

**SEC Number 66381**

**File Number \_\_\_\_\_**

**ENERGY DEVELOPMENT CORPORATION**

(Company's full Name)

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

(Company's Address)

**(632) 7755-2332**

(Telephone Number)

**December 31, 2025**

(Fiscal Year Ending)

**SEC FORM 17-A**

(Form Type)

**Corporation Finance Department**

(SEC Department)

**Total Number of Stockholders as of December 31, 2025: 314**



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## **PART I – BUSINESS AND GENERAL INFORMATION**

### **Item 1. Business**

#### **History of Ownership**

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

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

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

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

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

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

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

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

As of December 31, 2025 and 2024, Red Vulcan holds the controlling voting interest with 63.9% ownership of EDC’s outstanding voting shares while PREHC owns 34.9%.

## Subsidiaries

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

	December 31, 2025		December 31, 2024	
	Direct	Indirect	Direct	Indirect
EDC Geothermal Corp. (“EGC”) <sup>2</sup>	100.00	–	100.00	–
Green Core Geothermal Inc. (“GCGI”)	–	80.65	–	100.00
Bac-Man Geothermal Inc. (“BGI”)	–	90.20	–	100.00
Unified Leyte Geothermal Energy Inc. (“ULGEI”)*	–	100.00	–	100.00
Bac-Man Energy Development Corporation (“BEDC”) <sup>1</sup>	–	100.00	–	100.00
Energy Development Corporation (EDC) EDC Chile Limitada <sup>1</sup>	99.99	0.01	99.99	0.01
EDC Holdings International Limited (“EHIL”) <sup>2</sup>	100.00	–	100.00	–
Energy Development Corporation Hong Kong Limited (“EDC HKL”) <sup>2</sup>	–	100.00	–	100.00
Energy Development Corporation Hong Kong International Investments Limited (“EDC HKIIL”) <sup>2</sup>	–	100.00	–	100.00
EDC Chile Holdings SpA <sup>2</sup>	–	100.00	–	100.00
EDC Geotermica Chile SpA (Chile) <sup>1</sup>	–	100.00	–	100.00
EDC Peru Holdings S.A.C. <sup>3</sup>	–	100.00	–	100.00
EDC Geotermica S.A.C. <sup>3</sup>	–	100.00	–	100.00
Geotermica Chocopata Peru S.A.C. <sup>3</sup>	–	70.00	–	70.00
Energy Development Corporation Peru S.A.C. <sup>3</sup>	–	100.00	–	100.00
Geotermica Andina S.A.C. <sup>3</sup>	–	100.00	–	100.00
EDC Geotermica Del Sur S.A.C. <sup>3</sup>	–	100.00	–	100.00
EDC Energía Azul S.A.C. <sup>3</sup>	–	100.00	–	100.00
Geotermica Crucero Peru S.A.C. <sup>3</sup>	–	70.00	–	70.00
EDC Energía Perú S.A.C. <sup>3</sup>	–	100.00	–	100.00
Geotermica Tutupaca Norte Peru S.A.C. <sup>3</sup>	–	70.00	–	70.00
EDC Energía Geotermica S.A.C. <sup>3</sup>	–	100.00	–	100.00
EDC Progreso Geotermica Perú S.A.C. <sup>3</sup>	–	100.00	–	100.00
Geotermica Loriscota Peru S.A.C. <sup>3</sup>	–	70.00	–	70.00
EDC Energía Renovable Perú S.A.C. <sup>3</sup>	–	100.00	–	100.00
Geotermica Pinchollo Libre Peru S.A.C. <sup>3</sup>	–	70.00	–	70.00
EDC Soluciones Sostenibles Ltd <sup>2</sup>	–	100.00	–	100.00
EDC Desarrollo Sostenible Ltd <sup>2</sup>	–	100.00	–	100.00
EDC Energía Verde Peru S.A. <sup>3</sup>	–	100.00	–	100.00
PT FirstGen Geothermal Indonesia (“PT FGGI”)	100.00	–	–	–
PT EDC Indonesia (“PT EDCI”) <sup>4</sup>	–	–	–	95.00
PT EDC Panas Bumi Indonesia (“PT EDCPBI”) <sup>4</sup>	–	–	–	95.00
EDC Wind Energy Holdings Inc. (“EWEHI”) <sup>2</sup>	100.00	–	100.00	–
EDC Burgos Wind Power Corporation (“EBWPC”)	–	100.00	–	100.00
EDC Pagudpud Wind Power Corporation (“EPWPC”) <sup>1</sup>	–	100.00	–	100.00
EDC Bayog Burgos Wind Power Corporation (“EBBWPC”) <sup>1</sup>	–	100.00	–	100.00
EDC Pagali Burgos Wind Power Corporation (“EPBWPC”) <sup>1</sup>	–	100.00	–	100.00
Iloilo 1 Renewable Energy Corporation (“I1REC”) <sup>1</sup>	–	100.00	–	100.00
EDC Bright Solar Energy Holdings, Inc. (“EBSEHI”) <sup>2</sup>	100.00	–	100.00	–
EDC Siklab Power Corporation (“EDC Siklab”)	–	100.00	–	100.00
EDC Sinag Power Corporation (“EDC Sinag”) <sup>1</sup>	–	100.00	–	100.00
EDC Wind Energy Holdings 2 Inc. (“EWEHI2”) <sup>2</sup>	100.00	–	100.00	–
First Gen Hydro Power Corporation (“FG Hydro”)	60.00	–	60.00	–

<sup>1</sup> Has not started commercial operations as of December 31, 2025

<sup>2</sup> Serves as an investment holding company

<sup>3</sup> Ceased exploration and development activities as of December 31, 2025

<sup>4</sup> On August 4, 2025, ownership was transferred under PT FGGI and was further deconsolidated on October 28, 2025, as a result of the Shareholders’ Agreement entered by PT FGGI with PT DSSR Daya Mas Sakti

<sup>\*</sup> On June 27, 2024, Board and Stockholders approved the shortening of corporate term until June 23, 2026

## EGC

EGC was incorporated on April 9, 2008. EGC became an investment holding company of its subsidiaries, namely GCGI, BGI, ULGEI, and BEDC. EGC also has 0.01% ownership in PT FGCI.

Further details on EGC's subsidiaries are as follows:

- GCGI was incorporated on June 22, 2009 to carry on the business of power generation, transmission, distribution, and other energy-related businesses. GCGI is currently operating the 172.5 Megawatt ("MW") Palinpinon and 123.0 MW Tongonan 1 geothermal power plants in Negros Oriental and Leyte, respectively, following its successful acquisition from the Power Sector Assets and Liabilities Management Corporation ("PSALM") in 2009.

On June 8, 2020, the Energy Regulatory Commission ("ERC") approved GCGI's application for a Retail Electricity Supplier ("RES") license effective for a period of five (5) years from the date of issuance. On July 29, 2025, the DOE renewed GCGI's RES license until July 28, 2030.

On May 20, 2021, the Department of Energy ("DOE") approved the application of GCGI for an operating permit as Renewable Energy ("RE") Supplier under the Green Energy Option Program ("GEOP") valid for a period of five (5) years from the date of issuance. The GEOP operating permit allows for supply of electric power to an eligible end-user opting for green energy.

GCGI's Palinpinon-1 and Palinpinon-2 geothermal power plants have also been registered in the Reserve Market in 2025.

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

On February 14, 2017, the ERC approved BGI's application for a RES license. On August 3, 2022, this was extended by the ERC for a period of one (1) year from August 14, 2022 until August 13, 2023. On December 13, 2023, the ERC renewed BGI's RES license for a period of five (5) years, reckoned from August 14, 2023 until August 13, 2028.

On October 22, 2020, the DOE approved BGI's application for GEOP operating permit, valid for a period of five (5) years from the date of issuance. On May 21, 2025, the DOE renewed BGI's GEOP operating permit for a period of five (5) years or valid until May 20, 2030.

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

On May 6, 2021, BGI was registered with Board of Investments ("BOI") covering the 29 MW Palayan Binary Power Plant ("PBPP") - Phase 1 and 20 MW Tanawon Geothermal Power Plant ("GPP") - Phase 2 Projects. In February 2024, PBPP had already started its commissioning and testing and generated its first kilowatt-hour of electricity. On March 11, 2025, the ERC granted PBPP a Provisional Authority to Operate ("PAO"), officially transitioning the plant to commercial operations. Meanwhile, Tanawon GPP began commercial operations on August 18, 2025 upon receiving its own PAO. Tanawon GPP was then issued Certificates of Award ("COAs") by the DOE dated August 19, 2025, as winning bidders in the third round of the Green Energy Auction Program

(“GEA-3”). Tanawon GPP received the Certificate of Endorsement for Non-Feed-in-Tariff (“FIT”) Green Energy Tariff (“GET”), which entitles BGI to the Non-FIT GET for a period of 20 years, commencing on August 29, 2025.

- ULGEI was incorporated on June 23, 2010. The operation of ULGEI involves managing and/or trading of 40 MW Strips of Energy from ULGPP under the Independent Power Producer Administrators Agreement with PSALM. The agreement expired last July 25, 2021. As of December 31, 2025, there are no live contract under ULGEI.

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

- BEDC was incorporated on September 22, 2011 to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities and electric cooperatives. As of December 31, 2025, BEDC remained non-operating.

#### EDC Chile Limitada

EDC Chile Limitada is a limited liability company incorporated on February 11, 2010 in Santiago, Chile with the purpose of exploring, evaluating and extracting any mineral or substance to generate geothermal energy. As of December 31, 2025, EDC Chile Limitada remained non-operating.

#### EHIL and EDC HKL

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

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

of EDC Geotermica S.A.C. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities and electric cooperatives. On January 3, 2014, Energy Development Corporation Peru S.A.C. became 100% indirectly owned subsidiary by the Parent Company.

- On February 27, 2013, EDC Geotermica Del Sur S.A.C., EDC Energía Azul S.A.C., EDC Energía Perú S.A.C., EDC Energía Geotermica S.A.C., EDC Progreso Geotérmico Perú S.A.C., EDC Energía Renovable Perú S.A.C. were incorporated in Lima, Peru as 99.9%-owned by EDC HKL and 0.1%-owned by EDC Peru Holdings S.A.C. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities and electric cooperatives.

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

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

- On January 3, 2014, EDC HKL purchased 100% interest in EDC Soluciones Sostenibles Ltd and EDC Desarrollo Sostenible Ltd located in British Virgin Islands with a total offer price of US\$3.0 million. This effectively gave EDC HKL a 100% indirect interest to acquirees' subsidiary, EDC Energia Verde Peru S.A.
- On July 9, 2012, PT EDCI and PT EDCPBI were incorporated in Jakarta Pusat, Indonesia as 95%-owned subsidiaries of EDC HKL. On June 20, 2024, PT EDCI and PT EDCPBI made an adjustment on its capitalization by way of reducing the authorized capital and issued and paid-up capital.
- On June 11, 2025, PT FGGI, was incorporated in South Jakarta, Indonesia as a 99.99%-owned subsidiary of EDC HKL and 0.01%-owned by EGC.

On June 30, 2025, PT Daya Graho Sakti Energi ("PT DGSE"), PT Daya Bora Pulu Energi ("PT DBPE") and PT Daya Koto Sani Energi ("PT DKSE"), all were indirect subsidiaries of EDC under PT FGGI were incorporated.

On July 8, 2025, PT Kotosani Tanjungbingkung Geothermal, an indirect subsidiary of EDC under PT DKSE was incorporated.

On August 4, 2025, the ownership of PT EDCI and PT EDCPBI was transferred to PT DGSE and PT DBPE, respectively.

On October 28, 2025, PT FGGI, a wholly owned subsidiary of EDC, has signed a Shareholders' Agreement with PT DSSR Daya Mas Sakti, a subsidiary of PT Dian Swastatika Sentosa Tbk of the Sinar Mas Group in Indonesia, and PT Daya Mas Bumi Sentosa. The Shareholders' Agreement sets

out the terms of the strategic partnership for the development of a potential geothermal energy portfolio in Indonesia.

As of December 31, 2025, all subsidiaries of EDC HKL remained non-operating.

### EWEHI

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

- EBWPC was incorporated on April 13, 2010 to carry on the general business of generating, transmitting, and/or distributing energy. EBWPC operates the 150 MW Burgos Wind Project located in the Municipality of Burgos, Ilocos Norte.
- EPWPC was incorporated on February 29, 2012 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2025, EPWPC remained non-operating.
- EBBWPC and EPBWPC were both incorporated on May 22, 2014 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2025, EBBWPC and EPBWPC remained non-operating.
- IIREC was incorporated on February 9, 2016 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2025, IIREC remained non-operating.

### EBSEHI

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

- EDC Siklab was incorporated on May 22, 2014 to carry on the general business of generating, transmitting, and/or distributing energy.
- EDC Sinag was incorporated on November 19, 2014 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2025, EDC Sinag remained non-operating.

### EWEHI2

EWEHI2 was incorporated on January 5, 2017, as a holding company. As of December 31, 2025, EWEHI2 remained non-operating.

### FG Hydro

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

## Nature of Operations

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

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

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

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

BGI's Tanawon GPP and EDC's Bago Binary Geothermal Power Plant were winning bidders in the third round of the GEA-3. Tanawon GPP received the Certificate of Endorsement for Non-FIT GET, which entitles BGI to the Non-FIT GET for a period of 20 years, commencing on August 29, 2025.

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

- Tongonan, Kananga, and Ormoc City Leyte - EDC operates geothermal steamfield projects in Leyte, which deliver steam to the Tongonan geothermal power plant, owned by GCGI, a subsidiary of EDC and the EDC-owned Unified Leyte geothermal power plants.
- Southern Negros, Valencia, Negros Oriental - EDC operates one (1) geothermal steamfield project in Southern Negros, which delivers steam to the two (2) GCGI-owned Palinpinon geothermal power plants, and EDC-owned Nasulo geothermal power plant.
- Bacon-Manito, Albay and Sorsogon - EDC operates one (1) geothermal steamfield project, which delivers steam to four (4) geothermal power plants in Albay and Sorsogon, owned by BGI.
- Mt. Apo, Kidapawan, Cotabato - EDC operates one (1) geothermal steamfield project, which delivers steam to three (3) EDC-owned geothermal power plants in Mt. Apo.

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

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

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

### **Principal products or services and their markets**

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

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

In addition, EDC and GCGI are active participants in the Reserve Market, providing ancillary services to support grid reliability and system stability. The Sogongon units of GCGI's Palinpinon II were the first to commence the Group's participation in the Reserve Market on 16 September 2025, followed by other units of Palinpinon. To date, the Group provides approximately 107 MW of total reserve capacity, including the Battery Energy Storage Systems ("BESS") under EDC.

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

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

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

### **Operational Highlights**

Total revenue was ₱48,551.9 million in 2025, a 5.2% or ₱2,403.2 million increase from the ₱46,148.7 million revenue in 2024. The increase was mainly due to the higher sales volume, which was partly offset by the overall lower average price. The Group's total electricity sales of 8,197.4 gigawatt hours ("GWh") in 2025, was a 7.7% increase from the 7,612.2 GWh in 2024.

Revenue from the combined bilateral contracts and WESM sales increased by 3.1% or ₱1,403.9 million to ₱47,405.5 million in 2025 from ₱46,001.6 million in 2024. The corresponding volume of 8,036.8 GWh in 2025 was a 5.9% increase from the 7,591.5 GWh in 2024.

Revenue from sale of electricity under ASPA and to the Reserve Market increased by 679.4% or ₱999.4 million to ₱1,146.5 million in 2025 from ₱147.1 million in 2024. The corresponding volume of 160.6 GWh in 2025 was 675.8% higher from the 20.7 GWh in 2024. The increase was mainly from the generation sold by FG Hydro and from the BESS that started its operations in 2025.

	GWh				In ₱ million			
	2025	2024	vs.		2025	2024	vs.	
Unified Leyte	1,460.4	1,526.5	(66.1)	-4.3%	6,579.3	8,214.1	(1,634.8)	-19.9%
Mindanao I, II, III	465.4	616.0	(150.6)	-24.4%	2,202.8	3,000.0	(797.2)	-26.6%
Nasulo	311.3	316.5	(5.2)	-1.6%	1,734.4	2,030.1	(295.7)	-14.6%
Northern Negros	–	4.5	(4.5)	-100.0%	–	24.7	(24.7)	-100.0%
Palinpinon	1,337.7	1,121.7	216.0	19.3%	7,966.3	6,904.5	1,061.8	15.4%
ASPAs / Reserve Market	37.6	–	37.6	0.0%	498.0	–	498.0	0.0%
WESM & BCQs*	1,300.1	1,121.7	178.4	15.9%	7,468.3	6,904.5	563.8	8.2%
Tongonan	1,583.8	1,736.9	(153.1)	-8.8%	10,978.9	11,846.7	(867.8)	-7.3%
Bac-Man	2,222.5	1,796.6	425.9	23.7%	13,025.5	10,331.5	2,694.0	26.1%
BESS	49.8	–	49.8	0.0%	460.9	–	460.9	0.0%
Burgos Wind	274.1	268.9	5.2	1.9%	3,237.3	2,601.6	635.7	24.4%
Burgos Solar	7.4	8.4	(1.0)	-11.9%	75.6	86.3	(10.7)	-12.4%
Siklab (Solar Rooftop)	4.9	5.5	(0.6)	-10.9%	28.8	32.3	(3.5)	-10.8%
FG Hydro	480.0	210.7	269.3	127.8%	2,262.1	1,076.9	1,185.2	110.1%
ASPAs / Reserve Market	123.0	20.7	102.3	494.2%	648.4	147.1	501.3	340.8%
WESM & BCQs*	357.0	190.0	167.0	87.9%	1,613.7	929.8	683.9	73.6%
	<b>8,197.3</b>	<b>7,612.2</b>	<b>585.1</b>	<b>7.7%</b>	<b>48,551.9</b>	<b>46,148.7</b>	<b>2,403.2</b>	<b>5.2%</b>

\*BCQ - bilateral contract quantities

## Distribution methods of products or services

The 1,460.4 GWh of electricity sold by Unified Leyte was delivered mainly to the WESM, electric cooperatives, distribution utilities, and retail energy suppliers.

The 465.4 GWh of electricity sold by the Mindanao geothermal power plants were delivered mainly to the WESM and other industrial customers.

The 311.3 GWh of electricity sold by the Nasulo geothermal power plant was delivered mainly to the distribution utilities, WESM and other industrial customers.

The 49.8 GWh of electricity was sold by EDC through its BESS in Bac-Man and Southern Negros.

A total of 2,921.5 GWh sold by the geothermal power plants in Tongonan and Palinpinon was delivered to electric cooperatives, distribution utilities, industrial customers and to the WESM in the Visayas region. Tongonan also delivered electricity through its RES/GEOP contracts, while Palinpinon also sold electricity to the Ancillary Services Reserve Market (“ASRM”).

The 2,222.5 GWh of electricity sold by the Bac-Man geothermal power plants was delivered mainly through RES/GEOP contracts, to the WESM and electric cooperatives in the Luzon region.

The 274.1 GWh, and 7.4 GWh of electricity sold by the Burgos Wind power plants, and Burgos Solar power plants, respectively, were delivered mainly to WESM and National Transmission Corporation (“TransCo.”)

357.0 GWh of electricity was sold by FG Hydro mainly to the WESM and through PSAs with various customers. FG Hydro also sold 123.0 GWh as sale of electricity under ASPA.

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

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

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

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

## **New products or services**

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

In 2024, EDC had been building three (3) Battery Energy Storage Systems (“BESS”), i.e., 20MW BESS in Bac-Man, 10MW in Tongonan, Leyte, and 10MW in Southern Negros. These are co-located at its existing geothermal facilities. The BESS are aimed to help provide grid stability and reliability through provision of ancillary services. All BESS projects are now commercially operating with Bac-Man BESS securing its Provisional Authority to Operate last September 2025, Southern Negros BESS last November 2025 and Tongonan BESS last December 2025.

FG Hydro is developing the Aya pumped-storage facility designed to increase the capacity of the Pantabangan-Masiway plant complex by up to 120MW. The facility is expected to store and generate electricity by moving water between the Pantabangan reservoir and the Masiway reservoir, which are situated at different elevations. The project is designed to allow full year operations independent of the irrigation demands from the National Irrigation Administration (“NIA”). Construction of the Aya pumped-storage facility is targeted to start in the fourth quarter of 2026.

## **Competition**

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

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

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

In addition, the Reserve Market, which aims to co-optimize the dispatch schedule and prices for both the energy and reserve requirements of the grid, was launched on January 26, 2024. On March 26, 2024, the ERC ordered the temporary suspension of the billing and settlement of the Reserve Market for the March billing period (i.e. February 26 to March 25, 2024). On March 27, 2024, DOE directed the reversion of the Reserve Market to Trial Operations. On July 26, 2024, the ERC resolved to lift the suspension of the billing and settlement and on August 5, 2024, DOE directed the Market Operator to resume commercial operations of the Reserve Market.

Aside from selling electricity in bulk quantities to distribution utilities through the market, the Retail Competition Open Access (“RCOA”), which started commercial operations on June 26, 2013, is another mechanism which allows competition in the retail level wherein qualified end-users, called Contestable

Customers, may directly contract with a Retail Electricity Supplier (“RES”) for the supply of electricity instead of sourcing the same through their franchised distribution utility.

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

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

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

Another program under the EPIRA framework, the ERC launched the Retail Aggregation Program (“RAP”) in 2022 (through ERC Resolution No. 04, Series of 2022) which allows end-users within the same franchise area to pool their demand to meet the 500 kilowatt threshold. This enables smaller consumers to collectively choose their own electricity providers and transition to clean energy sources.

DOE also issued Department Circular No. DC 2021-11-0036 providing the Revised Guidelines for the Green Energy Auction Program (“GEAP”) in the Philippines. The GEAP succeeds the FIT award mechanism; however, the twenty (20) year tariffs will be determined through a competitive selection process. DOE further clarified under DC 2023-09-0027 published in September 2023 that the Green Energy Tariff (“GET”) from the Green Energy Auction of the winning bidder is considered as the FIT. The GEAP was designed to continuously trigger the increase of RE capacity in the country, which will help realize the government’s target of 35% RE in the energy mix by 2030 and 50% by 2040.

Further enhancing competition in the renewable energy sector is the passage of RA No. 11659 or the Public Services Act, as amended, which was signed into law on March 21, 2022. RA No. 11659 removes foreign equity restrictions on most public service companies, except those considered as public utility and critical infrastructure. The government’s move to open competition in the RE market is further strengthened with the issuance of DOE Department Circular No. DC2022-11-0034 on November 15, 2022, amending the Implementing Rules and Regulations of RA No. 9513, which now allows foreign citizens or 100% foreign-owned companies to undertake the exploration, development, and utilization of solar, wind, hydro, and ocean or tidal energy resources. This shift in government policy to allow full foreign ownership of certain renewable energy projects aims to attract more investments in the renewable energy sector and meet the long-term climate target commitments of the country.

The Group will face competition in both the development of new power generation facilities and the acquisition of existing power plants, as well as in the financing for these activities.

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

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

### **Suppliers of raw materials**

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

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

For the year ended December 31, 2025, the Group's revenue from sale of electricity is not dependent on one or a few major customers.

### **Transactions with and/ or dependent on related parties**

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

### **Government approvals, patent, trademarks, copyright and concessions**

The Group secures various government approvals as part of the normal course of its business. As of the date of this report, the Group has obtained, or is in the process of obtaining, all governmental approvals, permits and licenses necessary to operate its businesses as currently conducted.

Part of the permits that the Group obtains are business permits from the relevant local government units where its facilities are located.

### *Intellectual Property*

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

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

## Patents

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

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

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

## Trademarks

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

Details of these trademarks are as follows:

<b>No.</b>	<b>TRADEMARK</b>	<b>Registration Number</b>	<b>Registered Date</b>	<b>Renewal Date</b>
1	BAC-MAN ENERGY DEVELOPMENT CORPORATION, BEDC AND DEVICE 	4-2012-501430	December 27, 2012	December 27, 2032
2	BAC-MAN GEOTHERMAL, INC. <b>BAC-MAN GEOTHERMAL, INC</b>	4-2010-00501269	November 8, 2012	November 8, 2032
3	BAC-MAN GEOTHERMAL INC., BGI AND DEVICE 	4-2012-501423	June 25, 2015	June 25, 2035
4	BGI  <b>BGI</b>	4-2010-501272	May 5, 2011	May 5, 2031

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

No.	TRADEMARK	Registration Number	Registered Date	Renewal Date
13	GREEN CORE GEOTHERMAL, INC.  GREEN CORE GEOTHERMAL, INC.	4-2010-501262	May 5, 2011	May 5, 2031
14	UNIFIED LEYTE GEOTHERMAL ENERGY INC., ULGEI AND DEVICE  	4-2012-501427	August 22, 2013	August 22, 2033
15	BINHI LOGO  	4-2023-525822	October 3, 2023	October 3, 2043

### Copyright

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

## Concessions

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

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

These contract areas are in Luzon, Leyte, Negros, and Mindanao. The following table provides a summary of the Group’s geothermal projects, which produce and sell steam and electricity, grouped by the contract areas in which they are located:

Contract Area	Expiry of GRES	Project	Installed Capacity <sup>5</sup> (in MWe)	Expiration of Offtake Agreement	Minimum take-or-pay Capacity (in GWh/yr)	Plant Owner	Expiry of GOC
Tongonan Geothermal Project	2031 <sup>6</sup>	Tongonan	123.000	2031 (GRSC) <sup>7</sup> 2040 (PSAs)	225.08	GCGI <sup>8</sup>	2037 <sup>9</sup>
		Upper Mahiao	149.440 <sup>10</sup>				
		Malitbog	232.614 <sup>11</sup>				
		Mahanagdong	198.135				
		Mahanagdong Binary Optimization	31.294 37.000				
Southern Negros Geothermal Project	2031 <sup>6</sup>	Palinpinon I	112.500	2031 (GRSC) <sup>12</sup> 2040 (PSAs)	939.44	GCGI <sup>8</sup>	2037 <sup>9</sup>
		Palinpinon II	60.000 <sup>13</sup>				
		Nasulo	49.370				
Bacon-Manito Geothermal Project	2031 <sup>6</sup>	Bac-Man I	120.000 <sup>14</sup>	2026 (SSA) <sup>15</sup> 2037 (PSAs)	76.8	BGI <sup>16</sup>	2037 <sup>9</sup>
		Bac-Man II	20.000				
		Palayan Binary	35.700				
		Tanawon	21.573				
Mt. Apo Geothermal Project	2042 <sup>18</sup>	Mindanao I	54.240	2028 (PSAs)	69.12	EDC	
		Mindanao II	54.240				
		Mindanao III	3.669				
<b>Total</b>			<b>1,302.775</b>		<b>1,579.31</b>		

<sup>5</sup> Pursuant to ERC Resolution No. 17, Series of 2023, where “installed nameplate capacity” is defined as “full-load continuous gross capacity of a unit under specified conditions, as calculated from the electric generator nameplate based on the rated power factor x x x ”

<sup>6</sup> Extendible for another twenty-five (25) years or until 2056

<sup>7</sup> The GRSC for Tongonan commenced upon take-over of the plants by GCGI.

<sup>8</sup> On October 23, 2009, the Palinpinon and Tongonan geothermal power plants were turned over to GCGI, which won the PSALM’s auction of the said plants on September 2, 2009.

<sup>9</sup> Renewable for another twenty-five (25) years

<sup>10</sup> The amended Provisional Authority to Operate (“PAO”) issued by the ERC for the Unified Leyte geothermal facilities on November 25, 2025 only indicates a capacity of 47.720 MW for the Upper Mahiao Geothermal Power Plant (“UM GPP”), corresponding to the combined rated capacity of the steam turbine generator of UM GPP’s Units 3 and 4. The plant’s Units 1 and 2 were offline during the ERC’s technical inspection conducted on June 11, 2025.

<sup>11</sup> The amended PAO issued by the ERC for the Unified Leyte geothermal facilities on November 25, 2025 does not include Unit 2 of the Malitbog GPP. The said unit was offline during the ERC’s technical inspection conducted on June 11, 2025.

<sup>12</sup> The GRSC for Palinpinon I & Palinpinon II commenced upon take-over of the plants by GCGI.

<sup>13</sup> Palinpinon-2 includes Sogongon 1, Sogongon 2 and Okoy 5 GPPs. PAO for Sogongon 1 & 2 and Okoy 5 was issued on December 19, 2025; does not include 20.000-MW Nasuji GPP (on preservation mode)

<sup>14</sup> Based on Dependable Capacity of 60.000 MW per unit, as indicated in the PAO issued by the ERC on October 20, 2025

<sup>15</sup> On June 1, 2018, EDC and BGI entered into an interim agreement for the supply of steam for Bac-Man I GPPs effective from the date of expiration of the SSA until the new SSA takes effect or December 25, 2020, whichever is earlier. On April 30, 2019, EDC and BGI entered into an interim agreement for the supply of steam for Bac-Man II Cawayan Unit effective from the date of expiration of the SSA until the new SSA takes effect or December 25, 2020, whichever is earlier. On December 24, 2020, the terms of both interim agreements were extended for another three (3) years, or until December 25, 2023. On December 22, 2023, the interim agreements were further extended until December 25, 2024. On December 20, 2024, the interim agreements were further extended until June 25, 2025 or until the new SSA takes effect, whichever is earlier. On June 25, 2025, these were further extended from June 25, 2025 to June 25, 2026 or until the new SSA takes effect, whichever is earlier.

<sup>16</sup> On September 3, 2010, the Bac-Man 1 and Bac-Man II GPPs were turned over to BGI, which won the PSALM’s auction of the said plants on May 5, 2010.

<sup>17</sup> EDC and BGI entered into a GRSC on September 23, 2024 for the supply of steam for Tanawon GPP effective until December 25, 2029.

<sup>18</sup> Includes a twenty-five (25)-year extension period to GRES

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

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

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

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

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

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

As of December 31, 2025, the Group holds twelve (12) Wind Energy Service Contracts (“WESCs”) with the DOE, each with a twenty-five (25)-year contract period. The WESCs cover the following:

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

\* Renewable for another twenty-five (25) years

\*\* Pending DOE’s approval of the request to surrender

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

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

\* Renewable for another twenty-five (25) years

\*\* EDC Siklab Power Corporation

### Effect of existing or probable governmental regulations on the business

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

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

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

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

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

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

In October 2022, the DOE issued DC2022-10-0031, which granted all generating units that utilize RE a “preferential dispatch” status in the WESM. In the same month, the ERC promulgated Resolution No. 11, Series of 2022, or the Rules Governing Distributed Energy Resources to promote the development and utilization of smaller RE power sources and set the guidelines, standards, licensing requirements, pricing methodologies, and commercial arrangements for such facilities.

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

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

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

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

Toward the end of 2023, the DOE declared the commercial operation of the Reserve Market with the issuance of DC2023-09-0026, subject to compliance with other regulatory requirements to fully implement the commercial operation of the Reserve Market.

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

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

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

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

To further encourage RE projects, the DOE issued DC2024-06-018 or the Revised Omnibus Guidelines Governing the Award and Administration of Renewable Energy Contracts and the Registration of Renewable Energy Developers in 2024, which streamlined the processes in the award of RE contracts with enhancements in the EVOSS to allow faster processing of applications for permits and licenses.

In 2025, the ERC issued Resolution No. 13 for establishing an Enhanced Mandatory Regulatory Education Program and providing qualifications, functions, and certification of Regulatory Compliance Officers (“RCOs”). This resolution mandates Gencos to designate RCOs, who shall be primarily responsible for ensuring their organization’s full compliance with the ERC’s rules and requirements.

On March 7, 2025, the DOE continued to refine the GEA Program through DC2025-03-004, which reinforces the role of GEAP as a primary route for securing long-term RE offtake through auction-based

procurement. With this, the DOE widened participation in the GEA by allowing RE Developers with issued Certificate of Authority to become eligible as a qualified supplier.

Further, the fourth GEA was conducted last September 2025 and resulted in awards totaling 10.2 GW of ground-mounted solar, roof-mounted solar, floating solar, integrated renewable energy with energy storage system, and onshore wind contracts. The fifth GEA kicked off last November 2025 with the issuance of the Notice of Auction and Terms of Reference for 3.3 GW of offshore wind capacity and is targeted to be held mid-2026.

On October 14, 2025, the DOE promulgated DC2025-10-0023 or the Enhanced Energy Regulations for the Provision of Benefits to Communities Hosting Energy Generation and Resource Development Facilities. This policy supersedes DOE DC2018-08-0021 and Energy Regulations 1-94. The Circular increased the provision of financial benefits to host communities, from the previous one centavo per kilowatt-hour (Php0.01/kWh) to three centavos per kilowatt-hour (Php0.03/kWh) of electricity sales, effective January 2026.

Toward the end of 2025, the ERC announced the lowering of the eligibility threshold for RCOA and the Retail Aggregation Program, from 500 kW to 100 kW, effective June 26, 2026. This will significantly expand the contestable market in the country, allowing medium-sized enterprises (i.e., those consuming 100 kW to 499 kW of electricity monthly) to choose their own electricity supplier.

Various issuances were introduced in 2025 by the DOE geared toward developing a more competitive energy market including (i) DC2025-01-0001 institutionalizing the energy sector cybersecurity and cyber resiliency framework; (ii) DC2025-09-0018, as supplemented by DC 2025-10-0025, where the DOE formally recognizes Energy Certificates as separable and trackable attributes of renewable electricity generation, distinct from the physical sale of electricity; and (iii) DC2025-10-0024 which defines and establishes the rules for a new VPPA market, creating a new, bankable, and unregulated path for RE developers to finance projects by selling “Voluntary RECs” directly to corporations for their Net-Zero/RE100 targets.

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

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

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

## **Development activities**

The Group follows the full cost method of accounting for its exploration costs determined based on each service contract area. Under this method, all exploration costs relating to each service contract are accumulated and deferred under the “Exploration and evaluation assets” account in the consolidated statement of financial position pending the determination of whether the wells have proven reserves.

Capitalized expenditures include costs of license acquisition, technical services and studies, exploration drilling and testing, and appropriate technical and administrative expenses. Project development costs are expensed as incurred until management determines that the project is technically, commercially, and financially viable, at which time, project development costs are capitalized. Project viability generally occurs in tandem with management’s determination that a project should be classified as an advanced project, such as when favorable results of a system impact study are received, interconnected agreements are obtained, and project financing is in place.

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

<b>(Amounts in Pesos)</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Exploration and Evaluation Assets	1,666,686,807	493,404,385	116,232,331
Palayan Binary Power Project	161,787,976	1,230,480,499	1,047,411,844
Mindanao 3 Binary Power Plant Project	-	-	1,462,139
Tanawon Project	1,906,125,324	1,942,999,904	2,533,194,750
Mahanagdong Binary Project	1,480,858,611	2,500,837,281	2,888,639,019
Northern Negros Geothermal Project	622,324,958	1,086,946,045	1,273,393,967
Aya Pumped-Storage Hydroelectric Power Project	5,902,492	89,582,987	225,092,063
Battery Energy Storage System	555,442,821	1,764,460,761	1,902,877,068
<b>Total DA</b>	<b>6,399,128,989</b>	<b>9,108,711,861</b>	<b>9,988,303,181</b>
Revenue	48,551,869,211	46,148,666,254	47,171,649,795
Percentage of DA to Revenue	13.2%	19.7%	21.2%

### **Costs and effects of compliance with environmental laws**

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

The total cost incurred by the Group to comply with environmental laws in 2025 was approximately ₱217.4 million. Overall, the Group achieved full and continuing compliance with applicable environmental legal and regulatory requirements, resulting in the absence of Notice of Violation and fines/ penalties from the DENR.

## Employees and labor relations

As of December 31, 2025, the Group has 1,642 plantilla employees consisting of 43 Executives, 1,588 managerial, supervisory, professional, and technical employees, and 11 rank and file employees. In particular, the distribution of employees by location, with the headcount for EDC, GCGI, BGI, EBWPC, including from First Philippine Holdings Corporation (“FPH”), First Gen, and First Gas Power Corporation (“FGas”), as seconded to EDC, are as follows:

<b>Main Location</b>	<b>EDC</b>	<b>GCGI</b>	<b>BGI</b>	<b>EBWPC</b>	<b>FG Hydro</b>	<b>FPH/ First Gen/ FGas</b>	<b>Total</b>
Head Office	512	1	1	1	6	14	<b>535</b>
Bac-Man	126	1	48	–	–	–	<b>175</b>
Leyte	429	27	–	1	–	–	<b>457</b>
Mt. Apo	138	–	–	–	–	–	<b>138</b>
Negros	209	34	–	–	–	–	<b>243</b>
Ilocos Norte	2	–	–	20	–	–	<b>22</b>
Pantabangan	–	–	–	–	72	–	<b>72</b>
<b>Total</b>	<b>1,416</b>	<b>63</b>	<b>49</b>	<b>22</b>	<b>78</b>	<b>14</b>	<b>1,642</b>

Per Job Category:

<b>Main Location</b>	<b>Executive</b>	<b>Managerial, Supervisory, Professional and Technical</b>	<b>Rank and File</b>	<b>Total</b>
Head Office	38	497	–	535
Bac-Man	–	175	–	175
Leyte	4	453	–	457
Mt. Apo	–	138	–	138
Negros	1	242	–	243
Ilocos Norte	–	22	–	22
Pantabangan	–	61	11	72
<b>Total</b>	<b>43</b>	<b>1,588</b>	<b>11</b>	<b>1,642</b>

Anticipated No. of Plantilla Employees by end of 2026:

<b>Main Location</b>	<b>Executive, Managerial, Supervisory, Professional and Technical</b>	<b>Rank and File</b>	<b>Total</b>
Head Office	509	-	509
Bac-Man	163	-	163
Leyte	438	-	438
Mt. Apo	136	-	136
Negros	235	-	235
Ilocos Norte	22	-	22
Pantabangan	58	11	69
<b>Total</b>	<b>1,561</b>	<b>11</b>	<b>1,572</b>

In 2025, EDC's subsidiaries, GCGI, BGI, EBWPC and FG Hydro employed the following number of employees:

Subsidiary	Executive	Managerial, Supervisory, Professional and Technical	Rank and File	Total
GCGI	-	8	-	8
BGI	-	9	-	9
EBWPC	-	1	-	1
FG Hydro	-	3	2	5
<b>Total</b>	-	<b>21</b>	<b>2</b>	<b>23</b>

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

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

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

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

No.	Union Name	Site	No. of Members*
1	Bacman Geothermal Production Field Professional and Technical Employees Union	Bac-Man	56
2	Mt. Apo Professional and Technical Employees' Union	Mt. Apo	60
3	Leyte Geothermal Professional and Technical Employees Union	Leyte	228
4	Negros EDC Professional and Technical Association – Associated Professional, Supervisory, Office and Technical Employees Union	Negros	111
5	EDC-BGPF Supervisory Employees' Union	Bac-Man	20
6	Bacman Geothermal Inc. - Professional & Technical Employees Coalition	Bac-Man	20
7	Bacman Geothermal Inc. - Power Plant Supervisory Employees Union	Bac-Man	9
8	Mt. Apo Supervisors' Union	Mt. Apo	21
9	Negros Supervisory Union	Negros	19
10	Leye Geothermal Supervisory Employees Union	Leyte	57
<b>TOTAL</b>			<b>601</b>

*\*This does not include agency fee paying members*

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

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

## **Factors affecting the Group's results of operations**

### Impact of coal

The Philippine power sector underwent a notable structural shift in 2025, marked by the first decline in coal-fired generation in nearly two decades. Coal output fell to 70.27 TWh, representing 57.87% of the total generation mix, down from 79.36 TWh or 62.5% in 2024. This decline reflects both structural and short-term factors. The government's 2020 moratorium on new coal-fired power plants has constrained capacity expansion, while ongoing market liberalization has allowed electricity retailers to respond more dynamically to price signals<sup>19</sup>.

Renewable energy emerged as a key driver of this transition. In 2025, additions in renewable capacity—supported by favorable government policies, declining technology costs, and continued investments in transmission infrastructure—contributed to a reduction in coal utilization. Extended outages at eight coal-fired power plants during the first quarter of the year further reinforced the near-term decline in coal output<sup>20</sup>. These developments, coupled with improved grid capacity and stronger coordination between government and industry stakeholders, are expected to continue exerting downward pressure on WESM prices.

By the end of 2025, total power generation reached 121.44 TWh. Despite the decline in output, coal-fired power plants continued to account for the largest share of installed capacity and consistently generated the highest volume of electricity across all monthly billing periods. With coal still comprising 57.87% of total generation, the power sector remains heavily reliant on coal, underscoring its ongoing role in ensuring system stability<sup>21</sup>.

Renewable energy plants collectively accounted for 22.22% of the total generation mix. Growth in renewable energy generation was led by hydropower, which contributed 9.73% of total output. Geothermal generation remained stable at approximately 8.23%, while wind and solar shares increased to 1.02% and 4.10%, respectively<sup>21</sup>. Despite these gains, renewable penetration remains below government targets. Under the Philippine Development Plan 2023–2050, the DOE aims to increase the RE share to 35% by 2030, inclusive of off-grid generation. As of 2025, the country remains 12.78 percentage points short of this goal, highlighting the need for accelerated investments and strengthened policy support over the next five years.

Notwithstanding these structural improvements, the Philippine power sector remains exposed to coal-related risks. Approximately 75% of coal supply is imported, with domestic production largely consisting of low-grade coal, leaving the sector vulnerable to global price fluctuations. In 2025, global coal prices declined to an average of US\$ 95.67 per metric ton, down from US\$ 115.40 per metric ton in 2024. This decrease reflects weaker global demand, increased fuel switching, and structural declines in coal imports, particularly from China<sup>22</sup>.

Overall, 2025 represents a turning point for coal in the Philippines. While liquefied natural gas is playing an increasingly important role in the country's energy transition, the data suggest that renewable energy expansion, operational constraints at coal plants, and long-term cost competitiveness are the more decisive forces reshaping the generation mix and investment outlook.

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<sup>19</sup> DOE Advisory on Coal Moratorium

<sup>20</sup> Philippine Electricity Market Corporation Market Assessment Report

<sup>21</sup> Trading Team's WESM Real-Time Dispatch Data

<sup>22</sup> S&P Global International Thermal Coal Reports

Within this evolving landscape, First Gen consolidated its position as the Philippines' leading renewable energy generator in 2025, producing 8,590,789 MWh, or 29.6% of total RE generation of 29,011,620 MWh. First Gen's market leadership is anchored in its baseload geothermal capacity, complemented by a diversified portfolio of hydro, wind, and solar assets. This balanced generation mix has enabled the company to maintain its leading position while supporting the Philippines' transition toward a cleaner and more sustainable energy system.

### Credit Risk

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

#### *Trade receivables*

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

#### *Financial instruments and cash deposits*

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

### Foreign Currency Risk

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

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

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

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

#### *Foreign Exchange Rate Fluctuations*

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

13.4% of the Group's total long-term debt as of December 31, 2025, are foreign currency-denominated, all denominated in USD. Any USD movement therefore affects the debt portfolio of the Group.

Any volatility in the peso-dollar exchange rate also impacts the Group in terms of its operating and capital expenditures and revenue. As the peso depreciates, operating costs and revenue increase. The average Philippine Peso and USD exchange rate forms part of the formula for the annual FIT adjustment for the revenue from EBWPC's wind and EDC's solar projects. Conversely, as the peso appreciates, operating costs and revenue decrease.

The Group recorded net foreign exchange loss of ₱20.7 million in 2025 and net foreign exchange gain of ₱51.2 million in 2024.

#### Interest Rate Risk

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

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

#### *Inflation and Interest Rates*<sup>23</sup>

The Philippines' average inflation rate decreased from 3.2% in 2024 to 1.7% in 2025.

Bangko Sentral ng Pilipinas ("BSP") has reduced its policy rates five (5) times in 2025, for a total cumulative decrease of 1.25%. BSP's overnight reverse repurchase facility ended at 4.50% in 2025 from 5.75% in 2024. The overnight deposit facility and the overnight lending facility rates—which establish the floor and the ceiling of the interest rate corridor—also decreased by 1.25% to 4.00% and 5.00%, respectively, as of end December 2025. The Monetary Board's decision is based on its assessment of the country's economic outlook and inflation environment, and its price and financial stability objectives.

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<sup>23</sup> Source: The data here were based on the Philippine Statistics Authority and BSP websites

## Liquidity Risk

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

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

## **Item 2. Properties**

The net book value of the Group's property, plant and equipment amounted to ₱152,202.7 million as of December 31, 2025.

### **Power Plants**

#### EDC

##### *Leyte*

EDC, at the parent level, owns and operates geothermal power plants in Leyte, including optimization plants. The 149.440 MW Upper Mahiao project and 232.614 MW Malitbog project is located on the Greater Tongonan reservoir in Kananga, Leyte, while the 229.429 Mahanagdong project, which includes the newly commissioned Mahanagdong Geothermal Brine Optimization Plant, is located in the City of Ormoc, Leyte, on the Mahanagdong reservoir. The Leyte optimization plants, with a current installed capacity of 37.000 MW, use the existing geothermal energy resources of all of EDC's main plants in Leyte. Like the main plants, these optimization plants were built in the 1990s under the Build-Operate-Transfer ("BOT") scheme in the 1990s and were transferred to EDC after the BOT cooperation period expired.

##### *Nasulo*

In July 2014, EDC completed the transfer of the 49.370 MW power plant in Northern Negros to Nasulo in Southern Negros, adjacent to its existing Palinpinon power plants of GCGI. The transferred Nasulo plant utilizes the steam available from the Nasuji geothermal sector which previously supplied steam to the Nasuji power plant.

##### *Mindanao I, II and III*

Mindanao I and II, each having installed capacity of 54.240 MW, are being operated by EDC after the expiration of the BOT contract between EDC and Mindanao I Geothermal Partnership and Mindanao II Geothermal Partnership in June 2009. Mindanao II is located adjacent to Mindanao I within the Mt. Apo geothermal field in Kidapawan City, Province of Cotabato. The 3.669-MW Mindanao III Binary Geothermal Power Plant, which is within the Mt Apo concession area, achieved commercial operations on June 27, 2022.

### *Burgos Solar Farm*

EDC also operates the 6.820 MW Burgos Solar Project (Phases 1 and 2). This ground-mounted solar farm is co-located with the Burgos Wind Project operated by EDC's subsidiary, EBWPC in Ilocos Norte.

### *Battery Energy Storage Systems ("BESS")*

In 2024, EDC had been building three (3) BESS, i.e., 20MW BESS in Bac-Man, 10MW in Tongonan, Leyte, and 10MW in Southern Negros. These are co-located at its existing geothermal facilities. The BESS are aimed to help provide grid stability and reliability through provision of ancillary services. All BESS projects are now commercially operating with Bac-Man BESS securing its Provisional Authority to Operate last September 2025, Southern Negros BESS last November 2025 and Tongonan BESS last December 2025.

### GCGI

#### *Palinpinon and Tongonan*

Located in Valencia, Negros Oriental, GCGI's Palinpinon geothermal power complex consists of two (2) power stations, Palinpinon I and II, which are approximately five kilometers apart. Commissioned in 1983, Palinpinon I comprises three (3) 37.500 MW steam turbines for a total rated capacity of 112.5 MW. Palinpinon II, on the other hand, consists of three (3) modular power plants: Nasuji, Okoy 5, and Sogongon. The 20.000 MW Nasuji, commissioned in 1993, is currently under preservation mode, while the 20.000 MW Okoy 5 was commissioned in 1994. Constructed in 1995, Sogongon consists of two (2) 20.000 MW units, Sogongon-1 and Sogongon-2.

Situated in Barangay Lim-ao, Kananga, Province of Leyte, GCGI's Tongonan Geothermal Power Plant consists of three (3) 41.000 MW units, which began commercial operations in 1983.

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

### BGI

#### *Bac-Man I and II*

Located in Bacon District, Sorsogon City and Manito, Province of Albay in the Bicol region, the Bac-Man Geothermal Power Plant facilities consist of two (2) steam power generating plant complexes. The Bac-Man I facility originally included two (2) 55.000 MW units, which were both commissioned in 1993. The Bac-Man II facility, on the other hand, originally consisted of two (2) 20.000 MW units namely, Cawayan (located in Barangay Basud) and Botong (located in Brgy. Osiao, Sorsogon City). Following its acquisition of the plants from the National Power Corporation in 2010, BGI relocated the non-operational Botong equipment to Cawayan and rehabilitated the two (2) units at Bac-Man I facility. Bac-Man Geothermal Power Plant now operates with a re-rated capacity of two (2) 60.000 MW units in Bac-Man I and one (1) 20.000 MW unit (Cawayan) in Bac-Man II for a total gross capacity of 140.000 MW. EDC supplies the steam to the Bac-Man Geothermal Power Plants.

#### *Palayan Binary*

In March 2025, the 35.700 MW Palayan Binary Geothermal Power Plant attained commercial operation status after it received a Provisional Authority to Operate from the Energy Regulatory Commission. The plant, situated in Barangay Nagotgot in Manito, Albay, uses the geothermal brine from the Bac-Man I facility to heat the motive fluid which then vaporizes and expands in the turbine and produces rotational

shaft power. The generator coupled to the turbine then converts mechanical energy to electrical energy. This facility is certified by the DOE as an Energy Project of National Significance.

#### *Tanawon*

The 21.573 MW Tanawon Geothermal Power Plant located in Barangays Bulabog and Capuy in Sorsogon City is another DOE-certified Energy Project of National Significance that achieved commercial operations in August 2025. A conventional geothermal generating facility, the Tanawon plant is a qualified project under the GEAP of the DOE that is entitled to a Non-FIT Green Energy Tariff for a period of 20 years.

#### EBWPC

##### *Burgos Wind*

EBWPC owns and operates the 150.000 MW Burgos Wind Power Plant (“BWPP”) located in the Municipality of Burgos, Ilocos Norte. BWPP consists of fifty (50) units of wind turbine generators, which straddles three (3) barangays: Nagsurot, Poblacion and Saoit. Each wind turbine is designed to operate with a three (3) MW capacity, bringing the entire facility’s total capacity to 150.000 MW. Aside from the turbines, also located within the wind farm complex is a substation that serves as the dispatch point of the electricity. A 43-kilometer point-to-point connection asset from the Burgos Substation to the Laoag Substation owned by the NGCP transmits the electricity to the Luzon grid.

BWPP started commercial operations in November 2014 and is operating under the FIT regime.

#### EDC Siklab

##### *Solar Rooftop*

In January 2017, EDC Siklab, a wholly-owned subsidiary of EDC, started to generate electricity from its 1,030 kW solar rooftop system in Gaisano Capital’s mall in La Paz District, Iloilo.

As of December 31, 2025, EDC Siklab operates the solar rooftop systems in the following Gaisano Capital malls:

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

#### FG Hydro

##### *PAHEP/ MAHEP*

FG Hydro operates and maintains the 132.802 MW PAHEP/MAHEP. The 120.802 MW PAHEP is located at the foot of the Pantabangan dam and consists of two (2) generators, each capable of generating full load power of 60.401 MW. Each generator is coupled to a vertical shaft Francis Turbine that converts the kinetic energy of the water from the dam at a design head of 75 meters.

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

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

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

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

## Land

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

As of December 31, 2025, the Group's landholdings include real estate properties in Bonifacio Global City in Taguig, Baguio City, and numerous parcels of land used for its geothermal operations in the cities of Ormoc, Bago, Kidapawan and Sorsogon and in the municipalities of Kananga, Leyte; Valencia, Negros Oriental; and Manito, Albay.

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

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

Location/ Project	Parcels of Land	Under Expropriation	Leased	Acquired*
Fort Bonifacio	5	–	–	5
Baguio	1	–	–	1
Bacon-Manito Geothermal Project	48	3	7	38
Northern Negros Geothermal Project	121	24	54	43
Southern Negros Geothermal Project	101	3	26	72
Leyte Geothermal Project	109	12	20	77
Burgos Wind Project	2,147	1,608	539	–
Burgos Temfacil/ Admin Building	1	–	1	–
Met Mast Burgos 2	1	–	1	–
Pagudpud Wind Project	3	–	3	–
Burgos 1 Wind Project	1	–	1	–
Mindanao Geothermal Project	2	–	1	1
<b>Total</b>	<b>2,540</b>	<b>1,650</b>	<b>653</b>	<b>237</b>

\* Includes both with title to EDC and for consolidation and Northern Negros Geothermal Project Tower Lines

## Mortgage, liens or encumbrances

To the best of its knowledge, none of the properties owned by the Parent Company is subject to any mortgage, liens or encumbrances as of December 31, 2025 and December 31, 2024.

## Leases

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

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

Location/ Project	Parcels of land	Structures	Duration of Lease	Payment Terms	Amount of Lease (in ₱ millions)	Renewal Options
Northern Negros Geothermal Project	54	Dedicated point-to- point limited facilities	long-term	one time	0.27	perpetual easement
Southern Negros Geothermal Project	26	Pipelines, drilling pads and access roads, CD1RD Pad	2/3/5/10 years	one time/ annual	0.30	renewable
Leyte Geothermal Project	20	Pad 4RD, rigs, machineries, pipe & pipelines and other equipment, building, city office, PAD MGRP	5/10/20/2 5 years	monthly/ 5 yr lump sum/ one time	19.70	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Road	25 years	one time	0.03	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Road	25 years	one time	0.09	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Parking Area	1 year	monthly	0.03	–
Bacon-Manito Geothermal Project	1	Air quality monitoring station	1 year	one time	0.03	–
Bacon-Manito Geothermal Project	1	Drilling pad	25 years	one time	0.44	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Pipe Corridor	25 years	one time	0.02	renewable, with first option to buy
Bacon-Manito Geothermal Project	1	Road Lot	25 Years	one time	0.04	renewable, with first option to buy
Burgos Wind Project (WF)	23	wind farm area / dedicated point-to- point limited facilities	25 years	one time	1.18	renewable, with first option to buy
Burgos Wind Project (TL)	516	wind farm area / dedicated point-to- point limited facilities	Long- term 25 years/ perpetual	one time	23.30	1 lot only renewable, with first option to buy

Location/ Project	Parcels of land	Structures	Duration of Lease	Payment Terms	Amount of Lease (in ₱ millions)	Renewal Options
Burgos Temfacil/ Admin Building	1	Admin office	15 years	one time	0.27	renewable, with first option to buy
Pagudpud Wind Project	3	80-meter meteorological mast	10 years	one time	0.34	renewable, with first option to buy
Burgos 1 Wind Project	1	80-meter meteorological mast	5 years	one time	0.06	renewable, with first option to buy
Burgos 2 Wind Project	1	80-meter meteorological mast	10 years	lump sump with annual payments	4.46	renewable, with first option to buy
Mindanao Geothermal Project	1	PAD RG Dev't, Energy Support Zone & 50MW Mt Apo 3 Optimization Project	25 years	lump sum for 25 yrs	0.16	renewable
<b>Total</b>	<b>653</b>				<b>50.72</b>	

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

On February 14, 2020, the Parent Company entered into an agreement for the lease of office and parking space with Rockwell Land Corporation for a period of six (6) years effective from February 14, 2020 to June 30, 2026.

On July 1, 2020, the Parent Company entered into an agreement for the lease of office and parking space with Rockwell Land Corporation for a period of five (5) years effective from July 1, 2020 to June 30, 2025.

On March 5, 2022, the Parent Company entered into an agreement for the lease of office space with Rockwell Land Corporation for a period of five (5) years effective from March 5, 2022 to June 30, 2027.

On March 1, 2023, the Parent Company entered into an agreement for the lease of parking space with Rockwell Land Corporation for a period of four (4) years effective from March 1, 2023 to June 30, 2027.

On January 1, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from January 1, 2024 to December 31, 2028.

On March 2, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from March 2, 2024 to March 1, 2029. This has been terminated on October 13, 2025.

On April 19, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from April 19, 2024 to April 18, 2029 with option to extend by another five (5) years. This has been terminated on August 22, 2025.

On June 19, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from June 19, 2024 to June 18, 2029 with option to extend by another five (5) years. This has been terminated on October 13, 2025.

On November 20, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from November 20, 2024 to November 19, 2029 with option to extend by another five (5) years.

On September 27, 2022, the Parent Company entered into a Power Purchase Agreement (“PPA”) with Conal Holdings Corporation (“Conal”). Under the terms of the agreement, Conal shall construct a power plant based on the specifications in the PPA wherein the entire minimum baseload capacity of the plant is dedicated exclusively to the Parent Company from the commencement of lease on September 26, 2025 until December 25, 2033 for the supply of energy to One Bohol Power Distribution Utilities in the event of islanding.

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

The Group had total cash outflows for lease liabilities amounting to ₱767.8 million and ₱472.8 million in 2025 and 2024, respectively. Variable lease payments amounted to ₱67.4 million and ₱32.9 million in 2025 and 2024, respectively. While expenses related to short-term leases and low-value assets amounted to ₱331.7 million and ₱292.5 million in 2025 and 2024, respectively.

### **Item 3. Legal Proceedings**

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

### **Expropriation Proceedings**

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

As of December 31, 2025, there were around 1,600 such cases pending and the aggregate amount claimed by the landowners as just compensation is approximately ₱258.7 million.

### **Tax Cases**

#### **Real Property Taxes**

From 2009 to 2025, the Parent Company and its subsidiaries, namely, BGI, GCGI, EBWPC, and EDC Siklab, paid under protest, and applied for the refund, of real property taxes (“RPT”). The protests were filed primarily due to (i) the application of RPT rates that were higher than the preferential RPT rate of 1.5% under Section 15(c) of the RE Act, and/or (ii) non-application of the full 5% depreciation allowance on machineries. As of December 31, 2025, some of these protests have been appealed to, and are still pending with, the respective Local Board of Assessment Appeals (“LBAA”) and the Central Board of Assessment Appeals (“CBAA”) having jurisdiction over the cities and provinces where these

properties are located. In 2024, the Court of Tax Appeals (“CTA”) and the LBAA of Ormoc City resolved with finality the cases involving the Parent Company’s RPT overpayments for the periods of 2012–2015 and 2016–2023, respectively.

The Parent Company and GCGI also have several appeals pending with the LBAA in relation to assessments or claims for exemption of certain real properties, including machineries and equipment for pollution control or environmental protection, which are exempt from RPT. These proceedings are pending with the LBAA, CBAA, or the CTA as of December 31, 2025.

In 2018, Kidapawan City issued Warrants of Levy to collect alleged delinquent RPT from the Parent Company. The Parent Company filed a Complaint for Injunction with the Regional Trial Court of Kidapawan City (“RTC”) to stop Kidapawan City from enforcing the Warrants of Levy and pursuing the collection measures. The RTC granted the Parent Company a preliminary injunction, and the case is ongoing trial before the RTC as of December 31, 2025.

### Franchise Taxes

#### *2000-2004, 2006-2007*

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

In 2009, the RTC issued a Preliminary Injunction restraining the Province of Leyte from collecting franchise taxes, a ruling that was subsequently upheld by the Court of Appeals in 2012. The Province of Leyte elevated the case to the Supreme Court, where the matter remains pending as of December 31, 2025. Parallel to these proceedings, the Parent Company is contesting a 2008 Consolidated Notice of Assessment covering the period from 1998 to 2006. After its administrative protest was denied, the Parent Company filed a petition for annulment of the franchise tax assessment with the RTC of Tacloban City, Leyte, which remains active as of December 31, 2025.

#### *2010-2015*

On March 22, 2017, GCGI filed a Complaint with the RTC of Tacloban City, Leyte to appeal the inaction of the Provincial Treasurer of Leyte on GCGI’s protest letter against the franchise tax assessment for the period 2010 to 2015. The case is still pending with the RTC as of December 31, 2025.

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

### Input Value-Added Tax

In 2009, the Parent Company filed Petitions for Review before the CTA following the BIR’s inaction on the Parent Company’s claims for input value-added tax (“VAT”) pertaining to zero-rated sales for 2007 and 2008. While the CTA initially issued adverse rulings—denying the 2007 claim in its entirety and disallowing ₱97.23 million of the ₱131.62 million sought for 2008—the matters were subsequently elevated to the Supreme Court. The Supreme Court issued a split determination, denying the Parent Company’s appeal concerning the 2008 claim but granting the petition for the 2007 claim, effectively remanding the latter to the CTA for the continuation of proceedings. As of December 31, 2025, the remanded 2007 case remains pending before the CTA. Notwithstanding these developments, the Parent Company maintains its legal position of entitlement to a tax refund or tax credit of its unutilized input taxes pursuant to the provisions of the RE Act and the National Internal Revenue Code, as amended.

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

On March 12, 2021, the CTA-Third Division rendered a Decision denying EBWPC's VAT refund claim. It likewise denied EBWPC's Motion for Reconsideration ("MR"); thus, on December 20, 2021, EBWPC elevated the CTA-Third Division's denial to the CTA En Banc. The CTA En Banc subsequently granted EBWPC's appeal and remanded the case to the CTA-Third Division for further proceedings. The BIR filed its motion for reconsideration, which was denied on October 1, 2024. The BIR appealed to the Supreme Court, where the case remains pending as of December 31, 2025.

#### Income Tax Assessment

On December 5, 2017, BGI filed a Petition for Review with the CTA to appeal the denial by the BIR of its protest letter against the deficiency income tax assessment for taxable year 2013. The BIR assessed BGI for deficiency income tax on the ground that it is not entitled to use the ten percent (10%) preferential income tax rate under Section 15(e) of the RE Act since BGI's income tax incentive only commenced on July 1, 2013, or its Start of Commercial Operation. BGI believes that the assessment should be cancelled because it was entitled to avail of the 10% preferential income tax rate in taxable year 2013 pursuant to Rule 5, Section 13(E) of the implementing rules and regulations of the RE Act. On November 18, 2021, the CTA rendered a Decision cancelling the tax assessment on the ground that BIR violated BGI's right to due process. The BIR appealed this Decision to the CTA En Banc, which denied said appeal on October 11, 2023. The BIR sought reconsideration of the CTA En Banc's decision but was denied on February 8, 2024. The BIR then appealed to the Supreme Court, which denied its appeal on November 27, 2024. As of December 31, 2025, BGI has no information if the BIR filed its motion for reconsideration of the Supreme Court's denial of its appeal.

#### **Civil Cases**

As of December 31, 2025, there are civil cases to which EDC is a party. The Parent Company does not believe that an adverse decision on these cases poses a material risk to the Parent Company's operations.

#### **Labor Cases**

As of December 31, 2025, there are pending labor cases against the Parent Company, most of which deal with plaintiffs' claims of illegal dismissal and back wages. The Parent Company does not believe that these cases pose a material risk to the Parent Company's operations.

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

Not Applicable.

## **PART II – OPERATIONAL AND FINANCIAL INFORMATION**

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

#### **Market Information**

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

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

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

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

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

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

As of December 31, 2025, actual count of common stockholders of record is 312 and public float was at 0.11% (or 18.869723 common shares).

