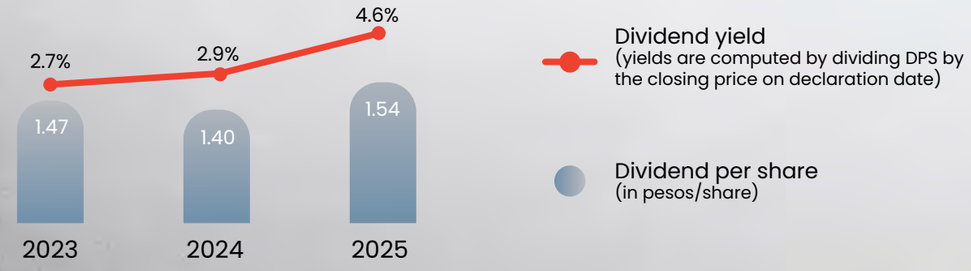
Shareholder Values

Aboitiz Equity Ventures Inc.

Earnings and Dividends
(in PHP billions)



Dividend Per Share (DPS) and Dividend Yield



Share Price (Peso/Share)

YEAR	HIGH	LOW
2024	53.00	32.60
2023	60.00	44.60
2022	64.05	46.90

Share Price Performance

YEAR	2024
AEV	-23%
PSEi	1%

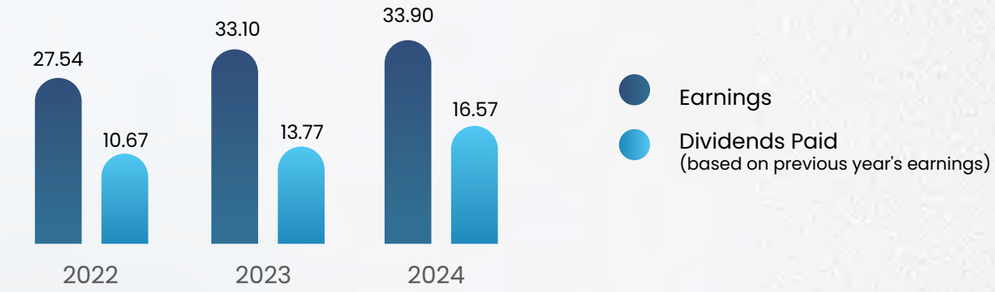
Total Return to Shareholder (TRS)*



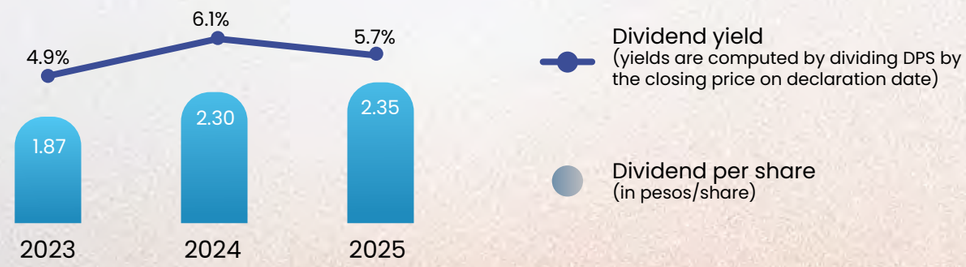
* TRS is computed by combining share price appreciation and dividends paid to show TRS expressed as a compounded annual growth rate (CAGR). Data compiled by Bloomberg.

Aboitiz Power Corporation

Earnings and Dividends
(in PHP billions)



Dividend Per Share (DPS) and Dividend Yield



Share Price (Peso/Share)

YEAR	HIGH	LOW
2024	39.75	32.40
2023	39.80	30.00
2022	37.00	28.50

Share Price Performance

YEAR	2024
AP	0%
PSEi	1%

Total Return to Shareholder (TRS)*



* TRS is computed by combining share price appreciation and dividends paid to show TRS expressed as a compounded annual growth rate (CAGR). Data compiled by Bloomberg.



Aboitiz Group Presence in Asia

Map of Operations

CHINA

PHILIPPINES

VIETNAM

THAILAND

MALAYSIA

BRUNEI

SINGAPORE

INDONESIA

Legend:
Aboitiz Strategic Business Units

- Power
- Banking and Financial Services
- Food and Beverages
- Infrastructure
- Land
- Data Science and Artifical Intelligence

Check www.aboitiz.com for the detailed map of operations of all Aboitiz business units.



Aboitiz Power Corporation

Map of Operations

- Luzon Hydro Corporation
- Hedcor Sabangan, Inc.
- SN Aboitiz Power-Magat, Inc.
- SN Aboitiz Power-Benguet, Inc.
- Hedcor, Inc. (Benguet)
- PV Sinag Power, Inc. (Cayanga and Laoag)
- GNPower Mariveles Energy Center Ltd. Co.
- GNPower Dinginin Ltd. Co.
- Subic Enerzone Corporation
- San Fernando Electric Light & Power Co., Inc.
- Therma Mobile, Inc.
- AboitizPower - Main Corporate Office
- AP Renewables, Inc. (MakBan)
- Malvar Enerzone Corporation
- Lima Enerzone Corporation
- Therma Luzon, Inc.
- AP Renewables, Inc. (Tiwi)
- San Carlos Sun Power, Inc.
- Cebu Corporate Office
- Adventenergy, Inc.
- Adventpower, Inc.
- Prism Energy, Inc.
- Visayan Electric Company, Inc.
- Mactan Enerzone Corporation
- East Asia Utilities Corporation
- Therma Power-Visayas, Inc.
- Balamban Enerzone Corporation
- Therma Visayas, Inc.
- STEAG State Power, Inc.
- Therma Marine, Inc. (M2)
- Hedcor Bukidnon, Inc.
- Therma Marine, Inc. (M1)
- Davao Light and Power Company, Inc.
- Hedcor, Inc. (Davao)
- Hedcor Sibulan, Inc.
- Hedcor Tudaya, Inc.
- Therma South, Inc.
- Cotabato Light and Power Company
- Southern Philippines Power Corporation
- Western Mindanao Power Corporation

LEGEND

Generation Renewable · Generation Thermal · Distribution · Retail Electricity Supplier · Corporate Office

Our Leaders

As of April 15, 2025

Board of Directors

Aboitiz Equity Ventures Inc.

Enrique Aboitiz
Chairman of the Board

Mikel Aboitiz
Vice Chairman of the Board

Erramon Aboitiz
Director

Sabin Aboitiz
Director
President and Chief Executive Officer

Ana Aboitiz Delgado
Director

Justo Ortiz
Director

Cesar Romero
Lead Independent Director

Joanne De Asis
Independent Director

Peter Maquera
Independent Director

AEV Corporate Service Units

Sabin Aboitiz
President and Chief Executive Officer

Jose Emmanuel Hilado
Chief Financial Officer and Corporate Information Officer

Jose Modesto Rubio
Chief Strategy Officer

Connie Chu
Chief Legal & Compliance Officer
Corporate Secretary

David Jude Sta. Ana
Chief External Affairs Officer

Maria Veronica So
Group Treasurer

Mary Geraldine Onganon
First Vice President
Chief of Staff

Ana Margarita Hontiveros-Malvar
First Vice President
Chief Reputation and Sustainability Officer

Samel Aboitiz
First Vice President
AEV Finance, ACO treasurer,
AP Coal Finance and Accounting

Charmaine Rose Valmonte
First Vice President
Chief Information Security Officer

Joseph Tugonon
First Vice President
Tax Advisory & Compliance

Beverly Tolentino
First Vice President
Controller

Santanina Apolinaria Castro
First Vice President
People

Wolfgang Merkt
First Vice President
Information Technology and Transformative Technology

Mark Velasquez
First Vice President
Head of Investments and Corporate Finance

Strategic Business Units

Danel Aboitiz
President and Chief Executive Officer
AboitizPower

Ana Aboitiz Delgado
President and Chief Executive Officer
UnionBank

Manuel Santiago, Jr.
President and Chief Executive Officer
CitySavings Bank

Ian Ocampo
President and Chief Executive Officer
PETNET

Tristan Aboitiz
President and Chief Executive Officer
Aboitiz Foods

Cosette Canilao
President and Chief Executive Officer
Aboitiz InfraCapital

Rafael Fernandez de Mesa
President and Chief Executive Officer
Aboitiz Land

Nicolas Paris
OIC, Chief Data and Technology Officer
Aboitiz Data Innovation

Ana Margarita Hontiveros-Malvar
President
Aboitiz Foundation

Board of Directors

Aboitiz Power Corporation

Sabin Aboitiz
Chairman of the Board

Eric Ramon Recto
Vice Chairman of the Board
Lead Independent Director

Erramon Aboitiz
Director

Toshiro Kudama
Director

Antonio Canova
Director

Danel Aboitiz
Director
President and Chief Executive Officer

Cesar Romero
Independent Director

Izumi Kai
Director

Board of Trustees

Aboitiz Foundation, Inc.

Sabin Aboitiz
Chairman of the Board

Danel Aboitiz
Trustee

Tristan Aboitiz
Trustee

Jose Emmanuel Hilado
Trustee

Cosette Canilao
Trustee

Rafael Fernandez De Mesa
Trustee

David Jude Sta. Ana
Trustee

Ana Margarita Hontiveros-Malvar
Trustee

CHAPTER

02

Our Value Creation Story

As the Aboitiz Group's Great Transformation continues, we remain committed to exceptional value creation through innovation, synergies, and transformative technologies. Being the Philippines' first techglomerate involves reshaping our business from the inside out into a company and organization that thinks and acts like a life-changing startup, anchored on a legacy of advancing business and communities.

In 2025, Aboitiz Equity Ventures is strengthening its role as an active portfolio manager for the Group. Our federated structure is paving the way for diversification strategies and an expanding footprint, particularly in the domestic consumer sector. By leveraging emerging technology, including artificial intelligence and machine learning, we are optimizing our areas of operations while enhancing investment decision-making, risk assessment, and overall financial performance.

AEV's ESG (environment, social, and governance) principles are firmly in place to ensure that investments align with sustainability and corporate social responsibility. These guide a deliberate approach to innovation, strategic collaborations, and ethical investment practices that reinforce our position as a forward-thinking industry leader, delivering long-term value for all stakeholders.

A Year of Synergies

Established in mid-2023, the AEV Synergy Office was created to generate incremental value by unlocking inter-SBU opportunities and ecosystem plays across the Aboitiz Group. Anchored on three pillars—supporting AEV's shift to an active portfolio manager, enabling cultural transformation, and driving value creation. In 2024, we successfully operationalized the synergy mandate by institutionalizing synergies through a framework, governance structure, and synergy KPIs. As AEV evolves into an active portfolio manager, synergies will play a central role in our strategy.

2024 Synergy Wins

AboitizPower - Secured major retail energy supply contracts and solar power purchase agreements across the SBUs.

UnionBank - Onboarded key suppliers from all SBUs onto UnionBank's platforms.

Aboitiz InfraCapital - Provided a full suite of ecosystem services to its locators through Aboitiz Group-affiliated companies, including power, water, banking, construction, housing, and cement.

Aboitiz Construction* - Delivered key construction projects and secured maintenance service contracts with Aboitiz InfraCapital, AboitizPower, Aboitiz Land, Aboitiz Foods, and Republic Cement.

2025 Priorities

Maximizing the Low-Hanging Fruit - Sustaining the momentum and building on the 2024 Wins

- AboitizPower - Further securing retail energy supply contracts and delivering solar power solutions
- UnionBank - Capturing the banking requirements of the Aboitiz Ecosystem and promoting active usage of UnionBank products
- Aboitiz InfraCapital - Providing an integrated solution to current and future locators through collaboration with other SBUs
- Aboitiz Construction* - Positioning Aboitiz Construction to capture construction and maintenance requirements of the Group through developing tailored innovative solutions for SBUs

Developing Co-Creations - Co-designing projects and developing new solutions that harness the Aboitiz platform of businesses

Leveraging Ecosystem Plays - Maximizing existing businesses and factoring the synergy potential in future businesses and projects

Institutionalizing Synergies - Further embedding synergies in how we do business, including establishing policies and tools to enable synergies, connecting people across SBUs, and communicating the value addition of synergy

*A wholly owned subsidiary of Aboitiz & Company

Our Six Capitals

Capital Type	Description	Key Metrics
Financial	Our Financial Capital, comprising funds allocated for the production of goods and delivery of services, is strengthened by our robust investor and shareholder relationships, which enables the Group to further build and sustain a resilient business portfolio.	Economic Value Generated and Distributed
Social and Relationship	We recognize the importance of Social and Relationship Capital in making a positive impact on society, including job creation, community development, and innovative philanthropy. Our concept of shared value helps us build trust and loyalty with our various stakeholder networks, creating more value from the relationships and connections we have established and nurtured over time.	Number of partnership engagements Number of membership organizations Number of awards and recognition
Manufactured	In order to reach and serve our customers, we invest in Manufactured Capital, which includes physical assets such as our various spreadquarters, power plants, flour and feed milling facilities, commercial estates, water and electricity distribution facilities, bank branches, and other assets.	Number of physical assets Number of new physical assets Prospective investments
Human	At the core of our success is our Human Capital. Recognizing the capacity and motivations of our people to innovate, we invest in their skills and engagement to ensure they have a fulfilling experience with the company. This helps us achieve our goals for GT2025 and beyond.	Number of FTE, Beneficiaries, communities served
Intellectual	As a leader in the life-essential sectors, we recognize the importance of Intellectual Capital in maintaining a competitive advantage. By building and acquiring intellectual capital, we create unique organizational systems and processes that deepen our understanding of customers and enable us to provide quality products and services essential to their daily lives.	Number of ideas created Innovation projects Implemented or R&D expense Number of patents/licenses
Natural	We recognize that our Natural Capital sustains the goods and services we provide to society. Our businesses rely on finite natural resources and healthy ecosystems and we, therefore, work to ensure the responsible use and conservation of clean air and water, fertile soils, and biodiversity.	Amount of Water and Energy Consumption Number of trees planted Number of Environmental projects/ investments



As we evolve into a techglomerate, our commitment remains the same: advancing business, empowering communities.

Driving Impact at Scale

Our evolving value creation model is driving impact at scale while advancing the Aboitiz Group's sustainability agenda. With over 100 years of business operations and a strong legacy, we recognize that sustainability is essential to long-term viability and success. By co-creating value through innovative products and services, we safeguard the well-being of people and protect the environment, reinforcing our role as a responsible corporate citizen.

This approach enables us to deliver meaningful contributions to national and regional development. By continually refining our value creation model and aligning our sustainability strategy with our techglomerate vision, we are driving positive change across industries while future-proofing our businesses and empowering our people and communities. This fosters long-term resilience, allowing us to create lasting value for future generations.

CHAPTER

03

Results of Operations

Our Strategic Business Units

Power
Banking and Financial Services
Food and Beverages
Infrastructure
Land
Corporate Social Responsibility
Data Science and Artificial Intelligence

The Results of Operations section of the Aboitiz Integrated Report details the performance of our business units—highlighting key operational wins, milestones, and metrics that matter—while outlining the value created in 2024 and our outlook for continued growth and impact in 2025.

POWER

AboitizPower is proud to play a key role in the Aboitiz Group's journey, growing our business in all power segments and thoughtful adoption of technology.

We've made significant strides in delivering power generation projects and growing the number of customers we serve every day.

The road ahead is paved with opportunities to expand our impact, innovate further, and build a stronger and more sustainable energy system that benefits millions of Filipinos now and in the future.

Danel Aboitiz
President and Chief Executive Officer
Aboitiz Power Corporation

In 2024, AboitizPower reinforced its position as a key player in the Philippine energy sector, adapting to shifting energy needs and growing calls for sustainability. With strategic foresight, we made significant progress by completing multiple renewable energy projects to expand our Cleanergy portfolio, which now exceeds 1,000 MW of capacity. At the same time, we also focused on reinforcing our thermal assets, ensuring a well-rounded energy mix that can meet baseload and peak demands.

AboitizPower produces over 20% of the country's total generation capacity, making it one of the Philippines' largest electricity producers. We plan to continue expanding our portfolio by enhancing our mix of hydroelectric, geothermal, wind, and solar energy alongside thermal plants, contributing to grid stability. Through our distribution utilities, AboitizPower also serves high-growth areas nationwide, delivering reliable and sustainable electricity to millions of Filipinos.

Looking ahead, we remain focused on accelerating the growth of our renewable energy capacity to support the national goal of achieving a 35% renewable energy share by 2030. With a strategic plan to triple our Cleanergy capacity by the turn of this decade, we are driven to play our role in advancing the Philippines' energy transition. By investing in innovative solutions such as energy storage and smart grid technologies, we are positioned to contribute to a more resilient energy future. With a clear vision and unwavering drive, we are poised to continue delivering value to all our stakeholders, contributing to the Philippines' journey toward a cleaner, more sustainable future.

◀ The 173-MWp Calatrava Solar Project is AboitizPower's second solar power plant on Negros Island, bringing us closer to our target of reaching at least 4,600 MW of renewable energy in our portfolio.

Value Created in FY2024

Financial

EBITDA:
PHP73.3 billion,
13% higher than the previous year

Net Income:
PHP33.9 billion,
2% higher than the previous year

Social and Relationship

CSR Investment:
PHP235.4 million

Education
No. of Scholars: 450
- Secondary to Highschool: 173
- Technical Vocational: 128
- Tertiary to College: 149

Health
Over PHP1.7 million worth of medical supplies and equipment donated

No. of individuals that benefitted from medical missions:
11,740

Enterprise development and livelihood
Individuals trained in health and disaster risk reduction: ≈100
Individuals trained in dressmaking: ≈200
Individuals trained in firefighting: 100

Manufactured

52 power generation facilities
- 33 Cleanergy
- 19 Thermal

Renewable energy projects energized in 2024
- Tiwi Binary: 17 MW
- Laoag Solar: 130 MW
- Calatrava Solar: 137.5 MW
- Armenia Solar: 34.4 MW

We ended 2024 with a total net sellable capacity of
6,179 MW

9 distribution utilities nationwide
- Over one million customers across service areas spanning 4,509.51 square kilometers; 527 barangays across 19 LGUs served

9,405 km of primary distribution lines, 12,221 km of secondary distribution lines, and 552.76 km of subtransmission lines built to date

Intellectual

Therma Visayas' Project Feedwater eliminated PHP103 million in losses from feedwater control valve breakdowns and boosted the boiler feed pump's energy efficiency, saving PHP3 million annually.

Computer Information System Capability & Investment:
PHP459 million

The AboitizPower Transition Business Group has also been certified for 7 ISO Standards (QMS, EMS, OHSMS, EnMS, AMS, BCMS, ISMS).

Human

Total number of employees:
3,915 (excluding GMEC and GNPD)

Net hire ratio:
2.1, indicating that the workforce increased

80% of the workforce are Millennials or Gen Z

Partnered with the Philippine Business Coalition for Women Empowerment (PBCWE) for Gender Equality Assessment, Results, and Strategies (GEARS) to help calibrate our gender equality initiatives.

AboitizPower is recognized by Philippine Financial and Inter-Industry Pride (PFIP) for supporting LGBTQ+ students through education and career development

Natural

Total water consumption:
491,350 m³

GHG emission intensity
- Generation: 0.474 tonnes CO_2e/MWh generated
- Distribution: 0.065 tonnes CO_2e/MWh sold

Total trees planted in 2024:
308,043
- Total hectares covered: 291.46 hectares
- Total number of volunteers: 3,206

Transition Business Group



- The AP Transition Business Group (TBG) has significantly improved asset availability and reliability, with new plants like GNPD and TVI achieving up to 90%

- The TBG prioritizes safety, recently celebrating key milestones and attaining safety awards. It has also achieved certification in four ISO standards and is driving innovation with 22 projects estimated to save PHP272 million.

Safety Achievements:

1. East Asia Utilities Corp. and Therma Visayas Inc. reached millions of safe man-hours without incidents.
2. Therma Marine Inc. - M2 was recognized at the 13th Gawad Kaligtasan at Kalusugan (GKK) Awards, winning at the regional level.

Innovation and Cost Savings

22 projects in the pipeline are expected to save PHP272 million, with specific savings projections:

- NL projects: PHP156.94 million
- GMEC projects: PHP8.6 million
- GNPD projects: PHP148.35 million

Distribution Business Group



- We achieved a Net Income After Tax (NIAT) of PHP4,598 million in 2024, reflecting a 13% increase compared to last year's performance. This growth was driven by higher energy sales at 8,016Mn GWh, which is an 8.46% growth versus 2023, driven mostly by residential customers.

- Customer safety remains our top priority. In 2024, the distribution utilities group responded to emergencies within 30 minutes 92% of the time, a 2% improvement from 2023.

Renewables Business Group



- We surpassed our annual target for land prospects by securing exclusivity for 985 hectares for 2024.

- 924 Beneficial MW (318 installed) of new capacity under construction
    - Olongapo Solar: 172 MW
    - San Manuel Solar: 67 MW
    - Bay Battery Energy Storage System: 20 MW
    - Libmanan Wind: 35 MW Beneficial / 58.5 MW Installed (currently in the early works stage, not yet included in the Manufactured Capital list)

Retail Business Group



- The Advent Energy brand was officially launched, establishing a distinct and independent identity for AboitizPower in the competitive retail energy market.

- AboitizPower Retail continues to be the largest retail electricity supplier in terms of market share per demand (MW) at 28.56%.
    - The group's flagship retail electricity supplier (RES) entity, AdventEnergy, holds 17.64%, while AESI (now known as Advent Power) is at 8.63%.



The 17-MW Tiwi Binary Geothermal Power Plant in Tiwi, Albay, harnesses residual heat from geothermal brine to generate electricity, improving thermal efficiency with a closed-loop system and zero emissions. This facility builds on the existing Tiwi Geothermal Power Plant, further strengthening the Philippines' renewable energy sector.

2025 Outlook



In line with the Aboitiz Group's vision to become the Philippines' first techglomerate, AboitizPower is driving the future of energy in the country. We are committed to supporting the nation's projected 6% to 8% economic growth by blending innovation with sustainability.

Our diversified energy strategy leverages advanced technologies across renewable energy, baseload thermal power, and enhanced distribution systems. We're particularly focused on developing innovative hybrid systems integrating thermal, renewable, and energy storage technologies, recognizing their crucial role in the evolving energy landscape.

With over 1,000 MW of disclosed projects across various indigenous energy sources, we continue actively pursuing solar, hydro, geothermal, wind, and energy storage opportunities, utilizing technology to optimize efficiency and impact. This approach underscores our efforts to deliver value to our stakeholders and accelerate the energy transition for a brighter future for millions of Filipinos.

◀ Therma South, Inc. is the first coal-fired power plant in the Philippines to construct a coal dome, designed to safely store coal deposits and minimize dust pollution from combustion. Located between Davao City and Sta. Cruz in Davao del Sur, the 300-MW plant employs advanced Circulating Fluidized Bed (CFB) technology to optimize combustion and enhance power generation efficiency.

BANKING AND FINANCIAL SERVICES

2024 was a milestone year for UnionBank. The timely completion of the migration of the Citi Philippines consumer business early in the year added to our growing retail customer base, resulting in a year-end total of over 17 million customers. Our concerted efforts to maximize opportunities to introduce our new customers to our differentiated digital experiences across platforms and offer them our innovative products and services have paid off, allowing us to close the year with record-breaking revenue growing to almost PHP80 billion and robust net income of PHP12 billion, up by +31% vs. the prior year. We are now well-positioned with a solid growth engine to deliver even greater value to both our customers and our shareholders in the coming years.

Ana Aboitiz Delgado
President and Chief Executive Officer
UnionBank

UnionBank's Continuing Transformation: Driving Growth Through Customer Centricity

UnionBank's customer-centric and digital-first market approach continue to be its main drivers for growth and expansion almost ten years since its pivotal digital transformation. To date, beyond leading in digital account penetration and successfully completing the full migration of the Citi Philippines consumer business, it has outpaced its peers in growing its retail customer base across segments, resulting in record-high revenues and a healthy bottom line for the Bank.

Metrics that Matter

The investments we have made over the past few years in digital transformation continue to yield significant results:

- Record-High Net Revenues: Increased 12% to **PHP79.5 billion** year-on-year
- Net Interest Margin (NIM) expanded by 49 basis points; Reached a record-high **6.0%**
- Strong Bottom Line: Net income: **PHP12 billion (+31% YoY)** driven by strong revenue growth and prudent cost management
- Retail Segment Growth: Retail loans now make up **61%** of the total loan portfolio
- Non-Interest Income grew by **14%** to PHP21.5 billion; Fee-based income up 12% to PHP20 billion

Successfully Completed the Citi Consumer Integration

The completion of the Citi consumer business integration marked a major milestone in UnionBank's transformation journey. Merging two banking operations of this scale was no easy feat—it required meticulous planning, seamless execution, and a customer-first approach. Despite the complexities, the integration was cited as one of the fastest with minimal client attrition which translated into significant business growth.

We are now reaping the benefits of the successful migration. New card acquisitions, fueled by targeted digital marketing and competitive promotional offers, surged nearly tenfold making UnionBank the third-largest credit card issuer in the market. The impact extended beyond credit cards:

New card acquisitions increased 10x
Through targeted strategies, digital marketing, and promotional offers, UnionBank has become the third-largest credit card issuer in the market.

Total cards and unsecured consumer loans portfolio grew from PHP10 billion pre-pandemic to PHP128 billion
Driven by innovative lending and a robust risk framework

Wealth and Private Banking: Assets under management increased from PHP22 billion pre-pandemic to PHP242 billion
Driven by enhanced wealth advisory services, new investment products, and an expanding retail investor base



▲ A groundbreaking achievement for the banking sector: UnionBank is "Marketing Company of the Year" at the 42nd Agora Awards.

Forging Ahead as a Digital Trailblazer

Without expanding the branch network, we grew our customer base mainly through digital platforms: UB Online for retail banking, The Portal servicing corporate clients, and UB Negosyante catering to SMEs.



In 2024, UnionBank's retail customer base grew significantly (at 17.3 million by the end of 2024) with around 5 million users actively using the UB Online app. Key features like fund transfers, mobile check deposits, QR payments, bill payments, investment tools, and real-time tracking made it the most downloaded and highest-rated financial app on the Google Play Store.

The Portal and UB Negosyante have also gained traction. These platforms that enable broader market expansion and streamlined financial services for enterprises also enjoyed a significant increase in transactions during the past year.

To further improve accessibility and convenience for our clients, we have implemented an end-to-end digital application for credit cards and personal loans. This innovation enabled us to serve an exponentially growing client base while simplifying our processes for greater efficiency.

UnionBank's commitment to excellence has earned widespread industry recognition:

- **Best Retail Bank in the Philippines** – The Asian Banker Global Excellence in Retail Financial Services Awards (5-time winner)
- **Digital Bank of the Year** – The Asset Triple A Digital Awards 2023 (6-time winner)
- **Marketing Company of the Year** – Agora Awards

Fast-Tracking Our Vision Through Strong Partnerships

UnionBank's dedication to digital transformation and financial innovation is further reinforced by strategic partnerships.

UBX – SBI Partnership
As UnionBank's in-house fintech arm, UBX plays a pivotal role in accelerating digital transformation. Since its inception in 2018, UBX has evolved from a corporate venture studio into a leading open and embedded finance platform in the Philippines. It has become a key player in the fintech ecosystem, providing financial solutions for businesses, financial institutions, and the government.

UBX's growth has been fueled by strategic partnerships, including a major investment from SBI Holdings Inc., a Japan-based global digital financial services leader. Known in Japan as a leader in digital banking, securities, insurance, and asset management, the SBI Group brings extensive expertise to its investment in UBX. This partnership enhances UBX's fintech capabilities, driving innovation, expanding financial access, and unlocking the Philippine market's growth potential.

The integration of the SBI Group and UnionBank Group ecosystems is expected to create synergies in digital financial services, offering UnionBank Group customers more diverse and enhanced options throughout their financial journey.

Beyond the private sector, UBX has also partnered with the Bureau of Internal Revenue (BIR) to modernize tax compliance, showcasing its ability to develop impactful public sector solutions. Within the UnionBank and Aboitiz ecosystems, UBX has deployed over 100 technology specialists to accelerate critical digital projects.

ATRAM and UBIMTC Partnership: Expanding Investment Solutions
UnionBank has taken a major step in enhancing its investment services by merging with ATRAM, one of the largest independent trust companies in the Philippines. This strategic move is a testament to our commitment to providing best-in-class financial and investment solutions for our customers.

ATRAM brings deep expertise in local and global fund management, catering to a diverse range of investment needs. This partnership allows UnionBank to enhance its existing trust and investment products, offering clients more diversified and tailored financial solutions. Beyond investment management, ATRAM shares UnionBank's vision for digital innovation. Its focus on strengthening digital capabilities and expanding customer reach aligns with our strategy to broaden access to investment opportunities. By combining our strengths, we are creating synergies that will better serve the evolving needs of the market.

UB Retail Partnerships
Pre-existing UnionBank and Citi cards were not simply rebranded. By elevating features and expanding rewards, we have enhanced the customer experience at every touchpoint. For example, strategic financing partnerships with global tech leaders Apple and Samsung empower cardholders with seamless, cutting-edge purchasing options, reinforcing UnionBank's leadership in digital finance. Long time merchant partnerships such as Shell and Mercury Drug—were not merely retained; our partnerships were strengthened and the co brand cards were infused with greater perks and privileges. Adding new partners like S&R further expanded customer choices, ensuring that every transaction delivered more value, flexibility, and convenience than ever before.

These collaborations affirmed the strength of our strategy, underscoring that our emphasis on digital capabilities, financial inclusion, partnerships and customer-centric solutions paved the way for sustainable growth.

CitySavings: Empowering the Mass Market Through Accessible Loans

CitySavings has played a pivotal role in serving the mass market. Reinforcing its commitment to financial inclusivity and building on its strong foundation in salary lending, the Bank continues to expand while strengthening its presence in key communities.

Enhanced digital capabilities have also extended CitySavings' reach. In 2024, the monthly average active users of the CitySavings Mobile app (formerly Loan Ranger Mobile) grew more than 5x. The increasing adoption of digital lending solutions reflects the evolving needs of customers and the Bank's ability to provide accessible and convenient financial services. CitySavings continues to deliver financial growth. Interest Income and Fees increased by 10% year-on-year, reaching PHP19 billion. The total loan portfolio expanded by 8% to PHP109 billion, with the Department of Education (DepEd) loan portfolio remaining a key growth driver.

With an expanding suite of products and stronger digital capabilities, CitySavings is accelerating financial inclusion, providing accessible and affordable lending solutions to underserved markets.

UnionDigital: Expanding Financial Access Through Digital Banking

UnionDigital continues to extend short-term personal loans to digital clients, addressing their immediate financial needs. In 2024, we strengthened our credit positioning and underwriting processes, allowing us to responsibly serve a wider segment of the mass market while promoting financial inclusion.

While digital banking is still in its early stages, we believe it represents the future of financial services. There remains tremendous untapped potential to grow and cater to the needs of tech-savvy, mobile-first consumers. UnionDigital is well-positioned to drive innovation in this space, ensuring that digital banking remains accessible, efficient, and customer-focused.

▼ Partnerships that power profitability.



2025 Outlook



UnionBank executives raise their glasses during the presentation of UnionBank's Wealth Management 2024 Midyear Outlook.

UnionBank is committed to elevating the customer experience through market-leading digital innovation. As the future of banking hinges on seamless, intuitive, and efficient services, we will continue to enhance our digital capabilities while empowering our clients with personalized recommendations to maximize their banking experience.

Moving forward, our focus is to further unlock the synergies from our 17.3M clients and expanded consumer business. We will leverage on our core strength of delivering exceptional customer experience with differentiated and innovative products, whose benefits are delivered and amplified by our digital platforms and touchpoints, including our branches.

We will continue to engage key customer segments with a targeted approach. The underserved and underbanked will continue to be serviced by our subsidiaries while the retail and middle market segments continue to actively engage on our online platforms. Here they will find a full banking suite from savings and investment products to FX and personal loans and credit cards. Our Institutional Banking group will continue to serve large businesses with customized financing, cash management, trade finance, and digital treasury services. While the requirements of our high-net-worth clients are serviced through our Private Banking and Wealth Management programs wherever they need to be fulfilled (whether digitally or in-person at our Wealth Centers).

Digital will continue to be our key enabler—it is the very foundation of how we operate and how we deliver value to all our customers.

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.

We are committed to shaping the future of finance by delivering cutting-edge, customer-centric solutions that exceed expectations. To sustain our momentum in 2025, we 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. We aim to scale efficiently while optimizing costs to enhance service delivery.

By staying committed to these principles, we will continue to drive innovation, grow customer relationships, and redefine the banking experience toward strong and sustainable business growth.

FOOD AND BEVERAGES

Our transformation journey has been driven by the Dual Transformation strategy we introduced in 2023. Over the past year, this approach has not only strengthened the resilience of our core businesses—Flour, Feeds, and Farms—but also opened the door to new growth opportunities across our markets, reflecting the evolving needs of those we serve throughout the region. Our transformation is grounded on ensuring that our business is set up to meet the needs of our customers and other stakeholders today, and in the future. In 2024, we began a shift towards a more consumer-centric approach and will look to continue this by establishing meaningful partnerships, expanding our presence in key markets, and connecting more deeply with the lives we nourish.

Tristan Aboitiz
President and Chief Executive Officer
Aboitiz Foods

Value Created in FY2024

Financial

Net Income Contribution
$60.3 million

Revenue
$1.4 billion

Manufactured

23 Feed mills

1 Flour mill

1 Meat processing facility
(Tarlac MeatMasters)

22 Farm sites
(including swine and poultry)

- **New facilities:**
  - **Gold Coin Long An Feed Mill (Vietnam) - launched in September**
    The Gold Coin Long An Feed Mill marks a major milestone in Aboitiz Foods' regional expansion, reinforcing our growing presence in Vietnam. With an initial capacity of 200,000 metric tons — expandable to 300,000 metric tons — the facility is designed to meet the growing demand for high-quality livestock feed in Vietnam's southern region. Integrating advanced production technology, it enhances efficiency, ensures consistent supply, and supports industry stakeholders. This investment underscores our commitment to delivering innovative, sustainable solutions that drive the growth of Vietnam's feed and livestock industry.

Our facility in Iligan features its own port, which can accommodate a variety of ships ranging from inter-island vessels to Panamax ships. This strategic advantage allows us to efficiently deliver our goods fresh to any location in the Philippines.



The Gold Coin Yunnan Feedmill is currently the largest comprehensive feedmill in Yunnan Province, covering a range of species feeds, including poultry, swine, aqua, ruminant, and premix.

Gold Coin Yunan Feed Mill (China) - launched in December

The Gold Coin Yunnan Feedmill is a USD23.1 million investment, representing our commitment to strengthen our operations in China and the Asia Pacific. This facility is currently the largest comprehensive feedmill in Yunnan Province, covering a range of species feeds, including poultry, swine, aqua, ruminant, and premix. Our aim is to set new standards for productivity and efficiency, ensuring we can serve a growing customer base across diverse markets. Additionally, the facility was designed with scalability in mind—currently operating at a capacity of 300,000 metric tons, with the potential to expand to 500,000 metric tons as demand grows.

Social and Relationship

Pilmico's 2018 acquisition of Gold Coin Management Holdings Ltd, a leading animal feeds company in the Asia Pacific region, was a major step forward for the company. However, until recently, there was no single identity that unified and embodied the two companies together. To address this, on August 1st, we launched Aboitiz Foods, a corporate brand that unites Pilmico and Gold Coin under one identity. Aboitiz Foods represents more than just a new name or logo; it symbolizes the coming together of two powerful entities, while paying homage to the Aboitiz Group's 100-year legacy. This new chapter also embodies our continued commitment to nourishing communities from mill to meal, as we move forward into a sustainable and impactful future.

To strengthen alignment with our new corporate identity, we rolled out the Aboitiz Foods Brand Roadshow, engaging 1,337 team members across eight countries. This initiative ensured a unified understanding of our purpose, values, and brand promise as we move forward as Aboitiz Foods.

Human

- 3,876 team members across 8 countries in Asia
- As part of our cultural transformation, we conducted Values Deepening Workshops to reinforce our refreshed value behaviors. These sessions provided team members with practical ways to embody our values in their daily work, fostering a stronger and more purpose-driven organization.
- 1,234 total beneficiaries of livelihood kits distributed in the Philippines, Malaysia, Indonesia, and Vietnam

Type of Livelihood	No. of Beneficiaries	No. of Kits
Piglet	454	1,042
Gilt	34	61
Egg Machine	471	692
Bakery	112	112
Aquaponics	6	6
Quail	16	16
Total	**1,093**	**1,929**
Malaysia	40	40
Indonesia	100	6
Vietnam	1	1
Total	**141**	**47**
Grand Total	**1,234**	**1,976**

Figures shown are from 2014-2024

Natural

Trees Planted in 2024
7,642

Utilizing biomass for energy requirements in our feed mills
10,358,046.25 tn

Reusing wastewater in Gold Coin Indonesia mills
USD157,300.53 in savings

Diverted or Recycled Waste from Flour and Feed Milling
Diverted Waste = 3,401.06 tn
Recycled Waste = 1,288.38 tn

Metrics That Matter

USD60.3 million
Net Income Contribution;

USD1.4 billion
Revenue

4.2 million
Annual Metric Ton
capacity for animal feeds

3,800
values-driven partners accross 8 countries (The Philippines, Singapore, Malaysia, Brunei, Thailand, Indonesia, Vietnam, and China

1,976 livelihood kit
distributed to

1000+ beneficiaries
in Indonesia, Malaysia, the Philippines, and Vietnam



2025 Outlook



In 2024, the launch of Aboitiz Foods marked a significant milestone in our transformation journey. Unifying our businesses under a single corporate brand signifies our ongoing commitment to sustainably feed Asia's growth from mill to meal, as we strengthen our core operations and take advantage of new opportunities that bring us closer to consumers. As we move into 2025, we will continue to build on these initiatives across our Agribusiness and Food & Nutrition divisions.

This direction builds on the foundation that was laid in 2022, when we reorganized our businesses into two key segments: Agribusiness, which encompasses its regional animal nutrition businesses (feed, pet food, and specialty nutrition) across China, Vietnam, Thailand, Malaysia and Brunei, Indonesia, and the Philippines; and Food and Nutrition, which includes businesses catering to the consumer segment of the value chain—flour, farms, meats, and trading—in the Philippines, including retail and other business-to-customer (B2C) initiatives.

Agribusiness

In the coming years, we will continue to strengthen our market position in the Philippines by expanding production capacity in Visayas and Mindanao. We will also enhance our portfolio by investing in precise nutrition solutions, strengthening our pet food offerings, and accelerating the development of our specialty nutrition division.

Regionally, we remain focused on capturing opportunities in high-growth markets, particularly in aquafeeds and geographies where we have both a strong foothold and competitive advantage. The expansion of our feed milling capacity in China and Vietnam in 2024 will be a key enabler of this growth. With the completion of the mills in Yunnan and Long An, we are set up to meet the increasing demand for livestock and aqua feed for the next few years, further strengthening our presence in those markets.

Food & Nutrition

The Flour division is focused on maximizing growth in Visayas and Mindanao, developing new channels in Luzon, and expanding its portfolio of value-added products.

In the Farms division, the continued integration of the value chain—supported by the third breeder farm expansion—will enhance supply capabilities and unlock new distribution opportunities. Meanwhile, The Good Meat is solidifying its presence in the B2C market, with physical stores, supermarket partnerships, and e-commerce channels driving accessibility and growth.

Strategic Investments for Sustainable Growth

To sustain its growth momentum, Aboitiz Foods has allocated approximately PHP3.5 billion in capital expenditures for 2025. These investments will primarily support the replacement of a feed mill in Malaysia, enhancements to feed mills in China and Vietnam, swine farm repopulation and refurbishments in the Philippines, and greenfield R&D initiatives across regional markets. This reinforces the company's commitment to innovation, operational efficiency, and long-term value creation.

As we move into 2025, Aboitiz Foods remains steadfast in its purpose of Sustainably Feeding Asia's Growth from Mill to Meal. By reinforcing our core businesses and expanding into high-growth consumer markets, we are shaping a future that is both resilient and forward-thinking, ensuring that we continue to nourish communities and drive sustainable value for all our stakeholders.

◀ Aboitiz Foods stands as one of the largest privately held agribusinesses in the region. A shared mission unites our network of over 3,800 partners across eight Asian countries: Sustainably feeding Asia's growth from mill to meal.

Coca-Cola Europacific Aboitiz Philippines

Rooted in the Aboitiz Group's legacy of impact, the Coca-Cola Europacific Aboitiz Philippines (CCEAP)—the bottling partner and official distributor of Coca-Cola products in the Philippines—is engaged in the manufacturing, production, sale, import and export of both non-alcoholic and alcoholic beverages. Its current product portfolio includes much-loved brands under 8 different beverage categories: sparkling, flavored sparkling, water, ready-to-drink teas and juices, dairy, energy, and alcoholic ready-to-drink (aRTD) beverages.

Coca-Cola has called the Philippines home for 113 years. It was the first market in Asia where Coca-Cola began local bottling operations. Today, CCEAP has a substantial local footprint—operating 18 manufacturing facilities, almost 70 distribution centers and sales offices nationwide, employs almost 9,000 regular employees, and supports and serves over 1.2 million micro-retailers as well as over 6,000 key accounts.

Through its great people, great beverages, great execution, and great partners, CCEAP aims to deliver happy, refreshing, and memorable moments across the Philippines every day while keeping sustainability at the core of its operations. CCEAP is committed to being the number one consumer choice in the market categories where it competes, while striving to leave a lasting positive impact on the communities it serves. It operates on the principles of its People First commitment—championing the people at the heart of its business and responding to the needs of its people, partners, and communities it serves. Formerly Coca-Cola Beverages Philippines Inc. (CCBPI), CCEAP is jointly owned by Coca-Cola Europacific Partners (CCEP) and Aboitiz Equity Ventures, Inc. (AEV) following the completed acquisition on February 2024. CCEAP remains committed to its mission of refreshing Filipinos and making a difference across the Philippines.

◀ With the strong dedication of its associates and an enduring commitment to quality and service, Coca-Cola Europacific Aboitiz Philippines (CCEAP) ensures that every bottle brings refreshing moments to Filipino families for generations to come.

Highlights

New products launched in 2024: Royal Tru Orange Zero, Sprite Zero, Absolut Sprite, Jack Daniel's® and Coca-Cola Zero, Lemon-Dou Peach, Monster Ultra, and Predator.

Sustainability remains at the core of our operations:

1. Significant strides in our Tapon to Ipon: Basta Klaro, Panalo! program partnerships - Tapon to Ipon has reached over 170 cities and municipalities. We have recently signed new partnerships for the collection of clear post-consumer PET bottles with City of Dumaguete, Municipality of San Juan, City of Naga, and the Province of Camiguin
2. Full compliance with the Extended Producer Responsibility (EPR) Law (achieved the 40% collection target for 2024).

Relief operations: We are at the frontlines making sure that communities have access to water in times of disaster. In 2024, we donated over 91,000 liters of water to affected communities.



▲ CCEAP lives by a People-First commitment–championing its people at the heart of its business and responding to the needs of associates, consumers, partners, and the bigger community.

CCEAP has grown alongside the communities it proudly serves—fostering partnerships, driving innovation, and making a meaningful impact. ▶



In 2024, CCEAP reached an exciting new milestone when it was welcomed into the CCEP (Coca-Cola Europacific Partners) and AEV (Aboitiz Equity Ventures) families. Stepping into 2025, the company officially changed its name from Coca-Cola Beverages Philippines (CCBPI) to Coca-Cola Europacific Aboitiz Philippines (CCEAP)—signifying strong partnership and a shared mission of refreshing the Philippines and making a difference.

CCEAP has been on a consistent growth journey. The year 2024 was historic for the total beverage company—achieving record-breaking performance through the hard work of its Great People, making and selling Great Beverages, ensuring Great Execution, with the support of its Great Partners—all while ensuring safety and sustainability across operations every single day.

Now more than ever, CCEAP is driven by its strong commitment to sustained growth, an optimistic outlook for the future, and an unwavering dedication to serving its customers. CCEAP remains focused on becoming the number one consumer choice in the market categories where it competes, while promising to serve Filipinos for the next hundred years and beyond.

INFRASTRUCTURE

2024 has been a transformative year for Aboitiz InfraCapital. Our Economic Estates have reached new heights, from LIMA Estate's thriving Biz Hub to TARI Estate's expansion and the sustainability recognitions for MEZ2 Estate and West Cebu Estate. Apo Agua's successful commercial operations marked a historic milestone in the Water sector, Unity Digital surpassed 2,000 points of service, and our Transport & Mobility sector celebrated significant milestones with Mactan-Cebu International Airport's growth and the addition of Laguindingan and Bohol-Panglao International Airports to our network. These accomplishments are a testament to the impact of collaboration and shared purpose.

Cosette Canilao
President and Chief Executive Officer
Aboitiz InfraCapital

Value Created in FY 2024

In 2024, Aboitiz InfraCapital (AIC) made remarkable strides in expanding its 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.

Economic Estates

Recognition:

- Achieved **5-Star BERDE District Certifications** across all its operating estates—LIMA Estate, MEZ2 Estate, and West Cebu Estate, further solidifying Economic Estates' leadership in sustainable development, and becoming the first industrial developer in the Philippines to achieve this across all its developments.
- Awarded **Best Industrial Developer in the Philippines** by PropertyGuru for the fourth consecutive year, along with 14 other accolades

LIMA Estate in Batangas:

- Launched **The Pods at LIMA**, LIMA Estate's first dormitory facility for locator employees
- Achieved close to 50% occupancy for **LIMA Tower One**
  - Batangas' first premium office building
  - Secured the country's largest provincial office space take-up in 2024 by leasing to Conduent, a global leader in business process services.
  - This cements LIMA Tower One's role as a hub for IT-BPM operations in Southern Luzon
  - Forms part of the Biz Hub at LIMA Estate, Batangas' first masterplanned central business district - integrating industrial, commercial, and lifestyle components
  - Biz Hub at LIMA Estate reflects Aboitiz InfraCapital Economic Estates' commitment to building sustainable, integrated ecosystems that go beyond being business addresses
  - Boosted economic activity and employment in a high-growth region.

◀ LIMA Tower One, located within the 70-hectare Biz Hub at LIMA Estate, is a landmark development poised to transform Batangas into a premier business hub. This world-class office building, the first of its kind in the province, represents a significant step in the ongoing evolution of LIMA Estate into a vibrant, fully integrated business community.

TARI Estate in Tarlac:

- Launched **TARI Estate**, AIC Economic Estates' fourth Economic Estate
- Forged a partnership with **House of Investments**, expanding the initial 200-hectare development to nearly 400 hectares with a 184-hectare addition
- On track with TARI Estate Phase 1 development, signaling robust development with completion targeted for Q3 2026

Water

AIC Water

- Officially launched AIC Water Business Unit
- Established a Service Company (ServCo) or AIC Water Platform, focused on business development and strategy, technical evaluation, external affairs, and project management
- AIC Water ServCo will serve as a platform for the execution of AIC Water's growth roadmap, targeting a doubling of its capacity from 320 million liters per day (MLD) to 650 MLD by 2033.

Apo Agua

- Commenced commercial activities of Davao City Bulk Water Supply Project, **becoming the largest operating private bulk water supply facility in the Philippines**
- Davao City Bulk Water Supply Project was named **Best Public-Private Partnership (PPP) Project** by the International Finance Awards.

AIC Estate Water

- Launched two new projects: **TARI Water** and **MEZ2 Bulk Water**
- Successfully launched a **pilot solar deep well program**, transitioning West Cebu Estate's deep well facility to a fully off-grid, solar-powered system; the program integrates solar panels and a direct current (DC) solar water pump, enhancing the facility's energy independence and environmental footprint.

Transport and Mobility

Mactan-Cebu International Airport

- Assumed **full ownership** in October 2024
- Received **Skytrax 4-Star Terminal** Rating for Terminal 2
- Reaped several recognitions from **Airports Council International**:
  - Level 2 Airport Customer Experience Accreditation
  - Level 1 Airport Carbon Accreditation
  - Level 1 Accessibility Accreditation
  - Platinum Green Airport Award
- Introduced **new routes** to key destinations (Domestic: San Vicente, Masbate; International: Bangkok [Don Mueang], Kansai, Osaka, Narita, Cheong-ju), and signed on new airlines such as United Airlines and AeroK
- Launched **Cebu Connect** airport transfer service system, cutting layover time from one hour to 30 minutes or less



The Davao City Bulk Water Supply Project, a landmark public-private partnership (PPP) between Apo Agua and the Davao City Water District, was named the country's best PPP in 2024 by the International Finance Awards. The project features sustainable innovations, with a 2.4-MW integrated hydroelectric plant that fully powers the water treatment process and a completely gravity-fed pipeline network.



Unity Digital, the joint venture telecommunications platform of Aboitiz InfraCapital and leading global private markets firm Partners Group, made significant strides in 2024 with its expansion to over 2,000 points of service nationwide.

- PHP800+ million in capital investments for facility enhancements, including Bridge-Mounted Equipment to reduce aircraft carbon footprint and lower airline operating costs, part of MCIA's commitment to the environment
- Launched **Abiba Sugbo**, MCIA's bid for the Best Airport Staff award at the Skytrax World Airport Awards 2025
- Served over **11 million passengers** in 2024 (8.5 million domestic, 2.8 million international)

Laguindingan and Bohol-Panglao International Airports

- Expanded airport portfolio by securing the concessions for Laguindingan and Bohol-Panglao International Airports, the first two successful unsolicited airport PPP projects awarded under the current administration
- To be turned over in April and June 2025, respectively

Digital Infrastructure

Unity Digital

- Expanded to over 2,000 points of service nationwide
- Balanced portfolio across the country and with all mobile network operator partners
- Third full year of operations and complete integration of acquired towers from Smart-PLDT and Globe Telecom

Metrics That Matter

Economic Estates

Footprint
2,000+ hectares

Employees
100,000+

Industrial Locators
250

Cumulative foreign direct investments (1995-2024)
PHP167 billion

Water

Peak water distribution volume (Davao City Bulk Water Supply Project)
284 MLD

Average billed volume (AIC Estate Water)
11 MLD

Access to potable water (Davao City Bulk Water Supply Project)
96%

Industrial locators served (including commercial businesses and a nearby residential subdivision in LIMA Estate)
250

Non-Revenue Water
6%

Airports

Passengers served (MCIA)
11.3 million

Digital Infrastructure

Points of service[1]
[1]Macro Towers, Colocation, Small Cells
2,000+

Macro Towers Tenancy Ratio
1.2x

- Aboitiz InfraCapital assumed full ownership of Mactan-Cebu International Airport, the country's second-busiest airport, in October 2024. MCIA, which holds a Skytrax 4-Star Terminal Rating for its Terminal 2, welcomed over 11 million passengers in 2024 and received several prestigious recognitions from Airports Council International, including Level 2 Airport Customer Experience and Level 1 Airport Carbon Accreditations from, among others.

2025 Outlook



Looking ahead to 2025, AIC remains committed to its platform and pursuing strategic partnership, and will continue to build transformative infrastructure systems by leveraging synergies with other business units within the Aboitiz Group, driving transformation, and enhancing the value proposition across its various projects.

- Aboitiz InfraCapital mark its 10th year anniversary
- New groundbreakings at LIMA Estate and West Cebu Estate
- Economic Estates is poised for sustained growth as it continues to expand and evolve as the leading industrial-anchored solutions provider in Southeast Asia
- Apo Agua to focus on ramping up production and improving operational efficiencies
- Launch of AIC Water's brackish water desalination project in Cebu
- Official turnover of Laguindingan International Airport and Bohol-Panglao International Airport
- Further portfolio expansion of Unity Digital via macro tower builds and driving colocation across tower assets

◀ In 2024 Aboitiz InfraCapital Economic Estates broke ground on TARI Estate in Tarlac City. As AIC Economic Estates' fourth Economic Estate, the 384-hectare TARI Estate is set to redefine the industrial landscape of Central Luzon, propelling the region toward unprecedented growth.



▲ Republic Cement is the first cement company awarded with Domestic Bidder's Certificate of Preference, which certifies that a company's products are manufactured in the Philippines. Present in the awarding ceremony are Republic Cement representatives headed by Reinier Dizon, RCBM President, former DTI Competitiveness and Innovation Group Undersecretary Rafaelita Aldaba, Director Lilian Salonga, Division Chief Sheryl Santos, and Assistant Director Jo-Dann Darong.

Republic Cement and Building Materials

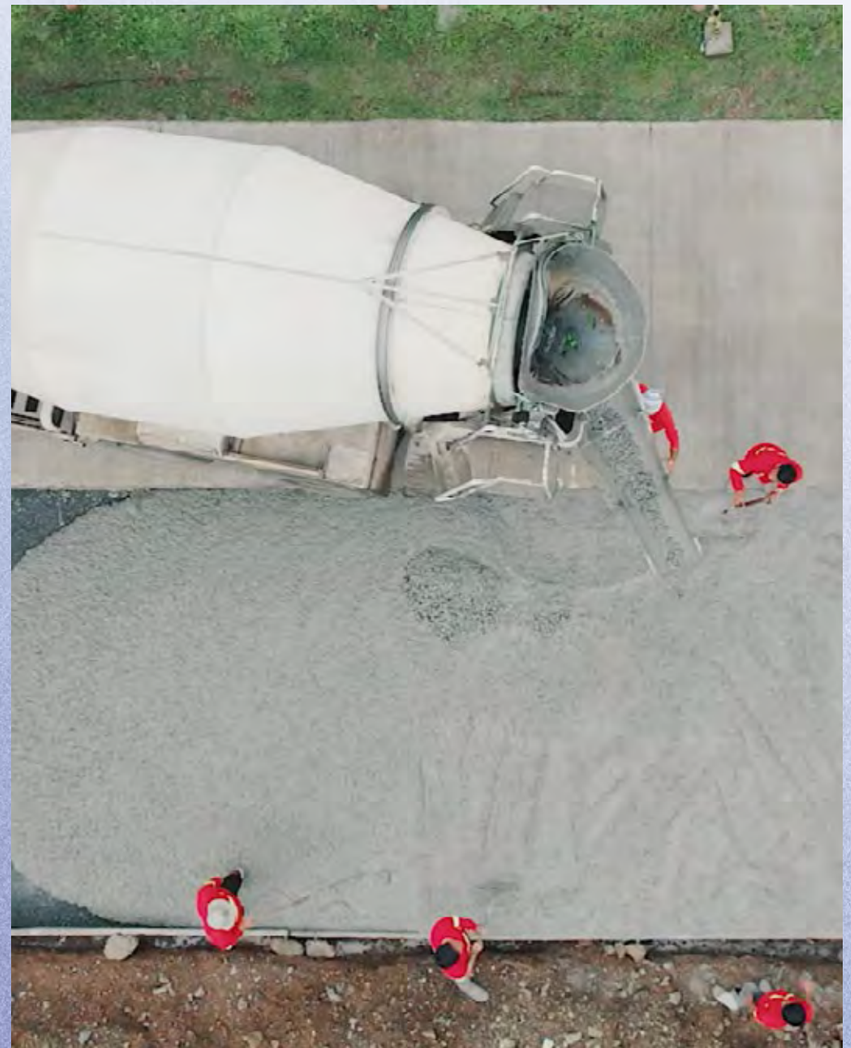
Republic Cement and Building Materials (RCBM), AEV's partnership with global building materials group CRH, operates six facilities across the country that support the Philippines' infrastructure and development growth.

The demand for cement in the country is estimated to have improved by 3% YoY in 2024 due to more robust infrastructure segment while demand for residential and non-residential segments remained soft. The outlook for 2025 is positive, driven by the favorable economic growth and the government's continued focus on infrastructure development through the Build Better More program.

Although the demand outlook is promising, the continued influx of imported cement, mainly from Vietnam, remains a key challenge. In 2024, imports reached all-time high at 7.6 million tons (MT), which has adversely impacted the domestic industry. As a response to this serious concern, the Department of Trade and Industry has launched motu proprio investigation for possible Safeguards in November last year, the decision of which is expected in Q1 2025.

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 ~9.7 MMT of cement production capacity.

To mitigate the impact of highly competitive market environment 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.



◀ RapidSET® PLUS Type 1L is Republic Cement's latest innovative offering, proving the company's position as a pioneer in the cement industry. It is the first and only Type 1L cement accredited by the Department of Public Works and Highways (DPWH) for use in government projects after the success of the field performance of its pilot projects.

LAND

As Aboitiz Land celebrates its 30th year in the industry, we look forward to driving sustainable growth, delivering value to our stakeholders and fostering a culture of excellence and collaboration.

Rafael Fernandez de Mesa
President and Chief Executive Officer
Aboitiz Land

Steady Performance and Measured Growth in 2024

Aboitiz Land continues to deliver steady financial performance, reflecting sustained demand across our diverse portfolio and agility in responding to market trends.

Net income after tax (NIAT) PHP931 million	Driven by strong sales in Priveya Hills and Seafront Residences, as well as increased site accomplishments, higher spot cash sales, and the introduction of more competitive payment schemes
Garnered residential booked sales PHP4.09 billion	
Posted total revenues of PHP4.33 billion, achieving a 14% improvement from last year	Due to expanded site development activities in high-end projects
Gross Profit of PHP2.46 billion an increase of 22% from previous year	Underscoring the company's ability to achieve consistent growth and profitability

◀ The Villages at LIMA Estate unfolds – a testament to Aboitiz Land's 30 years of building communities. This aerial view captures the vibrant tapestry of Brook, Sierra, and Meadow, marking a new era as we step forward as the housing provider for Aboitiz economic estates.

OneVecino is an ecosystem of digital services designed to make the homebuying journey more convenient. Starting as a digital homebuying platform in 2020, it has quickly grown to include Vecino App, Vecino Pay, Vecino Support and Vecino Properties–platforms that ease the purchase process all the way to property management.



Delivering On Our Promise

Aboitiz Land is committed to providing quality homes and in keeping our vecinos' needs at the forefront of our decisions, ensuring a positive and fulfilling customer experience.

23 residential communities built with over **10,000 vecinos** served.

871 homes turned over to new vecinos

PHP3.87 billion
in collections, a 26% increase

- Driven by enhanced collection strategies and strong customer engagement

77% Customer Satisfaction Score

- Reflects commitment to vecino satisfaction and positive customer experiences

Leveraging On A Strong Foundation of Innovation

Innovation continues to drive our organization, as we continue to harvest the fruits of our early pivot towards technology and digitization.

The Vecino App, a cornerstone of our digital ecosystem, has achieved a 94% booking conversion rate, streamlining our booking process and supporting international sales by building trust with overseas partners. It also enhances the customer experience with features like virtual tours, online brochures, reservations, and payment tracking, as well as construction updates and virtual turnovers.

Our marketing efforts generated PHP2.7 billion in reservation sales for 2024, driven by effective digital strategies and on-ground execution.

Our finance operations continue to advance with new systems like the Vendor Portal for better planning and vendor management, while Vecino Pay has been upgraded to expand online payment options.

Sustained Industry Recognition and Accolades

Our dedication to value creation, innovation, and customer-focused development has earned industry recognition through multiple awards over the past year.

Awardee	Award	Event	Year
Aboitiz Land	5-Star Employer of Choice	HRD Asia	2024
	Best Companies to Work For in Asia	HR Asia	2024
	Best Developer Visayas	Carousell Property Awards	2024
	Circle of Excellence	Asia CEO Awards	2024
	Tech Company of the Year 2024		

Awardee	Award	Event	Year
Seafront Residences (San Juan, Batangas)	Best Luxury House of the Year (Luzon)	Lamudi's The Outlook Awards	2024
Amoa (Cebu)	Best Affordable House of the Year (Visayas and Mindanao), Grand Winner	Lamudi's The Outlook Awards	2024
Foressa Mountain Town (Balamban, Cebu)	Best Nature Integrated Development, Highly Commended	PropertyGuru Philippines Property Awards	2024

Aboitiz Land also continues to be recognized for its workplace culture, solidifying our brand of workplace excellence with a back to back award as one of ***HR Asia's Best Companies to Work For in Asia, alongside the prestigious 2024 5-Star Employer of Choice by HRD Asia***.

▲ Seafront Residences in San Juan, Batangas is an award-winning seaside development that has grown into a thriving community, where residents enjoy coastal living and shared spaces by the sea.