## List of Top 20 Stockholders of Parent Company as of December 31, 2025

Rank	Name	Number of Shares			Percentage
		Preferred	Common	Total	
1	Red Vulcan Holdings Corporation	9,375	7,494	16,869	63.891%
2	Philippines Renewable Energy Holdings Corporation	-	9,223	9,223	34.932%
3	First Gen Corporation	-	148	148	0.5605%
4	Northern Terracotta Power Corporation	-	144	144	0.5454%
5	Boston Common International Sustainable Climate Fund, LLC	-	2.820130	2.820130	0.0107%
6	Jerome H. Cainglet	-	1.000001	1.000001	0.0038%
7	Manuel I. Ayala	-	1.000001	1.000001	0.0038%
8	Richard B. Tantoco	-	1.000001	1.000001	0.0038%
9	Ang Eng Seng	-	1.000000	1.000000	0.0038%
10	David Andrew Baldwin	-	1.000000	1.000000	0.0038%
11	Federico R. Lopez	-	1.000000	1.000000	0.0038%
12	Francis Giles B. Puno	-	1.000000	1.000000	0.0038%
13	Jonathan C. Russell	-	1.000000	1.000000	0.0038%
14	Jose Victor P. Paterno	-	1.000000	1.000000	0.0038%
15	Sebastian C. Quiniones Jr.	-	1.000000	1.000000	0.0038%
16	Teresa Grace Socorro G. Lara	-	1.000000	1.000000	0.0038%
17	Verena Lim	-	1.000000	1.000000	0.0038%
18	Elizabeth L. Bengzon	-	0.956000	0.956000	0.0036%
19	Rosalind Camara	-	0.663750	0.663750	0.0025%
20	Ting Mei	-	0.195000	0.195000	0.0007%

### Parent Company's Share Capital

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

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

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

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

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

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

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

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

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

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

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

On February 10, 2025, FG Hydro entered into subscription agreement to subscribe 42,000,000 non-voting preferred shares of the Parent Company with a par value of ₱10.0 per share for a total subscription price of ₱4,200.0 million.

As of December 31, 2025, the outstanding voting preferred and common shares are 65.0% held by Filipino citizens, with Red Vulcan holding the entire outstanding voting preferred shares equivalent to 35.5% voting interest, and common shares equivalent to 44.0% economic interest in EDC.

The combined interest of Red Vulcan entitles it to 63.9% voting interest and 44.0% economic interest in EDC as of December 31, 2025.

Details of the number of non-voting preferred shares, voting preferred shares and common shares as of December 31, 2025 are as follows:

	Common	Voting preferred	Non-voting preferred
Par value per share	₱1,000,000.00	₱10,000.00	₱10.00
Number of shares:			
Authorized	27,000	15,000	300,000,000
Issued	19,076.25	9,375	42,000,000
Less: Treasury stock	2,048.38	—	—
Outstanding	17,027.87	9,375	42,000,000

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

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

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

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

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

## Cash Dividends

Following are the dividends declared by the Parent Company:

Declaration date	Record date	Payment date	Shareholders	Description	Dividend per share	Total amount
2025:						
January 23, 2025	February 3, 2025	February 28, 2025	Common	Regular	₱246,651.43	₱4,200,000,000
			Preferred	Regular	16,650.67	156,100,000
May 14, 2025	May 31, 2025	June 30, 2025	Common	Special	146,816.58	2,500,000,000
			Preferred	Regular	47,957.33	449,600,000
						<b>₱7,305,700,000</b>

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

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

Following are the dividends declared by the BGI to noncontrolling interest:

Declaration date	Record date	Payment date	Shareholders	Description	Dividend per share	Total amount
2025:						
June 5, 2025	June 9, 2025	June 23, 2025	Preferred	Regular	₱0.01	₱125,000
						<b>₱125,000</b>

Following are the dividends declared by the GCGI to noncontrolling interest:

Declaration date	Record date	Payment date	Shareholders	Description	Dividend per share	Total amount
2025:						
June 5, 2025	June 9, 2025	June 23, 2025	Preferred	Regular	₱0.01	₱250,000
						<b>₱250,000</b>

The non-controlling interests in the consolidated financial statements represent mainly the ownership by First Gen of 100% of preferred shares and 40% of common shares of FG Hydro. On August 7, 2024, FG Hydro declared dividends amounting to ₱2,012.3 million, of which ₱804.9 million is attributable to non-controlling common shareholder and paid on September 14, 2024. No dividends were declared by FG Hydro in 2025 and 2023.

## Recent Sale of Unregistered or Exempt Securities

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

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

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

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

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

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

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

Throughout 2025, the Parent Company drew a total of ₱18.0 billion from the bilateral term loan facilities it signed with BPI, BDO, and CBC to fund various capital expenditures and growth projects, and for general corporate purposes.

On April 21, 2025 and May 15, 2025, EBWPC signed bilateral corporate term loan agreements with Australia and New Zealand Banking Group Limited for ₱2.15 billion and ING Bank N.V., Manila Branch for US\$50.0 million, where EBWPC drew ₱2.15 billion and US\$50.0 million, respectively, to fund capital expenditures, and/or for general corporate purposes.

On October 27, 2025, GCGI signed a bilateral corporate term loan agreement with BDO for ₱5.0 billion, where GCGI drew ₱5.0 billion to fund capital expenditures, and/or for general corporate purposes.

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

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

### **Financial results for the years ended December 31, 2025, 2024 and 2023**

<b>(Amounts in Million Pesos)</b>	<b>CONSOLIDATED (AUDITED)</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>Income Statement Data</b>			
Revenue from sale of electricity	<b>₱48,551.9</b>	₱46,148.7	₱47,171.6
Income before income tax	<b>8,173.4</b>	10,244.6	15,972.3
Foreign exchange gains (losses)	<b>(20.7)</b>	51.2	10.3
Net income	<b>7,396.6</b>	9,241.3	14,391.6
Net income attributable to equity holders of the Parent Company	<b>6,780.4</b>	9,124.3	14,267.2
Recurring net income	<b>7,267.7</b>	9,187.8	14,324.0
Recurring net income attributable to equity holders of the Parent Company	<b>6,671.2</b>	9,091.1	14,203.7

<b>(Amounts in Million Pesos)</b>	<b>As at December 31</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>Balance Sheet Data</b>			
<b>ASSETS</b>			
Total current assets	<b>₱38,271.0</b>	₱36,460.1	₱39,035.1
Property, plant and equipment	<b>152,202.7</b>	138,574.0	111,867.3
Goodwill and intangible assets	<b>3,238.3</b>	3,332.4	3,424.9
Exploration and evaluation assets	<b>4,189.3</b>	2,649.6	2,151.0
Deferred tax assets - net	<b>855.0</b>	865.5	875.5
Derivative assets - net of current portion	<b>26.6</b>	0.9	233.5
Financial assets at fair value through other comprehensive income	<b>3,100.4</b>	301.2	289.0
Other noncurrent assets	<b>14,956.4</b>	11,001.3	8,376.8
<b>Total Assets</b>	<b>₱216,839.7</b>	₱193,185.0	₱166,253.1

(Amounts in Million Pesos)	As at December 31		
	2025	2024	2023
<b>LIABILITIES AND EQUITY</b>			
Total current liabilities	<b>₱33,896.4</b>	₱31,626.5	₱29,835.3
Long-term debts - net of current portion	<b>86,159.5</b>	65,428.7	46,769.8
Long-term lease liability - net of current portion	<b>3,419.7</b>	4,164.0	157.6
Net retirement and other post-employment benefits	<b>2,516.9</b>	2,439.8	2,627.4
Derivative liabilities - net of current portion	<b>47.8</b>		
Deferred tax liabilities - net	<b>148.4</b>	93.5	134.9
Provision and other long-term liabilities	<b>5,225.2</b>	4,147.7	3,355.3
<b>Total Liabilities</b>	<b>131,413.9</b>	107,900.2	82,880.3
Equity attributable to equity holders of the Parent Company	<b>83,110.7</b>	83,584.4	80,984.5
Non-controlling interests	<b>2,315.1</b>	1,700.4	2,388.3
<b>Total Equity</b>	<b>85,425.8</b>	85,284.8	83,372.8
<b>Total Liabilities and Equity</b>	<b>₱216,839.7</b>	₱193,185.0	₱166,253.1

## Financial Highlights

### Year Ended December 31, 2025 vs. December 31, 2024 Results

2025 revenue increased by 5.2% or ₱2,403.2 million to ₱48,551.9 million from ₱46,148.7 million in 2024 due to higher sales volume, partly offset by lower average price. Electricity sales volume increased by 7.7% or by 585.1 GWh to 8,197.3 GWh in 2025 from the 7,612.2 GWh in 2024.

The recurring net income decreased by 20.9% or ₱1,920.1 million to ₱7,267.7 million in 2025 from ₱9,187.8 million in 2024. The decrease was mainly attributable to the higher recurring operating expenses by ₱3,031.5 million and higher recurring financial expenses - net by ₱1,985.5 million. These were partly offset by the higher recurring revenue by ₱2,116.1 million, higher recurring other income by ₱869.1 million, and lower recurring provision for income tax by ₱111.7 million.

Net income decreased by 20.0% or ₱1,844.6 million to ₱7,396.6 million in 2025 from ₱9,241.3 million in 2024. The decrease was mainly attributable to the higher cost of sales by ₱3,791.8 million, higher financial expenses - net by ₱1,793.3 million, and higher general and administrative expenses by ₱246.3 million. These were partly offset by the higher revenue by ₱2,403.2 million, higher other income - net by ₱1,356.9 million and lower provision for income tax by ₱226.6 million.

Net income in 2025 represented 15.2% of total revenue as compared to 20.0% in 2024.

### Major Transactions for 2025

- Proceeds from long-term debts (net of transaction cost) amounted to ₱34,650.9 million
- Acquisitions of property, plant and equipment amounted to ₱21,149.6 million
- Payments of long-term debts, interest and other financial charges amounted to ₱16,016.2 million
- Cleared payments for cash dividends amounted to ₱7,277.9 million.

## Income Statement

Year Ended December 31, 2025 vs. December 31, 2024 Results

(Amounts in PHP millions)	HORIZONTAL ANALYSIS Favorable (Unfavorable) Variance				VERTICAL ANALYSIS	
	December 2025	December 2024	Amount	%	December 2025	December 2024
<b>REVENUE</b>						
Sale of electricity	48,551.9	46,148.7	2,403.2	5.2%	100.0%	100.0%
<b>COSTS OF SALE OF ELECTRICITY</b>						
Costs of sale of electricity	(28,507.9)	(24,716.1)	(3,791.8)	15.3%	-58.7%	-53.6%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	(8,426.4)	(8,180.1)	(246.3)	3.0%	-17.4%	-17.7%
<b>FINANCIAL INCOME (EXPENSE)</b>						
Interest income	420.3	588.7	(168.4)	-28.6%	0.9%	1.3%
Interest expense	(5,276.3)	(3,651.4)	(1,624.9)	44.5%	-10.9%	-7.9%
	(4,856.0)	(3,062.7)	(1,793.3)	58.6%	-10.0%	-6.6%
<b>OTHER INCOME (CHARGES)</b>						
Foreign exchange gains (losses)	(20.7)	51.2	(71.9)	-140.4%	0.0%	0.1%
Miscellaneous income (charges) - net	1,432.4	3.6	1,428.8	39,688.9%	3.0%	0.0%
	1,411.7	54.8	1,356.9	2,476.1%	2.9%	0.1%
<b>INCOME BEFORE INCOME TAX</b>	8,173.3	10,244.6	(2,071.3)	-20.2%	16.8%	22.2%
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>						
Current	711.8	966.5	(254.7)	-26.4%	1.5%	2.1%
Deferred	64.9	36.8	28.1	76.4%	0.1%	0.1%
	776.7	1,003.3	(226.6)	-22.6%	1.6%	2.2%
<b>NET INCOME</b>	7,396.6	9,241.3	(1,844.7)	-20.0%	15.2%	20.0%
<b>Net income attributable to:</b>						
Equity holders of the Parent Company	6,780.4	9,124.3	(2,343.9)	-25.7%	14.0%	19.8%
Non-controlling interests	616.2	117.0	499.2	426.7%	1.3%	0.3%
<b>EBITDA</b>	21,172.6	20,786.1	386.5	1.9%	43.6%	45.0%
<b>RECURRING NET INCOME</b>	7,267.7	9,187.8	(1,920.1)	-20.9%	15.0%	19.9%
<b>Recurring net income attributable to:</b>						
Equity holders of the Parent Company	6,671.2	9,091.1	(2,419.9)	-26.6%	13.7%	19.7%
Non-controlling interests	596.5	96.7	499.8	516.9%	1.2%	0.2%

### Revenue

2025 revenue increased by 5.2% or ₱2,403.2 million to ₱48,551.9 million from ₱46,148.7 million in 2024 due to higher sales volume, partly offset by lower average price. Electricity sales volume increased by 7.7% or by 585.1 GWh to 8,197.3 GWh in 2025 from the 7,612.2 GWh in 2024.

### Cost of Sale of Electricity

Costs of sale of electricity increased by 15.3% or ₱3,791.8 million to ₱28,507.9 million in 2025 from ₱24,716.1 million in 2024 mainly due to the increase in depreciation and amortization by ₱2,090.9 million, purchased services and utilities by ₱1,537.5 million, parts and supplies issued by ₱788.4 million, and repairs and maintenance by ₱155.9 million, partly offset by the lower rental, insurance and taxes by ₱399.7 million, government share by ₱212.2 million, and personnel costs by ₱198.7 million.

### General and Administrative Expenses

General and administrative expenses increased by 3.0% or ₱246.3 million to ₱8,426.4 million in 2025 from ₱8,180.1 million in 2024 mainly due to the increase in purchased services and utilities by ₱358.7 million, rental, insurance and taxes by ₱169.2 million, provision for impairment of parts and supplies inventories by ₱127.6 million, partly offset by lower personnel costs by ₱222.8 million, and provision for impairment of trade and other receivables, and prepaid taxes by ₱169.0 million.

### ***Financial Income (Expense)***

Financial expenses - net increased by 58.6% or ₱1,793.3 million to ₱4,856.0 million in 2025 from ₱3,062.7 million in 2024.

#### *Interest Income*

Interest income decreased by 28.6% or ₱168.4 million to ₱420.3 million in 2025 from ₱588.7 million in 2024 mainly due to the lower placements.

#### *Interest Expense*

Interest expense increased by 44.5% or ₱1,624.9 million to ₱5,276.3 million in 2025 from ₱3,651.4 million in 2024 mainly from the increased long-term debts for the year.

### ***Other Income (Charges)***

Other income increased by 2,476.3% or ₱1,356.9 million to ₱1,411.7 million in 2025 from ₱54.8 million in 2024.

#### *Foreign exchange gains (losses)*

Net foreign exchange loss amounted to ₱20.7 million in 2025, a 140.4% or ₱71.9 million turnaround from the ₱51.2 million net foreign exchange gain in 2024, mainly related to marketable securities.

The comparative foreign exchange rates were as follows:

	PHP:US\$
December 31, 2023	55.370
December 31, 2024	57.845
December 31, 2025	58.790

#### *Miscellaneous income (charges) - net*

Miscellaneous income - net increased by 39,688.9% or ₱1,428.8 million to ₱1,432.4 million in 2025 from the ₱3.6 million in 2024 mainly due to this year's increase in income from insurance claims, gain on disposal of investments, and gain on retirement of fixed assets versus loss in 2024.

### ***Provision for (Benefit From) Income Tax***

#### *Current*

Provision for current tax decreased by 26.4% or ₱254.7 million to ₱711.8 million in 2025 from ₱966.5 million in 2024 mainly due to the lower taxable income.

#### *Deferred*

Provision for deferred tax increased by 76.4% or ₱28.1 million to ₱64.9 million in 2025 from ₱36.8 million in 2024, mainly due to the 2025 expiration and utilization of net operating loss carry-over ("NOLCO") of FG Hydro and EBWPC.

## Net Income

As a result, the Group's net income decreased by 20.0% or ₱1,844.7 million to ₱7,396.6 million in 2025 from ₱9,241.3 million in 2024. Net income in 2025 represented 15.2% of total revenue as compared to 20.0% in 2024.

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

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

## Revenue

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

## Cost of Sale of Electricity

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

## General and Administrative Expenses

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

equipment, exploration and evaluation by ₱282.4 million.

### ***Financial Income (Expense)***

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

#### *Interest Income*

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

#### *Interest Expense*

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

### ***Other Income (Charges)***

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

#### *Foreign exchange gains (losses)*

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

The comparative foreign exchange rates were as follows:

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

#### *Miscellaneous income (charges) - net*

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

### ***Provision for (Benefit From) Income Tax***

#### *Current*

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

#### *Deferred*

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

## Net Income

As a result, the Group's net income decreased by 35.8% or ₱5,150.3 million to ₱9,241.3 million in 2024 from ₱14,391.6 million in 2023. Net income in 2024 represented 20.0% of total revenue as compared to 30.5% in 2023.

## Balance Sheet

As of December 31, 2025 vs. December 31, 2024 Balances

(Amounts in PHP millions)	December 2025	December 2024	HORIZONTAL ANALYSIS		VERTICAL ANALYSIS	
			Increase (Decrease)		December 2025	December 2024
			Amount	%		
<b>ASSETS</b>						
Current Assets						
Cash and cash equivalents	10,674.1	13,579.4	(2,905.3)	-21.4%	4.9%	7.0%
Financial assets at fair value through profit or loss	1,845.3	65.5	1,779.8	2,717.3%	0.9%	0.0%
Trade and other receivables	8,467.6	7,066.3	1,401.3	19.8%	3.9%	3.7%
Due from related parties	44.1	58.4	(14.3)	-24.5%	0.0%	0.0%
Parts and supplies inventories	14,136.0	12,709.4	1,426.6	11.2%	6.5%	6.6%
Derivative assets	8.6	0.2	8.4	4,200.0%	0.0%	0.0%
Other current assets	3,095.3	2,980.9	114.4	3.8%	1.4%	1.5%
<b>Total Current Assets</b>	<b>38,271.0</b>	<b>36,460.1</b>	<b>1,810.9</b>	<b>5.0%</b>	<b>17.6%</b>	<b>18.9%</b>
Noncurrent Assets						
Property, plant and equipment	152,202.7	138,574.0	13,628.7	9.8%	70.2%	71.7%
Goodwill and intangible assets	3,238.3	3,332.4	(94.1)	-2.8%	1.5%	1.7%
Exploration and evaluation assets	4,189.3	2,649.6	1,539.7	58.1%	1.9%	1.4%
Deferred tax assets - net	855.0	865.5	(10.5)	-1.2%	0.4%	0.4%
Derivative assets - net of current portion	26.6	0.9	25.7	2,855.6%	0.0%	0.0%
Financial assets at fair value through other comprehensive income	3,100.4	301.2	2,799.2	929.3%	1.4%	0.2%
Other noncurrent assets	14,956.4	11,001.3	3,955.1	36.0%	6.9%	5.7%
<b>Total Noncurrent Assets</b>	<b>178,568.7</b>	<b>156,724.9</b>	<b>21,843.8</b>	<b>13.9%</b>	<b>82.4%</b>	<b>81.1%</b>
<b>TOTAL ASSETS</b>	<b>216,839.7</b>	<b>193,185.0</b>	<b>23,654.7</b>	<b>12.2%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
Current Liabilities						
Trade and other payables	20,300.2	21,871.5	(1,571.3)	-7.2%	9.4%	11.3%
Due to related parties	1.8	1.8	0.0	0.0%	0.0%	0.0%
Income tax payable	121.2	37.8	83.4	220.6%	0.1%	0.0%
Current portion of:						
Long-term debts	12,864.8	9,095.0	3,769.8	41.4%	5.9%	4.7%
Lease liability	599.2	620.4	(21.2)	-3.4%	0.3%	0.3%
Derivative liabilities	9.2	-	9.2	0.0%	0.0%	0.0%
<b>Total Current Liabilities</b>	<b>33,896.4</b>	<b>31,626.5</b>	<b>2,269.9</b>	<b>7.2%</b>	<b>15.6%</b>	<b>16.4%</b>
Noncurrent Liabilities						
Long-term debts - net of current portion	86,159.5	65,428.7	20,730.8	31.7%	39.7%	33.9%
Long-term lease liability - net of current portion	3,419.7	4,164.0	(744.3)	-17.9%	1.6%	2.2%
Net retirement and other post-employment benefits	2,516.9	2,439.8	77.1	3.2%	1.2%	1.3%
Derivative liabilities - net of current portion	47.8	-	47.8	0.0%	0.0%	0.0%
Deferred tax liabilities - net	148.4	93.5	54.9	58.7%	0.1%	0.0%
Provisions and other long-term liabilities	5,225.2	4,147.7	1,077.5	26.0%	2.4%	2.1%
<b>Total Noncurrent Liabilities</b>	<b>97,517.5</b>	<b>76,273.7</b>	<b>21,243.8</b>	<b>27.9%</b>	<b>45.0%</b>	<b>39.5%</b>
<b>TOTAL LIABILITIES</b>	<b>131,413.9</b>	<b>107,900.2</b>	<b>23,513.7</b>	<b>21.8%</b>	<b>60.6%</b>	<b>55.9%</b>
<b>EQUITY</b>						
Equity attributable to equity holders of the Parent Company						
Preferred stock	513.8	93.8	420.0	447.8%	0.2%	0.0%
Common stock	19,076.3	19,076.3	-	0.0%	8.8%	9.9%
Treasury stock	(19,033.6)	(14,832.0)	(4,201.6)	28.3%	-8.8%	-7.7%
Additional paid-in capital	12,495.1	8,715.1	3,780.0	43.4%	5.8%	4.5%
Equity reserve	(3,706.4)	(3,706.4)	-	0.0%	-1.7%	-1.9%
Net accumulated unrealized gain on financial assets at fair value through other comprehensive income	108.8	109.4	(0.6)	-0.5%	0.1%	0.1%
Fair value adjustments on hedging transactions	(110.8)	(212.5)	101.7	-47.9%	-0.1%	-0.1%
Cumulative translation adjustment	1,754.9	1,875.9	(121.0)	-6.5%	0.8%	1.0%
Retained earnings						
Unappropriated	34,012.6	37,464.8	(3,452.2)	-9.2%	15.7%	19.4%
Appropriated	38,000.0	35,000.0	3,000.0	8.6%	17.5%	18.1%
<b>Total Equity</b>	<b>83,110.7</b>	<b>83,584.4</b>	<b>(473.7)</b>	<b>-0.6%</b>	<b>38.3%</b>	<b>43.3%</b>
Non-controlling interests	2,315.1	1,700.4	614.7	36.2%	1.1%	0.9%
<b>TOTAL EQUITY</b>	<b>85,425.8</b>	<b>85,284.8</b>	<b>141.0</b>	<b>0.2%</b>	<b>39.4%</b>	<b>44.1%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>216,839.7</b>	<b>193,185.0</b>	<b>23,654.7</b>	<b>12.2%</b>	<b>100.0%</b>	<b>100.0%</b>

The Group's total assets as of December 31, 2025, amounted to ₱216,839.7 million, 12.2% or ₱23,654.7 million higher than the December 31, 2024 year-end level of ₱193,185.0 million. The Group's debt ratio is 0.54:1 as of December 31, 2025, higher than previous year's 0.47:1. This year's current ratio of 1.13:1 was lower than previous year's 1.15:1.

### ***Cash and cash equivalents***

Cash and cash equivalents decreased by 21.4% or ₱2,905.3 million to ₱10,674.1 million as of December 31, 2025 from the ₱13,579.4 million balance as of December 31, 2024 mainly due to the ₱21,149.6 million acquisition of property, plant and equipment, ₱16,016.2 million payments for long-term debt and interest and other financing charges, ₱7,277.9 million payments for cash dividends, ₱2,800.0 million acquisition of financial assets at FVOCI, ₱2,718.9 million net increase in noncurrent assets, ₱1,731.0 million acquisition of financial assets at FVPL, ₱1,666.7 million acquisition of exploration and evaluation assets, and ₱1,230.4 million investment in associate, partly offset by the ₱34,650.9 million loan proceeds, and ₱17,404.3 million net cash generated from operating activities.

### ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss increased by 2,717.3% or ₱1,779.8 million to ₱1,845.3 million as of December 31, 2025 from the ₱65.5 million balance as of December 31, 2024 mainly due to FG Hydro's additional investments for the period.

### ***Trade and other receivables***

Trade and other receivables increased by 19.8% or ₱1,401.3 million to ₱8,467.6 million as of December 31, 2025 from the ₱7,066.3 million balance as of December 31, 2024 mainly due to increased receivables from customers.

### ***Due from related parties***

Due from related parties decreased by 24.5% or ₱14.3 million to ₱44.1 million as of December 31, 2025 from the ₱58.4 million balance as of December 31, 2024 mainly from transactions with First Gen Energy Solutions.

### ***Parts and supplies inventories***

Parts and supplies inventories increased by 11.2% or ₱1,426.6 million to ₱14,136.0 million as of December 31, 2025 from the ₱12,709.4 million as of December 31, 2024 mainly due to the various materials and supplies purchased during the period.

### ***Derivative assets***

In PHP millions	December 31, 2025	December 31, 2024	Increase (Decrease)	
			Amount	%
Current	8.6	0.2	8.4	4,200.0%
Noncurrent	26.6	0.9	25.7	2,855.6%
	35.2	1.1	34.1	3,100.0%

Derivative asset increased by 3,100.0% or ₱34.1 million to ₱35.2 million as of December 31, 2025 from the ₱1.1 million balance as of December 31, 2024 mainly due to valuation of EDC's cross currency and call spread swaps and EBWPC's interest rate swap derivative contracts executed during the year.

### ***Property, plant and equipment***

Property, plant and equipment increased by 9.8% or ₱13,628.7 million to ₱152,202.7 million as of December 31, 2025 from the ₱138,574.0 million balance as of December 31, 2024 mainly due to the ₱24,678.8 million additions, partly offset by the ₱9,454.7 million depreciation and amortization.

### ***Exploration and evaluation assets***

Exploration and evaluation assets increased by 58.1% or ₱1,539.7 million to ₱4,189.3 million as of December 31, 2025 from the ₱2,649.6 million balance as of December 31, 2024 mainly due to the addition on exploration and evaluation assets for the period.

### ***Financial assets at fair value through other comprehensive income***

Financial assets at fair value through other comprehensive income increased by 929.3% or ₱2,799.2 million to ₱3,100.4 million as of December 31, 2025 from the ₱301.2 million balance as of December 31, 2024 mainly due to FG Hydro's investment to First Gen for the period. On February 10, 2025, FG Hydro entered into subscription agreement to subscribe 28,000,000 Series "H" preferred stocks of First Gen with a par value of ₱10.0 per share for a total subscription price of ₱2,800.0 million.

### ***Other noncurrent assets***

Other noncurrent assets increased by 36.0% or ₱3,955.1 million to ₱14,956.4 million as of December 31, 2025 from the ₱11,001.3 million balance as of December 31, 2024 mainly due to the investment in an associate in 2025 amounting to ₱1,720.2 million, increase in noncurrent prepaid taxes by ₱1,263.0 million, advances to contractors by ₱1,029.7 million.

### ***Trade and other payables***

Trade and other payables decreased by 7.2% or ₱1,571.3 million to ₱20,300.2 million as of December 31, 2025 from the ₱21,871.5 million as of December 31, 2024 mainly due to the decrease in trade payables to suppliers and contractors.

### ***Income tax payable***

Income tax payable increased by 220.6% or ₱83.4 million to ₱121.2 million as of December 31, 2025 from the ₱37.8 million balance as of December 31, 2024 mainly due to the lower creditable withholding tax offset against the tax payable.

### ***Long-term debt***

In PHP millions	December 31, 2025	December 31, 2024	Increase (Decrease)	
			Amount	%
Current	12,864.8	9,095.0	3,769.8	41.4%
Noncurrent	86,159.5	65,428.7	20,730.8	31.7%
	99,024.3	74,523.7	24,500.6	32.9%

Long-term debts increased by 32.9% or ₱24,500.6 million to ₱99,024.3 million as of December 31, 2025 from the ₱74,523.7 million balance as of December 31, 2024 mainly due to the loan drawdowns during the period, partly offset by the principal payments.

### ***Lease liability***

In PHP millions	December 31, 2025	December 31, 2024	Increase (Decrease)	
			Amount	%
Current	599.2	620.4	(21.2)	-3.4%
Noncurrent	3,419.7	4,164.0	(744.3)	-17.9%
	4,018.9	4,784.4	(765.5)	-16.0%

Lease liability decreased by 16.0% or ₱765.5 million to ₱4,018.9 million as of December 31, 2025 from the ₱4,784.4 million balance as of December 31, 2024 mainly due to the payments and settlement of lease liabilities for the period.

### ***Derivative liabilities***

In PHP millions	December 31, 2025	December 31, 2024	Increase (Decrease)	
			Amount	%
Current	9.2	–	9.2	0%
Noncurrent	47.8	–	47.8	0%
	57.0	–	57.0	0%

Derivative liabilities increased to ₱57.0 million as of December 31, 2025 from the nil balance as of December 31, 2024 mainly due to valuation of EDC and EBWPC's interest rate swaps executed for the period.

### ***Deferred tax liabilities - net***

Deferred tax liabilities increased by 58.7% or ₱54.9 million to ₱148.4 million as of December 31, 2025 from the ₱93.5 million balance as of December 31, 2024 mainly due to EBWPC's deferred tax on the utilization of its NOLCO.

### ***Provisions and other long-term liabilities***

Provisions and other long-term liabilities increased by 26.0% or ₱1,077.5 million to ₱5,225.2 million as of December 31, 2025 from the ₱4,147.7 million balance as of December 31, 2024 mainly due to the proceeds received from the Joint Crediting Mechanism Program of the Ministry of Environment of Japan and increase in security deposits from customers.

### ***Preferred stock***

Preferred stock increased by 447.8% or ₱420.0 million to ₱513.8 million as of December 31, 2025 from the ₱93.8 million balance as of December 31, 2024 mainly due to FG Hydro's investment to the Parent Company. On February 10, 2025, FG Hydro entered into subscription agreement to subscribe 42,000,000 non-voting preferred shares of the Parent Company with a par value of ₱10.0 per share.

### ***Treasury stock***

Treasury stock increased by 28.3% or ₱4,201.6 million to ₱19,033.6 million as of December 31, 2025 from the ₱14,832.0 million balance as of December 31, 2024 mainly due to FG Hydro's investment to the Parent Company for the period. On February 10, 2025, FG Hydro entered into subscription agreement to subscribe 42,000,000 non-voting preferred shares of the Parent Company with a par value of ₱10.0 per share. Upon consolidation, this intercompany transaction is treated as treasury stock.

### ***Additional paid-in capital (“APIC”)***

Additional paid-in capital increased by 43.4% or ₱3,780.0 million to ₱12,495.1 million as of December 31, 2025 from the ₱8,715.1 million balance as of December 31, 2024 mainly due to FG Hydro’s investment to the Parent Company for the period. On February 10, 2025, FG Hydro entered into subscription agreement to subscribe 42,000,000 non-voting preferred shares of the Parent Company with a par value of ₱10.0 per share for up to ₱4,200.0 million inclusive of APIC.

### ***Fair value adjustments on hedging transactions***

Fair value adjustments on hedging transactions decreased by 47.9% or ₱101.7 million to ₱110.8 million as of December 31, 2025 from the ₱212.5 million balance as of December 31, 2024 mainly due to the valuation of hedging transactions.

### ***Retained Earnings***

#### ***Unappropriated***

Unappropriated retained earnings decreased by 9.2% or ₱3,452.2 million to ₱34,012.6 million as of December 31, 2025 from the ₱37,464.8 million balance as of December 31, 2024 mainly due to the cash dividend of ₱7,305.7 million and net appropriation of retained earnings of ₱3,000.0 million, partly offset by the ₱6,780.4 million net income attributable to the equity holders of the Parent Company.

#### ***Appropriated***

Appropriated retained earnings increased by 8.6% or ₱3,000.0 million to ₱38,000.0 million as of December 31, 2025 from the ₱35,000.0 million balance as of December 31, 2024 mainly due to the ₱3,000.0 million appropriation of retained earnings for the period.

### ***Non-controlling interests***

Non-controlling interests increased by 36.2% or ₱614.7 million to ₱2,315.1 million as of December 31, 2025 from the ₱1,700.4 million balance as of December 31, 2024, mainly due to the share in net income for the period.

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

(Amounts in PHP millions)	HORIZONTAL ANALYSIS				VERTICAL ANALYSIS	
	December 2024	December 2023	Increase (Decrease)		December 2024	December 2023
			Amount	%		
<b>ASSETS</b>						
Current Assets						
Cash and cash equivalents	13,579.4	17,421.0	(3,841.6)	-22.1%	7.0%	10.5%
Financial assets at fair value through profit or loss	65.5	17.7	47.8	270.1%	0.0%	0.0%
Trade and other receivables	7,066.3	6,886.6	179.7	2.6%	3.7%	4.1%
Due from related parties	58.4	41.7	16.7	40.0%	0.0%	0.0%
Parts and supplies inventories	12,709.4	8,492.0	4,217.4	49.7%	6.6%	5.1%
Derivative assets	0.2	34.3	(34.1)	-99.4%	0.0%	0.0%
Other current assets	2,980.9	6,141.8	(3,160.9)	-51.5%	1.5%	3.7%
<b>Total Current Assets</b>	<b>36,460.1</b>	<b>39,035.1</b>	<b>(2,575.0)</b>	<b>-6.6%</b>	<b>18.9%</b>	<b>23.5%</b>
Noncurrent Assets						
Property, plant and equipment	138,574.0	111,867.3	26,706.7	23.9%	71.7%	67.3%
Goodwill and intangible assets	3,332.4	3,424.9	(92.5)	-2.7%	1.7%	2.1%
Exploration and evaluation assets	2,649.6	2,151.0	498.6	23.2%	1.4%	1.3%
Deferred tax assets - net	865.5	875.5	(10.0)	-1.1%	0.4%	0.5%
Derivative assets - net of current portion	0.9	233.5	(232.6)	-99.6%	0.0%	0.1%
Financial assets at fair value through other comprehensive income	301.2	289.0	12.2	4.2%	0.2%	0.2%
Other noncurrent assets	11,001.3	8,376.8	2,624.5	31.3%	5.7%	5.0%
<b>Total Noncurrent Assets</b>	<b>156,724.9</b>	<b>127,218.0</b>	<b>29,506.9</b>	<b>23.2%</b>	<b>81.1%</b>	<b>76.5%</b>
<b>TOTAL ASSETS</b>	<b>193,185.0</b>	<b>166,253.1</b>	<b>26,931.9</b>	<b>16.2%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
Current Liabilities						
Trade and other payables	21,871.5	20,483.8	1,387.7	6.8%	11.3%	12.3%
Due to related parties	1.8	1.7	0.1	5.9%	0.0%	0.0%
Income tax payable	37.8	218.9	(181.1)	-82.7%	0.0%	0.1%
Current portion of:						
Long-term debts	9,095.0	8,964.6	130.4	1.5%	4.7%	5.4%
Lease liability	620.4	166.3	454.1	273.1%	0.3%	0.1%
<b>Total Current Liabilities</b>	<b>31,626.5</b>	<b>29,835.3</b>	<b>1,791.2</b>	<b>6.0%</b>	<b>16.4%</b>	<b>17.9%</b>
Noncurrent Liabilities						
Long-term debts - net of current portion	65,428.7	46,769.8	18,658.9	39.9%	33.9%	28.1%
Long-term lease liability - net of current portion	4,164.0	157.6	4,006.4	2542.1%	2.2%	0.1%
Net retirement and other post-employment benefits	2,439.8	2,627.4	(187.6)	-7.1%	1.3%	1.6%
Deferred tax liabilities - net	93.5	134.9	(41.4)	-30.7%	0.0%	0.1%
Provisions and other long-term liabilities	4,147.7	3,355.3	792.4	23.6%	2.1%	2.0%
<b>Total Noncurrent Liabilities</b>	<b>76,273.7</b>	<b>53,045.0</b>	<b>23,228.7</b>	<b>43.8%</b>	<b>39.5%</b>	<b>31.9%</b>
<b>TOTAL LIABILITIES</b>	<b>107,900.2</b>	<b>82,880.3</b>	<b>25,019.9</b>	<b>30.2%</b>	<b>55.9%</b>	<b>49.9%</b>
<b>EQUITY</b>						
Equity attributable to equity holders of the Parent Company						
Preferred stock	93.8	93.8	-	0.0%	0.0%	0.1%
Common stock	19,076.3	19,076.3	-	0.0%	9.9%	11.5%
Treasury stock	(14,832.0)	(14,730.7)	(101.3)	0.7%	-7.7%	-8.9%
Additional paid-in capital	8,715.1	8,715.1	-	0.0%	4.5%	5.2%
Equity reserve	(3,706.4)	(3,706.4)	-	0.0%	-1.9%	-2.2%
Net accumulated unrealized gain on financial assets at fair value through other comprehensive income	109.4	100.3	9.1	9.1%	0.1%	0.1%
Fair value adjustments on hedging transactions	(212.5)	(3.6)	(208.9)	5,802.8%	-0.1%	0.0%
Cumulative translation adjustment	1,875.9	1,593.0	282.9	17.8%	1.0%	1.0%
Retained earnings						
Unappropriated	37,464.8	26,051.1	11,413.7	43.8%	19.4%	15.7%
Appropriated	35,000.0	43,795.6	(8,795.6)	-20.1%	18.1%	26.3%
<b>Total Equity</b>	<b>83,584.4</b>	<b>80,984.5</b>	<b>2,599.9</b>	<b>3.2%</b>	<b>43.3%</b>	<b>48.7%</b>
Non-controlling interests	1,700.4	2,388.3	(687.9)	-28.8%	0.9%	1.4%
<b>TOTAL EQUITY</b>	<b>85,284.8</b>	<b>83,372.8</b>	<b>1,912.0</b>	<b>2.3%</b>	<b>44.1%</b>	<b>50.1%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>193,185.0</b>	<b>166,253.1</b>	<b>26,931.9</b>	<b>16.2%</b>	<b>100.0%</b>	<b>100.0%</b>

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

### ***Cash and cash equivalents***

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

### ***Financial assets at fair value through profit or loss***

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

### ***Due from related parties***

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

### ***Parts and supplies inventories***

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

### ***Derivative assets***

In PHP	December 31, 2024	December 31, 2023	Increase (Decrease)	
			Amount	%
Current	0.2	34.3	(34.1)	-99.4%
Noncurrent	0.9	233.5	(232.6)	-99.6%
	1.1	267.8	(266.7)	-99.6%

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

### ***Other current assets***

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

### ***Property, plant and equipment***

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

### ***Exploration and evaluation assets***

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

### ***Other noncurrent assets***

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

### ***Trade and other payables***

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

### ***Due to related parties***

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

### ***Income tax payable***

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

### ***Long-term debt***

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

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

### ***Lease liability***

In PHP	December 31, 2024	December 31, 2023	Increase (Decrease)	
			Amount	%
Current	620.4	166.3	454.1	273.1%
Noncurrent	4,164.0	157.6	4,006.4	2,542.1%
	4,784.4	323.9	4,460.5	1,377.1%

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

### ***Net retirement and other post-employment benefits***

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

### ***Deferred tax liabilities - net***

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

### ***Provisions and other long-term liabilities***

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

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

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

### ***Fair value adjustments on hedging transactions***

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

### ***Cumulative translation adjustment***

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

### ***Retained Earnings***

#### ***Unappropriated***

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

### *Appropriated*

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

### *Non-controlling interests*

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

## **Cash Flows**

### 2025 vs. 2024

Net cash flows from operating activities decreased by 15.5% or ₱3,193.5 million to ₱17,404.3 million in 2025 from ₱20,597.8 million in 2024 mainly due to the following movements:

- lower decrease in other current and non-current assets by ₱3,827.0 million
- decrease in trade and other payables by ₱3,077.7million, and
- higher increase in trade and other receivables by ₱1,119.7 million.

These were partly offset by:

- lower increase in parts and supplies inventories by ₱2,663.2 million,
- higher operating income before working capital changes by ₱1,160.8 million,
- lower income taxes paid by ₱658.7 million, and
- higher provisions and other long-term liabilities by ₱317.3 million.

Net cash flows used in investing activities decreased by 1.8% or ₱569.4 million to ₱30,944.9 million in 2025 from ₱31,514.3 million in 2024 mainly due to the lower acquisitions of property, plant and equipment by ₱7,333.8 million, partly offset by the higher acquisitions of financial assets at FVOCI by ₱2,698.0 million, financial assets at FVPL by ₱1,679.8 million, investment in associate by ₱1,230.4 million, and exploration and evaluation assets by ₱1,173.3 million.

Net cash flows from financing activities increased by 50.3% or ₱3,544.8 million to ₱10,587.8 million in 2025 from ₱7,043.0 million in 2024, mainly due to the lower payments of long-term debts by ₱6,235.1 million, partly offset by the higher payments for interest and other financial charges by ₱2,077.9 million and lease liability by ₱295.0 million.

## 2024 vs. 2023

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

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

These were partly offset by:

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

Net cash flows used in investing activities increased by 69.2% or ₱12,887.7 million to ₱31,514.3 million in 2024 from the ₱18,626.6 million in 2023 mainly due to the higher acquisitions of property, plant and equipment by ₱10,435.5 million, additions to other noncurrent assets by ₱1,929.4 million, and acquisitions of exploration and evaluation assets by ₱377.2 million.

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

## Selected Financial Data

<b>Financial Statements</b>			
<b>(Amounts in PHP millions)</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
a) Cash and Cash Equivalents			
Cash on hand and in bank (Peso)	9,327.0	5,006.1	5,252.2
Cash in bank (US\$)	774.5	1,115.6	436.5
Cash in bank (JPY)	94.9	474.5	20.1
Cash in bank (CHP)	7.3	0.4	1.9
Cash in bank (PEN)	0.3	22.6	14.0
Cash in bank (IDR)	1.0	5.5	2.7
Marketable securities (Peso)	291.3	2,494.5	9,949.0
Marketable securities (US\$)	177.8	4,460.2	1,744.6
<b>Total</b>	<b>10,674.1</b>	<b>13,579.4</b>	<b>17,421.0</b>
b) Accounts Receivables - Others			
Non-trade accounts receivable	597.6	879.9	974.8
Loans and notes receivable	57.7	45.3	45.3
Advances to employees	37.7	39.2	52.0
<b>Total</b>	<b>693.0</b>	<b>964.4</b>	<b>1,072.1</b>
c) General and Administrative Expenses			
Purchased services and utilities	3,548.3	3,189.6	2,845.1
Personnel costs	2,094.8	2,317.7	2,088.0
Business and related expenses	1,058.8	1,053.8	900.9
Rental, insurance and taxes	748.6	579.4	161.2
Depreciation and amortization	319.3	347.5	346.7
Provision for impairment of parts and supplies inventories	266.5	138.9	(69.8)
Provision for impairment of trade and other receivables, prepaid taxes and others	163.1	332.1	31.2
Parts and supplies issued	122.5	125.1	107.4
Repairs and maintenance	104.5	96.0	155.1
Provision for impairment of goodwill, property, plant and equipment and exploration and evaluation	–	–	282.4
<b>Total</b>	<b>8,426.4</b>	<b>8,180.1</b>	<b>6,848.2</b>
d) Interest Income, Interest Expense and Others			
Interest income	420.3	588.7	818.3
Interest expense	(5,276.3)	(3,651.4)	(3,179.7)
Foreign exchange gains (losses) - net	(20.7)	51.2	10.3
Miscellaneous income (charges) - net	1,432.5	3.6	569.3
<b>Total</b>	<b>(3,444.2)</b>	<b>(3,007.9)</b>	<b>(1,781.8)</b>

## Discussion of the Subsidiaries

### Green Core Geothermal Inc.

(Amounts in PHP millions)	For the years ended December 31	
	2025	2024
Revenue	19,139.4	19,587.8
Costs of sale of electricity	(18,301.1)	(17,076.6)
General and administrative expenses	(880.4)	(1,072.3)
Other income (charges) - net	429.9	284.1
Income before income tax	387.8	1,723.0
Provision for income tax	(87.9)	(89.0)
Net income	299.9	1,634.0
	<b>As of</b>	
	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Total current assets	4,571.6	4,170.1
Total noncurrent assets	15,547.7	14,006.7
Total current liabilities	4,996.5	5,275.5
Total noncurrent liabilities	5,007.1	91.7
Total equity	10,115.7	12,809.6

Revenue decreased by 2.3% or ₱448.4 million to ₱19,139.4 million for the year ended December 31, 2025 from ₱19,587.8 million in 2024 due to combined lower average sales price and lower sales volume.

Cost of sale of electricity increased by 7.2% or ₱1,224.5 million to ₱18,301.1 million for the year ended December 31, 2025 from ₱17,076.6 million in 2024 mainly due to higher cost of steam by ₱1,419.8 million, rental, insurances and taxes by ₱86.7 million, and materials and supplies by ₱78.1 million, partly offset by lower purchased services and utilities by ₱329.7 million and repairs and maintenance by ₱27.6 million.

General and administrative expenses decreased by 17.9% or ₱191.9 million, to ₱880.4 million for the year ended December 31, 2025 from ₱1,072.3 million in 2024 mainly due to lower other non-cash provisions by ₱111.6 million, business and related expense by ₱73.7 million, purchased services and utilities by ₱37.8 million, partly offset by higher rental, insurance and taxes by ₱23.7 million.

Other income - net increased by 51.3% or ₱145.8 million to ₱429.9 million for the year ended December 31, 2025 from ₱284.1 million in 2024 mainly due to higher miscellaneous income by ₱238.7 million, partly offset by higher net foreign exchange loss by ₱68.8 million, higher interest expense by ₱14.9 million and lower interest income by ₱9.1 million.

Provision for income tax decreased by 1.2% or ₱1.1 million to ₱87.9 million for the year ended December 31, 2025 from ₱89.0 million in 2024 on account of lower net operating loss carry-over claimed in 2025.

Total current assets increased by 9.6% or ₱401.5 million to ₱4,571.6 million as of December 31, 2025 from the ₱4,170.1 million balance as of December 31, 2024, mainly due to higher cash and cash equivalents by ₱469.7 million, partly offset by lower trade and other receivables by ₱111.5 million.

Total noncurrent assets increased by 11% or ₱1,541.0 million to ₱15,547.7 million as of December 31, 2025 from the ₱14,006.7 million balance as of December 31, 2024, mainly due to higher other noncurrent assets by ₱1,425.7 million, and higher property, plant and equipment by ₱113.7 million.

Total current liabilities decreased by 5.3% or ₱279.0 million to ₱4,996.5 million as of

December 31, 2025 from the ₱5,275.5 million balance as of December 31, 2024, mainly due to lower trade and other payables by ₱318.5 million, partly offset by higher current portion of long-term debts by ₱45.8 million.

Total noncurrent liabilities increased by 5,360.3% or ₱4,915.4 million, to ₱5,007.1 million as of December 31, 2025 from the ₱91.7 million balance as of December 31, 2024, mainly due to higher long-term debts - net of current portion by ₱4,916.8 million.

Total equity decreased by 21.0% or ₱2,693.9 million to ₱10,115.7 million as of December 31, 2025 from the ₱12,809.6 million balance as of December 31, 2024, mainly due to dividend declaration of ₱3.0 billion, partly offset by the net income for the year of ₱299.9 million.

Bac-Man Geothermal Inc.

(Amounts in PHP millions)	For the years ended December 31	
	2025	2024
Revenue	13,110.3	11,110.4
Costs of sale of electricity	(10,595.4)	(9,030.1)
General and administrative expenses	(417.9)	(438.1)
Other income – net	157.9	109.2
Income before income tax	2,254.9	1,751.4
Provision for income tax	(32.1)	(145.0)
Net income	2,222.8	1,606.4
	As of	
	December 31, 2025	December 31, 2024
Total current assets	4,781.4	5,589.1
Total noncurrent assets	14,970.8	13,685.5
Total current liabilities	3,294.9	2,481.2
Total noncurrent liabilities	1,789.1	1,347.1
Total equity	14,668.2	15,446.3

Revenue increased by 18.0% or ₱1,999.9 million to ₱13,110.3 million for the year ended December 31, 2025 from ₱11,110.4 million in 2024 due to higher sales volume, partially offset by the decrease in average price.

Cost of sale of electricity increased by 17.3% or ₱1,565.3 million to ₱10,595.4 million for the year ended December 31, 2025 from ₱9,030.1 million in 2024. The increase was primarily from the higher purchased services and utilities by ₱641.7 million mainly from higher replacement power cost. Further, cost of sale of electricity increased due to the higher rental, insurance and taxes by ₱334.7 million, depreciation and amortization by ₱230.4 million, cost of steam by ₱190.3 million, parts and supplies issued ₱103.4 million, business and related expenses by ₱51.1, and repairs and maintenance ₱35.2 million, partly offset by lower personnel costs by ₱10.7 and government share by ₱10.7 million.

General and administrative expense decreased by 4.6% or ₱20.2 million to ₱417.9 million for the period ended December 31, 2025 from ₱438.1 million for the same period in 2024. This was mainly due to lower rental, insurance and taxes by ₱85.7 million and provision for doubtful accounts by ₱12.2 million, partly offset by higher business and related expenses by ₱45.8 million, purchased services and utilities by ₱14.8 million, provision for impairment of parts and supplies by ₱6.3 million, personnel costs by ₱5.6 million, and parts and supplies issued by ₱3.4 million.

Other income - net increased by 44.6% or ₱48.7 million to ₱157.9 million for the year ended December 31, 2025 from ₱109.2 million in 2024. The variance was mainly due to the miscellaneous income posted at ₱48.7 million for the year ended December 31, 2025, a ₱84.8 million turnaround from the miscellaneous expense of ₱36.1 million in 2024, and the increase on net foreign exchange gain of ₱28.4 million, partly offset by decrease in interest income by ₱64.3 million.

Provision for income tax decreased by 77.9% or ₱112.9 million to ₱32.1 million for the year ended December 31, 2025 from ₱145.0 million in 2024 on account of lower taxable income subject to regular corporate income tax.

Total current assets decreased by 14.5% or ₱807.7 million to ₱4,781.4 million as of December 31, 2025 from the ₱5,589.1 million balance as of December 31, 2024. The decrease was attributed to lower cash and cash equivalents by ₱1,584.2 million and due from related parties by ₱8.5 million, partly offset by higher trade and other receivables by ₱482.5 million, other current assets particularly on tax credits and security deposits by ₱221.5 million, and parts and supplies inventories by ₱106.3 million.

Total noncurrent assets increased by 9.4% or ₱1,285.3 million to ₱14,970.8 million as of December 31, 2025 from the ₱13,685.5 million balance as of December 31, 2024. The increase was attributed to additional capital expenditures of ₱1,410.6 million, and increase of other noncurrent assets particularly on creditable withholding taxes and due from others by ₱368.6 million, reduced by this period's depreciation of plant, property and equipment of ₱487.2 million, and decrease of deferred tax assets by ₱6.8 million.

Total current liabilities increased by 32.8% or ₱813.7 million to ₱3,294.9 million as of December 31, 2025 from the ₱2,481.2 million balance as of December 31, 2024. The increase was mainly from the increase of trade and other payables by ₱810.5 million, and current portion of lease liability by ₱3.2 million.

Total noncurrent liabilities increased by 32.8% or ₱442.0 million to ₱1,789.1 million as of December 31, 2025 from the ₱1,347.1 million balance as of December 31, 2024. The increase was mainly from the increase of other long-term liabilities by ₱437.7 million, and net retirement and other post-employment by ₱3.4 million.

Total equity decreased by 5.0% or ₱778.1 million to ₱14,668.2 million as of December 31, 2025 from the ₱15,446.3 million balance as of December 31, 2024 due to this year's dividend declaration of ₱3,000.0 million, partially offset by the net income for the year of ₱2,222.8 million.

EDC Burgos Wind Power Corporation

(Amounts in USD millions)	For the years ended December 31	
	2025	2024
Revenue	56.1	45.8
Costs of sale of electricity	(26.6)	(28.7)
General and administrative expenses	(4.6)	(3.1)
Other income (charges) - net	0.3	(11.6)
Income before income tax	25.2	2.4
Provision for income tax	(2.3)	(1.7)
Net income	22.9	0.7
	<b>As of</b>	
	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Total current assets	51.7	37.2
Total noncurrent assets	249.7	251.8
Total current liabilities	28.1	18.5
Total noncurrent liabilities	194.1	124.1
Total equity	79.2	146.4

Revenue increased by 22.5% or US\$10.3 million to US\$56.1 million for the year ended December 31, 2025 from US\$45.8 million in 2024 mainly due to the FIT escalation adjustment related to generation sold in 2021 to 2025 (\$10.1 million).

Costs of sale of electricity decreased by 7.3% or US\$2.1 million to US\$26.6 million for the year ended December 31, 2025 from US\$28.7 million in 2024 mainly due to the lower repairs and maintenance by US\$1.8 million, depreciation and amortization by US\$0.2 million, purchased services and utilities by US\$0.1 million, and rental, insurance and taxes by US\$0.1 million, partly offset by higher government share by US\$0.2 million.

General and administrative expenses increased by 48.4% or US\$1.5 million to US\$4.6 million for the year ended December 31, 2025, from US\$3.1 million in 2024 mainly due to higher business and related expenses by US\$0.8 million and, purchased services and utilities by US\$0.6 million.

Other income - net amounted to US\$0.3 million in 2025, a 102.6% or US\$11.9 million turnaround from the US\$11.6 million other charges - net in 2024, mainly due to higher net miscellaneous income by US\$8.1 million, interest income by US\$3.9 million, net foreign exchange gain by US\$1.8 million, partly offset by the higher interest expense by US\$1.8 million.

Total current assets increased by 39.0% or US\$14.5 million to US\$51.7 million as of December 31, 2025, from the US\$37.2 million balance as of December 31, 2024, mainly due to the increase in trade and other receivables by US\$7.0 million, cash and cash equivalents by US\$6.8 million, other current assets by US\$0.5 million, and due from related parties by US\$0.2 million.

Total noncurrent assets decreased by 0.8% or US\$2.1 million to US\$249.7 million as of December 31, 2025, from the US\$251.8 million balance as of December 31, 2024, mainly due to the net decrease in the book value of property, plant and equipment by US\$10.6 million, partly offset by the increase in other noncurrent assets by US\$8.4 million.

Total current liabilities increased by 51.9% or US\$9.6 million to US\$28.1 million as of December 31, 2025, from the US\$18.5 million balance as of December 31, 2024, mainly due to the increase in current portion of long-term debts by US\$9.6 million and income tax payable by US\$1.1 million, partly offset by the decrease in trade and other payables by US\$1.1 million.

Total noncurrent liabilities increased by 56.4% or US\$70.0 million to US\$194.1 million as of

December 31, 2025, from the US\$124.1 million balance as of December 31, 2024, mainly due to the increase of long-term debt - net of current portion by US\$68.5 million, deferred tax liabilities - net by US\$0.9 million, derivative liability - net of current portion by US\$0.4 million and asset retirement obligation by US\$0.1 million.

Total equity decreased by 45.9% or US\$67.2 million to US\$79.2 million as of December 31, 2025, from the US\$146.4 million balance as of December 31, 2024, mainly due to payment of dividends of US\$43.0 million, decrease in additional paid-in capital by US\$46.3 million and preferred shares by US\$0.5 million due to the redemption of preferred shares, and decrease in cumulative translation adjustment by US\$0.3 million, partly offset by the net income for the year of US\$22.9 million.

#### EDC Siklab Power Corporation

<b>(Amounts in PHP millions)</b>	<b>For the years ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Revenue	28.8	32.3
Costs of sale of electricity	(13.5)	(18.2)
General and administrative expenses	(8.5)	(8.5)
Other income - net	0.1	0.2
Income before income tax	6.9	5.8
Provision for income tax	(1.8)	(2.2)
Net income	5.1	3.6
	<b>As of</b>	
	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Total current assets	73.4	123.1
Total noncurrent assets	226.7	243.6
Total current liabilities	11.2	9.9
Total equity	288.9	356.8

Revenue decreased by 10.8% or ₱3.5 million to ₱28.8 million for the year ended December 31, 2025 from ₱32.3 million in 2024 due to lower sales volume.

Cost of sales decreased by 25.8% or ₱4.7 million to ₱13.5 million for the year ended December 31, 2025 from ₱18.2 million in 2024 due to lower rental, insurance and taxes by ₱0.8 million, purchased services and utilities by ₱2.6 million, repairs and maintenance by ₱1.2 million, and business and related expenses by ₱0.3 million.

General and administrative expenses remains at ₱8.5 million for the year ended December 31, 2025 and 2024 with this year's higher business and related expenses by ₱1.5 million, rental, insurance and taxes by ₱0.2 million, offset by the lower provision for doubtful accounts by ₱1.2 million and purchased services and utilities by ₱0.5 million.

Other income - net decreased by 50.0% or ₱0.1 million to ₱0.1 million for the year ended December 31, 2025 from ₱0.2 million in 2024 mainly due to higher interest income.

Total current assets decreased by 40.4% or ₱49.7 million to ₱73.4 million as of December 31, 2025 from the ₱123.1 million balance as of December 31, 2024, mainly due to the lower cash and cash equivalents by ₱50.2 million and other current assets by ₱0.4 million.

Total non-current assets decreased by 6.9% or ₱16.9 million to ₱226.7 million as of December 31, 2025 from the ₱243.6 million balance as December 31, 2024, mainly due to the lower property, plant, and equipment by ₱12.1 million and other non-current assets by ₱4.8 million.

Total current liabilities increased by 13.1% or ₱1.3 million to ₱11.2 million as of December 31, 2025 from the ₱9.9 million balance as December 31, 2024, mainly due to the increase in trade and other payables by ₱2.2 million, partly offset by the lower income tax payable by ₱0.9 million.

Total equity decreased by 19.0% or ₱67.9 million to ₱288.9 million as of December 31, 2025 from the ₱356.8 million balance as of December 31, 2024, mainly due to the dividend declaration of ₱73.0 million, partly offset by the net income for the year of ₱5.1 million.

#### First Gen Hydro Power Corporation

<b>(Amounts in PHP millions)</b>	<b>For the years ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Revenue	3,210.9	1,521.8
Costs of sale of electricity	(712.3)	(941.4)
General and administrative expenses	(537.0)	(449.3)
Operating income	1,961.6	131.1
Net income	1,542.5	296.3
	<b>As of</b>	
	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Total assets	13,113.2	4,492.1
Total liabilities	7,256.3	177.0
Total equity	5,856.9	4,315.1

Revenue increased by 111.0% or ₱1,689.1 million to ₱3,210.9 million for the year ended December 31, 2025 from ₱1,521.8 million in 2024. The increase was primarily due to a higher starting water elevation in 2025, which led to higher generation. The increase was partially offset by lower average selling prices in both the WESM and the Reserve Market.

Cost of sale of electricity decreased by 24.3% or ₱229.1 million to ₱712.3 million for the year ended December 31, 2025 from ₱941.4 million in 2024. This decline was primarily due to lower purchases from WESM due to reduced replacement power requirements, offset by higher service fees paid to the National Irrigation Administration due to higher power generation.

General and administrative expenses increased by 19.5% or ₱87.7 million to ₱537.0 million for the year ended December 31, 2025 from ₱449.3 million in 2024 mainly due to higher staff costs, plant insurance premiums, contracted manpower and other services.

Net income increased by 420.6% or ₱1,246.2 million to ₱1,542.5 million for the period ended December 31, 2025 from ₱296.3 million in 2024, mainly driven by higher operating income and dividend income from an investment in non-voting preferred stocks of EDC and Series “H” redeemable preferred stocks of First Gen, partially offset by the interest expense on long-term debt availed in February 2025, lower interest income and higher provision for income taxes.

Total assets increased by 191.1% or ₱8,621.1 million to ₱13,113.2 million as of December 31, 2025 from ₱4,492.1 million as of December 31, 2024. The increase was primarily driven by FG Hydro’s subscription to non-voting preferred stocks of EDC and to Series “H” redeemable preferred stocks of First Gen in February 2025, as well as higher investment management account balance.

Total liabilities decreased by 3,999.6%, or ₱7,079.3 million to ₱7,256.3 million as of December 31, 2025 from the ₱177.0 million as of December 31, 2024, primarily due to the long-term debt availed by FG Hydro in February 2025 totaling ₱7,000.0 million.

Total equity increased by 35.7%, or ₱1,541.8 million to ₱5,856.9 million as of December 31, 2025 from the ₱4,315.1 million balance as of December 31, 2024, mainly due to the net income earned during the year.

### Top Eight (8) Key Performance Indicators

Ratio	December 2025	December 2024
Current Ratio	1.13:1	1.15:1
Debt-to-Equity Ratio	1.16:1	0.87:1
Net Debt-to-Equity Ratio	1.03:1	0.71:1
Return on Assets (%)	3.61	5.14
Return on Equity (%)	8.67	10.96
Solvency Ratio	0.17	0.23
Interest Rate Coverage Ratio	2.29	3.74
Asset-to-Equity Ratio	2.54	2.27

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

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

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

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

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

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

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

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

## Other Disclosures

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

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

In December 2024, EBWPC voluntarily prepaid the principal outstanding of the Project Financing agreement originally amounting to US\$315.0 million signed in October 2014 with a group of foreign and local banks for the construction of the 150-MW Burgos Wind Project in Ilocos Norte. It subsequently signed and availed US\$80.0 million and PHP2.7 billion term loans with Mizuho Bank, Ltd. - Singapore Branch and BDO, respectively. In 2025, EBWPC also signed and availed ₱2.15 billion and US\$50.0 million term loans with Australia and New Zealand Banking Group Limited and ING Bank N.V., Manila Branch, respectively. Under the term loan agreements, any debt service shortfall amount is guaranteed by EDC.

On October 27, 2025, GCGI signed and availed ₱5.0 billion with BDO. Under the term loan agreement, any debt service shortfall amount is guaranteed by EDC.

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

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

The loan agreements and trust indentures are also subject to cross-default and cross-acceleration in the event of a failure of payment, a default or a violation of any obligation that would result in the acceleration of payment under any other financial indebtedness of the company, or one for which the company has agreed to act as guarantor, surety or accommodation party in the same amount or more. The agreement however is only subject to cross-default and cross-acceleration if the amount involved in the occurrence of one or more of the above events or breaches is at least US\$10.0 million.

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

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

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

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

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

As of December 31, 2025, the Group has unserved purchase orders and awarded contracts for capital expenditures amounting to ₱2,024.0 million

The Group's total 2026 budget for capital expenditures amounts to approximately ₱20.06 billion. About 82.52% or ₱16.55 billion of it will be for acquisitions to support the operations and maintenance requirements of the geothermal plants in Leyte, Negros Island, Bacon-Manito, and Mt. Apo. This amount is mainly for power plant and steamfield reliability improvement in said sites.

The balance of 17.48% or ₱3.51 billion is primarily composed of investments in hydro, wind and solar operations, local geothermal expansions, funding for Indonesia activities, and head office.

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

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

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

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

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

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

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

EDC drew ₱2,000.0 million each from its term loan facility with BPI and BDO, on January 6, 2026 and February 11, 2026, respectively.

On February 27, 2026, the following shares has been redeemed:

- BGI's 4,365,817 and 8,134,183 voting preferred shares with PREHC and First Gen, respectively, both with a par value of ₱0.01 per share; and
- GCGI's 8,731,633 and 16,268,367 voting preferred shares with PREHC and First Gen, respectively, both with a par value of ₱0.01 per share.

## **Item 7. Financial Statements**

The Group's audited consolidated financial statements as of and for the years ended December 31, 2025 and 2024 are hereto attached as *Exhibit 1*.

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

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

### **External Auditor Fee-Related Information**

	<b>2025</b>	<b>2024</b>	<b>2023</b>
Total Audit Fees	₱ 13,527,730	₱13,870,507	₱13,277,826
Non-audit service fees:			
Other assurance services*	3,653,900	8,024,340	3,385,000
Tax services	6,720,428	1,922,399	457,600
All other services**	1,525,000	1,585,875	6,084,063
Total Non-Audit Fees	11,899,328	11,533,614	9,926,663
<b>Total Audit and Non-Audit Fees</b>	<b>₱25,427,058</b>	<b>₱25,404,121</b>	<b>₱23,204,489</b>

\* Other assurance services include quarterly review of financial statements. In 2024, other assurance services include engagement related to EDC's green bond offering amounting to ₱4 million.

\*\* All other services include consultancy and advisory services.

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

## PART III – CONTROL AND COMPENSATION INFORMATION

### Item 9. Directors and Executive Officers of the Registrant

#### Directors

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

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

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

As of December 31, 2025, the following are the directors of the Parent Company<sup>24</sup>:

DIRECTOR	NATIONALITY	POSITION	AGE	YEAR POSITION WAS ASSUMED
Federico R. Lopez	Filipino	Chairman and Chief Strategy Officer	64	2007
Francis Giles B. Puno	Filipino	Vice-Chairman and CEO	61	2007
Jerome H. Cainglet	Filipino	Director, President and COO	57	2023
Richard B. Tantoco	Filipino	Director	59	2009
Jonathan C. Russell	British	Director	61	2007
Ang Eng Seng	Singaporean	Director	63	2021
David Andrew Baldwin	Australian	Director	61	2017
Verena Lim	Australian	Director	43	2025
Sebastian C. Quiniones, Jr.	Filipino	Independent Director	66	2021
Teresa Grace Socorro G. Lara	Filipino	Independent Director	68	2021
Jose Victor P. Paterno	Filipino	Independent Director	58	2025

**Federico R. Lopez**, Filipino, has been a member of the Board since November 29, 2007. He is Chairman and Chief Strategy Officer of EDC and Chairman and Chief Executive Officer of the publicly listed companies First Gen Corporation (“First Gen”), First Philippine Holdings Corporation (“FPH”), and Lopez Holdings Corporation. He is Vice Chairman of Rockwell Land Corporation (“Rockwell Land”) and he sits in the board of ABS-CBN Corporation, which are also publicly listed companies. Mr. Lopez is Chairman of the Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation, Inc. (“OML Center”) and Sikat Solar Challenge Foundation, Inc., and Chairman and President of Ang Misyon, Inc. He is also a member of the Board of Trustees of the Philippine Disaster Resilience Foundation, the Eugenio Lopez Foundation, Inc., and Endeavor Philippines. Mr. Lopez is a member of the New York Philharmonic International Advisory Board, Asia Business Council, World Presidents’ Organization, Chief Executives Organization, Management Association of the Philippines, Philippine Chamber of Commerce and Industry, European Chamber of

<sup>24</sup> The directors were elected during the Annual Stockholders’ Meeting held on May 14, 2025, except for Ms. Verena Lim who was elected as director effective December 5, 2025.

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

**Francis Giles B. Puno**, Filipino, has been a director of EDC since November 29, 2007. He is currently the Vice-Chairman and Chief Executive Officer of EDC. He also sits in the boards of publicly listed companies First Gen, FPH, and Rockwell Land. Mr. Puno is also the President and Chief Operating Officer of FPH and the Vice-Chairman, President and Chief Operating Officer of First Gen; and the President of First Philippine Industrial Park. Mr. Puno sits in the Board of Trustees of the Philippine Business for Social Progress, OML Center, Lopez Group Foundation, Inc., Eugenio Lopez Foundation, Inc., Sikat Solar Challenge Foundation, Inc., and Knowledge Channel Foundation, Inc. He holds a Bachelor of Science in Business Management degree from Ateneo de Manila University (1985) and a Master's degree in Business Administration from the Kellogg Graduate School of Management of Northwestern University (1990).

**Jerome H. Cainglet**, Filipino, sits as director of EDC since July 1, 2023. He is currently the President and the Chief Operating Officer of EDC and various EDC operating subsidiaries including, BGI, GCGI, and EDC Geothermal Corp. and a Senior Vice-President in First Gen. He is also a Foundation Member of the OML Center and a Trustee of KEITECH Educational Foundation, Inc. He holds a Bachelor of Science degree in Chemical Engineering from the University of the Philippines (1989) and has an Executive Masters in Business Administration degree from the Asian Institute of Management (2006).

**Richard B. Tantoco**, Filipino, has been a director of EDC since November 29, 2009 and several EDC subsidiaries. He is a Director of First Gen and FPH and an Independent Director of Cebu Air, Inc. First Gen, FPH, and Cebu Air Inc. are publicly listed companies. Mr. Tantoco served as the President and Chief Operating Officer of EDC and its subsidiaries from 2009 to 2023. He was an Executive Vice President of First Gen and several First Gen subsidiaries and its affiliates from 2007 to June 2023. Mr. Tantoco was also the President from 2012 to 2023, a Trustee of the OML Center, and is a Trustee in the board of several non-profit organizations such as KEITECH Educational Foundation, Inc., The Eugenio Lopez Foundation, Inc., and The Knowledge Channel. He is also a member of the Young Presidents Organization. He holds a Bachelor of Science degree in Business Management from Ateneo de Manila University where he graduated with honors (1988). He also has an MBA in Finance from the Wharton School of Business of the University of Pennsylvania (1993).

**Jonathan C. Russell**, British, has been a director of EDC since November 29, 2007. He is also an Executive Vice President and the Chief Commercial Officer of First Gen and director of GCGI. He is also a Senior Adviser in FPH. First Gen and FPH are listed companies. Mr. Russell holds a Bachelor of Science degree in Chemical and Administrative Sciences (with Honours, 1987) and a Master of Business Administration in International Business and Export Management degree (with Distinction) (1989), both from City University Business School in London, England.

**Ang Eng Seng**, Singaporean, has been a director of EDC since February 4, 2021. He currently serves as an Advisor to GIC Private Limited ("GIC"). Prior to this, he was the Chief Investment Officer for Infrastructure in GIC, and before that, President of Europe and Head of Integrated Strategies Group of GIC. Mr. Ang holds a Master's degree from Cambridge University (1984). He is a Certified Public Accountant and a Chartered Financial Analyst charter holder.

**David Andrew Baldwin**, Australian, has been a director of EDC since October 3, 2017. He was also a Senior Managing Director at Macquarie Asset Management ("MAM"), where he led MAM's Portfolio Performance Group across the Asia-Pacific region. Mr. Baldwin holds a Bachelor of Engineering (Chemical) degree from the University of Canterbury and a Master of Business Administration degree from Victoria University of Wellington.

**Verena Lim**, Australian, joined EDC as a director on December 5, 2025. She is currently Chief Executive Officer of Macquarie Group Asia and the Co-Head of Asia-Pacific MAM Infrastructure. She is also the Head of Investments for the Macquarie Asia-Pacific Infrastructure Fund (MAIF) series, one of the largest infrastructure platforms dedicated to investing in the Asia Pacific. Ms. Lim holds a Bachelor of Commerce in Finance and a Bachelor of Laws degrees from the University of New South Wales.

**Sebastian C. Quiniones, Jr.**, Filipino, has been an Independent Director of EDC since May 11, 2021. He is also the Executive Director of Pilipinas Shell Foundation since January 2019, Chairman of the Board of Mindoro Biodiversity and Conservation Foundation since 2016, and a member of STEM Alliance Philippines since 2020. Mr. Quiniones graduated from the Philippine Science High School (1976) and became an NSDB scholar at the University of Philippines Diliman where he studied Chemical Engineering.

**Teresa Grace Socorro G. Lara**, has been an Independent Director of EDC since May 11, 2021. She is a director of Artists and Company, a talent management firm, and an Independent Director of Electronic Network Cash Tellers, Inc. Prior to this, she was the Vice Chairman of Publicis/Jimenez Basic; General Manager and Client Services Director of Jimenez/D'ARCV; President and CEO of Basic Advertising; and Management Supervisor of Mullenlowe Treyna. Ms. Lara graduated from Ateneo De Manila University where she studied AB Communications Arts. She took a certificate course in Marketing and Advertising from New York University.

**Jose Victor P. Paterno**, Filipino, was elected as an Independent Director of the Company in 2025. Mr. Paterno is currently the Chairman of Philippine Seven Corporation. He served as President and Chief Executive Officer from 2005 to 2025 and is currently a Director of Convenience Distribution Inc. Mr. Paterno obtained his Bachelor of Science degree in Management Engineering from Ateneo de Manila University (1987) and a Bachelor of Science degree in Management Engineering from Lehigh University where he graduated magna cum laude (1990).

### Key Executive Officers

As of December 31, 2025, the Parent Company's senior management is composed of the following:

OFFICER	NATIONALITY	POSITION	AGE	YEAR POSITION WAS ASSUMED
Federico R. Lopez	Filipino	Chairman and Chief Strategy Officer	64	Chief Strategy Officer - 2024; and Chairman - 2010
Francis Giles B. Puno	Filipino	Vice-Chairman and CEO	61	2023
Jerome H. Cainglet	Filipino	President and COO	57	2023
Victor Emmanuel B. Santos, Jr.	Filipino	Executive Vice President	58	Executive Vice President - 2021
Erwin O. Avante	Filipino	Senior Vice President, Chief Financial Officer/Treasurer, and Compliance Officer for SEC	51	Senior Vice President - 2022; Chief Financial Officer/Treasurer - 2019; and Compliance Officer for SEC - 2014
Liberato S. Virata	Filipino	Senior Vice President, Adviser to the Enterprise Commercial	66	Adviser to the Enterprise Commercial - 2025; and Senior Vice President - 2019
Jay Joel L. Soriano	Filipino	Vice President	49	2019

<b>OFFICER</b>	<b>NATIONALITY</b>	<b>POSITION</b>	<b>AGE</b>	<b>YEAR POSITION WAS ASSUMED</b>
Edwin H. Alcober	Filipino	Vice President, Chief Resource Technology Officer, Head of Production Optimization	53	Chief Resource Technology Officer - 2025; Head of Production Optimization - 2022; and Vice President - 2019
Marvin Kenneth S. Bailon	Filipino	Vice President, Head of Business Development and International Business	48	Vice President - 2022; and Head of Business Development and International Business - 2020
Miguel Lorenzo S. De Vera	Filipino	Vice President, Head of New Business Technologies	41	Vice President - 2023; and Head of New Business Technologies - 2021
Gabriel S. Vergara	Filipino	Vice President, Head of Enterprise Commercial	41	Vice President - 2023; and Head of Enterprise Commercial - 2023
Jeffrey D. Junsay	Filipino	Vice President, Head of Integrated Sub-Surface and Head of Facilities Operations and Maintenance	49	Vice President and Head of Integrated Sub-Surface - 2023; and Head of Facilities Operations and Maintenance - 2025
Ryan Z. Velasco	Filipino	Vice President, Corporate Information Officer, Head of Corporate Strategy and Planning	47	Vice President - 2023; Head of Corporate Strategy and Planning - 2022; and Corporate Information Officer - 2018
Ma. Cecilia R. Batalla	Filipino	Vice President, Head of Human Resources Management	57	Vice President and Head of Human Resources Management - 2025
Jennifer Joy S. Santos	Filipino	Chief Transformation Officer, Head of Transformation Office	55	Chief Transformation Officer - 2020; and Head of Transformation Office - 2019
Renato A. Castillo	Filipino	Chief Risk Officer	71	2025
Jhunar B. Abbot	Filipino	Comptroller	58	2025
Jose G. Cimanos, Jr.	Filipino	Chief Audit Executive	57	2025
Bernadette Ann V. Policarpio	Filipino	Vice President, Corporate Secretary, Head of Legal and Regulatory Affairs and Legal Services Division, and Regulatory Compliance Officer for the Department	50	Vice President - 2019; Corporate Secretary - 2017; Head of Legal and Regulatory Affairs and Legal Services Division - 2015; and Regulatory Compliance Officer for the Department of Energy

OFFICER	NATIONALITY	POSITION	AGE	YEAR POSITION WAS ASSUMED
		of Energy and Energy Regulatory Commission		and Energy Regulatory Commission - 2024
Ana Maria Katigbak-Lim	Filipino	Assistant Corporate Secretary	56	2017

**Victor Emmanuel B. Santos Jr.**, Filipino, is an Executive Vice President of EDC. He is also the Corporate Information Officer of First Gen and an Executive Vice President of FPH and First Gen, both of which are listed companies. Mr. Santos has a Master's degree in Business Administration from Fordham University (1995) and a Bachelor of Science degree in Management of Financial Institutions from De La Salle University (1989).

**Erwin O. Avante**, Filipino, is a Senior Vice President and the Chief Financial Officer/Treasurer and Compliance Officer for SEC of EDC. He is also a Senior Vice President of First Gen. Mr. Avante holds Master's degrees in Business Administration (2000) and Computational Finance (2003), and a Bachelor of Science in Accountancy degree (1994), all from De La Salle University. Mr. Avante placed 1st in the May 1995 Certified Public Accountants board examination, and is a Chartered Financial Analyst charter holder.

**Liberato S. Virata**, Filipino, is a Senior Vice President and formerly the Head of Facilities Operations and Maintenance of EDC. He was appointed as Adviser to the Enterprise Commercial Group effective December 15, 2025. Mr. Virata graduated with a Bachelor of Science degree in Mechanical Engineering from the Mapua Institute of Technology in Manila (1981). He became a Registered Mechanical Engineer in 1982 and a Professional Mechanical Engineer in 2006. He completed the Refinery Operations Course at Shell Refinery Clyde, Sydney New South Wales, Australia (1988); Management Development Program of AIM (1996); and Diploma Course in Maintenance Management System (JICA) at Kitakyushu, Japan (2003).

**Jay Joel L. Soriano**, Filipino, is a Vice President of EDC. He is also a Vice President and the Head of Strategy and Planning of First Gen. He holds a Masters in Business Administration degree from Harvard Business School, and a Management Engineering degree from Ateneo de Manila University.

**Edwin H. Alcober**, Filipino, is a Vice President and was appointed as the Chief Resource Technology Officer effective September 1, 2025. Prior to this, he was the Head of Production Optimization of Integrated Subsurface of EDC. Mr. Alcober obtained his Bachelor of Science degree in Chemical Engineering from the University of the Philippines in Diliman in 1994. He had undergone training in Geothermal Energy Technology at the Geothermal Institute, University of Auckland, New Zealand in 1998 and was awarded Best in Engineering. He also finished Basic Management Program (2010) and Management Development Program (2017) at the Asian Institute of Management.

**Marvin Kenneth S. Bailon**, Filipino, is a Vice President and the Head of Business Development and International Business of EDC. He earned both his undergraduate degree in Quantitative Economics and graduate degree in Industrial Economics from the University of Asia and the Pacific.

**Miguel Lorenzo S. De Vera**, Filipino, is a Vice President and the Head of New Business and Technologies of EDC. Mr. De Vera obtained his Bachelor of Science degree in Computer Science, major in Computer Engineering, from De La Salle University in Manila (2005).

**Gabriel S. Vergara**, Filipino, is a Vice President and the Head of Enterprise Commercial of EDC. Mr. Vergara obtained his Bachelor of Arts degree in Economics (Honors Program) from Ateneo de Manila University (2006). He obtained his Master of Arts degree in International Political Economy and Development in Fordham University (2010).

**Jeffrey D. Junsay**, Filipino, is a Vice President and currently the Head of Facilities Operations and Maintenance, concurrent to his role as Head of Integrated Subsurface. Mr. Junsay is a licensed Mechanical Engineer and graduated from the Mapua Institute of Technology (1997).

**Ryan Z. Velasco**, Filipino, is a Vice President and the Head of Corporate Strategy and Planning of EDC. He also serves as the Corporate Information Officer of EDC. Mr. Velasco obtained his Masters in Business Administration degree at IESE Business School in Barcelona, Spain, and attended an MBA International Exchange Program at Tuck School of Business (Dartmouth) in Hanover, New Hampshire, USA. He graduated from Ateneo de Manila University with a Bachelor of Science Degree in Business Management, Honors Program.

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

**Jennifer Joy S. Santos**, Filipino, is the Chief Transformation Officer and Head of Transformation Office of EDC. Ms. Santos graduated from the Ateneo de Manila University with a Bachelor of Science degree in Management. She likewise attended the Ateneo Graduate School of Business and completed the Executive Development Program and Innovation Leadership Program of the Asian Institute of Management, as well as the International Executive Leadership Program of INSEAD-Singapore.

**Renato A. Castillo**, Filipino, was appointed as the Chief Risk Officer of EDC on August 29, 2025. He is also a Senior Vice President and the Chief Risk Officer of First Gen and FPH, both of which are listed companies. Mr. Castillo has a Bachelor of Science degree in Commerce major in Accounting from De La Salle University (1974).

**Jhunar B. Abbot**, Filipino, was appointed as the Head of Comptrollership of EDC effective June 1, 2025. Prior to this, he was Deputy Head of Comptrollership while concurrently serving as Head of Business Analytics and Systems Support. Mr. Abbot holds a Master's degree in Business Administration from the Ateneo Graduate School of Business (2008). He earned a Bachelor of Business Administration degree major in Accounting from the Silliman University (1988) in Dumaguete City. Mr. Abbot passed the Certified Public Accountants board examination in October 1988.

**Jose G. Cimanés, Jr.**, Filipino, was appointed as Chief Audit Executive effective September 1, 2025. Prior to this, he was Head of Fraud and Special Projects of the Audit Department since 2018. Mr. Cimanés holds a Bachelor of Science degree in Business Administration from Bicol University College of Arts and Sciences (1993).

**Bernadette Ann V. Policarpio**, Filipino, is a Vice President and the Corporate Secretary of EDC. She currently heads the Legal and Regulatory Affairs Group and the Legal Services Division of EDC and serves as Regulatory Compliance Officer for the Department of Energy and Energy Regulatory Commission. She is also a Vice President and Senior Counsel at First Gen. Atty. Policarpio obtained a Bachelor of Science degree in Management, Major in Legal Management in 1996 from Ateneo de Manila University, where she also earned her Juris Doctor degree (with Second Honors Silver Medal Award) in 2000. She was admitted to the Philippine Bar in 2001. She completed her Master of Laws degree at the University of Michigan in Ann Arbor, Michigan, U.S.A. in 2006, which was followed by a fellowship stint at the Center for International Environmental Law in Geneva, Switzerland.

**Ana Maria A. Katigbak-Lim**, Filipino, is the Assistant Corporate Secretary of EDC. She is a Senior Partner in Castillo Laman Tan Pantaleon & San Jose Law Firm. Atty. Katigbak graduated cum laude from the University of the Philippines with degree in Bachelor of Arts in Comparative Literature (1990). She is a graduate of the University of the Philippines College of Law (1994) and a member of the Phi

Kappa Phi international honor society and Integrated Bar of the Philippines. She was admitted to the Philippine Bar in 1995.

### **Significant Employees**

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

### **Family Relationships**

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

### **Involvement in Certain Legal Proceedings**

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

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

## **Item 10. Executive Compensation**

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

### **Summary Compensation Table**

<b>Name</b>	<b>Year</b>	<b>Salary (in ₱)</b>	<b>Bonus / Other Annual Compensation (in ₱)</b>
Federico R. Lopez, Chairman and Chief Strategy Officer			
Francis Giles B. Puno, Vice-Chairman and CEO			
Jerome H. Cainglet, President and COO			
Erwin O. Avante, Senior Vice President			
Liberato S. Virata, Senior Vice President			
CEO and the four most highly compensated officers named above	2024	57,131,112	145,011,353
	2025	62,549,904	105,954,804
	2026 (estimate)	91,066,800	118,307,383
Aggregate compensation paid to all officers and directors as a group unnamed	2024	302,533,038	358,646,483
	2025	309,619,084	290,798,532
	2026 (estimate)	333,373,352	275,900,981

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

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

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

In 2025, the directors and independent directors of the Parent Company received remuneration, gross of tax, as follows:

<b>Name</b>	<b>Gross Amount (in ₱)</b>
Federico R. Lopez	792,000.00
Francis Giles B. Puno	780,000.00
Jerome H. Cainglet	828,000.00
Richard B. Tantoco	6,371,555.56
Jonathan C. Russell	6,407,555.56
Jose Victor P. Paterno**	433,000.00
Sebastian C. Quiniones, Jr.	6,347,555.56
Teresa Grace Socorro G. Lara	6,319,555.56
Manny I. Ayala*	5,891,555.56
Ang Eng Seng	-
David Andrew Baldwin	-
Christopher Low Eu Sun***	-
Verena Lim****	-

\*Until May 14, 2025

\*\* Effective May 14, 2025

\*\*\*Until December 5, 2025

\*\*\*\* Effective December 5, 2025

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

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

Further, Directors Puno and Cainglet, as well as Mr. Avante, Mr. Castillo, Ms. Batalla and Atty. Policarpio, are seconded to EDC and receive their salaries from First Gen.

**Warrants**

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

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

**Security Ownership of Certain Record and Beneficial Owners (of more than 5%) as of December 31, 2025**

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

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

## Security Ownership of Directors and Management as of December 31, 2025

Title of Class	Name of Beneficial Owner	Amount of Shares	Nature of Ownership	Citizenship	Percent of Class
<b>Directors</b>					
Common	Federico R. Lopez - Chairman & Chief Strategy Officer	1.000000	Direct	Filipino	0.01%
Common	Francis Giles B. Puno - Vice-Chairman and CEO	1.000000	Direct	Filipino	0.01%
Common	Jerome H. Cainglet - President & COO	1.000001	Direct	Filipino	0.01%
Common	Richard B. Tantoco	1.000001	Direct	Filipino	0.01%
Common	Jonathan C. Russell	1.000000	Direct	British	0.01%
Common	David Andrew Baldwin	1.000000	Direct	Australian	0.01%
Common	Ang Eng Seng	1.000000	Direct	Singaporean	0.01%
Common	Verena Lim	1.000000	Direct	Australian	0.01%
Common	Sebastian C. Quiniones, Jr.	1.000000	Direct	Filipino	0.01%
Common	Teresa Grace Soccoro G. Lara	1.000000	Direct	Filipino	0.01%
Common	Jose Victor P. Paterno	1.000000	Direct	Filipino	0.01%
<b>Key Executive Officers</b>					
-	Victor Emmanuel B. Santos, Jr.	-	-	Filipino	0.00%
-	Erwin O. Avante	-	-	Filipino	0.00%
-	Liberato S. Virata	-	-	Filipino	0.00%
-	Jay Joel L. Soriano	-	-	Filipino	0.00%
-	Edwin H. Alcober	-	-	Filipino	0.00%
-	Marvin Kenneth S. Bailon	-	-	Filipino	0.00%
-	Miguel Lorenzo S. De Vera	-	-	Filipino	0.00%
-	Gabriel S. Vergara	-	-	Filipino	0.00%
-	Jeffrey D. Junsay	-	-	Filipino	0.00%
-	Ryan Z. Velasco	-	-	Filipino	0.00%
-	Ma. Cecilia R. Batalla	-	-	Filipino	0.00%
-	Jennifer Joy S. Santos	-	-	Filipino	0.00%
-	Renato A. Castillo	-	-	Filipino	0.00%
-	Jhunar B. Abbot	-	-	Filipino	0.00%
-	Jose G. Cimanés, Jr.	-	-	Filipino	0.00%
-	Bernadette Ann V. Policarpio	-	-	Filipino	0.00%
-	Ana Maria A. Katigbak-Lim	-	-	Filipino	0.00%

As of December 31, 2025, the aggregate amount of common shares registered in the names of the directors and key executive officers of the Parent Company is 11.000002 or 0.065% of total common shares.

### Voting Trust Holders of 5% or more

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

## Item 12. Certain Relationships and Related Transactions

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

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

Following are the amounts of transactions and outstanding balances as of and for the years ended December 31, 2025, 2024 and 2023 with entities under common control:

Related Party	Nature of Transaction	Terms	Transactions for the years ended December 31			Outstanding Balances as of December 31	
			2025	2024	2023	2025	2024
<b>Due to related parties</b>							
<b>Entities under common control</b>							
First Gen	Interest-free advances	Unsecured and will be settled in cash	<b>₱10,256,597</b>	₱8,483,187	₱6,639,613	<b>₱1,755,743</b>	₱1,734,507
FGP Corp	- do -	- do -	-	-	-	<b>59,388</b>	59,388
						<b>₱1,815,131</b>	<b>₱1,793,895</b>
<b>Dividends payable</b>							
<b>Affiliate</b>							
Philippine Renewable Energy Holdings Corp.	Dividend	Unsecured and will be settled in cash	<b>₱3,630,179,538</b>	₱3,359,167,696	₱2,977,681,382	<b>₱-</b>	<b>₱-</b>
<b>Entities under common control</b>							
Red Vulcan	- do -	- do -	<b>3,556,316,623</b>	3,023,870,535	2,714,051,234	-	-
First Gen	- do -	- do -	<b>58,314,608</b>	858,786,497	48,059,418	-	-
North Terracotta Power Corp	- do -	- do -	<b>58,233,266</b>	53,886,497	47,795,533	-	-
						<b>₱-</b>	<b>₱-</b>
<b>Due from related parties</b>							
<b>Entities under common Control</b>							
First GES	Other services	Unsecured and will be settled in cash	<b>₱-</b>	₱17,809,253	₱16,989,195	<b>₱40,990,570</b>	₱55,242,519
Thermaprime	Interest-free advances	- do -	-	-	-	<b>1,941,251</b>	1,941,251
First Gen	Other services	- do -	-	-	1,130,910	<b>1,203,736</b>	1,203,736
						<b>₱44,135,557</b>	<b>₱58,387,506</b>
<b>Trade and other receivables</b>							
<b>Entities under common Control</b>							
Meralco	Sale of electricity	Unsecured and will be settled in cash	<b>₱1,876,293,851</b>	-	-	<b>₱196,704,006</b>	-
Rockwell Land Corporation	- do -	- do -	<b>297,214,114</b>	₱301,798,417	₱285,318,091	<b>34,862,574</b>	₱36,395,328
FGen Natural Gas Supply, Inc.	- do -	- do -	<b>19,619,668</b>	2,748,954	2,596,813	<b>27,947,856</b>	534,370
Prime Meridian Powergen Corporation	- do -	- do -	<b>320,075</b>	-	-	<b>13,476,994</b>	-
PI Energy Inc.	- do -	- do -	<b>112,554,468</b>	217,853,037	150,045,216	<b>13,443,432</b>	9,959,127
First GES	- do -	- do -	<b>90,334,996</b>	486,612,129	897,836,133	<b>10,421,397</b>	34,082,364

Related Party	Nature of Transaction	Terms	Transactions for the years ended December 31			Outstanding Balances as of December 31	
			2025	2024	2023	2025	2024
First Philippine Industrial Park	- do -	- do -	<b>31,737,543</b>	23,710,171	21,276,552	<b>5,290,355</b>	3,223,263
First Industrial Township, Inc	- do -	- do -	<b>37,090,221</b>	49,620,237	42,796,318	<b>4,596,838</b>	9,742,550
FPIP Utilities, Incorporated	- do -	- do -	<b>31,753,519</b>	23,618,534	12,615,962	<b>3,145,172</b>	2,071,093
First Philec Inc.	- do -	- do -	<b>27,633,440</b>	17,215,064	14,334,828	<b>2,390,840</b>	2,030,200
FGP Corp	- do -	- do -	<b>335,762</b>	519,746	89,250	<b>853,533</b>	52,110
Fresh River Lakes Corp.	- do -	- do -	<b>1,332,571</b>	1,665,865	-	<b>707,861</b>	17,138
First Gas Power Corp.	- do -	- do -	<b>265,707</b>	814,845	131,887	<b>266,771</b>	118,033
FG Bukidnon Power Corporation	- do -	- do -	<b>7,381</b>	-	-	<b>7,798</b>	-
ABS-CBN	- do -	- do -	-	144,246,700	154,722,907	-	15,467,331
						<b>₱314,115,427</b>	<b>₱113,692,907</b>
<b>Other noncurrent assets</b>							
Thermaprime	Loan to affiliate	Payable in 3 years from effectivity of agreement		₱- ₱1,025,476,524		₱- <b>₱399,973,783</b>	₱1,025,476,524
<b>Trade and other payables</b>							
<b>Entities under common Control</b>							
First Balfour Inc.	Civil works and other services	Unsecured and will be settled in cash	<b>₱5,534,912,187</b>	₱7,209,912,212	₱5,446,411,985	<b>₱2,213,800,873</b>	₱2,647,788,952
Thermaprime	Drilling and other related services	- do -	<b>4,389,078,433</b>	4,925,238,652	1,160,777,545	<b>1,197,289,376</b>	605,580,070
Meralco	Purchase of services and utilities	- do -	<b>2,864,838,864</b>	2,820,117,445	2,509,759,125	<b>909,245,575</b>	855,212,965
First Gen Integrated Business Services Inc.			<b>586,926,370</b>	-	-	<b>206,693,584</b>	-
Silverlink Security & Investigative Services, Inc.	- do -	- do -	<b>345,982,100</b>	167,522,326	131,641,188	<b>136,072,991</b>	46,693,328
Fresh River Lakes Corp.	- do -	- do -	<b>989,405,745</b>	386,509,049	-	<b>86,514,416</b>	67,794,169
TG Services Inc	- do -	- do -	<b>170,232,000</b>	150,645,483	121,602,278	<b>56,045,943</b>	49,958,553
InfoPro Business Solutions, Inc	- do -	- do -	<b>242,915,383</b>	193,582,248	176,974,616	<b>54,559,924</b>	29,394,746
Powerlink Security & Investigative Services, Inc.	- do -	- do -	<b>26,868,189</b>	72,835,474	61,965,511	<b>28,965,089</b>	36,936,299
PI Energy Inc.	- do -	- do -	<b>120,108,700</b>	105,874,697	86,149,301	<b>13,067,235</b>	11,455,586
FPIP Property Developers and Management Corporation	- do -	- do -	<b>4,568,462</b>	4,436,888	4,274,540	<b>4,496,442</b>	7,993,189
Therma One Transport Corp.	- do -	- do -	<b>5,764,682</b>	8,216,328	6,086,984	<b>2,719,383</b>	1,634,760
Bayan Telecommunications Holdings Corporation	- do -	- do -	<b>504,702</b>	-	56,840	<b>1,574,343</b>	2,253,289
Skycable	- do -	- do -	<b>1,705,000</b>	2,525,994	2,873,088	<b>1,252,574</b>	1,297,722
INAEC Aviation Corporation	- do -	- do -	<b>7,407,352</b>	-	5,590,600	<b>726,578</b>	726,578
First NatGas Power Corp.	- do -	- do -	<b>574,970</b>	1,136,287	15,608,180	<b>603,141</b>	524,492
First Philec Inc.	- do -	- do -	-	-	-	<b>568,555</b>	568,555
First Philippine Industrial Corporation	- do -	- do -	-	-	-	<b>482,445</b>	22,412
Asian Eye Institute, Inc.	- do -	- do -	-	-	-	<b>443,991</b>	443,991
First Philec Manufacturing Technologies Corp	- do -	- do -	-	-	-	<b>328,720</b>	328,720
First Gas Power Corp.	- do -	- do -	-	-	-	<b>260,726</b>	1,434
First GES	- do -	- do -	-	636,993,452	451,143,202	<b>264,436</b>	63,522,323
Pilipino Cable Corporation	- do -	- do -	-	-	-	<b>150,000</b>	150,000
Prime Meridian Powergen Corporation	- do -	- do -	-	-	-	<b>130,753</b>	1,372,211

Related Party	Nature of Transaction	Terms	Transactions for the years ended December 31			Outstanding Balances as of December 31	
			2025	2024	2023	2025	2024
First Philippine Realty Corporation	- do -	- do -	-	9,405,650	2,797,729	<b>118,174</b>	897,174
Goldlink Security & Investigative Services, Inc.	- do -	- do -	-	-	-	<b>77,512</b>	77,512
ABS-CBN Foundation, Inc.	- do -	- do -	-	219,000	-	<b>63,000</b>	63,000
FGP Corp.	- do -	- do -	-	-	29,388	<b>59,611</b>	59,639
Securities Transfer Services, Inc.	- do -	- do -	-	-	-	<b>36,720</b>	36,720
Others	- do -	- do -	<b>1,114,234</b>	3,121,056	9,178,315	<b>37,896</b>	668,471
First Gen	Consultancy fee	- do -	<b>95,764,705</b>	95,764,705	95,764,705	-	-
<b>Other related party</b>							
PREHC Directors	Directors' fee	- do -	<b>468,702</b>	13,773,028	28,276,234	-	-
						<b>₱4,916,650,006</b>	<b>₱4,433,456,860</b>
Thermaprime	Lease	Unsecured and will be settled in cash	<b>₱-</b>	<b>₱4,745,224,826</b>	<b>₱-</b>	<b>₱1,801,260,421</b>	<b>₱4,541,598,894</b>
Rockwell Land Corporation	- do -	- do -	-	-	2,238,513	<b>67,929,309</b>	125,583,141
						<b>₱1,869,189,730</b>	<b>₱4,667,182,035</b>

The amounts outstanding are unsecured and will be settled in cash. The Group did not recognize any impairment losses on receivables from related parties in 2025, 2024 and 2023. Entities under common control consists of subsidiaries (direct or indirect) of Lopez, Inc., the Group's ultimate parent.

i. First Gen

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

The total consultancy services amounted to ₱95.8 million in 2025, 2024 and 2023 and were included in the "Purchased services and utilities" under "General and administrative expenses" account.

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

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

As of December 31, 2025 and 2024, the outstanding balance amounted to ₱2,213.8 million and ₱2,647.8 million, respectively, recorded under "Trade and other payables" account in the consolidated statements of financial position.

iii. Thermaprime

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

As of December 31, 2025 and 2024, the outstanding balance of due from Thermaprime amounted to ₱1.9 million.

As of December 31, 2025 and 2024, the outstanding balance for loan to Thermaprime amounted to ₱400.0 million and ₱1,025.5 million, respectively, recorded under "Other Noncurrent Assets", an account in the consolidated statement of financial position.

As of December 31, 2025 and 2024, the outstanding balance payable to Thermaprime amounted to ₱1,197.3 million and ₱605.6 million, respectively, recorded under “Trade and other payables”, an account in the consolidated statements of financial position.

As of December 31, 2025 and 2024 the outstanding balance payable to Thermaprime amounted to ₱1,801.3 million and ₱4,541.6 million, respectively, recorded under “Lease Liability”, an account in the consolidated statements of financial position.

iv. Rockwell Land Corporation

The Parent Company has an agreement with Rockwell Land for the lease of office and parking spaces in Rockwell Business Center. As of December 31, 2025 and 2024, the outstanding lease liability related to Rockwell amounted to ₱67.9 million and ₱125.6 million, respectively.

### Intercompany Guarantees

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

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

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

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

### Remuneration of Key Management Personnel

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

	2025	2024	2023
Short-term employee benefits	<b>₱406,778,303</b>	₱489,383,916	₱473,277,561
Post-employment benefits	<b>25,891,968</b>	25,854,958	20,063,823
	<b>₱432,670,271</b>	₱515,238,874	₱493,341,384

## **PART IV – CORPORATE GOVERNANCE**

### **Item 13. Corporate Governance**

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

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

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

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

As reported in the Parent Company's SEC Form-ACGR, which was submitted on May 27, 2025, the Parent Company had no substantial deviation from its Manual on Corporate Governance.

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

In addition, Directors and key executive officers participate in a Group-sponsored corporate governance seminar, which is held annually and conducted by a training provider duly accredited by the SEC. The corporate governance seminar provides the Directors and executive officers an opportunity to learn and integrate corporate governance principles and be provided with useful insights on various and current governance issues. For 2025, the Group-sponsored corporate governance seminar was conducted by SGV & Co. on October 24, 2025.

To align the activities of the Parent Company with its vision, mission, core values, and goals for the year, the Board also conducts annually a Board Strategic Update, which provides a venue for the Directors to set strategic directions and guidance for the Parent Company. For 2025, the Board Strategic Update was held on December 5, 2025.

More information on the governance of the Parent Company is available at its website: [www.energy.com.ph](http://www.energy.com.ph)

## PART V – EXHIBITS AND SCHEDULES

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

#### Exhibits

- Exhibit 1 – Audited Consolidated Financial Statements for the years ended December 31, 2025 and 2024 received by the BIR
- Exhibit 2 – Index to Consolidated Financial Statements
  - 2.1 Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company and Co-subsidiaries
  - 2.2 Reconciliation of Retained Earnings Available for Dividend Declaration
  - 2.3 Schedule of Financial Soundness Indicator
- Exhibit 3 – Supplementary Schedules
- Exhibit 4 – 2025 Audit and Governance Committee Report
- Exhibit 5 – Material Service Contracts and Agreements

#### Reports on SEC Form 17-C

The Group filed the following reports on SEC Form 17-C during the period January to December 2025.

	<b>Description</b>	<b>Date of Filing</b>
1	Retirement of Ms. Ma. Elizabeth D. Nasol as Senior Vice President and former Head of the Human Resources Management	January 14, 2025
2	Declaration of special cash dividends, out of the unrestricted retained earnings of the Parent Company, of approximately Php4.36 Billion, as follows: (i) special cash dividends of approximately Php246,651.43 per share or a total of Php4.2 Billion in favor of holders of common shares; and (ii) special cash dividends of approximately Php16,650.67 per share or a total of Php156.1 Million in favor of holders of preferred shares, as of Record Date, February 3, 2025, payable on or before February 28, 2025	January 24, 2025
3	Setting of the Annual Stockholders' Meeting on May 14, 2025 to be held in person at the principal office of the Parent Company and/or remotely	March 17, 2025
4	Results of the 2025 Annual Stockholders' Meeting and Organizational Board Meeting	May 14, 2025
5	Passing of the Parent Company's Assistant Vice President and Chief Risk Officer, Atty. Joseph P. Guevarra	May 23, 2025
6	Retirement of Ms. Maribel A. Manlapaz as Vice President and Head of Comptrollership effective June 1, 2025	June 4, 2025
7	Retirement of Mr. James E. Jumawan as Vice President effective July 1, 2025	July 7, 2025
8	Execution of Framework Agreement between PT FirstGen Geothermal Indonesia, a wholly owned subsidiary of Energy Development Corporation, and PT DSSR Daya Mas Sakti, a subsidiary of PT Dian Swastatika Sentosa Tbk of the Sinar Mas Group in Indonesia for the development of geothermal energy in Indonesia	August 27, 2025
9	Appointment of the following officers: <ol style="list-style-type: none"> <li>1. Mr. Renato A. Castillo as Chief Risk Officer effective immediately</li> <li>2. Mr. Jose G. Cimanés, Jr. as Chief Audit Executive effective September 1, 2025</li> </ol>	August 29, 2025

	<b>Description</b>	<b>Date of Filing</b>
	3. Mr. Edwin F. Alcober as Chief Resource Technology Officer effective September 1, 2025	
10	Submission of a letter of intent to the Department of Energy to decommission in phases its Upper Mahiao Power Plant located in the Municipality of Kananga, Leyte	October 17, 2025
11	Execution of the Shareholders' Agreement between PT FirstGen Geothermal Indonesia and PT DSSR Daya Mas Sakti for the development of geothermal energy in Indonesia	October 29, 2025
12	(a) Election of Ms. Verena Lim as regular director to take the place of Mr. Christopher Low Eu Sun, including her election as member of the following Board Committees: (i) Audit and Governance Committee, (ii) Nomination and Compensation Committee, (iii) Related Party Transactions Committee, and (iv) Risk Management Committee; (b) Promotion of Mr. Joeffrey A. Caranto to Vice President effective January 1, 2026; (c) Appropriation of unrestricted retained earnings of up to Php38.0 Billion; and (d) Amendments to the Parent Company's Manual on Corporate Governance	December 9, 2025

### **Sustainability Reporting**

The Group's Sustainability Report is included in the Integrated Report which may be viewed/downloaded from the company website: <https://integratedreport.energy.com.ph/> by May 12, 2026.

**SIGNATURES**

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of the Issuer by the undersigned, thereunto duly authorized, in the City of Pasig on March 9, 2026.

By:



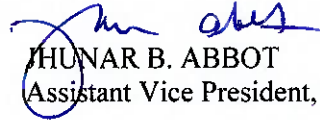
FRANCIS GILES B. PUNO  
Vice Chairman and Chief Executive Officer



JEROME H. CAINGLET  
President and Chief Operating Officer



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



JHUNAR B. ABBOT  
Assistant Vice President, Comptroller




BERNADETTE ANN V. POLICARPIO  
Vice President and Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this 09 MAR 2026 at Pasig City  
affiants exhibiting to me their respective valid government issued IDs, as follows:

<u>NAMES</u>	<u>ID NO.</u>	<u>DATE OF ISSUE</u>	<u>PLACE OF ISSUE</u>
Francis Giles B. Puno	[REDACTED]		
Jerome H. Cainglet	[REDACTED]		
Erwin O. Avante	[REDACTED]		
Jhunar B. Abbot	[REDACTED]		
Bernadette Ann V. Policarpio	[REDACTED]		

Doc. No. 48 ;  
Page No. 11 ;  
Book No. 1 ;  
Series of 2026.



  
**ATTY. PERRY EVAN C. LAO**  
 Notary Public for and in the City of Pasig  
 and Municipality of Pateros, Metro Manila  
 Commission No. 107 (2026-2027) (Until December 31, 2027)  
 10th Floor, Rockwell Business Center Tower 3,  
 Ortigas Avenue, Pasig City 1604  
 Roll of Attorneys No. 67827  
 PTR No. 3964412AA/01.07.2026/Pasig City  
 IBP No. 536646/01.06.2026/Makati Chapter

# Exhibits 1 & 2

- Audited Consolidated Financial Statements for the years ended December 31, 2025 and 2024 received by the BIR
- Index to Consolidated Financial Statements
  - Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company and Co-subsidiaries
  - Reconciliation of Retained Earnings Available for Dividend Declaration
  - Schedule of Financial Soundness Indicator

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## SEC eFast Initial Acceptance

1 message

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**noreply-cifssost via EDC CS** <edc\_cs@energy.com.ph>  
Reply-To: noreply-cifssost@sec.gov.ph

Mon, Mar 30, 2026 at 2:05 PM

Dear **ENERGY DEVELOPMENT CORPORATION**,

Greetings!

This serves as a temporary receipt of your submission, subject to verification of the form and the quality of the image of the submitted report.

**SEC Registration No:** 0000066381  
**Company Name:** ENERGY DEVELOPMENT CORPORATION  
**Document Code:** AFS

A separate email will be sent as proof of review and/or final acceptance.

Thank you.

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

**REMINDER:**  
TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instructions stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer: 1. General Information Sheet (GIS-Stock); 2. General Information Sheet (GIS-Non-stock); 3. General Information Sheet (GIS- Foreign stock & non-stock); 4. Broker Dealer Financial Statements (BDFS); 5. Financing Company Financial Statements (FCFS); 6. Investment Houses Financial Statements (IHFS); 7. Publicly – Held Company Financial Statement; 8. General Form for Financial Statements; 9. Financing Companies Interim Financial Statements (FCIF); 10. Lending Companies Interim Financial Statements (LCIF).

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFAST, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the report's rejection in the remarks box.

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

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

March 9, 2026

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

The management of Energy Development Corporation and Subsidiaries (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025, December 31, 2024 and December 31, 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 Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.


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

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

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




**Federico R. Lopez**  
Chairman/Chief Strategy Officer



**Francis Giles B. Puno**  
Vice Chairman/Chief Executive Officer



**Jerome H. Cainglet**  
President/Chief Operating Officer



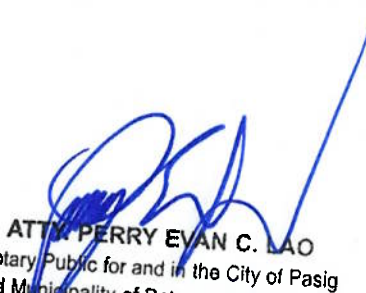
**Erwin O. Avante**  
Senior Vice-President/Chief Financial  
Officer/Treasurer/Compliance Officer for  
Securities and Exchange Commission

SUBSCRIBED AND SWORN to before me this March 9, 2026 at Pasig City affiants exhibiting to me their respective valid government issued IDs, as follows:

Name	ID NO.	Date/Place of Issue
Federico R. Lopez	[REDACTED]	[REDACTED]
Francis Giles B. Puno	[REDACTED]	[REDACTED]
Jerome H. Cainglet	[REDACTED]	[REDACTED]
Erwin O. Avante	[REDACTED]	[REDACTED]

Doc. No.: 51  
Page No.: 12  
Book No.: 1  
Series of 2026.



  
ATTY. PERRY EVAN C. LAO  
Notary Public for and in the City of Pasig  
and Municipality of Pateros, Metro Manila  
Commission No. 107 (2026-2027) (Until December 31, 2027)  
10th Floor, Rockwell Business Center Tower 3,  
Ortigas Avenue, Pasig City 1604  
Roll of Attorneys No. 67827  
PTR No. 3964412AA/01.07.2026/Pasig City  
IBP No. 536646/01.06.2026/Makati Chapter

# COVER SHEET

for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

						6	6	3	8	1
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**COMPANY NAME**

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

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

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

Form Type

A	C	F	S
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Department requiring the report

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

Secondary License Type, If Applicable

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**COMPANY INFORMATION**

Company's Email Address	Company's Telephone Number	Mobile Number
EDC_CS@energy.com.ph	7755-2332	09178060835
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
314	First Tuesday of May	12/31

**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
Jhunar B. Abbot	abbot.jb@energy.com.ph	7755-2332	09178060835

**CONTACT PERSON'S ADDRESS**

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

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

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



## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the consolidated financial statements of Energy Development Corporation (a subsidiary of Red Vulcan Holdings Corporation) and its subsidiaries (collectively referred to as the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024 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, 2025, 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 Company as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

### Basis for Opinion

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

### Key Audit Matters

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



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

### ***Recoverability of Goodwill***

Under PFRS Accounting Standards, the Group is required to annually test the recoverability of goodwill. As at December 31, 2025, the Group has goodwill amounting to ₱2,535.1 million, of which ₱2,241.8 million resulted from Green Core Geothermal, Inc.'s acquisition of the Palinpinon and Tongonan geothermal power plants. This annual recoverability test of goodwill is significant to our audit because the amount of goodwill is material to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to uncertainty on the estimation process, specifically budgeted gross margin, growth rate and discount rate.

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

### **Audit Response**

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

### ***Recoverability of Exploration and Evaluation Assets***

As at December 31, 2025, the carrying value of the Group's exploration and evaluation assets amounted to ₱4,189.3 million. Under PFRS 6, *Exploration for and Evaluation of Mineral Resources*, these exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amounts exceed the recoverable amounts. The ability of the Group to recover its exploration and evaluation assets depends on the commercial viability of its geothermal reserves. This matter is important to our audit because of the substantial amount of exploration and evaluation assets and the significant management judgment required in assessing whether there is any indication that these may not be recoverable.

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



### Audit Response

We obtained management's assessment on whether there is any indication that the exploration and evaluation assets may not be recoverable. We inspected the summary of the status of each exploration project as of December 31, 2025, as certified by the Group's technical group head, and assessed whether ongoing exploration activities exist to support the continued capitalization of these assets under the Group's accounting policies, and compared it with the disclosures submitted to the regulatory agency. We reviewed the terms of contracts and budget for exploration costs. We inspected the licenses and permits of each exploration project to determine that the period for which the Group has the right to explore in the specific area has not expired or is not expiring in the near future. We also inquired of management about the project areas that are expected to be abandoned or any exploration activities that are planned to be discontinued in those areas.

### **Other Information**

Management is responsible for the other information. The other information comprises the SEC Form 17A for the year ended December 31, 2025 but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2025, which are expected to be made available to us after the date of the auditor's report.

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

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

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

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

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

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

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



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

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

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

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

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



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

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

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

SYCIP GORRES VELAYO & CO.

*Maria Veronica Andresa R. Pore*

Maria Veronica Andresa R. Pore

Partner

CPA Certificate No. 90349

Tax Identification No. 164-533-282

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

SEC Partner Accreditation No. 90349-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

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

PTR No. 10765107, January 2, 2026, Makati City

March 9, 2026



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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 6 and 31)	<b>₱10,674,118,007</b>	₱13,579,439,221
Financial assets at fair value through profit or loss (Notes 8 and 31)	<b>1,845,339,114</b>	65,482,214
Trade and other receivables (Notes 3, 7, 20, 31, 32 and 37)	<b>8,467,561,661</b>	7,066,307,649
Due from related parties (Notes 20 and 31)	<b>44,135,557</b>	58,387,506
Parts and supplies inventories (Notes 3 and 10)	<b>14,136,003,963</b>	12,709,418,518
Derivative assets (Note 31)	<b>8,634,649</b>	213,687
Other current assets (Note 11)	<b>3,095,230,347</b>	2,980,908,878
Total Current Assets	<b>38,271,023,298</b>	36,460,157,673
<b>Noncurrent Assets</b>		
Property, plant and equipment (Notes 3 and 12)	<b>152,202,714,457</b>	138,573,987,979
Goodwill and intangible assets (Notes 3 and 13)	<b>3,238,325,047</b>	3,332,392,800
Exploration and evaluation assets (Notes 3 and 14)	<b>4,189,306,611</b>	2,649,609,275
Deferred tax assets - net (Notes 3 and 29)	<b>854,976,010</b>	865,508,396
Derivative assets - net of current portion (Note 31)	<b>26,600,880</b>	854,749
Financial assets at fair value through other comprehensive income (Notes 9 and 31)	<b>3,100,430,883</b>	301,210,271
Other noncurrent assets (Notes 3, 15 and 31)	<b>14,956,368,046</b>	11,001,289,553
Total Noncurrent Assets	<b>178,568,721,934</b>	156,724,853,023
<b>TOTAL ASSETS</b>	<b>₱216,839,745,232</b>	₱193,185,010,696
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables (Notes 3, 16, 20 and 31)	<b>₱20,300,135,535</b>	₱21,871,459,285
Due to related parties (Notes 20 and 31)	<b>1,815,131</b>	1,793,895
Derivative liabilities (Note 31)	<b>9,134,714</b>	–
Income tax payable	<b>121,225,932</b>	37,751,717
Current portion of:		
Long-term debts (Notes 17 and 31)	<b>12,864,840,208</b>	9,095,041,512
Lease liabilities (Notes 3, 20, 31 and 32)	<b>599,222,242</b>	620,383,717
Total Current Liabilities	<b>33,896,373,762</b>	31,626,430,126

*(Forward)*



	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>Noncurrent Liabilities</b>		
Long-term debts - net of current portion (Notes 17 and 31)	<b>₱86,159,543,987</b>	₱65,428,738,667
Long-term lease liabilities - net of current portion (Notes 3, 20, 31 and 32)	<b>3,419,675,225</b>	4,163,975,068
Net retirement and other post-employment benefits (Notes 3 and 28)	<b>2,516,935,364</b>	2,439,840,226
Deferred tax liabilities - net (Note 29)	<b>148,429,441</b>	93,512,275
Derivative liabilities - net of current portion (Note 31)	<b>47,763,575</b>	-
Provisions and other long-term liabilities (Notes 3, 18 and 32)	<b>5,225,191,164</b>	4,147,746,778
Total Noncurrent Liabilities	<b>97,517,538,756</b>	76,273,813,014
Total Liabilities	<b>131,413,912,518</b>	107,900,243,140
<b>Equity</b>		
Equity attributable to equity holders of the Parent Company:		
Preferred stock (Note 19)	<b>513,750,000</b>	93,750,000
Common stock (Note 19)	<b>19,076,250,000</b>	19,076,250,000
Treasury stock (Note 19)	<b>(19,033,565,724)</b>	(14,831,995,944)
Additional paid-in capital (Note 19)	<b>12,495,108,001</b>	8,715,108,001
Equity reserve (Note 19)	<b>(3,706,430,769)</b>	(3,706,430,769)
Net accumulated unrealized gain on financial assets at fair value through other comprehensive income (Note 9)	<b>108,840,454</b>	109,368,342
Fair value adjustments on hedging transactions (Note 31)	<b>(110,785,240)</b>	(212,516,994)
Cumulative translation adjustments (Note 19)	<b>1,754,890,648</b>	1,875,975,250
Retained earnings (Note 19):		
Unappropriated	<b>34,012,600,621</b>	37,464,827,269
Appropriated	<b>38,000,000,000</b>	35,000,000,000
	<b>83,110,657,991</b>	83,584,335,155
Non-controlling interests (Note 19)	<b>2,315,174,723</b>	1,700,432,401
Total Equity	<b>85,425,832,714</b>	85,284,767,556
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱216,839,745,232</b>	₱193,185,010,696

*See accompanying Notes to Consolidated Financial Statements.*



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

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**CONSOLIDATED STATEMENTS OF INCOME**

	Years Ended December 31		
	2025	2024	2023
<b>REVENUE FROM SALE OF ELECTRICITY</b>			
(Notes 3, 5, 20, 21, 35 and 37)	<b>₱48,551,869,211</b>	₱46,148,666,254	₱47,171,649,795
<b>COSTS OF SALE OF ELECTRICITY</b>			
(Notes 10, 12, 13, 20, 22, 24, 28, 33, 35 and 36)	<b>(28,507,851,009)</b>	(24,716,083,479)	(22,569,292,869)
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>			
(Notes 10, 12, 13, 15, 23, 24 and 28)	<b>(8,426,403,345)</b>	(8,180,069,206)	(6,848,215,984)
<b>FINANCIAL INCOME (EXPENSE)</b>			
Interest income (Notes 6, 11, 25 and 31)	<b>420,255,033</b>	588,726,187	818,323,067
Interest expense (Notes 17, 18, 25, 31 and 32)	<b>(5,276,286,914)</b>	(3,651,435,240)	(3,179,766,304)
	<b>(4,856,031,881)</b>	(3,062,709,053)	(2,361,443,237)
<b>OTHER INCOME (CHARGES)</b>			
Foreign exchange gains (losses) (Notes 26 and 31)	<b>(20,681,683)</b>	51,226,629	10,288,475
Miscellaneous income (charges) - net (Notes 17, 27 and 35)	<b>1,432,454,019</b>	3,557,496	569,331,404
	<b>1,411,772,336</b>	54,784,125	579,619,879
<b>INCOME BEFORE INCOME TAX</b>	<b>8,173,355,312</b>	10,244,588,641	15,972,317,584
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b> (Note 29)			
Current	<b>711,819,748</b>	966,472,746	1,629,952,784
Deferred	<b>64,918,706</b>	36,849,773	(49,193,057)
	<b>776,738,454</b>	1,003,322,519	1,580,759,727
<b>NET INCOME</b>	<b>₱7,396,616,858</b>	₱9,241,266,122	₱14,391,557,857
<b>Net income attributable to:</b>			
Equity holders of the Parent Company	<b>₱6,780,373,299</b>	₱9,124,256,720	₱14,267,180,431
Non-controlling interests	<b>616,243,559</b>	117,009,402	124,377,426
	<b>₱7,396,616,858</b>	₱9,241,266,122	₱14,391,557,857
<b>Basic/Diluted Earnings Per Share for Net Income</b>			
<b>Attributable to Equity Holders of the Parent Company</b> (Note 30)	<b>₱362,619.00</b>	₱518,433.42	₱819,975.99

*See accompanying Notes to Consolidated Financial Statements.*



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

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2025	2024	2023
<b>NET INCOME</b>	<b>₱7,396,616,858</b>	₱9,241,266,122	₱14,391,557,857
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>			
Cumulative translation adjustments on foreign subsidiaries (Note 19)	(121,084,602)	282,894,989	(85,352,688)
Fair value adjustments on hedging transactions, net of tax effect amounting to ₱6,571,040 in 2025, ₱69,943,476 in 2024 and ₱25,078,289 in 2023 (Notes 29 and 31)	101,731,754	(208,922,655)	(75,733,000)
Changes in fair value of debt instruments at fair value through other comprehensive income (Note 9)	1,916,230	244,930	11,907,435
<b>NET OTHER COMPREHENSIVE INCOME (LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>	<b>(17,436,618)</b>	74,217,264	(149,178,253)
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>			
Remeasurements of retirement and other post-employment benefits, net of tax effect amounting to ₱7,953,710 in 2025, ₱1,762,563 in 2024 and ₱74,835,243 in 2023 (Note 29)	71,583,386	(15,863,061)	(673,517,184)
Changes in fair value of equity instruments designated at fair value through other comprehensive income (Note 9)	(2,428,688)	11,980,259	19,050,270
<b>NET OTHER COMPREHENSIVE INCOME (LOSS) NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>	<b>69,154,698</b>	(3,882,802)	(654,466,914)
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX</b>	<b>51,718,080</b>	70,334,462	(803,645,167)
<b>TOTAL COMPREHENSIVE INCOME, NET OF TAX</b>	<b>₱7,448,334,938</b>	₱9,311,600,584	₱13,587,912,690
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Parent Company	₱6,833,592,616	₱9,194,591,182	₱13,472,023,255
Non-controlling interests	614,742,322	117,009,402	115,889,435
	<b>₱7,448,334,938</b>	₱9,311,600,584	₱13,587,912,690

See accompanying Notes to Consolidated Financial Statements.



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

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

	Preferred Stock (Note 19)	Common Stock (Note 19)	Treasury Stock (Note 19)	Additional Paid-in Capital (Note 19)	Equity Reserve (Note 19)	Assets at FVOCI (Note 19)	Accumulated Unrealized Gain on Financial Assets at FVOCI (Note 19)	Fair Value Adjustments on Hedging Transactions (Note 19)	Cumulative Translation Adjustments (Note 19)	Unappropriated Retained Earnings (Note 19)	Appropriated Retained Earnings (Note 19)	Subtotal	Non-controlling Interests (Note 19)	Total Equity
<b>Balances, January 1, 2025</b>	₱93,750,000	₱19,076,250,000	(₱14,831,995,944)	₱8,715,108,001	(₱3,706,430,769)	₱109,368,342	(₱212,516,994)	₱1,875,975,250	₱37,464,827,269	₱35,000,000,000	₱83,584,335,155	₱1,700,432,401	₱85,284,767,556	
Total comprehensive income	-	-	-	-	-	-	-	-	6,780,373,299	-	-	616,243,559	7,396,616,858	
Fair value adjustments on hedging transactions (Note 31)	-	-	-	-	-	-	101,731,754	-	-	-	-	-	-	
Cumulative translation adjustments on foreign subsidiaries (Note 19)	-	-	-	-	-	-	-	(121,084,602)	-	-	-	-	-	
Changes in fair value of equity instruments at FVOCI recognized in equity (Note 9)	-	-	-	-	-	(2,428,688)	-	-	-	-	-	(2,428,688)	-	
Transfer of net accumulated unrealized gain on financial assets at FVOCI to retained earnings (Note 9)	-	-	-	-	-	(15,430)	-	-	15,430	-	-	-	-	
Remeasurements of retirement and other post-employment benefits (Note 28)	-	-	-	-	-	-	-	-	73,084,623	-	-	(1,501,237)	71,583,386	
Changes in fair value of debt instruments designated at FVOCI recognized in equity (Note 9)	-	-	-	-	-	1,916,230	-	-	-	-	-	1,916,230	-	
Total other comprehensive income	-	-	-	-	-	(527,888)	101,731,754	(121,084,602)	73,100,053	-	-	53,219,317	(1,501,237)	51,718,080
Appropriation of retained earnings (Note 19)	-	-	-	-	-	(527,888)	101,731,754	(121,084,602)	6,853,473,352	-	-	6,833,592,616	614,742,322	7,448,334,938
Reversal of appropriation of retained earnings (Note 19)	-	-	-	-	-	-	-	-	(38,000,000,000)	38,000,000,000	-	-	-	
Cash dividend (Note 19)	-	-	-	-	-	-	-	-	35,000,000,000	(35,000,000,000)	-	-	-	
Cash dividend on non-controlling interest (Note 19)	-	-	-	-	-	-	-	-	(7,305,700,000)	-	-	(7,305,700,000)	(7,305,700,000)	
Issuance of stocks	420,000,000	-	-	-	-	-	-	-	-	-	-	-	(375,000)	(375,000)
Investments from non-controlling shareholders	-	-	-	3,780,000,000	-	-	-	-	-	-	-	-	-	4,200,000,000
Acquisition of treasury stock (Note 19)	-	-	(4,201,569,780)	-	-	-	-	-	-	-	-	(4,201,569,780)	375,000	(4,201,569,780)
<b>Balances, December 31, 2025</b>	₱513,750,000	₱19,076,250,000	(₱19,033,565,724)	₱12,495,108,001	(₱3,706,430,769)	₱108,840,454	(₱110,785,240)	₱1,754,890,648	₱34,012,600,621	₱38,000,000,000	₱83,110,657,991	₱2,315,174,723	₱85,425,832,714	



	Preferred Stock (Note 19)	Common Stock (Note 19)	Treasury Stock (Note 19)	Additional Paid-in Capital (Note 19)	Equity Reserve (Note 19)	Net Accumulated Unrealized Gain on Financial Assets at FVOCI (Note 19)	Fair Value Adjustments on Hedging Transactions (Note 19)	Cumulative Translation Adjustments (Note 19)	Unappropriated Retained Earnings (Note 19)	Appropriated Retained Earnings (Note 19)	Non-controlling Interests (Note 19)	Total Equity
Balances, January 1, 2024	₱93,750,000	₱19,076,250,000	₱14,730,745,981	₱8,715,108,001	₱3,706,430,769	₱100,286,395	₱3,594,339	₱1,593,080,261	₱26,051,220,324	₱43,795,570,044	₱80,984,493,936	₱83,372,816,935
Total comprehensive income	-	-	-	-	-	-	-	-	9,124,256,720	-	117,009,402	9,241,266,122
Fair value adjustments on hedging transactions (Note 31)	-	-	-	-	-	-	(208,922,655)	-	-	-	-	(208,922,655)
Cumulative translation adjustments on foreign subsidiaries (Note 19)	-	-	-	-	-	-	-	282,894,989	-	-	-	282,894,989
Changes in fair value of equity instruments at FVOCI recognized in equity (Note 9)	-	-	-	-	-	11,980,259	-	-	-	-	-	11,980,259
Transfer of net accumulated unrealized gain on financial assets at FVOCI to retained earnings (Note 9)	-	-	-	-	-	(3,143,242)	-	-	3,143,242	-	-	-
Remeasurements of retirement and other post-employment benefits (Note 28)	-	-	-	-	-	-	-	-	(15,863,061)	-	-	(15,863,061)
Changes in fair value of debt instruments designated at FVOCI recognized in equity (Note 9)	-	-	-	-	-	244,930	-	-	-	-	-	244,930
Total other comprehensive income	-	-	-	-	-	9,081,947	(208,922,655)	282,894,989	(12,719,819)	-	117,009,402	70,334,462
Appropriation of retained earnings (Note 19)	-	-	-	-	-	9,081,947	(208,922,655)	282,894,989	9,111,536,901	-	9,194,591,182	9,311,600,584
Reversal of appropriation of retained earnings (Note 19)	-	-	-	-	-	-	-	-	(35,000,000,000)	35,000,000,000	-	-
Cash dividend (Note 19)	-	-	-	-	-	-	-	-	43,795,570,044	(43,795,570,044)	-	-
Cash dividend on non-controlling interest (Note 19)	-	-	-	-	-	-	-	-	(6,493,500,000)	-	-	(6,493,500,000)
Acquisition of treasury stock (Note 19)	-	-	(101,249,963)	-	-	-	-	-	-	-	(804,900,000)	(804,900,000)
Balances, December 31, 2024	₱93,750,000	₱19,076,250,000	₱14,831,995,944	₱8,715,108,001	₱3,706,430,769	₱109,368,342	₱2,125,516,994	₱1,875,975,250	₱37,464,827,269	₱35,000,000,000	₱83,584,335,155	₱85,284,767,556



	Preferred Stock (Note 19)	Common Stock (Note 19)	Treasury Stock (Note 19)	Additional Paid-in Capital (Note 19)	Equity Reserve (Note 19)	Net Accumulated Unrealized Gain on Financial Assets at FVOCI (Note 19)	Fair Value Adjustments on Hedging Transactions (Note 19)	Cumulative Translation Adjustments (Note 19)	Unappropriated Retained Earnings (Note 19)	Appropriated Retained Earnings (Note 19)	Non-controlling Interests (Note 19)	Total Equity
Balances, January 1, 2023	₱93,750,000	₱19,076,250,000	(₱14,730,745,981)	₱8,715,108,001	(₱3,706,430,769)	₱70,143,690	₱72,138,661	₱1,678,432,949	₱24,774,924,243	₱37,261,489,718	₱2,272,433,564	₱75,577,494,076
Total comprehensive income	-	-	-	-	-	-	-	-	14,267,180,431	-	124,377,426	14,391,557,857
Fair value adjustments on hedging transactions (Note 31)	-	-	-	-	-	-	(75,733,000)	-	-	-	-	(75,733,000)
Cumulative translation adjustments on foreign subsidiaries (Note 19)	-	-	-	-	-	-	-	(85,352,688)	-	-	-	(85,352,688)
Changes in fair value of equity instruments at FVOCI recognized in equity (Note 9)	-	-	-	-	-	19,050,270	-	-	-	-	-	19,050,270
Transfer of net accumulated unrealized gain on financial assets at FVOCI to retained earnings (Note 9)	-	-	-	-	-	(815,000)	-	-	815,000	-	-	-
Remeasurements of retirement and other post-employment benefits (Note 28)	-	-	-	-	-	-	-	-	(665,029,193)	-	(8,487,991)	(673,517,184)
Changes in fair value of debt instruments designated at FVOCI recognized in equity (Note 9)	-	-	-	-	-	11,907,435	-	-	-	-	-	11,907,435
Total other comprehensive income	-	-	-	-	-	30,142,705	(75,733,000)	(85,352,688)	(664,214,193)	-	(8,487,991)	(803,645,167)
Appropriation of retained earnings (Note 19)	-	-	-	-	-	30,142,705	(75,733,000)	(85,352,688)	13,602,966,238	-	115,889,435	13,587,912,690
Reversal of appropriation of retained earnings (Note 19)	-	-	-	-	-	-	-	-	(15,000,000,000)	15,000,000,000	-	-
Cash dividend (Note 19)	-	-	-	-	-	-	-	-	8,465,919,674	(8,465,919,674)	-	-
Acquisition of treasury stock (Note 19)	-	-	-	-	-	-	-	-	(5,792,589,831)	-	-	(5,792,589,831)
Balances, December 31, 2023	₱93,750,000	₱19,076,250,000	(₱14,730,745,981)	₱8,715,108,001	(₱3,706,430,769)	₱100,286,395	(₱3,594,339)	₱1,593,080,261	₱26,051,220,324	₱43,795,570,044	₱2,388,322,999	₱83,372,816,935

See accompanying Notes to Consolidated Financial Statements.