▲ The Pawikan Conservation Program at Seafront Residences, has evolved into a community-driven program. The Pawikan Hatchery was launched in September, it has helped stabilize the hatching rates ending 2024-2025's Pawikan Hatching Season at 74%

Thriving with Nature and Neighbors

At Aboitiz Land, we go beyond building communities by embracing corporate social responsibility, pushing sustainable programs that uplift lives, protect the environment, and drive lasting positive change.

- Now in its sixth year, our Pawikan Conservation Program at Seafront Residences has evolved into a community-driven initiative with support from partners and local authorities. We have successfully released 4,004 hatchlings with a 74% hatching rate, helping protect the Olive Ridley turtles and marine biodiversity.
- We underscore our commitment to nature-sensitive development and sustainable practices through partnerships with the CORA Foundation and local government, conducting regular coastal cleanups and tree-planting drives.
- Through Elevate AIDA, we empowered over 175 women in our communities with digital skills, enhancing their employment opportunities and supporting socio-economic development.

Reaching 30 years is a milestone few organizations achieve, but for Aboitiz Land, it stands as a testament to decades of innovation and dedication to creating communities where people flourish.

Innovation continues to drive our organization, as we continue to harvest the fruits of our early pivot towards technology and digitization.

2025 Outlook



Aboitiz Land sets its course for future growth with a transformative vision, guided by three core strategies.

1. Driving Sustainable Growth, Delivering Stakeholder Value

With nine ongoing residential projects spanning diverse market segments, product types, and geographical locations, Aboitiz Land is strategically positioned to capitalize on emerging market trends, drive sustainable growth, and deliver value for its stakeholders.

The rising demand for horizontal developments outside Metro Manila, boosted by new infrastructure in CALABARZON and Central Luzon, supports our expansion. In Cebu, we capitalize on our brand reputation to accelerate legacy projects. Our focus on inventory management, pricing optimization, and innovative marketing aims to boost sales and sustain demand. Strengthening synergies with Aboitiz affiliates and contractors ensures timely project completion, reinforcing our commitment to delivering high-quality homes and value for stakeholders.

We will draw on our innovative and agile culture to continue delivering value for our stakeholders and fulfill our promise to our vecinos of dynamic, master-planned spaces that enrich community living.

2. A Pivotal Role in the Aboitiz Economic Estates

As legacy projects near completion, Aboitiz Land will focus on providing housing solutions within and around the Aboitiz Economic Estates.

The transformation of Economic Estates in Batangas, Tarlac, and Cebu offers opportunities for future residential initiatives. The Villages at LIMA Estate enhances LIMA's live-work-play experience, boosting property values. Our strategy includes mid-rise, high-rise, and rental housing formats, drawing on our success with Point Blue. This approach strengthens our position as the premier developer of residential communities and elevates the value of the Economic Estates.

3. Leveraging Strength in Synergies

We will maximize opportunities that come with being part of the country's first techglomerate. We will ensure that our stakeholders are able to take advantage of the synergistic value of belonging to the Aboitiz Group, which leverages the strength of its affiliates with expertise in power, water, financing, housing, construction and smart city technologies.

As Aboitiz Land caps its 30th year in the industry, we remain steadfast in our commitment to sustainable growth, stakeholder value, and innovation. By harnessing our expertise, embracing synergies within the Aboitiz Group, and helping drive progress in the Aboitiz Economic Estates, we are shaping a future where our residential communities thrive in dynamic, master-planned environments. With a clear vision and strategic direction, we are poised to redefine our future in the real estate landscape—creating lasting value for generations to come.

◀ Foressa Mountain Town offers a unique blend of nature and community—where scenic mountain landscapes meet thoughtfully designed spaces for adventure and relaxation.

DATA SCIENCE AND ARTIFICIAL INTELLIGENCE

We believe that Gen AI will be a critical component for any business. Aboitiz Data Innovation's ability to equip our techglomerate with an in-house developed system will give us a competitive advantage in that we will understand the technology better and we can easily build upgrades to the use cases we find valuable. Having access to experts who are working with the group and actually developing these solutions has already proven to accelerate our ability to comprehend tools like digital twins which we are implementing in AboitizPower.

Nicolas Paris
OIC, Chief Data and Technology Officer
Aboitiz Data Innovation

2024 was a transformational year for Aboitiz Data Innovation as we streamlined the business to achieve 2025 profitability. Our goal to "get in the green" transformed our partnerships with Aboitiz business units by focusing on "value creation through Outsourced Staffing Partner (OSP)" and establishing defined focal points for external sales, positioning ADI for success in key areas.

- **Get in the Green:** ADI's adaptable structure allows it to adjust to project requirements and shifting customer demands. By efficiently managing our operational staffing levels, we have maintained our focus on our core strengths in Generative AI, data science, and data governance, ensuring that we remain on course to achieve profitability by the end of 2025.

- **Value Creation Through OSP:** In 2024, ADI has shifted its approach to synergizing with Aboitiz Group business units, moving from small-scale projects to serving as a trusted staffing partner for data science and data engineering expertise. This change aligns with the Aboitiz Group's growing technical maturity and supports our transformation roadmap. To date, AboitizPower currently serves as the largest beneficiary to this, followed by the banking unit.

- **Our Right to Win:** ADI's success in our project with Asian Development Bank (ADB) has proven our ability to design and deploy Generative AI use cases at scale in highly regulated environments.

  Using an agentic approach, ADI delivered six generative AI agents, including AuditGenie, which assists ADB's audit and finance teams with complex queries through a human-in-the-loop model. Other agents support transport, search, and governance functions, with safeguards against large language model hallucinations by comparing outputs from three open-source models for accuracy.

The ADI team for Project Arkanghel gathered at the kickoff held in Therma Visayas, with Nico Reyes, Gratz Redoble, Arjay Carangdan, Luis Gonzalez, Araz Kivi, and Er Obias representing key roles across project management, anomaly detection, integration, digital twin, and data science.

Metrics That Matter

Achieved a 40% reduction in operating expenses with a clear path to profitability by EOY 2025

ADI's Executive committee participated in over
100 hours
of thought leadership presentations and panel discussions

The **Digital Twins** project identified a "good catch" through WS2 Anomaly Detection, avoiding costs of PHP1,645,504.67

Reduced daily revision time by 50% at AboitizPower, saving approximately
4.5 hours daily,
which is now used for optimization tasks

Improved the BCQ declaration process speed by 25% (from 8 to 6 hours) and increased data processing efficiency by
70% at AboitizPower

ADB estimated a
30% productivity increase in high-value teams across accounting, special projects, and transport

Collaborated with National Privacy Commission on the testing, adoption, and promotion of privacy-enhancing technologies

ADI Customer Wins Highlights:

First Million-Dollar Customer:
UOB Singapore for data governance

Philippines Public Sector Team:
Added Department of Labor and Employment in customer base: with multi-phase projects for recurring revenues and long-term partnership

New External Customers:
AGEAS, Prudential, UOB, Ryense, SingPost, DBS, Minglabs, NTT

2025 Outlook



ADI is optimistic about 2025 as we have aligned our vision to focus on key products and solutions that drive the most value. This strategy involves doubling down on our core offerings and prioritizing customers with potential for substantial, recurring contracts. By eliminating competing priorities for our sales and development teams, we have streamlined efforts towards what matters most.

The management team is focused on securing key accounts by leveraging our core products and services, which we believe are essential for achieving successful sales. These products are designed to support the techglomerate's current operations while also providing a distinct advantage in a competitive market. This approach reflects our strategic shift towards reinforcing our market position and ensuring sustainable growth.

◀ ADI and AboitizPower leads visited the Arkanghel partner REPCO Nex Digital Reliability Centre in Rayong, Thailand, joined by Pairote Phruethiworakulchai, Tanapat Techawuthik, Wee Chabthanom, Emmanuel Lopez, Shireen Prince, Warit Krittaphol, Luis Gonzalez, Philbright Ang Ti, and Gilbert Chua, representing key leadership roles across REPCO, AboitizPower, and ADI.

CORPORATE SOCIAL RESPONSIBILITY

At Aboitiz Foundation, we are driven by a clear vision: changing lives today to shape a better tomorrow. In 2024, we brought this vision to life through our three pillars—Future Leaders, Jobs, and Climate Action—empowering students, uplifting women, and restoring ecosystems. Our programs bridge education gaps, foster digital inclusion, financial independence, and promote sustainability by reducing waste and revitalizing ecosystems—proving that people and the planet can thrive together.

Challenges remain, but with innovation, collaboration, and determination, we are confident in our ability to scale impact and drive lasting change. Together, we are building a future where everyone can thrive.

Ginggay Hontiveros-Malvar
President
Aboitiz Foundation

Aboitiz Foundation's 2024 Transformation Journey

Rooted in the Aboitiz Group's legacy of impact, Aboitiz Foundation continues its mission to create positive change. Closely aligned to the One New Aboitiz Sustainability Framework, we focused on three pillars in 2024—Future Leaders, Jobs, and Climate Action—by expanding programs, strengthening partnerships, and securing vital funding to uplift communities.

Future Leaders: Empowering the Next Generation

The Aboitiz Future Leaders College Scholarship empowers future innovators and supports talented students, specifically in STEM fields like engineering, IT, and data science.

2024 Impact

- Aboitiz Foundation and Aboitiz Group business units supported 149 scholars, and partnered with several colleges and universities, including these schools:

We provided tuition coverage, mentorship, financial aid and career readiness programs to equip scholars and career professionals with both academic and practical skills.

- The Aboitiz Group's USD10 million donation to AIM created the Aboitiz School of Innovation, Technology, and Entrepreneurship (ASITE), a hub for future leaders in data science, technology, and entrepreneurship. With cutting-edge facilities, scholarships, and financing, ASITE equips students to thrive in a fast-evolving world.

2025 Vision

- To expand funding and strengthen partnerships with universities and private institutions, ensuring more students benefit from this transformative initiative.

◀ Aboitiz Foundation nurtures future leaders through education, mentorship, and opportunities for growth.



Aboitiz Foundation's CarbonPH initiative restores ecosystems and sequesters carbon, building climate-resilient communities for a sustainable future.

Jobs: Empowering Women, Transforming Futures

The Elevate AIDA (Artificial Intelligence Data Annotation) program, a partnership between Aboitiz Foundation, Connected Women, Department of the Interior and Local Government (DILG), and Philippine Commission on Women (PCW), empowers Filipino women—especially stay-at-home mothers, single parents, and displaced workers—by equipping them with the skills needed to secure remote data annotation jobs.

2024 Key Milestones	2025 and Beyond
▸ Empowered 1,135 women through digital skills training; increased their income and improved community well-being	▸ Upskilling and creating jobs for 300,000 women
▸ Formed partnerships with 22 LGUs to expand program reach	▸ Expand training programs to reach more women in underserved areas
▸ Gained continuous support from the DILG and PCW to advance gender equality and digital inclusion, creating opportunities for sustainable livelihoods	▸ Strengthen public-private partnerships for broader impact
	▸ Enhance job placement support for program graduates
	▸ Continue driving economic empowerment and digital transformation

AuroraPH: Bridging Education Gaps in Last-Mile Schools

AuroraPH is enhancing access to sustainable energy and connectivity in DepEd-identified last-mile schools through the installation of solar panels and battery storage, in partnership with Huawei, Starlink, and GivePower, along with active involvement from various Aboitiz Group business units. By integrating digital tools and technology into teaching practices, AuroraPH is transforming education and creating more conducive learning environments for students and teachers.

2024 Key Milestones	2025 and beyond
▸ Provided 11 last-mile schools with: • Updated learning materials • Reliable internet connectivity via Starlink • Sustainable energy solutions through GivePower	▸ Powering up and connecting 300 last-mile schools
▸ Through collaboration with DepEd, integrated digital literacy into the national curriculum	▸ Expand efforts to bridge educational gaps to shape a brighter future for students in underserved areas
	▸ Continue improving access to technology and sustainable energy

Climate Action: Nature-based Solutions

CarbonPH is a collaborative initiative led by the Aboitiz Group and the Provincial Government of Cebu, aiming to restore the Central Cebu Protected Landscape (CCPL). This project focuses on reforestation, watershed recovery, and the creation of sustainable livelihoods for local communities.

2024 Key Milestones	2025 and Beyond
▸ Mapped 22,000 hectares for reforestation, exceeding the initial 15,000-hectare target	▸ Growing at least 5 million trees for reforestation and climate action
▸ Established partnerships with local government units and stakeholders to support environmental conservation efforts	▸ Initiate reforestation activities within the mapped 22,000 hectares of the CCPL to restore biodiversity and protect watersheds
▸ Engaged local communities in sustainable job opportunities, including forest management, eco-tourism, and agroforestry, contributing to local economic growth	▸ Strengthen community involvement by providing training and resources for sustainable livelihood opportunities, fostering a green economy in the region

Wasteless Campaign: Promoting a Culture of Sustainability

The Wasteless Campaign is a sustainability initiative introduced during the 24th season of the Aboitiz Football Cup (AFC) in 2024. This campaign is composed of these projects:

1. "Tapon to Ipon: Basta Klaro, Panalo!" program by CCEAP
2. Project Rake in Batangas
3. Materials Recovery Facilities

The Wasteless Campaign collected 58,000 kilograms of waste and promoted waste reduction and recycling. Together, these initiatives highlight a balanced approach to addressing environmental challenges while empowering communities. In 2025, the Foundation aims to collect 100,000 kilograms of waste, promoting recycling, repurposing, and proper disposal while educating communities on sustainable waste management.

However, the journey is not without challenges. Climate change's unpredictability demands adaptable, long-term strategies, while deepening community engagement and securing stable funding remain critical. These challenges require ongoing collaboration, innovation, and investment to scale impact and ensure resilience.



AFC Season 24 kicks off the Wasteless Campaign with Coca-Cola Europacific Aboitiz Philippines' Tapon to Ipon: Basta Klaro, Panalo! program. Encouraging the football community to recycle clear PET bottles, the campaign supports PETValue Philippines in giving them new life.



Through Aboitiz Foundation's Elevate AIDA, mothers embrace digital skills, proving that growth and resilience go hand in hand.

A Commitment to Lasting Impact

Looking ahead to 2025, we remain steadfast in our mission to foster education, employment, and environmental sustainability. By forging stronger partnerships, innovating solutions, and adapting to evolving challenges, we are determined to drive lasting, meaningful impact for Filipino communities. Together, we are building a future where people and nature thrive—proving that sustainability is a shared responsibility for a healthier, more resilient tomorrow.

Aspect	Total
Future Leaders	
Projects implemented nationwide	**144**
Amount granted in dedicated investments for high school and college scholarships	**PHP66.04 million**
Classrooms built and/or repaired	**209 classrooms**
5 BUs took part in Brigada Eskwela, benefiting	**18 schools**
Computers and tablets donated	**105**
Total scholars supported	**803**
Jobs	
Government units that have adopted the Elevate AIDA program	**26 LGUs**
Women trained and empowered through Elevate AIDA	**2,178 nationwide**
Employment rate of Elevate AIDA trainees (through our partners)	**40% and increasing**
Climate Action	
Projects implemented nationwide	**62**
Individuals equipped through targeted capacity-building initiatives to effectively adapt to climate change impacts	**30**

Aspect	Total
Climate Action	
Hatchlings released into their natural habitats, contributing to the conservation of endangered species	**14,735**
Seedlings planted, fostering reforestation efforts and enhancing carbon sequestration capabilities	**3,400**
Waste collected, supporting cleaner, healthier ecosystems	**58,000 kgs**

▼ Empowering women through AI. Aboitiz Foundation's Elevate AIDA equips mothers with digital annotation skills for better job opportunities.



CHAPTER

04

Management Approach

Aboitiz Sustainability Playbook

Environment

Ecosystem-Based Approach to Biodiversity

Social and Talent Analytics

Risk Management

Audit

Innovation Management

Tax Management

Corporate Governance

Management Approach

Innovation and Partnerships for Resilience: Aboitiz Sustainability in Action

With over 100 years of advancing business and communities, the Aboitiz Group has evolved into a diverse conglomerate across life-essential industries. Now, it aims to become the Philippines' first techglomerate, with sustainability at the core of this transformation. We use the business model and language of environment, social and governance (ESG) to enable holistic sustainability transformations and pivot to how the business should lead in a technology-driven future.

To learn more about our Sustainability Framework, Materiality Assessment process, and Sustainability governance, please visit our Sustainability Microsite: https://sustainability.aboitiz.com/.

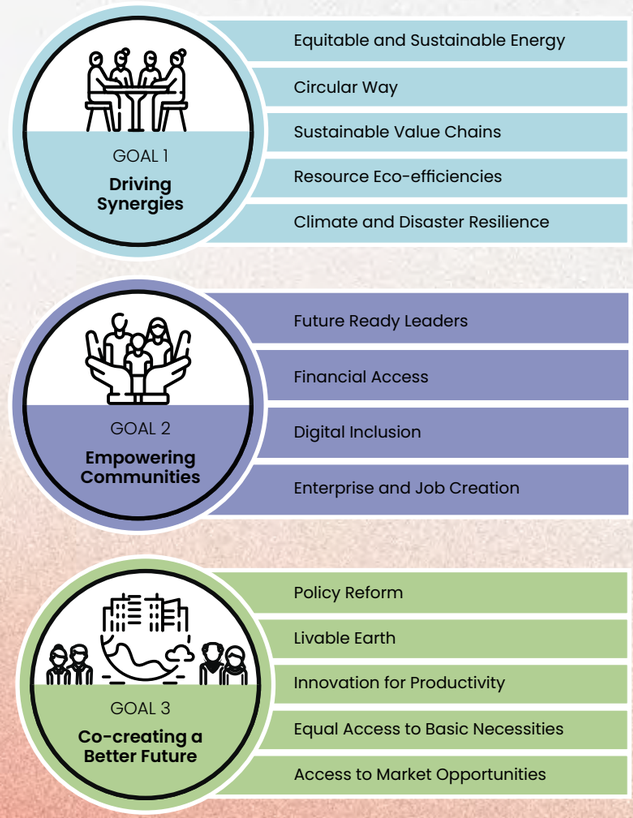
Aboitiz Sustainability Playbook

In 2024, we further deepened our understanding of ESG, zooming in on what truly matters to address sustainability challenges effectively. Banking on the 2023-launched Aboitiz Sustainability Playbook, we've focused on a results-driven approach, empowering teams and stakeholders through innovation and technology. This is led by the Aboitiz Sustainability Council (formerly the ESG Technical Working Group), a team of Sustainability leaders across the Group that convenes regularly to tackle key ESG matters and share best practices, emphasizing our collaborative commitment to meaningful progress.

We have identified three goals where we can make the most most impact:

Our EESG-Focused Actions

Economic, Environment, Social, and Governance



Environment

The Aboitiz Group recognizes the interconnection of ecological, social, and economic systems, thus, our sustainability management approaches for the environment minimize impacts, promote ecological health, ensure compliance, and support a sustainable future while delivering economic, social, and community benefits. EMS (Environmental Management System) frameworks like ISO 14001 guide our business units in managing environmental responsibilities through continuous improvement, performance monitoring, and effective governance. Regenerating natural capital restores and conserves ecosystems to sustain resources vital for human well-being, economic activities, and long-term business viability.

Environmental responsibility is built into our businesses—ensuring we thrive while helping nature recover and endure.



Aspect	Aboitiz Group's Approach	Strategies	Solutions
Water	The Aboitiz Group prioritizes sustainable water management to address global and local water challenges. By prioritizing water stewardship and integrating water considerations into our operations and supply chains, our businesses can enhance resilience, minimize operational risks, safeguard water resources for future generations, and contribute to broader sustainable development goals.	▸ Understand water risks ▸ Optimize water usage ▸ Mitigate impacts on ecosystems and communities ▸ Engage with suppliers and stakeholders	▸ Water-efficient technologies ▸ Recycling and reuse systems ▸ Watershed conservation efforts
Waste	The Aboitiz Group integrates circular economy principles to minimize waste and maximize resource efficiency. By adopting these and implementing innovative waste management strategies, our business reduces costs associated with waste disposal and enhances our competitiveness, and environmental stewardship.	▸ Embrace reduction, reuse, and recycling ▸ Design processes to generate less waste ▸ Close material loops	▸ Eco-efficiency initiatives ▸ Waste-to-energy conversion ▸ Recycling and reusing materials
Energy	The Aboitiz Group is committed to sustainable energy management, prioritizing efficiency, conservation, and development of renewable energy, thus enabling us to monitor, control, and optimize energy consumption more effectively.	▸ Reduce energy consumption ▸ Promote energy-conscious behavior ▸ Leverage renewable energy sources	▸ Energy management systems, including audits and monitoring systems ▸ Data analytics for optimization ▸ Low-carbon energy consumption driven by solar

Ecosystem-Based Approach to Biodiversity

Led by our different SBUs, we have initiated programs to manage our impact on Life on Water (SDG 14) and Life on Land (SDG 15). Initial environmental impact assessments for business projects have led to our managing different flora and fauna species in ecosystems near the locations of operations of our business units.

Coastal



Verde Island Passage Preservation

In May 2024, the Aboitiz Group partnered with Department of Environment and Natural Resources, Department of Energy, Metro Pacific Investments Corporation, and San Miguel Corporation to protect the Verde Island Passage, a critical marine biodiversity area. This collaboration aims to strengthen marine conservation efforts in one of the world's most important marine corridors. The partnership focuses on science-based solutions, policy support, and community engagement to preserve marine ecosystems, enhance climate resilience, and ensure sustainable livelihoods for coastal communities that depend on the Verde Island Passage.

Key Impact:
Enhanced conservation of a vital marine ecosystem



Aboitiz Cleanergy Park

The Aboitiz Cleanergy Park is an 8-hectare biodiversity reserve in Davao City that serves as a key nesting site for critically endangered hawksbill sea turtles. It features mangroves, a botanical garden with 29 native tree species, 108 bird species, and the Pawikan Rescue Center. The park promotes conservation through tours, PawiCamp, awareness drives, and community activities like tree planting and coastal clean-ups, all aimed at protecting biodiversity and local ecosystems.

Key Impacts:
- Increased bird populations and turtle nesting activity
- Enhanced local environment and stronger community participation in conservation

Success Metrics as of April 2025:

Total No. of Hatchlings Released
10,062

Total No. of Rescued Turtles
32

Total No. of Nests Found
88

Total No. of Mangroves Planted
29,042

Total No. of Birds Species
108

Total No. of Visitors
21,741



Pawikan Conservation Project (Seafront)

The Pawikan Conservation Project in Seafront focuses on protecting Olive Ridley sea turtles nesting along the shores of San Juan, Batangas. It includes plans to establish a permanent hatchery, train stakeholders in nesting monitoring, and enhance conservation knowledge. The project supports biodiversity protection while meeting environmental compliance requirements, with future management set to transition to Seafront Residences homeowners to ensure long-term sustainability.

Key Impacts:
- Strengthened pawikan conservation activities
- Enhanced biodiversity protection, environmental impact offsetting, and community engagement

Success Metrics as of February 2025:

Total No. of Nests Found
13

Total No. of Hatchlings Released
861

Forests



CarbonPH

In August 2024, the Aboitiz Group and the provincial government of Cebu launched the CarbonPH Project, a multi-year reforestation and watershed recovery initiative. It aims to restore forestlands, boost carbon sequestration, enhance biodiversity, and ensure long-term water security, while also supporting local livelihoods and contributing to national sustainability goals.

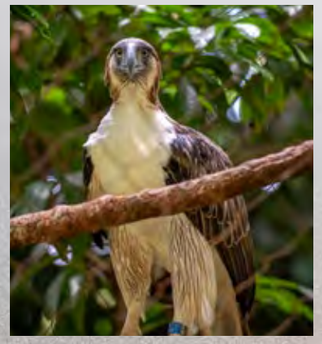
Key Impact:
Revitalization of Cebu's protected landscapes and contribution to carbon sequestration efforts



Panigan-Tamugan Watershed

The Panigan-Tamugan Watershed project is a 200-hectare environmental initiative aimed at protecting, rehabilitating, and conserving vital watershed areas to ensure sustainable water resources for Davao City. In collaboration with partners and stakeholders, the project targets the planting of 35,000 endemic and fruit-bearing trees within a designated National Greening Program site of the DENR in Barangays Cadalian and Carmen.

Key Impact:
Sustainable water resources and environmental conservation



AboitizPower and Pangarap

In 2010, AboitizPower adopted a female Philippine eagle named Pangarap to support wildlife conservation efforts. The company provides ongoing funding for her food, veterinary care, and shelter. Originally part of a breeding program, Pangarap now serves as a conservation education ambassador, helping raise awareness about the importance of protecting endangered species. She is under the care of the Philippine Eagle Foundation in Davao City.

Key Impacts:
- Increased awareness of wildlife preservation
- Positive impact on conservation education

Rivers



Adopt-a-River/Estero Program

Through the Adopt-a-River/Estero Program, Aboitiz has adopted 12 waterways covering approximately 21.56 kilometers to address pollution, improve water quality, and restore biodiversity. The program includes regular river clean-ups, educational campaigns, and close collaboration with local government units, national agencies such as the DENR, and local communities. By engaging various stakeholders, the initiative promotes the sustainable management and long-term health of these vital waterways.

Key Impacts:
- Improved water quality and biodiversity
- Promoted environmental stewardship and community involvement in conservation

Energy



Solar-Powered Water Facility

IIn 2024, Aboitiz InfraCapital's MEZ2 and West Cebu Estates implemented several solar-powered projects. This included the launch of a fully off-grid solar-powered deepwell system, utilizing 48 solar panels, inverters, and batteries to generate 26.4 kW of solar power, shaded walkways and streetlights with solar-powered illumination, and the transition of the MEZ2 office to solar energy.

Key Impact:
Reduced carbon footprint and enhanced sustainability of water operations

Social

For Aboitiz, social sustainability management means embedding social considerations into our strategies, operations, and decisions to create positive impacts and promote well-being. By focusing on people, we prioritize building inclusive, equitable, and sustainable communities while supporting broader societal goals.



Aboitiz Academy: Empowering Continuous Learning and Development

Aboitiz Academy offers a range of programs tailored to the diverse needs of AEV team members through a mix of Core and Leadership programs designed to address professional and organizational capability-building needs. Core programs are open to all team members, focusing on developing essential skills and behaviors that drive personal and transformational growth. Leadership programs are part of targeted interventions based on assessments, designed to enhance the leadership competencies. While these programs may not yield direct, tangible ROI, they aim to build a capable and motivated workforce.

Team Member trainings are delivered through a combination of asynchronous (learning platform-based) and synchronous (live session) learning modalities, ensuring flexibility and accessibility for continuous learning and development.

Positive impacts can be seen through the increasing participation in core and leadership programs, and the high CSAT for both core and leadership programs, averaging at 4.53/5 in 2024. Efforts to provide continuous developmental programs for A-People are reflected in the improved AEV engagement score, rising from 4.05 in 2023 to 4.13 in 2024. The Gallup survey score of 4.19 for Learning and Growth further demonstrates employees' strong appreciation for programs that meet their learning needs.

Trainings that tackle the Anti-Discrimination and Harassment were conducted in AEV:

- **#LearningLunes: Creating Safe and Respectful Workplaces** (Live Session)
- **Safe Spaces Act** (Asynchronous online session)

Currently, 90% of full-time employees (FTEs) have participated in either synchronous or asynchronous programs, showcasing the Academy's wide reach. AEV's learning methodology is built on the 70-20-10 model:

- **70%** of learning comes from on-the-job experiences such as cross-functional assignments and on-the-job training
- **20%** comes from mentoring, coaching, and 360-degree feedback
- **10%** comes from formal training through Aboitiz Academy programs and external courses

Performance Management

AEV's performance management system evaluates both individual and team-based outputs. Objectives are aligned across organizational, departmental, and individual levels to ensure organizational alignment . The system incorporates 360-degree feedback and continuous feedback, encouraging regular performance conversations to support continuous development.

Performance management is conducted year-round through an agile approach, allowing for ongoing goal-setting, monitoring, and calibration as needed to drive progress and align with dynamic business needs. This approach fosters a culture of continuous improvement and collaboration across teams.

As part of AEV's commitment to fostering a high-performance culture, we have developed a comprehensive rewards program that ensures individual contributions are aligned with overall organizational success.

Merit Increase Framework: A structured approach to recognizing and rewarding employees based on their performance, contributions, and impact. This framework ensures that high achievers are compensated fairly while reinforcing a culture of excellence, motivation, and continuous career growth

Regular Benefits Review and Benchmarking: Ensures that offerings remain competitive and aligned with industry standards to foster employee well-being, enhance job satisfaction, and create a supportive environment where our workforce can thrive

Comprehensive Benefits Offerings: Provides market-aligned benefits, wellness programs, and development opportunities to meet diverse employee needs

These initiatives reflect AEV's ongoing efforts to attract, retain, and motivate top talent, reinforcing a workplace built on the principles of excellence, fairness, and sustainability.



Cebu A-People participated in AEVry Step Counts, contributing to a total of 22,157,706 steps in one month as part of AEV's wellness program.

Fostering Team Member Well-being

At AEV, we recognize that our people are our most valuable asset, as highlighted by Aboitiz Group President and CEO Sabin Aboitiz, who emphasizes, *"Our people are the heart of everything we do, and their well-being is key to our success."* Guided by this principle, we've implemented a range of initiatives to promote a more holistic approach to wellness beyond physical health but includes mental, emotional, and financial wellness.

Employee Assistance Program (EAP)	▸ 24/7 online access to counseling, coaching, and resource materials through our partner Infinit Care, complemented by scheduled onsite counseling sessions for additional support; wellbeing webinars and learning sessions are extended to the broader Aboitiz Group ▸ Well-being assessment data from EAP shows a mean score of 58, placing AEV above the client benchmark, reflecting strong employee engagement and effectiveness of the program
Annual Physical Examinations and Executive Check-Ups	▸ Comprehensive medical coverage for employees to ensure regular health monitoring, including annual executive check-ups for early detection and proactive health management
AEVry Step Counts Challenge	▸ A company-wide initiative designed to promote physical fitness and teamwork,through a healthy competition
Training on Psychological First Aid	▸ Proactive capability building for leaders and the People Team to handle critical cases and support employees-in-need effectively
Flexible Benefit Program	▸ AEV enables team members to optimize their benefits through the MyBen Program, allowing them to convert unused benefits into other options that better support their health and wellness.
Labor Rights and Ethical Workplace Practices	▸ AEV adheres to the Labor Code of the Philippines through its Code of Discipline, and is committed to respecting labor rights of our team members.