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

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>		
	<b>2025</b>	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	<b>₱8,173,355,312</b>	₱10,244,588,641	₱15,972,317,584
Adjustments for:			
Depreciation and amortization (Notes 12, 13, 22 and 23)	<b>9,125,415,755</b>	7,062,686,820	7,240,432,062
Interest expense (Note 25)	<b>5,276,286,914</b>	3,651,435,240	3,179,766,304
Interest income (Notes 6, 11, 25 and 31)	<b>(420,255,033)</b>	(588,726,187)	(818,323,067)
Provision for (reversal of) impairment of parts and supplies inventories (Notes 3, 5, 10 and 23)	<b>266,491,366</b>	138,871,710	(69,773,870)
Gain on disposal of subsidiaries (Note 27)	<b>(238,772,373)</b>	–	–
Loss (gain) on disposal and retirement of property, plant and equipment (Notes 12 and 27)	<b>(172,167,209)</b>	369,134,416	801,045
Provision for impairment of trade and other receivables, prepaid taxes, and others (Notes 7, 15 and 23)	<b>163,094,381</b>	332,073,222	31,220,205
Change in net retirement and other post-employment benefits	<b>156,034,991</b>	(203,434,195)	194,174,346
Unrealized foreign exchange losses (gains) - net (Note 26)	<b>(81,101,188)</b>	204,089,261	(3,248,159)
Loss on direct write-off of input VAT claims (Notes 15 and 27)	<b>76,431,348</b>	78,954,381	44,055,773
Dividend income (Note 27)	<b>(55,206,200)</b>	–	–
Mark-to-market gains on financial assets at fair value through profit or loss (Notes 8 and 27)	<b>(49,953,991)</b>	(2,207,790)	(1,018,757)
Share in gain in investment in associate	<b>24,937,603</b>	–	–
Realized losses (gains) from financial assets at fair value through profit or loss (Notes 8 and 27)	<b>1,097,091</b>	(144,472)	1,537
Gain on unwinding of derivatives (Note 27)	–	(202,397,116)	–
Provision for impairment of goodwill, property, plant and equipment, exploration and evaluation, and other various assets (Notes 1, 12, 13, 14, 20 and 27)	–	–	282,352,678
Operating income before working capital changes	<b>22,245,688,767</b>	21,084,923,931	26,052,757,681
Decrease (increase) in			
Trade and other receivables	<b>(1,436,837,839)</b>	(317,056,824)	635,598,889
Due from related parties	<b>14,251,949</b>	(16,678,343)	(10,871,735)
Parts and supplies inventories	<b>(1,693,076,811)</b>	(4,356,339,160)	(547,046,842)
Other current and noncurrent assets	<b>(262,079,872)</b>	3,564,871,496	(4,031,184,604)
Increase (decrease) in:			
Trade and other payables	<b>(1,557,178,352)</b>	1,520,460,629	4,979,440,952
Due to related parties	<b>21,236</b>	125,561	(31,423,275)
Provisions and other long-term liabilities	<b>986,349,893</b>	669,030,680	121,694,895
Cash generated from operations	<b>18,297,138,971</b>	22,149,337,970	27,168,965,961
Income tax paid, including creditable withholding tax	<b>(892,861,042)</b>	(1,551,554,097)	(2,137,142,562)
Net cash flows from operating activities	<b>17,404,277,929</b>	20,597,783,873	25,031,823,399

*(Forward)*



	<b>Years Ended December 31</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of:			
Property, plant and equipment (Note 12)	<b>(₱21,149,632,296)</b>	(₱28,483,360,564)	(₱18,047,854,462)
Financial assets at FVOCI (Note 9)	<b>(2,800,003,500)</b>	(102,000,000)	–
Financial assets at FVPL (Note 8)	<b>(1,731,000,000)</b>	(51,160,145)	(54,000,000)
Exploration and evaluation assets (Note 14)	<b>(1,666,686,807)</b>	(493,404,385)	(116,232,331)
Investments in associate (Note 15)	<b>(1,230,376,000)</b>	–	–
Intangible assets (Note 13)	<b>(41,243,343)</b>	(38,040,652)	(70,618,944)
Decrease (increase) to other noncurrent assets	<b>(2,718,922,828)</b>	(3,114,794,310)	(1,185,432,127)
Interest received	<b>444,593,860</b>	656,147,783	751,383,901
Cash outflow from disposal of subsidiaries (Note 15)	<b>(116,113,785)</b>	–	–
Dividends received	<b>55,206,200</b>	–	–
Proceeds from:			
Sale of property, plant and equipment (Notes 12 and 27)	<b>9,238,275</b>	4,503,740	9,184,222
Redemption of financial assets at FVPL (Note 8)	–	5,776,005	50,000,000
Disposal of financial assets at FVOCI (Note 9)	<b>70,430</b>	102,000,000	37,000,000
<b>Net cash flows used in investing activities</b>	<b>(30,944,869,794)</b>	(31,514,332,528)	(18,626,569,741)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of:			
Long term debts (Notes 17 and 38)	<b>(10,510,004,561)</b>	(16,745,091,214)	(9,591,175,666)
Dividends (Notes 19 and 38)	<b>(7,277,946,280)</b>	(7,298,400,000)	(5,792,589,831)
Interest and other financial charges (Note 38)	<b>(5,506,168,289)</b>	(3,428,342,462)	(2,920,280,324)
Lease liability (Notes 32 and 38)	<b>(767,804,051)</b>	(472,804,675)	(143,647,311)
Proceeds from:			
Availment of long-term debts - net of transaction cost (Note 17)	<b>34,650,870,675</b>	34,811,711,679	11,926,379,284
Issuance of shares (Note 19)	<b>4,200,000,000</b>	–	–
Investments from non-controlling shareholders	<b>375,000</b>	–	–
Unwinding of derivatives	–	277,156,396	–
Acquisition of treasury stock (Notes 1 and 19)	<b>(4,201,569,780)</b>	(101,249,963)	–
<b>Net cash flows from (used in) financing activities</b>	<b>10,587,752,714</b>	7,042,979,761	(6,521,313,848)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,952,839,151)</b>	(3,873,568,894)	(116,060,190)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>			
	<b>47,517,937</b>	31,995,480	(60,717,251)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>13,579,439,221</b>	17,421,012,635	17,597,790,076
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)</b>	<b>₱10,674,118,007</b>	₱13,579,439,221	₱17,421,012,635

See accompanying Notes to Consolidated Financial Statements.



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

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

General

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

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

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

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

As of December 31, 2025 and 2024, Red Vulcan holds the controlling voting interest with 63.9% ownership of EDC's outstanding voting shares while Philippines Renewable Energy Holdings Corp. (PREHC) owns 34.9%.

Geothermal and Other Renewable Energy Projects

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

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

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



- Bacon-Manito, Albay and Sorsogon - EDC operates one (1) geothermal steamfield project, which delivers steam to four (4) geothermal power plants in Albay and Sorsogon, owned by BGI.
- Mt. Apo, Kidapawan City, Cotabato - EDC operates one (1) geothermal steamfield project, which delivers steam to three (3) EDC-owned geothermal power plants in Mt. Apo.

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

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

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

BGI's Tanawon Geothermal Power Plant (TGPP) and EDC's Bago Binary Geothermal Power Plant (BBGPP) were issued Certificates of Award (COAs) by the DOE dated August 19, 2025 as winning bidders in the third round of the Green Energy Auction Program (GEA-3). TGPP received the Certificate of Endorsement for Non-FIT Green Energy Tariff (GET), which entitles BGI to the Non-FIT GET for a period of 20 years, commencing on August 29, 2025.

#### Power Supply Agreements (PSAs)

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

#### Retail Supply Contracts (RSCs)

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

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

On June 8, 2020, the ERC approved GCGI's application for a RES license effective for a period of five (5) years from the date of issuance. On July 29, 2025, the DOE renewed GCGI's RES license until July 28, 2030.

#### Green Energy Option Program Supply Contracts (GEOPSCs)

On May 20, 2021 and October 22, 2020, the Department of Energy (DOE) approved the application of GCGI and BGI, respectively, for an Operating Permit as Renewable Energy (RE) Supplier under the Green Energy Option Program (GEOP) valid for a period of five (5) years from the date of issuance. On May 21, 2025, the DOE renewed BGI's GEOP operating permit until May 20, 2030.



The GEOP operating permit allows GCGI and BGI to supply electric power to an eligible end-user opting for green energy.

Ancillary Services Procurement Agreements (ASPAs)

EDC, GCGI and FG Hydro sell electricity through ancillary service to the National Grid Corporation of the Philippines (NGCP) under ASPAs. The ASPAs of EDC and GCGI expired in September 2022 while the ASPA of FG Hydro is valid until September 20, 2028. Generated electricity in excess of contracted levels is sold to the WESM.

Reserve Market

EDC has three Battery Projects that are actively participating in the Reserve Market – the 20 MW/ 20 MWh Bac-Man Energy Storage System, the 10 MW/10 MWh Tongonan Energy Storage System, and the 10 MW/10 MWh Southern Negros Energy Storage System. All three projects achieved commercial operations on September 12, 2025, December 9, 2025, and November 13, 2025, respectively.

GCGI's Palinpinon-1 and Palinpinon-2 geothermal power plants have also been registered in the Reserve Market in 2025.

Subsidiaries

The Parent Company and its subsidiaries were separately incorporated and registered with the Philippine SEC, except for its foreign subsidiaries. Below are the Parent Company's voting/ownership interests in its subsidiaries:

	December 31, 2025		December 31, 2024	
	Direct	Indirect	Direct	Indirect
EDC Geothermal Corp. (EGC) <sup>2</sup>	100.00	–	100.00	–
Green Core Geothermal Inc. (GCGI)	–	80.65	–	100.00
Bac-Man Geothermal Inc. (BGI)	–	90.20	–	100.00
Unified Leyte Geothermal Energy Inc. (ULGEI) <sup>4</sup>	–	100.00	–	100.00
Bac-Man Energy Development Corporation (BEDC) <sup>1</sup>	–	100.00	–	100.00
Energy Development Corporation (EDC) EDC Chile Limitada <sup>1</sup>	99.99	0.01	99.99	0.01
EDC Holdings International Limited (EHIL) <sup>2</sup>	100.00	–	100.00	–
Energy Development Corporation Hong Kong Limited (EDC HKL) <sup>2</sup>	–	100.00	–	100.00
Energy Development Corporation Hong Kong International Investments Limited (EDC HKIIL) <sup>2</sup>	–	100.00	–	100.00
EDC Chile Holdings SpA <sup>2</sup>	–	100.00	–	100.00
EDC Geotermica Chile SpA (Chile) <sup>1</sup>	–	100.00	–	100.00
EDC Peru Holdings S.A.C. <sup>3</sup>	–	100.00	–	100.00
EDC Geotermica S.A.C. <sup>3</sup>	–	100.00	–	100.00
Geotermica Chocopata Peru S.A.C. <sup>3</sup>	–	70.00	–	70.00
Energy Development Corporation Peru S.A.C. <sup>3</sup>	–	100.00	–	100.00
Geotermica Andina S.A.C. <sup>3</sup>	–	100.00	–	100.00
EDC Geotermica Del Sur S.A.C. <sup>3</sup>	–	100.00	–	100.00
EDC Energia Azul S.A.C. <sup>3</sup>	–	100.00	–	100.00
Geotermica Crucero Peru S.A.C. <sup>3</sup>	–	70.00	–	70.00
EDC Energia Perú S.A.C. <sup>3</sup>	–	100.00	–	100.00
Geotermica Tutupaca Norte Peru S.A.C. <sup>3</sup>	–	70.00	–	70.00
EDC Energia Geotermica S.A.C. <sup>3</sup>	–	100.00	–	100.00
EDC Progreso Geotermica Perú S.A.C. <sup>3</sup>	–	100.00	–	100.00
Geotermica Loriscola Peru S.A.C. <sup>3</sup>	–	70.00	–	70.00
EDC Energía Renovable Perú S.A.C. <sup>3</sup>	–	100.00	–	100.00
Geotermica Pinchollo Libre Peru S.A.C. <sup>3</sup>	–	70.00	–	70.00
EDC Soluciones Sostenibles Ltd <sup>2</sup>	–	100.00	–	100.00
EDC Desarrollo Sostenible Ltd <sup>2</sup>	–	100.00	–	100.00
EDC Energia Verde Peru S.A. <sup>3</sup>	–	100.00	–	100.00
PT FirstGen Geothermal Indonesia (PT FGGI)	100.00	–	–	–
PT EDC Indonesia (PT EDCI) <sup>5</sup>	–	–	–	95.00
PT EDC Panas Bumi Indonesia (PT EDCPBI) <sup>5</sup>	–	–	–	95.00

(Forward)



	December 31, 2025		December 31, 2024	
	Direct	Indirect	Direct	Indirect
EDC Wind Energy Holdings, Inc. (EWEHI) <sup>2</sup>	100.00	–	100.00	–
EDC Burgos Wind Power Corporation (EBWPC)	–	100.00	–	100.00
EDC Pagudpud Wind Power Corporation (EPWPC) <sup>1</sup>	–	100.00	–	100.00
EDC Bayog Burgos Wind Power Corporation (EBBWPC) <sup>1</sup>	–	100.00	–	100.00
EDC Pagali Burgos Wind Power Corporation (EPBWPC) <sup>1</sup>	–	100.00	–	100.00
Iloilo 1 Renewable Energy Corporation (I1REC) <sup>1</sup>	–	100.00	–	100.00
EDC Bright Solar Energy Holdings, Inc. (EBSEHI) <sup>2</sup>	100.00	–	100.00	–
EDC Siklab Power Corporation (EDC Siklab)	–	100.00	–	100.00
EDC Sinag Power Corporation (EDC Sinag) <sup>1</sup>	–	100.00	–	100.00
EDC Wind Energy Holdings 2 Inc. (EWEHI2) <sup>2</sup>	100.00	–	100.00	–
First Gen Hydro Power Corporation (FG Hydro)	60.00	–	60.00	–

<sup>1</sup>Has not started commercial operations as of December 31, 2025

<sup>2</sup>Serves as an investment holding company

<sup>3</sup>Ceased exploration and development activities as of December 31, 2025

<sup>4</sup>On June 27, 2024, Board of Directors (Board) and Stockholders approved the shortening of corporate term until June 23, 2026

<sup>5</sup>On August 4, 2025, ownership was transferred under PT FGGI and was further deconsolidated on October 28, 2025 as a result of the Shareholders' Agreement entered by PT FGGI with PT DSSR Daya Mas Sakti

### EGC

EGC was incorporated on April 9, 2008. EGC became an investment holding company of its subsidiaries, namely GCGI, BGI, ULGEI, and BEDC. EGC also has 0.01% ownership in PT FGGI.

Further details on EGC's subsidiaries follow:

- GCGI was incorporated on June 22, 2009 to carry on the business of power generation, transmission, distribution and other energy-related businesses. GCGI is currently operating the 172.5 MW Palinpinon and 123.0 MW Tongonan 1 geothermal power plants in Negros Oriental and Leyte, respectively, following its successful acquisition from the Power Sector Assets and Liabilities Management Corporation (PSALM) in 2009.
- BGI was incorporated on April 7, 2010 primarily to carry on the general business of generating, transmitting, and/or distributing energy. BGI is currently operating the 140 MW Bac-Man Geothermal Power Plants (BMGPP) in Bicol, which it acquired from PSALM in May 2010.

Prior to the acquisition of BGI of the BMGPP, the Parent Company supplied and sold steam to NPC under the SSA.

On May 6, 2021, BGI was registered with Board of Investments (BOI) covering the 29 MW Palayan Binary Power Plant (PBPP) - Phase 1 and 20 MW Tanawon Geothermal Power Plant (TGPP) - Phase 2 Projects. In February 2024, PBPP had already started its commissioning and testing and generated its first kilowatt-hour of electricity. On March 11, 2025, the Energy Regulatory Commission granted PBPP a Provisional Authority to Operate (PAO), officially transitioning the plant to commercial operations. Meanwhile, TGPP began commercial operations on August 18, 2025 upon receiving its own PAO.

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



- ULGEI was incorporated on June 23, 2010. The operation of ULGEI involves managing and/or trading of 40 MW Strips of Energy from ULGPP under the Independent Power Producer Administrators Agreement with PSALM. The agreement expired last July 25, 2021. As of December 31, 2025, there are no live contracts under ULGEI.

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

- BEDC was incorporated on September 22, 2011 to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types, and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities, and electric cooperatives. As of December 31, 2025, BEDC remained non-operating.

#### *EDC Chile Limitada*

EDC Chile Limitada is a limited liability company incorporated on February 11, 2010 in Santiago, Chile with the purpose of exploring, evaluating, and extracting any mineral or substance to generate geothermal energy. As of December 31, 2025, EDC Chile Limitada remained non-operating.

#### *EHIL and EDC HKL*

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

- EDC HKIIL is a wholly owned subsidiary of EDC HKL, a company incorporated on November 18, 2016 in the British Virgin Island.
- EDC Chile Holdings SpA, which was incorporated on January 13, 2012 in Santiago, Chile, is a wholly owned subsidiary of EDC HKL and is the holding company of EDC Geotermica SpA (Chile) which was also incorporated on January 13, 2012 in Santiago, Chile. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities, and electric cooperatives.
- EDC Peru Holdings S.A.C., incorporated on January 19, 2012 in Lima, Peru, is a 99.9%-owned subsidiary of EDC HKL. EDC Peru Holdings S.A.C. holds 99.9% stake in EDC Geotermica S.A.C., which was also incorporated on January 19, 2012 in Lima, Peru and in Geotermica Andina S.A.C., which was incorporated on October 31, 2024 in Lima, Peru. EHIL owns the remaining 0.1% stake in EDC Geotermica S.A.C. and Geotermica Andina S.A. C. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types, and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities, and electric cooperatives.



- On July 17, 2012 and August 2, 2012, Energy Development Corporation Peru S.A.C and Geotermica Chocopata Peru S.A.C., respectively, were incorporated in Lima, Peru as subsidiaries of EDC Geotermica S.A.C. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types, and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities, and electric cooperatives.

On January 3, 2014, Energy Development Corporation Peru S.A.C became a 100% indirectly owned subsidiary of the Parent Company.

- On February 27, 2013, EDC Geotermica Del Sur S.A.C., EDC Energía Azul S.A.C., EDC Energía Perú S.A.C., EDC Energía Geotérmica S.A.C., EDC Progreso Geotérmico Perú S.A.C., EDC Energía Renovable Perú S.A.C., were incorporated in Lima, Peru as 99.9%-owned by EDC HKL and 0.1%-owned by EDC Peru Holdings S.A.C. Their main purpose is to carry on the general business of generating, transmitting, and/or distributing energy derived from any and all forms, types, and kinds of energy sources for lighting and power purposes and whole-selling the electric power to power corporations, public electric utilities, and electric cooperatives.

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

On May 25, 2023, the Board and stockholders of Energy Development Corporation Peru S.A.C decided to no longer pursue exploration and development activities in Peru due to political and market factors. As a result, the Group recognized provision for impairment loss on goodwill, property, plant and equipment, exploration and evaluation assets, and other various assets totaling ₱282.4 million in 2023 (see Notes 12, 13 and 14).

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

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

- On June 11, 2025, PT FGGI, was incorporated in South Jakarta, Indonesia as 99.99%-owned subsidiary of EDC HKL and 0.01%-owned by EGC.

On June 30, 2025, PT Daya Graha Sakti Energi (PT DGSE), PT Daya Bora Pulu Energi (PT DBPE) and PT Daya Koto Sani Energi (PT DKSE), all indirect subsidiaries of EDC under PT FGGI were incorporated.



On July 8, 2025, PT Kotosani Tanjungbingkung Geothermal (PT KTG), an indirect subsidiary of EDC under PT DKSE, was incorporated.

On August 4, 2025, the ownership of PT EDCI and PT EDCPBI was transferred to PT DGSE and PT DBPE, respectively.

On October 28, 2025, PT FGGI, a wholly owned subsidiary of EDC, signed a Shareholders' Agreement with PT DSSR Daya Mas Sakti, a subsidiary of PT Dian Swastatika Sentosa Tbk of the Sinar Mas Group in Indonesia, and PT Daya Mas Bumi Sentosa.

The Shareholders' Agreement sets out the terms of the strategic partnership for the development of a potential geothermal energy portfolio in Indonesia.

As of December 31, 2025, all subsidiaries of EDC HKL remained non-operating.

#### *EWEHI*

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

- EBWPC was incorporated on April 13, 2010 to carry on the general business of generating, transmitting, and/or distributing energy. EBWPC operates the 150 MW Burgos Wind Project located in the Municipality of Burgos, Ilocos Norte.
- EPWPC was incorporated on February 29, 2012 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2025, EPWPC remained non-operating.
- EBBWPC and EPBWPC were both incorporated on May 22, 2014 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2025, EBBWPC and EPBWPC remained non-operating.
- IIREC was incorporated on February 9, 2016 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2025, IIREC remained non-operating.

#### *EBSEHI*

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

- EDC Siklab was incorporated on May 22, 2014 to carry on the general business of generating, transmitting, and/or distributing energy.
- EDC Sinag was incorporated on November 19, 2014 to carry on the general business of generating, transmitting, and/or distributing energy. As of December 31, 2025, EDC Sinag remained non-operating.

#### *EWEHI2*

EWEHI2 is a holding company incorporated on January 5, 2017. As of December 31, 2025, EWEHI2 remained non-operating.



*FG Hydro*

FG Hydro was incorporated on March 13, 2006 with primary activities on power generation, transmission, distribution, and other energy-related businesses. FG Hydro operates the 132 MW PAHEP/MAHEP located in Nueva Ecija, Philippines. FG Hydro buys from and sells electricity to, the WESM and to various privately-owned DUs under the PSAs and PSCs, and to NGCP through ancillary services under the ASPA.

Principal Office Address

The registered principal office address of the Parent Company is Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, Philippines.

Authorization for Issuance of the Consolidated Financial Statements

The consolidated financial statements were reviewed and recommended for approval by the Audit and Governance Committee on February 26, 2026. The same consolidated financial statements were approved and authorized for issuance by the Board on March 9, 2026.

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**2. Basis of Preparation**

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for derivative instruments, financial assets at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (FVOCI) that are measured at fair value. The consolidated financial statements of the Group are presented in Philippine peso (₱), which is the Parent Company's functional currency. All values are rounded to the nearest ₱, except when otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group are prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of Amendments to PAS 21, *Lack of Exchangeability*, which specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Adoption of these amendments did not have any impact on the consolidated financial statements of the Group.

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

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

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods.



### Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

#### *Determination of Functional Currency*

Each entity within the Group determines its own functional currency. The respective functional currency of EDC and its subsidiaries is the currency of the primary economic environment in which each entity operates. It is the currency that mainly influences the sale of services and the costs of providing services.

The presentation currency of the Group is the Philippine Peso, which is the Parent Company's functional currency. The functional currency of each of the Group's subsidiaries, as disclosed in Note 4 to the consolidated financial statements, is determined based on the economic substance of the underlying circumstances relevant to each subsidiary.

#### *Applicability of Philippine Interpretation IFRIC-12, Service Concession Arrangements on the Geothermal Renewable Energy Service Contract, Wind Energy Service Contract and Solar Energy Service Contract*

An arrangement would fall under Philippine Interpretation IFRIC-12 if the two (2) conditions below are met:

- a) the grantor controls or regulates the services that the operator must provide using the infrastructure, to whom it must provide them, and at what price; and
- b) the grantor controls any significant residual interest in the property at the end of the concession term through ownership, beneficial entitlement or otherwise.

Based on management's judgment, the Geothermal Renewable Energy Service Contracts (GRES-Cs), Wind Energy Service Contracts (WES-Cs), and Solar Energy Service Contracts (SES-Cs) entered into by the Group are outside the scope of Philippine Interpretation IFRIC-12 since the Group controls the significant residual interest in the properties (i.e., the estimated useful lives of the assets exceed the service concession periods) at the end of the concession term through ownership.

#### *Joint Venture Agreement between the Company and Alterra Power Corporation on Mariposa Geothermal Project*

On May 20, 2013, EDC and Alterra Power Corporation (Alterra) executed a joint venture agreement (JVA) for the exploration and development of the Mariposa geothermal project in Chile (Mariposa Project). Following the execution of such JVA, EDC, Alterra and their relevant subsidiaries have executed a Shareholders' Agreement and other related agreements all with effect on June 17, 2013 for the implementation of the terms of the JVA. Under the Shareholders' Agreement, EDC (through EDC Geotermica SpA, its wholly owned subsidiary in Chile) will subscribe to a 70% interest in Compañía De Energía (Enerco), an Alterra subsidiary in Chile that owns the Mariposa Project. On June 17, 2013, EDC subscribed to a 70% interest in Enerco through a Subscription Deed with Alterra.

While EDC Geotermica owns 70% interest in Enerco, it does not have the sole ability to direct the relevant activities which most significantly affect the returns of Enerco as the key operating and financial decisions of Enerco require the unanimous vote and consent of the parties sharing control. Accordingly, the investment in Enerco has been determined by management to be a joint arrangement to be accounted for as joint venture (see Note 15).



### *Applicability of PFRS 16, Leases on the Parent Company's PPA*

The Parent Company had PPA with NPC covering Mindanao II which expired in June 2024. The Parent Company evaluated its PPA with NPC by applying the requirements of PFRS 16. Based on management's judgment, the PPA with NPC do not contain a lease as the arrangements did not convey to the customer the right to control the use of the identified asset.

### *Revenue Recognition*

The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

#### *a) Identifying Performance Obligations*

The Group identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

The Group assesses performance obligations as a series of distinct goods and services that are substantially the same and have the same pattern of transfer if:

1. each distinct goods or services in the series are transferred over time; and
2. the same method of progress will be used (i.e., units of delivery) to measure the entity's progress towards complete satisfaction of the performance obligation.

For revenue contracts under PPAs, PSAs, ASPAs including spot market sales and sale of electricity covered by the FIT scheme in which capacity and energy dispatched are separately identified, these are combined and considered as one (1) performance obligation since these are not distinct within the context of the contract as the customer cannot benefit from the contracted capacity without the corresponding energy and the customer cannot obtain energy without contracting a capacity.

Retail electricity and GEOP supply also qualify as a series of distinct goods or services, which is accounted for as one performance obligation since the delivery of energy every month is a distinct service which is recognized over time and has the same measure of progress.

#### *b) Revenue Recognition*

The Group recognizes revenue when it satisfies an identified performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. The Group determines, at contract inception, whether it will transfer control of a promised good or service over time. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

The Group concluded that revenue from sale of electricity from contracts with customers is to be recognized over time, since customers simultaneously receive and consume the benefits as the Group supplies power.



### *Determination of Transaction Price from Sale of Electricity*

The adjustment of the FIT rate for the delivered energy is a variable consideration that shall be accounted for in the period in which the transaction price changed. In 2020, the Group recognized additional revenue and long-term receivables computed on the FIT rate increment which will be recovered for a period of five (5) years starting January 1, 2021. As of December 31, 2024, from 2021 to 2024, while waiting for ERC's approval of the adjusted FIT rates, management has assessed that the lower between the ERC approved 2020 FIT rates and the TransCo forecasted FIT rates, represent the best estimate of the transaction price the Group will be entitled to in exchange for the delivered energy. As of December 31, 2025, the Group considered the adjusted FIT rates from 2021 to 2025 based on ERC approved Resolution No. 28, Series of 2025 with clarifications and revisions published on February 27, 2026 (see Note 37).

### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at financial reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### *Measurement of Expected Credit Losses (ECLs)*

ECLs are derived from unbiased and probability-weighted estimates of expected loss. Financial assets that are not credit-impaired at the balance sheet date are measured as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

The Group leverages existing risk management indicators (e.g., internal credit risk classification and restructuring triggers), credit risk rating changes, and reasonable and supportable information which allows the Group to identify whether the credit risk of financial assets has significantly increased.

The information about the ECLs on the Group's trade and other receivables are disclosed in Note 7.

### *Inputs, Assumptions, and Estimation Techniques*

#### *General approach for cash in banks and other financial assets measured at amortized cost*

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the probability of default (PD), loss given default (LGD), and exposure at default (EAD), defined as follows:

- *PD*

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining life of the obligation. PD estimates are estimates at a certain date, which are calculated based on available market data using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. If a counterparty or



exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates. The 12-month and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at reporting date and future economic conditions that affect credit risk.

- *LGD*

Loss Given Default represents the Group's expectation of the extent of loss on a defaulted exposure, taking into account the mitigating effect of collateral, its expected value when realized and the time value of money. LGD varies by type of counterparty, type of seniority of claim, and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD.

- *EAD*

EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e., the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the balance sheet date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by counterparty.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGDs are influenced by collection strategies.

The assumptions underlying the ECL calculation such as how the maturity profile of the PDs change are monitored and reviewed on a quarterly basis.

#### *Simplified approach for trade receivables*

The Group uses a provision matrix to calculate ECLs for certain trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.



The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrices to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., inflation rate, gross domestic product (GDP), foreign exchange rate) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

#### *Incorporation of Forward-Looking Information*

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past five (5) years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Group has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

#### *Estimating Net Realizable Value of Parts and Supplies Inventories*

The Group measures its parts and supplies inventories at net realizable value when such value is lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. Provision for impairment of parts and supplies amounted to ₱266.5 million and ₱138.9 million in 2025 and 2024, and reversal of impairment of parts and supplies inventories amounted to ₱69.8 million in 2023 (see Notes 10 and 23). The carrying amounts of parts and supplies inventories as of December 31, 2025 and 2024 amounted to ₱14,136.0 million and ₱12,709.4 million, respectively (see Note 10).



*Estimating Useful Lives of Property, Plant and Equipment (excluding Land and Construction in Progress), Water Rights and Other Intangible Assets*

The Group estimates the useful lives of property, plant and equipment (excluding land and construction in progress), water rights and other intangible assets based on the period over which each asset is expected to be available for use and on the collective assessment of industry practices, internal evaluation and experience with similar arrangements.

The estimated useful life is revisited at the end of each financial reporting period and updated if expectations differ materially from previous estimates.

In 2023, the Group recognized impairment loss on property, plant and equipment amounting to ₱117.6 million (see Notes 1 and 12). No similar impairment loss was recognized in 2025 and 2024. There was also no impairment loss recognized on water rights and other intangible assets in 2025, 2024 and 2023. The carrying amount of the property, plant and equipment (excluding land and construction in progress) amounted to ₱135,208.9 million and ₱91,407.4 million as of December 31, 2025 and 2024, respectively (see Note 12). The carrying amount of water rights and other intangible assets amounted to ₱703.3 million and ₱797.3 million as of December 31, 2025 and 2024, respectively (see Note 13).

*Impairment of Non-financial Assets other than Goodwill and Exploration and Evaluation Assets*

The Group assesses whether there are any indicators of impairment for all non-financial assets other than goodwill and evaluation assets at each balance sheet date. These non-financial assets other than goodwill and evaluation assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Group considers important which could trigger an impairment review include the following:

- significant under-performance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and,
- significant negative industry or economic trends.

The Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is computed using the value in use (VIU) approach. Recoverable amount is estimated for an individual asset or, if it is not possible, for the cash-generating unit (CGU) to which the asset belongs.

In the case of prepaid taxes, where the collection of tax claims is uncertain, the Group provides allowance for impairment of prepaid taxes based on the assessment of management and the Group's legal counsel.

Provision for impairment of prepaid taxes amounted to ₱149.3 million and ₱385.5 million in 2025 and 2024, respectively, and reversal of impairment of prepaid taxes amounted to ₱54.1 million in 2023 (see Notes 15 and 23). The carrying amount of prepaid taxes amounted to ₱7,800.1 million and ₱6,700.2 million as of December 31, 2025 and 2024, respectively (see Note 15).



Loss on direct write-off of input VAT claims amounting to ₱76.4 million, ₱79.0 million and ₱44.1 million in 2025, 2024 and 2023, respectively, are included in “Miscellaneous income - net” in the consolidated statements of income (see Notes 15 and 27).

For property, plant and equipment and intangible assets, when VIU calculations are undertaken, management estimates the expected future cash flows from the asset or CGU and discounts such cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset to calculate the present value as of the financial reporting date.

Management also makes an assessment whether previously recognized impairment loss should be reversed. Reversal of an impairment loss is recognized when there is an increase in the estimated service potential of an asset, either from use or from sale, since the date when the Group last recognized an impairment loss for that asset.

The carrying amount of property, plant and equipment, water rights and other intangible assets as of December 31, 2025 and 2024 are as follows:

	2025	2024
Property, plant and equipment (Note 12)	<b>₱152,202,714,457</b>	₱138,573,987,979
Water rights (Note 13)	<b>565,123,043</b>	661,314,200
Other intangible assets (Note 13)	<b>138,150,471</b>	136,027,067
	<b>₱152,907,299,146</b>	₱139,371,329,246

#### *Recoverability of Goodwill*

As of December 31, 2025 and 2024, the Group’s goodwill is allocated to the following CGUs:

Entity	CGU	
GCGI	Palinpinon power plant complex	<b>₱2,107.6 million</b>
GCGI	Tongonan power plant complex	<b>134.2 million</b>
FG Hydro	Pantabangan-Masiway hydroelectric plants	<b>293.3 million</b>
		<b>₱2,535.1 million</b>

Goodwill is tested for recoverability annually as at September 30 for GCGI and December 31 for FG Hydro or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

This requires an estimation of the VIU of the CGUs to which goodwill is allocated. Estimating VIU requires the Company to estimate the expected future cash flows from the CGUs and discount such cash flows using the weighted average cost of capital to calculate the present value of those future cash flows.

The recoverable amounts have been determined based on VIU calculation using cash flow projections based on financial budgets approved by senior management covering a five (5)-year period. The pre-tax discount rate applied to cash flow projections in 2025 ranges from 7.86% to 10.09%; while in 2024, the pre-tax discount rate applied ranges from 10.26% to 10.60%. The cash flows beyond the remaining term of the existing agreements are extrapolated using the growth rate of 4.2% for 2025 and 2024 for GCGI and 1.06% and 1.07% for 2025 and 2024, respectively, for FG Hydro.



Following are the key assumptions used:

- *Budgeted Gross Margin*

Budgeted gross margin is the average gross margin achieved in the year immediately before the budgeted year, increased for expected efficiency improvements.

- *Discount Rate*

Discount rate reflects the current market assessment of the risk specific to each CGU. The discount rate is based on the average percentage of EDC's weighted average cost of capital. This rate is further adjusted to reflect the market assessment of any risk specific to the CGU for which future estimates of cash flows have not been adjusted.

- *Growth Rate*

Cash flows beyond the five (5)-year period are extrapolated using a determined constant growth rate to arrive at the terminal value of each CGU.

The Group recognized provision for impairment loss on goodwill amounting to ₱85.8 million in 2023, pertaining to the acquisition of the Hot Rock companies (see Notes 1, 13 and 27). No similar impairment loss was recognized in 2025 and 2024 (see Notes 13 and 27).

#### *Recoverability of Exploration and Evaluation Assets*

Exploration and evaluation costs are recognized as assets in accordance with PFRS 6, *Exploration for and Evaluation of Mineral Resources*. Capitalization of these costs is based, to a certain extent, on management's judgment of the degree to which the expenditure may be associated with finding specific geothermal reserve.

The application of the Group's accounting policy for exploration and evaluation assets requires judgment and estimates in determining whether it is likely that the future economic benefits are certain, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available.

The Group reviews the carrying values of its exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. An impairment loss is recognized when the carrying values of these assets are not recoverable and exceeds their fair value.

The factors that the Group considers important which could trigger an impairment review of exploration and evaluation assets include the following:

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of geothermal reserve in the specific area is neither budgeted nor planned;



- exploration for and evaluation of geothermal reserve in the specific area have not led to the discovery of commercially viable geothermal reserve and the Group decided to discontinue such activities in the specific area; and,
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The Group determines impairment of projects based on the technical assessment of its resident scientists in various disciplines or based on management's decision not to pursue any further commercial development of its exploration projects.

The Group recognized for impairment loss on exploration and evaluation costs amounting to ₱7.6 million in 2023. No similar loss was recognized in 2025 and 2024 (see Notes 1 and 14).

As of December 31, 2025 and 2024, the carrying amount of exploration and evaluation assets amounted to ₱4,189.3 million and ₱2,649.6 million, respectively (see Notes 14 and 33).

#### *Retirement and Other Post-employment Benefits*

The cost of defined benefits retirement plan and other post-employment medical and life insurance benefits are determined using the projected unit credit method of actuarial valuations. An actuarial valuation involves making assumptions about discount rates, future salary increases, medical trend rate, mortality and disability rates and employee turnover rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as at financial reporting date. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates in the Philippines.

As of December 31, 2025 and 2024, the net retirement and other post-employment benefits liability amounted to ₱2,516.9 million and ₱2,439.8 million, respectively (see Note 28). The detailed information with respect to the Group's net retirement and other post-employment benefits is presented in Note 28 to the consolidated financial statements.

#### *Provision for Rehabilitation and Restoration Costs*

In 2009, with the conversion of its Geothermal Service Contracts (GSCs) to GRESCs, the Group has made a judgment that the GRESCs are subject to the provision for restoration costs. Similarly, under the WESC, the Group has made a judgment that it is responsible for the removal and the disposal of all materials, equipment and facilities installed in the contract area used for the wind energy project. In determining the amount of provisions for rehabilitation and restoration costs, assumptions and estimates are required in relation to the expected cost to rehabilitate and restore sites and infrastructure when such obligation exists.



As of December 31, 2025 and 2024, the Group adjusted its provision for rehabilitation and restoration costs to ₱1,865.0 million and ₱1,769.4 million, respectively, which is presented under “Provisions and other long-term liabilities” account in the consolidated statements of financial position (see Note 18). The revisions in estimate were mainly attributable to changes in discount rates.

#### *Provision for Liabilities on Regulatory Assessments and Other Contingencies*

The Group has pending assessments from various regulatory agencies and outstanding legal cases. The Group’s estimate of the probable costs for the resolution of these assessments and legal cases has been developed in consultation with in-house and external legal counsels handling the defense of these cases, and is based upon the thorough analysis of the potential outcomes. Management, in consultation with its in-house and external legal counsels, believe that the Group’s positions on these assessments are consistent with the relevant laws, and these assessments would not have a material adverse effect on the Group’s consolidated financial position and results of operations.

It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings. As of December 31, 2025 and 2024, provisions for these liabilities amounting to ₱489.2 million and ₱481.4 million, respectively, are recorded and recognized as part of “Others” under “Provisions and other long-term liabilities” (see Note 18). Interest on liability from litigation amounted to ₱7.8 million in 2025, 2024 and 2023 (see Notes 18 and 25).

#### *Estimation of Liability from Shortfall Generation*

The Parent Company’s PPA with NPC for Mindanao II provides a minimum offtake energy, which the Parent Company shall meet each contract year. The contract year for the Mindanao II PPA is for fiscal period ending December 25 (see Note 21). Assessment is made at every reporting date whether the nominated capacity or minimum offtake energy would be met based on management’s projection of electricity generation covering the entire contract year. If the occurrence of shortfall generation is determined to be probable, the amount of estimated reimbursement to NPC is accounted for as a reduction to revenue for the period and a corresponding liability to NPC is recognized. As of December 31, 2025 and 2024, the Group’s estimated liability arising from such shortfall generation amounted to ₱1,051.7 million and ₱1,433.5 million, respectively, shown under “Trade and other payables” account specifically under “Other payables” (see Note 16).

Moreover, the estimated amounts relating to the shortfall generation under the PPA may be subsequently adjusted or reported depending on the subsequent reconciliation by the Technical or Steering Committee established in accordance with the PPA, in view of the parties’ responsibilities in connection with the consequences of typhoons and similar events. As of March 9, 2026, the reconciliation with NPC for certain contract years is still ongoing.

#### *Recognition of Deferred Income Tax Assets*

Deferred income tax assets are recognized to the extent that it is probable that sufficient future taxable profits will be available against which the assets can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized. This includes the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognized deferred tax assets amounted to ₱2,398.1 million and ₱2,527.5 million as of December 31, 2025 and 2024, respectively (see Note 29). The Group’s deductible temporary differences pertaining to carryforward benefits of unused NOLCO and excess MCIT credits, the fair



value loss related to the investment in BGI and GCGI's preferred shares, and provision for asset impairment related to investments in Peru, Chile, and ULGEI for which no deferred income tax asset was recognized as of December 31, 2025 and 2024 are disclosed in Note 29.

#### *Accounting for Joint Credit Mechanism (JCM) Program*

The Ministry of Environment of Japan (MOEJ), through Mitsubishi Heavy Industries, Ltd. (MHI), entered into an International Consortium Agreement with the Group in order to avail of the JCM Program.

The JCM Program encourages projects to use low carbon technologies and infrastructure that contribute to sustainable development in developing countries such as the Philippines. Under the JCM Program, the Japanese Government provides subsidy or financial assistance in exchange for credits corresponding to the GHG emission reductions. This allows the Japanese Government to achieve its overall emissions reduction targets.

Under the JCM Program, the Group is required to assign over the next 15 years after the commercial operations date 50% or more of the issued JCM credit corresponding to GHG emission reductions achieved by the registered JCM projects to the Japanese government, until the end of their legal durable years as stipulated under the Japanese law.

The Group assessed that the proceeds received from JCM qualifies as a government grant since JCM was granted by the MOEJ to promote investment and the use of technologies, products, systems, services and infrastructure in order to achieve low carbon growth in the Philippines. Accordingly, the Group recognized the proceeds received as a government grant liability which will be amortized over a period of 15 years upon commencement of the projects' commercial operations.

As of December 31, 2025 and 2024, carrying amount of government grant amounted to ₱2,163.0 million and ₱1,182.6 million, respectively, and is presented as part of "Provision and other long-term liabilities" (see Note 18).

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#### **4. Summary of Material Accounting Policy Information**

##### Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2025, 2024, and 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investees and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.



Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and,
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Parent Company ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the NCI, even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

#### Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any NCI in the acquiree. For each business combination, the Group elects whether to measure the NCI of the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in "General and Administrative Expenses" in the consolidated statement of income.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.



Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9, *Financial Instruments*, is measured at fair value with changes in fair value recognized either in profit or loss in accordance with PFRS 9. Other contingent consideration that is not within the scope of PFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

#### Investments in Associate and Joint Venture

The Group's investments in its associate and joint venture 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.

#### Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.



All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period; or
- The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

#### Foreign Currencies

The Group's consolidated financial statements are presented in Philippine Peso, which is also the Parent Company's functional currency. Each entity within the Group determines its own functional currency and measures items included in their financial statements using that functional currency.

#### *Transactions and balances*

Transactions in foreign currencies are initially recorded by the Group's entities in the respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange prevailing at financial reporting date. All differences are taken as profit or loss as part of "Foreign exchange gains (losses)" account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.



The functional currency of the Group's subsidiaries is Philippine Peso, except for the following subsidiaries:

<b>Subsidiary</b>	<b>Functional Currency</b>
EDC Burgos Wind Power Corporation	US dollar
EDC EHIL	- do -
EDC HKL	- do -
EDC HKIIL	- do -
EDC Soluciones Sostenibles Ltd	- do -
EDC Desarrollo Sostenible Ltd	- do -
Energy Development Corporation (EDC)	
Chile Holdings SPA	Chilean peso
EDC Geotermica Chile	- do -
EDC Chile Limitada	- do -
EDC Peru Holdings S.A.C.	Peruvian nuevo sol
EDC Geotermica S.A.C.	- do -
Geotermica Chocopata Peru S.A.C.	- do -
Energy Development Corporation Peru S.A.C.	- do -
Geotermia Andina S.A.C	- do -
EDC Geotermica Del Sur S.A.C.	- do -
EDC Energía Azul S.A.C.	- do -
Geotermica Crucero Peru S.A.C.	- do -
EDC Energía Perú S.A.C.	- do -
Geotermica Tutupaca Norte Peru S.A.C.	- do -
EDC Energía Geotermica S.A.C.	- do -
EDC Progreso Geotermico Perú S.A.C.	- do -
Geotermica Loriscota Peru S.A.C.	- do -
EDC Energía Renovable Perú S.A.C.	- do -
Geotermica Pinchollo Libre Peru S.A.C.	- do -
EDC Energia Verde Peru SAC	- do -
PT FGGI	Indonesian rupiah

**Translation**

On consolidation, for subsidiaries whose functional currency is different from the presentation currency, the Group translates the results of their operations and financial position into the presentation currency. As at the financial reporting date, the assets and liabilities presented (including comparatives) are translated into the presentation currency at the closing rate of exchange prevailing at the financial reporting date while the capital stock and other equity balances are translated at historical rates of exchange. The income and expenses for the profit or loss presented (including comparatives) are translated at the exchange rates at the dates of the transactions, where determinable, or at the weighted average rate of exchange during the reporting period. The exchange differences arising on the translation to the presentation currency are recognized as a separate component of equity under the "Cumulative translation adjustments" account in the consolidated statement of financial position.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amount of assets and liabilities arising on the acquisition date are treated as assets and liabilities of the foreign operation and translated at the closing rate of exchange of financial reporting date.



#### Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and in banks, and short-term deposits with original maturities of three (3) months or less from dates of acquisition and that are subject to insignificant risk of changes in value. Money market securities with maturity of more than three (3) months but less than 12 months are presented as “Short-term investments” under “Other current assets”.

#### Parts and Supplies Inventories

Parts and supplies inventories are valued at the lower of cost and net realizable value. Cost includes the invoice amount, net of trade and cash discounts. Cost is calculated using the moving average method. Net realizable value represents the current replacement cost.

#### Prepaid Expenses

Prepayments are expenses paid in advance and recorded as asset before these are utilized. This account comprises prepaid expenses, creditable withholding taxes, tax credit certificates and advances to contractors. The prepaid expenses are apportioned over the period covered by the payment and charged to the appropriate accounts in the profit or loss when incurred; creditable withholding taxes are deducted from income tax payable on the same year the revenue was recognized; and the advances to contractors are reclassified to the proper asset or expense account and deducted from the contractor’s billings as specified on the provision of the contract.

#### Property, Plant and Equipment

Property, plant and equipment, except land, are stated at cost less accumulated depreciation, amortization and impairment in value, if any. The initial cost of property, plant and equipment consist of the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and other costs directly attributable to bringing the assets to its working condition and location for its intended use. Cost also includes the cost of replacing part of the property, plant and equipment, and the borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives, depreciation and amortization. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized in the profit or loss as incurred. Property, plant and equipment also include the estimated rehabilitation and restoration costs of the Group’s steam fields and power plants contract areas for which the Group is legally and constructively liable. These costs are included under “Fluid Collection and Recycling System (FCRS) and Production Wells” and “Power Plants” (see Notes 12 and 18).

Land is carried at cost less accumulated impairment losses, if any.

The income generated wholly and necessarily as a result of the process of bringing the asset into the location and condition for its intended use (i.e., net proceeds from selling any items produced while testing whether the asset is functioning properly) is recognized in profit or loss.



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

	Number of years
Power plants	10-35
FCRS and production wells	10-35
Buildings, improvements and other structures	5-35
Exploration, machinery and equipment	10-20
Transportation equipment	5-10
Furniture, fixtures and equipment	3-10
Laboratory equipment	5-15

Depreciation and amortization of an item of property, plant and equipment begin when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation and amortization cease at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized. Leasehold improvements are amortized over the lease term or the economic life of the related asset, whichever is shorter.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

An item of property, plant and equipment, and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

The useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted, prospectively, if appropriate.

Construction in progress represents structures under construction and is stated at cost, net of accumulated impairment losses, if any. This includes costs of construction and other direct costs. Costs also include interest on borrowed funds and amortization of deferred financing costs on these borrowed funds incurred during the construction period. Construction in progress is not depreciated until such time that the assets are put into operational use.

Liquidated damages received arising from breach of contract are deducted from the cost of the asset unless these can be directly linked to the amount of lost revenue. Liquidated damages are recognized only when receipt is virtually certain.

The Group's policy is to classify right-of-use (ROU) assets as part of property, plant and equipment. The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The initial cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.



Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term of 1.6 to 23.8 years as of December 31, 2025 and 2024. ROU assets are subject to impairment (refer to Impairment of Non-Financial Assets policy).

#### Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Internally-generated intangible assets, if any, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds, if any, and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

#### *Water Rights*

The cost of water rights of FG Hydro is measured on initial recognition at cost.

Following initial recognition of the water rights, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses, if any. Water rights are amortized using the straight-line method over 25 years, which is the term of the agreement with the National Irrigation Administration (NIA).

#### *Computer Software and Licenses*

The costs of acquisition of computer software and licenses are capitalized as intangible asset if such costs are not integral part of the related hardware.

These intangible assets are initially measured at cost. Subsequently, these are measured at cost less accumulated amortization and allowance for impairment losses, if any. Amortization of computer software is computed using the straight-line method over its estimated useful life of five (5) years.



### Exploration and Evaluation Assets

The Group follows the full cost method of accounting for its exploration costs determined on the basis of each service contract area. Under this method, all exploration costs relating to each service contract are accumulated and deferred under the “Exploration and evaluation assets” account in the consolidated statement of financial position pending the determination of whether the wells have proved reserves. Capitalized expenditures include costs of license acquisition, technical services and studies, exploration drilling and testing, and appropriate technical and administrative expenses. General overhead or costs incurred prior to having obtained the legal rights to explore an area are recognized as expense in profit or loss when incurred. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalized as exploration and evaluation assets until the drilling of the well is complete and the results have been evaluated. Capitalized exploration and evaluation expenditures are considered to be intangible assets until the commencement of drilling of exploratory wells.

If tests conducted on the drilled exploratory wells reveal that these wells cannot produce proved reserves, the capitalized costs are charged to expense except when management decides to use the unproductive wells, for recycling or waste disposal.

Once the technical feasibility and commercial viability of the project to produce proved reserves are established, the exploration and evaluation assets are reclassified to property, plant and equipment.

Exploration and evaluation assets also include the estimated rehabilitation and restoration costs of the Group that are incurred as a consequence of having undertaken the exploration for and evaluation of geothermal resources.

### Impairment of Non-financial Assets

For non-financial assets such as property, plant and equipment, intangible assets, exploration and evaluation assets, and prepaid taxes for refund/tax credits, the Group assesses at each financial reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists, the Group estimates the asset’s recoverable amount.

The recoverable amount is the higher of an asset’s or CGU’s fair value less costs to sell and its VIU and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In determining VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognized in profit or loss in the expense categories consistent with the function of the impaired asset.

For non-financial assets excluding goodwill, an assessment is made at each financial reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.



Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU or group of CGUs to which the goodwill relates. When the recoverable amount of the CGU or group of CGUs is less than the carrying amount of the CGU or group of CGUs to which goodwill has been allocated, an impairment loss is recognized immediately in profit or loss. Impairment loss relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods.

### Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### *Financial Assets*

##### *Initial Recognition and Measurement*

The designation of financial instruments is evaluated on initial recognition and is re-evaluated, where allowed and appropriate, at each reporting date

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under PFRS 15 (refer to Revenue Recognition policy).

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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



### *Subsequent Measurement*

Purposes of subsequent measurement, financial assets are classified in four (4) categories:

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

### *Financial Assets at Amortized Cost (Debt Instruments)*

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

The Group's financial assets at amortized cost include cash and cash equivalents, trade and other receivables, short-term investments, due from related parties and long-term receivables.

### *Financial Assets at FVOCI (Debt Instruments)*

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group's debt instruments at FVOCI include government securities, government bonds and notes and corporate bonds.

### *Financial Assets Designated at FVOCI (Equity Instruments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its quoted equity investments under this category.

### *Financial Assets at FVPL*

Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of income.

This category includes derivative instruments, financial assets at FVPL and unquoted equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognized as other income in the consolidated statement of income when the right of payment has been established.



### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

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

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

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

### *Impairment of financial assets*

Further disclosures relating to impairment of financial assets are also provided in the following notes:

Disclosures of significant assumptions	Note 3
Debt instruments at fair value through OCI	Note 9
Trade receivables	Note 7

The Group recognizes an allowance for ECLs for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two (2) stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



For cash and cash equivalents, the Group applies the low credit risk simplification. The investments are considered to be low credit risk investments as the counterparties have investment grade ratings. It is the Group's policy to measure ECLs on such instruments on a 12-month basis based on available probabilities of defaults and loss given defaults. The Group uses the ratings published by a reputable rating agency to determine if the counterparty has investment grade rating. If there are no available ratings, the Group determines the ratings by reference to a comparable bank.

For debt instruments at FVOCI, the Group also applies the low credit risk simplification. The Group's debt instruments at FVOCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by credit rating agencies such as Moody's Corporation (Moody's) and/or Standard & Poor's Financial Services LLC (S&P), and, therefore, are considered to be low credit risk investments.

For all debt financial assets other than trade receivables, ECLs are recognized using general approach wherein the Group tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECLs at each reporting date.

Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the reporting date. A financial asset is considered to have low credit risk if:

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

The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

#### *Write-offs*

A financial asset together with the associated allowance is written off either partially or in their entirety when there is no realistic prospect of future recovery.

#### *Financial liabilities*

##### *Initial recognition and measurement*

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



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

The Group's financial liabilities, which include trade and other payables, due to related parties, lease liability and long-term debts, are classified as loans and borrowings.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial liabilities are classified in two (2) categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

#### *Financial liabilities at FVPL*

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of income.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at FVPL.

#### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of income.

This category is applied for those issued financial liabilities or their components where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares, which are not designated as financial liabilities at FVPL.

#### *Derecognition*

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



### Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position, if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### Fair Value of Financial Instruments

The Group measures financial instruments, such as derivatives, financial assets at FVPL, and financial assets at FVOCI, at fair value at each reporting date.

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### Derivative Financial Instruments and Hedge Accounting

#### *Initial recognition and subsequent measurement*

The Group uses derivative financial instruments such as cross-currency swaps, interest rate swaps and forwards to manage its interest rate and foreign currency risk exposures in its US dollar-denominated loans. Accrual of interest on the received and pay legs of the interest rate swaps are recorded as adjustments to the interest expense on the related foreign currency-denominated loans. Accrual of interest on the pay legs of the various currency swaps are recognized in the consolidated statement of income as "Interest expense".



Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

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

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

#### *Fair Value Hedges*

The change in the fair value of a hedging instrument is recognized in profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated statement of income as other expense.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit or loss.

#### *Cash Flow Hedges*

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the consolidated statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.



In 2024, EDC designated its interest rate swaps as cash flow hedges for its exposure on interest rate risks on portions of its Commercial Debt Facility (Foreign Facility) that is benchmarked against six (6)-month USD Term SOFR (see Notes 17 and 31).

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

#### *Embedded Derivatives*

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. The Group assesses whether embedded derivatives are required to be separated from the host contracts when the Group first becomes party to the contract. An embedded derivative is separated from the hybrid or combined contract if all the following conditions are met:

- (a) the economic characteristics and risks of the embedded derivative are not clearly and closely related to the economic characteristics and risks of the host contract;
- (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (c) the hybrid instrument is not recognized at FVPL.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVPL. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVPL category.

Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Group determines whether a modification to cash flows is significant by considering the extent to which the expected future cash flows associated with the embedded derivative, the host contract or both have changed and whether the change is significant relative to the previously expected cash flows on the contract.



### Retirement and Other Post-employment Benefits

The Group maintains funded, non-contributory defined benefits retirement plans. The Group also provides post-employment medical and life insurance benefits which are unfunded.

The Group recognizes the net defined benefit liability or asset which is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods, but are closed directly to retained earnings at the end of every reporting period.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.



### *Termination Benefits*

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of an entity's decision to terminate an employee's employment before the normal retirement date for authorized causes under the Labor Code.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

### Provisions

#### *Provision for Rehabilitation and Restoration Costs*

Provision for rehabilitation and restoration costs arose from the Group's obligation under the GRESCs and WESC to restore the existing sites of the Group upon termination of the cooperation period. The nature of these activities includes plugging of drilled wells and restoration of pads and road networks. When the liability is initially recognized, the present value of the estimated costs is capitalized as part of the carrying amount of the related "FCRS and Production Wells" and "Power Plants" under property, plant and equipment, and exploration and evaluation assets. Provision for rehabilitation and restoration costs are provided at the present value of expected costs to settle the obligation using estimated cash flows.

The amount of provision for rehabilitation and restoration costs in the consolidated statement of financial position is increased by the accretion expense recognized in profit or loss using the effective interest method. The periodic unwinding of the discount is recognized in the consolidated statement of income as "Interest expense".

For closed sites or areas, changes to estimated costs are recognized immediately in profit or loss. Decrease in rehabilitation and restoration costs that exceeds the carrying amount of the corresponding rehabilitation asset is recognized immediately in profit or loss.

The estimated future costs of rehabilitation and restoration are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the related asset.

#### *Other Provisions*

Provisions are recognized when (i) the Group has a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as "Interest expense" in the consolidated statement of income.



### Contingencies

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

### Capital Stock

Capital stock is measured at par value for all shares issued. When the Parent Company issues more than one (1) class of stock, a separate account is maintained for each class of stock and the number of shares issued. Capital stock includes common stock and preferred stock.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" (APIC) account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Parent Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are chargeable to the APIC account. If APIC is not sufficient, the excess is charged against the "Equity reserve" account.

### Treasury Stock

The Parent Company's own equity instruments that are reacquired (treasury stock) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in APIC.

### Retained Earnings

The amount included in retained earnings includes profit or loss attributable to the Group's equity holders and reduced by dividends on capital stock. Dividends on capital stock are recognized as a liability and deducted from equity when they are declared by the Parent Company's Board. Dividends for the year that are approved after the financial reporting date are dealt with as an event after the financial reporting date. The remeasurement gains and losses on retirement benefits are also included in the amount of retained earnings.

Retained earnings may also include the effect of changes in accounting policies as may be required by the standards' transitional provisions.

Portions of the retained earnings are restricted from being declared as dividend such as (1) amount pertaining to the treasury stocks; and (2) remeasurement gains on retirement benefits.

### Dividend on Preferred and Common Stocks

The Group may pay dividends in cash or by the issuance of shares of stock. Cash and property dividends are subject to the approval of the Board, while stock dividends are subject to approval by the Board, at least two-thirds of the outstanding capital stock of the shareholders at a shareholders' meeting called for such purpose, and by the Philippine SEC. The Group may declare dividends only out of its unrestricted retained earnings.



Cash and property dividends on preferred and common shares are recognized as liability and deducted from equity when declared. Stock dividends are treated as transfers from retained earnings to capital stock.

### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Group as a Lessee*

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

#### *i) Right-of-Use Assets*

Refer to Property, Plant and Equipment policy.

#### *ii) Lease Liabilities*

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### *iii) Short-term Leases and Leases of Low-value Assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.



*Group as a Lessor*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognized.

*Sale of Electricity*

Sale of electricity is consummated whenever the electricity generated by the Group is transmitted through the transmission line designated by the buyer, for a consideration. Revenues from sale of electricity using hydroelectric and geothermal power are based on sales price and are composed of generation fees from spot market sales, PSAs with various customers such as distribution utilities, electric cooperatives, and industrial customers, and PPAs with NPC. Revenue from sale of electricity using wind and solar power is based on the applicable FIT rates as approved by the Energy Regulatory Commission (ERC) or based on best estimate on those years without a fixed FIT rate. Revenue from sale of electricity is recognized monthly based on the actual energy delivered.