AEV's Commitment to Diversity and Inclusion (D&I)

LGBTQ+ Inclusion: Team Members from the Aboitiz Group participated in the LoveLaban Pride March on June 22, 2024, and hosted "Creating Inclusive Workspaces," a DEI session promoting open discussions and a welcoming environment.

Women's Empowerment: AEV celebrated Women's Month through our #BetterUs program, featuring LinkedIn Learning courses, badge recognitions, a yoga wellness session, and a #BetterUsWomen's Month webinar on work-life balance and self-care.

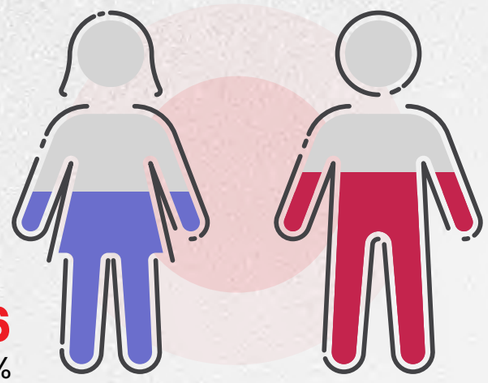
Mental Health Advocacy: We strengthened our commitment to employee well-being through onsite counseling, a webinar on workplace distress, and Psychological First Aid Training for leaders.



Aboitiz Group team members celebrated all colors and inclusivity at the LoveLaban Pride March on June 22, 2024.

2024 Talent Analytics

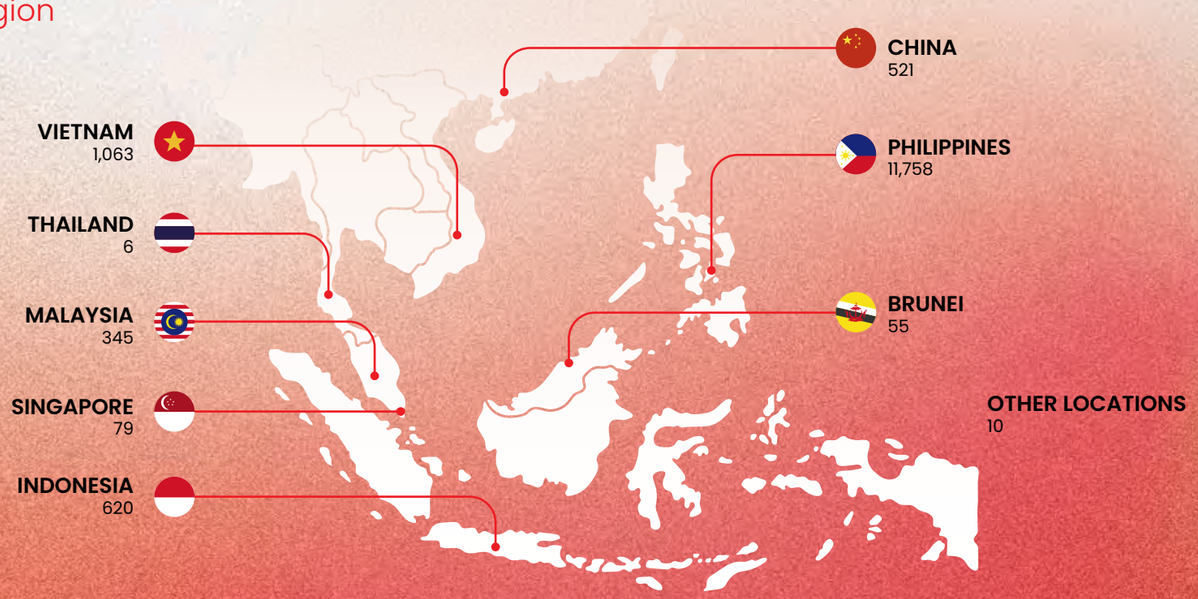
Gender vs. Level



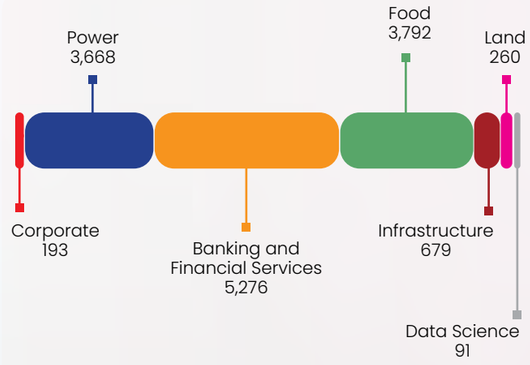
524	AVPs and up	AVPs and up	**555**
1,289	Managers	Managers	**1,303**
2,479	Officer Supervisor	Officer Supervisor	**2,229**
1,734	Associate Specialist	Associate Specialist	**4,344**
6,026	41.7%		**8,431** 58.3%

	CORPORATE		POWER		BANKING AND FINANCIAL SERVICES		FOOD		INFRASTRACTURE		LAND		DATA SCIENCE	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
AVPs & up	38	26	109	165	307	234	43	79	22	41	4	5	1	5
Manager	29	28	204	355	848	572	109	214	69	93	14	20	16	21
Officer Supervisor	26	14	239	519	1,683	1,013	343	541	88	69	95	58	5	15
Associate Specialist	31	11	734	1,602	223	408	487	2,060	168	184	76	62	15	17
Total	**124**	**79**	**1,286**	**2,641**	**3,061**	**2,227**	**982**	**2,894**	**347**	**387**	**189**	**145**	**37**	**58**

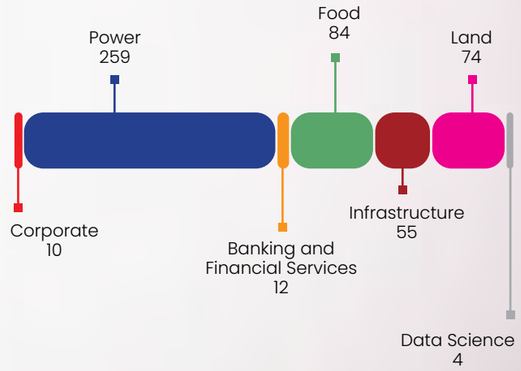
Region



Employment Type

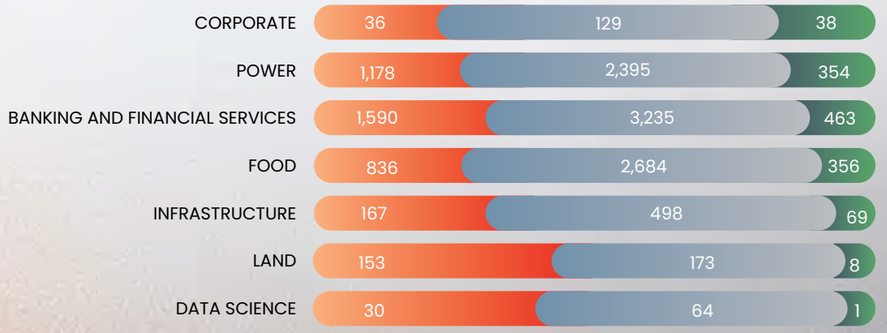


13,959
Regular / Probationary



498
Fixed Terms/ Project Based

Age



3,990
TMs below 30 years old

9,178
TMs between 30 and 50 years old

1,289
TMs above 50 years old

Years of Tenure

No. of Years	CORPORATE	POWER	BANKING AND FINANCIAL SERVICES	FOOD	INFRASTRACTURE	LAND	DATA SCIENCE	TOTAL
Less than 1 year	26	636	603	622	156	67	34	2,144
1 to 5 years	75	1,595	2813	1,440	358	186	60	6,527
6 to 10 years	35	713	723	892	197	56	1	2,617
11 to 15 years	29	511	284	471	8	16	-	1,319
16 to 20 years	21	317	443	244	6	7	-	1,038
21 to 25 years	10	31	121	83	5	1	-	251
Over 25 years	7	124	301	124	4	1	-	561
	203	**3,927**	**5,288**	**3,876**	**734**	**334**	**95**	**14,457**

Risk Management

In our journey to become the Philippines' first techglomerate, we made 2024 the year to nurture the seeds planted in 2023 by maximizing our assets—including our people—and preparing for the future.



The AEV Risk Management Team, with the guidance of the Board Risk and Reputation Management Committee (BRRMC), continues to review and update its risk management framework to ensure a tailored management plan. Notwithstanding the federated approach, AEV maintains oversight of each SBU's implementation of risk management practices tailored to their unique requirements. To warrant the promotion of an effective risk culture across the organization, AEV has regular risk management education through:

- launching of Risk Management microsite where references, studies and best practices on Risk Management knowledge are shared
- capability building conducted in order to promote risk management to every team member
- celebrating risk awareness month that provide specific discussions and skilling up of risk functions

Professional Development & Certification	Framework & Process Improvement
▸ Partnerships with external Risk Management associations keep risk managers updated on trends, knowledge, and skills. ▸ Most AEV risk managers are now certified risk professionals, ensuring adherence to fundamental standards and that the execution of the risk management framework remains consistent across all business units.	▸ The Aboitiz Group risk management framework and processes are continuously reviewed, improved, and validated for efficiency and effectiveness. ▸ AEV Risk Management Team collaborates with Group Internal Audit to: • Monitor Risk Management Plans (RMPs) • Ensure identified risk treatments are timely implemented • Board-approved Strategic RMP and Operational RMPs serve as key inputs to the internal audit's risk-based audit plan

To ensure that the Group is managing its risks, BRRMC reviews the same twice a year as part of its oversight. The following are the identified risks being discussed and continuously monitored.

Relevant Updates on Previously Identified Top Risks

Risk	Updates	Risk Responses and Controls
Implementation Risk	Likelihood and potential impact decreased as compared to last year	▸ Alignment of project development timelines for all stakeholders; establish clear, measurable and long-term objectives and introduction of group-wide targets cautiously ▸ Investment lookback review and application of lessons learned / output
People Risk	Risk level remains unchanged The Group recognizes that human factors contribute to a wide range of risks, hence, mitigating that human component is a key part of each treatment plan.	▸ Priority training programs to build and develop Talent Leadership Capability and Competency ▸ Enhancement of strategic work planning, succession planning, and talent review in relation to key roles within the organization ▸ Active and strategic collaboration with academe, industry partners, and government agencies ▸ Adoption of people risk assessment considering the type of talents across the Group
Cyber and Information Security Risk	Increased level of risk due to re-assessment of a ransomware attack Related risks includes governance, insider threat, and social engineering	▸ Development of Cyber Incident Response Playbook ▸ Reinforcement of Cyber Risk awareness, communication and training programs to each team member ▸ Secured and strengthened software access controls ▸ Adoption of Cyber Risk Management Framework and minimum cyber information security standards across the organization ▸ Adoption of people risk assessment considering the type of talents across the Group



◂ Aboitiz Leaders Raul Imperial Jr. (opposite page, seated at the center) and Jaime Moraza (photo on the left) share their strategic risk expertise at the PARIMA Manila Conference 2024.

Risk	Updates	Risk Responses and Controls
Transition Risk	This risk reflects how exposed the organization is to operational, financial, and strategic difficulties brought on by the world's shift to a low-carbon economy. Changes in laws, rules, market dynamics, and technology that try to slow down global warming and enhance environmental sustainability are linked to this risk.	▸ Close collaboration and transparency in reports to lenders, government agencies, and other stakeholders ▸ Proactive communication and information educational campaign ▸ Looking into other potential impact such as market shifts and technological advancements
Regulatory Risk	The potential threats and uncertainties with changes in laws and / or regulations that can materially impact the organization	▸ Engage with government agencies to contribute insights on policy development and implementation. ▸ Close monitoring of legislative agendas and possibly identify impact to particular business unit's operation
Supply Chain Risk	The likelihood and impact of events at any point in the end-to-end supply chain from sources of raw materials to end use of customers. Also refers to any unplanned glitch or disruption affecting the supply chain leading to the non-fulfillment of customer's requests.	▸ Establish alternative support vendors through playbook for alternative supply sourcing ▸ Pre-qualification of other potential contractors and/or suppliers ▸ Leverage existing relationship of joint venture partners

Discussions on emerging risks are an essential agenda of BRRMC for ensuring long-term sustainability, protecting stakeholders' interests, maintaining the Group's competitive advantage and effectively navigating uncertainties, thereby achieving strategic objectives.

Geopolitical tensions, environmental changes, socioeconomic shifts and technological disruptions are some of the emerging risks that can significantly impact business operations, financial resilience and achievement of long-term strategic goals. In recent years, we witnessed a multitude of risks that may affect the landscape on a short and long-term basis.

Regional Geopolitical Tensions
Disputes such as those in the West Philippine Sea as well as between Taiwan and China pose direct threats to security and economic stability. This is reflected in the heightened geopolitical tensions, state-based armed conflict that is considered as top immediate, short-term global risk for 2025 discussed in the World Economic Forum (WEF) Global Risk Report.** Rising tensions between major powers affect trade and supply chain globally. This also affects geoeconomic confrontations where state imposed sanctions, tariffs and investment screenings contribute to rising inflation and economic downturn that could adversely affect growth and development, especially in the Southern Asia region.

***2025 WEF Global Risk Report: https://reports.weforum.org/docs/WEF_Global_Risks_Report_2025.pdf*

Emerrging Risks

In June 2024, AEV Risk Management team has conducted a discussion on Understanding Chinese Movements in the Region facilitated by security experts and consultants. The output of this discussion resulted in deeper understanding and contextualization of the regional tension, analysis of different scenarios and its potential impact to the Philippines and identification of potential mitigation strategies for consideration across the organization.

Misinformation and Disinformation
The ever changing landscape of technological innovations and disruptions also brought the increasing spread of manipulated information, exacerbating political and social polarization. This risk is specifically being monitored as the persistent proliferation of false and/or misleading information or content influence the geopolitical environment, general public perception on personalities, products, services or even the country as a whole.

Linked to this is the widespread use of artificial intelligence (AI). We have seen considerable experimentation with respect to usage of AI tools given its fast-paced change and technological advancement. Lacking the necessary governance in relation to this technological capability may lead to various negative consequences on individuals, government, businesses and environment.

Extreme Weather Events
On a long-term basis, the Philippines being part of Southern Asia is highly exposed to extreme weather events which is forecasted to be more frequent and severe. This may cause economic disruptions and humanitarian crises as well as growing concerns over the impact of climate-related disasters on agriculture, real estate, infrastructure, environmental ecosystems and health systems. Regulatory pressure and climate adaptation challenges may pose significant risk across the organization.

For 2025, AEV Risk Management Team will continue to facilitate discussions, collaborate with internal and external experts with respect to emerging risks to ensure that we enhance our resilience, effectiveness of strategic planning, manage potential impact and capitalize on emerging opportunities.

Audit

The vision of AEV's internal audit is to be the Aboitiz Group's most trusted advisor committed to driving value creation through real-time assurance, advisory and anticipation. Across the Group, the different resident internal audit teams continue to institute global best practices to support the Great Transformation journey.



▲ Twenty-nine Aboitiz Group audit team leaders participated in the 2024 IIA-Philippines Convention to engage in thought leadership, strengthen industry best practices, and drive excellence in internal auditing.

AEV's 2024 Audit Achievements

1. Integration of the 2024 Global Internal Audit Standards in the audit charters for evaluating and elevating the quality of audit processes
2. Decentralization of technology and cybersecurity audits to foster greater specialization and efficiency
3. Strengthen audit governance to ensure a more robust oversight function as a means to achieve sustainable growth and effectively mitigate risks
4. Targeted audit projects focused on core and revenue processes, top risks and strategic alignment
5. Increased stakeholder collaboration through combined assurance planning to co-develop action plans that are practical and impactful, fostering a sense of accountability
6. Drive innovation in audit practices by leveraging on technology and moving towards more data-driven audits
7. Align policies and processes through continuous sharing of best practices across the group
8. Continuously building auditors' capabilities instrumental in providing better and more fair, accurate and valuable insights to stakeholders and customers

SBU Internal Audit Updates

SBU	2024 Achievements	2025 Focus
AboitizPower	▸ Real-Time Assurance: Decentralized Operational Technology (OT) / Information Technology (IT) and Cybersecurity Audits, implemented Defense-in-Depth strategy using the Cyber Kill Chain framework ▸ Advisory: Organized bootcamp sessions for 100+ internal assurance team members ▸ Anticipation: Launched Combined Assurance Planning, identifying 115 assurance activities for 2025	▸ Conduct more data-driven audits on operations, maintenance, and asset management ▸ Implement risk-based value chain audits for adaptability
UnionBank	▸ Deployed 18 new Continuous Audit (CA) projects—highest in a year ▸ Expanded data analytics-driven auditing, processing 295 data requests (2x 2023). Conducted 100+ validations for regulatory concerns ▸ Completed audit cycle for all 60 tiered application systems in 2 years	▸ Increase full-population testing using data analytics ▸ Expand pre-implementation reviews for earlier risk insights ▸ Strengthen IA in subsidiaries by aligning policies and best practices
Aboitiz Foods	▸ Strengthened Audit Governance to support the dual transformation strategy ▸ Enhanced Audit Committee Charter, developed assessment metrics, revised Group Internal Audit Charter to align with 2024 Global Internal Audit Standards ▸ Shifted to in-house audits, recruited IT Auditor, and developed an automated audit notification tool ▸ Reduced third-party costs by 34%, completed 132 projects (+21% vs. 2023) ▸ Reduced overdue action plans from 14% (2023) to 4% (2024)	▸ Expand risk-based audit planning ▸ Improve IA remediation rating to foster collaboration ▸ Continue enhancing IT audit capabilities
Aboitiz InfraCapital	▸ Strengthened Governance and Controls. ▸ Integrated Audit insights into Operational Efficiency and Strategic Decisions. ▸ Elevated Risk Awareness across all levels.	▸ Drive Innovation in audit practices using agile audit principles. ▸ Increase stakeholder collaboration to develop practical action plans. ▸ Upskill the IA Team in company tools, leadership, and cross-functional projects.

Innovation Management

Turning Our Techglomerate Ambitions into Reality

2024 marked an important stage in our journey to Becoming a techglomerate. This was a year of action, where we moved beyond the Believe and Behave stages of our Great Transformation and began translating our vision into tangible results. We strengthened our foundation and harnessed the culture of entrepreneurial, synergetic, and innovative behaviors to successfully solve problems and generate meaningful impact.



BELIEVE
Understand and embrace techglomerate mindsets and behaviors

BEHAVE
Build new capabilities and ways of working. Identify problems and opportunities to create new value

BECOME
Successfully solve problems and generate impact

BE
Reach Techglomerate Native state

2022 — **2023** — **2024** — **2025**

▼ Empowering a data-driven transformation through the Aboitiz Data Working Group by fostering collaboration, sharing best practices, and enhancing data capabilities across the organization



GT Directives	2024 Initiatives	Wins/Metrics
Ensuring Alignment across Leadership	Further empowered Strategic Business Units to lead their Transformation journeys while ensuring Groupwide alignment. Through the GT Steering Committee, we united the team leaders to drive Transformation goals and share best practices.	The team successfully integrated transformation in AEV scorecards, with Transformation metrics mapped (People, Process, Technology)
Establishing Foresight Capability	The Foresight Project explores change signals and shifting landscapes to help stakeholders navigate uncertainties.	In 2024, AEV's Transformation, Risk, Strategy, and Synergy teams, with Aboitiz team leaders, identified 300+ signals across Society, Technology, Economy, Environment, and Political domains, shortlisting key insights for scenario planning.
Driving Innovation Through Artificial Intelligence	Aboitiz drives innovation and responsible AI adoption through structured experimentation and capability building. AEV established governance and policies for secure, ethical AI use and evaluated AI and generative AI tools for business impact. Prompt Engineering programs equipped teams to maximize GenAI's potential, reinforcing Aboitiz's commitment to AI-driven transformation and innovation-led growth.	By integrating AI tools, teams have experienced an increase in efficiency, enabling a focus on more strategic and value-driven activities. Additionally, AI adoption has contributed to cost avoidance and resource optimization.
Transforming Operations with Data Strategy	In 2025, we launched a comprehensive Data Strategy to transform AEV into an insight-driven organization. The strategy focuses on building data capabilities, elevating data maturity, and embedding data and analytics into business activities. A federated data governance model empowers corporate services units to own their data, while structured training, advanced analytics, and AI-driven insights ensure data is accessible, reliable, and actionable—optimizing processes, unlocking new revenue streams, and strengthening the organization's competitive edge.	Key initiatives include the launch of AEV's data platform, Data Maturity Model, Capability Baselining, and data governance policies for security and compliance.

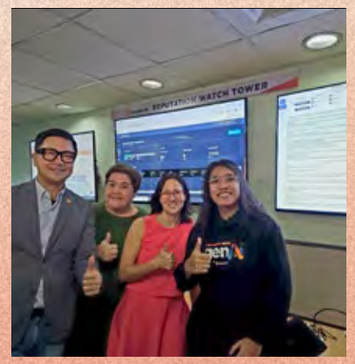
GT Directives	2024 Initiatives	Wins/Metrics
Data-Driven Aboitiz	The Data Working Group (DWG) drives Aboitiz's Great Transformation by fostering a data-driven culture through learning and collaboration. Relaunched in 2024, it enhances data maturity by providing access to top experts and hands-on training in data strategy, governance, analytics, and visualization. DWG introduced the Data Maturity Model and Capability Baselining to identify challenges and opportunities, strengthening data capabilities, and elevating data maturity across the Group.	Through workshops, DWG has empowered teams with the skills to enhance data literacy and implement data best practices. DWG has successfully engaged a diverse group of learners, strengthened cross-business unit collaboration, and contributed to significant cost savings in capability building efforts as well as data strategy updates.
Strengthening Aboitiz' Cyber Security Posture	Aboitiz successfully implemented the IT Infrastructure and Cyber & Information Security (CIS) Decentralization Program to enhance cybersecurity resilience and empower Strategic Business Units (SBUs) with greater autonomy and agility.	The program enabled SBUs to manage their own IT infrastructure while maintaining strict security standards. Key milestones included network separation, cloud migrations, telephony transitions, and critical CIS services like Identity and Access Management, Cybersecurity Incident Management, and Cyber Risk Management.
Drive AEV's Core Transformation	The team partnered closely with AEV CSUs to drive transformation at the very core of AEV, aligning with its new role as an active portfolio manager.	Examples of programs include: the Super Ditch Program (eliminating non-value-adding processes to enhance efficiency), Futures Thinking Workshops (opening minds to key trends, possibilities, and customer-centric solution design), and Opportunity Exploration initiatives (exploring new business possibilities through strategic discovery and innovation).
Making GT Visible	We ramped up our efforts to amplify GT stories across the Group to inspire Team Members to embrace Transformation and drive engagement, leveraging on the Integrated Communications Workgroup, a body of Communications and HR representatives from all SBUs.	ICW Team Members produced a total of 116 stories about impactful GT projects.
On Demand and Special Projects	The team collaborated with various SBUs to drive transformation efforts aligned with their respective strategic and business goals. This included planning and implementing special projects, facilitating capability-building workshops, and providing on-demand advisory on areas like scorecards, innovation, and strategy. These initiatives empowered teams to embrace innovation, futures-thinking, and strategic growth.	Examples of programs include: 1AP Risk Contingency Planning (gamified planning to explore scenarios, assess risks and opportunities), 1FG Ideation Learning Session (workshop to drive customer-centric innovation), Security Group Futures Thinking Workshop (month-long series aimed to align Security Teams on the Transformation initiatives of the Group and activate Futures Thinking).

GT Stories for SBUs



Power: Project Arkanghel

AboitizPower partnered with REPCO NEX Industrial Solutions to transform its thermal power plants into smart power plants through "Project Arkanghel." The initiative involves creating digital twins—virtual replicas of power plants—and asset monitoring systems for the 300-megawatt Therma South Plant in Davao City and the 340-megawatt Therma Visayas Plant in Toledo City, Cebu. These will enable operators to simulate scenarios and detect issues in real-time, enhancing operational efficiency and reliability.



Banking and Financial Services: UnionBank's Reputation Radar

UnionBank developed its GenAI Reputation Radar that delivers real-time sentiment analysis and provides actionable insights. It has significantly improved the reputation management team's ability to generate accurate reports on current sentiments about the bank. With this enhancement, it enabled timely identification of potential issues and quick escalation and resolution of issues to protect the bank's reputation.



Food: Techmate

The TechMate program, first launched by the Aboitiz Foods' Robotics, Automation & Integration (RAI) team in 2023, empowers employees to automate tasks and enhance productivity using Google Workspace applications. Through training in Google Apps Script, participants develop automation projects that streamline workflows across various departments. The program fosters a culture of collaborative innovation, aligning with the organization's commitment to adaptability and agility in driving positive change.



Infrastructure: AIC ERP & EAM Systems Roll-Out

Aboitiz InfraCapital (AIC) launched in 2024 the AIC Economic Estates (EE) ERP System with the successful go-live of the Synergy-EE Package 1, AIC's biggest and most complex system implementation yet with four parallel projects going live simultaneously; AIC Service Asset Management and Work Clearance Management Modules. It also launched the Mactan-Cebu International Airport's SAP Enterprise Resource Management and Enterprise Asset Management (EAM) systems. These projects are aligned with AIC's move to digitalize processes and operations and improve overall data management. Building on the success of these launches, additional similar projects are already in the pipeline.



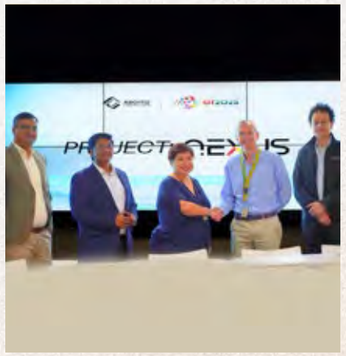
Land: OneVecino

OneVecino is a comprehensive digital ecosystem by AboitizLand that enhances the homebuying and ownership experience, evolving from a 2020 digital selling platform into an end-to-end solution. In 2024, it expanded to include Vecino App, Vecino Pay, Vecino Support, and Vecino Properties, streamlining property searches, payments, support, and management. A key milestone was the launch of UPay under Vecino Pay, enabling seamless transactions via GCash, GrabPay, VISA, and Mastercard. By continuously leveraging technology, OneVecino drives digital transformation in real estate, reinforcing AboitizLand's commitment to innovating ways of living.



Data: Enterprise-Grade GenAI Innovation

Aboitiz Data Innovation launched AVA AI in 2024, a Generative AI (GenAI) platform designed to enhance enterprise productivity across both public and private sectors. Built for seamless integration, AVA AI connects with existing systems to streamline complex workflows and empower teams to securely and efficiently extract valuable insights from their organization's collective data. Now available for external adoption, AVA AI is a scalable solution for businesses seeking to leverage AI-driven efficiency and innovation—with Asian Development Bank as its first client.



Construction: Project Nexus

Aboitiz Construction successfully transitioned to a new enterprise resource planning system designed to enhance efficiency across key functions, including Supply Chain, Finance, and Project & Portfolio Management. The upgraded platform integrates advanced project tracking tools, a mobile app for real-time site updates, and a vendor portal for improved supplier communication and visibility. These enhancements streamline operations, improve data accuracy, and support better project execution.



Group - Culture Pillar: Data Science Bootcamp

The Data Science Bootcamp, launched by the Culture Pillar and Aboitiz Academy as a pilot in 2023, trained 30 participants who formed five Data Science Challenge groups, with 10 individuals recognized for outstanding performance. Building on this success, Season 2 in 2024 saw a surge in participation, with 338 employees joining across the Group, featuring a learner-led bootcamp design for greater flexibility. The program combines theoretical and hands-on learning, including self-paced courses, enrichment sessions, and a data science challenge, providing a comprehensive and immersive learning experience.

The road ahead

In 2025, Aboitiz fully embraces its role as a Techglomerate, using this year as a springboard for sustained transformation. By strengthening collaboration and breaking silos, we unlock synergies that drive innovation and agility, positioning us to navigate challenges and seize new opportunities.

Tax Management

Advancing Business and Communities Through Responsible Tax Management

The Aboitiz Group strongly believes in and adheres to the fundamental principles of good governance which involves the payment of the correct taxes on time and compliance with all administrative and reportorial requirements of the relevant tax authorities. As a responsible corporate citizen, we do our best in doing our equitable share in contributing to the country's economic development and to maintain a sustainable long-term value for our business and stakeholders.



At the parent company, a Tax Committee has been instituted pursuant to its Charter to fulfill the following key objectives:

- Align tax strategies and implementation plans with the overall business objectives of the Aboitiz Group.
- Review and assess the adequacy of the Group's tax programs and strategies against industry benchmarks and best practices, and make recommendations on enhancements if necessary.
- Analyze the potential impact of tax risks on the Group's businesses, operations, and reputation, and report the treatment plans and mitigation strategies to the Board Risk and Management Committee.
- Maintain consistency in compliance processes and documentation, including adherence to international tax requirements and in-country audits.

Regulators are driving the need for greater transparency through increasingly stringent reporting requirements. Toward this end, the Tax Advisory & Compliance Services Team has undertaken reasonable steps to comply with the reporting standards set by the Organization for Economic Cooperation and Development (OECD) Guidelines under the Three-Tiered Approach, including the preparation of the Master File, Local File, Country-by-Country Report (CbCR), and the Global Information Return (GIR) under BEPS 2.0 Pillar 2.

The rapid advancement of technology has made it necessary to evolve how the Group relates to stakeholders, and customer priorities. To address this, tax transformation initiatives have been implemented, identifying solutions and leveraging existing technology where possible. These efforts have enabled a shift toward a data-driven and digitally-enabled tax function. Key innovations include the Audit Tracker, Storage and Retention (SnR) Database for automated safekeeping and compliance checks, the Audit Readiness Program to streamline the process, and reinforce audit capabilities, and the automation of CbCR report generation to ensure data integrity.

To effectively execute tax strategies and uphold governance and compliance standards, close collaboration with controllers and finance teams across business units remains essential. This partnership ensures the adoption of best practices and the implementation of sustainable business solutions. A strong foundation of tax knowledge is maintained through continuous professional development, which is crucial for navigating complex regulatory landscapes.