Meanwhile, revenue from sale of electricity through ancillary services to the NGCP is recognized monthly based on the capacity scheduled and/or dispatched and provided. For RSCs and GEOPSCs, revenue from sale of electricity is composed of generation charge from monthly energy supply with various contestable/GEOP customers and is recognized monthly based on the actual energy delivered. The basic energy charges for each billing period are inclusive of generation charge and retail supply charge.

The Group identified the sale of electricity as its performance obligation since the customer can benefit from it in conjunction with other readily available resources and it is also distinct within the context of the contract. The performance obligation qualifies as a series of distinct services that are substantially the same and have the same pattern of transfer. The Group concluded that the revenue should be recognized overtime since the customers simultaneously receive and consume the benefits as the Group supplies electricity.

The disclosures of significant accounting judgments, estimates, and assumptions relating to revenue from contracts with customers are provided in Note 3.

*Dividend Income*

Revenue is recognized when the Group's right to receive the payment is established.

*Interest Income*

Interest income is recognized as interest accrues, using the EIR method.



#### Costs of Sale of Electricity

These include expenses incurred by the departments directly responsible for the generation of revenues from electricity (i.e., Plant Operations, Production, Maintenance, Transmission and Dispatch, Wells Drilling and Maintenance Department) at operating project locations. Costs of sale of electricity also includes cost of replacement power. Costs of sale of electricity are expensed when incurred.

#### General and Administrative Expenses

General and administrative expenses constitute costs of administering the business and normally include the expenses incurred by the departments in the Head Office (i.e., Management and Services, and Project Location's Administrative Services Department). General and administrative expenses are expensed when incurred.

#### Income from Insurance Claims

Income from insurance claims is recognized in other income and only when receipt is virtually certain.

#### Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are added to the cost of the assets, until such time that the assets are substantially ready for their intended use or sale, which necessarily take a substantial period of time. Income earned on temporary investment of specific borrowings, pending the expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalization. Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds, as well as exchange differences arising from foreign currency borrowings used to finance the project to the extent that they are regarded as an adjustment to interest costs. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

#### Taxes

##### *Current Tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the financial reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income.

Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

##### *Deferred Tax*

Deferred tax is provided using the balance sheet liability method on temporary differences at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and



- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits and unused tax losses [i.e., net operating loss carry-over (NOLCO)], to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences, and the carryforward benefits of unused tax credits and unused tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and sufficient taxable profits will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each financial reporting date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the financial reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### *VAT*

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable. When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods and/or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods and/or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

#### Earnings Per Share (EPS)

Basic EPS is computed by dividing net income for the year attributable to common shareholders of the Parent Company with the weighted average number of common shares outstanding during the year, after giving retroactive effect to any stock dividends or stock splits, if any, declared during the year.



Diluted EPS is computed in the same manner, with the net income for the year attributable to common shareholders of the Parent Company and the weighted average number of common shares outstanding during the year, adjusted for the effect of all dilutive potential common shares.

As of December 31, 2025, 2024 and 2023, the Group does not have any potentially dilutive common shares. Hence, diluted EPS is the same as basic EPS.

#### Operating Segments

The Group's operating businesses are organized and managed separately according to the geographical segments. The Group's identified operating segments are consistent with the segments reported to the Board, which is the Group's Chief Operating Decision Maker (CODM). Financial information on the operating segment is presented in Note 5 to the consolidated financial statements.

#### Events After the Financial Reporting Date

Events after the financial reporting date that provide additional information about the Group's financial position at the financial reporting date (adjusting events) are reflected in the consolidated financial statements. Events after the financial reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements.

#### Future Changes in Accounting Policies

Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

#### *Effective beginning on or after January 1, 2026*

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- 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.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

The amendments clarify the application of the ‘own-use’ requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- 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 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 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.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

PFRS 18 will apply retrospectively. The Group is currently assessing the impact of PFRS 18 and will make changes to the accounting system to be able to comply with PFRS 18 once the standard will take effect.



- 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.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

*Deferred effectivity*

- Amendments to PFRS 10 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 FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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## 5. Operating Segment Information

The Group's operating segments are determined based on geographical segment, with each segment representing a strategic business location that has similar economic and political conditions, proximity of operations and specific risks associated with operations in a particular area.

The Group's identified reportable segments below are consistent with the segments reported to the Board, which is the CODM of the Group.

- a. Leyte Geothermal Facilities - This segment pertains to Leyte Geothermal Production Field and Power Plants. This includes projects in Tongonan, Mahanagdong, Upper Mahiao, Malitbog, ULGEI, and other projects in Leyte Province.



- b. Negros Island Geothermal Facility - This segment refers to Southern Negros Geothermal Production Field and Power Plants. Power plants included in Negros are Palinpinon I, Palinpinon II, and Nasulo.
- c. Bacon-Manito Geothermal Facility - This segment relates to Bacon-Manito Geothermal Production Field and Power Plants.
- d. Mt. Apo Geothermal Business Facility - This segment refers to Mt. Apo Geothermal Production Field and Power Plants.
- e. Pantabangan/Masiway - This segment relates to Pantabangan-Masiway hydroelectric complex located in Nueva Ecija Province.
- f. Wind Business Facility - This segment pertains to wind project commercially operating in Northern Luzon.
- g. Solar Business Facility - This segment pertains to solar projects commercially operating in Northern Luzon and Visayas.
- h. Battery Energy Storage System (BESS) - This segment pertains to battery energy storage projects commercially operating in Bac-Man, Tongonan and Southern Negros.
- i. Others - This refers to other renewable energy projects including foreign investments and head office of the Group.

Management monitors the operating results of the business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Finance costs, finance income, income taxes and other charges and income are managed on a group basis.

Segment performance is evaluated based on net income for the year and earnings before interest, taxes, and depreciation and amortization (EBITDA). Net income for the year is measured consistent with net income reported in the consolidated statements of income. EBITDA is calculated as revenue from sale of electricity minus costs of sales of electricity and general and administrative expenses, excluding non-cash items such as depreciation and amortization, impairment loss on property, plant and equipment, and loss on disposal of property, plant and equipment, among others.



Financial information on the operating segments are summarized as follows:

Year ended	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masiway	Wind	Solar	BESS	Others	Total
December 31, 2025										
Segment revenue	₱26,178,180,058	₱16,400,740,183	₱15,995,479,652	₱3,184,102,339	₱3,210,947,770	₱3,250,765,226	₱104,422,841	₱461,120,716	₱-	₱68,785,756,785
Intersegment revenue	(8,284,057,717)	(6,175,431,665)	(5,791,085,806)	-	9,674,135	7,013,479	-	-	-	(20,233,887,574)
Total segment revenue	17,894,122,341	10,225,308,518	10,204,393,846	3,184,102,339	3,220,621,905	3,257,776,705	104,422,841	461,120,716	-	48,551,869,211
Segment expenses	(18,576,696,706)	(5,112,257,962)	(6,988,243,911)	(2,848,028,101)	(1,249,388,538)	(1,800,614,329)	(72,378,379)	(153,254,649)	-	(36,800,862,575)
Unallocated expenses	-	-	-	-	-	-	-	-	(133,391,779)	(133,391,779)
Interest income	64,230,832	25,270,177	66,354,214	11,844,384	11,964,752	272,775,133	1,346,230	-	(33,530,689)	420,255,033
Interest expense	(2,410,991,536)	(769,969,237)	(490,155,557)	(498,818,842)	(393,322,403)	(660,000,702)	(10,139,118)	(23,278,377)	(19,611,142)	(5,276,286,914)
Other income	-	-	-	-	-	-	-	-	-	-
(charges) - net	3,012,533	538,667,426	105,568,788	14,840,994	187,272,327	399,568,196	(120,951)	(641,590)	163,604,613	1,411,772,336
Benefit from (provision for) income tax	270,025,287	(518,763,818)	(72,821,928)	7,777,835	(226,865,011)	(136,725,080)	(3,129,956)	-	(96,235,783)	(776,738,454)
Segment result	(₱2,756,297,249)	₱4,388,255,104	₱2,825,095,452	(₱128,281,391)	₱1,550,283,032	₱1,332,779,923	₱20,000,667	₱283,946,100	(₱119,164,780)	₱7,396,616,858
EBITDA	₱4,272,479,831	₱6,293,891,197	₱4,314,066,893	₱1,219,203,581	₱2,293,010,487	₱2,387,570,019	₱80,894,172	₱398,272,753	₱-	₱21,059,388,933
Unallocated Expenses	-	-	-	-	-	-	-	-	-	(86,772,574)
										₱21,172,616,359
Year ended					Pantabangan/ Masiway	Wind	Solar		Others	Total
December 31, 2024										
Segment revenue	₱28,469,150,011	₱14,701,053,044	₱13,451,361,926	₱3,237,379,441	₱1,590,981,827	₱2,625,237,665	₱118,994,353	₱-	₱-	₱64,194,158,267
Intersegment revenue	(7,904,840,626)	(5,088,296,750)	(5,056,969,283)	-	(9,433,248)	14,047,894	-	-	-	(18,045,492,013)
Total segment revenue	20,564,309,385	9,612,756,294	8,394,392,643	3,237,379,441	1,581,548,579	2,639,285,559	118,994,353	-	-	46,148,666,254
Segment expenses	(15,749,788,386)	(4,485,541,104)	(6,658,731,964)	(2,312,106,475)	(1,393,627,688)	(1,829,851,144)	(93,210,058)	-	-	(32,522,856,819)
Unallocated expenses	-	-	-	-	-	-	-	(373,295,866)	-	(373,295,866)
Interest income	185,288,987	72,013,710	154,005,958	35,845,768	86,923,097	51,893,662	2,633,658	-	121,347	588,726,187
Interest expense	(1,676,557,532)	(598,379,105)	(438,081,832)	(379,121,974)	(1,311,321)	(558,054,325)	(10,612,716)	-	10,683,565	(3,651,435,240)
Other income	-	-	-	-	-	-	-	-	-	-
(charges) - net	(8,728,710)	241,023,210	(11,764,643)	2,495,551	51,092,207	(151,479,445)	21,223	(67,875,268)	-	54,784,125
Benefit from (provision for) income tax	(206,167,024)	(448,657,864)	(98,393,221)	(60,677,914)	(29,443,381)	(95,320,463)	(3,237,706)	(61,424,946)	-	(1,003,322,519)
Segment result	₱3,108,356,720	₱4,393,215,141	₱1,341,426,941	₱523,814,397	₱295,181,493	₱56,473,844	₱14,588,754	(₱491,791,168)	₱-	₱9,241,266,122
EBITDA	₱8,272,655,984	₱6,334,955,964	₱2,416,938,726	₱1,690,690,484	₱503,838,294	₱1,749,548,023	₱71,128,454	₱-	₱-	₱21,039,755,929
Unallocated Expenses	-	-	-	-	-	-	-	-	-	(253,610,608)
										₱20,786,145,321



Year ended	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masiway	Wind	Solar	Others	Total
December 31, 2023									
Segment revenue	₱27,097,217,549	₱15,477,870,670	₱12,560,728,814	₱2,863,661,605	₱2,132,798,804	₱3,456,144,561	₱131,472,971	₱-	₱63,719,894,974
Intersegment revenue	(6,489,763,498)	(4,700,380,049)	(5,322,021,176)	-	(51,742,402)	15,661,946	-	-	(16,548,245,179)
Total segment revenue	20,607,454,051	10,777,490,621	7,238,707,638	2,863,661,605	2,081,056,402	3,471,806,507	131,472,971	-	47,171,649,795
Segment expenses	(11,767,175,126)	(4,438,106,060)	(3,618,871,842)	(2,248,316,504)	(1,893,372,707)	(1,711,784,587)	(73,460,096)	-	(25,751,086,922)
Unallocated expenses	-	-	-	-	-	-	-	(3,666,421,931)	(3,666,421,931)
Interest income	313,756,721	128,552,969	156,528,221	53,585,235	90,606,402	72,721,179	2,474,208	98,132	818,323,067
Interest expense	(1,403,122,711)	(508,311,175)	(337,850,365)	(325,087,850)	(395,649)	(563,366,500)	(11,376,346)	(30,255,708)	(3,179,766,304)
Other income	699,831,515	1,988,076	(49,241,040)	(3,959,825)	12,053,416	(40,760,818)	(122,243)	(40,169,202)	579,619,879
Benefit from (provision for) income tax	(501,632,874)	(671,114,794)	(289,114,033)	4,902,632	(16,043,109)	(166,948,123)	(4,700,528)	63,891,102	(1,580,759,727)
Segment result	₱7,949,111,576	₱5,290,499,637	₱3,100,158,579	₱344,785,293	₱273,904,755	₱1,061,667,658	₱44,287,966	(₱3,672,857,607)	₱14,391,557,857
EBITDA	₱10,994,403,763	₱6,516,377,887	₱3,378,213,130	₱1,188,196,703	₱651,873,899	₱2,702,087,397	₱99,518,162	₱-	₱25,530,670,941
Unallocated Expenses	-	-	-	-	-	-	-	-	(292,298,924)
									₱25,238,372,017

As of and for the year ended December 31, 2025	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masiway	Wind	Solar	BESS	Elimination	Total
Segment assets	₱123,747,070,022	₱47,720,400,038	₱34,017,422,208	₱16,483,194,933	₱13,111,350,096	₱17,718,332,606	₱775,636,226	₱4,909,820,193	(₱123,440,591,530)	₱135,042,634,792
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	81,797,110,440
Total assets	-	-	-	-	-	-	-	-	-	₱216,839,745,232
Segment liabilities	₱71,958,417,142	₱32,835,509,205	₱30,683,106,299	₱11,330,462,684	₱7,256,305,769	₱13,063,605,057	₱592,305,893	₱4,671,476,079	(₱76,910,010,070)	₱95,481,178,058
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	35,932,734,460
Total liabilities	₱12,245,162,188	₱3,103,039,632	₱4,253,251,887	₱3,718,521,782	₱89,825,798	₱301,123,087	₱61,196,849	₱555,442,821	₱-	₱131,413,912,518
Capital expenditure	-	-	-	-	-	-	-	-	-	₱24,327,564,044
Unallocated capital expenditure	-	-	-	-	-	-	-	-	-	351,246,733
Total capital expenditure	-	-	-	-	-	-	-	-	-	₱24,678,810,777
Depreciation and amortization	₱4,677,965,303	₱1,123,565,857	₱1,041,607,272	₱873,587,254	₱321,777,120	₱902,420,869	₱47,928,092	₱89,944,782	₱28,187,081	₱9,106,983,630
Unallocated depreciation and amortization	-	-	-	-	-	-	-	-	-	18,432,125
Total depreciation and amortization	-	-	-	-	-	-	-	-	-	₱9,125,415,755
Other non-cash items	₱277,088,893	₱57,274,784	₱56,309,686	₱9,542,089	₱-	₱27,986,774	₱921,618	₱461,904	₱-	₱429,585,748
Unallocated non-cash items	-	-	-	-	-	-	-	-	-	-
Total non-cash items	-	-	-	-	-	-	-	-	-	₱429,585,748



	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masiway	Wind	Solar	Elimination	Total
As of and for the year ended December 31, 2024									
Segment assets	₱124,926,336,205	₱45,443,267,352	₱30,056,881,233	₱16,205,725,444	₱4,491,743,501	₱16,719,311,888	₱744,256,855	(₱142,979,718,879)	₱95,607,803,599
Unallocated corporate assets									97,577,207,097
Total assets									₱193,185,010,696
Segment liabilities	₱67,056,396,571	₱28,269,129,977	₱26,402,899,621	₱10,567,846,806	₱173,554,979	₱8,252,542,669	₱494,626,391	(₱98,958,197,294)	₱42,258,799,720
Unallocated corporate liabilities									65,641,443,420
Total liabilities									₱107,900,243,140
Capital expenditure	₱16,084,111,668	₱3,398,199,000	₱5,051,016,687	₱1,838,867,526	₱237,178,569	₱140,728,680	₱1,317,500	₱-	₱26,751,419,630
Unallocated capital expenditure									6,681,439,820
Total capital expenditure									₱33,432,859,450
Depreciation and amortization	₱3,272,100,397	₱1,073,751,827	₱640,708,660	₱745,261,847	₱315,917,403	₱910,139,615	₱43,199,259	₱26,526,212	₱7,027,605,220
Unallocated depreciation and amortization									35,081,600
Total depreciation and amortization									₱7,062,686,820
Other non-cash items	₱186,034,588	₱133,988,947	₱40,569,387	₱20,155,671	₱-	₱29,973,993	₱2,144,900	(₱1,203,336,218)	(₱790,468,732)
Unallocated non-cash items									1,261,413,664
Total non-cash items									₱470,944,932
As of and for the year ended December 31, 2023									
Segment assets	₱108,832,304,430	₱38,316,416,633	₱13,103,692,051	₱15,231,344,130	₱6,227,585,831	₱17,283,659,306	₱778,479,288	(₱96,313,066,604)	₱103,460,415,065
Unallocated corporate assets									62,792,720,467
Total assets									₱166,253,135,532
Segment liabilities	₱50,532,292,665	₱23,195,696,019	₱9,821,853,668	₱9,987,409,889	₱201,762,048	₱9,019,107,339	₱542,472,632	(₱68,344,173,959)	₱34,956,420,301
Unallocated corporate liabilities									47,923,898,296
Total liabilities									₱82,880,318,597
Capital expenditure	₱5,340,997,547	₱2,174,512,810	₱1,054,242,825	₱426,957,348	₱317,556,429	₱84,925,826	₱-	₱-	₱9,399,192,785
Unallocated capital expenditure									8,721,914,365
Total capital expenditure									₱18,121,107,150
Depreciation and amortization	₱3,206,218,220	₱991,390,641	₱791,026,974	₱758,631,583	₱464,190,204	₱912,223,214	₱43,078,349	₱26,526,212	₱7,193,285,397
Unallocated depreciation and amortization									47,146,665
Total depreciation and amortization									₱7,240,432,062
Other non-cash items	(₱1,052,093,382)	(₱814,397,315)	(₱1,032,649,640)	(₱185,779,981)	₱-	₱29,842,264	(₱1,573,062)	₱3,039,116,202	(₱17,534,914)



The following table shows the Group's reconciliation of EBITDA to the consolidated net income for the years ended December 31, 2025, 2024, and 2023:

	2025	2024	2023
EBITDA	₱21,172,616,359	₱20,786,145,321	₱25,238,372,017
Add (deduct):			
Depreciation and amortization (Notes 12, 13, 22 and 23)	(9,125,415,755)	(7,062,686,820)	(7,240,432,062)
Interest expense (Notes 17, 25 and 31)	(5,276,286,914)	(3,651,435,240)	(3,179,766,304)
Miscellaneous income (charges) - net (Note 27)	1,432,454,019	3,557,496	569,331,404
Provision for income tax (Note 29)	(776,738,454)	(1,003,322,519)	(1,580,759,727)
Interest income (Notes 6, 11, 25 and 31)	420,255,033	588,726,187	818,323,067
Reversal of (provision for) impairment of parts and supplies inventories (Notes 3, 15 and 10)	(266,491,366)	(138,871,710)	69,773,870
Provision for impairment of trade and other receivables, prepaid taxes, and others (Notes 7, 15 and 23)	(163,094,381)	(332,073,222)	(31,220,205)
Foreign exchange gains (losses) (Notes 26 and 31)	(20,681,683)	51,226,629	10,288,475
Provision for impairment of goodwill, property, plant and equipment, exploration and evaluation, and other various assets (Notes 1, 12, 13, 14, 20 and 27)	-	-	(282,352,678)
Consolidated net income	₱7,396,616,858	₱9,241,266,122	₱14,391,557,857

In the normal course of business, entities within the Group engage in intercompany sale and purchase of steam and electricity. Intersegment revenues are all eliminated in consolidation. Segment information is measured in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Unallocated expenses pertain to expenses of the corporate, technical, and administrative support groups, while unallocated corporate assets and liabilities, which include among others certain cash and cash equivalents, property, plant and equipment, parts and supplies inventories, trade and other payables and retirement and post-retirement benefits, pertain to the Head Office and are managed on a group basis. Capital expenditure consists of additions to property, plant and equipment.

#### *Disaggregation of revenues*

Set out below is the disaggregation of the Group's revenue from contracts with customers for the years ended December 31, 2025, 2024 and 2023:

Type of contracts	2025	2024	2023
Revenue from PSAs	₱22,616,298,258	₱22,980,586,871	₱21,525,878,486
Revenue from spot market sales	12,078,969,965	11,606,255,637	14,765,073,275
Revenue from RES, GEOP and other customer contracts	10,518,059,981	7,947,625,558	6,032,868,193
Revenue from sales under FIT	3,333,402,975	2,725,934,342	3,575,334,460
Revenue from PPAs	5,138,032	888,263,846	1,272,495,381
	₱48,551,869,211	₱46,148,666,254	₱47,171,649,795



Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information for the years ended December 31, 2025, 2024 and 2023:

Year ended	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masiway	Wind	Solar	BESS	Total
December 31, 2025									
Segment revenue	₱26,178,180,059	₱16,400,740,183	₱15,995,479,652	₱3,184,102,339	₱3,210,947,770	₱3,250,763,226	₱104,422,841	₱461,120,716	₱68,785,756,786
Intersegment revenue	(8,284,057,717)	(6,175,431,666)	(5,791,085,806)	-	9,674,135	7,013,479	-	-	(20,233,887,575)
Revenue from contracts with customers	₱17,894,122,342	₱10,225,308,517	₱10,204,393,846	₱3,184,102,339	₱3,220,621,905	₱3,257,776,705	₱104,422,841	₱461,120,716	₱48,551,869,211
Revenue from PSAs	₱10,054,322,544	₱7,853,645,496	₱2,163,402,084	₱1,522,037,684	₱1,022,890,450	₱-	₱-	₱-	₱22,616,298,258
Revenue from spot market sales	4,439,244,871	1,873,672,490	2,523,042,516	1,662,064,655	1,549,306,610	-	-	31,638,823	12,078,969,965
Revenue from RES, GEOP and other customers	3,400,554,927	497,990,531	5,517,949,246	-	648,424,845	-	23,658,539	429,481,893	10,518,059,981
Revenue from sales under FIT	-	-	-	-	-	3,257,776,705	75,626,270	-	3,333,402,975
Revenue from PPAs	-	-	-	-	-	-	5,138,032	-	5,138,032
Revenue from contracts with customers	₱17,894,122,342	₱10,225,308,517	₱10,204,393,846	₱3,184,102,339	₱3,220,621,905	₱3,257,776,705	₱104,422,841	₱461,120,716	₱48,551,869,211

Year ended	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masiway	Wind	Solar	Total
December 31, 2024								
Segment revenue	₱28,469,150,011	₱14,701,053,044	₱13,451,361,926	₱3,237,379,441	₱1,590,981,827	₱2,625,237,665	₱118,994,353	₱64,194,158,267
Intersegment revenue	(7,904,840,626)	(5,088,296,750)	(5,056,969,283)	-	(9,433,248)	14,047,894	-	(18,045,492,013)
Revenue from contracts with customers	₱20,564,309,385	₱9,612,756,294	₱8,394,392,643	₱3,237,379,441	₱1,581,548,579	₱2,639,285,559	₱118,994,353	₱46,148,666,254
Revenue from PSAs	₱12,090,142,717	₱7,385,513,402	₱2,285,012,026	₱615,551,374	₱604,367,352	₱-	₱-	₱22,980,586,871
Revenue from spot market sales	5,029,280,177	2,227,242,892	1,780,606,027	1,739,031,638	830,094,903	-	-	11,606,255,637
Revenue from RES, GEOP and other customers	3,444,886,491	-	4,328,774,590	-	147,086,324	-	26,878,153	7,947,625,558
Revenue from sales under FIT	-	-	-	-	-	2,639,285,559	86,648,783	2,725,934,342
Revenue from PPAs	-	-	-	882,796,429	-	-	5,467,417	888,263,846
Revenue from contracts with customers	₱20,564,309,385	₱9,612,756,294	₱8,394,392,643	₱3,237,379,441	₱1,581,548,579	₱2,639,285,559	₱118,994,353	₱46,148,666,254

Year ended	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masiway	Wind	Solar	Total
December 31, 2023								
Segment revenue	₱27,097,217,549	₱15,477,870,670	₱12,560,728,814	₱2,863,661,605	₱2,132,798,804	₱3,456,144,561	₱131,472,971	₱63,719,894,974
Intersegment revenue	(6,489,763,498)	(4,700,380,049)	(5,322,021,176)	-	(51,742,402)	15,661,946	-	(16,548,245,179)
Revenue from contracts with customers	₱20,607,454,051	₱10,777,490,621	₱7,238,707,638	₱2,863,661,605	₱2,081,056,402	₱3,471,806,507	₱131,472,971	₱47,171,649,795
Revenue from PSAs	₱11,127,684,146	₱6,755,471,067	₱1,891,019,235	₱798,089,119	₱953,614,919	₱-	₱-	₱21,525,878,486
Revenue from spot market sales	6,757,728,104	4,022,019,554	2,148,727,038	798,644,352	1,037,954,227	-	-	14,765,073,275
Revenue from PPAs	2,722,041,801	-	3,198,961,365	-	89,487,256	-	22,377,771	6,032,868,193
Revenue from RES, GEOP and other customers	-	-	-	-	-	3,471,806,507	103,527,953	3,575,334,460
Revenue from sales under FIT	-	-	-	1,266,928,134	-	-	5,567,247	1,272,495,381
Revenue from contracts with customers	₱20,607,454,051	₱10,777,490,621	₱7,238,707,638	₱2,863,661,605	₱2,081,056,402	₱3,471,806,507	₱131,472,971	₱47,171,649,795

## 6. Cash and Cash Equivalents

	2025	2024
Cash on hand and in banks	₱10,204,972,667	₱6,624,700,847
Cash equivalents	469,145,340	6,954,738,374
	₱10,674,118,007	₱13,579,439,221

Cash in banks earn interest at the respective bank deposit rates ranging from 0.10% to 1.50%, 0.10% to 1.50%, and 0.10% to 2.15% for the years ended December 31, 2025, 2024 and 2023, respectively. Cash equivalents consist of money market placements, which are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group. Total interest earned on cash and cash equivalents, net of final tax, amounted to ₱135.6 million, ₱544.2 million and ₱701.6 million in 2025, 2024 and 2023, respectively (see Note 25).



## 7. Trade and Other Receivables

	2025	2024
Trade receivables:		
Third parties (Note 37)	₱8,668,281,745	₱7,182,645,667
Related parties (Note 20)	314,115,427	113,692,907
	<b>8,982,397,172</b>	<b>7,296,338,574</b>
Others:		
Non-trade accounts receivable (Note 32)	597,642,601	879,954,921
Advances to employees	37,673,542	39,159,659
Loans and notes receivables	57,738,934	45,270,720
	<b>693,055,077</b>	<b>964,385,300</b>
	<b>9,675,452,249</b>	<b>8,260,723,874</b>
Less allowance for impairment	1,207,890,588	1,194,416,225
	<b>₱8,467,561,661</b>	<b>₱7,066,307,649</b>

Trade receivables are non interest-bearing and are generally collectible in 30 to 60 days. Non-trade receivables are non interest-bearing and include receivable from insurance claims, accrued interest and other receivables.

The table below shows the rollforward analysis of the allowance for impairment of trade and other receivables as of December 31, 2025 and 2024:

	2025	2024
Balances at beginning of year	₱1,194,416,225	₱1,123,860,554
Provision for impairment (Notes 3 and 23)	16,947,212	70,596,547
Recoveries	(5,940,239)	(708,711)
Foreign exchange translation adjustment	2,467,390	667,835
Balances at end of year	<b>₱1,207,890,588</b>	<b>₱1,194,416,225</b>

## 8. Financial Assets at Fair Value Through Profit or Loss

The Group entered into various investment management agreement (IMA) with various Investment Managers, whereby the Group availed the service of the Investment Manager relative to the management and investment of funds.

Among others, following are the significant provisions of the IMA:

- The Investment Manager shall administer and manage the fund as allowed and subject to the requirements of the Bangko Sentral ng Pilipinas and in accordance with the written investment policy and guidelines mutually agreed upon and signed by the Investment Manager and the Group.
- The agreement is considered as an agency and not a trust agreement. The Group, therefore, shall at all times retain legal title to the fund.
- The IMA does not guarantee a yield, return, or income on the investments or reinvestments made by the Investment Manager. Any loss or depreciation in the value of the assets of the fund shall be for the account of the Group.



In addition, the Group has investments in various money unit investment trust fund and mutual funds.

Fund investments include quoted government securities and other quoted securities.

The Group accounts for the entire investment as a financial asset to be carried at fair value through profit or loss.

As of December 31, 2025 and 2024, the movements of the financial assets at FVPL account are as follows:

	2025	2024
Balances at beginning of year	₱65,482,214	₱17,745,812
Additions for the year	1,731,000,000	51,160,145
Redemptions for the year	–	(5,776,005)
Mark-to-market gain (Note 27)	49,953,991	2,207,790
Realized income (loss) (Note 27)	(1,097,091)	144,472
Balances at end of year	<b>₱1,845,339,114</b>	<b>₱65,482,214</b>

## 9. Financial Assets at Fair Value Through Other Comprehensive Income

As at December 31, 2025 and 2024, the movements in the financial assets at FVOCI are as follows:

	2025	2024
Balances at beginning of year	₱301,210,271	₱288,985,082
Additions during the year	2,800,003,500	102,000,000
Disposals during the year	(70,430)	(102,000,000)
Changes in fair value of equity instruments	(2,428,688)	11,980,259
Changes in fair value of debt instruments	1,916,230	244,930
Impairment allowance	(200,000)	–
Balances at end of year	<b>₱3,100,430,883</b>	<b>₱301,210,271</b>

Financial assets at FVOCI consist of the following as of December 31, 2025 and 2024:

	2025	2024
<b>Equity instruments designated at FVOCI</b>		
<i>Quoted equity instruments</i>		
First Gen	₱2,800,000,000	₱–
Wack Wack Golf & Country Club	80,000,000	85,000,000
Alabang Country Club	18,000,000	16,000,000
Baguio Country Club	6,500,000	6,000,000
Others	6,597,213	6,792,831
	<b>2,911,097,213</b>	<b>113,792,831</b>
<b>Debt instruments at FVOCI</b>		
<i>Quoted debt instruments</i>		
Government bonds and notes	189,333,670	187,417,440
Total	<b>₱3,100,430,883</b>	<b>₱301,210,271</b>



The movements of the net accumulated unrealized gain related to financial assets at FVOCI in 2025 and 2024 are presented in the consolidated statements of comprehensive income with details as follows:

	2025	2024
Balances at beginning of year	<b>₱109,368,342</b>	₱100,286,395
Changes in fair value of equity instruments at FVOCI	<b>(2,428,688)</b>	11,980,259
Changes in fair value of debt instruments at FVOCI	<b>1,916,230</b>	244,930
Transfer of net accumulated unrealized gain on financial assets at FVOCI to retained earnings	<b>(15,430)</b>	(3,143,242)
<b>Balances at end of year</b>	<b>₱108,840,454</b>	₱109,368,342

Investments in quoted equity securities consist mainly of golf and country club shares and investments in shares traded in the PSE.

On February 10, 2025, FG Hydro entered into a subscription agreement to subscribe to 28,000,000 Series “H” preferred stocks of First Gen with a par value of ₱10 per share for a total subscription price of ₱2,800.0 million. The Group accounts for these as financial assets at fair value through other comprehensive income.

Quoted government debt securities consist of investments in fixed rate bonds, fixed rate treasury notes and retail treasury bonds with maturities between 2025 and 2037 as of December 31, 2025 and 2024, and interest rates ranging from 5.8% to 6.3% (see Note 25).

Changes in fair value recognized in the consolidated statements of comprehensive income pertain to the unrealized gains and losses during the period brought about by the temporary increase or decrease in the fair value of the debt and equity securities.

## 10. Parts and Supplies Inventories

	2025	2024
Parts and supplies inventories:		
At Cost	<b>₱10,721,229,771</b>	₱9,402,393,089
At NRV	<b>3,414,774,192</b>	3,307,025,429
	<b>₱14,136,003,963</b>	₱12,709,418,518

Allowance for inventory obsolescence:

	2025	2024
Balances at beginning of year	<b>₱687,820,614</b>	₱548,948,904
Provision for impairment (Note 23)	<b>266,491,366</b>	138,871,710
<b>Balances at end of year</b>	<b>₱954,311,980</b>	₱687,820,614

Parts and supplies inventories include items that are carried at net realizable value amounting to ₱3,414.8 million and ₱3,307.0 million as of December 31, 2025 and 2024, respectively, and have costs amounting to ₱4,369.1 million and ₱3,994.8 million, respectively. The rest of the parts and supplies inventories are carried at cost.



The amount of parts and supplies inventories charged to expense amounted to ₱2,047.2 million, ₱1,261.5 million and ₱1,532.1 million in 2025, 2024 and 2023, respectively (see Notes 22 and 23).

Details of parts and supplies inventories issued are as follows:

	2025	2024	2023
Costs of sale of electricity (Note 22)	<b>₱1,924,753,331</b>	₱1,136,360,506	₱1,424,654,890
General and administrative expenses (Note 23)	<b>122,490,460</b>	125,156,555	107,402,928
	<b>₱2,047,243,791</b>	₱1,261,517,061	₱1,532,057,818

## 11. Other Current Assets

	2025	2024
Creditable withholding taxes	<b>₱1,217,068,331</b>	₱952,552,821
Prepaid expenses	<b>810,153,788</b>	732,353,254
Deposits and special funds	<b>678,022,020</b>	476,642,394
Advances to suppliers	<b>119,645,605</b>	409,449,970
Short-term investments	–	200,000,000
Others	<b>270,340,603</b>	209,910,439
	<b>₱3,095,230,347</b>	₱2,980,908,878

Prepaid expenses include prepaid insurance and rentals while advances to suppliers pertains mainly to the advances made by the Group for the purchase of parts and supplies, and other goods and services.

Deposits and special funds include deposits to distribution utilities as required under the Distribution Wheeling Service Agreements (DWSAs) and cash held in escrow accounts of the Group as required under the retail supply contracts (RSCs) and GEOP supply contracts.

Short-term investments consist of money market securities with maturity of more than three (3) months but less than 12 months. Total interest earned on short-term investments, net of final tax, amounted to ₱54.2 million, ₱11.2 million and ₱73.7 million in 2025, 2024, and 2023, respectively (see Note 25).



12. Property, Plant and Equipment

2025

Cost	2025										Total
	Land	Power Plants	Production Wells	Buildings, Improvements and Other Structures	Exploration, Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Equipment	Laboratory Equipment	Right of Use of Assets - Rigs, Buildings, Improvements and Other Structures	Construction in Progress	
Balances at January 1	\$967,442,269	\$85,704,839,851	\$68,921,477,739	\$10,561,222,052	\$3,911,400,009	\$198,413,746	\$2,034,126,400	\$1,230,805,849	\$5,651,622,477	\$46,363,743,746	\$225,545,094,138
Additions	-	37,936,151	-	6,360,629	701,978,723	20,713,872	67,564,430	79,178,381	2,073,417,999	21,691,660,592	24,678,810,777
Disposals/retirements (Note 27)	-	(5,730,205)	-	(1,661,020)	(8,642,803)	(33,655,068)	(4,346,810)	(43,466,810)	(2,719,942,793)	-	(2,894,312,115)
Reclassifications/adjustments (Note 18)	(245,720,932)	23,080,100,751	27,829,866,183	1,020,057,415	31,864,161	(2,004,065)	102,760,090	286,639,516	(453,793)	(51,621,683,843)	481,425,783
Foreign exchange adjustments	-	331,128,208	-	22,795,910	(3,430,577)	(20,854)	557,256	132,685	3,043,624	25,996,801	380,203,053
Balances at December 31	721,721,337	109,148,274,758	96,751,343,922	11,608,774,986	4,633,169,513	183,447,631	2,084,674,758	1,592,409,621	5,007,687,814	16,459,717,296	248,191,221,636
<b>Accumulated Depreciation, Amortization and Impairment</b>											
Balances at January 1	17,627,581	49,069,841,185	25,709,534,279	5,276,305,811	3,079,425,349	125,290,655	1,739,918,717	905,765,216	900,410,547	146,986,819	86,971,106,159
Depreciation and amortization (Notes 22 and 23)	-	5,028,345,098	2,898,808,704	489,255,100	129,561,335	25,958,476	134,510,555	95,435,122	652,816,874	-	9,454,691,264
Disposals/retirements (Note 27)	-	(4,133,886)	-	(1,652,877)	(8,430,051)	(27,412,639)	(120,015,858)	(4,042,305)	(493,349,864)	-	(659,037,480)
Reclassifications/adjustments	-	151,767,784	(111,073,092)	-	(7,781,745)	337,489	161,783	463,379	-	-	33,875,598
Foreign exchange adjustments	-	149,048,748	-	16,486,588	(3,203,998)	(10,312)	439,163	19,856	2,047,908	23,043,685	18,787,163
Balances at December 31	17,627,581	54,394,868,929	28,497,269,891	5,780,394,622	3,189,570,890	124,163,669	1,755,014,360	997,641,268	1,061,925,465	170,030,504	95,988,507,179
<b>Net Book Value</b>	<b>\$704,093,756</b>	<b>\$54,753,405,829</b>	<b>\$68,254,074,031</b>	<b>\$5,828,380,364</b>	<b>\$1,443,598,623</b>	<b>\$59,283,962</b>	<b>\$229,660,398</b>	<b>\$594,768,353</b>	<b>\$3,945,762,349</b>	<b>\$16,289,686,792</b>	<b>\$152,202,714,457</b>

2024

Cost	2024										Total
	Land	Power Plants	Production Wells	Buildings, Improvements and Other Structures	Exploration, Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Equipment	Laboratory Equipment	Right of Use of Assets - Buildings, Improvements and Other Structures	Construction in Progress	
Balances at January 1	\$924,376,722	\$81,792,942,402	\$62,159,253,249	\$9,395,220,817	\$3,706,527,124	\$193,653,477	\$1,847,771,686	\$1,090,930,911	\$781,128,980	\$29,665,109,520	\$191,556,934,888
Additions	43,065,547	23,221,319	8,142,761	7,422,542	220,330,268	12,848,383	117,447,053	119,014,123	4,773,702,911	28,107,664,543	33,432,859,450
Disposals/retirements (Note 27)	-	(497,382,748)	-	(1,980,163)	(120,241,228)	(6,814,814)	(6,973,081)	(10,697,974)	(613,229)	-	(644,703,237)
Reclassifications/adjustments (Note 18)	-	3,613,866,401	6,754,081,729	1,100,655,353	104,579,830	(1,273,300)	75,675,585	31,388,913	89,404,449	(11,412,574,714)	355,804,246
Foreign exchange adjustments	-	772,192,477	-	59,903,503	204,015	-	205,157	149,876	7,999,366	3,544,397	844,198,791
Balances at December 31	967,442,269	85,704,839,851	68,921,477,739	10,561,222,052	3,911,400,009	198,413,746	2,034,126,400	1,230,805,849	5,651,622,477	46,363,743,746	225,545,094,138
<b>Accumulated Depreciation, Amortization and Impairment</b>											
Balances at January 1	17,627,581	45,234,376,916	23,480,026,567	4,800,721,596	3,073,085,096	103,933,286	1,601,002,372	821,205,572	415,750,374	141,863,226	79,689,592,586
Depreciation and amortization (Notes 22 and 23)	-	3,754,427,200	2,229,472,390	443,511,650	113,177,491	25,993,792	146,068,548	94,580,008	482,688,817	-	7,289,959,896
Disposals/retirements (Note 27)	-	(202,352,475)	-	(1,915,558)	(11,666,097)	(3,363,123)	(6,933,040)	(10,094,564)	(613,228)	-	(341,933,085)
Reclassifications	-	(1,173,563)	35,322	1,550,151	10,614,403	(1,273,300)	-	-	(417,246)	-	9,335,767
Foreign exchange adjustments	-	284,363,107	-	32,397,972	(790,544)	-	(219,163)	74,200	3,001,830	5,123,593	3,241,500,995
Balances at December 31	17,627,581	49,069,841,185	25,709,534,279	5,276,305,811	3,079,425,349	125,290,655	1,739,918,717	905,765,216	900,410,547	146,986,819	86,971,106,159
<b>Net Book Value</b>	<b>\$949,814,688</b>	<b>\$36,634,998,666</b>	<b>\$43,211,943,460</b>	<b>\$5,284,916,241</b>	<b>\$831,974,660</b>	<b>\$73,123,091</b>	<b>\$294,207,683</b>	<b>\$325,040,633</b>	<b>\$4,751,211,930</b>	<b>\$46,216,756,927</b>	<b>\$138,573,987,979</b>



Construction in Progress

The Group's construction in progress account includes steam assets and other ongoing construction projects. Steam assets are mainly composed of in-progress production wells and FCRS, while other construction projects include the Northern Negros and ongoing rehabilitation activities in the plants, Control Systems Integration (CSI), retrofitting projects and other constructions. Capitalized borrowing costs on loans amounted to ₱605.7 million, ₱138.2 million, and ₱65.8 million in 2025, 2024, and 2023, respectively. Capitalized interest expense on lease liabilities amounted to ₱224.5 million in 2025, ₱141.8 million in 2024, and no similar transaction in 2023, respectively (see Note 32).

Estimated Rehabilitation and Restoration Costs

FCRS and production wells include the estimated rehabilitation and restoration costs of the Group's steam fields and power plants' contract areas at the end of the contract period. These were based on technical estimates of probable costs, which may be incurred by the Group in the rehabilitation and restoration of the said steam fields' and power plants' contract areas, using a risk-free discount rate and adjusted cash flows to settle the provision.

Also, the Group has recorded an estimated provision for asset retirement obligation relating to the removal and disposal of all wind farm materials, equipment, and facilities from the contract areas at the end of contract period. The amount of provision was recorded as part of the costs of power plants.

Depreciation and Amortization

Details of depreciation and amortization charges recognized in profit or loss are shown below:

	2025	2024	2023
Property, plant and equipment	<b>₱9,454,691,264</b>	₱7,289,959,896	₱7,065,273,480
Intangible assets (Note 13)	<b>135,311,096</b>	129,700,913	188,476,101
Capitalized depreciation	<b>(464,586,605)</b>	(356,973,989)	(13,317,519)
	<b>₱9,125,415,755</b>	₱7,062,686,820	₱7,240,432,062
Costs of sale of electricity (Note 22)	<b>₱8,806,084,028</b>	₱6,715,164,625	₱6,893,684,580
General and administrative expenses (Note 23)	<b>319,331,727</b>	347,522,195	346,747,482
	<b>₱9,125,415,755</b>	₱7,062,686,820	₱7,240,432,062

Depreciation and amortization of right-of-use assets include depreciation expense for rigs amounting to ₱505.1 million in 2025 and ₱359.8 million, and nil in 2024 and 2023, respectively, and for buildings, improvements and other structures amounting to ₱141.7 million, ₱122.9 million, and ₱116.7 million in 2025, 2024, and 2023, respectively.

Additions

Additions to property, plant and equipment include non-cash items amounting to ₱3,529.2 million and ₱4,949.5 million in 2025 and 2024, respectively which includes right-of-use assets, borrowing costs and others.

Reclassifications/adjustments

The reclassifications/adjustments in the cost of property, plant and equipment include adjustments to the provision for rehabilitation and restoration costs amounting to ₱25.0 million, ₱29.5 million, and ₱121.0 million in 2025, 2024, and 2023, respectively (see Note 18). Meanwhile, the reclassifications in the accumulated depreciation of property, plant and equipment include capitalized depreciation



charges amounting to ₱464.6 million, ₱357.0 million and ₱13.3 million in 2025, 2024, and 2023, respectively. Other reclassifications were due to the results of reassessment made by the Group on the nature of the assets.

### 13. Goodwill and Intangible Assets

	2025			
	Goodwill	Water Rights	Other Intangible Assets	Total
<b>Cost</b>				
Balances at January 1	₱2,676,889,008	₱2,404,778,918	₱858,018,763	₱5,939,686,689
Additions	–	–	41,243,343	41,243,343
Balances at December 31	2,676,889,008	2,404,778,918	899,262,106	5,980,930,032
<b>Accumulated Amortization and Allowance for Impairment</b>				
Balances at January 1	141,837,475	1,743,464,718	721,991,696	2,607,293,889
Amortization (Notes 12, 22 and 23)	–	96,191,157	39,119,939	135,311,096
Balances at December 31	141,837,475	1,839,655,875	761,111,635	2,742,604,985
<b>Net Book Value</b>	<b>₱2,535,051,533</b>	<b>₱565,123,043</b>	<b>₱138,150,471</b>	<b>₱3,238,325,047</b>
	2024			
	Goodwill	Water Rights	Other Intangible Assets	Total
<b>Cost</b>				
Balances at January 1	₱2,676,889,008	₱2,404,778,918	₱819,978,111	₱5,901,646,037
Additions	–	–	38,040,652	38,040,652
Balances at December 31	2,676,889,008	2,404,778,918	858,018,763	5,939,686,689
<b>Accumulated Amortization and Allowance for Impairment</b>				
Balances at January 1	141,837,475	1,647,273,561	687,671,041	2,476,782,077
Amortization (Notes 12, 22 and 23)	–	96,191,157	33,509,756	129,700,913
Impairment/adjustments (Notes 1 and 23)	–	–	810,899	810,899
Balances at December 31	141,837,475	1,743,464,718	721,991,696	2,607,293,889
<b>Net Book Value</b>	<b>₱2,535,051,533</b>	<b>₱661,314,200</b>	<b>₱136,027,067</b>	<b>₱3,332,392,800</b>

#### Goodwill

##### GCGI

On September 2, 2009, GCGI acquired the 192.5 MW Palinpinon (in Negros Oriental) and 112.5 MW Tongonan 1 (in Leyte) geothermal power plants in an auction conducted by PSALM where GCGI submitted the highest complying financial bid of US\$220.0 million. This financial bid was subsequently reduced by US\$6.7 million as PSALM agreed that the Group will directly assume the obligations to procure the equipment/services indicated in the Purchase Requisitions being processed by NPC under Schedule R-Purchase Orders in the Asset Purchase Agreement (APA). The total acquisition cost incurred by the Group amounted to ₱10,165.3 million, resulting to goodwill of ₱2,241.7 million.

##### FG Hydro

On September 8, 2006, FG Hydro participated and won the bid for the 112 MW PAHEP/MAHEP facility conducted by PSALM in connection with the privatization of NPC assets. FG Hydro paid a total consideration of US\$129.0 million (₱6,448.2 million) and recognized goodwill amounting to ₱293.3 million.



*EDC HKL*

As discussed in Note 3, EDC HKL, a wholly owned subsidiary of EDC, purchased 100% interest in Hot Rock companies, namely: EDC Soluciones Sostenibles Ltd, EDC Desarrollo Sostenible Ltd, EDC Energia Verde Chile SpA, EDC Energia de la Tierra SpA, and EDC Energia Verde Peru SAC. The total consideration amounting to US\$3.0 million (P133.2 million) was paid in cash, which resulted to the recognition of goodwill amounting to US\$2.5 million (P134.0 million).

In 2020, the Group recognized impairment loss on the goodwill related to the acquisition of Hot Rock companies amounting to P54.2 million. In 2023, the Group recognized impairment loss on the remaining carrying value of the goodwill as a result of the Group's decision to no longer pursue exploration and development activities in Peru due to political and market factors.

Breakdown of the goodwill per CGU and the details of the goodwill impairment review are shown in Note 3 to the consolidated financial statements.

Water rights

Water rights pertain to FG Hydro's right to use water from the Pantabangan reservoir to generate electricity. NPC through a certification issued to FG Hydro dated July 27, 2006, gave its consent to the transfer to FG Hydro, as the winning bidder of the PAHEP/MAHEP, of the water permit for Pantabangan river issued by the National Water Resources Council on March 15, 1997.

Water rights are amortized using the straight-line method over 25 years, which is the term of the Agreement with National Irrigation Administration (NIA). The remaining amortization period of water rights is 5.9 years and 6.9 years as of December 31, 2025 and 2024, respectively.

Other intangible assets

Other intangible assets pertain to the Parent Company's, BGI's and GCGI's computer software and licenses.

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**14. Exploration and Evaluation Assets**

	2025	2024
Balances at January 1	<b>P2,649,609,275</b>	P2,150,964,593
Additions	<b>1,666,686,807</b>	493,404,385
Disposal of subsidiaries (Note 15)	<b>(133,068,045)</b>	-
Adjustments (Note 18)	<b>8,384,417</b>	5,240,297
Foreign exchange adjustment	<b>(2,305,842)</b>	-
Balances at December 31	<b>P4,189,306,611</b>	P2,649,609,275

Carrying amount of exploration and evaluation assets per project are as follows:

	2025	2024
Rangas/Kayabon	<b>P1,988,510,400</b>	P1,899,795,809
Amacan	<b>1,978,180,022</b>	488,890,451
Dauin/Bacong	<b>86,697,297</b>	83,343,530
Others	<b>135,918,892</b>	177,579,485
	<b>P4,189,306,611</b>	P2,649,609,275



Others include those related to foreign exploration and evaluation projects amounting to nil and ₱83.0 million as of December 31, 2025 and 2024, respectively.

In 2023, the exploration and evaluation costs incurred for EDC Peru SAC totaling to ₱7.6 million were assessed by the management to be no longer recoverable. No similar provision was recognized in 2024 and 2025.

## 15. Other Noncurrent Assets

	2025	2024
Prepaid taxes	₱9,528,171,592	₱8,265,182,904
Long-term receivables and special deposits (Notes 20, 31 and 37)	2,552,015,994	2,851,284,119
Investment in associate	1,720,241,505	–
Advances to contractors	1,347,908,366	318,217,278
Deposits and special funds	316,852,337	8,318,959
Prepaid expenses - net of current portion	101,101,315	107,191,967
Others	1,310,558,448	1,205,961,581
	<b>16,876,849,557</b>	<b>12,756,156,808</b>
Less allowance for impairment	1,920,481,511	1,754,867,255
	<b>₱14,956,368,046</b>	<b>₱11,001,289,553</b>

### Prepaid Taxes

Prepaid taxes include input VAT, real property tax (RPT) payments under protest and creditable withholding taxes (CWTs).

### *Input VAT*

Input VAT represents VAT from purchases of goods or services that the Group can claim against any future liability to the Bureau of Internal Revenue (BIR) for output VAT from sale of goods and services. As of December 31, 2025 and 2024, this input VAT amounted to ₱5,401.9 million and ₱5,352.5 million, respectively.

Input VAT also includes the outstanding input VAT claims that were applied by the Group for refund with the BIR/Supreme Court (SC). As of December 31, 2025 and 2024, the outstanding input VAT claims which are still pending with the BIR/SC amounted to ₱1,584.6 million and ₱1,068.2 million, respectively.

### *RPT payments under protest*

RPT payments under protest to certain local government units amounted to ₱1,401.4 million and ₱1,186.5 million as of December 31, 2025 and 2024, respectively.

The amounts paid in protest were in excess of the amounts determined using the 1.5% RPT rate provided in the Renewable Energy (RE) Law, petitions remain pending with the Local Board of Assessment Appeals and Central Board of Assessment Appeals.



*Creditable withholding taxes*

CWTs pertain to incomes tax withheld by customers amounting to ₱1,140.3 million and ₱658.0 million as of December 31, 2025 and 2024, respectively.

Long-term receivables

Long-term receivables include receivable from TransCo arising from FIT rate adjustments (see Note 37) and loan to affiliate (see Note 20). On December 22, 2025, the Parent Company entered into an agreement for payment by way of dacion en pago with Thermaprime for one of its rigs amounting to ₱625.5 million.

Investment in associate

Investment in associate pertains to investments made by PT FGGI to PT Daya Mas Bumi Sentosa (DMBS).

On October 28, 2025, the Group, through its subsidiary PT FGGI, entered into a strategic partnership with PT DSSR Daya Mas Sakti (DMS), a subsidiary of PT Dian Swastatika Sentosa Tbk (DSSA). The partnership provides EDC an opportunity to apply its global expertise in geothermal development to strengthen Indonesia's renewable energy capacity. The partnership is dedicated to the exploration and development of geothermal energy projects in Indonesia.

PT FGGI and DMS established DMBS and has 50% ownership interest each in DMBS. PT FGGI transferred all its shares in PT Daya Graho Sakti Energi, PT Daya Bora Pulu Energi, and PT Daya Koto Sani Energi as part of its in-kind equity contribution to DMBS with fair valuation amounting to ₱487.5 million and cash contribution amounting to ₱1,223.2 million. Total consideration of investment in DMBS amounted to ₱1,710.7 million. As a result of the transfer, the Group recognized gain from deconsolidation amounting to ₱238.8 million and is presented as part of "Miscellaneous income (charges) - net" in the 2025 consolidated statement of income (see Note 27). ₱119.4 million of the net gain is attributable to the remeasurement of the retained interest in the former subsidiary at fair value when control was lost.

The investment in DMBS is accounted for as an investment in an associate under equity method. While PT FGGI owns 50% interest in DMBS, PT FGGI does not have the ability to control and direct the relevant activities which most significantly affect the returns of DMBS.

On December 8, 2025, PT FFGI made additional cash investment amounting to ₱7.2 million.

As of December 31, 2025, the total assets of DMBS amounted to ₱3,343.3 million (US\$56.9 million), of which current assets amounted to ₱2,721.3 million (US\$46.3 million). DMBS also has current liabilities amounting to ₱8.4 million (US\$0.1 million).

In 2025, DMBS has total comprehensive income amounting to ₱4.7 million (US\$0.1 million), which include depreciation and amortization expenses amounting to ₱0.7 million (US\$0.01 million).

Others

Others include investment in Enerco amounting to ₱1,299.2 million and ₱1,141.5 million as of December 31, 2025 and 2024, respectively, which is accounted for as an investment in joint venture (see Note 3).



As of December 31, 2025, basic surface studies as well as civil works, road rehabilitation, base camp and avalanche controls have already been completed. Additional roads, drilling pad construction, base camp expansion and water supply system have been installed and completed. Exploration drilling program is intended to resume as soon as power supply agreements have been secured, access to transmission line has been negotiated and all the relevant permits have been obtained.

As of December 31, 2025 and 2024, the total assets of Enerco amounted to ₱2,291.1 million (US\$39.0 million) and ₱1,997.6 million (US\$34.5 million), respectively, of which current assets amounted to ₱446.8 million (US\$7.6 million) and ₱380.9 million (US\$6.6 million) as of December 31, 2025 and 2024, respectively. Enerco also has current liabilities amounting to ₱156.1 million (US\$2.7 million) and ₱94.0 million (US\$1.6 million) as of December 31, 2025 and 2024, respectively.

In 2025, Enerco has total comprehensive loss amounting to ₱1.3 million (US\$0.02 million), while in 2024 and 2023, Enerco earned a total comprehensive income amounting to ₱6.8 million (US\$0.1 million) and ₱10.8 million (US\$0.1 million), respectively, which include depreciation and amortization expenses amounting to ₱10.9 million (US\$0.2 million), ₱15.9 million (US\$0.3 million) and ₱21.2 million (US\$0.4 million) in 2025, 2024 and 2023, respectively.

In 2025, 2024 and 2023, the Group recognized its share in the net losses of Enerco amounting to ₱27.3 million (US\$0.5 million), ₱26.0 million (US\$0.4 million), and ₱27.2 million (US\$0.5 million), respectively.

#### Allowance for impairment

The rollforward analysis of the allowance for impairment pertaining to prepaid taxes and long-term receivables is presented below.

	2025		
	Prepaid taxes	Long-term receivables	Total
Beginning of year	₱1,565,016,886	₱189,850,369	₱1,754,867,255
Provision for impairment (Note 23)	149,304,720	2,582,689	151,887,409
Foreign exchange translation adjustment	19,204,300	–	19,204,300
Reversals	(5,477,453)	–	(5,477,453)
<b>End of year</b>	<b>₱1,728,048,453</b>	<b>₱192,433,058</b>	<b>₱1,920,481,511</b>

	2024		
	Prepaid taxes	Long-term receivables	Total
Beginning of year	₱1,203,823,208	₱159,370,135	₱1,363,193,343
Provision for impairment (Note 23)	385,530,035	26,655,351	412,185,386
Foreign exchange translation adjustment	13,933,626	3,824,883	17,758,509
Reversals	(38,269,983)	–	(38,269,983)
<b>End of year</b>	<b>₱1,565,016,886</b>	<b>₱189,850,369</b>	<b>₱1,754,867,255</b>

Loss on direct write-off of input VAT claims amounting to ₱76.4 million, ₱79.0 million, and ₱44.1 million in 2025, 2024, and 2023, respectively, were recognized as part of “Miscellaneous income - net” in the consolidated statements of income (see Note 27).



## 16. Trade and Other Payables

	2025	2024
Trade payables:		
Third parties	₱11,413,171,040	₱13,565,549,053
Related parties (Note 20)	4,916,650,006	4,433,456,860
	<b>16,329,821,046</b>	17,999,005,913
Others:		
Withholding and other taxes payable	1,096,318,002	905,958,094
Accrued interest on long-term debts (Notes 17 and 31)	1,056,941,179	821,011,275
SSS and other contributions payable	75,687,691	59,124,926
Dividends payable (Notes 19 and 20)	42,232,236	14,103,516
Government share payable (Note 33)	30,462,397	49,699,363
Other payables (Notes 3 and 23)	1,668,672,984	2,022,556,198
	<b>3,970,314,489</b>	3,872,453,372
	<b>₱20,300,135,535</b>	₱21,871,459,285

Trade payables are noninterest-bearing and are normally settled on a 30 to 60-day payment term.

“Government share payable” pertains to outstanding payable to the government for its share on certain earnings of the Group generated from renewable energy.

Government share amounted to ₱230.5 million, ₱442.7 million, and ₱348.5 million in 2025, 2024, and 2023, respectively (see Note 22).

“Other payables” account includes provision for shortfall generation amounting to ₱1,051.7 million and ₱1,433.5 million as of December 31, 2025 and 2024, respectively (see Note 3). Other payables also include deferred output VAT and other accruals (see Note 23).

## 17. Long-term Debts

The details of the Group’s long-term debts are as follows:

Creditor/Project	Maturities	Interest Rate	December 31, 2025 (Audited)	December 31, 2024 (Audited)
<b>EDC Loans</b>				
<b>International Finance Corporation (IFC)</b>				
▪ IFC 2 - ₱3.3 Billion	October 15, 2025	4.68% from April 16, 2021 until maturity	₱–	₱244,770,575
▪ IFC 3 - ₱4.8 Billion	March 15, 2033	7.8048%	2,459,319,927	2,784,032,627
<b>DBP ₱291.2 Million Term Loan</b>	December 17, 2030	5.50%	111,677,956	133,950,541
<b>UBP ₱1.5 Billion Term Loan</b>	December 5, 2026	5.25%	599,619,551	899,005,427
<b>SBC ₱1.0 Billion Term Loan</b>	December 5, 2031	5.5788%	667,631,183	727,127,945
<b>UBP ₱2.0 Billion Term Loan</b>	April 10, 2032	5.4382%	864,083,880	996,624,848
<b>SBC ₱3.0 Billion Term Loan</b>	May 4, 2027	5.3166%	539,438,876	898,536,052
<b>SBC ₱1.0 Billion Term Loan</b>	May 4, 2032	5.4277%	432,010,930	498,276,228
<b>BPI ₱1.0 Billion Term Loan</b>	June 1, 2027	5.2059%	179,831,694	299,573,864
<b>SBC ₱500.0 Million Term Loan</b>	May 4, 2032	5.4904%	215,994,226	249,123,626
<b>BPI</b>				
▪ ₱3.0 Billion Term Loan	April 15, 2030	5.1323%	1,614,833,085	1,942,447,349
▪ ₱3.0 Billion Term Loan	April 15, 2030	3.56%	1,614,744,161	1,942,280,175

(Forward)



<b>Creditor/Project</b>	<b>Maturities</b>	<b>Interest Rate</b>	<b>December 31, 2025 (Audited)</b>	<b>December 31, 2024 (Audited)</b>
<b>BDO</b>				
▪ P4.5 Billion Term Loan	September 10, 2030	6.5877%	<b>₱2,429,134,399</b>	₱2,965,277,097
▪ P2.0 Billion Term Loan	September 10, 2030	6.5877%	<b>1,079,225,786</b>	1,317,336,280
<b>Fixed Rate ASEAN Green Bonds</b>				
▪ Series B	June 25, 2026	3.7305%	<b>2,496,355,290</b>	2,489,031,974
▪ Series C	May 27, 2027	6.7478%	<b>2,980,251,916</b>	2,967,317,546
▪ Series D	May 27, 2029	6.8873%	<b>3,466,539,970</b>	3,458,141,062
▪ Series E	May 27, 2031	7.0626%	<b>3,462,081,581</b>	3,456,536,115
<b>US\$50 Million Mizuho Loan</b>	March 24, 2027	4.82813% until next repricing date in September 2026	<b>1,468,177,349</b>	2,889,465,719
<b>BPI</b>				
▪ P2.0 Billion Term Loan	March 21, 2032	5.8439% until next repricing date in September 2026	<b>1,496,892,625</b>	1,695,992,349
▪ P2.0 Billion Term Loan	March 21, 2032	5.4939% until next repricing date in September 2026	<b>1,493,502,680</b>	1,691,256,889
▪ P3.0 Billion Term Loan	March 21, 2032	5.4939% until next repricing date in September 2026	<b>2,235,872,158</b>	2,531,581,864
<b>UBP ₱1.0 Billion Term Loan</b>	March 24, 2032	5.831567% until next repricing date in March 2027	<b>646,768,802</b>	745,775,803
<b>SBC ₱2.6 Billion Term Loan</b>	April 19, 2032	5.7829% until next repricing date in April 2027	<b>1,681,481,876</b>	1,938,886,477
<b>CTBC ₱1.5 Billion Term Loan</b>	June 8, 2027	6.1869%	<b>970,887,925</b>	1,117,656,943
<b>BDO</b>				
▪ P2.0 Billion Term Loan	September 3, 2032	5.2063% until next repricing date in September 2026	<b>1,395,003,078</b>	1,595,392,066
▪ P3.0 Billion Term Loan	September 3, 2032	5.2063% until next repricing date in September 2026	<b>2,087,139,028</b>	2,386,194,560
<b>CBC</b>				
▪ P2.0 Billion Term Loan	October 5, 2032	6.1589% until next repricing date in October 2027	<b>1,398,028,018</b>	1,597,031,449
▪ P2.0 Billion Term Loan	October 5, 2032	6.1589% until next repricing date in October 2027	<b>1,394,157,448</b>	1,592,076,112
<b>BDO</b>				
▪ P2.0 Billion Term Loan	September 1, 2033	5.2181% until next repricing date in September 2026	<b>1,588,473,706</b>	1,788,023,420
▪ P3.0 Billion Term Loan	September 1, 2033	5.2181% until next repricing date in September 2026	<b>2,530,387,533</b>	2,829,650,314
<b>BPI</b>				
▪ P3.0 Billion Term Loan	September 12, 2034	5.2584% until next repricing date in September 2026	<b>2,982,408,286</b>	2,978,486,020
▪ P2.0 Billion Term Loan	September 12, 2034	5.2584% until next repricing date in September 2026	<b>1,984,959,803</b>	–
<b>BDO</b>				
▪ P3.0 Billion Term Loan	November 7, 2034	5.6465% until next repricing date in May 2026	<b>2,682,187,650</b>	2,978,483,675
▪ P2.0 Billion Term Loan	November 7, 2034	5.6465% until next repricing date in May 2026	<b>1,785,343,287</b>	–
▪ P2.0 Billion Term Loan	November 7, 2034	5.6465% until next repricing date in May 2026	<b>1,785,740,434</b>	–
▪ P3.0 Billion Term Loan	November 7, 2034	5.6465% until next repricing date in May 2026	<b>2,677,925,727</b>	–
<b>CTBC US\$50 Million Term Loan</b>	December 12, 2029	4.82788% until next repricing date in June 2026	<b>2,326,470,821</b>	2,856,559,210
<b>CBC</b>				
▪ P3.0 Billion Term Loan	December 12, 2034	5.5474% until next repricing date in June 2026	<b>2,681,949,525</b>	2,977,739,948
▪ P2.0 Billion Term Loan	December 12, 2034	5.5474% until next repricing date in June 2026	<b>1,788,150,960</b>	–
▪ P2.0 Billion Term Loan	December 12, 2034	5.5474% until next repricing date in June 2026	<b>1,787,551,039</b>	–
▪ P3.0 Billion Term Loan	December 12, 2034	5.5474% until next repricing date in June 2026	<b>2,828,171,482</b>	–
<b>Mizuho US\$50 Million Term Loan</b>	December 12, 2029	4.57788% until next repricing date in June 2026	<b>2,317,758,146</b>	2,841,787,750
<b>BPI ₱2.0 Billion Term Loan</b>	October 22, 2035	5.6471% until next repricing date in April 2026	<b>1,985,216,092</b>	–

(Forward)



<u>Creditor/Project</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>December 31, 2025 (Audited)</u>	<u>December 31, 2024 (Audited)</u>
<b>EBWPC Loans</b>				
▪ BDO ₱2.7 Billion Term Loan	December 19, 2034	5.5288% until next repricing date in June 2026	<b>₱2,682,268,002</b>	₱2,680,194,724
▪ Mizuho US\$80 Million Term Loan	December 20, 2029	4.63939% until next repricing date in June 2026	<b>4,351,911,450</b>	4,542,155,556
▪ ANZ ₱2.15 Billion Term Loan	April 24, 2030	5.4249% until next repricing date in April 2026	<b>2,049,984,736</b>	–
▪ ING US\$50 Million Term Loan	May 22, 2030	5.2784% until next repricing date in May 2026	<b>2,848,581,901</b>	–
<b>FG Hydro Loans</b>				
▪ BDO ₱2.5 Billion Term Loan	February 6, 2040	5.24% until next repricing date in August 2026	<b>2,469,863,496</b>	–
▪ BPI ₱2.5 Billion Term Loan	February 6, 2040	5.24% until next repricing date in August 2026	<b>2,469,863,496</b>	–
▪ RCBC ₱2.0 Billion Term Loan	February 6, 2040	5.24% until next repricing date in August 2026	<b>1,975,890,796</b>	–
<b>GCGI Loan</b>				
▪ BPI ₱5.0 Billion Term Loan	December 12, 2035	5.4357% until next repricing date in June 2026	<b>4,962,640,429</b>	–
Total			<b>99,024,384,195</b>	74,523,780,179
Less current portion			<b>12,864,840,208</b>	9,095,041,512
Noncurrent portion			<b>₱86,159,543,987</b>	₱65,428,738,667

The Group's foreign-currency denominated long-term debts were translated into Philippine pesos based on the prevailing foreign exchange rates as at financial reporting date (US\$1= ₱58.79 on December 31, 2025 and US\$1= ₱57.85 on December 31, 2024).

The long-term debts are presented net of unamortized transaction costs. A rollforward analysis of unamortized transactions costs follows:

	<b>2025</b>	<b>2024</b>
Balances at beginning of year	<b>₱571,425,215</b>	₱351,293,524
Additions	<b>228,997,113</b>	417,088,323
Amortization (Note 25)	<b>(151,602,471)</b>	(196,956,632)
Balances at end of year	<b>₱648,819,857</b>	₱571,425,215

#### Parent Company Loans

The Parent Company entered into unsecured long-term loan arrangements with domestic and international financial institutions for its various development projects and working capital requirements.

#### IFC

The Parent Company entered into a loan agreement with IFC (First Loan), a shareholder of the Parent Company, on November 27, 2008 for US\$100.0 million or its Peso equivalent of ₱4.1 billion.

On January 7, 2009, the Parent Company opted to draw the loan in Peso and received the proceeds amounting to ₱4,048.8 million, net of ₱51.5 million front-end fee. The loan is payable in 24 equal semi-annual installments after a three-year grace period at an interest rate of 7.4% per annum for the first five (5) years subject to repricing for another five (5) to 10 years.



On May 20, 2011, the Parent Company signed a 15-year US\$75.0 million loan facility with the IFC (Second Loan) to fund its medium-term capital expenditures program. The loan was drawn in Peso on September 30, 2011 amounting to ₱3,262.5 million. The loan is payable in 24 equal semi-annual installments after a two-year grace period at an interest rate of 6.657% per annum subject to repricing for another five (5) to 10 years.

On March 22, 2018, the Parent Company signed a 15-year US\$90.0 million loan facility with IFC (Third Loan) to fund its 2018 capital expenditures and other general corporate requirements of its existing geothermal operations. The loan was drawn in Peso on June 22, 2018 amounting to ₱4,804.0 million at an interest rate of 7.8048%.

Following the consummation of this financing agreement, EDC and IFC have agreed to amend and reduce the spread of the first two (2) loans to 1.30%. All the other terms and conditions of the loans remained the same.

In April 2021, the Second Loan was repriced at a fixed rate of 4.68% per annum for the remaining tenor of the loan until maturity.

On April 15, 2023, EDC fully paid the First Loan.

On August 17, 2023, EDC and IFC executed a LIBOR Transition Amendment Agreement to replace the USD LIBOR references under the default rate interest provision of the Second Loan to Term SOFR plus credit adjustment spread equal to 0.42825%, in view of the cessation of publication of the USD LIBOR on June 30, 2023.

On October 15, 2025, EDC fully paid the Second Loan.

*DBP ₱291.2 Million Term Loan*

On December 8, 2015, EDC signed a ₱291.2 million loan at 5.75% per annum maturing on December 17, 2030 with Development Bank of the Philippines. The ₱291.2 million term loan was used to finance the Burgos Solar Phase I Project. On December 17, 2017, the loan agreement was amended to reduce the interest rate to 5.50% per annum.

*UBP ₱1.5 Billion Term Loan*

On June 24, 2016, EDC secured a ₱1.5 billion loan at 5.25% per annum maturing on December 5, 2026 with Union Bank of the Philippines. The ₱1.5 billion term loan was used to refinance the outstanding ₱3.5 billion fixed rate bonds which matured on December 4, 2016 and to fund other general corporate purposes.

*SBC ₱1.0 Billion Term Loan*

On December 1, 2016, EDC secured a ₱1.0 billion loan at 5.58% per annum maturing on December 5, 2031 with Security Bank Corporation. The ₱1.0 billion term loan was used to refinance the outstanding ₱3.5 billion fixed rate bonds which matured on December 4, 2016 and to fund other general corporate purposes.

*UBP ₱2.0 Billion Term Loan*

On April 5, 2017, EDC secured a ₱2.0 billion loan at 5.4382% per annum maturing on April 10, 2032 with Union Bank of the Philippines.



SBC ₱3.0 Billion and ₱1.0 Billion Term Loans

On April 26, 2017, EDC secured ₱3.0 billion loan at 5.32% per annum and ₱1.0 billion loan at 5.43% with Security Bank Corporation maturing on May 4, 2027 and May 4, 2032, respectively.

BPI ₱1.0 Billion Term Loan

On May 26, 2017, EDC secured a ₱1.0 billion loan at 5.21% per annum maturing on June 1, 2027 with Bank of the Philippine Islands.

SBC ₱500.0 Million Term Loan

On July 26, 2017, EDC secured a ₱500.0 million loan at 5.4904% per annum maturing on May 4, 2032 with Security Bank Corporation.

BPI ₱6.0 Billion Term Loan

On April 2, 2020, EDC signed a ₱6.0 billion 10-year term loan facility with Bank of the Philippine Islands. On April 15, 2020, EDC has drawn ₱3.0 billion from the loan facility at a fixed interest rate of 5.1323% per annum. On July 29, 2020, EDC has drawn the remaining ₱3.0 billion at a fixed interest rate of 3.56% per annum.

BDO ₱11.5 Billion Term Loan

On August 28, 2020, EDC signed a ₱11.5 billion 10-year term loan facility with BDO Unibank, Inc. On September 10, 2020 and February 18, 2021, EDC drew ₱4.5 billion and ₱2.0 billion, respectively, from the loan facility which repriced at fixed interest rate of 7.2193% per annum on the loan's fifth year anniversary. On February 24, 2026, EDC signed an amendment agreement to reduce the margin of the loan with an outstanding amount of ₱3.5 billion starting on the interest period immediately succeeding the date of the amendment agreement. On March 2026, the loan was repriced to 6.5877% per annum.

Fixed Rate ASEAN Green Bonds

On June 25, 2021, EDC successfully listed its SEC-registered ASEAN Green Bonds with an aggregate principal amount of ₱5.0 billion. The bonds, which have been listed on the PDEX, are comprised of ₱2.5 billion three (3)-year Series A bonds at 2.8565% per annum and ₱2.5 billion five (5)-year Series B bonds at 3.7305% per annum due on June 25, 2024 and June 25, 2026, respectively.

On May 27, 2024, EDC successfully listed its SEC-registered ASEAN Green Bonds with an aggregate principal amount of ₱10.0 billion. The bonds, which have been listed on the PDEX, are comprised of ₱3.0 billion three (3)-year Series C bonds at 6.7478% p.a., ₱3.5 billion five (5)-year Series D bonds at 6.8873% p.a., and ₱3.5 billion seven (7)-year Series E bonds at 7.0626% p.a. due on May 27, 2027, May 27, 2029, and May 27, 2031, respectively.

On June 25, 2024, the Parent Company fully settled the ₱2.5 billion 3-year Series A bonds.

US\$50.0 Million Mizuho Loan

On March 24, 2022, the US\$50 Million Mizuho Loan was refinanced by a new term loan with Mizuho at a six (6)-month floating rate of 2.0879% per annum maturing on March 24, 2027. The loan has been repriced and currently has a six (6)-month floating rate of 4.82813% per annum until its next repricing date in September 2026.

BPI ₱2.0 Billion Term Loan

On March 21, 2022, EDC secured a ₱2.0 billion loan maturing on March 21, 2032 from the Bank of the Philippine Islands. The loan has been repriced and currently has a six (6)-month floating rate of 5.8439% per annum until its next repricing date in September 2026.



*BPI ₱2.0 Billion Term Loan*

On June 21, 2023, EDC secured a ₱2.0 billion loan maturing on March 21, 2032 from the Bank of the Philippine Islands. The loan has repriced and currently has a six (6)-month floating rate of 5.4939% until its next repricing date in September 2026.

*BPI ₱3.0 Billion Term Loan*

On December 19, 2023, EDC secured a ₱3.0 billion loan maturing on March 21, 2032 from the Bank of the Philippine Islands. The loan has been repriced and currently has a six (6)-month floating rate of 5.4939% until its next repricing date in September 2026.

*UBP ₱1.0 Billion Term Loan*

On March 24, 2022, EDC secured a ₱1.0 billion loan at 5.831567% per annum until its next repricing date in March 2027, maturing on March 24, 2032 with Union Bank of the Philippines.

*SBC ₱2.6 Billion Term Loan*

On April 19, 2022, EDC secured a ₱2.6 billion loan at 5.7829% per annum until its next repricing date in April 2027, maturing on April 19, 2032 with Security Bank Corporation, which partly refinanced the balance of the Fixed Rate Corporate Note (FXCN) facility.

*CTBC ₱1.5 Billion Term Loan*

On June 8, 2022, EDC secured a ₱1.5 billion loan at 6.1869% per annum maturing on June 8, 2027 with CTBC Bank (Philippines) Corp.

*BDO ₱2 Billion Term Loan*

On September 5, 2022, EDC secured a ₱2.0 billion loan maturing on September 3, 2032 from BDO Unibank, Inc. The loan has been repriced and currently has a six (6)-month floating rate of 5.2063% until its next repricing date in September 2026.

*BDO ₱3 Billion Term Loan*

On February 22, 2023, EDC secured a ₱3.0 billion loan maturing on September 3, 2032 from BDO Unibank, Inc. The loan has been repriced and currently has a six (6)-month floating rate of 5.2063% until its next repricing date in September 2026.

*CBC ₱2.0 Billion Term Loan*

On October 5, 2022, EDC secured a ₱2.0 billion loan maturing on October 5, 2032 from China Banking Corporation. The loan has been repriced at a fixed rate of 6.1589% per annum until its next repricing date in October 2027.

*CBC ₱2.0 Billion Term Loan*

On April 25, 2023, EDC secured a ₱2.0 billion loan maturing on October 5, 2032 from China Banking Corporation. The loan has been repriced at a fixed rate of 6.1589% per annum until its next repricing date in October 2027.

*BDO ₱2.0 Billion Term Loan*

On September 1, 2023, EDC secured a ₱2.0 billion loan maturing on September 1, 2033 from BDO Unibank, Inc. The loan has been repriced and currently has a six (6)-month floating rate of 5.2181% per annum until its next repricing date in September 2026.



*BDO ₱3.0 Billion Term Loan*

On March 6, 2024, EDC secured a ₱3.0 billion loan maturing on September 1, 2033 from BDO Unibank, Inc. The loan has been repriced and currently has a six (6)-month floating rate of 5.2181% per annum until its next repricing date in September 2026.

*BPI ₱3.0 Billion Term Loan*

On September 12, 2024, EDC secured a ₱3.0 billion loan maturing on September 12, 2034 from the Bank of the Philippine Islands. The loan was priced at a six (6)-month floating rate of 5.2584% per annum until its next repricing date in September 2026.

*BPI ₱2.0 Billion Term Loan*

On June 25, 2025, EDC secured a ₱2.0 billion loan maturing on September 12, 2034 from Bank of the Philippine Islands. The loan was priced at a six (6)-month floating rate of 5.2584% per annum until its next repricing date in September 2026.

*BDO ₱3.0 Billion Term Loan*

On November 7, 2024, EDC secured a ₱3.0 billion loan maturing on November 7, 2034 from BDO Unibank, Inc. The loan was priced at a six (6)-month floating rate of 5.6465% per annum until its next repricing date in May 2026.

*BDO ₱2.0 Billion Term Loan*

On January 21, 2025, EDC secured a ₱2.0 billion loan maturing on November 7, 2034 with BDO Unibank, Inc. The loan has been repriced and currently has a six (6)-month floating rate of 5.6465% per annum until its next repricing date in May 2026.

*BDO ₱2.0 Billion Term Loan*

On March 24, 2025, EDC secured a ₱2.0 billion loan maturing on November 7, 2034 with BDO Unibank, Inc. The loan has been repriced and currently has a six (6)-month floating rate of 5.6465% per annum until its next repricing date in May 2026.

*BDO ₱3.0 Billion Term Loan*

On August 5, 2025, EDC secured a ₱3.0 billion loan maturing on November 7, 2034 with BDO Unibank, Inc. The loan was priced at a six (6)-month floating rate of 5.6465% per annum until its next repricing date in May 2026.

*CTBC US\$50.0 Million Term Loan*

On December 12, 2024, EDC secured a US\$50 million loan maturing on December 12, 2029 from CTBC Bank (Philippines) Corp. The loan was priced at a six (6)-month floating rate of 4.82788% per annum until its next repricing date in June 2026.

*CBC ₱3.0 Billion Term Loan*

On December 12, 2024, EDC secured a ₱3.0 billion loan maturing on December 12, 2034 from China Banking Corporation. The loan was priced at a six (6)-month floating rate of 5.5474% until its next repricing date in June 2026.

*CBC ₱2.0 Billion Term Loan*

On February 26, 2025, EDC secured a ₱2.0 billion loan maturing on December 12, 2034 with China Banking Corporation. The loan has been repriced and currently has a six (6)-month floating rate of 5.5474% per annum until its next repricing date in June 2026.



*CBC ₱2.0 Billion Term Loan*

On April 23, 2025, EDC secured a ₱2.0 billion loan maturing on December 12, 2034 with China Banking Corporation. The loan has been repriced and currently has a six (6)-month floating rate of 5.5474% per annum until its next repricing date in June 2026.

*CBC ₱3.0 Billion Term Loan*

On September 11, 2025, EDC secured a ₱2.0 billion loan maturing on December 12, 2034 with China Banking Corporation. The loan was priced at a six (6)-month floating rate of 5.5474% per annum until its next repricing date in June 2026.

*Mizuho US\$50.0 Million Term Loan*

On December 12, 2024, EDC secured a US\$50 million loan maturing on December 12, 2029 from Mizuho Bank, Ltd. - Manila Branch. The loan was priced at a six (6)-month floating rate of 4.57788% per annum until its next repricing date in June 2026.

*BPI ₱2.0 Billion Term Loan*

On October 22, 2025, EDC secured a ₱2.0 billion loan maturing on October 22, 2035 from Bank of the Philippine Islands. The loan was priced at a six (6)-month floating rate of 5.6471% per annum until its next repricing date in April 2026.

*EBWPC Loans*

On December 13, 2024, EBWPC secured an interest-free subordinated shareholder advances from the Parent Company and voluntarily prepaid the principal outstanding of the BWP project financing (PF) on December 16, 2024. With the prepayment of the PF, the remaining three (3) IRS were also subsequently terminated on December 16, 2024. EBWPC and the BWP PF parties subsequently executed a Global Deed of Release and Termination, discharging each party of its obligations under the PF agreements and reassigning to the Borrower all rights, title and interest in any collateral security or security interest previously created under the PF security documents.

On December 16, 2024 and December 17, 2024, EBWPC signed bilateral corporate term loan agreements with BDO Unibank, Inc. for ₱5.0 billion and Mizuho Bank, Ltd. for US\$80.0 million, where EBWPC drew ₱2.7 billion and US\$80.0 million, respectively, to repay the advances received from the Parent Company for the prepayment of the BWP PF, to fund capital expenditures, and/or for general corporate purposes. Under the term loan agreements, any debt service shortfall amount is guaranteed by the Parent Company.

*BDO ₱2.7 Billion Term Loan*

On December 19, 2024, EBWPC secured a ₱2.7 billion loan maturing on December 19, 2034 from BDO Unibank, Inc. The loan was priced at a six (6)-month floating rate of 5.5288% until its next repricing date in June 2026.

*Mizuho US\$80.0 Million Term Loan*

On December 20, 2024, EBWPC secured a US\$80 million loan maturing on December 20, 2029 from Mizuho Bank, Ltd. - Singapore Branch. The loan was priced at a six (6)-month floating rate of 4.63939% until its next repricing date in June 2026.

*ANZ ₱2.15 Billion Term Loan*

On April 24, 2025, EBWPC secured a ₱2.15 billion loan maturing on April 24, 2030 with Australia and New Zealand Banking Group Limited. The loan was priced at a six (6)-month floating rate of 5.4249% per annum until its next repricing date in April 2026.



ING US\$50.0 Million Term Loan

On May 22, 2025, EBWPC secured a US\$50.0 million loan maturing on May 22, 2030 with Internationale Nederlanden Groep. The loan was priced at a six (6)-month floating rate of 5.2784% per annum until its next repricing date in May 2026.

Under the term loan agreements, any debt service shortfall amount is guaranteed by the Parent Company.

FG Hydro Loans

The FG Hydro entered into unsecured long-term loan arrangements with domestic financial institutions for its various development projects and working capital requirements.

BDO ₱2.5 Billion Term Loan

On February 6, 2025, FG Hydro secured a ₱2.5 billion loan maturing on February 6, 2040 from BDO Unibank, Inc. The loan was priced at a six (6)-month floating rate of 5.24% per annum until its next repricing date in August 2026.

BPI ₱2.5 Billion Term Loan

On February 6, 2025, FG Hydro secured a ₱2.5 billion loan maturing on February 6, 2040 from Bank of the Philippine Islands. The loan was priced at a six (6)-month floating rate of 5.24% per annum until its next repricing date in August 2026.

RCBC ₱2.0 Billion Term Loan

On February 6, 2025, FG Hydro secured a ₱2.0 billion loan maturing on February 6, 2040 from Rizal Commercial Banking Corporation. The loan was priced at a six (6)-month floating rate of 5.24% per annum until its next repricing date in August 2026.

GCGI Loan

The GCGI entered into unsecured long-term loan arrangements with domestic financial institution for its various development projects and working capital requirements.

BPI ₱5.0 Billion Term Loan

On December 12, 2025, GCGI secured a ₱5.0 billion loan maturing on December 12, 2035 from BDO Unibank, Inc.. The loan was priced at a six (6)-month floating rate of 5.4357% per annum until its next repricing date in June 2026. Under the term loan agreement, any debt service shortfall amount is guaranteed by the Parent Company.

Unused Credit Facilities

As of December 31, 2025 and 2024, the Group has ₱7,124.4 million and ₱9,848.7 million respectively, of unused short-term credit facilities from various local banks, which may be availed of for future operating activities.

Loan Covenants

Under the various loan agreements, the Parent Company, EBWPC, FG Hydro and GCGI are subject to debt incurrence ratios and equity distribution restriction ratio, depending on the counterparty, in each case subject to certain exceptions and conditions.

As of December 31, 2025 and 2024, the Group is in compliance with the loan covenants of all their respective outstanding debts.



## 18. Provisions and Other Long-term Liabilities

	2025	2024
Provision for rehabilitation and restoration costs (Notes 3, 12 and 14)	<b>₱1,865,031,444</b>	₱1,769,405,955
Provision for sick leave and vacation leave	<b>347,905,185</b>	381,142,908
Others (Notes 3, 25 and 32)	<b>3,012,254,535</b>	1,997,197,915
	<b>₱5,225,191,164</b>	₱4,147,746,778

### Provision for rehabilitation and restoration costs

This account includes the provision for rehabilitation and restoration costs of the Group which pertain to the present value of estimated costs of legal and constructive obligations required to restore all the existing sites upon termination of the cooperation period. The nature of these restoration activities includes dismantling and removing structures, rehabilitating wells, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the asset is constructed or the ground or environment at the site is disturbed. When the liability is initially recognized, the present value of the estimated costs is capitalized as part of the carrying amount of the related FCRS and production wells under “Property, plant and equipment” and “Exploration and evaluation assets” accounts (see Notes 12 and 14).

The rollforward analysis of the provision for rehabilitation and restoration costs is presented below:

	2025	2024
Balances at beginning of year	<b>₱1,769,405,955</b>	₱1,640,194,761
Accretion of interest (Note 25)	<b>106,864,603</b>	99,738,668
Effect of revision of estimate (Notes 12 and 14)	<b>(11,239,114)</b>	29,472,526
Balances at end of year	<b>₱1,865,031,444</b>	₱1,769,405,955

### Provision for vacation and sick leave

The provision for vacation and sick leave entitlement of active employees can be monetized and converted into cash. The provision pertains to the unused vacation and sick leaves at the end of the calendar year up to the maximum allowed leave credits for provision. Vacation and sick leave credits exceeding the maximum allowed are forfeited.

The calculation of the provision for vacation and sick leave entitlement is actuarially determined using assumptions such as discount rate and salary rate increase. In determining the appropriate discount rate, the Group considers the interest rates on government bonds denominated in Peso and have terms to maturity approximating the terms of related liability.

Details of provision for vacation and sick leave as of and for the years ended December 31, 2025, and 2024 are as follows:

	2025	2024
Balances at beginning of year	<b>₱381,142,908</b>	₱337,922,663
Additions	<b>238,885,223</b>	43,220,245
Payments	<b>(272,122,946)</b>	—
Balances at end of year	<b>₱347,905,185</b>	₱381,142,908



Others

Others include provision for pending assessments from various regulatory agencies and outstanding legal cases including the corresponding interest thereon. Such estimated costs were developed in consultation with in-house and external legal counsels and are based on the thorough analysis of the potential outcomes. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

As of December 31, 2025 and 2024, provision for pending assessments and outstanding legal cases amounted to ₱489.2 million and ₱481.4 million, respectively. Details of provision for pending assessments are as follows:

	2025	2024
Balances at beginning of year	₱481,427,333	₱473,616,226
Accretion of interest (Notes 3 and 25)	7,811,107	7,811,107
Reversals	(59,313,944)	—
Balances at end of year	₱429,924,496	₱481,427,333

Others also include proceeds received from the JCM Program of the MOEJ for the 29 MW Palayan Bayan, Tanawon, Bago and Mahanagdong Project with an aggregate amount of ₱2,163.0 million and ₱1,182.6 million as of December 31, 2025 and 2024, respectively. Following the commencement of commercial operation of 35.7 MW Palayan Binary Power Plant (PBPP) in March 11, 2025 and the 21.573 MW Tanawon Geothermal Power Plant in August 18, 2025, the Group recognized total amortization of ₱50.0 million for the year-ended December 31, 2025.

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**19. Equity**

As required under the Philippine Constitution, the Parent Company is subject to the nationality requirement that at least 60% of its capital stock must be owned by Filipino citizens since it is engaged in the exploration and utilization of the country's energy resources. The Parent Company is compliant with the said nationality requirement as of December 31, 2025 and 2024. Beginning December 13, 2006, the 15.0 billion common shares of the Parent Company were listed and traded on the PSE at an Initial Public Offering (IPO) price of ₱3.2 per share.

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



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

The stock dividends were distributed on November 23, 2009 to stockholders as of the record date of October 27, 2009.

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

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

The tender offer began on August 10, 2017 and ended on September 18, 2017.

The completion of the tender offer resulted to PREHC owning 31.7% of EDC's outstanding voting shares while Red Vulcan retained the controlling interest with 60.0% ownership of EDC's outstanding voting shares.

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

On September 19, 2018, EDC filed a petition for the delisting with the PSE.

The Tender Offer began on September 24, 2018 and ended on October 22, 2018.

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



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

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

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

The amendment of the Parent Company's AOI was approved by the SEC on October 17, 2019.

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

The amendment of the Parent Company's AOI was approved by the SEC on December 29, 2023.

On April 2, 2025, the following subscription agreement was entered into:

- PREHC subscribed to 4,365,817 and 8,731,633 voting preferred shares of BGI and GCGI, respectively, both with a par value of ₱0.01 per share; and
- First Gen subscribed to 8,134,183 and 16,268,367 voting preferred shares of BGI and GCGI, respectively, both with a par value of ₱0.01 per share.

As of December 31, 2025, the outstanding voting preferred and common shares are 65.0% held by Filipino citizens, with Red Vulcan holding the entire outstanding voting preferred shares equivalent to 35.5% voting interest, and common shares equivalent to 44.0% economic interest in EDC.

The combined interest of Red Vulcan entitles it to 63.9% voting interest and 44.0% economic interest in EDC as of December 31, 2025.

The number of stockholders of the Parent Company as of December 31, 2025 and 2024 follows:

	<b>2025</b>	<b>2024</b>
Voting preferred shares	<b>1</b>	1
Non-voting preferred shares	<b>1</b>	–
Common shares	<b>312</b>	332



Details of the number of non-voting preferred shares, voting preferred shares, and common shares as of December 31, 2025 2024 and 2023 are as follows:

	2025	2024	2023
Non-voting preferred shares -			
Par value per share	<b>₱10.00</b>	₱10.00	₱10.00
Authorized	<b>300,000,000</b>	300,000,000	300,000,000
Issued and outstanding	<b>42,000,000</b>	–	–
Voting preferred shares -			
Par value per share	<b>₱10,000.00*</b>	₱10,000.00*	₱10,000.00*
Authorized	<b>15,000</b>	15,000	15,000
Issued and outstanding	<b>9,375</b>	9,375	9,375
Common shares -			
Par value per share*	<b>₱1,000,000.00*</b>	₱1,000,000.00*	₱1,000,000.00*
Authorized	<b>27,000</b>	27,000	27,000
Issued	<b>19,076.25</b>	19,076.25	19,076.25
Outstanding (net of Treasury Stock as at December 31)	<b>17,027.87</b>	17,028.08	17,041.57

\*The SEC approved the (i) increase in par value of voting preferred shares from ₱0.01 per share to ₱10,000.00 per share, and (ii) increase in par value of common shares from ₱1.00 per share to ₱1,000,000.00 per share on December 29, 2023.

As of December 31, 2025 and 2024, the Parent Company's preferred shares have the following features:

- The voting preferred shares have voting rights, entitled to cumulative dividend rate of eight percent (8.0%) per annum plus a fixed annual dividend at the rate as may be determined and revised from time to time by the Board, and redeemable at par in the event that restrictions on foreign share ownership are lifted.
- The non-voting preferred shares have non-voting rights (except in cases provided for by law) and are entitled to cumulative dividend at a rate to be determined by the Board at the time of issuance, and redeemable at the option of the Parent Company.

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

#### Treasury Stock

On August 7, 2018, the Board, as part of the Group's plan to voluntary delist, approved the buyback of up to 2.04 billion common shares held collectively by all shareholders of the Group other than Red Vulcan, First Gen, NTPC and PREHC at a price of ₱7.25 per common share.

As of December 31, 2025 and 2024, the details of the common shares acquired based on the previous par value of ₱1.00 per share are as follows:

Date of Acquisition	Number of Shares	Average price per share	Total Amount
March 11, 2022	234,600	₱7.2588	₱1,702,920
November 26, 2021	497,670	7.2500	3,608,107
July 26, 2021	6,265,779	7.2500	45,426,900
March 19, 2021	55,250	7.2500	400,562
January 19, 2021	41,400	7.2500	300,150
November 18, 2020	9,750	7.2500	70,688
September 17, 2020	1,105,726	7.2500	8,016,512
June 25, 2020	1,049,967	7.2500	7,612,261
June 23, 2020	1,368,075	7.2500	9,918,544

(Forward)



Date of Acquisition	Number of Shares	Average price per share	Total Amount
March 3, 2020	699,978	₱7.2500	₱5,074,840
February 26, 2020	241,425	7.2500	1,750,331
February 18, 2020	41,000	7.2500	297,250
October 16, 2019	680,000	7.2500	4,930,000
September 25, 2019	31,875	7.2500	231,094
June 6, 2019	111,670	7.2500	809,607
April 21, 2019	19,707	7.2500	142,876
April 11, 2019	5,625	7.2500	40,781
February 22, 2019	120,000	7.2500	870,000
November 5, 2018	2,009,107,731	7.2500	14,566,031,050
May 3, 2016	1,000,000	5.6350	5,650,299
May 2, 2016	390,000	5.6623	2,214,701
April 8, 2016	2,000,000	5.6370	11,303,312
January 11, 2016	900,000	5.5475	5,005,731
January 8, 2016	3,700,000	5.6394	20,921,074
December 14, 2015	2,000,000	5.5813	11,190,764
December 11, 2015	3,000,000	5.7267	17,225,627
	2,034,677,228		14,730,745,981
Effect of SEC's approval of the reverse stock split in December 2023	(2,034,675,193.32)		—
	2,034.68		14,730,745,981
Fractionalized common shares paid:			
March 2024	0.18	7,500,000.00	1,330,125
April 2024	1.81	7,500,000.00	13,596,533
May 2024	7.01	7,500,000.00	52,564,913
June 2024	3.74	7,500,000.00	28,024,763
July 2024	0.35	7,500,000.00	2,634,653
August 2024	0.21	7,500,000.00	1,612,325
September 2024	0.07	7,500,000.00	574,628
October 2024	0.04	7,500,000.00	300,000
November 2024	0.08	7,500,000.00	612,023
	2,048.17		14,831,995,944
Fractionalized common shares paid:			
March 2025	0.00	7,500,000.00	18,750
April 2025	0.03	7,500,000.00	206,250
June 2025	0.04	7,500,000.00	277,875
July 2025	0.02	7,500,000.00	187,500
August 2025	0.09	7,500,000.00	670,508
September 2025	0.00	7,500,000.00	19,500
October 2025	0.01	7,500,000.00	75,000
November 2025	0.02	7,500,000.00	114,375
December 2025	0.00	7,500,000.00	22
<b>Total</b>	<b>2,048.38</b>		<b>₱14,833,565,724</b>

On February 10, 2025, FG Hydro entered into a subscription agreement to subscribe 42,000,000 redeemable non-voting preferred stocks of EDC with a par value of ₱10 per share for a total subscription price of ₱4,200.0 million. The Group accounted for this transaction as treasury stocks in the consolidated financial statements.



Cumulative Translation Adjustments

The details of cumulative translation adjustments as of December 31, 2025 and 2024 are as follows:

	2025	2024
Foreign exchange adjustments	₱1,337,256,507	₱1,458,608,218
EBWPC's change in functional currency	417,367,032	417,367,032
Balances at end of year	<b>₱1,754,623,539</b>	<b>₱1,875,975,250</b>

The movements in the "Foreign exchange adjustments" account in 2025 and 2024 are as follows:

	2025	2024
Balances at beginning of year	₱1,458,608,218	₱1,175,713,229
Foreign exchange adjustments	(121,351,711)	282,894,989
Balances at end of year	<b>₱1,337,256,507</b>	<b>₱1,458,608,218</b>

In 2016, EBWPC changed its functional currency to US Dollar. In accordance with PAS 21, such change in functional currency was accounted for prospectively. Balances as of January 1, 2016 were translated using the exchange rate at the date of change and the resulting translated amounts for non-monetary items are treated as their historical cost. The change in functional currency resulted in an exchange difference amounting to ₱417.4 million which was presented as part of the "Cumulative translation adjustments" in the consolidated statements of financial position.

Equity Reserve

On October 16, 2008, EDC, First Gen, and FG Hydro entered into a Share Purchase and Investment Agreement (SPIA), whereby EDC shall own 60 % of the outstanding equity of FG Hydro, which was then a wholly-owned subsidiary of First Gen prior to the SPIA. FG Hydro and EDC were subsidiaries of First Gen at that time and were, therefore, under common control of First Gen. The acquisition was accounted for similar to a pooling-of-interests method since First Gen controlled FG Hydro and EDC before and after the execution of the SPIA. EDC recognized equity reserve amounting to ₱3,706.4 million pertaining to the difference between the acquisition cost and EDC's proportionate share in the paid-in capital of FG Hydro.

Retained Earnings

*Dividends*

Following are the dividends declared by the Parent Company:

Declaration date	Record date	Payment date	Shareholders	Description	Dividend per share	Total amount
<b>2025:</b>						
January 23, 2025	February 3, 2025	February 28, 2025	Common	Regular	₱246,651.43	₱4,200,000,000
			Preferred	Regular	16,650.67	156,100,000
May 14, 2025	May 31, 2025	June 30, 2025	Common	Special	146,816.58	2,500,000,000
			Preferred	Regular	47,957.33	449,600,000
						<b>₱7,305,700,000</b>

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



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

Following are the dividends declared by BGI to noncontrolling interest:

Declaration date	Record date	Payment date	Shareholders	Description	Dividend per share	Total amount
2025:						
June 5, 2025	June 9, 2025	June 23, 2025	Preferred	Regular	₱0.01	₱125,000

Following are the dividends declared by GCGI to noncontrolling interest:

Declaration date	Record date	Payment date	Shareholders	Description	Dividend per share	Total amount
2025:						
June 5, 2025	June 9, 2025	June 23, 2025	Preferred	Regular	₱0.01	₱250,000

The retained earnings balance is restricted to the extent of: (a) acquisition price of the treasury stocks amounting to ₱19,033.6 million and ₱14,832.0 million as of December 31, 2025 and 2024, respectively; and (b) the undistributed net earnings of subsidiaries amounting to ₱6,507.4 million and ₱10,989.1 million as of December 31, 2025 and 2024, respectively. Undistributed earnings of the subsidiaries are not available for dividend distribution until such time that the Parent Company receives the dividends from these subsidiaries.

#### *Appropriation of Retained Earnings*

On November 23, 2023, the Board of the Parent Company approved a resolution to appropriate up to ₱20.0 billion of which ₱15.0 billion was appropriated out of the Parent Company's unrestricted retained earnings for its capital expenditure requirements. In 2023, the Group made a reversal of prior years' appropriation of retained earnings amounting to ₱8.5 billion.

On November 22, 2024, the Board of the Parent Company approved a resolution to appropriate up to ₱41.0 billion of which ₱35.0 billion was appropriated out of the Parent Company's unrestricted retained earnings for its capital expenditure requirements or capital expansion projects. The appropriation is based on 2025 budgeted capital project and the appropriation is expected to be utilized/reversed within the year. In 2024, the Group made a reversal of prior years' appropriation of retained earnings amounting to ₱43.8 billion.

On December 5, 2025, the Board of the Parent Company approved a resolution to appropriate up to ₱38.0 billion out of the Parent Company's unrestricted retained earnings for its capital expansion to fund expansion projects and in consideration of certain restrictions under existing loan agreements. The appropriation is based on 2026 budgeted capital project and the appropriation is expected to be utilized/reversed within the year. In 2025, the Group made a reversal of prior years' appropriation of retained earnings amounting to ₱35.0 billion.

#### NCI

The non-controlling interests in the consolidated financial statements represent mainly the ownership by First Gen of 100% of preferred shares and 40% of common shares of FG Hydro.



On August 7, 2024, FG Hydro declared dividends amounting to ₱2,012.3 million, of which ₱804.9 million is attributable to non-controlling common shareholder and paid on September 14, 2024.

No dividends were declared by FG Hydro in 2025 and 2023.

Following are the summarized financial information of FG Hydro as at December 31, 2025 and 2024 and for each of the three (3) years in the period ended December 31, 2025:

*Statements of financial position*

	2025	2024
	<i>(In Thousands)</i>	
Current assets	<b>₱3,422,920</b>	₱1,457,627
Noncurrent assets	<b>9,688,430</b>	3,034,117
<b>Total Assets</b>	<b>₱13,111,350</b>	₱4,491,744
Current liabilities	<b>₱331,255</b>	₱108,424
Noncurrent liabilities	<b>6,925,051</b>	65,131
<b>Total Liabilities</b>	<b>7,256,306</b>	173,555
<b>Total Equity</b>	<b>5,855,044</b>	4,318,189
<b>Total Liabilities and Equity</b>	<b>₱13,111,350</b>	₱4,491,744

*Statements of comprehensive income*

	2025	2024	2023
	<i>(In Thousands)</i>		
Revenue	<b>₱3,210,948</b>	₱1,590,982	₱2,132,799
Cost and operating expenses	<b>(1,249,389)</b>	(1,393,628)	(1,893,373)
Other charges	<b>(194,085)</b>	136,704	102,264
Income before income tax	<b>1,767,474</b>	334,058	341,690
Provision for income tax	<b>(226,865)</b>	(29,443)	(16,043)
Net income	<b>1,540,609</b>	304,615	325,647
Other comprehensive income	<b>698</b>	3,055	21,220
<b>Total comprehensive income</b>	<b>₱1,541,307</b>	₱307,670	₱346,867

*Statements of cash flows*

	2025	2024	2023
	<i>(In Thousands)</i>		
Net cash flows from operating activities	<b>₱2,140,459</b>	₱574,350	₱919,145
Net cash flows used in investing activities	<b>(8,684,227)</b>	(244,321)	(317,284)
Net cash flows from (used in) financing activities	<b>6,751,562</b>	(2,064,750)	-
Effect of foreign exchange rate	<b>(3,707)</b>	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>₱204,087</b>	(₱1,734,721)	₱601,861



## 20. Related Party Transactions

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

Following are the amounts of transactions and outstanding balances as of and for the years ended December 31, 2025, 2024, and 2023 with entities under common control:

Related Party	Nature of Transaction	Terms	Transactions for the years ended December 31			Outstanding Balances as of December 31	
			2025	2024	2023	2025	2024
<b>Due to related parties</b>							
<b>Entities under common control</b>							
First Gen	Interest-free advances	Unsecured and will be settled in cash	₱10,256,597	₱8,483,187	₱6,639,613	₱1,755,743	₱1,734,507
FGP Corp	- do -	- do -	-	-	-	59,388	59,388
						<b>₱1,815,131</b>	<b>₱1,793,895</b>
<b>Dividends payable</b> (Note 16)							
<b>Affiliate</b>							
Philippine Renewable Energy Holdings Corp.	Dividend	Unsecured and will be settled in cash	₱3,630,179,538	₱3,359,167,696	₱2,977,681,382	₱-	₱-
<b>Entities under common control</b>							
Red Vulcan	- do -	- do -	3,556,316,623	3,023,870,535	2,714,051,234	-	-
First Gen	- do -	- do -	58,314,608	858,786,497	48,059,418	-	-
North Terracotta Power Corp	- do -	- do -	58,233,266	53,886,497	47,795,533	-	-
						<b>₱-</b>	<b>₱-</b>
<b>Due from related parties</b>							
<b>Entities under common control</b>							
First GES	Other services	Unsecured and will be settled in cash	₱-	₱17,809,253	₱16,989,195	₱40,990,570	₱55,242,519
Thermaprime	Interest-free advances	- do -	-	-	-	1,941,251	1,941,251
First Gen	Other services	- do -	-	-	1,130,910	1,203,736	1,203,736
						<b>₱44,135,557</b>	<b>₱58,387,506</b>
<b>Trade and other receivables</b> (Note 7)							
<b>Entities under common control</b>							
Meralco	Sale of electricity	Unsecured and will be settled in cash	₱1,876,293,851	₱-	₱-	₱196,704,006	₱-
Rockwell Land Corporation	- do -	- do -	297,214,114	301,798,417	285,318,091	34,862,574	36,395,328
FGen Natural Gas Supply, Inc.	- do -	- do -	19,619,668	2,748,954	2,596,813	27,947,856	534,370
Prime Meridian Powergen Corporation	- do -	- do -	320,075	-	-	13,476,994	-
PI Energy Inc.	- do -	- do -	112,554,468	217,853,037	150,045,216	13,443,432	9,959,127
First GES	- do -	- do -	90,334,996	486,612,129	897,836,133	10,421,397	34,082,364
First Philippine Industrial Park (FPIP)	- do -	- do -	31,737,543	23,710,171	21,276,552	5,290,355	3,223,263
First Industrial Township, Inc	- do -	- do -	37,090,221	49,620,237	42,796,318	4,596,838	9,742,550
FPIP Utilities, Incorporated	- do -	- do -	31,753,519	23,618,534	12,615,962	3,145,172	2,071,093
First Philec Inc.	- do -	- do -	27,633,440	17,215,064	14,334,828	2,390,840	2,030,200
FGP Corp	- do -	- do -	335,762	519,746	89,250	853,533	52,110
Fresh River Lakes Corp.	- do -	- do -	1,332,571	1,665,865	-	707,861	17,138
First Gas Power Corp.	- do -	- do -	265,707	814,845	131,887	266,771	118,033
FG Bukidon Power Corporation	- do -	- do -	7,381	-	-	7,798	-
ABS-CBN	- do -	- do -	-	144,246,700	154,722,907	-	15,467,331
						<b>₱314,115,427</b>	<b>₱113,692,907</b>

(Forward)



Related Party	Nature of Transaction	Terms	Transactions for the years ended December 31			Outstanding Balances as of December 31	
			2025	2024	2023	2025	2024
<b>Other noncurrent assets</b> (Note 15)							
Thermaprime	Loan to affiliate	Payable in 3 years from effectivity of agreement	₱-	₱1,025,476,524	₱-	₱399,973,783	₱1,025,476,524
<b>Trade and other payables</b> (Note 16)							
<b>Entities under common Control</b>							
First Balfour Inc.	Civil works and other services	Unsecured and will be settled in cash	₱5,534,912,187	₱7,209,912,212	₱5,446,411,985	₱2,213,800,873	₱2,647,788,952
Thermaprime	Drilling and other related services	- do -	4,389,078,433	4,925,238,652	1,160,777,545	1,197,289,376	605,580,070
Meralco	Purchase of services and utilities	- do -	2,864,838,864	2,820,117,445	2,509,759,125	909,245,575	855,212,965
First Gen Integrated Business Services Inc.	- do -	- do -	586,926,370	-	-	206,693,584	-
Silverlink Security & Investigative Services, Inc.	- do -	- do -	345,982,100	167,522,326	131,641,188	136,072,991	46,693,328
Fresh River Lakes Corp.	- do -	- do -	989,405,745	386,509,049	-	86,514,416	67,794,169
TG Services Inc.	- do -	- do -	170,232,000	150,645,483	121,602,278	56,045,943	49,958,553
InfoPro Business Solutions, Inc.	- do -	- do -	242,915,383	193,582,248	176,974,616	54,559,924	29,394,746
Powerlink Security & Investigative Services, Inc.	- do -	- do -	26,868,189	72,835,474	61,965,511	28,965,089	36,936,299
PI Energy Inc.	- do -	- do -	120,108,700	105,874,697	86,149,301	13,067,235	11,455,586
FPIP Property Developers and Management Corporation	- do -	- do -	4,568,462	4,436,888	4,274,540	4,496,442	7,993,189
Therma One Transport Corp.	- do -	- do -	5,764,682	8,216,328	6,086,984	2,719,383	1,634,760
Bayan Telecommunications Holdings Corporation	- do -	- do -	504,702	-	56,840	1,574,343	2,253,289
Skycable	- do -	- do -	1,705,000	2,525,994	2,873,088	1,252,574	1,297,722
INAEC Aviation Corporation	- do -	- do -	7,407,352	-	5,590,600	726,578	726,578
First Natgas Power Corp.	- do -	- do -	574,970	1,136,287	15,608,180	603,141	524,492
First Philec Inc.	- do -	- do -	-	-	-	568,555	568,555
First Philippine Industrial Corporation	- do -	- do -	-	-	-	482,445	22,412
Asian Eye Institute, Inc.	- do -	- do -	-	-	-	443,991	443,991
First Philec Manufacturing Technologies Corp.	- do -	- do -	-	-	-	328,720	328,720
First GES	- do -	- do -	-	636,993,452	451,143,202	264,436	63,522,323
First Gas Power Corp.	- do -	- do -	-	-	-	260,726	1,434
Pilipino Cable Corporation	- do -	- do -	-	-	-	150,000	150,000
Prime Meridian Powergen Corporation	- do -	- do -	-	-	-	130,753	1,372,211
First Philippine Realty Corporation	- do -	- do -	-	9,405,650	2,797,729	118,174	897,174
Goldlink Security & Investigative Services, Inc.	- do -	- do -	-	-	-	77,512	77,512
ABS-CBN Foundation, Inc.	- do -	- do -	-	219,000	-	63,000	63,000
FGP Corp.	- do -	- do -	-	-	29,388	59,611	59,639
Securities Transfer Services, Inc.	- do -	- do -	-	-	-	36,720	36,720
Others	- do -	- do -	1,114,234	3,121,056	9,178,315	37,896	668,471
First Gen	Consultancy fee	- do -	95,764,705	95,764,705	95,764,705	-	-
<b>Other related party</b>							
PREHC Directors	Directors' fee	- do -	468,702	13,773,028	28,276,234	-	-
						<b>₱4,916,650,006</b>	<b>₱4,433,456,860</b>
Thermaprime	Lease	Unsecured and will be settled in cash	₱-	₱4,745,224,826	₱-	₱1,801,260,421	₱4,541,598,894
Rockwell Land Corporation	- do -	- do -	-	-	2,238,513	67,929,309	125,583,141
						<b>₱1,869,189,730</b>	<b>₱4,667,182,035</b>

The outstanding amounts are unsecured and will be settled in cash. The Group did not recognize any impairment losses on receivables from related parties in 2025, 2024, and 2023. Entities under common control consist of subsidiaries (direct or indirect) of Lopez, Inc., the Group's ultimate parent.



i. First Gen

*Consultancy agreement*

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

In 2023, the consultancy agreement was extended until December 31, 2023. On August 8, 2024 the consultancy agreement was extended for a period of 24 months, from January 1, 2024 to December 31, 2025.

The total consultancy services amounted to ₱95.8 million in 2025, 2024, and 2023 and were included in the “Purchased services and utilities” under “General and administrative expenses” account (see Note 23).

ii. First Balfour, Inc. (First Balfour)

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

As of December 31, 2025 and 2024, the outstanding balance amounted to ₱2,213.8 million and ₱2,647.8 million, respectively, recorded under “Trade and other payables” account in the consolidated statements of financial position (see Note 16).

iii. Thermaprime

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

As of December 31, 2025 and 2024, the outstanding balance due from Thermaprime amounted to ₱1.9 million.

As of December 31, 2025 and 2024, the outstanding balance for loan to Thermaprime amounted to ₱400.0 million and ₱1,025.5 million, respectively, recorded under “Other Noncurrent Assets” account in the consolidated statements of financial position (see Note 15).

As of December 31, 2025 and 2024, the outstanding balance payable to Thermaprime amounted to ₱1,197.3 million and ₱605.6 million, respectively, recorded under “Trade and other payables”, an account in the consolidated statements of financial position (see Note 16).

As of December 31, 2025 and 2024 the outstanding balance payable to Thermaprime amounted to ₱1,801.3 million and ₱4,541.6 million, respectively, recorded under “Lease Liability” an account in the consolidated statements of financial position (see Note 32).

iv. Rockwell Land Corporation

The Parent Company has an agreement with Rockwell Land Corporation (Rockwell) for the lease of office and parking spaces in Rockwell Business Center.

As of December 31, 2025 and 2024, the outstanding lease liability related to Rockwell amounted to ₱67.9 million and ₱125.6 million, respectively (see Note 32).



Intercompany Guarantees

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

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

On May 25, 2023, the Board and stockholders of Energy Development Corporation Peru S.A.C decided to no longer pursue exploration and development activities in Peru due to political and market factors (see Note 1).

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

Remuneration of Key Management Personnel

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

	2025	2024	2023
Short-term employee benefits	<b>₱406,778,303</b>	₱489,383,916	₱473,277,561
Post-employment benefits (Note 28)	<b>25,891,968</b>	25,854,958	20,063,823
	<b>₱432,670,271</b>	₱515,238,874	₱493,341,384

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**21. Revenue from Sale of Electricity**

Revenue from contracts with customers

a. Power purchase agreements (PPAs)

Mindanao II

The PPA provided, among others, that NPC shall pay the Parent Company a base price per kilowatt-hour of electricity delivered, subject to inflation adjustments. The PPA stipulated a minimum energy offtake of 398 GWH per year. The contract was for a period of 25 years, which commenced in June 1999 and expired in June 2024.

Solar Rooftop

EDC Siklab secured a new PPA with HEVA for its Gaisano La Paz Solar Rooftop Project. The contract is for a period of 25 years from the date of the commencement of commercial operation of the project, which commenced in March 2017.



b. Power supply agreements (PSAs)

EDC, GCGI, BGI, and FG Hydro entered into various PSAs with private distribution utilities, electric cooperatives, retail electricity supplier, and industrial customers with contract periods ranging from one (1) year and 11 months to 26 years as of December 31, 2025 and two (2) years to 26 years as of December 31, 2024. The remaining periods of these contracts ranges from six (6) months to 15 years as of December 31, 2025 and three (3) months to 16 years as of December 31, 2024. Under these contracts, the aforementioned entities shall generate and deliver to its bilateral customers the contracted energy on a monthly basis, and are paid based on price per kilowatt-hour of electricity delivered, subject to certain adjustments such as foreign exchange and inflation.

c. Spot market sales

Electricity in excess of contracted capacity is sold to the spot market at spot market rate.

d. Feed-in-tariff (FIT)

EDC and EBWPC were issued a FIT COC by the ERC which entitles them to the applicable FIT rate, as prescribed by the ERC. EDC and EBWPC signed agreements with the National Transmission Corporation (TransCo), the FIT administrator setting out the rights and obligations of the parties under the FIT rules and FIT-All guidelines, in respect of the full payment of the actual energy generation of the generator, at a price equivalent to the applicable FIT rate, subject to adjustments as may be approved by the ERC, for the entire duration of its FIT eligibility period.

e. Retail supply contracts

BGI and GCGI entered into various retail supply contracts with contestable customers with contract periods ranging from one (1) year to 9 years and six (6) months as of December 31, 2025 and one (1) year to 14 years and four (4) months as of December 31, 2024. The remaining periods of these contracts ranged from one (1) month to 2 years as of December 31, 2025 and two (2) months to 13 years as of December 31, 2024.

Under the RSCs, BGI and GCGI charge the customer both the basic energy and pass-through charges, as may be applicable.

f. GEOP supply contracts

BGI and GCGI entered into various GEOP supply contracts with contestable customers with contract periods ranging from one (1) year to 11 years as of December 31, 2025 and from (1) year to nine (9) years and six (6) months as of December 31, 2024. The remaining periods of these contracts range from one (1) month to seven (7) years and 10 months as of December 31, 2025 and eight (8) months to eight (8) years and 10 months as of December 31, 2024.

g. Ancillary services procurement agreements (ASPAs)

FG Hydro entered into ASPAs with NGCP which are each effective for a period of five (5) years, commencing upon approval of the ERC. These are scheduled to expire on September 20, 2028.



h. Ancillary services reserve market

EDC constructed 3 Battery Projects in 2025 - 20MW/20MWh Bac-Man Energy Storage System, 10MW/10MWh Tongonan Energy Storage System, and 10MW/10MWh Southern Negros Energy Storage System. All 3 Projects achieved commercial operations on September 12, 2025, December 9, 2025 and November 13, 2025, respectively, and are actively participating in the Reserve Market.

## 22. Costs of Sale of Electricity

	2025	2024	2023
Purchased services and utilities (Note 20)	<b>₱10,618,957,681</b>	₱9,081,471,374	₱7,107,245,525
Depreciation and amortization (Notes 12 and 13)	<b>8,806,084,028</b>	6,715,164,625	6,893,684,580
Rental, insurance, and taxes (Note 32)	<b>2,807,910,588</b>	3,207,657,604	2,696,682,383
Repairs and maintenance Parts and supplies issued (Note 10)	<b>2,019,342,452</b>	1,863,418,251	1,950,880,333
Personnel costs (Notes 24 and 28)	<b>1,924,753,331</b>	1,136,360,506	1,424,654,890
Government share (Notes 16 and 33)	<b>1,875,073,143</b>	2,073,765,148	1,998,310,643
Business and related expenses	<b>230,498,575</b>	442,681,303	348,530,144
	<b>225,231,211</b>	195,564,668	149,304,371
	<b>₱28,507,851,009</b>	₱24,716,083,479	₱22,569,292,869

Purchased services and utilities includes cost of electricity purchased from the spot market, professional and technical services, hauling and handling costs, rig mobilization charges, contractual personnel costs, and other services and utilities expense.

## 23. General and Administrative Expenses

	2025	2024	2023
Purchased services and utilities (Note 20)	<b>₱3,548,319,263</b>	₱3,189,600,324	₱2,845,139,586
Personnel costs (Notes 24 and 28)	<b>2,094,843,475</b>	2,317,668,374	2,088,038,811
Business and related expenses	<b>1,058,751,768</b>	1,053,838,141	900,865,097
Rental, insurance, and taxes (Note 32)	<b>748,577,339</b>	579,380,754	161,171,990
Depreciation and amortization (Notes 12 and 13)	<b>319,331,727</b>	347,522,195	346,747,482
Provision for (reversal of) impairment of parts and supplies inventories (Notes 3, 5 and 10)	<b>266,491,366</b>	138,871,710	(69,773,870)
Provision for impairment of trade and other receivables, prepaid taxes, and others (Notes 7 and 15)	<b>163,094,381</b>	332,073,222	31,220,205
Parts and supplies issued (Note 10)	<b>122,490,460</b>	125,156,555	107,402,928
Repairs and maintenance	<b>104,503,566</b>	95,957,931	155,051,077
Provision for impairment of goodwill, property, plant and equipment, exploration and evaluation, and other various assets (Notes 1, 12, 13, 14, 20 and 27)	<b>—</b>	—	282,352,678
	<b>₱8,426,403,345</b>	₱8,180,069,206	₱6,848,215,984



Business and related expenses consists of expenses incurred by the Group for local and foreign travel, company meeting expenses and advertising, and among other business expenses.

## 24. Personnel Costs

	2025	2024	2023
Salaries and other benefits	<b>₱3,525,648,571</b>	₱3,953,823,600	₱3,730,405,499
Net retirement and other post-employment benefit expense (Note 28)	<b>377,246,551</b>	385,112,281	305,162,161
Social security costs	<b>67,021,496</b>	52,497,641	50,781,794
	<b>₱3,969,916,618</b>	₱4,391,433,522	₱4,086,349,454
Costs of sale of electricity (Note 22)	<b>₱1,875,073,143</b>	₱2,073,765,148	₱1,998,310,643
General and administrative expenses (Note 23)	<b>2,094,843,475</b>	2,317,668,374	2,088,038,811
	<b>₱3,969,916,618</b>	₱4,391,433,522	₱4,086,349,454

## 25. Interest Income and Interest Expense

Interest income consists of the following:

	2025	2024	2023
Interest accretion on FIT rate adjustment	<b>₱216,425,177</b>	₱28,165,091	₱37,247,121
Interest income on cash and cash equivalents, debt service reserve account and other short-term investments (Notes 6, 11 and 31)	<b>189,748,805</b>	555,408,590	775,261,668
Others	<b>14,081,051</b>	5,152,506	5,814,278
	<b>₱420,255,033</b>	₱588,726,187	₱818,323,067

Others include interest income from financial assets at FVOCI, and interest income on late payments of TransCo.

Interest expense consists of the following:

	2025	2024	2023
Interest on long-term debts including amortization of transaction costs (Notes 17 and 31)	<b>₱5,058,749,602</b>	₱3,533,704,873	₱3,062,758,645
Interest accretion on provision for rehabilitation and restoration costs (Notes 3, 12 and 18)	<b>106,864,603</b>	99,738,668	97,070,297
Interest on lease liability (Notes 31 and 32)	<b>102,861,602</b>	10,180,592	12,126,255
Interest on liability from litigation (Notes 3 and 18)	<b>7,811,107</b>	7,811,107	7,811,107
	<b>₱5,276,286,914</b>	₱3,651,435,240	₱3,179,766,304

Interest on liability from litigation is related to land expropriation (see Notes 3 and 18).



## 26. Foreign Exchange Gains (Losses)

	2025	2024	2023
Realized foreign exchange gains (losses) - net	<b>(₱101,782,871)</b>	₱255,315,890	₱7,040,316
Unrealized foreign exchange gains (losses) - net	<b>81,101,188</b>	(204,089,261)	3,248,159
Net foreign exchange gains (losses)	<b>(₱20,681,683)</b>	₱51,226,629	₱10,288,475

This account pertains mainly to foreign exchange adjustments realized on repayment of loans and unrealized on restatement of outstanding balances of foreign currency-denominated long-term debt and trade payables, and cash and cash equivalents. The detailed information with respect to the closing foreign exchange rates used in the translation of monetary assets and liabilities of the Group as of December 31, 2025 and 2024 is presented in Note 31 to the consolidated financial statements.

## 27. Miscellaneous Income (Charges) - net

	2025	2024	2023
Income from insurance claims (Note 32)	<b>₱766,182,113</b>	₱326,812,788	₱747,556,450
Gain on disposal of investments (Note 15)	<b>238,772,373</b>	-	-
Gain (loss) on disposal and retirement of property, plant and equipment - net (Notes 12 and 20)	<b>172,167,209</b>	(369,134,416)	(801,045)
Loss on direct write-off of input VAT claims (Notes 3 and 15)	<b>(76,431,348)</b>	(78,954,381)	(44,055,773)
Dividend income	<b>55,206,200</b>	-	-
Mark-to-market gain (loss) on financial assets at FVPL (Note 8)	<b>49,953,991</b>	2,207,790	1,018,757
Realized losses (gains) from financial assets at fair value through profit or loss (Note 8)	<b>(1,097,091)</b>	144,472	(1,537)
Gain on unwinding of derivatives (Note 31)	-	202,397,116	-
Others - net (Notes 3, 8 and 15)	<b>227,700,572</b>	(79,915,873)	(134,385,448)
	<b>₱1,432,454,019</b>	₱3,557,496	₱569,331,404

In 2024, loss on disposal and retirement of property, plant and equipment includes reversal of cumulative translation adjustments amounting to ₱70.9 million.

Others include market charges, sale of carbon credits, share in net gain (loss) from associate and joint venture and various bank and loan related charges.



## 28. Retirement and Other Post-employment Benefits Plans

The Parent Company, GCGI, and BGI have a funded, non-contributory, defined benefit retirement plan, while FG Hydro and EBWPC have unfunded, non-contributory defined benefit retirement plan. The Group also provides post-employment medical and life insurance benefits. The plan covers all permanent employees and is administered by trustee banks.

Generally, upon fulfillment of certain employment conditions, the retirement benefits are payable in lump sum upon retirement, which is determined on the basis of the retiree's final salary and computed at a certain percentage of final monthly salary base pay for every year of service.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The following tables summarize the components of net benefit expense recognized in profit or loss and the funded status and amounts recognized in the consolidated statements of financial position:

	2025	2024	2023
Current service cost	<b>₱230,584,129</b>	₱227,049,992	₱183,685,072
Net interest	<b>146,662,422</b>	158,062,289	121,477,089
Retirement and other post-employment benefit expense (Note 24)	<b>₱377,246,551</b>	₱385,112,281	₱305,162,161
		<b>2025</b>	<b>2024</b>
Present value of defined benefits obligation		<b>₱4,692,878,083</b>	₱4,757,953,095
Fair value of plan assets		<b>(2,175,942,719)</b>	(2,318,112,869)
Net retirement and other post-employment benefits liability		<b>₱2,516,935,364</b>	₱2,439,840,226

The remeasurement effect of employee benefits recognized in the consolidated statements of comprehensive income, included in "Other comprehensive income", follows:

	2025	2024	2023
Remeasurement loss (gain)	<b>(₱177,511,963)</b>	₱35,530,850	₱719,577,496
Loss (gain) on return on plan assets excluding amount included in net interest	<b>97,974,867</b>	(17,905,226)	28,774,931
Remeasurement loss (gain) on employee benefits	<b>(₱79,537,096)</b>	₱17,625,624	₱748,352,427



Changes in the net retirement and other post-employment benefits liability recognized in the consolidated statements of financial position follow:

	2025	2024
Net retirement and other post-employment benefits liability at beginning of year	<b>₱2,439,840,226</b>	₱2,627,411,359
Retirement and other post-employment benefit expense	<b>377,246,551</b>	385,112,281
Net remeasurement loss (gain)	<b>(79,537,096)</b>	17,625,624
Contributions to the plan	<b>(222,832,191)</b>	(592,519,769)
Foreign exchange adjustments	<b>2,217,874</b>	2,210,731
Net retirement and other post-employment benefits liability at end of year	<b>₱2,516,935,364</b>	₱2,439,840,226

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

	2025	2024
Defined benefits obligation at beginning of year	<b>₱4,757,953,095</b>	₱4,563,979,843
Current service cost	<b>230,584,129</b>	227,049,992
Interest cost on benefits obligation	<b>284,676,417</b>	274,295,588
Benefits paid	<b>(405,041,469)</b>	(345,113,909)
Remeasurements arising from:		
Changes in demographic assumptions	<b>(196,860,766)</b>	-
Changes in financial assumptions	<b>(55,122,839)</b>	10,674,240
Deviations of experience from assumptions	<b>74,471,642</b>	24,856,610
Foreign exchange adjustments	<b>2,217,874</b>	2,210,731
Defined benefits obligation at end of year	<b>₱4,692,878,083</b>	₱4,757,953,095

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

	2025	2024
Fair value of plan assets at beginning of year	<b>₱2,318,112,869</b>	₱1,936,568,484
Interest income	<b>138,013,995</b>	116,233,299
Contributions to the plan	<b>222,832,191</b>	592,519,769
Benefits paid	<b>(405,041,469)</b>	(345,113,909)
Return on plan assets, excluding interest income	<b>(97,974,867)</b>	17,905,226
Fair value of plan assets at end of year	<b>₱2,175,942,719</b>	₱2,318,112,869
Actual return on plan assets	<b>₱40,039,128</b>	₱134,138,525

The retirement funds of EDC, GCGI, and BGI are maintained by BDO Trust. This trustee bank is also responsible for investment of the plan assets. The investing decisions of the Plan are made by the respective retirement committees of the said companies.