Over-all, the Group's strategic pillars pave the way of having clarity of purpose of the overarching tax policies, philosophies and functions that will enable the organization to magnify on what matters the most in advancing business and communities.



◀ AEV FVP for TACS Joseph Tugonon was a panelist at the 2024 Tax Campaign Kickoff in Cebu City with the discussion focused on the importance of collaboration in improving tax compliance.

2024 Corporate Governance Report

Governance that Transforms

As the Aboitiz Group approaches the culmination of its Great Transformation journey in 2025, both AEV and AboitizPower have made significant strides in strengthening their governance structures to support the evolving needs of a modern, forward-looking organization. At the heart of this transformation is AEV's strategic shift into an active portfolio manager—an approach that empowers the Group to optimize business performance, create synergies, and unlock long-term value across its diverse investments.

Guided by the ambition to become the Philippines' first techglomerate, the Group continues to embrace innovation, enhance digital capabilities, and promote collaboration across its business units. These efforts are anchored in strong governance principles that ensure accountability, transparency, and alignment with the Group's vision of driving meaningful impact for all stakeholders—communities, customers, partners, and employees alike.

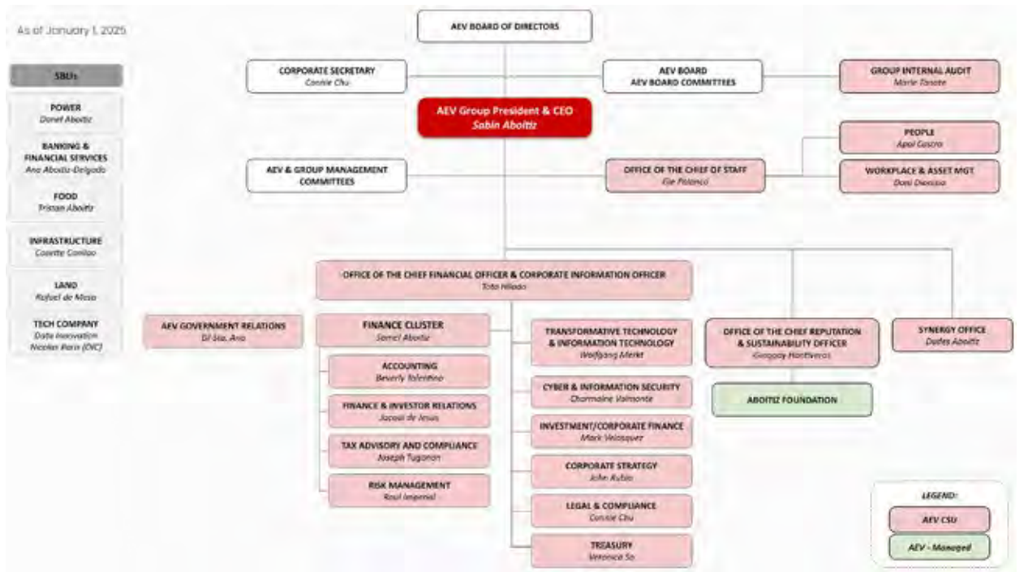
Robust corporate governance remains the foundation upon which the Group builds its strategy and performance. Through deliberate oversight, structured decision-making, and a deep commitment to ethical leadership, the Boards of AEV and AboitizPower continue to steer their companies toward transformation, resilience, and sustainable growth.

At the forefront of this transformation are the Board of Directors of AEV and AboitizPower. Their steadfast dedication to principled governance ensures the Group remains agile, resilient, and prepared for the future. Through strong ethical leadership, clear oversight, and a commitment to transparency, the Board provides the strategic guidance needed to navigate uncertainty, capitalize on new opportunities, and sustain long-term value creation for all stakeholders.

Aboitiz Governance Framework

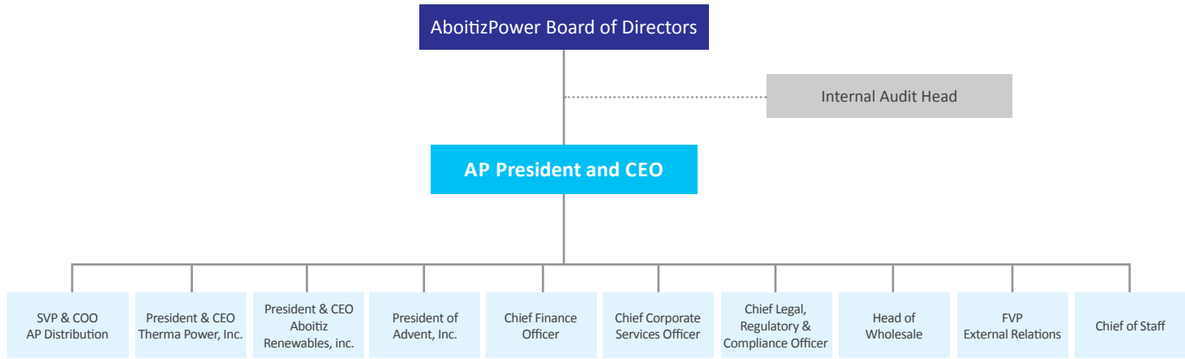
Our corporate governance framework, which is deeply rooted in the Aboitiz core values of Integrity, Teamwork, Innovation, and Responsibility, has been institutionalized in the respective AEV and AboitizPower Corporate Governance Manuals (Manual), Codes of Ethics and Business Conduct (Code of Ethics), and related governance policies and protocols.

AEV Governance Organization



AboitizPower Governance Structure

As of January 2025



Aboitiz High Impact Governance

Governance at Aboitiz is strengthened by the synergistic partnership between the highly skilled and diverse Boards and Board Committees of AEV and AboitizPower. This collaboration is reinforced by capable and responsible management teams, as well as empowered team members. In the face of a rapidly changing business landscape, this collaborative governance model equips Aboitiz with the adaptability to navigate challenges and pursue strategic growth directions.

Aboitiz High Impact Governance - 3 Program Components

Agile Board

- A Board that has the right size, committee structure, and profile that is aligned with the operational requirements and the growth aspirations of the Group,
- A Board that has the right mix of Technical and Behavioral Competencies and are exposed to the business.

Engaged Board

- A Board that has a productive working relationship amongst each other and with management.
- A Board that is FAMILIAR not only with the Company's mission, vision, and culture, but also IMMERSED in businesses, operations, initiatives of the Company through collaborations within and outside the confines of the Board room.

Supported Board

- A Board that is SUPPORTED by processes and protocols that facilitate the effective discharge of its functions, so that the directors can focus on governing, rather than administrative details.

BOARD OF DIRECTORS

The Boards of AEV and AboitizPower play a pivotal role in shaping and evaluating the purpose, vision, mission, and strategies of each company, ensuring a comprehensive understanding and effective execution of their respective goals. This oversight guarantees that the strategic direction of each business is not only well-defined and properly managed but also aligned with the overarching strategic objectives of the Aboitiz Group. Functioning independently from day-to-day management, both AEV and AboitizPower Boards are dedicated to providing each company with a strategic roadmap for a modern and transformative future. This commitment is manifested through a focus on high-potential growth initiatives, fostering a renewed entrepreneurial mindset, and continuous investment in the development of team members within an enabling and inclusive work environment. This proactive approach reflects the Boards' dedication to steering their companies towards innovation, growth, and sustainable success.

Board of Directors at a Glance
(as of December 31, 2024)

	AEV	AboitizPower
Chairman	Enrique M. Aboitiz (Non-Executive Director)	Sabin M. Aboitiz (Non-Executive Director)
Vice Chairman	Mikel A. Aboitiz (Non-Executive Director)	Eric Ramon O. Recto (Independent Director)
Lead Independent Director	Cesar G. Romero	Eric Ramon O. Recto
Composition	• Seats: 9 • Non-Executive Directors: 5 • Executive Directors: 1 • Independent Directors: 3	• Seats: 9 • Non-Executive Directors: 5 • Executive Directors: 2 • Independent Directors: 2
Term of Office	One Year	One Year
Board Committees	• Audit Committee • Sustainability, Governance, and Related Party Transactions Committee • Risk and Reputation Management Committee • Cyber and Information Security Committee • Executive Committee	• Audit Committee • Environmental, Social, and Corporate Governance Committee • Risk and Reputation Management Committee • Related Party Transactions Committee • Cyber and Information Security Committee • Executive Committee
Age Profile	• Average: 64 years old • Youngest: 44 years old • Eldest: 74 years old	• Average: 59 years old • Youngest: 43 years old • Eldest: 68 years old
Tenure Profile	• Average: 12 years • Lowest: 1 year • Highest: 30 years • Independent Directors with more than 9 years tenure: None	• Average: 3 years • Lowest: 8 months • Highest: 6 years • Independent Directors with more than 9 years tenure: None
Gender Profile	• Male: 7 • Female: 2	• Male: 9 • Female: 0
Shareholdings	• Directors owning 5% or more: None • Independent Directors owning 2% or more: None	• Directors owning 5% or more: None • Independent Directors owning 2% or more: None
Limit on Directorships in other PLCs	Five publicly-listed companies	Five publicly-listed companies
Quorum Requirement	Two-thirds of the members of the Board	Majority of the members of the Board
Voting Requirement	At least two-thirds of the quorum	At least a majority of the quorum
Attendance Requirement	75%	50%

Summary of Changes in the AEV and AboitizPower Boards

	Resignation	Election / Appointments	Did not Seek Re-election
AEV	-	-	-
AboitizPower	**Emmanuel V. Rubio** (June 30, 2024)	**Antonio A. Canova** (July 1, 2024) **Erramon I. Aboitiz** (April 22, 2024)	**Luis Miguel O. Aboitiz** (April 22, 2024)

In 2024, the members of the AEV and AboitizPower Boards of Directors were the following:

Aboitiz Equity Ventures

ENRIQUE M. ABOITIZ
Chairman – Board of Directors
Non-Executive Director

Age: 71 years old
Citizenship: Filipino
Date of First Appointment: May 10, 1999
Tenure: 25 years

Board and Committee Memberships and % Attendance Record in 2024:
(C) BOD (83%)
(M) ExCom (n.a)
(M) SGRPT (100%)
(M) Cyber (100%)

Directorships in Other Listed Companies Outside the Aboitiz Group: None

Educational and Professional Background:
- Bachelor of Science in Business Administration, Major in Economics Gonzaga University, Spokane Washington, U.S.A.

MIKEL A. ABOITIZ
Vice Chairman of the Board
Non-Executive Director

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

Board and Committee Memberships and % Attendance Record in 2024:
(VC) BOD (89%)
(M) ExCom (n.a)

Directorships in Other Listed Companies Outside the Aboitiz Group: None

Educational and Professional Background:
- Bachelor of Science in Business Administration, Gonzaga University Spokane, Washington, U.S.A.

ERRAMON I. ABOITIZ
Non-Executive Director

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

Board and Committee Memberships and % Attendance Record in 2024:
(M) BOD (100%)
(C) Risk (100%)
(M) ExCom (n.a)
(M) AudCom (100%)
(M) Cyber (100%)

Directorships in Other Listed Companies Outside the Aboitiz Group: None

Educational and Professional Background:
- Bachelor of Science in Business Administration, Major in Accounting and Finance, 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)

SABIN M. ABOITIZ
President and Chief Executive Officer
Executive Director

Age: 60 years old
Citizenship: Filipino
Date of First Appointment: May 21, 2018
Tenure: 6 years

Board and Committee Memberships and % Attendance Record in 2024:
(M) BOD (100%)
(C) ExCom (n.a)
(M) ESCG (100%)
(M) Risk (67%)

Directorships in Other Listed Companies Outside the Aboitiz Group: None

Educational and Professional Background:
- Bachelor of Science in Business Administration, Major in Finance Gonzaga University, Spokane, U.S.A.

ANA MARIA A. DELGADO
Non-Executive Director

Age: 44 years old
Citizenship: Filipino
Date of First Appointment: December 11, 2018
Tenure: 6 years

Board and Committee Memberships and % Attendance Record in 2024:
(M) BOD (94%)
(M) Audit (75%)

Directorships in Other Listed Companies Outside the Aboitiz Group: None

Educational and Professional Background:
- Bachelor of Arts in Art History/Painting from Boston College
- Master's Degree in Business Administration, New York University Stern School of Business

JUSTO A. ORTIZ
Non-Executive Director

Age: 67 years old
Citizenship: Filipino
Date of First Appointment: May 9, 1994
Tenure: 27 years (1994 -2017, 2021 - 2023)

Board and Committee Memberships and % Attendance Record in 2024:
(M) BOD (100%)
(C) Cyber (100%)
(M) ExCom (n.a)

Directorships in Other Listed Companies Outside the Aboitiz Group: None

Educational and Professional Background:
- Member of the Claustro de Profesores and Doctor of Humanities Degree (honoris causa), University of Santo Tomas
- Economics Honors Program (magna cum laude), Ateneo de Manila University

CESAR G. ROMERO
Lead Independent Director

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

Board and Committee Memberships and % Attendance Record in 2024:
(M) BOD (100%)
(C) AudCom (100%)
(M) SGRPT (100%)
(M) Risk (100%)

Directorships in Other Listed Companies Outside the Aboitiz Group:
- Robinsons Retail Holdings, Inc.

Educational and Professional Background:
- Bachelor of Science in Mechanical Engineering (cum laude) , University of the Philippines Diliman
- Master's Degree in Business Administration (with High Distinction) University of Michigan, U.S.A.
- Various Management Development Courses in London Business School and Wharton Business School, U.S.A.

JOANNE G. DE ASIS
Independent Director

Age: 74 years old
Citizenship: Filipino
Date of First Appointment: April 26, 2021
Tenure: 3 years

Board and Committee Memberships and % Attendance Record in 2024:
(M) BOD (94%)
(C) SGRPT (83%)
(M) AudCom (100%)
(M) Risk (100%)
(M) Cyber (100%)

Directorships in Other Listed Companies Outside the Aboitiz Group:
- Easycall Communications Philippines, Inc.

Educational and Professional Background:
- Bachelor of Arts, Major in Communication Arts, Maryknoll College
- Master of Business AdministrationColumbia University, New York, U.S.A.
- Executive Management Program, Stanford University, Palo Alto, California U.S.A.

PETER D. MAQUERA
Independent Director

Age: 62 years old
Citizenship: Filipino
Date of First Appointment: October 26, 2023
Tenure: 1 year

Board and Committee Memberships and % Attendance Record in 2024:
(M) BOD (94%)
(M) Cyber (100%)
(M) AudCom (100%)
(M) SGRPT (100%)
(M) Risk (100%)

Directorships in Other Listed Companies Outside the Aboitiz Group: None

Educational and Professional Background:
- Bachelor of Science in EngineeringUniversity of Southern California, U.S.A.
- Master's Degree in Business Administration, University of Southern California, U.S.A.

AboitizPower

SABIN M. ABOITIZ Chairman of the Board Age: 60 years old Citizenship: Filipino Date of First Appointment: April 26, 2021 Tenure: 3 years Board and Committee Memberships and % Attendance Record in 2024: (C) BOD (100%) (C) Risk (75%) (M) ESCG (100%) (M) ExCom (n.a) (M) Cyber (100%) Directorships in Other Listed Companies Outside the Aboitiz Group: None Educational and Professional Background: • Business Administration, Major in Finance, Gonzaga University, SpokaneWashington, U.S.A.	**ERIC RAMON O. RECTO** Vice Chairman of the Board / Independent Director Age: 61 years old Citizenship: Filipino Date of First Appointment: May 21, 2018 Tenure: 6 years Board and Committee Memberships and % Attendance Record in 2024: ((VC) BOD (100%) (M) ESCG (100%) (C) Audit (100%) (M) Risk (100%) (C) RPT (100%) (C) Cyber (100%) Directorships in Other Listed Companies Outside the Aboitiz Group: • Philippine Bank of Communications • Atok-Big Wedge Co., Inc. • DITO CME Holdings Corp. • PH Resorts Group Holdings, Inc. • Manila Water Company, Inc. • PXP Energy Corporation Educational and Professional Background: • Bachelor of Science in Industrial Engineering, University of the Philippines Diliman • Masters in Business Administration, with concentration in Finance and Operation Management, Johnson Graduate School of Management, Cornell University Ithaca, New York, U.S.A.	**ERRAMON I. ABOITIZ** Non-Executive Director Age: 68 years old Citizenship: Filipino Date of First Appointment: February 13, 1998 Tenure: 10 months* Board and Committee Memberships and % Attendance Record in 2024: (M) BOD (90%) (M) Audit (100%) (M) ExCom (n.a.) Directorships in Other Listed Companies Outside the Aboitiz Group: None Educational and Professional Background: • Bachelor of Science in Business Administration, Major in Accounting and Finance, 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)
TOSHIRO KUDAMA Non-Executive Director Age: 66 years old Citizenship: Japanese Date of First Appointment: December 22, 2022 Tenure: 3 years Board and Committee Memberships and % Attendance Record in 2024: (M) BOD (100%) (M) Risk (100%) (M) ExCom (n.a.) (M) RPT (100%) Directorships in Other Listed Companies in the Philippines Outside the Aboitiz Group: None Educational and Professional Background: • Bachelor's Degree in Mechanical Engineering, Tokyo Institute of Technology, Tokyo, Japan • Master's Degree in Mechanical Engineering, Graduate School of Tokyo Institute of Technology, Tokyo, Japan	**EDWIN R. BAUTISTA** Director Age: 63 years old Citizenship: Filipino Date of First Appointment: April 26, 2021 Tenure: 2 years Board and Committee Memberships and % Attendance Record in 2024: (M) BOD (100%) (M) ESCG (100%) (M) Audit (100%) Directorships in Other Listed Companies Outside the Aboitiz Group: None Educational and Professional Background: • Bachelor of Science in Mechanical Engineering, De La Salle University, Manila • Advanced Management ProgramHarvard Business School in Massachusetts, U.S.A.	**DANEL C. ABOITIZ** Director Age: 43 years old Citizenship: Filipino Date of First Appointment: December 11, 2018 Tenure: 6 years Board and Committee Memberships and % Attendance Record in 2024: (M) BOD (100%) (C) ExCom (n.a.) (M) ESCG (100%) (M) Risk (100%) (M) Cyber (100%) (O) RPT (100%) Directorships in Other Listed Companies Outside the Aboitiz Group: None Educational and Professional Background: • MA, Philosophy & Politics (with Second Honors), University of Edinburgh, Scotland • Beijing Language and Culture University, Chinese Language, Beijing, China
CESAR G. ROMERO Independent Director Age: 59 years old Citizenship: Filipino Date of First Appointment: October 1, 2022 Tenure: 2 year Board and Committee Memberships and % Attendance Record in 2024: (ID) BOD (100%) (C) ESCG (100%) (M) Audit (100%) (M) Risk (100%) (M) RPT (100%) (M) Cyber (100%) Directorships in Other Listed Companies Outside the Aboitiz Group: • Robinsons Retail Holdings, Inc. Educational and Professional Background: • Bachelor of Science in Mechanical Engineering *(cum laude)* , University of the Philippines Diliman • Master's Degree in Business Administration (with High Distinction)University of Michigan, Michigan, U.S.A. • Various Management Development Courses in London Business School and Wharton Business School, U.S.A.	**ANTONIO A. CANOVA** Non-Executive Director Age: 63 years old Citizenship: Filipino Date of First Appointment: July 1, 2024 Tenure: 8 months Board and Committee Memberships and % Attendance Record in 2024: (M) BOD (100%) (C) Audit (100%) (M) ExCom (n.a) Directorships in Other Listed Companies Outside the Aboitiz Group: None Educational and Professional Background: • Bachelor of Science in Accounting Santa Clara University, USA	**IZUMI KAI** Director Age: 50 years old Citizenship: Japanese Date of First Appointment: August 15, 2023 Tenure: 1 year 8 months Board and Committee Memberships and % Attendance Record in 2023: (M) BOD (100%) (C) Audit (100%) (C) ESCG (100%) (M) Cyber (100%) Educational and Professional Background: • Bachelor of Engineering, Ritsumeikan University, Japan • Master's Degree in Business Administration in Global Management, major in Finance, Arizona State University, Arizona, U.S.A.

**From Mr. Erramon I. Aboitiz's re-appointment as Director of AboitizPower, effective April 22, 2024.*

Board Performance

In 2024, the members of the AEV and AboitizPower Boards conducted the following performance reviews and assessments:

Type of Assessment	Respondents and Scope	Criteria
1. Director Self-Assessment Completed: AEV - October 2024 AboitizPower - February 2024	**Respondents:** Members of the Board **Scope:** Individual and the collective performance of members of the Board and Board committees	(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 Manuals, Charters, Amended Articles, and Amended By-Laws
2. Key Officers Evaluation Completed: AEV - October 2024 AboitizPower - November 2024	**Respondents:** Members of the Board **Scope:** Chairman, Chief Executive Officer, Internal Audit Head, Risk Officer, Corporate Secretary, and Compliance Officer	
3. Director Evaluation Completed: AEV - October 2024	**Respondents:** Executive Officers **Scope:** 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
4. Board and Committee Charter Assessment Completed: AEV - December 2024 AboitizPower - November 2024	**Respondents:** Board and Committee Members	(1) membership and composition, (2) duties and responsibilities, (3) conduct of meetings, (4) support and resources

The Corporate Governance Code and the Revised Manuals require 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 December 12, 2023. AboitizPower complied with this requirement in 2023 with the engagement of the Institute of Corporate Directors ("ICD"), a non-stock, not-for-profit national association of corporate directors and other stakeholders engaged in corporate governance to support its Board performance assessment exercise.

Board Independence

At AEV, the Sustainability, Governance, and Related Party Transactions (SGRPT) Committee, and at AboitizPower, the Environmental, Social, and Corporate Governance (ESCG) Committee, are instrumental in strengthening the corporate governance frameworks of their respective organizations. Operating in accordance with their approved Committee Charters and Corporate Governance Manuals, both bodies help ensure that the Boards function with independence and integrity. They do so by setting clear standards and policies related to the nomination, selection, performance, and ethical conduct of directors—reinforcing the principles that uphold effective and responsible Board leadership.

In 2024, the AEV and AboitizPower Boards were composed of a majority of Non-Executive Directors and Independent Directors. AEV has three qualified Independent Directors and five Non-Executive Directors out of its nine Board members. Meanwhile, AboitizPower has two qualified Independent Directors and five Non-Executive Directors out of its nine Board members. In addition, both Boards appointed a Lead Independent Director who serves as an intermediary between the Chairman and the other Directors whenever necessary. In 2024, AEV

and AboitizPower had no Independent Directors who served for more than nine years. AEV and AboitizPower, when needed, use professional search firms to recommend potential nominees.

Board Diversity Policy

The Board diversity policies of AEV and AboitizPower advocate for the selection of a diverse set of highly skilled Directors and Officers. These individuals bring to the table extensive knowledge and experience in the core industries relevant to the operations of the Group. The selection process prioritizes several factors, including a diverse range of business experiences, behavioral and technical competencies, varied backgrounds, age, and gender.

Both Boards are composed of professionals from diverse fields, including legal and finance experts, engineers, former or current CEOs/COOs, auditors, and accountants. Their collective expertise reflects not only a wealth of industry-specific knowledge but also a broad spectrum of perspectives. Many members of the Boards have substantial management experience in both private and government sectors, as well as in multilateral agencies, thereby contributing to a well-rounded and adaptive leadership.

By embracing such diversity, AEV and AboitizPower recognize the inherent strength in bringing together individuals with varied skill sets and perspectives. This approach not only enhances the Boards' decision-making processes but also reinforces their ability to navigate the complexities of the ever-evolving business landscape. The commitment to diversity extends beyond a mere acknowledgment of differences; it is a strategic imperative that ensures the Boards are equipped to meet the multifaceted challenges and opportunities of the industries they operate in.

In terms of gender, AEV currently has two female members in the Board of Directors.

Director Development Program – Aboitiz Board Learning Sessions and Virtual Asset Tours:

AEV and AboitizPower place a premium on the proactive engagement of their Directors with current industry dynamics and business trends to bolster the Group's competitiveness. Equally vital is the assurance that all Directors have a clear understanding of their duties and responsibilities, supported by the necessary information to effectively fulfill their functions.

To this end, the AEV and AboitizPower Manuals require every director to undergo an initial onboarding session upon first appointment to the Board, and to commit to a continuing professional training program (formal and informal) to ensure that Directors remain abreast of the latest developments in internal policies, pertinent laws and regulations, and the diverse business risks relevant to the Group's operations. Taking a hands-on approach, the Chairmen of both Boards, in collaboration with their respective Compliance Officers, actively oversee the compliance of Directors and Key Officers with these requirements. This collaborative effort reinforces a commitment to continuous learning and professional development, positioning AEV and AboitizPower's leadership to navigate the complexities of the business landscape with acumen and foresight.

In 2024, AEV continued to organize its "Aboitiz Board Learning Sessions" and "Board Consultation Sessions", a series of online seminars and consultation sessions with renowned experts across the globe. These sessions were intended to provide the Directors and Officers with current industry developments, business trends, and corporate governance practices. These aim to promote the Group's competitive advantage, build on the techglomerate premium, and address any identified skill or competency gaps. These sessions were attended by the Directors and Officers of the various strategic business units, including AboitizPower.

AEV organized 10 Board Learning Sessions and three Consultation Sessions. Some of these sessions were accredited by the Securities & Exchange Commission (SEC) in compliance with the four-hour mandatory corporate governance seminars for Directors and Officers of publicly listed companies. In 2024, all the Directors and Officers of AEV and AboitizPower were able to comply with the SEC's mandatory annual corporate governance seminar.

2024 Director Development Program

	Board Learning Sessions	Board Consultation Session
February	**Essentialism: The Disciplined Pursuit of Less** Mr. Greg McKeown February 22, 2024	
March	**Singularity is Near** Mr. Ray Kurzweil March 26, 2024	
April	**Chaos Machine: The Inside Story of How Social Media Rewired our Minds and Our World** Mr. Max Fisher April 16, 2024	
May	**Evolution of Consciousness and Societal Structure** Mr. Ken Wilber May 30, 2024	
July	**AI Capitalist*** Mr. Scott Galloway July 18, 2024	**2024 Top Risks** Mr. Ian Bremmer July 3, 2024
	Conscious Business* Mr. Fred Kofman July 25, 2024	
September	**The Hundred-Year Marathon: China's Secret Strategy to Replace America as the Global Superpower*** Mr. Michael Pillsbury September 26, 2024	**Updates on Geopolitics** Ms. Beth Sanner September 25, 2024
October	**Cybersecurity Incident Materiality: Cases and Issues from Investors to Customers Transition** Mr. Bob Zukis October 8, 2024	
	Cyber Crisis - Protecting Your Business From Real Threats in the Virtual World* Mr. Eric Cole October 22, 2024	
November	**Technology and Artificial Intelligence*** Mr. Mo Gawdat November 25, 2024	
December		**Global Natural Resources Updates** Mr. Adam Rozencwajg December 17, 2024

**These trainings were accredited by the SEC as compliance with the annual four-hour mandatory corporate governance seminar for Directors and Officers of publicly-listed companies.*

Director Compensation

The SGRPT Committee of AEV and the ESCG Committee of AboitizPower play a vital role in ensuring that the remuneration of Directors and Key Executives aligns with the Group's culture, strategic direction, and business policies. Anchored in the Aboitiz Compensation Philosophy, these Committees consider a range of factors—including individual and company performance, market competitiveness, and inflationary trends—to design compensation structures that attract, retain, and motivate top talent essential to the Group's continued success.

Each year, the findings of a comprehensive compensation study are transparently reviewed, discussed, and approved during the first meetings of the respective Committees. This deliberate and collaborative process reflects the Group's strong commitment to fairness, meritocracy, and long-term value creation. By upholding these principles, the SGRPT and ESCG Committees help cultivate a high-performance culture that recognizes excellence and reinforces the Group's commitment to sustainable leadership. The Directors of AEV and AboitizPower are not involved in the discussion of their respective compensation.

In 2024, the Directors of AEV and AboitizPower were entitled to the following compensation:

Remuneration	Type of Meeting	Directors / Committee Members	Chairman of the Board / Committee Chairman
Per Diem for Every Meeting Attended	Board Meeting	₱150,000.00	₱225,000.00
	Board Committee Meeting (except Audit Committee)	₱100,000.00	₱150,000.00
	Audit Committee	₱100,000.00	₱200,000.00
		Directors	**Chairman of the Board**
Monthly Allowance		₱150,000.00	₱200,000.00

In compliance with Section 29 of the Revised Corporation Code, the total compensation of each of the Company's Directors as of December 31, 2023 were as follows:

AEV Directors	Total Compensation Received as a Director
ENRIQUE M. ABOITIZ Chairman of the Board	₱5,725,000.00
MIKEL A. ABOITIZ Vice Chairman of the Board	₱4,075,000.00
ERRAMON I. ABOITIZ Director	₱6,650,000.00
SABIN M. ABOITIZ* President and Chief Executive Officer	₱5,325,000.00
ANA MARIA A. DELGADO* Director	₱4,200,000.00
JUSTO A. ORTIZ* Director	₱5,550,000.00
CESAR G. ROMERO Independent Director	₱5,950,000.00
JOANNE G. DE ASIS Independent Director	₱5,750,000.00
PETER D. MAQUERA Independent Director	₱5,700,000.00

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

AboitizPower Directors	Total Compensation Received as a Director
SABIN M. ABOITIZ* Chairman of the Board of Directors	₱3,975,000.00
ERIC RAMON O. RECTO Vice Chairman/ Lead Independent Director	₱7,400,000.00
CESAR G. ROMERO Independent Director	₱6,450,000.00
LUIS MIGUEL O. ABOITIZ** Director	₱1,950,000.00
ERRAMON I. ABOITIZ*** Director	₱2,850,000.00
EMMANUEL V. RUBIO**** Former Director and President and Chief Executive Officer	₱1,150,000.00
ANTONIO A. CANOVA***** Director	₱2,300,000.00
EDWIN R. BAUTISTA****** Director	₱4,350,000.00
DANEL C. ABOITIZ* Director/Chief Commercial and Stakeholder Engagement Officer	₱2,800,000.00
TOSHIRO KUDAMA**** Director	₱4,550,000.00
IZUMI KAI** Director	₱4,550,000.00

** A portion of the director's compensation was paid to ACO.*
*** Served as director until April 22, 2024.*
****Appointed as director effective April 22, 2024.*
***** Retired on June 30, 2024.*
****** Appointed as Director on July 1, 2024.*
******* Resigned as director effective March 26, 2025.*

BOARD COMMITTEES

The various AEV Board Committees - Audit, 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. Each Committee operates under clearly defined mandates and regularly reports to the full Board, providing in-depth reviews, recommendations, and updates on critical areas of governance and operations. Through this structure, the Board is equipped to maintain effective oversight across key domains such as financial integrity, regulatory compliance, sustainability, stakeholder engagement, risk management, information security, and overall corporate reputation. This multi-committee framework enhances the Board's ability to make well-informed decisions, ensuring that AEV remains agile, resilient, and aligned with its long-term strategic goals.