Management reviews the performance of the defined benefit retirement plan on a regular basis. The overall investment policy and strategy of the Group's retirement benefit plan is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay retirement benefits as they fall due while also mitigating the various risks of the Plan. The Group's current investment strategy is suited for an investor with a conservative investment risk profile.



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

	2025	2024
Investments quoted in active market		
Quoted equity investments (by industry)		
Services - exchange traded fund	<b>₱191,042,729</b>	₱-
Holding firms	<b>109,335,267</b>	131,853,992
Property	<b>105,624,653</b>	107,881,273
Financials - banks	<b>96,502,802</b>	227,522,746
Transportation services	<b>79,669,170</b>	56,448,640
Industrial - electricity, energy, power and water	<b>28,801,199</b>	35,757,743
Golf and country club	<b>26,200,000</b>	26,766,667
Industrial - food, beverage, and tobacco	<b>23,146,999</b>	33,275,580
Services - telecommunications	<b>20,328,336</b>	27,727,581
Retail	<b>5,331,972</b>	4,314,678
	<b>685,983,127</b>	651,548,900
Quoted debt instruments		
Government securities	<b>1,149,308,192</b>	845,000,831
Corporate bonds	<b>36,027,799</b>	61,785,686
	<b>1,185,335,991</b>	906,786,517
Unquoted investments		
Cash and cash equivalents	<b>283,847,411</b>	745,183,268
Receivables and other assets	<b>20,776,190</b>	14,594,184
	<b>304,623,601</b>	759,777,452
<b>Fair value of plan assets</b>	<b>₱2,175,942,719</b>	₱2,318,112,869

The carrying amounts of investments in equity securities also approximate their fair values since they are marked-to-market.

Unrealized losses arising from investments in Lopez Holdings Corp. and First Gen Corp. for the years 2025, 2024, and 2023 amounted to nil.

The voting rights over these equity securities are exercised by the trustee banks.

- Investments in corporate bonds consist of both short-term and long-term corporate notes and bonds, which bear interest ranging from 5.80% to 6.71% and have maturities from 2024 to 2029.
- Investments in government securities consist of retail treasury bonds and fixed rate treasury notes that bear interest ranging from 5.58% to 8.63% and have maturities from 2024 to 2050.
- Cash and cash equivalents include regular savings and time deposits.
- Other financial assets held by these plans are primarily accrued interest income on cash deposits and debt securities held by the plans and dividend receivable from equity securities. Liabilities of the plans pertain to trust fee payable and other accrued expenses payable.

The Group expects to contribute ₱212.1 million to its defined benefit retirement plan in 2026.



The principal actuarial assumptions used in determining retirement and other post-employment benefits as of December 31 of each year are as follows:

	<b>2025</b>	<b>2024</b>
Discount rate	<b>6.12%-6.37%</b>	6.04%-6.10%
Future salary increase rate	<b>6.0%-9.0%</b>	4.0%-9.0%
Medical costs trend rate	<b>6%</b>	6%

The discount rate was based on approximated zero-coupon yield of government bonds with remaining period to maturity approximating the estimated average duration of benefit payment.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2025 and 2024, assuming all other assumptions were held constant:

<b>2025</b>		
	<b>Increase/Decrease in Percentage Point</b>	<b>Increase (Decrease) in Defined Benefit Obligation</b>
Discount rate	+1%	<b>(P372,219,134)</b>
	-1%	<b>428,565,526</b>
Future salary increases	+1%	<b>P421,811,081</b>
	-1%	<b>(375,225,700)</b>
Medical costs trend	+1%	<b>P2,056,205</b>
	-1%	<b>(2,564,606)</b>
<b>2024</b>		
	<b>Increase/Decrease in Percentage Point</b>	<b>Increase (Decrease) in Defined Benefit Obligation</b>
Discount rate	+1%	<b>(P420,466,641)</b>
	-1%	<b>486,071,412</b>
Future salary increases	+1%	<b>P476,546,299</b>
	-1%	<b>(423,617,385)</b>
Medical costs trend	+1%	<b>P2,880,356</b>
	-1%	<b>(2,545,700)</b>

The estimated weighted average duration of benefit payment is 13 years and 15 years in 2025 and 2024, respectively.

Following are the information about the maturity profile of the defined benefit obligation as of December 31, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Less than one (1) year	<b>P517,174,581</b>	P485,310,971
One (1) year up to five (5) years	<b>2,557,466,507</b>	2,263,050,893
More than five (5) years up to 10 years	<b>2,695,540,162</b>	2,928,770,187
More than 10 years up to 15 years	<b>1,915,333,572</b>	1,884,332,868
More than 15 years	<b>5,757,943,828</b>	6,142,861,642



## 29. Income Tax

- a. The deferred income tax assets (liabilities) of the Group are presented in the consolidated statements of financial position as follows:

	2025	2024
Deferred income tax assets	₱854,976,010	₱865,508,396
Deferred income tax liabilities	148,429,441	93,512,275
	<b>₱706,546,569</b>	<b>₱771,996,121</b>

The components of the Group's recognized deferred tax assets and liabilities follow:

	2025			End of Year
	Beginning of Year	Charged to Income	Charged to OCI	
Deferred tax assets on:				
Impairment loss on property, plant and equipment	₱619,398,762	₱20,000	₱-	₱619,418,762
Lease liabilities	477,445,256	(4,907,575)	-	472,537,681
Allowance for impairment loss	293,914,325	28,876,207	-	322,790,532
Accrued retirement benefits	252,611,862	7,442,585	(7,953,710)	252,100,737
Provision for rehabilitation and restoration costs	169,149,654	11,782,786	-	180,932,440
Revenue generated during testing period of BGI power plants	124,433,358	(6,532,939)	-	117,900,419
Provision for impairment of parts and supplies inventories	69,227,455	26,001,527	-	95,228,982
Differences in fair value versus cost of Tongonan and Palimpinon property, plant and equipment	23,563,522	(5,963,000)	-	17,600,522
Unrealized foreign exchange losses	-	16,302,605	-	16,302,605
Fair value changes on hedging transactions	-	-	6,571,040	6,571,040
Others	497,781,983	(201,936,478)	851,824	296,697,329
	<b>2,527,526,177</b>	<b>(128,914,282)</b>	<b>(530,846)</b>	<b>2,398,081,049</b>
Deferred income tax liabilities on:				
Differences between the carrying amount of nonmonetary assets and liabilities and the related tax base	(1,090,991,273)	18,277,169	-	(1,072,714,104)
Right-of-use assets	(455,343,751)	28,655,814	-	(426,687,937)
Unrealized foreign exchange gains	(176,654,120)	16,072,283	-	(160,581,837)
Others	(32,540,912)	990,310	-	(31,550,602)
	<b>(1,755,530,056)</b>	<b>63,995,576</b>	<b>-</b>	<b>(1,691,534,480)</b>
	<b>₱771,996,121</b>	<b>(₱64,918,706)</b>	<b>(₱530,846)</b>	<b>₱706,546,569</b>

	2024			End of Year
	Beginning of Year	Charged to Income	Charged to OCI	
Deferred tax assets on:				
Impairment loss on property, plant and equipment	₱619,298,820	₱99,942	₱-	₱619,398,762
Lease liabilities	31,567,093	445,878,163	-	477,445,256
Allowance for impairment loss	188,518,661	105,395,664	-	293,914,325
Accrued retirement benefits	337,008,401	(86,159,102)	1,762,563	252,611,862
Provision for rehabilitation and restoration costs	158,895,953	10,253,701	-	169,149,654
Revenue generated during testing period of BGI power plants	130,966,297	(6,532,939)	-	124,433,358

(Forward)



	2024			
	Beginning of Year	Charged to Income	Charged to OCI	End of Year
Unrealized foreign exchange losses	₱60,747,805	(₱60,747,805)	₱-	₱-
Provision for impairment of parts and supplies inventories	54,642,745	14,584,710		69,227,455
Differences in fair value versus cost of Tongonan and Palinpinon property, plant and equipment	31,445,303	(7,881,781)	-	23,563,522
Others	436,225,003	65,353,800	(3,796,820)	497,781,983
	2,049,316,081	480,244,353	(2,034,257)	2,527,526,177
Deferred income tax liabilities on:				
Differences between the carrying amount of nonmonetary assets and liabilities and the related tax base	(1,073,640,024)	(17,351,249)	-	(1,090,991,273)
Fair value changes on hedging transactions	(67,590,720)	(2,352,756)	69,943,476	-
Right-of-use assets	(24,262,313)	(431,081,438)	-	(455,343,751)
Unrealized foreign exchange gains	(134,555,178)	(42,366,051)	267,109	(176,654,120)
Others	(8,598,280)	(23,942,632)	-	(32,540,912)
	(1,308,646,515)	(517,094,126)	70,210,585	(1,755,530,056)
	₱740,669,566	(₱36,849,773)	₱68,176,329	₱771,996,121

*Bayanihan to Recover as One Act (Bayanihan 2)*

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

As of December 31, 2025, the Group has incurred NOLCO which can be claimed as deduction against the taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Availment Period	Amount	Applied Previous Year/s	Expired	Applied Current Year	Unapplied
2022	2023-2025	₱3,159,646,109	₱1,517,381,993	₱413,342,532	₱1,228,921,584	₱-
2023	2024-2026	250,749,747	-	-	104,576,400	146,173,347
2024	2025-2027	893,941,087	-	-	893,505,408	435,679
2025	2026-2028	690,656,088	-	-	-	690,656,088
		₱4,994,993,031	₱1,517,381,993	₱413,342,532	₱2,227,003,392	₱837,265,114

As of December 31, 2025, the Group has NOLCO in taxable years 2020 and 2021 which can be claimed as deduction against the taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover as One Act, as follows:

Year Incurred	Availment Period	Amount	Applied Previous Year/s	Expired	Applied Current Year	Unapplied
2020	2021-2025	₱1,133,931,407	₱228,633,999	₱905,297,408	₱-	₱-
2021	2022-2026	1,323,919,713	534,337,996	-	-	789,581,717
		₱2,457,851,120	₱762,971,995	₱905,297,408	₱-	₱789,581,717

Movements of the Group's NOLCO are as follows:

	2025	2024
Balances at January 1	₱4,481,834,076	₱5,189,244,901
Addition	690,656,088	893,941,087
Expired	(1,318,639,940)	-
Application	(2,227,003,392)	(1,601,351,913)
Balances at December 31	₱1,626,846,831	₱4,481,834,076



As of December 31, 2025 and 2024, the Group did not recognize deferred income tax asset on its NOLCO addition amounting to ₱690.7 million and ₱893.9 million, respectively. This NOLCO with an unrecognized deferred income tax asset is part of the total NOLCO outstanding balances amounting to ₱1,626.8 million and ₱4,481.8 million as of December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024, the Group has incurred excess Minimum Corporate Income Tax (MCIT) which can be claimed as deduction against the regular income tax due for the next three (3) consecutive taxable years, as follows:

Year Incurred	Availment Period	Amount	Utilized	Ending Balance
2024	2025-2027	₱28,086,718	₱28,086,718	₱-
2025	2026-2028	25,180,979	-	25,180,979
		<b>₱53,267,697</b>	<b>₱28,086,718</b>	<b>₱25,180,979</b>

The Group did not recognize deferred tax assets on the NOLCO and excess MCIT because management believes that it is not probable that the Group will generate sufficient taxable profit against which the NOLCO and excess MCIT can be applied before their expiration.

The 10% statutory rate applies to the relevant renewable energy operations covered by the RE Law, while the 25% applies, in general, to the other activities.

- b. A reconciliation between provision for income tax and the product of accounting income multiplied by the tax rates of 10% or 25%, as applicable, follows:

	2025	2024	2023
Income before income tax	<b>₱8,173,355,312</b>	<b>₱10,244,588,641</b>	<b>₱15,972,317,584</b>
Income tax at statutory tax rates (10% or 25%)	<b>₱1,260,896,552</b>	<b>₱1,302,152,509</b>	<b>₱1,057,710,336</b>
Adjustments for:			
Net movement of unrecognized deferred tax asset on NOLCO	<b>(333,358,888)</b>	(291,510,814)	62,645,816
Effect of change in tax rate	<b>(199,037,257)</b>	(35,909,696)	(77,396,685)
Non-deductible provisions - net	<b>81,850,999</b>	74,431,248	586,681,563
Interest income - net of final tax	<b>(25,335,252)</b>	(55,251,797)	(78,042,983)
Loss (benefit) from ITH incentive	<b>(16,721,175)</b>	(28,562,093)	4,927,433
Net movement of temporary differences reversing during income tax holiday	<b>4,350,392</b>	560,733	6,218,990
Non-deductible interest expense	<b>4,291,116</b>	8,987,829	13,437,281
Translation adjustment on nonmonetary assets and liabilities	<b>(198,033)</b>	28,424,600	4,553,445
Non-taxable/non-deductible foreign exchange gains on ROP bonds and others	-	-	24,531
Provision for income tax	<b>₱776,738,454</b>	<b>₱1,003,322,519</b>	<b>₱1,580,759,727</b>

- c. As of December 31, 2025 and 2024, the taxable temporary differences representing the excess of the carrying amount of the investments in subsidiaries over the tax base amounted to ₱25,502.6 million and ₱31,171.3 million, respectively. There is no corresponding deferred income tax liability recognized since these temporary differences pertain to investment in domestic companies and, accordingly, the reversals of these temporary differences are through regular dividend distribution not subject to income tax. The management intends to hold on to its investments in its subsidiaries.



- d. On May 6, 2021, BGI was registered with BOI covering the 29 MW Palayan Binary Power Plant (PBPP) - Phase 1 and 20 MW Tanawon Geothermal Power Plant (Tanawon Power Plant) - Phase 2 Projects. In February 2024, PBPP had already started its commissioning and testing and generated its first kilowatt-hour of electricity. As of December 31, 2025, PBPP and TGPP had received their Provisional Authorities to Operate (PAO) from the Energy Regulatory Commission (ERC). The PAO for PBPP is valid from March 11, 2025 to March 10, 2026, while the PAO for TGPP is valid from August 18, 2025 to August 17, 2026. As of December 31, 2025, Tanawon Power Plant has started its commercial operations.
- e. On November 13, 2015, GCGI was granted an ITH incentive by the BOI covering its 112.5 MW Tongonan Geothermal Power Plant, effective for seven (7)-year period beginning in April 2015. In May 2020, there was an upward amendment of its registered operating capacity from 112.5 MW to 123 MW, a 10.5 MW increase in registered operating capacity resulting from the additional investment for rehabilitation of three steam turbines. On April 9, 2022, the ITH entitlement for the original 112.5 MW approved operating capacity expired. Thus, until May 2027, the remaining ITH entitlement shall only apply to revenues derived from power generated in between 112.5 MW and 123 MW operating capacity and sold to the grid, other entities and/or communities.
- f. FG Hydro is registered with the Board of Investments (BOI) under the Omnibus Investments Code of 1987 (E.O. 226) for PAHEP and MAHEP. Consequently, with FG Hydro's registration as an RE developer of PAHEP and MAHEP, FG Hydro's BOI registration was transferred from E.O. 226 to R.A. 9513 on February 12, 2018. On January 12, 2021, FG Hydro received its Certificate of Registration with the BOI under the Omnibus Investments Code of 1987 as the RE Developer of hydropower resources for the 120-MW Aya Pumped-Storage Hydroelectric Power Project. Subject to certain conditions, the FG Hydro is entitled to certain tax and non-tax incentives, which include, among others, income tax holiday for seven years from the date of actual commercial operation.
- g. On February 8, 2019, EDC Siklab was granted an ITH incentive by the BOI covering its 1.03 MW Gaisano La Paz Solar Rooftop Project in Iloilo, effective for seven (7)-year period beginning in March 26, 2017. On March 25, 2024, the ITH entitlement for the entire project expired.
- h. On June 24, 2021, the Parent Company was registered with the BOI for its 3.6 MW Mindanao 3 (M3 Binary) Geothermal Project in North Cotabato and was subsequently granted an ITH incentive effective for a seven (7)-year period beginning March 2022 until March 2029.
- i. On August 1, 2024, the Parent Company was registered with the BOI as the operator of a 10 MW Battery Tongonan Energy Storage System in Kananga, Leyte (TG ESS). On December 15, 2025, TG ESS was granted a PAO by the ERC, effective December 9, 2025 to December 8, 2026.
- j. On December 27, 2024, the Parent Company was registered with the BOI as operator of a 10 MW Southern Negros Energy Storage System in Valencia, Negros Oriental (SNESS). On November 25, 2025, SNESS was granted a PAO by ERC, effective November 13, 2025 to November 12, 2026.
- k. On December 27, 2024, the Parent Company was registered with the BOI as the operator of a 20 MW Bac-Man Energy Storage System in Manito, Albay (BESS). On September 16, 2025, BESS was granted a PAO by the ERC, effective September 12, 2025 to September 11, 2026.



- l. On January 30, 2025, the Parent Company was registered with the BOI as the operator of its 28 MW Mahanagdong Geothermal Brine Optimization Power Plant (MGBOPP) Geothermal Project in Ormoc, Leyte. On November 25, 2025, MGBOPP was granted a PAO by the ERC, effective November 13, 2025 to July 7, 2026.
- m. On January 30, 2025, the Parent Company was registered as the operator of its 5.645MW Bago Binary Geothermal Power Plant (Bago Binary) in Bago City, Negros Occidental. As of December 31, 2025, Bago Binary is still being constructed and has not yet started commercial operations.
- n. The Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalization of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to Constituent Entities that are members of an MNE Group that has annual revenue of EUR 750 million or more in the Consolidated Financial Statements of the Ultimate Parent Entity (UPE) in at least two of the four Fiscal Years immediately preceding the tested Fiscal Year.

The Pillar Two model rules introduce new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax):

- The Qualified Domestic Minimum Top-up Tax (QDMTT)
- The Income Inclusion Rule (IIR)
- The Under Taxed Payments/Profits Rule (UTPR)

The new taxing mechanisms can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates. The QDMTT, IIR, and UTPR do so by imposing a top-up tax in a jurisdiction whenever the effective tax rate (ETR), determined on a jurisdictional basis under the Pillar Two rules, is below a 15% minimum rate.

According to these rules, Lopez Group, which includes EDC Group, qualifies as an MNE that met the consolidated revenue threshold and is therefore in scope for Pillar Two. At the same time, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions in which the Lopez Group operates, effective for the financial year beginning January 1, 2025.

The EDC Group has determined that the impact of Pillar Two Model Rules is not material to the Consolidated financial statements in 2025 and 2024 based on the Lopez Group's country-by-country reporting and the most recent information available regarding the financial performance of its constituent entities.

For the years ended December 31, 2025 and 2024, the EDC Group has applied the amendment to PAS 12, *Income Taxes*, which provides a mandatory temporary exception from recognizing or disclosing deferred taxes related to Pillar Two such that there is no material impact to the 2025 and 2024 consolidated financial statements.



### 30. Basic/Diluted Earnings Per Share

The basic/diluted earnings per share amounts were computed as follows:

	2025	2024	2023
Net income attributable to equity holders of the Parent Company	<b>₱6,780,373,299</b>	₱9,124,256,720	₱14,267,180,431
Less dividends on preferred shares (Note 19)	<b>605,700,000</b>	293,500,000	293,500,000
(a) Net income attributable to common shareholders of the Parent Company	<b>6,174,673,299</b>	8,830,756,720	13,973,680,431
(b) Weighted average number of common shares outstanding	<b>17,027.99</b>	17,033.54	17,041.57
Basic/diluted earnings per share (a/b)	<b>₱362,619.00</b>	₱518,433.42	₱819,975.99

The Parent Company does not have any dilutive potential common shares as at December 31, 2025, 2024, and 2023.

The weighted average number of common shares outstanding for the years ended December 31, 2025, 2024, and 2023, have retrospectively considered the effect of the reverse stock split approved by the SEC on December 29, 2023.

### 31. Financial Risk Management Objectives and Policies

The Group's financial instruments consist mainly of cash and cash equivalents, trade receivables, financial assets at FVPL and FVOCI, derivative asset and liability, trade payables, long-term debts, and lease liabilities. The main purpose of these financial instruments is to finance the Group's operations and accordingly manage its exposure to financial risks. The Group has various other financial assets and liabilities such as short-term investments, other receivables, other payables and due to/from related parties, which arise directly from operations.

#### Financial Risk Management Policy

The main financial risks arising from the Group's financial instruments are credit risk, foreign currency risk, interest rate risk, and liquidity risk. The Group's policies for managing the aforementioned risks are summarized hereinafter below.

#### Credit Risk

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

#### *Trade receivables*

The Group's trade receivables balance is mainly from TransCo. Any failure on the part of TransCo to pay its obligations to the Group would significantly affect the Group's business operations. As a practice, the Group monitors closely its collections from TransCo and may charge interest on delayed payments following the provision of the Renewable Energy Payment Agreement (REPA). Other customers include distribution utilities, electric cooperatives, industrial customers, and contestable customers. Credit risk is controlled by the application of credit approval limit and monitoring procedures. It is the Group's policy to enter into contracts with credit-worthy parties only to mitigate



any significant concentration of credit risk. Trade receivables balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant. The maximum exposure of trade receivable is equal to its carrying amount.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix for the years ended December 31, 2025 and 2024:

## 2025

	Trade receivables					Credit Impaired	Total
	Days past due						
	Current	<30 days	30-60 days	61-90 days	>90 days		
	<i>(In Thousand Pesos)</i>						
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	5.4%	100.0%	12.4%
Estimated total gross carrying amount at default (Note 7)	₱6,433,392	₱1,083,983	(118,605)	₱125,020	₱365,162	₱1,093,445	₱8,982,397
Expected credit loss	-	-	-	-	19,793	1,093,445	1,113,238

## 2024

	Trade receivables					Credit Impaired	Total
	Days past due						
	Current	<30 days	30-60 days	61-90 days	>90 days		
	<i>(In Thousand Pesos)</i>						
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.9%	100.0%	15.1%
Estimated total gross carrying amount at default (Note 7)	₱3,713,796	₱174,932	₱80,363	₱24,852	₱2,220,007	₱1,082,389	₱7,296,339
Expected credit loss	-	-	-	-	19,793	1,082,389	1,102,182

### *Financial instruments and cash deposits*

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

### Credit Quality of Financial Assets

Financial assets are classified as high grade if the counterparties are not expected to default in settling their obligations. Thus, the credit risk exposure is minimal. These counterparties normally include customers, banks, and related parties who pay on or before due date. Financial assets are classified as a standard grade if the counterparties settle their obligation with the Group with tolerable delays. Low grade accounts are accounts, that have probability of impairment based on historical trend.

These accounts show propensity of default in payment despite regular follow-up actions and extended payment terms. As of December 31, 2025 and 2024, financial assets categorized as neither past due nor impaired are viewed by management as high grade, considering the collectibility of the receivables and the credit history of the counterparties. Meanwhile, past due but not impaired financial assets are classified as standard grade.

### Concentration of Credit Risk

The Group's exposure to concentration of credit risk arises from the default of the counterparties, with a maximum exposure equal to the carrying amount of the receivables from TransCo.



The table below shows the risk exposure in respect of credit concentration of the Group as of December 31, 2025 and 2024:

	2025	2024
Trade receivables from TransCo (Notes 7 and 15)	<b>₱3,568,020,360</b>	₱3,915,817,441
Total receivables	<b>10,878,489,331</b>	8,699,652,922
Credit concentration percentage	<b>32.80%</b>	45.01%

#### Foreign Currency Risk

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

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

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

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



The Group's foreign currency-denominated financial assets and liabilities (translated into Philippine peso) as of December 31, 2025 and 2024 are as follows:

	2025											Pesos Equivalent <sup>1</sup>	
	Original Currency												
	US\$	Japanese Yen (JP¥)	Euro	New Zealand Dollar (NZD)	Indonesian Rupiah (IDR)	Australian Dollar (AUD)	Chilean Peso (CHP)	British Pound (GBP)	Singapore Dollar (SGD)	Sweden Kroner (SEK)	Peruvian Sol (PEN)	Hongkong Dollar (HKD)	Omani Rial (OMR)
<b>Financial Assets</b>													
Loans and receivables													
Cash equivalents	3,025,020	-	-	-	-	-	-	-	-	-	-	-	-
Cash on hand and in banks	13,173,677	188,835,383	-	-	291,553,090	122,172,104	-	-	-	-	16,033	-	-
Derivative assets	599,346	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>16,798,043</b>	<b>188,835,383</b>	<b>-</b>	<b>-</b>	<b>291,553,090</b>	<b>122,172,104</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,033</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>													
Liabilities at amortized cost:													
Accounts payable	40,988,039	2,205,723,302	2,587,550	802,889	12,242,900	101,683	-	25,032	221,882	206,405	-	5,962	269
Long-term debt	26,904,035	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest on long-term debts	955,821	-	-	-	-	-	-	-	-	-	-	-	-
Derivative liabilities	155,379	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>69,003,274</b>	<b>2,205,723,302</b>	<b>2,587,550</b>	<b>802,889</b>	<b>12,242,900</b>	<b>101,683</b>	<b>-</b>	<b>25,032</b>	<b>221,882</b>	<b>206,405</b>	<b>-</b>	<b>5,962</b>	<b>269</b>
<b>Total</b>	<b>1 US\$ = ₱58,790.00, JPY = ₱45,819.75, SGD = ₱45,819.75, SEK = ₱6,432.11, NZD = ₱34,230.40, CHF = ₱0,0594, PEN = ₱17,480.90, Euro = ₱69,2546, IDR = ₱0,0035, HKD = ₱7,5669, GBP = ₱7,5669, AUD = ₱152,7473 as of December 31, 2025</b>												
	(see Note 26)												
	2024											Pesos Equivalent <sup>1</sup>	
	Original Currency												
	Indonesian Rupiah (IDR)	US\$	Japanese Yen (JP¥)	Singapore Dollar (SGD)	Sweden Kroner (SEK)	New Zealand Dollar (NZD)	Euro	Hongkong Dollar (HKD)	British Pound (GBP)	Chilean Peso (CHP)	Peruvian Sol (PEN)	Canadian Dollar (CAD)	Australian Dollar (AUD)
<b>Financial Assets</b>													
Loans and receivables													
Cash equivalents	77,107,156	-	-	-	-	-	-	-	-	-	-	-	-
Cash on hand and in banks	19,286,560	1,136,712,856	-	-	6,269,673,815	-	94,500,015	-	-	-	27,112	-	-
Derivative assets	18,471	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>96,412,187</b>	<b>1,136,712,856</b>	<b>-</b>	<b>-</b>	<b>6,269,673,815</b>	<b>-</b>	<b>94,500,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,112</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>													
Liabilities at amortized cost:													
Accounts payable	86,223,716	490,156,690	3,270,630	709,386	-	265,516	-	44,532	73,067	206,405	-	5,962	269
Long-term debt	226,994,697	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest on long-term debts	1,292,954	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>314,511,367</b>	<b>490,156,690</b>	<b>3,270,630</b>	<b>709,386</b>	<b>-</b>	<b>265,516</b>	<b>-</b>	<b>44,532</b>	<b>73,067</b>	<b>206,405</b>	<b>-</b>	<b>5,962</b>	<b>269</b>
<b>Total</b>	<b>1 US\$ = ₱57,845.00, JPY = ₱42,691.90, SGD = ₱42,691.90, SEK = ₱5,256.30, NZD = ₱32,621.30, CHF = ₱0,0582, PEN = ₱15,409.30, Euro = ₱60,4738, IDR = ₱0,0036, HKD = ₱7,4684, GBP = ₱7,4684, AUD = ₱150,2409 as of December 31, 2024</b>												
	(see Note 26)												



The following tables demonstrate the sensitivity to a reasonably possible change in the foreign currency exchange rates applicable to the Group, with all other variables held constant, of the Group's income (loss) before income tax and equity for the years ended December 31, 2025 and 2024. The impact on the Group's income before income tax is due to revaluation of monetary assets and monetary liabilities.

2025			
	Foreign Currency Appreciates (Depreciates) By	Effect on Income Before Income Tax	Effect on Equity
USD	10% or ₱5.87900 (10% or ₱5.87900)	(₱1,687,597,000) 1,687,597,000	₱— —
JPY	10% or ₱0.03756 (10% or ₱0.03756)	(75,754,310) 75,754,310	— —
Euro	10% or ₱6.92546 (10% or ₱6.92546)	(17,919,971) 17,919,971	— —
NZD	10% or ₱3.42304 (10% or ₱3.42304)	(2,748,320) 2,748,320	— —
SGD	10% or ₱0.458197 (10% or ₱0.458197)	(1,016,655) 1,016,655	— —
CHP	10% or ₱0.00594 (10% or ₱0.00594)	725,198 (725,198)	— —
AUD	10% or ₱3.93817 (10% or ₱3.93817)	(400,444) 400,444	— —
GBP	10% or ₱7.94103 (10% or ₱7.94103)	(198,784) 198,784	— —
SEK	10% or ₱0.64321 (10% or ₱0.64321)	(132,762) 132,762	— —
IDR	10% or ₱0.00035 (10% or ₱0.00035)	97,759 (97,759)	— —
PEN	10% or ₱1.74809 (10% or ₱1.74809)	28,028 (28,028)	— —
HKD	10% or ₱0.75669 (10% or ₱0.75669)	(4,512) 4,512	— —
OMR	10% or ₱15.27473 (10% or ₱15.27473)	(4,111) 4,111	— —
2024			
	Foreign Currency Appreciates (Depreciates) By	Effect on Income Before Income Tax	Effect on Equity
USD	10% or ₱5.78450 (10% or ₱5.78450)	(₱1,261,701,559) 1,261,701,559	₱— —
JPY	10% or ₱0.04174 (10% or ₱0.04174)	26,987,254 (26,987,254)	— —
Euro	10% or ₱6.04738 (10% or ₱6.04738)	(19,778,742) 19,778,742	— —
NZD	10% or ₱3.26213 (10% or ₱3.26213)	(2,314,109) 2,314,109	— —
IDR	10% or ₱0.00036 (10% or ₱0.00036)	2,257,083 (2,257,083)	— —
AUD	10% or ₱3.60847 (10% or ₱3.60847)	(958,106) 958,106	— —

(Forward)



2024

	Foreign Currency Appreciates (Depreciates) By	Effect on Income Before Income Tax	Effect on Equity
CHP	10% or ₱0.00582 (10% or ₱0.00582)	549,762 (549,762)	₱— —
GBP	10% or ₱7.26799 (10% or ₱7.26799)	(323,662) 323,662	— —
SGD	10% or ₱0.4.26919 (10% or ₱4.26919)	(311,937) 311,937	— —
SEK	10% or ₱0.52563 (10% or ₱0.52563)	(108,493) 108,493	— —
PEN	10% or ₱1.54093 (10% or ₱1.54093)	41,777 (41,777)	— —
HKD	10% or ₱0.74684 (10% or ₱0.74684)	(4,453) 4,453	— —
OMR	10% or ₱15.02409 (10% or ₱15.02409)	(4,044) 4,044	— —

#### Interest Rate Risk

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

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

#### Interest Rate Risk Table

The following tables provide for the effective interest rates and interest payments by period of maturity of the Group's long-term debts:

		2025					
		Interest Rates	Within 1 Year	More than 1 Year up to 4 years	More than 4 Years up to 5 Years	More than 5 Years	Total
<i>(In Thousand Pesos)</i>							
<b>Floating Rate</b>							
US\$50 Million Mizuho Loan	4.82813% until next repricing date in September 2026		₱73,606	₱36,498	₱—	₱—	₱110,104
BPI ₱7.0 Billion Term Loan	5.4939% - 5.8439% until next repricing date in September 2026		309,882	659,633	124,787	97,838	1,192,140
UBP ₱1.0 Billion Term Loan	5.831567% until next repricing date in March 2027		36,941	75,422	13,291	8,853	134,507
SBC ₱2.6 Billion Term Loan	5.7829% until next repricing date in April 2027		93,972	191,703	33,830	22,553	342,058
BDO ₱5.0 Billion Term Loan	5.2063% until next repricing date in September 2026		203,146	420,064	80,962	73,616	777,788
CBC ₱4.0 Billion Term Loan	6.1589% until next repricing date in October 2027		168,583	345,113	63,585	57,851	635,132
BDO ₱5.0 Billion Term Loan	5.2181% until next repricing date in September 2026		246,983	547,990	122,142	185,573	1,102,688

*(Forward)*



		2025					
		Interest Rates	Within 1 Year	More than 1 Year up to 4 years	More than 4 Years up to 5 Years	More than 5 Years	Total
		<i>(In Thousand Pesos)</i>					
BPI ₱5.0 Billion Term Loan	5.2584% until next repricing date in September 2026		₱290,113	₱683,988	₱167,501	₱317,508	₱1,459,110
BDO ₱10.0 Billion Term Loan	5.6465% until next repricing date in May 2026		496,108	1,137,792	266,603	505,361	2,405,864
CTBC US\$50 Million Term Loan	4.82788% until next repricing date in June 2026		108,898	154,181	–	–	263,079
CBC ₱10.0 Billion Term Loan	5.5474% until next repricing date in June 2026		497,464	1,150,564	272,087	533,470	2,453,585
Mizuho US\$50 Million Term Loan	4.57788% until next repricing date in June 2026		103,311	146,352	–	–	249,663
BPI ₱2.0 Billion Term Loan	5.6471% until next repricing date in April 2026		113,006	292,965	75,261	184,092	665,324
BDO ₱2.7 Billion Term Loan	5.5288% until next repricing date in June 2026		146,136	345,165	83,954	156,027	731,282
Mizuho US\$80 Million Term Loan	4.63939% until next repricing date in June 2026		203,828	516,388	–	–	720,216
ANZ ₱2.15 Billion Term Loan	5.4249% until next repricing date in April 2026		112,027	287,180	39,286	–	438,493
ING US\$50 Million Term Loan	5.2784% until next repricing date in May 2026		150,929	388,496	52,221	–	591,646
BDO ₱2.5 Billion Term Loan	5.24% until next repricing date in August 2026		25,000	75,000	125,000	2,262,500	2,487,500
BPI ₱2.5 Billion Term Loan	5.24% until next repricing date in August 2026		25,000	75,000	125,000	2,262,500	2,487,500
RCBC ₱2.0 Billion Term Loan	5.24% until next repricing date in August 2026		10,000	60,000	100,000	1,810,000	1,980,000
BPI ₱5.0 Billion Term Loan	5.4357% until next repricing date in June 2026		270,281	750,047	198,087	474,002	1,692,417
		2024					
		Interest Rates	Within 1 Year	More than 1 Year up to 4 years	More than 4 Years up to 5 Years	More than 5 Years	Total
		<i>(In Thousand Pesos)</i>					
Floating Rate BDO ₱4.5 Billion Loan	4.25% until next repricing date in September 2025		₱123,346	₱230,164	₱34,236	₱14,650	₱402,396
₱2.0 Billion Loan	4.25% until next repricing date in September 2025		54,820	102,295	15,216	6,511	178,842
US\$50 Million Mizuho Loan	5.45139% until next repricing date in March 2025		119,565	119,565	–	–	239,130
BPI ₱7.0 Billion Term Loan	6.6038% - 7.75% until next repricing date in March 2025		393,087	859,752	185,881	238,834	1,677,554
UBP ₱1.0 Billion Term Loan	5.831567% until next repricing date in March 2027		42,854	93,159	19,204	22,144	177,361
SBC ₱2.6 Billion Term Loan	5.7829% until next repricing date in April 2027		109,008	236,810	48,866	56,383	451,067

(Forward)



		2024					
		Interest Rates	Within 1 Year	More than 1 Year up to 4 years	More than 4 Years up to 5 Years	More than 5 Years	Total
<i>(In Thousand Pesos)</i>							
BDO ₱5.0 Billion Term Loan	6.7029% until next repricing date in March 2025		₱250,412	₱527,699	₱114,604	₱160,429	₱1,053,144
CBC ₱4.0 Billion Term Loan	6.1589% until next repricing date in October 2027		196,702	445,578	96,782	135,537	874,599
BDO ₱4.0 Billion Term Loan	6.6819% until next repricing date in March 2025		304,777	708,648	169,047	341,516	1,523,988
BPI ₱3.0 Billion Term Loan	6.6381% until next repricing date in March 2025		198,940	514,862	132,273	323,385	1,169,460
BDO ₱3.0 Billion Term Loan	6.3220% until next repricing date in May 2025		188,878	454,283	112,246	268,471	1,023,878
CTBC US\$50 Million Term Loan	5.43598% until next repricing date in June 2025		151,076	261,893	23,777	–	436,746
CBC ₱3.0 Billion Term Loan	6.5305% until next repricing date in June 2025		194,416	465,877	115,118	275,412	1,050,823
Mizuho US\$50 Million Term Loan	5.18598% until next repricing date in June 2025		144,112	249,792	22,678	–	416,582
BDO ₱2.7 Billion Term Loan	6.5889% until next repricing date in June 2025		179,551	465,826	118,814	285,986	1,050,177
Mizuho US\$80 Million Term Loan	5.30318% until next repricing date in June 2025		243,296	632,246	172,147	–	1,047,689

The other financial instruments of the Group that are not included in the preceding table are not subject to interest rate repricing and are therefore not subject to interest rate volatility.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before income tax and equity as of December 31, 2025, and 2024. The impact on the Group's equity is due to changes in the fair value of debt instruments at FVOCI, and interest rate swaps designated as cash flow hedges.

2025			
Increase/Decrease in Basis Points	Effect on Income Before Income Tax	Effect on Equity	
		Change in Fair Value of FVOCI	Fair value adjustments on hedging transactions
+100	(₱728,407,219)	(₱11,305,182)	₱337,140,414
-100	728,407,219	4,062,487	(337,140,415)

2024			
Increase/Decrease in Basis Points	Effect on Income Before Income Tax	Effect on Equity	
		Change in Fair Value of FVOCI	Fair value adjustments on hedging transactions
+100	(₱112,883,526)	(₱8,851,067)	₱14,844,636
-100	112,883,526	8,951,475	(14,844,636)

The effect of changes in interest rates in equity pertains to the fair valuation of debt instruments at FVOCI and derivatives designated as cash flow hedges, and is exclusive of the impact of the changes affecting the Group's profit or loss.



### Liquidity Risk

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

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

The tables below show the maturity profile as of December 31, 2025 and 2024 of the Group's financial assets used for liquidity purposes based on contractual undiscounted cash flows, and financial liabilities based on contractual undiscounted payments:

	2025						Total
	On Demand	Less than 3 Months	3 to 6 Months	>6 to 12 Months	>1 to 5 Years	More than 5 Years	
<i>(In Thousand Pesos)</i>							
Amortized cost:							
Cash and cash equivalents	₱10,204,973	₱469,145	₱-	₱-	₱-	₱-	₱10,674,118
Trade receivables	2,549,005	5,320,154	-	-	-	-	7,869,159
Due from related parties	44,136	-	-	-	-	-	44,136
Financial assets at FVPL	1,845,339	-	-	-	-	-	1,845,339
Derivative assets designated as cash flow hedges	-	-	8,635	-	26,601	-	35,236
Long-term receivables and special deposits	-	-	-	-	2,359,583	-	2,359,583
<b>Total</b>	<b>₱14,643,453</b>	<b>₱5,789,299</b>	<b>8,635</b>	<b>₱-</b>	<b>₱2,386,184</b>	<b>₱-</b>	<b>₱22,827,571</b>
Liabilities at amortized cost:							
Accounts payable*	₱-	₱16,081,190	₱-	₱-	₱-	₱-	₱16,081,190
Accrued interest on long-term debts	-	511,133	545,808	-	-	-	1,056,941
Other payables**	-	472,017	-	-	-	-	472,017
Due to related parties	1,815	-	-	-	-	-	1,815
Long-term debts	-	2,529,219	7,770,372	7,789,995	65,947,896	29,681,344	113,718,826
Lease liabilities	-	294,092	171,221	341,778	3,000,135	1,313,378	5,120,604
Derivative liabilities designated as cash flow hedges	-	9,135	-	-	47,764	-	56,899
<b>Total</b>	<b>₱1,815</b>	<b>₱19,896,786</b>	<b>₱8,487,401</b>	<b>₱8,131,773</b>	<b>₱68,995,795</b>	<b>₱30,994,722</b>	<b>₱136,508,292</b>

\*Excluding statutory liabilities to the government.

\*\*Excluding non-financial liabilities.



	2024						Total
	On Demand	Less than 3 Months	3 to 6 Months	>6 to 12 Months	>1 to 5 Years	More than 5 Years	
<i>(In Thousand Pesos)</i>							
<b>Amortized cost:</b>							
Cash and cash equivalents	₱6,624,701	₱6,954,738	₱-	₱-	₱-	₱-	₱13,579,439
Trade receivables	3,582,542	3,713,796	-	-	-	-	7,296,338
Due from related parties	58,388	-	-	-	-	-	58,388
Financial assets at FVPL	65,482	-	-	-	-	-	65,482
Derivative assets designated as cash flow hedges	1,068	-	-	-	-	-	1,068
Long-term receivables	-	-	-	-	1,025,477	-	1,025,477
<b>Total</b>	<b>₱10,332,181</b>	<b>₱10,668,534</b>	<b>₱-</b>	<b>₱-</b>	<b>₱1,025,477</b>	<b>₱-</b>	<b>₱22,026,192</b>
<b>Liabilities at amortized cost:</b>							
Accounts payable*	₱-	₱17,771,072	₱-	₱-	₱-	₱-	₱17,771,072
Accrued interest on long-term debts	-	539,761	281,250	-	-	-	821,011
Other payables**	-	424,551	-	-	-	-	424,551
Due to related parties	1,794	-	-	-	-	-	1,794
Long-term debts	-	3,804,022	3,808,390	5,969,609	56,182,137	23,907,381	93,671,539
Lease liabilities	-	296,482	217,524	432,119	2,955,417	2,472,902	6,374,444
<b>Total</b>	<b>₱1,794</b>	<b>₱22,835,888</b>	<b>₱4,307,164</b>	<b>₱6,401,728</b>	<b>₱59,137,554</b>	<b>₱26,380,283</b>	<b>₱119,064,411</b>

\*Excluding statutory liabilities to the government.

\*\*Excluding non-financial liabilities.

### Financial Assets and Financial Liabilities

Set out below is a comparison of carrying amounts and fair values of the Group's financial instruments as of December 31, 2025 and 2024 other than those with carrying amounts that are reasonable approximations of fair values.

	2025		2024	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
<b>Financial Assets</b>				
<b>Amortized cost:</b>				
Long-term receivables and special deposits	₱2,359,582,936	₱2,007,169,168	₱1,025,476,524	₱864,675,464
Deposits and special funds	994,874,357	972,965,087	484,961,353	484,066,114
	<b>₱3,354,457,293</b>	<b>₱2,980,134,255</b>	<b>₱1,510,437,877</b>	<b>₱1,348,741,578</b>
<b>Financial Liabilities:</b>				
<b>Financial liabilities at amortized cost:</b>				
Long-term debts	₱99,024,384,195	₱106,889,760,068	₱74,523,780,179	₱84,125,455,912
Lease liabilities	4,018,897,467	3,998,432,724	4,784,358,785	4,823,648,422
Customer deposits	347,495,030	313,299,633	148,021,283	132,092,085
	<b>₱103,390,776,692</b>	<b>₱111,201,492,425</b>	<b>₱79,456,160,247</b>	<b>₱89,081,196,419</b>

Due to their relatively short maturity, ranging from one to three months, the carrying amounts approximate the fair values for cash and cash equivalents, trade and other receivables, short-term investments, amounts due to related parties and trade and other payables.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are:

#### *Long-term Receivables and Deposits and Special Funds*

The fair value of long-term receivables was computed by discounting the expected cash flow using the applicable rate of 5.54% and 5.85% as of December 31, 2025, and 2024, respectively.



*Financial Assets at FVOCI*

Fair values of quoted debt and equity securities are based on quoted market prices and other observable data.

*Financial Assets at Fair Value Through Profit or Loss*

The fair values of financial assets at fair value through profit or loss are based on quotations provided by the investment manager.

*Derivatives Designated as Cash Flow Hedges*

The fair values of derivative instruments designated as cash flow hedges are based on quotations provided by the counterparty banks.

*Long-term Debts*

The fair values for the Group's long-term debts are estimated using the discounted cash flow methodology with the applicable rates ranging from 1.80% to 8.84% as of December 31, 2025, and 2.90% to 3.26% as of December 31, 2024.

*Lease Liabilities*

The fair values for the Group's lease liabilities are estimated using the discounted cash flow methodology with the applicable rates ranging from 5.97% to 7.41% and 6.65% to 7.23% as of December 31, 2025, and 2024, respectively.

The following tables show the fair value information of financial instruments classified under loans and receivables, financial assets at FVPL, financial assets at FVOCI, long-term debts, lease liabilities and derivatives designated as cash flow hedges and analyzed by sources of inputs on fair valuation as follows:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	2025			
	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Loans and receivables:				
Long-term receivables and special deposits	₱2,007,169,168	₱-	₱-	₱2,007,169,168
Deposits and special funds	972,965,087	-	-	972,965,087
Financial assets at FVPL	1,845,339,114	1,845,339,114	-	-
Financial assets at FVOCI:				
Debt investments	189,333,670	189,333,670	-	-
Equity investments	2,911,097,213	2,805,847,213	105,250,000	-
Derivative assets designated as cash flow hedges	35,235,529	-	35,235,529	-
<b>Financial Liabilities</b>				
Financial liabilities at amortized cost:				
Long-term debts	106,889,760,068	14,786,052,039	-	92,103,708,029
Lease liabilities	3,998,432,724	-	-	3,998,432,724
Customer deposits	313,299,633	-	-	313,299,633
Derivative liabilities designated as cash flow hedges	56,898,289	-	56,898,289	-



	2024			
	Total	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Loans and receivables:				
Long-term receivables	₱864,675,464	₱-	₱-	₱864,675,464
Deposits and special funds	484,066,114	-	-	484,066,114
Financial assets at FVPL	65,482,214	65,482,214	-	-
Financial assets at FVOCI:				
Debt investments	187,417,440	187,417,440	-	-
Equity investments	113,792,831	6,042,831	107,750,000	-
Derivative assets designated as cash flow hedges	1,068,436	-	1,068,436	-
<b>Financial Liabilities</b>				
Financial liabilities at amortized cost:				
Long-term debts	84,125,455,912	14,707,866,835	-	69,417,589,077
Lease liabilities	4,823,648,422	-	-	4,823,648,422
Customer deposits	132,092,085	-	-	132,092,085

For the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

The Group classifies its financial instruments in the following categories.

	2025				Total
	Amortized Cost	Financial Assets at FVOCI	Financial Assets at FVPL	Derivatives Designated as Cash Flow Hedges	
	(In Thousands)				
<b>Financial Assets</b>					
Cash and cash equivalents	₱10,674,118	₱-	₱-	₱-	₱10,674,118
Trade receivables	7,869,159	-	-	-	7,869,159
Non-trade receivables	511,637	-	-	-	511,637
Deposits and special funds <sup>1</sup>	994,874	-	-	-	994,874
Loans and notes receivables	57,739	-	-	-	57,739
Advances to employees	29,027	-	-	-	29,027
Due from related parties	44,136	-	-	-	44,136
Long-term receivables and special deposits	2,359,583	-	-	-	2,359,583
Financial assets at FVOCI:					
Debt investments	-	189,334	-	-	189,334
Equity investments	-	2,911,097	-	-	2,911,097
Financial assets at FVPL	-	-	1,845,339	-	1,845,339
Derivative assets	-	-	-	35,236	35,236
<b>Total financial assets</b>	<b>₱22,540,273</b>	<b>₱3,100,431</b>	<b>₱1,845,339</b>	<b>₱35,236</b>	<b>₱27,521,279</b>
<b>Financial Liabilities</b>					
Accounts payable <sup>2</sup>	₱16,081,190	₱-	₱-	₱-	₱16,081,190
Accrued interest on long-term debts	1,056,941	-	-	-	1,056,941
Other payables <sup>3</sup>	472,017	-	-	-	472,017
Due to related parties	1,815	-	-	-	1,815
Long-term debts	99,024,384	-	-	-	99,024,384
Lease liabilities	4,018,897	-	-	-	4,018,897
Customer deposits	347,495	-	-	-	347,495
Derivative liabilities	-	-	-	56,898	56,898
<b>Total financial liabilities</b>	<b>₱121,002,739</b>	<b>₱-</b>	<b>₱-</b>	<b>₱56,898</b>	<b>₱121,059,637</b>

<sup>1</sup>Includes current and non-current portion

<sup>2</sup>Excluding statutory liabilities to the Government

<sup>3</sup>Excluding non-financial liabilities



2024						
	Amortized Cost	Financial Assets at FVOCI	Financial Assets at FVPL	Derivatives Designated as Cash Flow Hedges	Total	
(In Thousand Pesos)						
<b>Financial Assets</b>						
Cash and cash equivalents	P13,579,439	P-	P-	P-	P13,579,439	
Trade receivables	6,194,157	-	-	-	6,194,157	
Non-trade receivables	796,367	-	-	-	796,367	
Deposits and special funds <sup>1</sup>	484,961	-	-	-	484,961	
Loans and notes receivables	45,271	-	-	-	45,271	
Advances to employees	30,513	-	-	-	30,513	
Due from related parties	58,388	-	-	-	58,388	
Short term investments	200,000	-	-	-	200,000	
Long term receivables	1,025,477	-	-	-	1,025,477	
<b>Financial assets at FVOCI:</b>						
Debt investments	-	187,417	-	-	187,417	
Equity investments	-	113,793	-	-	113,793	
Financial assets at FVPL	-	-	65,482	-	65,482	
Derivative assets	-	-	-	1,068	1,068	
<b>Total financial assets</b>	<b>P22,414,573</b>	<b>P301,210</b>	<b>P65,482</b>	<b>P1,068</b>	<b>P22,782,333</b>	
<b>Financial Liabilities</b>						
Accounts payable <sup>2</sup>	P17,771,072	P-	P-	P-	P17,771,072	
Accrued interest on long-term debts	821,011	-	-	-	821,011	
Other payables <sup>3</sup>	424,551	-	-	-	424,551	
Due to related parties	1,794	-	-	-	1,794	
Long-term debts	74,523,780	-	-	-	74,523,780	
Lease liabilities	4,784,359	-	-	-	4,784,359	
Customer deposits	148,021	-	-	-	148,021	
<b>Total financial liabilities</b>	<b>P98,474,588</b>	<b>P-</b>	<b>P-</b>	<b>P-</b>	<b>P98,474,588</b>	

<sup>1</sup>Includes current and non-current portion

<sup>2</sup>Excluding statutory liabilities to the Government

<sup>3</sup>Excluding non-financial liabilities

The table below demonstrates the income, expense, gains or losses of the Group's financial instruments for the years ended December 31, 2025, 2024, and 2023:

	2025		2024		2023	
	Effect on Profit or Loss Increase (Decrease)	Effect on Equity Increase (Decrease)	Effect on Profit or Loss Increase (Decrease)	Effect on Equity Increase (Decrease)	Effect on Profit or Loss Increase (Decrease)	Effect on Equity Increase (Decrease)
<b>Amortized cost</b>						
Interest income on:						
Cash and cash equivalents and other short-term investments (Notes 6, 11 and 25)	P189,748,805	P-	P555,408,590	P-	P775,261,668	P-
Provision for expected credit losses (Note 7)	(13,474,363)	-	(70,555,671)	-	(1,204,788)	-
	<b>P176,274,442</b>	<b>P-</b>	<b>P484,852,919</b>	<b>P-</b>	<b>P774,056,880</b>	<b>P-</b>
<b>Financial assets at FVOCI</b>						
Equity investments:						
Net income (loss) recognized	P-	(P2,428,688)	P-	P11,980,259	P-	(P19,050,270)
Debt investments:						
Net income (loss) recognized in equity	-	1,916,230	-	244,930	-	11,907,435
	<b>P-</b>	<b>(P512,458)</b>	<b>P-</b>	<b>P12,225,189</b>	<b>P-</b>	<b>(P7,142,835)</b>
<b>Financial assets at FVPL</b>						
Gain on financial asset at FVPL	P48,856,900	P-	P2,352,262	P-	P1,017,220	P-
<b>Derivatives designated as cash flow hedges</b>						
Fair value adjustments on hedging transactions	P-	(P120,235,983)	P-	(P208,922,655)	P-	(P75,733,000)
	<b>P48,856,900</b>	<b>(P120,235,983)</b>	<b>P2,352,262</b>	<b>(P208,922,655)</b>	<b>P1,017,220</b>	<b>(P75,733,000)</b>

(Forward)



	2025		2024		2023	
	Effect on Profit or Loss Increase (Decrease)	Effect on Equity Increase (Decrease)	Effect on Profit or Loss Increase (Decrease)	Effect on Equity Increase (Decrease)	Effect on Profit or Loss Increase (Decrease)	Effect on Equity Increase (Decrease)
<b>Financial liabilities at amortized cost</b>						
Interest expense on (Note 25):						
Long-term debts, including amortization of transaction costs	(P5,058,749,602)	P-	(P3,533,704,873)	P-	(P3,062,758,645)	P-
Lease liabilities	(102,861,602)	-	(10,180,592)	-	(12,126,255)	-
	<b>(P5,161,611,204)</b>	<b>P-</b>	<b>(P3,543,885,465)</b>	<b>P-</b>	<b>(P3,074,884,900)</b>	<b>P-</b>

### Derivative Financial Instruments

The Group engages in derivative transactions, particularly cross currency swaps, interest rate swaps and call spread swaps to manage its foreign currency risk and/or interest rate risk arising from its foreign-currency denominated loans. These derivatives are accounted for either as derivatives designated as accounting hedges or derivatives not designated as accounting hedges.

The table below shows the derivative financial instruments of the Group:

	2025		2024	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Derivatives designated as accounting hedges				
Cross currency swaps	P16,731,560	P-	P-	P-
Call spread swaps	17,568,081	-	-	-
Interest rate swaps	935,888	56,898,289	1,068,436	-
<b>Total derivatives</b>	<b>P35,235,529</b>	<b>P56,898,289</b>	<b>P1,068,436</b>	<b>P-</b>
Presented as:				
Current	P8,634,649	P9,134,714	P213,687	P-
Noncurrent	26,600,880	47,763,575	854,749	-
<b>Total derivatives</b>	<b>P35,235,529</b>	<b>P56,898,289</b>	<b>P1,068,436</b>	<b>P-</b>

### Derivatives Designated as Accounting Hedges

#### *Cross Currency Swap Contracts*

As of December 31, 2025, EDC entered into various cross currency swaps (CCS) with aggregate notional amount of US\$40.0 million. This is to partially hedge the interest rate and foreign exchange risks on its Commercial Debt Facility (Foreign Facility) that is benchmarked against six (6)-month USD Term SOFR and with flexible interest reset feature that allows EDC to select what interest reset frequency to apply (i.e., monthly, quarterly or semi-annually). As it is EDC's intention to reprice the interest rate on the Foreign facility semi-annually, EDC utilizes CCS with semi-annual interest payments and receipts.

As of December 31, 2025 and 2024, the outstanding aggregate notional amount of the Group's CCS amounted to US\$40.0 million and nil, respectively.

The aggregate fair value change of these CCS amounted to P14.1 million and nil as of December 31, 2025 and 2024, respectively.

#### *Call Spread Swap Contracts*

EDC entered into various call spread swaps (CSS) with aggregate notional amount of US\$60.0 million as of December 31, 2025. This is to partially hedge the foreign exchange risk on its Commercial Debt Facility (Foreign Facility) that is benchmarked against six (6)-month USD Term SOFR and with flexible interest reset feature that allows EDC to select what interest reset frequency to apply (i.e., monthly, quarterly or semi-annually). As it is EDC's intention to reprice the interest rate on the Foreign Facility semi-annually, EDC utilizes CSS with semi-annual interest payments and receipts.



As of December 31, 2025 and 2024, the outstanding aggregate notional amount of the Group's CSS amounted to US\$60.0 million and nil, respectively.

The aggregate fair value change of these CSS amounted to ₱43.5 million and nil as of December 31, 2025 and 2024, respectively.

*Interest Rate Swap Contracts*

EDC and EBWPC entered into various interest rate swap (IRS) with aggregate notional amount of US\$60.0 million and US\$126.8 million, respectively as of December 31, 2025. This is to partially hedge the interest rate risk on its Commercial Debt Facility (Foreign Facility) that is benchmarked against six (6)-month USD Term SOFR and with flexible interest reset feature that allows the Group to select what interest reset frequency to apply (i.e., monthly, quarterly or semi-annually). As it is the Group's intention to reprice the interest rate on the Foreign facility semi-annually, the Group utilizes IRS with semi-annual interest payments and receipts.

As of December 31, 2025 and 2024, the outstanding aggregate notional amount of the Group's IRS amounted to US\$186.8 million and US\$10.0 million, respectively.

The aggregate fair value change on these IRS amounted to ₱57.0 million and ₱1.1 million as of December 31, 2025 and 2024, respectively.

The net movement of fair value changes made to "Fair value adjustments on hedging transactions" account for the Group's cash flow hedges is as follows:

	2025	2024
Balances at beginning of year	(₱212,516,994)	(₱3,594,339)
Changes in fair value	144,367,132	(495,762,394)
	(68,149,862)	(499,356,733)
<i>Transferred to consolidated statements of income</i>		
Gain on unwinding of derivatives	-	202,397,116
Interest expense	(36,064,338)	154,386,099
	(36,064,338)	356,783,215
Balances before tax	(104,214,200)	(142,573,518)
Tax	(6,571,040)	(69,943,476)
Balances at end of year	(₱110,785,240)	(₱212,516,994)

Fair Value Changes of Derivatives

The table below summarizes the net movement in fair values of the Group's derivatives as of December 31, 2025 and 2024.

	2025	2024
Balances at beginning of year	₱1,068,436	₱267,803,283
Net changes in fair value of derivatives designated as accounting hedges	13,333,142	(421,120,946)
Fair value of settled instruments designated as accounting hedges	(36,064,338)	154,386,099
Balances at end of year	(₱21,662,760)	₱1,068,436
Presented as:		
Derivative assets	₱35,235,529	₱1,068,436
Derivative liabilities	(56,898,289)	-
	(₱21,662,760)	₱1,068,436



### Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio to comply with its financial loan covenants and support its business operations. Core capital includes long-term debt and equity.

The Group manages and makes adjustment on its capital structure as it deems necessary. To maintain or adjust its capital structure, the Group may increase the levels of capital contributions from its creditors and owners/shareholders through debt and new shares issuance, respectively. No significant changes have been made in the objectives, policies and processes of the Group in 2025, 2024 and 2023.

The Group monitors capital using the debt ratio, which is long-term debt divided by long-term debt plus equity. The Group's policy is to keep the debt ratio at not more than 70%. The Group's long-term debt includes both the current and long-term portions of long-term debts. Equity includes all items presented in the equity section of the consolidated statements of financial position.

The table below shows the total capital considered by the Group and its debt ratio as of December 31, 2025 and 2024.

	2025	2024
Long-term debts	₱99,024,384,195	₱74,523,780,179
Total equity	85,425,832,714	85,284,767,556
Total	₱184,450,216,909	₱159,808,547,735
Debt ratio	53.69%	46.63%

As of December 31, 2025 and 2024, the Group was able to meet its capital management objectives.

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## 32. Commitments and Contingencies

### Group as a Lessee

The Group has lease contracts for office, parking spaces, warehouses, and rigs (see Note 20).

On February 14, 2020, the Parent Company entered into an agreement for the lease of office and parking space with Rockwell Land Corporation for a period of six (6) years effective from February 14, 2020 to June 30, 2026.

On July 1, 2020, the Parent Company entered into an agreement for the lease of office and parking space with Rockwell Land Corporation for a period of five (5) years effective from July 1, 2020 to June 30, 2025.

On March 5, 2022, the Parent Company entered into an agreement for the lease of office space with Rockwell Land Corporation for a period of five (5) years effective from March 5, 2022 to June 30, 2027.

On March 1, 2023, the Parent Company entered into an agreement for the lease of parking space with Rockwell Land Corporation for a period of four (4) years effective from March 1, 2023 to June 30, 2027.



On January 1, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from January 1, 2024 to December 31, 2028.

On March 2, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from March 2, 2024 to March 1, 2029. This has been terminated on October 13, 2025.

On April 19, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from April 19, 2024 to April 18, 2029 with option to extend by another five (5) years. This has been terminated on August 22, 2025.

On June 19, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from June 19, 2024 to June 18, 2029 with option to extend by another five (5) years. This has been terminated on October 13, 2025.

On November 20, 2024, the Parent Company entered into an agreement for the lease of rig with Thermaprime for a period of five (5) years effective from November 20, 2024 to November 19, 2029 with option to extend by another five (5) years.

On September 27, 2022, the Parent Company entered into a Power Purchase Agreement (PPA) with Conal Holdings Corporation (Conal). Under the terms of the agreement, Conal shall construct a power plant based on the specifications in the PPA wherein the entire minimum baseload capacity of the plant is dedicated exclusively to the Parent Company from the commencement of lease on September 26, 2025 until December 25, 2033 for the supply of energy to One Bohol Power Distribution Utilities in the event of islanding.

In assessing the arrangement in accordance with PFRS 16, the Group concluded that the PPA contains a lease component because it conveys the right to control the use of an identified capacity of Conal's power plant for the contract term in exchange for consideration. As a result, the Group recognized a right of use asset and a corresponding lease liability at the commencement date of the lease, measured at the present value of the fixed capacity payments over the contract period.

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

Set out below are the carrying amounts and movements of lease liabilities:

	2025	2024
As at January 1	<b>₱4,784,358,785</b>	₱323,895,002
Additions (Note 12)	<b>2,073,417,999</b>	4,773,702,911
Interest on lease liability (Notes 25 and 31)	<b>102,861,602</b>	10,180,592
Retirement (Note 12)	<b>(2,398,203,569)</b>	–
Adjustments / Reclass (Note 12)	<b>224,266,701</b>	149,384,955
Payments	<b>(767,804,051)</b>	(472,804,675)
As at December 31	<b>4,018,897,467</b>	4,784,358,785
Current	<b>599,222,242</b>	620,383,717
Noncurrent	<b>₱3,419,675,225</b>	₱4,163,975,068

The maturity analysis of lease liabilities is discussed in Note 31.