The mandate of each AEV Board Committee, including key accomplishments in 2024, are described below:

A. The **Sustainability, Governance, and Related Party Transactions** (SGRPT) Committee of AEV plays a pivotal role in spearheading the creation of a robust governance mechanism. It is a mechanism specifically designed to champion sustainability practices, encompassing responsible environmental stewardship, meaningful social development, and the implementation of sound corporate governance principles. 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

Environmental and Social	• Updated the OneNewAboitiz Sustainability Playbook and monitored the progress of the Group-wide ESG Materiality Re-assessment. • Completed the prefeasibility stage of the Aboitiz CarbonPH Project • Ensured that the company's ESG programs were implemented. • Continued to monitor the implementation of the Group's 10-year Aboitiz ESG Roadmap.
Compliance	• Reviewed and monitored AEV's compliance with new laws and regulations • Reviewed and monitored the status of whistleblowing reports.
Corporate Governance	• 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.
Audit Charters	• Ensured that the nomination, selection, election, remuneration, and assessment of AEV and AboitizPower Directors and Officers are aligned with the Revised Manuals • 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 • Reviewed the qualifications of all persons nominated to appointed positions by the Board • Reviewed and approved the 2024 Group-wide merit increase guidelines
Completion of RPT Certification	• 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 • Monitored the compliance of AEV with BIR's reportorial requirements and SEC requirements
Fairness of RPTs	• 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

The **Board Environmental, Social,** and **Corporate Governance Committee** of AboitizPower is responsible for ensuring the establishment of a governance mechanism that promotes sustainability practices through proper environmental stewardship, social development, and sound corporate governance. The ESCG Committees also perform the functions of the Nomination and Remuneration Committees. In carrying out their duties and responsibilities, the ESCG Committee is supported by the company's Compliance Officer, Chief External Relations Officer, as well as the Group Chief Human Resources Officer. These officers regularly attend committee meetings to act as resource persons. The chairmen of the ESCG Committees are the Lead Independent Directors.

Key Areas of Focus in 2024 (AboitizPower)

Environmental and Social	• Approved the Company's ESG Roadmap and Sustainability Ambition. • Monitored the progress of the ongoing ESG Activities.
Compliance	• Reviewed and monitored the AboitizPower's compliance with new laws and regulations. • Ensured that the nomination, selection, remuneration, and assessment of each company's directors and officers are aligned with the Manuals.
Corporate Governance	• Reviewed and endorsed for Board approval the proposed amendments to • the ESCG Committee's Charter to clarify the committee's role as the primary advisory and exploratory body that endorses to the Board of the Directors general strategies with respect to material, current, and emerging ESG and other similar matters that affect the Company. • Reviewed and monitored the status of whistleblowing reports.
Nomination and Compensation	• Approved the final list of nominees for directors for election after reviewing all the qualifications and none of the disqualifications as provided in the By-Laws, Revised Manuals, and other relevant SEC rules. • Reviewed the qualifications of all persons nominated to appointed positions by the Board. • Reviewed the Group's merit increase guidelines.

The **Board Related Party Transaction Committee** of AboitizPower represents the Board in discharging its responsibility to ensure that related party transactions are taken on an arms' length basis and within market rates, with sufficient documentation, and coursed through all appropriate and necessary levels of approval.

Key Areas of Focus in 2024 (AboitizPower)

Governance	• Reviewed and endorsed for Board approval the proposed amendments to the Board RPT Committee Charter to align with the amended Board Protocols on the deadlines for submission of materials.
RPT Policy and Committee Charter	• Conducted the annual review of AboitizPower's RPT Policies to further strengthen the process of reviewing, reporting, and (if necessary) approving RPTs, particularly those falling below the SEC-defined materiality threshold.
Completion of RPT Certification	• Monitored the compliance of AboitizPower with the reportorial requirements of the BIR.
Fairness of RPTs	• Continued to ensure that RPTs are taken on an arm's-length basis and within market rates, with sufficient documentation, and coursed through the appropriate levels of approval.

B. The **Board Audit Committees** serve 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.

Key Areas of Focus in 2024 (AEV)

Financial Reports	• Reviewed, discussed, and approved for public disclosure the quarterly unaudited consolidated financial statements in 2024 • Endorsed for approval by the full Board the 2023 annual audited financial statements of AEV, its Subsidiaries and Affiliates.
External Auditors	• Reviewed the performance of SGV as AEV's external auditor. • Endorsed to the Board the appointment of SGV as AEV's External Auditor for 2024. • Reviewed and approved the overall scope and audit plan of SGV. • Reviewed and approved the audit plan, fees, and terms of engagement, which covers audit and non-audit services provided by SGV.
Internal Auditors	• Reviewed and approved the annual audit program for 2024 which also covers the adequacy of resources, qualifications and competency of the staff, and independence of the internal auditor • Confirmed that the internal audit function is executed effectively and internal auditors have conducted their responsibilities objectively and in an unbiased manner
Audit Charters	• Updated the Board Audit Committee and Internal Audit Charters to improve on each of the company's control performance by having an adequate and effective internal control system

Key Areas of Focus in 2024 (AboitizPower)

Governance	• Reviewed and endorsed for Board approval the proposed amendments to the Board Audit Committee Charter to reflect necessary changes to the composition of the committee and to align with the amended Board Protocol.
Financial Reports	• Reviewed, discussed, and approved for public disclosure the 2024 quarterly unaudited consolidated financial statements. • Endorsed for approval by the full Board the 2023 annual audited financial statements of AboitizPower, its subsidiaries and affiliate.
External Auditors	• Reviewed the performance of SGV as AboitizPower's external auditor. • Endorsed to the Board the appointment of SGV as AboitizPower's External Auditor for 2024. • Reviewed and approved the overall scope and audit plan of SGV. • Reviewed and approved the audit plan, fees and terms of engagement which cover audit and non-audit services provided by SGV.
Internal Auditors	• Reviewed and approved the annual audit program for 2024 which also covers the adequacy of resources, qualifications and competency of the staff and independence of the internal auditor. • Reviewed the Internal Auditor's evaluation of internal controls. • Reviewed sample CAPEX transactions to help ensure process integrity and promote continuous improvement. • Confirmed that the internal audit function is executed effectively and internal auditors have conducted their responsibilities objectively and in an unbiased manner.

Sufficiency of Internal Control and Compliance System

The AEV and AboitizPower Audit Committees assist their respective Boards in fulfilling oversight responsibilities over their company's system of internal controls. They are responsible for monitoring, overseeing, and evaluating the duties and responsibilities of management, the internal audit activity, and the external auditors as those duties and responsibilities relate to the organization's processes for controlling its operations. In 2024, the President and Chief Executive Officer, and Internal Audit Head attested to the sufficiency of the internal control and compliance system of AboitizPower. On the other hand, the President and Chief Executive Officer, the Internal Audit Head, and the Chief Compliance Officer attested to the sufficiency of the internal control and compliance system of AEV.

Audit and Non-Audit Fees

In 2024, AEV and AboitizPower reappointed accounting firm SyCip Gorres Velayo & Co. (SGV) as their respective independent external auditor. Ms. Jhoanna Feliza C. Go is the current audit partner on her second year after replacing Maria Veronica Andresa R. Pore in 2022. The Board Audit Committee reviews the performance of its external auditors. As a policy, the Board Audit Committees recommend to their respective Boards the choice of external auditor for the year. The committees also review the extent, nature, and fees for the services to be provided to ensure that the independence of the external auditors is preserved.

The following table sets out the aggregate fees paid by AEV and AboitizPower for professional fees rendered by SGV:

Fee Type (as of December 31, 2024)	AEV	AboitizPower
Audit and Audit Related Fees		
Audit Fees	₱625,000.00	₱1,193,500.00
Audit-Related Fees	₱3,457,500.00	₱6,000,000.00
Sub Total	***₱4,082,500.00***	***₱7,193,500.00***
Non-Audit Service Fees		
Other Assurance Fees	₱3,307,500.00	-
Consultancy Fees (Non-Audit)	₱2,240,870.00	₱102,000.00
Sub Total	***₱5,548,370.00***	***₱102,000.00***
Total Audit and Non-Audit Fees	**₱9,630,870.00**	**₱7,295,500.00**

The **Risk and Reputation Management Committees** exercise oversight functions over each company's enterprise risk management and reputation management, including their respective corporate brands and communication strategies. The committees ensure the establishment and maintenance of a robust risk management framework and the requisite supporting governance mechanism within their respective companies. In 2024, the Risk and Reputation Management Committee of AEV was composed of all the three Independent Directors, one Executive Director, and one Non-Executive Director who also acted as the Chairman of the Committee. The Chairman of the Risk and Reputation Management Committee of AEV is not the Chairman of the Board or any other Board Committees. Meanwhile, the Risk and Reputation Management Committee of AboitizPower was composed of the two Independent Directors, one Executive Director, and three Non-Executive Directors, including the Chairman who is also the Chairman of the Board.

Key Areas of Focus in 2024 (AEV)

Governance	• Reviewed and updated the Board Risk and Reputation Committee Charter
Enterprise Risk Management	• Reviewed and discussed AEV's Mid Year and Year-End Top Risks Report where regulatory and cyber risks, respectively, took the top spot. • Introduced portfolio risk and implementation risk as among the new top risks of AEV as it takes on a more active portfolio and investment management role
Business Continuity	• Updated the Business Continuity Policy to reflect the minimum guardrails for Strategic Business Units (SBUs) in light of the Group's federalization • Monitored Business Continuity Plan Testing of Aboitiz businesses
Risk Finance	• Reviewed the proposed structure and utilization of AEV's captive insurance vehicle.
Reputation	• Updated the committee on the annual reputation management plans, and results of the company's brand and reputation surveys. • Discussed the Reputation Strategy & ESG Synergy framework

Key Areas of Focus in 2024 (AboitizPower)

Governance	• Continued alignment of the top-down approach through the key portfolio risks to strategic risk identification, where risks are identified at the 1AP Management Committee level, and the bottom-up approach of risks identified from the AboitizPower business and corporate service units. • Operationalized setting the risk appetite and risk tolerance (key risk indicators) for key portfolio risks through consultation with the Management Committee and Board Committee members. • Reviewed and endorsed for Board approval the proposed amendments to the Board Risk and Reputation Committee Charter to reflect necessary changes to the committee's composition and to align with the amended Board Protocol.
Risk Planning	• Regularized the "Risk in Focus" segment in the agenda to discuss strategically relevant key portfolio risks with inputs from the subject matter and industry experts. • Regularized Learning Sessions segment in the agenda to reinforce board learning of key and foundational risk management concepts and practices. • Invited a resource speaker to provide the Committee information on the latest currency risks from global key markets, and its possible effects and risks to AP from an outside perspective. • Reviewed and discussed AboitizPower Group's Mid-Year and Year-End Top Risks report where project risks and country concentration risks, respectively, took the top spot.
Risk Finance	• Shared best practices and key strategic initiatives with the other SBUs of the Aboitiz Group which were instrumental to the achievement of the annual insurance cost of AboitizPower. • Incorporated AboitizPower's own insurance captive to retain underwriting profit and drive risk management across the entire Group.
Reputation	• Discussed results of AboitizPower's Reputation ID Score and PR Value for the year 2024 including the key activities that led to the changes of both figures.

The **Board Cyber and Information and Security Committees** assist the AEV and AboitizPower Boards in providing the strategic direction, ensuring the establishment of the company's system of governance (processes, policies, controls and management) on all matters relating to information security and cybersecurity. In 2024, the AEV Cyber Committee was composed of two Independent Directors and two Non-Executive Directors, including its Chairman. Meanwhile, the AboitizPower Cyber Committee was composed of two Non-Executive Directors, one of which served as the Committee Chairman, and one Independent Director. In 2024, the AboitizPower Cyber Committee was composed of two Non-Executive Directors and one Independent Director who also served as the Chairman of the Committee.

Key Areas of Focus in 2024 (AEV)

Cybersecurity Manual and Committee Charter	• Reviewed and amended the Committee Charter.
Organizational	• Updated the membership to include the Chairman of the Board Risk and Reputation Management Committee as a permanent voting member.
Cybersecurity Strategy	• Approved the Guidelines for Federalization of Cybersecurity Management • 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.
Cybersecurity Risks	• Reviewed the Cyber Risk Management Framework.

Key Areas of Focus in 2024 (AboitizPower)

Governance	• Reviewed and endorsed for Board approval the proposed amendments to the Board CIS Committee Charter to align with the amended Board Protocols.
Organizational	• Completed AboitizPower's Cyber and Information Security Organization based on the approved functional structure
Cybersecurity Strategy	• Released the revised OT minimum security standard aimed at establishing OT relevant baseline security controls. • Established foundational cybersecurity governance policies, guidelines and procedures. • Intensified security awareness activities through the use of digital platforms and systems. • Established channels to better communicate and collaborate cybersecurity-related matters. • Engaged in an innovative and proactive way of discovering and resolving weaknesses/vulnerabilities in our digital environment. • Conducted comprehensive OT-specific tabletop exercises aimed at increasing AP BUs' preparedness to manage or handle OT cybersecurity incidents. • Engaged external parties to conduct OT security assessment to identify vulnerabilities, risks and areas of improvement, assess cybersecurity posture and ensure compliance against internal policies and industry standards. • Engaged a consolidated IT & OT Managed Detection & Response (MDR) service including incident Response Retainership (IRR).
Cybersecurity Risks	• Adopted the globally recognized MITRE Attack framework for ICS to systematically identify and quantify potential vulnerabilities in our OT environments, improving our threat detection and incident response capabilities, and overall OT risk management.

The **Executive Committees** assist the Board in overseeing the company's day-to-day operations and ensure agility in its management and in strategic decision-making. They also ensure compliance with the Company's governance policies during the intervening period between Board meetings. Since the company's Board of Directors met monthly in 2024, no Executive Committee meetings were held during the year.

GOVERNANCE PRACTICES

Disclosure and Transparency

The Governance and Compliance Team, as well as the Board Secretariat, of AEV and AboitizPower monitor and timely disclose any changes in the share ownership of their respective Directors, Executives, and Key Officers. They also ensure that trading blackouts are implemented at the right time and to appropriate individuals.

Every quarter, AEV and AboitizPower disclose a public ownership report detailing the extent of ownership of their respective controlling stockholders, including the shareholdings of subsidiaries and affiliates, and of Directors and Key Officers. In addition, the two companies disclose a list of their top 100 stockholders every quarter. They also disclose their top 20 stockholders, including record and beneficial stockholders owning more than five percent of their respective outstanding capital stock. Both companies, however, have no control over external stockholders who opt to put their shares under nominee holding companies such as the PCD Nominee Corporation, and are thus unable to make any disclosure on the details of beneficial ownership.

Stockholders with at least 5% Beneficial Ownership of AEV as of December 31, 2024

Shareholder	Number of Shares Owned (Record and/or Beneficial)	% Ownership
Aboitiz & Company, Inc. (ACO)	2,735,600,915	49.26%
PCD Nominee Corporation (Filipino)	1,010,525,871	18.20%
Ramon Aboitiz Foundation, Inc. (RAFI)	426,804,093	7.68%
Others	1,380,874,178	24.86%
TOTAL	**5,553,805,057**	**100%**

Stockholders with at least 5% Beneficial Ownership of AboitizPower as of December 31, 2024

Shareholder	Number of Shares Owned (Record and/or Beneficial)	% Ownership
Aboitiz Equity Ventures Inc. (AEV)	3,825,794,642	53.09%
JERA Asia Private Limited	1,986,823,063	27.57%
PCD Nominee Corporation (Filipino)	1,057,220,136	14.67%
Others	336,016,466	4.66%
TOTAL	**7,205,854,307**	**100%**

All relevant disclosures were filed in a timely manner with the Securities and Exchange Commission (SEC), the Philippine Stock Exchange (PSE), and the Philippine Dealing & Exchange Corp. (PDEx). All the 2024 filings and relevant information were filed and disclosed within the period indicated below:

2023 Disclosure Schedule of Reports

	AEV	AboitizPower
SEC Form 17-A (Annual Report)	April 15, 2024 (within 120 days after year end)	April 15, 2024 (within 120 days after year end)
Sustainability Report	April 15, 2024 (part of SEC Form 17-A)	April 15, 2024 (part of SEC Form 17-A)
Notice of ASM	March 5, 2024 (within 52 days from the date of ASM)	March 5, 2024 (within 52 days from the date of ASM)
2023 Audited Financial Statements	March 26, 2024 (as part of the Definitive Information Statement)	March 25, 2024 (as part of the Definitive Information Statement)
SEC Form 17-Q (First Quarter)	May 15, 2024 (within 45 days from the end of reporting period)	May 15, 2024 (within 45 days from the end of reporting period)
SEC Form 17-Q (Second Quarter)	August 14, 2024 (within 45 days from the end of reporting period)	August 14, 2024 (within 45 days from the end of reporting period
SEC Form 17-Q (Third Quarter)	November 15, 2024 (within 45 days from the end of reporting period)	November 15, 2024 (within 45 days from the end of reporting period)
SEC Form IACGR (Integrated Annual Corporate Governance Report)	May 30, 2024 (within the deadline prescribed by the SEC)	May 30, 2024 (within the deadline prescribed by the SEC)
In-House Corporate Governance Seminar Completion Report	December 10, 2024 (within the prescribed 10 days from the completion of the event)	January 6, 2025 (within the prescribed 10 days from the completion of the event)

Transactions of Directors and Officers

AEV and AboitizPower disclose the beneficial ownership of their Directors and Key Officers in regular filings of the Statement of Beneficial Ownership, and in the Annual Corporate Governance Report. The Revised General Trading Policies of both companies require the Board of Directors and Officers to notify the Office of the Corporate Secretary immediately after they deal in company shares.

These AEV and AboitizPower Directors and Officers made the following transactions as of December 31, 2024:

Reported Transactions of AEV Directors and Officers

	Balance as of December 31, 2023	Acquired	Disposed	Balance as of December 31, 2024
Directors				
Enrique M. Aboitiz Chairman of the Board	654,310	273,300	-	927,610
Mikel A. Aboitiz Vice Chairman of the Board	126,524,846	-	-	126,524,846
Erramon I. Aboitiz Director	78,075,387	-	-	78,075,387
Sabin M. Aboitiz Director/President and CEO	31,759,312	5,246,400	-	37,005,712
Ana Maria A. Delgado Director	32,024,388	-	-	32,024,388
Justo A. Ortiz Director	1	-	-	1
Cesar G. Romero Lead Independent Director	50	-	-	50
Joanne G. De Asis Independent Director	100	-	-	100
Peter D. Maquera Independent Director	20,100	-	-	20,100
Officers				
Jose Emannuel U. Hilado * SVP /Chief Financial Officer/ Corporate Information Officer/ Chief Risk Officer	257,000	50,000	-	307,000
Connie G. Chu SVP-Chief Legal and Compliance Officer/Corporate Secretary	0	70,600	-	70,600
Maria Veronica C. So SVP and Group Treasurer	9,617	-	-	9,617
Charmaine R.A. Valmonte* FVP - Chief Information Security Officer / Data Protection Officer	-	-	-	20,000
Maria Lourdes Y. Tanate VP - Group Internal Audit Head	74,386	-	-	74,386
Mailene M. de la Torre VP - Assistant Corporate Secretary	0	-	-	0
Sammy Dave A. Santos Assistant Corporate Secretary	0	-	-	0

** Ms. Christine C. Kempeneers resigned as AEV's Data Protection Officer and Head of Risk Management effective December 31, 2024. She was replaced by Ms. Charmaine R.A. Valmonte as Data Protection Officer, and Mr. Jose Emmanuel U. Hilado, who was appointed as Chief Risk Officer.*

Reported Transactions of AboitizPower Directors and Officers

	Balance as of December 31, 2023	Acquired	Disposed	Balance as of December 31, 2024
Directors				
Sabin M. Aboitiz Chairman of the Board	22,503,085	-	-	22,503,085
Eric Ramon O. Recto Vice Chairman/ Lead Independent Director	1,000	-	-	1,000
Antonio A. Canova Director	-	-	-	100
Toshiro Kudama Director	100	-	-	100
Erramon I. Aboitiz Director	-	-	-	86,913,115
Edwin R. Bautista Director	1,000	-	-	1,000
Danel C. Aboitiz Director/ Chief Commercial and Stakeholder Engagement Officer	20,000,000	1,383,000		21,383,000
Izumi Kai Director	100	-	-	100
Cesar G. Romero Independent Director	100	-	-	100
Officers				
Juan Alejando A. Aboitiz SVP /Chief Financial Officer/ Corporate Information Officer	2,685,408	-	-	2,685,408
Manuel Alberto R. Colayco SVP / Chief Legal and Compliance Officer	0	-	-	0
Ma. Racquel J. Bustamante* Group Treasurer	-	-	-	25,000
Mark Louie L. Gomez Vice President for Risk and Organizational Performance Management and Data Protection Officer	0	-	-	0
Juan Pascual Cosare Group Internal Audit Head	300	-	-	300
Ma. Clarisse S. Osteria Assistant Corporate Secretary	-	-	-	0
Frances Katrina C. Arsua* Assistant Corporate Secretary	-	-	-	100

** First appointed in 2024*

Compliance with Key Governance Policies

In 2024, AEV and AboitizPower updated their respective Codes to align with international best practices and promote the Group's ESG efforts, and their commitment to ethical corporate citizenship. The following policies and guidelines were approved by the AEV and AboitizPower Board of Directors:

Manual on Corporate Governance	The Manuals of AEV and AboitizPower are the articulation of each company's corporate governance principles. In addition, each company's Manual defines their respective compliance system, outlines the functions and responsibilities of their Board of Directors, and provides for the rights of all stockholders and the protection of the interest of the minority stockholders. The Manuals are clear statements by their respective Board of Directors, management, employees, and stockholders that corporate governance is a fundamental component of sound strategic business management. Since the Manuals were first approved, these have since been reviewed and amended by subsequent Board actions in keeping with evolving best practices in the Philippines and the ASEAN Region. There are no reported major deviations from the Revised Manuals as of the date of this report.
Whistleblowing Policy	To support the implementation of the Revised Manuals and the Codes, both AEV and AboitizPower have a Whistleblowing Policy. Through their respective policies, allegations of violations of the Manuals, Codes, and other related policies or other illegal conduct can be reported through the Aboitiz Whistleblowing Portal. In keeping with global best practices, the management of the Aboitiz Whistleblowing Portal was migrated from an internally-managed platform to an independent third party-managed platform in 2022. Alleged violations can now be reported online through the following link: www.aboitiz.ethicspoint.com. Matters reported through the platform are discussed by the ESCG Committee and, if necessary, by the entire Board of Directors. Once received, whistleblowing reports undergo the Aboitiz Group's investigation standard operating procedure and escalation process. The Group acknowledges that a key component to an effective whistleblowing policy is the whistleblower's protection from retaliation. As such, AEV and AboitizPower's Whistleblowing Policy ensures the complete anonymity of the whistleblower and that any person raising a serious concern in good faith will be protected from reprisals or retaliation. **2024 Summary of Whistleblowing Reports** See table below

	Reports Received	Corruption-Related	Closed	Ongoing Investigation
Groupwide	34	0	34	0
AEV	7	0	7	0
AboitizPower	10	0	10	0

Related Party Transactions (RPT) Policy	In October 2019, the AEV and AboitizPower Boards approved the RPT Policy in compliance with the SEC Memorandum Circular No. 10 series of 2019 (SEC RPT Circular), which focuses and regulates only material RPTs or RPTs amounting to 10% or higher of a company's total assets. The Circular also specifies an approval process for material RPTs and mandated publicly-listed companies to notify the SEC of their RPTs that breach the threshold. The AEV and AboitizPower Board RPT Committees have the mandate to ensure the fairness and arm's-length bases of RPTs, with sufficient documentation, and coursed through all appropriate levels of necessary approvals. In 2024, AEV and AboitizPower did not enter into any material RPTs and there was no reported case of non-compliance with the laws, rules and regulations pertaining to significant or material RPTs. All RPTs were conducted at arm's-length basis.
Conflict of Interest Policy	AEV and AboitizPower believe that it is the duty of the Board of Directors to advance the Group's interests and those of the companies' stakeholders. To this end, both companies have adopted a Policy on Conflict of Interest, which promotes an ethical corporate culture. It prohibits directors, officers, team leaders, and team members from taking advantage of their access to corporate property and proprietary information for personal gain. The policies require the disclosure of relationships, actions, or transactions that may give rise to a conflict of interest. In addition, AEV and AboitizPower Directors are required to abstain or inhibit themselves from any Board discussion or decision that affects or has relevance or relation to their personal, business, or professional interests. The Directors are also prohibited from engaging in any business that competes with or is antagonistic to the Group. In the event of a perceived or actual conflict of interest, the concerned director must notify the Board through the Corporate Secretary. Directors must also notify the Board, through the Corporate Secretary, before accepting any directorship outside the Aboitiz Group during their term. In 2024, there was no reported incident of non-compliance with the Conflict of Interest Policy.
Data Privacy Policy	In 2017, AEV and AboitizPower launched their respective data privacy compliance programs, which include the implementation of the Information Security Management System (ISMS). Since then, both companies have been able to establish a fundamental awareness of data privacy principles and the related ISMS philosophies, through various learning channels including e-learning modules, face-to- face trainings, and forums. They also continue to ensure the implementation of Data Privacy Policies, manuals, and guidelines that are aligned with the Data Privacy Act, including its implementing rules, and supporting National Privacy Commission (NPC) circulars. As the Aboitiz Group continues to operate in a highly digital and fast-changing environment, the Data Protection Teams of its business units will strive to keep up with the expectations of their data subjects, as well as with the evolving guidelines of the NPC. This constant review of requirements, downloading of information, updating of processes, and testing of capabilities aim to ensure that Aboitiz is able to meet stakeholders' expectations. Inquiries or concerns regarding data privacy and/or data subjects' rights may be submitted to the Data Privacy Officer through AEV: *aevdpo@aboitiz.com* and AboitizPower: *apdpo@aboitiz.com*

Disclosure Policy	To supplement the implementation of the Manuals and the Codes and in compliance with laws and regulations, AEV and AboitizPower each have their own Disclosure Policy that requires complete, timely, and accurate disclosures to the SEC, the PSE, and the PDEx. The company's Board Secretariat ensures compliance with the disclosure rules. In 2024, there were no reported cases of non-compliance with the disclosure rules of the SEC, the PSE, and the PDEx.

Transparency, Communication, and Sustainability Reporting

Safeguarding the rights of its stockholders stands as a cornerstone principle for AEV and AboitizPower's governance practices. The primary objective is to guarantee the unfettered exercise of stockholder rights, fostering an environment where every shareholder, irrespective of the quantity of shares they own, can actively and freely participate in corporate decision-making processes. This underscores not only a commitment to regulatory compliance but also a proactive approach in cultivating transparency, equity, and shareholder inclusivity within each company's governance principles.

Among the rights of company stockholders are to: (i) receive notices of and to attend stockholders' meetings; (ii) participate and vote on the basis of the one-share, one-vote policy; (ii) call for a special board meeting and propose a meeting agenda; (iii) participate and vote on the basis of the one-share, one-vote policy; (iv) vote in person, in absentia, or through proxy; (v) ratify corporate actions; (vi) nominate, elect, remove, and replace Board members (including via cumulative voting); (vii) inspect corporate books and records; (viii) receive dividends; and (viii) be informed in a timely and regular manner of the state of the company's businesses.

Right to Actively Participate at Stockholders' Meetings

AEV and AboitizPower are dedicated to conducting their Annual and Special Stockholders' Meetings (ASMs) with transparency and fairness, facilitating stockholders' access to accurate and timely information to make informed decisions on matters presented for consideration or approval.

The comprehensive financial, non-financial, and operating performance summaries of AEV, AboitizPower, including their Subsidiaries are detailed in their respective Definitive Information Statements and Annual Reports. These documents, distributed ahead of ASMs and available on the companies' websites. New and returning Directors' profiles, along with a summary of the Board and Board Committee's performance assessments, attendance records, compensation, and notable achievements for the year, are also shared with stockholders.

To enhance accessibility, notices for AEV and AboitizPower ASMs, complete with quick response (QR) codes to the Definitive Information Statements, are published in two widely circulated newspapers within 21 days before the meetings.

The commitment to shareholder engagement is evident in the conduct of stockholder meetings, with notices provided at least 28 days before the meeting, containing all agenda items for discussion. No new agenda items are introduced during the meeting, and the rationale for each item is included in the notices.

AEV and AboitizPower prioritize providing accessible venues for stockholders to exercise their right to attend and participate in shareholder meetings. In 2024, for the fifth consecutive year, AEV and AboitizPower conducted a fully digital stockholders' meeting. Stockholders were given the option to cast votes through non-traditional means such as remote communication or in absentia via an online voting portal.

The open forum during stockholder meetings enables stockholders to voice concerns, ask questions, and comment on the state of the businesses through the ASM online portal or live interaction if time permits. There are no barriers preventing stockholders from communicating with each other, Directors, or the Corporate Secretary.

Commitment to transparency is evident as minutes from meetings, including questions, answers, issues, motions, agreements, and voting results, are reported and made publicly available on the companies' websites under the Investor Relations page on the next working day. AEV and AboitizPower promptly disclose all approved items to the PSE, PDEx, and the SEC by the next business day.

Continuing their commitment, AEV and AboitizPower actively work to expand communication channels with institutional and individual stockholders through their Investor Relations Office and Shareholder Relations Office, respectively.

Right to Dividends

The right to receive dividends is a basic stockholder right. AEV and AboitizPower promote this basic stockholder right by adopting a clear and transparent dividend policy.

Every year, AEV and AboitizPower pay dividends in an equitable and timely manner. All stockholders are treated equally, receiving dividends that are proportionate to their shareholdings. The period for paying the dividends is based on trading requirements or constraints of the SEC and PSE. In 2024, AEV and AboitizPower paid the cash dividends within 21 days from the declaration date.

In the last three years, AEV and AboitizPower have paid the following dividends:

	Declaration Date	Record Date	Payment Date	Dividends per Share	Total Dividends Declared
AEV	2024	March 5, 2024	March 19, 2024	March 26, 2024	₱1.40 (regular)	₱7.87bn
	2023	March 3, 2023	March 17, 2023	March 30, 2023	₱1.47 (regular)	₱8.28bn
	2022	March 4, 2022	March 18, 2022	March 30, 2022	₱1.62 (regular)	₱9.12bn
AboitizPower	2024	March 5, 2024	March 19, 2023	March 26, 2024	₱ 2.30 (regular)	₱16.57bn
	2023	March 3, 2023	March 17, 2023	March 30, 2023	₱ 1.87 (regular)	₱13.76bn
	2022	March 4, 2022	March 18, 2022	March 30, 2022	₱1.45 (regular)	₱10.66bn

AEV and AboitizPower believe that the rights and interests of minority stockholders are aligned with those of the controlling stockholders, not only in terms of returns on their investments, but also in the sustainability of the Group's businesses. Both companies ensure the timely disclosure to stockholders regarding their respective businesses, and that stockholders receive dividends in accordance with established dividend policies.

CHAPTER

05

Financial Statements

Board Audit Committee Report

Conglomerate Map

AEV and AP Financial Statements

AEV Investor Information

AP Investor Information

GRI Content Index

This section covers the audited financial statements and reports of Aboitiz Equity Ventures and AboitizPower for the year ending December 31, 2024. These documents highlight the financial performance of both companies and reflect our ongoing efforts to uphold transparency and sound governance. They offer stakeholders a clear look at how we commit to our brand promise of advancing business and communities.

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 Regular Meeting (Virtual)	April 24, 2024 Regular Meeting (Virtual)	July 24, 2024 Regular Meeting (Virtual)	Oct 25, 2024 Regular Meeting (Virtual)
CESAR G. ROMERO Chairman, Independent Director	✓	✓	✓	✓
PETER D. MAQUERA Independent Director	✓	✓	✓	✓
JOANNE DE ASIS Independent Director	✓	✓	✓	✓
ERRAMON I. ABOITIZ, JR. Non-Executive Director	✓	✓	✓	✓
ANA MARIA A. DELGADO 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 te 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 ISPPIA). 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
Independent Director
Board Audit Committee Chairman

Aboitiz Equity Ventures Inc.

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

The Board Audit Committee Report to the Board of Directors

Aboitiz Power Corporation

The Board Audit Committee is pleased to present its report for the financial year ended December 31, 2024.

Board Audit Committee Responsibility

The primary purpose of the Committee is to assist the Board in fulfilling its responsibility to the public, governmental and/or regulatory bodies in:

a) Ensuring 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) Ensuring excellence in the Company's control performance by having an adequate and effective internal control system, governance and risk management processes and reviewing the performance of the Company's internal audit function;
(c) Reviewing the annual independent audit of the Company's financial statements and the external auditors' qualifications and independence;
(d) Ensuring compliance with applicable laws and regulations which may represent material financial exposure to the Company; and
(e) Providing an avenue of communication among the Company's independent auditors, management, the internal auditing department and the Company.

The Committee, in fulfilling its purpose, will establish a constructive and collaborative relationship with the Company's senior leadership, especially the Company CEO, CFO and the heads of the different departments.

Committee Membership

The Board Audit Committee shall be composed of five (5) Directors, the majority of whom shall be independent directors and non-executive directors including the Chairman, Antonio A. Canova (Non-Executive Director). Other members of the committee are Eric Ramon O. Recto (Lead Independent Director), Cesar G. Romero (Independent Director), Eramon I. Aboitiz (Non-Executive Director), and Izumi Kai (Non-Executive Director).

Meetings and Attendance

The Board Audit Committee fulfilled its responsibilities through meetings with management, internal auditors, external auditors, advisors, and other relevant parties, as appropriate.

As outlined in the Audit Committee Charter, the committee is required to hold a minimum of four (4) regular meetings annually, with the authority to convene special meetings as necessary.

In 2024, the committee conducted four (4) regular meetings and one (1) special meeting. The attendance record of committee members is provided below:

Member	March 4, 2024 Regular Meeting	Apr 23, 2024 Regular Meeting	July 22 & 23, 2024 Regular Meeting	Oct 22, 2024 Regular Meeting	Nov 13, 2024 Special Meeting
ERIC RAMON O. RECTO Chairman, Lead Independent Director	✓	✓	✓	✓	
CESAR G. ROMERO Member, Independent Director	✓	✓	✓	✓	
EDWIN R. BAUTISTA Member*, Non-Executive Director	✓	✓	✓	✓	
LUIS MIGUEL O. ABOITIZ Member*, Non-Executive Director	✓	✓	✓	✓	
DANEL C. ABOITIZ Member*, Director					
ANTONIO A. CANOVA Chairman**, Non-Executive Director					
ERRAMON I. ABOITIZ Member***, Non-Executive Director					
IZUMI KAI Member***, Non-Executive Director	✓	✓	✓	✓	

**Member of the Committee until April 2024*
***Appointment as Chairman of the Committee, effective January 1, 2025*
****Appointed as Member of the Committee, effective April 25, 2024*

The attendees of these meetings included the AP Internal Audit Group Head, the Aboitiz Group Internal Audit Head, and, by invitation, the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, and other key leaders, as deemed appropriate.

Furthermore, regular one-on-one sessions between the AP Internal Audit Head and the Board Audit Committee Chairman were conducted before each scheduled Board Audit Committee meeting.

Financial Reports

The Board Audit Committee reviewed, discussed, and endorsed for approval by the full Board (for public disclosure) the 2024 quarterly unaudited consolidated financial statements and the 2024 annual audited financial statements of Aboitiz Power Corporation, including its subsidiaries and alliances.

The review also covered the Management Discussion and Analysis of Financial Condition and Results of Operations, following prior discussions with management, the accounting team, and the company's independent external auditor, SyCip Gorres Velayo & Co. (SGV), a member firm of Ernst & Young (EY) in the Philippines.

The activities of the Board Audit Committee are performed in the context –

- Management holds primary responsibility for the preparation of the financial statements and the financial reporting process.
- The company's independent external auditor is responsible for providing an unqualified opinion on the conformity and consistent application of the Company's audited financial statements with Philippine Financial Reporting Standards (PFRS).

External Auditors

Upon the endorsement of the Board Audit Committee to the full Board, and subsequent approval by the shareholders of Aboitiz Power Corporation during the Annual General Stockholders' Meeting held on April 22, 2024, SyCip Gorres Velayo & Co. (SGV) was reappointed as the independent external auditor for 2024, with Jhoanna Feliza C. Go serving as the signing partner for SGV.

The overall scope and audit plan of SGV were reviewed and approved during the Board Audit Committee's regular meeting on October 22, 2024. The audit plan, fees, and terms of engagement, covering audit-related services provided by SGV, were also reviewed and deemed reasonable.

The results of SGV's audits and its assessment of the overall quality of the financial reporting process were presented and discussed during the first Audit Committee meeting of the following year, held on March 5, 2025.

In 2024, the Company also engaged SGV for non-audit-related services, which were reviewed and approved by the Board Audit Committee in accordance with its oversight responsibilities.

Internal Auditors

The Board Audit Committee is satisfied with the internal audit function and has assessed that it is operating effectively and is able to generally cover the relevant 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 competencies of the staff, and independence of the internal auditor.

With reference to the International Professional Practices Framework (IPPF) Attribute Standard 1100 which states that "The Internal Audit Activity must be independent, and internal auditors must be objective in performing their work.", the Board Audit 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 impairments 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 AP Group Internal Audit remains to be the single point of contact for the Board Audit Committee. It takes the lead in setting the standards, initiatives, and overall direction of the audit team which, in turn, focuses its reviews on the top risks of respective business units.

In 2024 and as part of the federalization initiative of the Group, the AP IT/OT and IS engagements are now fully under the responsibility of the AP Internal Audit Group.

Based on audit reports and highlights presented to the Board Audit Committee and with the contribution provided by management and other key leaders on the issues raised to their attention, the Board Audit Committee concurs with the internal audit's assessment that, generally, there is a reasonable assurance that the existing system of internal controls, risk management, and governance allow for generally adequate management of identified risks and effectively supports the improvement of the management of the Company as a whole.

External Quality Assessment

The AP Internal Audit Group (IAG), after undergoing the External Quality Assessment (EQA) review by the authorized validator of the Institute of Internal Auditors (IIA) Australia that are duly accredited by the Institute of Internal Auditors (IIA) International, received the official EQAR results in October 2022.

Acquiring the EQA global certification helps build the reputation not just of internal audit but of Aboitiz Power Corp. as a company that not only conforms, complies, and follows but adopts and implements the International Standards for the Professional Practice of Internal Auditing. The EQA certification is valid for 5 years until 2027. Until then, AP Internal Audit Group ensures that it continually works on its Quality Assurance Improvement Program by doing its interim self-assessment annually.

Review of the Audit Charters

Annual review and updating of the Board Audit Committee Charter was conducted. Changes were effected in 2024. The existing Charter was updated to reflect necessary changes to the composition of the Board Audit Committee and to align with the amended Board Protocol.

The review and updating of the Internal Audit Team Charter are also done annually, and approved by the Board Audit Committee.

Self-Assessment

The Board Audit Committee conducted its annual self-assessment in accordance with the guidelines of SEC Memo Circular No. 4, series of 2012. The assessment results showed that it fully 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 functions of risk management and audit has remained solid. In order to continuously provide objective assurance to the Board on the adequacy (effectiveness and efficiency) of the internal control system, the top strategic risks that present a significant impact to the Company's ability to execute its plans and strategies as well as to achieve its business objectives are prioritized. These top risks are among the relevant factors in consideration for the preparation of the internal audit's master plan for the following year.

After considering, analyzing and reviewing all pertinent information to the integrity of financial reporting, adequacy of internal controls, risk management, governance, and compliance within Aboitiz Power Corp. and its affiliated 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) **Antonio A. Canova**
Chairman, Non-Executive Director
Board Audit Committee

Aboitiz Power Corporation

Internal Control and Compliance System Attestation

For the year ended, December 31, 2024

Aboitiz Power Corporation's (APC) 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 controls.

- The Board of Directors is responsible for providing governance and overseeing the effective 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 legal requirements (statutory and regulatory);
- 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 statement with 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;
- The Company's Internal Audit Head, serving as the equivalent of a Chief Audit Executive, reports functionally to the Board Audit Committee. This ensures independence and objectivity, enabling Internal Audit to effectively fulfill its responsibilities; and
- Internal Audit activities conform to the International Standards for the Professional Practice of Internal Auditing as re-assessed in November 2022 as "generally conforming" with "Optimising" maturity level assessment. This assessment is valid for 5 years (until 2027). Also, the Internal Audit Team is continuously evaluated annually through self-assessment and peer reviews.

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 Aboitiz Power Corporation's internal control and compliance system, which covers governance, risk, and control processes, is generally adequate.

(SGD) **Danel C. Aboitiz**
President & Chief Executive Officer

(SGD) **Mark Angelou E. Dinglasan**
Internal Audit Head

Conglomerate Map

Aboitiz Equity Ventures Inc. and Subsidiaries

aboitiz Equity Ventures

POWER

Aboitiz Power Corporation 53.09%

DISTRIBUTION

- Davao Light & Power Company, Inc. 99.93%
- Visayan Electric Company, Inc. 55.26%
- Cotabato Light & Power Company 99.94%
- Cotabato Ice Plant, Inc. 100%
- San Fernando Electric Light & Power Co., Inc. 20.29% (D) 43.78% (B)
- Subic EnerZone Corporation 99.98% (B)
- Mactan EnerZone Corporation 100%
- Balamban EnerZone Corporation 100%
- LiMA EnerZone Corporation 100%
- Malvar EnerZone Corporation 100%
- Tarlac EnerZone Corporation 100%

GENERATION

- Aboitiz Renewables, Inc. 100%
  - AP Renewables, Inc. 100%
  - Luzon Hydro Corp. 100%
  - Hedcor, Inc. 100% (B)
  - Hedcor Sibulan, Inc. 100%
  - Hedcor Tudaya, Inc. 100% (B)
  - Hedcor Sabangan, Inc. 100% (B)
  - Hedcor Bukidnon, Inc. 100% (B)
  - Aseagas Corporation 100%
  - Aboitiz Solar Power, Inc. 100%
  - San Carlos Sun Power, Inc. 100% (B)
  - AboitizPower Distributed Energy, Inc. 100% (B)
  - AboitizPower Distributed Renewables, Inc. 100%
  - PV Sinag Power, Inc. 100%
  - RE Resources, Inc. 100%
  - AP Renewables Energy Corporation 100%
  - Retensol, Inc. 100%
  - Cornerstone Energy Development, Inc. 60%
  - Northern Sun Power, Inc. 100%
  - South Cleanergy, Inc. 100%
  - 4 Barracuda Energy Corporation 41%
  - Aura Energy Holdings, Inc. 50%
  - Lihangin Wing Energy Corporation 35%
  - Manila-Oslo Renewable Enterprise, Inc. 83.33%
    - SN Aboitiz Power - Magat, Inc. 60%
    - SN Aboitiz Power - Benguet, Inc. 60%
    - SN Aboitiz Power - Ifugao, Inc. 60%
    - SN Aboitiz Power - Res, Inc. [5] 60%
- Cebu Private Power Corp. 60%
  - East Asia Utilities Corp. 50% (D) 100% (B)
  - STEAG State Power, Inc. 85%
  - Southern Philippines Power Corp. 20%
  - Western Mindanao Power Corp. 20%
  - Therma Power, Inc. 100%
    - Therma Luzon, Inc. 100%
    - Therma South, Inc. 100% (B)
    - Therma Marine, Inc. 100%
    - Therma Mobile, Inc. 100% (B)
    - Therma Power Visayas, Inc. 100%
    - Therma Central Visayas, Inc. 100%
    - Therma Visayas, Inc. 80% (B)
    - GNPower Mariveles Energy Center LTD. Co. 78.33% (B)
    - AA Thermal, Inc. 49% (Voting) 60% (Economic)
    - GNPower Dinginin Ltd. Co. 70% (B)
    - Pagbilao Energy Corporation* 50%
    - Redondo Peninsula Energy, Inc. 25%
    - Abovant Holdings, Inc. 60%
      - Cebu Energy Devt. Corp. 44%

RETAIL ELECTRICITY SUPPLY

- Aboitiz Energy Solutions, Inc. 100%
- Advent Energy, Inc. 100%
- Prism Energy, Inc. 60%
- Mazzaraty Energy Corporation 44.87%

OTHERS

- AboitizPower International Pte. Ltd. 100%
- 1882 Energy Ventures Inc. 100%
- AP Electic Mobility Inc. 100%
- Potentia Insurance PTE LTD 100%

BANKING AND FINANCIAL SERVICES

Union Bank of the Philippines 49.99%

- UnionDigital Bank Inc. 100%
- UnionBank Investment Management and Trust Corporation 100%
- UnionBank Financial Services and Insurance Brokerage, Inc. 100%
- UBX Philippines Corporation 83.33%
  - UBX Private Limited 100%
  - UBX Remit Pte. Ltd. 100%
  - Shiptek Solutions PTE. LTD. 60% 30% [UBX PH]; 30% [UBX PL]
- City Savings Bank 99.79%
- PETNET, Inc. 51% 40% [CSB]; 11% [UIC]
- Bangko Kabayan, Inc. 97.75% 49% [CSB]; 23.79% [UIC]; 24.96% [UBP]
- UBP Investments Corp. 100%
  - First Union Insurance & Financial Agencies, Inc. 100%
  - First Union Direct Corp. 100%
  - First Union Plans, Inc. 100% 97.22% [UIC]; 2.78% [UBP]

FOOD

- **Aboitiz Foods Holding, Inc.** 100% [3]
  - **Pilmico Foods Corporation** 100%
    - Pilmico Animal Nutrition Corp. 100% (B)
    - Fil-Agri Holdings, Inc. 100%
    - Fil-Agri, Inc. 100% (B)
    - GC Investment Holdings Ltd. 100%
      - Gold Coin (Zhangzhou) Company Ltd. 100%
      - Gold Coin (Zhuhai) Company Ltd. 100%
      - Gold Coin Feedmill (Kunming) Company Ltd. 100%
        - Jin Fu Boar Stud Farm (Mengzi) Co., Ltd 20%
      - Gold Coin Feedmill (Dongguan) Company Ltd. 100%
      - Gold Coin Agriculture (Guangxi) Company Ltd. 100%
      - Gold Coin (Yunnan) Company Ltd. 100%
      - Gold Coin Management (Shenzhen) Company Ltd. 100%
    - Klean Greentech Co. Ltd. 100% (B)
      - Gold Coin Feedmill (Dong Nai) Company Ltd. 100%
      - Pilmico Vietnam Company Ltd. 100%
      - American Feeds Company Ltd. 100%
      - Gold Coin Feedmill Ha Nam Company Ltd. 100%
    - Gold Coin Aqua Feed (Singapore) Pte. Ltd. 100%
      - Gold Coin Specialities Sdn. Bhd. 100% (B)
      - Gold Coin Specialities (Thailand) Co. Ltd. 100% (B)
      - P.T. Gold Coin Trading Indonesia 100% (B)
    - Gold Coin Holdings SDN. BHD. 100%
      - Gold Coin Sabah Sdn. Bhd. 100%
      - P.T. Gold Coin Indonesia 100% (B)
        - P.T. Gold Coin Specialities 100% (B)
        - P.T. Ayam Unggul 60%
      - Gold Coin Feedmill Binh Duong Company Ltd. 100%
      - Gold Coin Vietnam Holdings Pte. Ltd. 100%
    - Gold Coin Malaysia Group Sdn. Bhd. 100%
      - Gold Coin Feedmills (Malaysia) Sdn. Bhd. 100%
      - Gold Coin Feedmill (Sabah) Sdn. Bhd. 100%
      - Gold Coin Sarawak Sdn. Bhd. 72.8%
      - Gold Coin Feedmill (Brunei) Sdn. Bhd. 20%
      - Golden Livestock Sdn. Bhd. 100%
      - K&L Farming Industries Sdn. Bhd. 30%
- **Aboitiz Foods Pte. Ltd.** 100% [1,2]
  - ABAQA International Pte. Ltd. 100%
  - Gold Coin Management Holdings Pte. Ltd. 100%

INFRASTRUCTURE

Aboitiz InfraCapital, Inc. 100%

- Lima Land, Inc. 100%
- Lima Infrastructure, Inc. 100%
- LiMA Water Corp. 100%
- Apo Agua Infrastructura, Inc. 70%
- Balibago Water Systems, Inc. 16.33%
- Unity Digital Infrastructure, Inc. 50%
- Aboitiz GMR Megawide Cebu Airport Corporation [4] 100%
- Globemerchants, Inc. 100%
- SSP - Mactan Cebu Corporation 50%
- Mactan Travel Retail Group Corp. 50%

AEV CRH Holdings, Inc. 60%

- Republic Cement & Building Materials, Inc. 99.40%
- Republic Cement Mindanao, Inc. 99.72%
- Republic Cement Land and Resources, Inc. 100%

CRH Aboitiz Holdings, Inc. 45%

- Republic Cement Services, Inc. 100%

LAND

Aboitiz Land, Inc. 100%

- Cebu Industrial Park Developers Inc. 60%
- Cebu Industrial Park Services Inc. 100%
- Propriedad Del Norte 100%
- Misamis Oriental Land Development Corp. 60%
- Allrise Development Corp. 100%
- Triplecrown Properties, Inc. 100%
- 78 Pointblue, Inc. 100%
- Firmwall Systems, Inc. 100%

OTHERS

- AEV Aviation, Inc. 73.31% (D) 93.86% (B)
- Cebu Praedia Development Corp. 100.00%
- Advance Data Innovation Inc. 100%
- Archipelago Insurance Pte. Ltd. 100%
- Singapore Life (Philippines), Inc. 15%
- AEV International Pte. Ltd. 100%
  - Aboitiz Data Innovation Pte. Ltd. 100%
- CCEP Aboitz Beverages Pilippines, Inc. 40%
- Coca-Cola Beverages Philippines, Inc. 100%

Legend:
B - beneficial ownership
D - direct ownership

1 *100% owned by AEV International Pte. Ltd.*
2 *Formerly, Pilmico International Pte. Ltd.*
3 *Formerly, Aboitiz Feedall Holdings, Inc.*
4 *formerly, GMR Megawide Cebu Airport Corporation*
5 *Engages in retail electricity supply business*

As of December 31, 2024

Statement of Management's Responsibility for Financial Statements

Aboitiz Equity Ventures Inc.

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.

(sgd.)
ENRIQUE M. ABOITIZ JR.
Chairman of the Board

(sgd.)
SABIN M. ABOITIZ
President & Chief Executive Officer

(sgd.)
JOSE EMMANUEL U. HILADO
Senior Vice President - Chief Financial Officer

Signed this **7th day of March, 2025.**

Republic of the Philippines)
Makati 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.	P	
Sabin M. Aboitiz	P	
Jose Emmanuel U. Hilado	P	

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 **March 7, 2025**.

Doc. No. 176;
Page No. 37;
Book No. 56;
Series of 2023.

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

Independent Auditor's Report

Aboitiz Equity Ventures Inc.

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 GNPower 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.

SGD.

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 Supplementary Schedules

Aboitiz Equity Ventures Inc.

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.

SGD.

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

Aboitiz Equity Ventures Inc.

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.

SGD.

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

Consolidated Balance Sheets
Aboitiz Equity Ventures Inc.

(Amounts in Thousands)

	December 31, 2024	December 31, 2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱81,793,295**	₱112,293,582
Trade and other receivables (Note 5)	**62,204,817**	58,202,031
Inventories (Note 6)	**45,003,105**	45,569,654
Derivative asset (Note 37)	**328,981**	355,510
Other current assets (Notes 7 and 8)	**23,168,806**	37,963,070
Total Current Assets	**212,499,004**	254,383,847
Noncurrent Assets		
Property, plant and equipment (Notes 13, 19 and 22)	**240,612,393**	229,700,594
Investments and advances (Note 10)	**250,139,819**	224,141,125
Intangible assets (Note 14)	**138,928,874**	81,887,996
Investment properties (Notes 15 and 31)	**14,541,088**	14,077,502
Deferred income tax assets - net (Note 32)	**2,167,548**	1,830,300
Trade receivables - net of current portion (Note 5)	**418,655**	377,214
Net pension assets (Note 30)	**304,261**	262,814
Other noncurrent assets (Notes 8 and 16)	**34,088,912**	27,213,267
Total Noncurrent Assets	**681,201,550**	579,490,812
TOTAL ASSETS	**₱893,700,554**	₱833,874,659

LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 17, 35 and 40)	**₱58,793,450**	₱56,145,901
Bank loans (Note 18)	**40,959,206**	41,040,449
Current portions of:		
Long-term debts (Note 19)	**30,397,739**	15,218,412
Long-term obligation on Power Distribution Svstem (PDS) (Note 14)	**40,000**	40,000
Lease liabilities (Notes 13 and 22)	**326,539**	245,762
Derivative liability (Note 37)	**250,118**	506,335
Income tax payable	**1,879,056**	724,243
Total Current Liabilities	**132,646,108**	113,921,102

(Forward)

	December 31, 2024	December 31, 2023
Noncurrent Liabilities		
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**	—
Total Noncurrent Liabilities	**364,688,870**	344,607,113
Total Liabilities	**497,334,978**	458,528,215
Equity Attributable to Equity Holders of the Parent		
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)
	283,282,235	271,954,731
Non-controlling Interests	**113,083,341**	103,391,713
Total Equity	**396,365,576**	375,346,444
TOTAL LIABILITIES AND EQUITY	**₱893,700,554**	₱833,874,659

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Income

Aboitiz Equity Ventures Inc.

(Amounts in Thousands, Except Earnings Per Share Amounts)

	Years Ended December 31		
	2024	2023	2022
REVENUES			
Sale of:			
Power (Note 26)	**₱195,680,252**	₱205,818,244	₱193,625,879
Goods	**91,677,860**	92,323,721	104,094,671
Real estate (Notes 15 and 26)	**10,335,220**	9,476,487	7,442,270
Service fees and others (Notes 16, 35 and 40)	**5,132,321**	3,000,637	1,698,553
	302,825,653	310,619,089	306,861,373
COSTS AND EXPENSES			
Cost of generated and purchased power (Notes 27, 28, 35 and 40)	**115,273,191**	135,433,770	129,998,462
Cost of goods sold (Notes 6 and 28)	**76,070,825**	81,329,202	93,365,449
Operating expenses (Notes 28, 35, 38 and 39)	**54,900,463**	50,806,725	44,344,870
Cost of real estate sales (Note 6 and 15)	**5,987,633**	5,004,708	4,057,279
	252,232,112	272,574,405	271,766,060
OPERATING PROFIT	**50,593,541**	38,044,684	35,095,313
Share in net earnings of associates and joint ventures (Note 10)	**14,531,542**	23,637,125	20,781,865
Interest income (Notes 4, 7, 16, 35 and 36)	**3,517,196**	4,301,426	1,867,224
Interest expense (Notes 22 and 36)	**(22,544,384)**	(20,528,967)	(17,856,684)
Other income (expense) - net (Notes 5, 31 and 35)	**2,445,122**	6,060,374	4,138,884
INCOME BEFORE INCOME TAX	**48,543,017**	51,514,642	44,026,602
PROVISION FOR INCOME TAX (Note 32)	**10,645,594**	8,593,435	5,366,748
NET INCOME	**₱37,897,423**	₱42,921,207	₱38,659,854
ATTRIBUTABLE TO:			
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
	₱37,897,423	₱42,921,207	₱38,659,854
EARNINGS PER SHARE (Note 33)			
Basic and diluted, for net income for the year attributable to equity holders of the parent	**₱3.25**	₱4.19	₱4.27

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

Aboitiz Equity Ventures Inc.

(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
NET INCOME ATTRIBUTABLE TO:			
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
	37,897,423	42,921,207	38,659,854
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may be reclassified to consolidated statements of income:			
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)
	5,178,567	2,444,284	(1,611,928)
Items that will not be reclassified to consolidated statements of income:			
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
	199,427	(664,441)	516,711
TOTAL COMPREHENSIVE INCOME	**₱43,275,417**	₱44,701,050	₱37,564,637
ATTRIBUTABLE TO:			
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
	₱43,275,417	₱44,701,050	₱37,564,637

See accompanying Notes to Consolidated Financial Statements.

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									
					Retained Earnings					
	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)	Appropriated (Note 24)	Unappropriated (Note 24)	Treasury Stock (Note 23)	Total	Non-controlling Interest	Total
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									
					Retained Earnings					
	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)	Appropriated (Note 24)	Unappropriated (Note 24)	Treasury Stock (Note 23)	Total	Non-controlling Interest	Total
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.

Consolidated Statements of Cash Flows

Aboitiz Equity Ventures Inc.

(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱48,543,017**	₱51,514,642	₱44,026,602
Adjustments for:			
Interest expense (Note 36)	**22,544,384**	20,528,967	17,856,684
Depreciation and amortization (Note 28)	**15,402,746**	15,127,901	13,778,454
Net unrealized foreign exchange losses (gains)	**(81,254)**	125,684	(1,546,712)
Impairment loss (recovery) on property, plant and equipment, goodwill and other assets (Notes 13, 14 and 16)	**(367,427)**	224,774	1,224,108
Write-off of project development costs (Note 31)	**429,485**	308,871	314,490
Loss (gain) on sale/disposal of:			
Property, plant and equipment and other assets (Notes 13 and 31)	**278,080**	(90,108)	158,832
Fair value through profit or loss (FVTPL) and FVOCI investments	**160**	(61,408)	(31,283)
Investments and advances (Notes 9 and 10)	**(153,203)**	—	(183,299)
Unrealized mark-to-market losses (gains) on derivatives	**6,424**	74,766	(11,105)
Unrealized valuation loss (gain) on financial assets (Note 31)	**(1,903,856)**	(84,425)	191,710
Dividend income (Note 31)	**(1,502)**	(8,107)	(3,379)
Net unrealized valuation gains on investment property (Notes 15 and 31)	**(381,525)**	(781,512)	(527,154)
Interest income (Note 36)	**(3,517,196)**	(4,301,426)	(1,867,224)
Share in net earnings of associates and joint ventures (Note 10)	**(14,531,542)**	(23,637,125)	(20,781,865)
Loss (gain) from bargain purchase and remeasurement of previously held interest (Notes 9 and 31)	**1,862,483**	(1,745,655)	—
Operating income before working capital changes	**68,129,274**	57,195,839	52,598,859
Decrease (increase) in:			
Trade and other receivables	**2,351,710**	2,433,677	(16,881,735)
Inventories	**315,669**	4,015,391	(15,567,048)
Other operating assets	**(2,041,603)**	7,043,517	(6,192,653)
Increase (decrease) in:			
Trade and other payables	**(5,097,962)**	(7,163,456)	19,121,511
Customers' deposits	**664,579**	795,777	980,007
Net cash flows generated from operations	**64,321,667**	64,320,745	34,058,941
Income and final taxes paid	**(9,215,810)**	(6,494,082)	(3,878,267)
Net cash flows from operating activities	**55,105,857**	57,826,663	30,180,674
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash dividends received (Note 10)	**15,208,747**	4,491,446	5,737,663
Interest received	**3,554,558**	4,392,197	1,543,936
Proceeds from sale of:			
FVTPL and FVOCI investments	**1,264,981**	2,640,588	151,289
Property, plant and equipment	**124,937**	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)
CASH FLOWS FROM FINANCING ACTIVITIES			
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)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(31,570,625)**	11,348,579	(48,661,719)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**1,070,338**	(581,257)	2,653,944
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**112,293,582**	101,526,260	147,534,035
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱81,793,295**	₱112,293,582	₱101,526,260

See accompanying Notes to Consolidated Financial Statements.

Investor Information

Aboitiz Equity Ventures Inc.

Head Office:
NAC Tower, 32nd Street, Bonifacio Global City,
Taguig City, Metro Manila 1634 Philippines
Tel (632) 8886-2800 | Fax (632) 8886-2407

Cebu Office:
Aboitiz Corporate Center,
Gov. Manuel A. Cuenco Avenue,
Kasambagan, Cebu City 6000 Philippines
Tel (6332) 411-1800 | Fax (6332) 231-4037

Common Stock
The Company's common stock is listed
and traded in the Philippine Stock Exchange.

Stockholders' Meeting
The Company's regular stockholders' meeting is
held on the fourth Monday of April of every year.

Stockholder Services and Assistance
Stock Transfer Service, Inc. (STSI) serves as the Company's
stock transfer agent.

For matters concerning dividend payments, account status,
lost or damaged stock certificates, change of address, please
write or call:

STOCK TRANSFER SERVICE, INC.
Unit 34-D Rufino Pacific Tower,
6784 Ayala Avenue, Makati City 1226, Philippines
Telephone No.: (632) 8403-3798 | (632) 8403-2410
(632) 85310-1351

Contact Person:
Mr. Michael C. Capoy
mccapoy@stocktransfer.com.ph

Russie Ericka Dela Cruz
redelacruz@stocktransfer.com.ph

AEV welcomes inquiries from institutional investors, analysts,
and the financial community.

Please contact:

Investor Relations
Aboitiz Equity Ventures Inc.
Jacqui De Jesus
Email: aev_investor@aboitiz.com

Website: www.aboitiz.com

Statement of Management's Responsibility for Financial Statements

Aboitiz Power Corporation

The management of **Aboitiz Power Corporation** 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, 2023, and 2022** in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 financial statements including the schedules attached therein, and submits the same to the stockholders.

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

(sgd.)
SABIN M. ABOITIZ
Chairman of the Board

(sgd.)
DANEL C. ABOITIZ
President & Chief Executive Officer

(sgd.)
JUAN ALEJANDRO A. ABOITIZ
Senior Vice President & Chief Financial Officer/Corporate Information Officer

Signed this 6th day of March 2025

Republic of the Philippines)
City of Taguig) S.S.

Before me. a notary public in and for the city named above. personally appeared:

Name	Passport	Date/Place Issued
SABIN M. ABOITIZ	P	July 19, 2021; DFA Manila
EMMANUEL V. RUBIO	P	May 11, 2021; DFA San Pablo
JUAN ALEJANDRO A. ABOITIZ	P	February 5, 2021; DFA Manila

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 March 27, 2025.

Doc. No. 492;
Page No. 100;
Book No. III;

Series of 2025

ATTY. KLARIKA ANGELA C. GARCIA
NOTARY PUBLIC
ROLL NO. 73099
TAGUIG CITY, PHILIPPINES

ATTY. KLARIKA ANGELA C. GARCIA
Notary Public for Taguig City
Notarial Commission No: 141 (2024-2025)
Until December 31, 2025
NAC Tower, 32nd Street, Bonifacio Global City, Taguig City
Roll No: 73099, Admitted to the Bar 18 June 2019
PTR No: A-6396581, 06 January 2025, Taguig City
IBP No: 482565, 11 December 2024, Makati Chapter
MCLE Compliance No: VII-0019945

Independent Auditor's Report

Aboitiz Power Corporation

The Board of Directors and Stockholders
Aboitiz Power Corporation
32nd Street, Bonifacio Global City
Taguig City, Metro Manila
Philippines

Opinion

We have audited the consolidated financial statements of Aboitiz Power Corporation and its subsidiaries (the Group), which comprise the consolidated balance sheets as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

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

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

Impairment Testing 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 cash-generating unit (CGU) of GNPower Mariveles Energy Center Ltd. Co. amounted to ₱45.69 billion or 9% 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 13 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 CGU, 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 29% 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 3 and 21 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.

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

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

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 activities 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 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, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is Jhoanna Feliza C. Go.

SYCIP GORRES VELAYO & CO.

SGD.

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 6, 2025

Independent Auditor's Report on Supplementary Schedules

Aboitiz Power Corporation

The Board of Directors and Stockholders
Aboitiz Power Corporation
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 Power Corporation (the Company) 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 6, 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 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 information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

SGD.

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 6, 2025

Independent Auditor's Report on Components of Financial Soundness Indicators

Aboitiz Power Corporation

The Board of Directors and Stockholders
Aboitiz Power Corporation
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 Power Corporation (the Company) 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 6, 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.

SGD.

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 6, 2025

A member firm of Ernst & Young Global Limited

Consolidated Balance Sheets

Aboitiz Power Corporation and Subsidiaries

(Amounts in Thousands)

	December 31, 2024	December 31, 2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	**₱56,759,297**	₱54,538,784
Trade and other receivables (Note 6)	**36,593,245**	34,247,542
Inventories (Note 7)	**14,251,718**	13,675,531
Derivative assets (Note 34)	**314,646**	355,308
Other current assets (Note 8)	**15,107,447**	12,986,262
Total Current Assets	**123,026,353**	115,803,427
Noncurrent Assets		
Investments and advances (Note 10)	**95,930,192**	91,640,709
Property, plant and equipment (Notes 12 and 35)	**220,158,293**	209,726,892
Intangible assets (Note 13)	**51,859,795**	49,757,097
Net pension assets (Note 27)	**78,304**	40,459
Deferred income tax assets (Note 29)	**1,333,484**	1,337,626
Other noncurrent assets (Note 14)	**25,229,646**	18,717,096
Total Noncurrent Assets	**394,589,714**	371,219,879
TOTAL ASSETS	**₱517,616,067**	₱487,023,306
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Note 16)	**₱25,035,435**	₱19,959,100
Current portions of:		
Long-term debts (Note 17)	**16,465,260**	10,730,454
Lease liabilities (Note 35)	**170,877**	81,964
Long-term obligation on power distribution system	**40,000**	40,000
Derivative liabilities (Note 34)	**229,918**	481,595
Trade and other payables (Note 15)	**35,706,641**	32,868,673
Income tax payable	**1,337,864**	472,703
Total Current Liabilities	**₱78,985,995**	₱64,634,489
Noncurrent Liabilities		
Noncurrent portions of:		
Long-term debts (Note 17)	**₱197,254,006**	₱203,540,676
Lease liabilities (Note 35)	**4,275,016**	2,832,881
Long-term obligation on power distribution system	**57,238**	82,730
Derivative liabilities (Note 34)	**3,698**	—
Customers' deposits (Note 18)	**9,515,891**	8,861,811
Decommissioning liability (Note 19)	**5,259,205**	7,363,729
Deferred income tax liabilities (Note 29)	**5,478,492**	4,829,487
Net pension liabilities (Note 27)	**889,844**	903,138
Total Noncurrent Liabilities	**222,733,390**	228,414,452
Total Liabilities	**301,719,385**	293,048,941

(Forward)

	December 31, 2024	December 31, 2023
Equity Attributable to Equity Holders of the Parent		
Paid-in capital (Note 20a)	**19,947,498**	19,947,498
Share in other comprehensive income of associates and joint ventures (Note 10)	**1,892,252**	651,102
Cumulative translation adjustments (Note 34)	**8,921,693**	5,764,141
Cash flow hedge reserve (Note 34)	**65,221**	(269,282)
Actuarial losses on defined benefit plans (Note 27)	**(1,212,778)**	(1,283,856)
Equity reserve	**(6,212,785)**	(7,175,742)
Treasury stock - at cost (Note 20)	**(4,891,831)**	(4,891,831)
Retained earnings (Note 20b)		
Appropriated	**11,900,000**	11,900,000
Unappropriated (Notes 10 and 20c)	**172,822,755**	155,496,036
	203,232,025	180,138,066
Non-controlling Interests	**12,664,657**	13,836,299
Total Equity (Note 20)	**215,896,682**	193,974,365
TOTAL LIABILITIES AND EQUITY	**₱517,616,067**	₱487,023,306

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Income

Aboitiz Power Corporation and Subsidiaries

(Amounts in Thousands, Except Earnings Per Share Amounts)

	Years Ended December 31		
	2024	2023	2022
OPERATING REVENUES			
Sale of power (Notes 21 and 32):			
Generation	**₱93,183,493**	₱106,795,878	₱101,500,632
Distribution	**56,994,259**	53,362,657	57,235,327
Retail electricity supply	**45,868,950**	46,123,403	35,179,570
Interest income on concession contract asset (Note 14)	**1,185,291**	716,218	—
Technical, management and other fees (Note 32)	**260,264**	101,741	78,059
OPERATING REVENUES	**197,492,257**	207,099,897	193,993,588
OPERATING EXPENSES			
Cost of purchased power (Notes 22 and 32)	**68,144,387**	71,460,870	69,379,333
Cost of generated power (Note 23)	**47,128,804**	63,972,900	60,619,129
Depreciation and amortization (Notes 12, 13 and 35)	**12,538,419**	13,109,562	11,863,670
General and administrative (Note 24)	**13,976,588**	13,109,311	10,194,903
Operations and maintenance (Note 25)	**14,509,147**	13,662,175	12,133,579
	156,297,345	175,314,818	164,190,614
FINANCIAL INCOME (EXPENSES)			
Interest income (Notes 5 and 32)	**1,974,244**	1,667,278	678,696
Interest expense and other financing costs (Notes 16, 17, 33 and 35)	**(14,600,723)**	(14,161,646)	(13,420,348)
	(12,626,479)	(12,494,368)	(12,741,652)
OTHER INCOME			
Share in net earnings of associates and joint ventures (Note 10)	**15,693,423**	19,817,774	15,134,970
Other income - net (Note 28)	**1,681,090**	4,633,814	515,330
	17,374,513	24,451,588	15,650,300
INCOME BEFORE INCOME TAX	**45,942,946**	43,742,299	32,711,622
PROVISION FOR INCOME TAX (Note 29)	**8,212,936**	7,276,865	4,701,005
NET INCOME	**₱37,730,010**	₱36,465,434	₱28,010,617
ATTRIBUTABLE TO:			
Equity holders of the parent	**₱33,900,184**	₱33,101,720	₱25,998,668
Non-controlling interests	**3,829,826**	3,363,714	2,011,949
	₱37,730,010	₱36,465,434	₱28,010,617
EARNINGS PER COMMON SHARE (Note 30)			
Basic and diluted, income for the period attributable to ordinary equity holders of the parent	**₱4.70**	₱4.52	₱3.53

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

Aboitiz Power Corporation and Subsidiaries

(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the parent	**₱33,900,184**	₱33,101,720	₱25,998,668
Non-controlling interests	**3,829,826**	3,363,714	2,011,949
	37,730,010	36,465,434	28,010,617
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:			
Movement in cumulative translation adjustments	**3,443,628**	369,718	3,532,388
Movement in cash flow hedges (Note 34)	**280,335**	(2,949,939)	1,884,965
Share in movement in cumulative translation adjustment of associates and joint ventures	**1,241,150**	(534,264)	986,012
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods	**4,965,113**	(3,114,485)	6,403,365
Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:			
Share in actuarial gain (loss) on defined benefit plans of associates and joint ventures, net of tax	**—**	(34,805)	48,976
Actuarial gain (loss) on defined benefit plans, net of tax	**31,920**	(232,578)	4,871
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods	**31,920**	(267,383)	53,847
Total other comprehensive income (loss) for the year, net of tax	**4,997,033**	(3,381,868)	6,457,212
TOTAL COMPREHENSIVE INCOME	**₱42,727,043**	₱33,083,566	₱34,467,829
ATTRIBUTABLE TO:			
Equity holders of the parent	**₱38,704,467**	₱29,730,061	₱32,285,374
Non-controlling interests	**4,022,576**	3,353,505	2,182,455
	₱42,727,043	₱33,083,566	₱34,467,829

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Changes in Equity

Aboitiz Power Corporation and Subsidiaries

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																			
	Paid-in Capital (Note 20a)	Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures (Note 10)	Cumulative Translation Adjustments (Note 34)	Cash Flow Hedge Reserve (Note 34)	Actuarial Losses on Defined Benefit Plans (Note 27)	Equity Reserve	Treasury stock (Note 20)	Appropriated	Unappropriated	Retained Earnings (Note 20b)	Total Attributable to Equity Holders of the Parent	Non-controlling Interests	Total
Balances at January 1, 2024	**₱19,947,498**	**₱651,102**	**₱5,764,141**	**(₱269,282)**	**(₱1,283,856)**	**(₱7,175,742)**	**(₱4,891,831)**	**₱11,900,000**	**₱155,496,036**		**₱180,138,066**	**₱13,836,299**	**₱193,974,365**
Net income for the year	—	—	—	—	—	—	—	—	33,900,184		33,900,184	3,829,826	37,730,010
Other comprehensive income													
Share in other comprehensive loss of associates and joint ventures	—	1,241,150	—	—	—	—	—	—	—		1,241,150	—	1,241,150
Movement in cumulative translation adjustments	—	—	3,157,552	—	—	—	—	—	—		3,157,552	286,076	3,443,628
Movement in cash flow hedges	—	—	—	334,503	—	—	—	—	—		334,503	(54,168)	280,335
Actuarial gains (losses) on defined benefit plans, net of tax	—	—	—	—	71,078	—	—	—	—		71,078	(39,158)	31,920
Total comprehensive income for the year	**—**	**1,241,150**	**3,157,552**	**334,503**	**71,078**	**—**	**—**	**—**	**33,900,184**		**38,704,467**	**4,022,576**	**42,727,043**
Acquisition of non-controlling interest (Note 9)	—	—	—	—	—	962,957	—	—	—		962,957	(1,595,842)	(632,885)
Cash dividends - ₱2.30 per share (Note 20b)	—	—	—	—	—	—	—	—	(16,573,465)		(16,573,465)	—	(16,573,465)
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—		—	(2,911,123)	(2,911,123)
Return of contributions to non-controlling interests (Note 2)	—	—	—	—	—	—	—	—	—		—	(687,253)	(687,253)
Balances at December 31, 2024	**₱19,947,498**	**₱1,892,252**	**₱8,921,693**	**₱65,221**	**(₱1,212,778)**	**(₱6,212,785)**	**(₱4,891,831)**	**₱11,900,000**	**₱172,822,755**		**₱203,232,025**	**₱12,664,657**	**₱215,896,682**

Consolidated Statements of Changes in Equity

Aboitiz Power Corporation and Subsidiaries

	Attributable to Equity Holders of the Parent										
							Retained Earnings (Note 20b)				
	Paid-in Capital (Note 20a)	Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures (Note 10)	Cumulative Translation Adjustments (Note 34)	Cash Flow Hedge Reserve (Note 34)	Actuarial Gains (Losses) on Defined Benefit Plans (Note 27)	Equity Reserve	Treasury stock (Note 20)	Appropriated	Unappropriated	Total Attributable to Equity Holders of the Parent	Non-controlling Interests	Total
Balances at January 1, 2023	₱19,947,498	₱1,220,171	₱5,462,557	₱2,646,733	(₱1,095,697)	(₱7,175,742)	₱—	₱20,060,000	₱127,994,906	₱169,060,426	₱9,072,093	₱178,132,519
Net income for the year	—	—	—	—	—	—	—	—	33,101,720	33,101,720	3,363,714	36,465,434
Other comprehensive income (loss)												
Share in other comprehensive loss of associates and joint ventures	—	(569,069)	—	—	—	—	—	—	—	(569,069)	—	(569,069)
Movement in cumulative translation adjustments	—	—	301,584	—	—	—	—	—	—	301,584	68,134	369,718
Movement in cash flow hedges	—	—	—	(2,916,015)	—	—	—	—	—	(2,916,015)	(33,924)	(2,949,939)
Actuarial losses on defined benefit plans, net of tax	—	—	—	—	(188,159)	—	—	—	—	(188,159)	(44,419)	(232,578)
Total comprehensive income (loss) for the year	—	(569,069)	301,584	(2,916,015)	(188,159)	—	—	—	33,101,720	29,730,061	3,353,505	33,083,566
Reversal of appropriation	—	—	—	—	—	—	—	(8,160,000)	8,160,000	—	—	—
Cash dividends - ₱1.87 per share (Note 20b)	—	—	—	—	—	—	—	—	(13,760,590)	(13,760,590)	—	(13,760,590)
Acquisition of treasury stock (Note 20)	—	—	—	—	—	—	(4,891,831)	—	—	(4,891,831)	—	(4,891,831)
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(1,567,246)	(1,567,246)
Change in non-controlling interests (Note 9)	—	—	—	—	—	—	—	—	—	—	2,977,947	2,977,947
Balances at December 31, 2023	₱19,947,498	₱651,102	₱5,764,141	(₱269,282)	(₱1,283,856)	(₱7,175,742)	(₱4,891,831)	₱11,900,000	₱155,496,036	₱180,138,066	₱13,836,299	₱193,974,365

Consolidated Statements of Changes in Equity

Aboitiz Power Corporation and Subsidiaries

	Attributable to Equity Holders of the Parent										
							Retained Earnings (Note 20b)				
	Paid-in Capital (Note 20a)	Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures (Note 10)	Cumulative Translation Adjustments (Note 34)	Cash Flow Hedge Reserve (Note 34)	Actuarial Gains (Losses) on Defined Benefit Plans (Note 27)	Equity Reserve	Appropriated	Unappropriated	Total Attributable to Equity Holders of the Parent	Non-controlling Interests	Total
Balances at January 1, 2022	₱19,947,498	₱185,183	₱1,917,151	₱917,353	(₱1,072,629)	(₱7,175,742)	₱20,060,000	₱112,666,214	₱147,445,028	₱7,630,226	₱155,075,254
Net income for the year	—	—	—	—	—	—	—	25,998,668	25,998,668	2,011,949	28,010,617
Other comprehensive income (loss)											
Share in other comprehensive loss of associates and joint ventures	—	1,034,988	—	—	—	—	—	—	1,034,988	—	1,034,988
Movement in cumulative translation adjustments	—	—	3,545,406	—	—	—	—	—	3,545,406	(13,018)	3,532,388
Movement in cash flow hedges	—	—	—	1,729,380	—	—	—	—	1,729,380	155,585	1,884,965
Actuarial gains (losses) on defined benefit plans, net of tax	—	—	—	—	(23,068)	—	—	—	(23,068)	27,939	4,871
Total comprehensive income (loss) for the year	—	1,034,988	3,545,406	1,729,380	(23,068)	—	—	25,998,668	32,285,374	2,182,455	34,467,829
Cash dividends - ₱1.45 per share (Note 20b)	—	—	—	—	—	—	—	(10,669,976)	(10,669,976)	—	(10,669,976)
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(1,380,664)	(1,380,664)
Contributions from non-controlling interests (Note 2)	—	—	—	—	—	—	—	—	—	640,076	640,076
Balances at December 31, 2022	₱19,947,498	₱1,220,171	₱5,462,557	₱2,646,733	(₱1,095,697)	(₱7,175,742)	₱20,060,000	₱127,994,906	₱169,060,426	₱9,072,093	₱178,132,519

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Aboitiz Power Corporation and Subsidiaries

(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱45,942,946**	₱43,742,299	₱32,711,622
Adjustments for:			
Share in net earnings of associates and joint ventures (Note 10)	**(15,693,423)**	(19,817,774)	(15,134,970)
Interest expense and other financing costs (Note 33)	**14,600,723**	14,161,646	13,420,348
Depreciation and amortization (Notes 12 and 13)	**12,538,419**	13,109,562	11,863,670
Interest income (Notes 5 and 32)	**(1,974,244)**	(1,667,278)	(678,696)
Impairment loss (recovery) on property, plant and equipment, goodwill and other assets (Notes 12, 13, 14 and 28)	**(367,427)**	220,000	729,255
Write-off of project development costs (Notes 13 and 28)	**260,284**	204,546	238,021
Net unrealized foreign exchange loss	**102,347**	190,424	1,227,513
Unrealized fair valuation gain on derivatives and financial assets at FVTPL (Note 34)	**(10,434)**	(100,968)	(57,109)
Unrealized fair valuation gain on investment property (Note 28)	**(26,200)**	(52,401)	(78,600)
Loss (gain) on disposal/retirement of property, plant and equipment (Note 28)	**292,280**	(12,634)	34,843
Bargain purchase gain and remeasurement of previously held interest (Note 9)	**—**	(1,745,655)	—
Operating income before working capital changes	**55,665,271**	48,231,767	44,275,897
Decrease (increase) in:			
Trade and other receivables	**(1,690,675)**	(2,037,646)	(8,115,523)
Inventories	**(272,336)**	4,703,018	(6,549,087)
Concession asset	**750,491**	497,397	—
Other operating assets	**(3,588,022)**	5,076,309	(5,058,887)
Increase (decrease) in:			
Trade and other payables	**1,560,452**	(1,500,817)	11,529,552
Long-term obligation on power distribution system	**(40,000)**	(40,000)	(40,000)
Customers' deposits	**654,080**	717,757	943,713
Net cash generated from operations	**53,039,261**	55,647,785	36,985,665
Income and final taxes paid	**(6,910,576)**	(5,378,806)	(2,772,328)
Net cash flows from operating activities	**46,128,685**	50,268,979	34,213,337
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash dividends received (Note 10)	**12,865,861**	2,096,560	3,585,997
Decrease (increase) of other noncurrent assets	**(3,580,392)**	727,213	(2,053,238)
Interest received	**1,891,926**	1,635,332	634,182
Proceeds from redemption of shares (Note 10)	**6,940**	6,940	5,605
Proceeds from sale of property, plant and equipment	**54,112**	282,454	26,214
Net collection (payments) of advances (Note 10)	**80,401**	(73,040)	2,111
Additions to:			
Property, plant and equipment (Note 12)	**(22,167,634)**	(17,998,358)	(12,981,059)
Intangible assets (Note 13)	**(1,393,402)**	(1,193,378)	(662,028)
Additional investments (Note 10)	**(442,212)**	—	—
Acquisition of subsidiary - net of cash	**(17,789)**	—	—
Acquisition through business combinations, net of cash acquired (Note 9)	—	(570,098)	—
Net cash flows used in investing activities	**(12,702,189)**	(15,086,375)	(11,442,216)

(Forward)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from long-term debt (Note 17)	**₱8,850,000**	₱24,250,000	₱44,745,631
Net availments (payments of) short-term loans (Note 16)	**5,002,085**	(1,443,615)	2,777,169
Cash dividends paid (Note 20b)	**(16,551,297)**	(13,760,113)	(10,669,606)
Payments of:			
Long-term debt (Note 17)	**(10,909,727)**	(11,804,649)	(30,666,741)
Lease liabilities, including interest accretion (Note 35)	**(300,333)**	(22,680,908)	(9,600,853)
Interest	**(13,239,648)**	(13,536,378)	(10,305,062)
Additional (return of) contributions from non-controlling interests (Note 2)	**(687,253)**	—	624,250
Payment of dividends to non-controlling interests	**(2,911,123)**	(1,567,246)	(1,380,664)
Acquisition of treasury shares (Note 20)	**—**	(4,891,831)	—
Acquisition of non-controlling interest (Note 9)	**(632,885)**	—	—
Net cash flows used in financing activities	**(31,380,181)**	(45,434,740)	(14,475,876)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,046,315**	(10,252,136)	8,295,245
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS	**174,198**	27,278	(661,846)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**54,538,784**	64,763,642	57,130,243
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	**₱56,759,297**	₱54,538,784	₱64,763,642

See accompanying Notes to Consolidated Financial Statements.

Investor Information

Aboitiz Power Corporation

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Gov. Manuel A. Cuenco Avenue
Kasambagan, Cebu City 6000, Philippines
Tel (6332) 411-1800 | Fax (6332) 231-4037

Common Stock
The Company's common stock is listed and traded in the Philippine Stock Exchange.

Stockholders' Meeting
The Company's regular stockholders' meeting is held on the fourth Monday of April of every year.

Stockholder Services and Assistance
Stock Transfer Service, Inc. (STSI) serves as the Company's stock transfer agent.

For matters concerning dividend payments, account status, lost or damaged stock certificates, change of address, please write or call:

STOCK TRANSFER SERVICE, INC.
Unit 34-D Rufino Pacific Tower,
6784 Ayala Avenue, Makati City 1226, Philippines
Telephone No.: (632) 8403-3798 |(632) 8403-2410
(632) 85310-1351

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AboitizPower welcomes inquiries from institutional investors, analysts, and the financial community.

Please contact:

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GRI Content Index

Aboitiz Equity Ventures, Inc.

Statement of use	Aboitiz Equity Ventures Inc. has reported the information cited in this GRI content index for the period January 1, 2024 to December 31, 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	10-25, 46-49, 198-199, 218
	2-2 Entities included in the organization's sustainability reporting	8
	2-3 Reporting period, frequency and contact point	6-9, 218
	2-4 Restatements of information	None for 2024
	2-5 External assurance	None for 2024
	2-6 Activities, value chain and other business relationships	10-25 Sustainability at Aboitiz: Social
	2-7 Employees	148-149 Aboitiz EESG Data
	2-8 Workers who are not employees	148-149 Aboitiz EESG Data
	2-9 Governance structure and composition	164-167 11-18 of the AEV SEC Form 20-IS
	2-10 Nomination and selection of the highest governance body	8-9, 19-20 of the AEV SEC Form 20-IS AEV Board Charter Nomination and Election Process
	2-11 Chair of the highest governance body	166-167 11-12 of the AEV SEC Form 20-IS
	2-12 Role of the highest governance body in overseeing the management of impacts	164-165, 173-175
	2-13 Delegation of responsibility for managing impacts	137, 150-153, 164-165 Board SGRPT Aboitiz Climate Strategy
	2-14 Role of the highest governance body in sustainability reporting	164-165, 173, 184-185 Our Approach: Materiality Aboitiz Governance Framework
	2-15 Conflicts of interest	178-185 27-29 of the AEV SEC Form 20-IS Conflict of Interest Policy
	2-16 Communication of critical concerns	182 Aboitiz EESG Data Whistle-Blowing Policy
	2-17 Collective knowledge of the highest governance body	170-171
	2-18 Evaluation of the performance of the highest governance body	169 18-19 of the AEV SEC Form 20-IS
	2-19 Remuneration policies	171-172 29-31 of the AEV SEC Form 20-IS Remuneration Policy
	2-20 Process to determine remuneration	Remuneration Policy Board SGRPT
	2-21 Annual total compensation ratio	*Information unavailable/incomplete*
	2-22 Statement on sustainable development strategy	26-33, 53-57
	2-23 Policy commitments	182-184 Aboitiz Policies and Protocols
	2-24 Embedding policy commitments	135-163 Aboitiz: Our Approach Sustainability at Aboitiz: Social
	2-25 Processes to remediate negative impacts	182-184 Sustainability at Aboitiz: Social
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	2-27 Compliance with laws and regulations	182-184 55-62 of the AEV SEC Form 20-IS
	2-28 Membership associations	Aboitiz EESG Data Aboitiz Partnerships
	2-29 Approach to stakeholder engagement	135-137 Our Approach: Materiality Sustainability at Aboitiz: Social
	2-30 Collective bargaining agreements	Aboitiz EESG Data

GRI Content Index

Aboitiz Equity Ventures, Inc.

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GRI 3: Material Topics 2021	3-1 Process to determine material topics	136-137 Our Approach: Materiality
	3-2 List of material topics	136-137 Our Approach: Materiality
	3-3 Management of material topics	136-137 Our Approach: Materiality
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	34-37, 188-195 PART II – Operational and Financial Information of the AEV SEC Form 20-IS
	201-2 Financial implications and other risks and opportunities due to climate change	Our Approach: Climate Strategy
	201-3 Defined benefit plan obligations and other retirement plans	272-273, 342-346 (actual PDF pages) of the AEV SEC Form 20-IS
	201-4 Financial assistance received from government	*No applicable financial assistance received from the government*
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	94-105
	203-2 Significant indirect economic impacts	124-133 Aboitiz EESG Data
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Aboitiz EESG Data
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Anti-Corruption Guidelines Aboitiz EESG Data
	205-3 Confirmed incidents of corruption and actions taken	182 165-166 of the AEV SEC Form 20-IS Aboitiz EESG Data
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	381-382 (actual PDF pages) of the AEV SEC Form 20-IS
GRI 207: Tax 2019	207-1 Approach to tax	162-163 Tax Transparency under Sustainability at Aboitiz: Governance
	207-2 Tax governance, control, and risk management	162-163 Tax Transparency under Sustainability at Aboitiz: Governance
	207-3 Stakeholder engagement and management of concerns related to tax	162-163 Tax Transparency under Sustainability at Aboitiz: Governance
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Aboitiz EESG Data
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Aboitiz EESG Data
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	98, 138-139 Aboitiz EESG Data
	303-2 Management of water discharge-related impacts	138-139 Aboitiz EESG Data
	303-3 Water withdrawal	Aboitiz EESG Data
	303-4 Water discharge	Aboitiz EESG Data
	303-5 Water consumption	Aboitiz EESG Data
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	140-143
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	140-143
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Aboitiz EESG Data
	305-2 Energy indirect (Scope 2) GHG emissions	Aboitiz EESG Data
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	138-139
	306-2 Management of significant waste-related impacts	138-139
	306-3 Waste generated	Aboitiz EESG Data
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Aboitiz EESG Data

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability at Aboitiz: Social
	403-2 Hazard identification, risk assessment, and incident investigation	Sustainability at Aboitiz: Social
	403-3 Occupational health services	Sustainability at Aboitiz: Social AEV is compliant with the Occupational Safety and Health Law, 55-62 of the AEV SEC Form 20-IS
	403-4 Worker participation, consultation, and communication on occupational health and safety	Sustainability at Aboitiz: Social
	403-5 Worker training on occupational health and safety	Sustainability at Aboitiz: Social
	403-6 Promotion of worker health	Sustainability at Aboitiz: Social
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability at Aboitiz: Social
	403-8 Workers covered by an occupational health and safety management system	Aboitiz EESG Data
	403-9 Work-related injuries	Aboitiz EESG Data
	403-10 Work-related ill health	Aboitiz EESG Data
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Aboitiz EESG Data
	404-2 Programs for upgrading employee skills and transition assistance programs	144-145
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	148-149, 166-167 Aboitiz EESG Data
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Aboitiz EESG Data
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	*No incidents reported for 2024*
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	124-133
GRI 415: Public Policy 2016	415-1 Political contributions	*The company prohibits the influence of any legislators or committees of Congress, to pass or defeat legislation that may be beneficial or in favor of the company, in exchange for money or property.*
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No incidents reported for 2024

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