The following amounts are recognized in profit or loss:

	2025	2024
Depreciation expense for right-of-use assets (Note 12)	<b>₱652,816,874</b>	₱482,688,817
Expense relating to short-term leases and low-value assets	<b>331,746,857</b>	292,523,480
Variable lease payments	<b>67,421,991</b>	32,889,980
Interest on lease liability (Note 25)	<b>102,861,602</b>	10,180,592
<b>Total amount recognized in profit or loss</b>	<b>₱1,154,847,324</b>	<b>₱818,282,869</b>

#### Purchase Commitments

Total purchase commitments as of December 31, 2025 and 2024 amounted to ₱2,024.0 million and ₱5,874.3 million, respectively. These are expected to be settled in the succeeding financial years.

#### Income from Insurance Claims

##### *Property damages*

In 2025, 2024 and 2023, the Company recognized income from insurance claims totaling ₱182.7 million, ₱130.5 million, and ₱0.3 million, respectively, relating to property damages caused by calamities such as the fire damages, Leyte earthquake, and numerous typhoons, which include but are not limited to Typhoon Marce, Typhoon Urduja, and Typhoon Egay, as well as property claims due to damaged digital level, geared reducer, bellows and transformers (see Note 27).

##### *Business interruptions and other claims*

In 2025, 2024 and 2023, the Group recognized income from insurance claims totaling ₱583.5 million, ₱196.3 million, and ₱747.3 million, respectively, relating to business interruptions and other claims caused by calamities and various events, which include but are not limited to fire damages, Leyte earthquake, Typhoon Marce, Typhoon Yolanda, and machinery breakdowns of Mahanagdong Geothermal and Upper Mahiao power plants (see Note 27).

As of December 31, 2025 and 2024, outstanding insurance receivable amounted to ₱90.6 million and ₱399.9 million, respectively, which is included in “Non-trade accounts receivable” under “Trade and other receivables” (see Note 7).

Income from insurance claims is presented under “Miscellaneous income (charges) - net” in the consolidated statements of income.

#### Legal Claims

The Group is contingently liable for lawsuits or claims filed by third parties, including labor-related cases, which are pending decision by the courts, the outcomes of which are not presently determinable. In the opinion of management and its legal counsel, the eventual total liability from these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements (see Notes 3 and 18).

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### 33. **Geothermal Service Concession Contracts**

#### Geothermal Service Contracts

Under P.D. 1442, all geothermal resources in public and/or private lands in the Philippines, whether found in, on or under the surface of dry lands, creeks, rivers, lakes, or other submerged lands within the waters of the Philippines, belong to the State, and are inalienable and imprescriptible.



Furthermore, the Government may enter into service contracts for the exploration, development and utilization of geothermal resources in the Philippines.

Pursuant to P.D. 1442, the Parent Company entered into the following Geothermal Service Contracts (GSCs) with the Government of the Republic of the Philippines (represented by the DOE) for the exploration, development and production of geothermal fluid for commercial utilization:

- a. Tongonan, Leyte, dated May 14, 1981
- b. Southern Negros, dated October 16, 1981
- c. Bac-Man, Sorsogon, dated October 16, 1981
- d. Mt. Apo, Kidapawan, Cotabato, dated March 24, 1992
- e. Northern Negros, dated March 24, 1994

The exploration period under the service contracts shall be five (5) years from the effective date, renewable for another two (2) years if the Parent Company has not been in default in its exploration, financial, and other work commitments and obligations and has provided a work program for the extension period acceptable to the Government. Where geothermal resource in commercial quantity is discovered during the exploration period, the service contracts shall remain in force for the remainder of the exploration period or any extension thereof and for an additional period of 25 years thereafter, provided that, if the Parent Company has not been in default in its obligations under the contracts, the Government may grant an additional extension of 15 to 20 years.

Under P.D. 1442, the right granted by the Government to the Parent Company to explore, develop, and utilize the country's geothermal resource is subject to sharing of net proceeds with the Government. The net proceeds are what remains after deducting from the gross proceeds the allowable recoverable costs, which include development, production, and operating costs. The allowable recoverable costs shall not exceed 90% of the gross proceeds. The Parent Company pays 60% of the net proceeds as government share and retains the remaining 40%. The 60% government share is comprised of government share and income taxes. The government share is split between the DOE (60%) and the LGUs (40%) where the project is located.

*Geothermal Renewable Energy Service Contracts and Geothermal Operating Contracts*

R.A. 9513, otherwise known as the Renewable Energy Act of 2008 (RE Law) and which became effective in January 2009, mandates the conversion of existing GSCs under P.D. 1442 into Geothermal Renewable Energy Service Contracts (GRES-Cs) so service contractors may avail of the incentives under the RE Law. Aside from the tax incentives, the significant terms of the service concessions under the GRES-Cs are like the GSCs except that the Parent Company has control over any significant residual interest over the steam fields, power plants, and related facilities throughout the concession period and even after the concession period.

On September 10, 2009, the Parent Company was granted the Provisional Certificate of Registration as an RE Developer for the following existing projects: (1) GSC No. 01 - Tongonan, Leyte, (2) GSC No. 02 - Palinpinon, Negros Oriental, (3) GSC No. 03 - Bacon-Manito, Sorsogon/Albay, (4) GSC No. 04 - Mt. Apo, North Cotabato, and (5) GSC No. 06 - Northern Negros. With the receipt of the certificates of provisional registration as geothermal RE Developer, the fiscal incentives of the RE Law were availed of by the Parent Company retroactive from the effective date of such law on January 30, 2009. Fiscal incentives include, among others, change in the applicable corporate tax rate from 25% to 10% for RE-registered activities.



The GSCs were fully converted to GRESCs upon signing of the parties on October 23, 2009, thereby the Parent Company is now the holder of five (5) GRESCs and the corresponding DOE Certificate Registration as an RE Developer for the following geothermal projects:

1. GRESC 2009-10-001 for Tongonan Geothermal Project
2. GRESC 2009-10-002 for Southern Negros Geothermal Project
3. GRESC 2009-10-003 for Bacon-Manito Geothermal Project
4. GRESC 2009-10-004 for Mt. Apo Geothermal Project
5. GRESC 2009-10-005 for Northern Negros Geothermal Project

EDC also holds geothermal resource service contracts for the following prospect areas:

1. Mt. Zion 2 Geothermal Project (converted to the new RE contract template per DOE Department Circular No. DC2019-10-0013, with pre-development period expiring in 2028, twenty five (25)-year contract period expiring in 2040, renewable for another twenty five (25) years)
2. Amacan Geothermal Power Project (converted to the new RE contract template per DOE Department Circular No. DC2019-10-0013, with pre-development period expiring in 2025, 25-year contract period expiring in 2041, renewable for another 25 years)
3. Mainit-Sadanga Geothermal Project (with a seven-year pre-development period expiring in October 22, 2028, 25-year contract period expiring in 2046, renewable for another 25 years)
4. Mt. Sembrano Geothermal Power Project (with pre-development period expiring in 2030, 25-year contract period expiring in 2048, renewable for another 25 years)
5. Buguias-Tinoc Geothermal Power Project (with pre-development period expiring in 2030, 25-year contract period expiring in 2048, renewable for another 25 years)

Under the GRESCs, the Parent Company pays the government share equivalent to 1.5% of the gross income from the sale of geothermal steam produced and such other income incidental to and arising from generation, transmission, and sale of electric power generated from geothermal energy within the contract areas. Under the GRESCs, gross income derived from business is an amount equal to gross sales less sales returns, discounts and allowances, and cost of goods sold. Cost of goods sold includes all business expenses directly incurred to produce the steam used to generate power under a GRESC.

The RE Law also provides that the exclusive right to operate geothermal power plants shall be granted through a Renewable Energy Operating Contract with the Philippine Government through the DOE. On May 8, 2012, EDC, through its subsidiaries GCGI and BGI secured three (3) Geothermal Operating Contracts (GOCs), each with a 25-year contract period expiring in 2037 and renewable for another 25 years, covering the following power plant operations:

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

Total outstanding government share and the related expense are shown in Notes 16 and 22 to the consolidated financial statements, respectively.



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### 34. Wind Energy Service Contracts and Solar Energy Service Contracts

#### Wind Energy Service Contracts

On September 14, 2009, the Parent Company entered into WESC 2009-09-004 with the DOE granting the Parent Company the right to explore and develop the Burgos Wind Project for a period of 25 years from the effective date. The pre-development stage under the WESC shall be two (2) years extendible for another year if the Parent Company has not been in default in its exploration or work commitments and has provided a work program for the extension period upon confirmation by the DOE. Within the pre-development stage, the Parent Company shall undertake exploration, assessment, and other studies of wind resources in the contract area. Upon declaration of commerciality, as confirmed by the DOE, the WESC shall remain in force for the balance of the 25-year period for the development/commercial stage.

The DOE shall approve the extension of the WESC for another 25 years under the same terms and conditions, provided the Parent Company is not in default of any material obligations under the contract and has submitted a written notice to the DOE for the extension of the contract not later than one (1) year prior to the expiration of the original 25-year period. Further, the WESC provides that all materials, equipment, plant, and other installations erected or placed on the contract area by the Parent Company shall remain the property of the Parent Company throughout the term of the contract and after its termination.

On May 26, 2010, the Board of EDC approved the assignment and transfer to EBWPC of all the contracts, assets, permits, and licenses relating to the establishment and operation of the Burgos Wind Power Project under DOE Certificate of Registration No. WESC 2009-09-004. On May 16, 2013, EBWPC was granted a Certificate of Confirmation of Commerciality by the DOE.

On May 9, 2012, the Board of Directors of EDC approved the assignment and transfer to EPWPC of all the contracts, assets, permits, and licenses relating to the establishment and operation of the Pagudpud Wind Project under DOE Certificate of Registration No. WESC 2010-02-040.

As of December 31, 2025, the Group holds 12 Wind Energy Service Contracts (“WESC”) with the DOE, each with a 25-year contract period. The WESCs cover the following:

Projects	DOE Certificates of Registration
1) 150 MW Wind Project in Burgos, Ilocos Norte	WESC 2009-09-004 (expiring in 2034)
2) 84 MW Wind Project in Pagudpud, Ilocos Norte	WESC 2010-02-040 (expiring in 2035)
3) Iloilo 1 Wind Project in Batad and San Dionisio, Iloilo*	WESC 2014-07-078 (expiring in 2039)
4) Burgos 4 Wind Project in Burgos, Ilocos Norte	WESC 2015-09-086 (expiring in 2040)
5) Ilocos Norte Wind Power Project in Burgos and Pasuquin, Ilocos Norte	WESC 2021-01-147 (expiring in 2046)
6) Pasuquin Wind Power Project in Pasuquin Ilocos Norte	WESC 2021-01-148 (expiring in 2046)
7) Guimaras Onshore Wind Project	WESC 2022-03-199 (expiring in 2047)
8) Guimaras 1 Offshore Wind Project	WESC 2022-05-202 (expiring in 2047)
9) Iloilo-Guimaras Offshore Wind Project	WESC 2022-05-203 (expiring in 2047)
10) Guimaras-Negros Occidental Offshore Wind Project	WESC 2022-05-204 (expiring in 2047)
11) Laguna 1 Onshore Wind Project	WESC 2022-10-224 (expiring in 2047)
12) Negros Occidental Offshore Wind Project	WESC 2022-10-225 (expiring in 2047)

\*Pending DOE's approval of the request to surrender



### Solar Energy Service Contracts

As of December 31, 2025, the Group holds two (2) SESCOs with the DOE with a 25-year contract period. The SESCOs cover the following:

<u>Projects</u>	<u>DOE Certificates of Registration</u>
1) 6.82 MW Burgos Solar Project in Burgos, Ilocos Norte	SESC No. 2014-07-088 [expiring in 2039 and renewable for another twenty five (25) years]
2) Gaisano Iloilo, Iloilo City Solar Rooftop Project*	SESC No. 2016-11-352 [expiring in 2042 and renewable for another twenty five (25) years]

\* SESCO assigned to EDC Siklab Power Corporation

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## 35. FG Hydro's Contracts and Agreements

### *Operation and Maintenance Agreement (O&M Agreement)*

The FG Hydro has an O&M Agreement with NIA, with the conformity of NPC. Under the O&M Agreement, NIA will manage, operate, maintain and rehabilitate the Non-Power Components of the PAHEP/MAHEP in consideration for a service fee based on actual cubic meter of water used by the FG Hydro for power generation.

The O&M Agreement is effective for a period of 25 years commencing on November 18, 2006 and renewable for another 25 years under the terms and conditions as may be mutually agreed upon by both parties.

Total service fees incurred amounted to ₱204.8 million, ₱98.1 million and ₱117.8 million in 2025, 2024 and 2023, respectively, and are included under the "Power plant operations and maintenance" account in the consolidated statements of income.

### *Memorandum of Agreement with Protected Area Management Board (MOA with PAMB)*

PSALM entered into a MOA with PAMB on July 17, 2006. Under the MOA, PAMB granted the FG Hydro the right to use the Masiway land, where the MAHEP power plant is situated in consideration for an annual user's fee. The MOA will be effective for 25 years and renewable for a similar period subject to terms and conditions as may be mutually agreed upon by both parties.

By virtue of R.A. 7586 or the National Integrated Protected Areas System (NIPAS) Act of 1992 and as amended by RA 11038 or the Expanded NIPAS Act of 2018, Department of Environment and Natural Resources issued its implementing rules and regulations (IRR) under DENR Administrative Order 2019-05 dated May 30, 2019. The said IRR details the mandate for any existing agreements for a protected area, including the MOA for the Masiway land, to be converted to a Special Use Agreement in Protected Areas (SAPA). As of December 31, 2025, FG Hydro is coordinating with its local PAMB for the transition of its existing MOA to the prescribed SAPA.

The FG Hydro incurred annual user's fee amounting to ₱0.1 million in 2025, 2024 and 2023. The user's fee is included under the "Taxes and licenses" account in the consolidated statements of income.

### *Memorandum of Agreement with NGCP (MOA with NGCP)*

FG Hydro entered into a MOA with NGCP on August 31, 2011 for the performance of services on the operation of the PAHEP 230 kV switchyard and its related appurtenances (Switchyard).



The MOA is effective for a period of five (5) years and renewable for another three (3) years under such terms as maybe agreed by both parties. The MOA with NGCP expired on August 31, 2016 after which the FG Hydro continued to perform services on the operation of the Switchyard until the signing of a new contract.

A new MOA, effective for a period of five (5) years upon signing by the parties, was signed with NGCP on January 20, 2020. The MOA is renewable for another three (3) years under such terms and conditions as may be agreed by the parties.

Following the expiration of the MOA on January 29, 2025, another MOA commenced on January 30, 2025 effective for a period of five years or until the project to transfer the operation of the Switchyard to NGCP has been completed, whichever comes first.

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### 36. Vestas Operation and Maintenance Agreement

In March 2013, EBWPC entered into an agreement with Vestas Wind Systems (Vestas) for the construction of its 87 MW Burgos Wind Project (Phase 1), located in the Municipality of Burgos, Ilocos Norte. The project comprises three components: (i) the establishment of a wind farm facility; (ii) a 115kV transmission line; and (iii) a substation adjacent to the wind farm.

On April 30, 2014, EBWPC and Vestas entered into another contract for the construction and installation of additional 21 wind turbines (Phase 2), increasing the total generating capacity from 87 MW to 150 MW.

EBWPC will operate and maintain the wind farm under a 10-year operations and maintenance agreement with Vestas. The Vestas O&M contract is a service and energy-based availability agreement based on Vestas' Active Output Management 5000 product. The agreement is a full-scope maintenance contract covering both scheduled and unscheduled maintenance with an energy-based availability on the wind turbines. The agreement covers the wind turbines, wind farm electrical balance-of-plant systems, the wind turbine yaw back-up generators, and the Burgos substation as opposed to a traditional O&M contract that provides a guarantee that the turbines in a wind power plant are operational for a defined period of time on an annual basis (referred to as time-based availability), the AOM 5000 model provides an energy-based guarantee, which encourages the contractor to ensure that the turbines are fully operational when the wind is blowing.

The 10-year contract expired on December 17, 2024, and was renewed for another 10 years, extending the agreement until December 17, 2034.

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### 37. Renewable Energy Payment Agreement

Under Section 2.2 of the ERC Resolution No. 24, Series of 2013, *A Resolution Adopting the Guidelines on the Collection of the FIT Allowance (FIT-All) and the Disbursement of the FIT-All Fund* (the FIT-All Guidelines), all eligible renewable energy (RE) plant shall enter into a REPA with TransCo for the payment of the FIT.

Pursuant to the FIT-All Guidelines, EBWPC entered into a REPA with TransCo for its Burgos Wind Power Plants. The REPA became effective after all the documents enumerated in Section 3.1 of the REPA have been submitted to and certified complete by TransCo. Included in those required documents is the FIT COC issued by the ERC on April 13, 2015.



The ERC granted on April 13, 2015 the FIT COC for the Burgos Wind Project - Phase I and II, which specifies that the project is entitled to the FIT rate of ₱8.53 per kilowatt-hour (kWh), subject to adjustments as may be approved by the ERC, from November 11, 2014 to November 10, 2034.

Similarly, on April 24, 2015, the Parent Company entered into a REPA for its 4.16 MW Solar Power Plants with TransCo.

In accordance with the REPA, all actual RE generation from the commercial operations date (COD) until the effective date of the REPA (effective date) were billed to and collected from the Philippine Electricity Market Corporation (PEMC) at market price.

After the effective date of the REPA, billings for all actual RE generation have been submitted directly to and collected from TransCo at the applicable FIT rates as approved by the ERC. In addition, the actual FIT differential from the COD until the effective date were also billed to TransCo over the number of months which lapsed during that period.

*FIT rate adjustments*

On May 26, 2020, the ERC issued Resolution No. 06, Series of 2020 which approves and adopts FIT rate adjustments, for the years 2016, 2017, 2018, 2019 and 2020 using 2014 as the base year for the consumer price index and foreign exchange. The said resolution was published in a newspaper of general circulation on November 17, 2020 and became effective 15 days after. Accordingly, in 2020, the Group recognized additional revenue and long-term receivables computed on the FIT rate increment which will be recovered for a period of five (5) years starting January 1, 2021.

As of December 31, 2024, in the absence of the 2024 ERC approved FIT rates, revenues in 2024 were based on the lower between the 2020 ERC approved FIT rates, and 2024 forecasted FIT rates.

On November 26, 2025, the ERC approved Resolution No. 28, Series of 2025 with clarifications and revisions published on February 27, 2026 which approves and adopts FIT rate adjustments, for the years 2021, 2022, 2023, 2024 and 2025 using 2014 as the base year for the consumer price index and foreign exchange. The said resolution was published in a newspaper of general circulation on December 24, 2025 and became effective 15 days after. Accordingly, in 2025, the Group recognized additional revenue and long-term receivables computed on the FIT rate increment which will be recovered for a period of five (5) years starting January 1, 2026.

As of December 31, 2025, the Group considered the adjusted FIT rates from 2021 to 2025.

Total FIT revenue adjustment recognized by the Group amounted to ₱879.5 million, ₱288.5 million, and ₱358.6 million in 2025, 2024, and 2023, respectively.

As of December 31, 2025 and 2024, the noncurrent portion of the receivable from TransCo included in “Long-term receivables” under “Other noncurrent assets” amounted to ₱1,838.2 million and ₱1,284.8 million, respectively, while the current portion amounting to ₱513.9 million and ₱509.1 million, respectively, is included under “Trade and other receivables” (see Notes 7 and 15). Interest accretion on receivable from TransCo amounted to ₱216.4 million, ₱28.2 million, and ₱37.2 million in 2025, 2024, and 2023, respectively (see Note 25).



### 38. Changes in Liabilities Arising from Financing Activities

	January 1, 2025	Cash flows	Foreign exchange movements	Others	December 31, 2025
Current and noncurrent portion of long-term debts (Note 17)	₱74,523,780,179	₱24,140,866,114	₱511,340,373	(₱151,602,471)	₱99,024,384,195
Accrued interest on long-term debts	821,011,275	(5,506,168,289)	–	5,742,098,193	1,056,941,179
Lease liability (Notes 20 and 32)	4,784,358,785	(767,804,051)	–	2,342,733	4,018,897,467
Dividends payable (Notes 16 and 19)	14,103,516	(7,277,946,280)	–	7,306,075,000	42,232,236
<b>Total liabilities from financing activities</b>	<b>₱80,143,253,755</b>	<b>₱10,588,947,494</b>	<b>₱511,340,373</b>	<b>₱12,898,913,455</b>	<b>₱104,142,455,076</b>

	January 1, 2024	Cash flows	Foreign exchange movements	Others	December 31, 2024
Current and noncurrent portion of long-term debts (Note 17)	₱55,734,420,269	₱18,066,620,465	₱944,435,407	(₱221,695,962)	₱74,523,780,179
Accrued interest on long-term debts	624,810,038	(3,428,342,462)	–	3,624,543,699	821,011,275
Lease liability (Notes 20 and 32)	323,895,002	(472,804,675)	–	4,933,268,458	4,784,358,785
Dividends payable (Notes 16 and 19)	10,904,712	(7,298,400,000)	–	7,301,598,804	14,103,516
<b>Total liabilities from financing activities</b>	<b>₱56,694,030,021</b>	<b>₱6,867,073,328</b>	<b>₱944,435,407</b>	<b>₱15,637,714,999</b>	<b>₱80,143,253,755</b>

Other includes effect of reclassification of noncurrent portion of long-term debts, amortization of debt issuance costs, declaration of dividends on preferred stocks that were not yet paid at the end of financial reporting date, and effect of accrued but not yet paid interest on long-term debts.

### 39. Events After the Financial Reporting Date

On January 6, 2026, EDC drew ₱2,000.0 million from its term loan facility with BPI.

On February 11, 2026, EDC drew ₱2,000.0 million from its term loan facility with BDO.

On February 27, 2026, the following shares has been redeemed:

- BGI redeemed its 4,365,817 and 8,134,183 voting preferred shares with PREHC and First Gen, respectively, both with a par value of ₱0.01 per share; and
- GCGI redeemed its 8,731,633 and 16,268,367 voting preferred shares with PREHC and First Gen, respectively, both with a par value of ₱0.01 per share.



## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Energy Development Corporation (a subsidiary of Red Vulcan Holdings Corporation) and its subsidiaries (collectively referred to as the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, included in this Form 17-A and have issued our report thereon dated March 9, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

*Maria Veronica Andresa R. Pore*

Maria Veronica Andresa R. Pore

Partner

CPA Certificate No. 90349

Tax Identification No. 164-533-282

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

SEC Partner Accreditation No. 90349-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

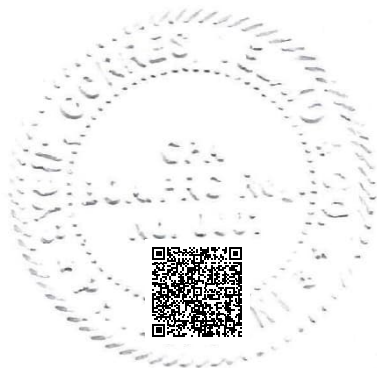
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

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

PTR No. 10765107, January 2, 2026, Makati City

March 9, 2026



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

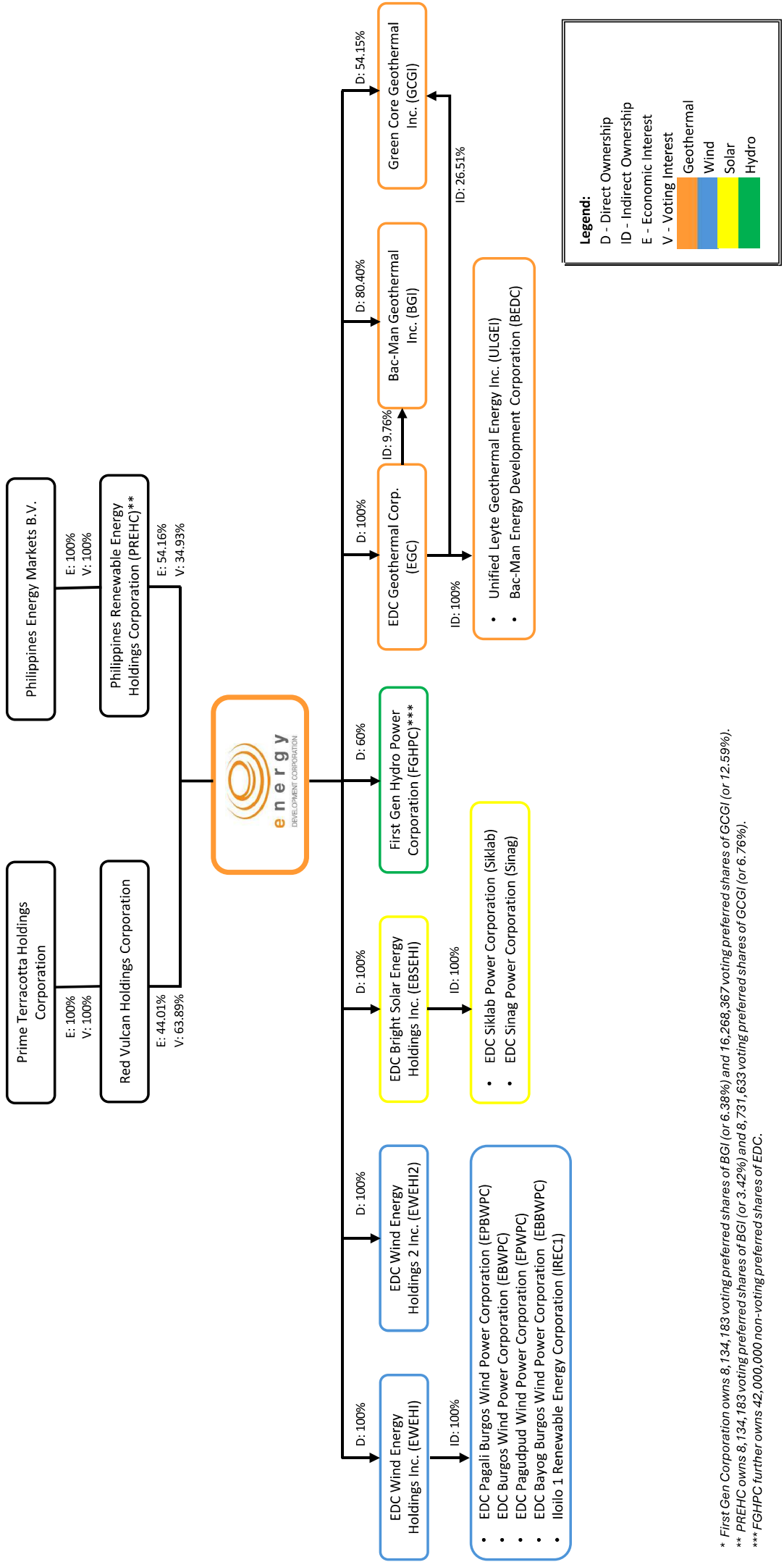
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**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**DECEMBER 31, 2025**

<b>Schedule</b>	<b>Contents</b>
<i>Index to the Consolidated Financial Statements</i>	
I	Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company and Co-subsiidiaries
II	Reconciliation of Retained Earnings Available for Dividend Declaration
<i>Supplementary Schedules by Annex 68-J</i>	
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related parties)
C	Amounts Receivable from Related Parties and Amounts Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
D	Long-Term Debt
E	Indebtedness to Related Parties
F	Guarantees of Securities of Other Issuers
G	Capital Stock

# Ownership Structure of Energy Development Corporation - Domestic Subsidiaries

(As of December 31, 2025)



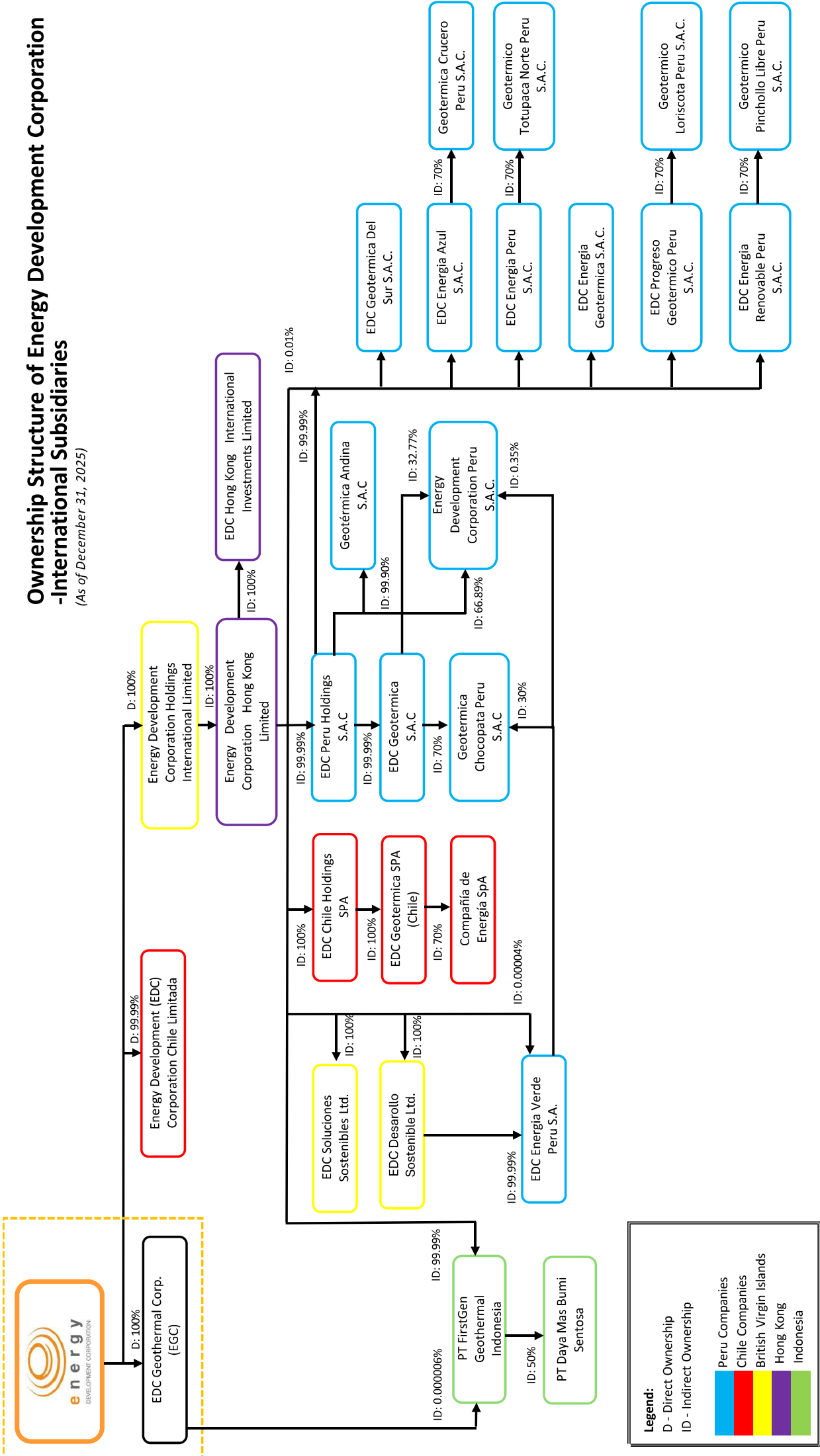
\* First Gen Corporation owns 8,134,183 voting preferred shares of BGI (or 6.38%) and 16,268,367 voting preferred shares of GCGI (or 12.59%).

\*\* PREHC owns 8,134,183 voting preferred shares of BGI (or 3.42%) and 8,731,633 voting preferred shares of GCGI (or 6.76%).

\*\*\* FGHPC further owns 42,000,000 non-voting preferred shares of EDC.

# Ownership Structure of Energy Development Corporation -International Subsidiaries

(As of December 31, 2025)

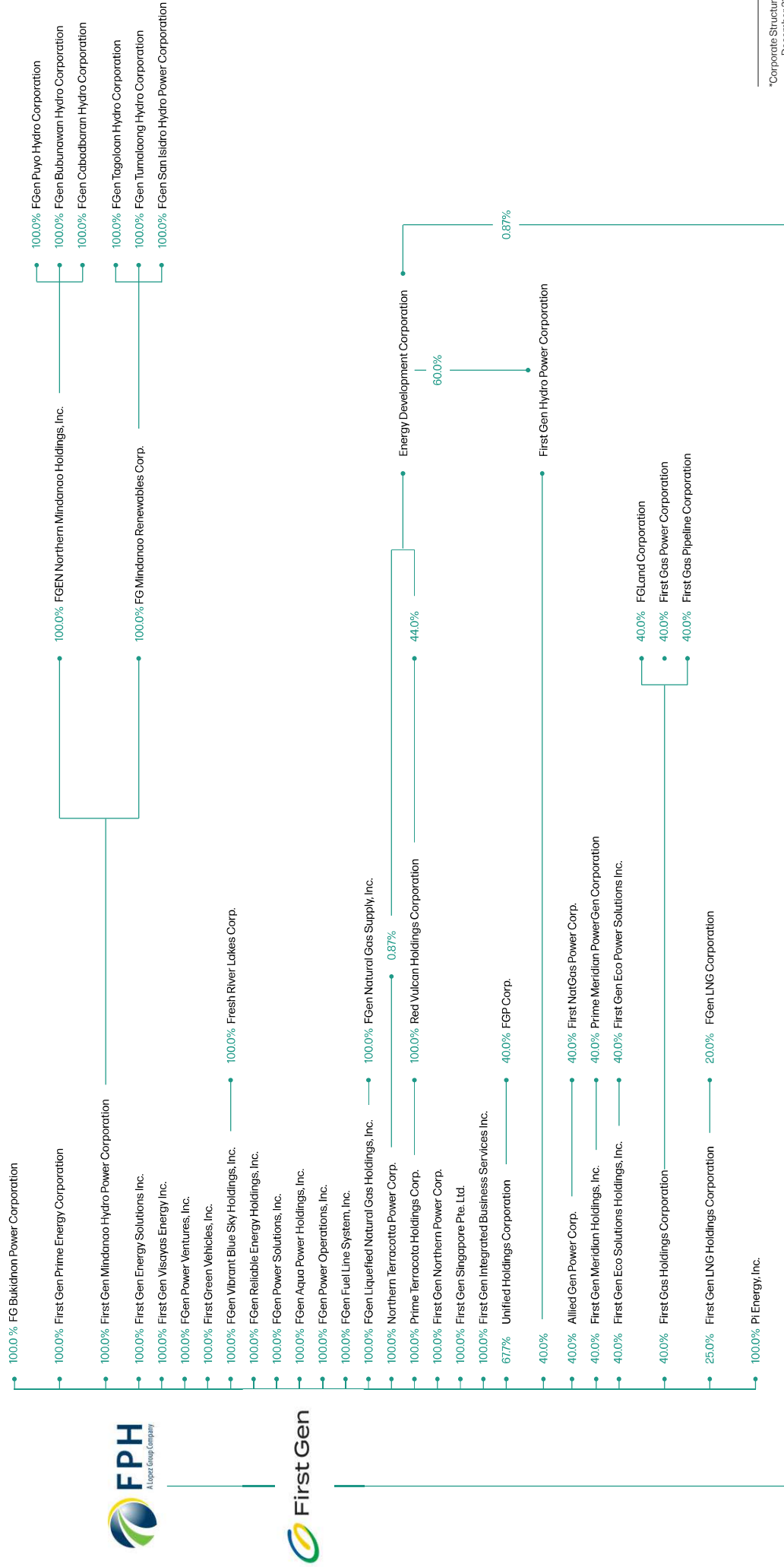


**Legend:**

- D - Direct Ownership
- ID - Indirect Ownership

Peru Companies
Chile Companies
British Virgin Islands
Hong Kong
Indonesia

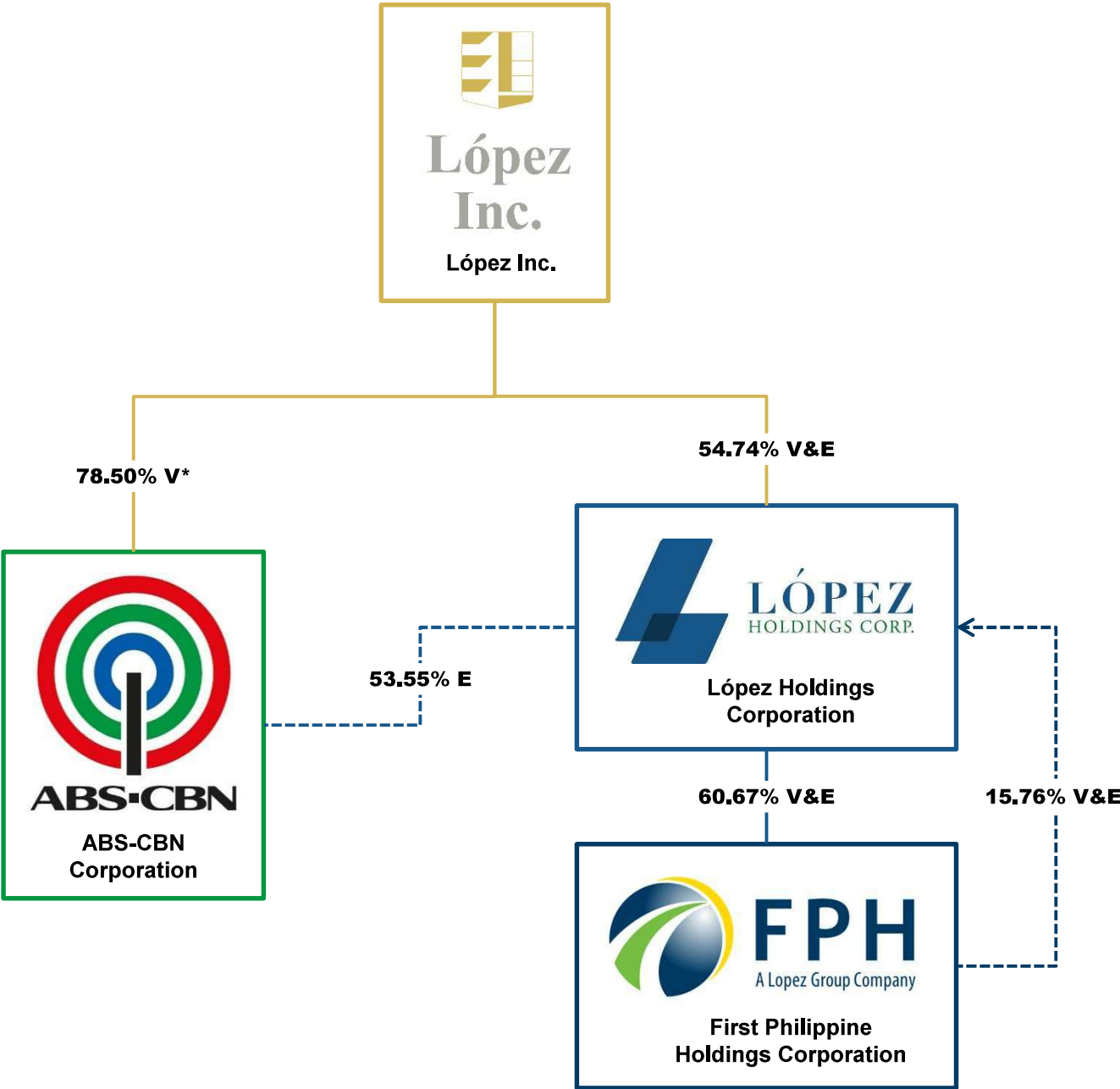
# Organizational Structure



\*Corporate Structure as of December 31, 2023.



**LOPEZ HOLDINGS CORPORATION AND SUBSIDIARIES  
MAP OF RELATIONSHIP OF THE COMPANIES WITHIN THE GROUP  
DECEMBER 31, 2025**



\* voting rights include preferred shares

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

**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS**  
**AVAILABLE FOR DIVIDEND DECLARATION**  
**DECEMBER 31, 2025**

<b>Unappropriated Retained Earnings, beginning of reporting period</b>		<b>₱10,172,051,180</b>
<b>Add: Category A: Items that are directly credited to Unappropriated Retained Earnings</b>		
Reversal of Retained Earnings Appropriation/s	<b>₱35,000,000,000</b>	
Effect of restatements or prior-period adjustments	—	
Others: Transfer of Net accumulated unrealized loss on financial assets at FVOCI	—	<b>35,000,000,000</b>
<b>Less: Category B: Items that are directly debited to Unappropriated Retained Earnings</b>		
Dividend declaration during the reporting period	<b>7,388,509,300</b>	
Retained Earnings appropriated during the reporting period	<b>38,000,000,000</b>	
Effect of restatements or prior-period adjustments	—	
Others:	—	<b>45,388,509,300</b>
<b>Unappropriated Retained Earnings, as adjusted</b>		<b>(216,458,120)</b>
<b>Add/Less: Net income (loss) for the current year</b>		<b>10,533,872,645</b>
<b>Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>		
Equity in net income of associate/joint venture, net of dividends declared	—	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	—	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	<b>2,913,888</b>	
Unrealized fair value gain of Investment Property	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards (describe nature)	—	
Sub-total		<b>2,913,888</b>
<b>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)</b>		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Realized fair value gain of Investment Property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards (describe nature)	—	
Sub-total		—

(Forward)

<b>Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</b>	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	P-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of Investment Property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-
Sub-total	<hr/>
<b>Adjusted Net Income (Loss)</b>	<b>₱10,530,958,757</b>
<b>Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</b>	
Depreciation on revaluation increment (after tax)	-
Sub-total	<hr/> -
<b>Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP (see Footnote 3)</b>	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others (describe nature)	-
Sub-total	<hr/> -
<b>Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution</b>	
Net movement of treasury shares (except for reacquisition of redeemable shares)	<b>(1,569,780)</b>
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	<b>(25,322,611)</b>
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set up of service concession asset and concession payable	<b>(5,546,412)</b>
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others (describe nature) / Misc G/L - MktChg (RES/GEOP)	-
Sub-total	<hr/> <b>(32,438,803)</b>
<b>Total Retained Earnings, end of the reporting period available for dividend</b>	<hr/> <b>₱10,282,061,834</b> <hr/>

# Exhibit 3

Supplementary Schedules

**ENERGY DEVELOPMENT CORPORATION  
AND SUBSIDIARIES**

**INDEX TO SUPPLEMENTARY SCHEDULES  
Form 17-A, Item 7**

**Supplementary Schedules**

- A. Financial Assets
- B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
- C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
- D. Long-Term Debt
- E. Indebtedness to Related Parties\*
- F. Guarantees of Securities of Other Issuers\*
- G. Capital Stock
- H. External Auditor Fee-Related Information

\* Not Applicable

## ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

## SCHEDULE A - Financial Assets

As of December 31, 2025

## In PHP

FINANCIAL ASSETS	Name of issuing entity & association of each use	Amount shown in the balance sheet	Income received and accrued
<b>Loans and receivables:</b>			
Cash and cash equivalents	N/A	10,674,118,007	135,593,264
Trade Receivables	N/A	7,869,158,916	216,425,177
Non-trade Accounts Receivables	N/A	511,636,742	
Deposits and special funds	N/A	994,874,358	
Loans and notes receivables	N/A	57,738,934	
Advances to employees	N/A	29,027,069	
Due from related parties	N/A	44,135,557	
Short Term Investment	N/A	0	54,155,540
Long term receivables and special deposits	N/A	2,359,582,936	
<b>Financial assets at FVOCI</b>			
Debt investments	RCBC Retail Treasury Bonds	164,461,920	
Debt investments	BDP Fixed Rate Treasury Note	24,871,750	
Equity Investments	First Gen	2,800,000,000	
Equity Investments	Wack Wack Golf & Country Club Share	80,000,000	
Equity Investments	Alabang Country Club Share	18,000,000	
Equity Investments	Baguio Country Club Share	6,500,000	
Equity Investments	Investment in proprietary club membership	6,000,000	
Equity Investments	Club Filipino Share	550,000	
Equity Investments	Petron Corp.	43,713	
Equity Investments	Daya Mas Eka Sakti	3,500	
<b>Financial asset at FVPL</b>	BDO Peso Money Market Fund	1,245,751	14,081,052
	Sun Life Investment Management Money Market Fund	53,989,679	
	Investment Management Agreement	1,790,103,684	
<b>Derivative Assets</b>	N/A	35,235,529	
<b>TOTAL</b>		<b>27,521,278,045</b>	<b>420,255,033</b>

**ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES**

SCHEDULE B - Amounts Receivable from Directors, Officers, Employees and Principal Stockholders  
(Other than Related Parties)

As of December 31, 2025

**In PHP**

<b>Name and Designation of Debtor</b>	<b>Balance at Beginning of Period</b>	<b>Additions</b>	<b>Amounts Collected</b>	<b>Accounts Written-off</b>	<b>Current</b>	<b>Not Current</b>	<b>Balance at End of Period</b>
Employees	84,430,379	10,982,097			95,412,476	-	95,412,476
Directors							
<b>TOTAL</b>							

Note: The Company keeps the information on the name & designation of employees and other details confidential. As per written agreement with the concerned employees, any outstanding balance at the time of retirement shall be deducted from the retirement benefit proceeds.

**ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES**  
 SCHEDULE C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements  
 As of December 31, 2025

**In PHP**

Name of Subsidiary	Balance at January 1, 2025	Additions	Amounts Collected	Offsetting	Reclassification	Cumulative Translation Adjustment / Foreign Exchange	Current	Non- Current	Amount Eliminated
<b>Energy Development Corporation</b>									
Bac-Man Energy Development Corporation	214,161	19,357		(7,636,503)			233,518	-	233,518
Bac-Man Geothermal Inc.	-	7,636,503	(3,892,252)	(172,056)			-	-	-
EDC Burgos Wind Power Corporation	4,064,308						18,003,881	-	18,003,881
EDC Geotermica Chile S.P.A.	18,003,881	117,705					539,027	-	539,027
EDC Hong Kong International Limited	421,322	4,198,241					4,277,341	-	4,277,341
EDC Hong Kong Limited	79,099	19,357					4,723,235	-	4,723,235
EDC Geothermal Corp.	4,703,879						-	-	-
EDC Sinag Iloilo Power Corporation	-	33,149	(637,529,744)				4,259,676	-	4,259,676
EDC Pagudpud Wind Power Corporation	4,226,527						-	-	-
EDC Wind Energy Holdings Inc.	637,529,744	3,342,435		(3,342,435)			-	-	-
First Gen Hydro Power Corporation	247,421			(247,421)			-	-	-
Green Core Geothermal Inc.	-						-	-	-
EDC Siklab Iloilo Power Corporation	2,801,024		(2,801,024)				-	-	-
PT EDC Indonesia	-						-	-	-
Southern Negros Geothermal, Inc.	-						-	-	-
Unified Leyte Geothermal Energy Inc.	-	680,381		(680,381)			-	-	-
EDC Geotermica Peru S.A.C.	-	4,856,280		(4,856,280)			-	-	-
EDC Chile Limitada	-	27,454					795,928	-	795,928
EDC Bright Solar Energy Holdings, Inc.	768,475						-	-	-
EDC Siklab Power Corporation	-						-	-	-
EDC Cleansolar Visayas Power Corporation	-						-	-	-
EDC Bayog Burgos Wind Power Corporation	263,339	25,169					288,508	-	288,508
EDC Pagali Burgos Wind Power Corporation	266,164	27,764					293,927	-	293,927
EDC Sinag Power Corporation	269,408	27,119					296,527	-	296,527
Iloilo 1 Renewable Energy Corporation	218,557	27,764					246,320	-	246,320
Mamog 1 Renewable Energy Corporation	-						-	-	-
Mamog 2 Renewable Energy Corporation	-						-	-	-
Mamog 3 Renewable Energy Corporation	-						-	-	-
Negros 1 Renewable Energy Corporation	-						-	-	-
EDC Wind Energy Holdings Inc. 2	-						-	-	-
Burgos 3 Renewable Energy Corporation	-						-	-	-
Burgos 4 Renewable Energy Corporation	-						-	-	-
Calaca Renewable Corporation	-						-	-	-
EDC Hong Kong International Investments Limited	2,094,360			(207,148)		938,296	2,825,509	-	2,825,509
<b>EDC Chile Limitada</b>									
EDC Geotermica SPA	26,039,135	5,722,047				3,274,769	35,035,951	-	35,035,951
EDC Chile Holdings SPA	5,076,605	929,831				532,149	6,538,585	-	6,538,585

**ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES**  
 SCHEDULE C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements  
 As of December 31, 2025

**In PHP**

Name of Subsidiary	Balance at January 1, 2025	Additions	Amounts Collected	Offsetting	Reclassification	Cumulative Translation Adjustment / Foreign Exchange	Current	Non- Current	Amount Eliminated
<b><u>EDC Geothermal Corp.</u></b> Unified Leyte Geothermal Energy Inc. Bac-Man Energy Development Corporation	- 1,000	-	(1,000)				-	-	-
<b><u>Green Core Geothermal Inc.</u></b> Bac-Man Geothermal Inc. Energy Development Corporation EDC Burgos Wind Power Corporation	- - - -	213,000 3,342,435		(213,000) (2,771,313)			571,122	-	571,122
<b><u>Bac-Man Geothermal Inc.</u></b> First Gen Hydro Power Corporation Energy Development Corporation Green Core Geothermal Inc. EDC Burgos Wind Power Corporation	- 4,983,324 6,329,753 -	2,450,654 7,636,503 29,135,000		(10,726,095) (6,329,753) (29,135,000)		(1,580,045)	2,450,654 313,687	-	2,450,654 313,687
<b><u>Unified Leyte Geothermal Energy Inc.</u></b> Energy Development Corporation	-	-					-	-	-
<b><u>EDC Burgos Wind Power Corporation</u></b> Energy Development Corporation Bac-Man Geothermal Inc. EDC Wind Energy Holdings Inc. EDC Pagudpud Wind Power Corporation	- - - - 38,811	11,334,221 29,395,000 5,939		(172,056) (29,395,000)		(1,096,141)	10,066,024	-	10,066,024
<b><u>EDC Bright Solar Energy Holdings, Inc.</u></b> EDC Sinag Power Corporation	11,000	-					11,000	-	11,000
<b><u>EDC Hong Kong Limited</u></b> EDC Chile Limitada EDC Geotermica SPA PT EDC Indonesia PT EDC Panas Bumi EDC Peru Holdings	105,961,380 26,864,500 505,623,482 18,037,984 -	-	(505,623,482) (18,037,984) (163,581,168)				105,961,380 26,864,500	-	105,961,380 26,864,500
<b><u>PT EDC Indonesia</u></b> PT EDC Panas Bumi	1,895,464	911,728	(2,731,120)			(76,072)	0	-	0
<b><u>PT EDC Panas Bumi</u></b> PT EDC Indonesia	1,143,377	-	(1,111,617)			(31,760)	0	-	0

**ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES**  
 SCHEDULE C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements  
 As of December 31, 2025

**In PHP**

Name of Subsidiary	Balance at January 1, 2025	Additions	Amounts Collected	Offsetting	Reclassification	Cumulative Translation Adjustment / Foreign Exchange	Current	Non- Current	Amount Eliminated
<b>EDC Chile Holdings SPA</b>									
EDC Chile Limitada	589,296,529	24,337,600				81,454,780	695,088,909	-	695,088,909
EDC Geotermica SPA	1,548,580,897	53,813,897				180,108,109	1,782,502,904	-	1,782,502,904
<b>EDC Geotermica SPA</b>									
EDC Chile Limitada	37,880,690	979,383				4,634,589	43,494,661	-	43,494,661
<b>EDC Peru Holdings</b>									
EDC Energia Verde Peru S.A.C.	140,425,404	7,873,107				11,005,332	159,303,843	-	159,303,843
EDC Quellaapacheta	-	6,331,601				8,850,556	15,182,157	-	15,182,157
EDC Geotermica Del Sur	47,616	2,670				3,732	54,017	-	54,017
EDC Energia Azul	54,149	3,036				4,244	61,429	-	61,429
EDC Energia Peru	58,633	3,287				4,595	66,516	-	66,516
EDC Energia Geotermica	46,306	2,596				3,629	52,531	-	52,531
EDC Progreso Geotermico Peru SAC	54,381	3,049				4,262	61,691	-	61,691
EDC Energia Renovable	47,770	2,678				3,744	54,192	-	54,192
Geotermica Crucero	5,062,877	283,856				396,785	5,743,518	-	5,743,518
Geotermica Tutupaca	11,771,459	659,980				922,545	13,353,984	-	13,353,984
Geotermica Loniscota	290,682	16,297				22,781	329,760	-	329,760
<b>EDC Energia Verde Peru S.A.C.</b>									
Energy Development Corporation Peru S.A.C.	1,133,083		(77,856)			152,329	1,207,557	-	1,207,557
<b>Energy Development Corporation Peru SAC</b>									
EDC Energia Verde Peru S.A.C.	292,110,848		(974,406)			39,270,650	330,407,092	-	330,407,092
<b>TOTAL</b>	<b>4,005,038,808</b>	<b>409,144,027</b>	<b>(1,336,361,651)</b>	<b>(95,884,441)</b>	<b>-</b>	<b>328,803,857</b>	<b>3,310,740,599</b>	<b>-</b>	<b>3,310,740,599</b>

ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES  
 SCHEDULE D - Long-term Debt  
 As of December 31, 2025

Title of Issue and Type of Obligation	Amount Authorized by Indenture		Balance at December 31, 2025		Current Portion of Long-Term Debt		Long-Term Debt (Net of Current		Interest Rate	Amount and Number of Periodic Payments		Maturity Date	
	(In original currency)	(In PHP)	(In original currency)	(In PHP)	(In original currency)	(In PHP)	(In original currency)	(In PHP)		(In original currency)	(Approx in PHP)		Periodic Payments
<b>Foreign Loans:</b>													
US\$50 Million Mizabao Loan	\$ 50,000,000	2,616,500,000	\$ 2,497,250	1,468,177,349	\$ (21,739)	(1,278,031)	\$ 24,994,989	1,469,455,380	4.82813% until next repricing date in September 2026	\$ 25,000,000	52.33	2 bullet payments	March 24, 2027
CTBC US\$50 Million Term Loan	\$ 50,000,000	2,912,000,000	\$ 39,575,560	2,326,470,821	\$ 9,822,439	577,461,204	\$ 29,750,121	1,749,009,617	4.82788% until next repricing date in June 2026	\$ 5,000,000	58.24	10 semi-annual payments	December 12, 2029
Mizabao US\$50 Million Term Loan	\$ 50,000,000	2,912,000,000	\$ 39,424,360	2,317,758,146	\$ 9,753,788	573,423,202	\$ 29,670,572	1,744,332,944	4.57788% until next repricing date in June 2026	\$ 5,000,000	58.24	10 semi-annual payments	December 12, 2029
Mizabao US\$80 Million Term Loan	\$ 80,000,000	4,704,800,000	\$ 74,024,689	4,351,911,450	\$ 4,486,373	263,753,846	\$ 69,538,316	4,088,157,604	4.69393% until next repricing date in June 2026	various	58.81	various	December 20, 2029
ING US\$50 Million Term Loan	\$ 50,000,000	2,779,250,000	\$ 48,453,511	2,848,581,901	\$ 2,868,694	168,650,543	\$ 45,584,817	2,679,931,358	5.2784% until next repricing date in May 2026	various	55.59	various	May 22, 2030
<b>Domestic Loans:</b>													
IFC 3 - P4.8 Billion	\$ 4,804,000,000	4,804,000,000	\$ 2,459,319,927	2,459,319,927	\$ 325,328,220	325,328,220	\$ 2,133,991,707	2,133,991,707	7.8048%	₱ 165,641,920		29 semi-annual payments	March 15, 2033
DBP PHP291.2M Term Loan	\$ 291,200,000	291,200,000	\$ 111,677,956	111,677,956	\$ 22,291,977	22,291,977	\$ 89,385,979	89,385,979	5.50%	₱ 11,200,000		26 semi-annual payments	December 17, 2030
UBP PHP1.5 Billion Term Loan	\$ 1,500,000,000	1,500,000,000	\$ 599,619,551	599,619,551	\$ 599,619,551	599,619,551	\$ -	-	5.25%	various		20 semi-annual payments	December 5, 2026
SBC PHP1.0 Billion Term Loan	\$ 1,000,000,000	1,000,000,000	\$ 667,631,183	667,631,183	\$ 59,524,024	59,524,024	\$ 608,107,159	608,107,159	5.5788%	various		28 semi-annual payments	December 5, 2031
UBP PHP2.0 Billion Term Loan	\$ 2,000,000,000	2,000,000,000	\$ 864,083,880	864,083,880	\$ 132,635,821	132,635,821	\$ 731,448,059	731,448,059	5.4382%	₱ 66,666,667		30 semi-annual payments	April 10, 2032
SBC PHP3.0 Billion Term Loan	\$ 3,000,000,000	3,000,000,000	\$ 539,438,876	539,438,876	\$ 359,516,044	359,516,044	\$ 179,922,832	179,922,832	5.3166%	various		20 semi-annual payments	May 4, 2027
SBC PHP1.0 Billion Term Loan	\$ 1,000,000,000	1,000,000,000	\$ 432,010,930	432,010,930	\$ 66,312,832	66,312,832	\$ 365,698,098	365,698,098	5.4277%	₱ 33,333,333		30 semi-annual payments	May 4, 2032
BPI PHP1.0 Billion Term Loan	\$ 1,000,000,000	1,000,000,000	\$ 179,831,694	179,831,694	\$ 119,857,605	119,857,605	\$ 59,974,089	59,974,089	5.2059%	various		20 semi-annual payments	June 1, 2027
SBC PHP500.0 Million Term Loan	\$ 500,000,000	500,000,000	\$ 215,994,226	215,994,226	\$ 33,153,502	33,153,502	\$ 182,840,724	182,840,724	5.4904%	₱ 16,666,667		30 semi-annual payments	May 4, 2032
BPI PHP3.0 Billion Term Loan	\$ 3,000,000,000	3,000,000,000	\$ 1,614,833,085	1,614,833,085	\$ 358,028,434	358,028,434	\$ 1,256,804,651	1,256,804,651	5.1323%	various		18 semi-annual payments	April 15, 2030
BPI PHP3.0 Billion Term Loan	\$ 3,000,000,000	3,000,000,000	\$ 1,614,744,161	1,614,744,161	\$ 357,978,776	357,978,776	\$ 1,256,765,385	1,256,765,385	5.58%	various		18 semi-annual payments	April 15, 2030
BDO PHP4.5 Billion Loan	\$ 4,500,000,000	4,500,000,000	\$ 2,429,134,399	2,429,134,399	\$ 539,682,710	539,682,710	\$ 1,889,451,689	1,889,451,689	6.5877%	various		20 semi-annual payments	September 10, 2030
BDO PHP2.0 Billion Loan	\$ 2,000,000,000	2,000,000,000	\$ 1,079,225,786	1,079,225,786	\$ 239,716,232	239,716,232	\$ 839,509,554	839,509,554	6.5877%	various		20 semi-annual payments	September 10, 2030
Fixed Rate ASEAN Green Bonds Series B	\$ 2,500,000,000	2,500,000,000	\$ 2,496,355,290	2,496,355,290	\$ 2,496,355,290	2,496,355,290	\$ -	-	3.7305%	₱ 2,500,000,000		bullet payment	June 25, 2026
Fixed Rate ASEAN Green Bonds Series C	\$ 3,000,000,000	3,000,000,000	\$ 2,980,251,916	2,980,251,916	\$ -	-	\$ 2,980,251,916	2,980,251,916	6.7478%	₱ 3,000,000,000		bullet payment	May 27, 2027
Fixed Rate ASEAN Green Bonds Series D	\$ 3,500,000,000	3,500,000,000	\$ 3,466,539,970	3,466,539,970	\$ -	-	\$ 3,466,539,970	3,466,539,970	6.8873%	₱ 3,500,000,000		bullet payment	May 27, 2029
Fixed Rate ASEAN Green Bonds Series E	\$ 3,500,000,000	3,500,000,000	\$ 3,462,081,581	3,462,081,581	\$ -	-	\$ 3,462,081,581	3,462,081,581	7.0626%	₱ 3,500,000,000		bullet payment	May 27, 2031
BPI PHP2.0 Billion Term Loan	\$ 2,000,000,000	2,000,000,000	\$ 1,496,892,625	1,496,892,625	\$ 199,178,462	199,178,462	\$ 1,297,714,163	1,297,714,163	5.8439% until next repricing date in September 2026	various		18 semi-annual payments	March 21, 2032
BPI PHP2.0 Billion Term Loan	\$ 2,000,000,000	2,000,000,000	\$ 1,493,502,680	1,493,502,680	\$ 198,366,225	198,366,225	\$ 1,295,136,455	1,295,136,455	5.4939% until next repricing date in September 2026	various		18 semi-annual payments	March 21, 2032
BPI PHP3.0 Billion Term Loan	\$ 3,000,000,000	3,000,000,000	\$ 2,235,872,158	2,235,872,158	\$ 296,725,148	296,725,148	\$ 1,939,147,010	1,939,147,010	5.4939% until next repricing date in September 2026	various		17 semi-annual payments	March 21, 2032
UBP PHP1.0 Billion Term Loan	\$ 1,000,000,000	1,000,000,000	\$ 646,768,802	646,768,802	\$ 99,124,996	99,124,996	\$ 547,643,806	547,643,806	5.831567% until next repricing date in March 2027	₱ 50,000,000		20 semi-annual payments	March 24, 2032
SBC PHP2.6 Billion Term Loan	\$ 2,600,000,000	2,600,000,000	\$ 1,681,481,876	1,681,481,876	\$ 257,710,880	257,710,880	\$ 1,423,770,996	1,423,770,996	5.7829% until next repricing date in April 2027	₱ 130,000,000		20 semi-annual payments	April 19, 2032
CTBC PHP1.5 Billion Term Loan	\$ 1,500,000,000	1,500,000,000	\$ 970,887,925	970,887,925	\$ 147,069,830	147,069,830	\$ 823,818,095	823,818,095	6.1869%	various		10 semi-annual payments	June 8, 2027
BDO PHP2.0 Billion Term Loan	\$ 2,000,000,000	2,000,000,000	\$ 1,395,003,078	1,395,003,078	\$ 199,167,107	199,167,107	\$ 1,195,835,971	1,195,835,971	5.2063% until next repricing date in September 2026	₱ 100,000,000		20 semi-annual payments	September 3, 2032
BDO PHP3.0 Billion Term Loan	\$ 3,000,000,000	3,000,000,000	\$ 2,087,139,028	2,087,139,028	\$ 297,389,302	297,389,302	\$ 1,789,749,726	1,789,749,726	5.2063% until next repricing date in September 2026	₱ 150,000,000		20 semi-annual payments	September 3, 2032
CBC PHP2.0 Billion Term Loan	\$ 2,000,000,000	2,000,000,000	\$ 1,398,028,018	1,398,028,018	\$ 202,057,491	202,057,491	\$ 1,195,970,527	1,195,970,527	6.1589% until next repricing date in October 2027	₱ 100,000,000		20 semi-annual payments	October 5, 2032
CBC PHP2.0 Billion Term Loan	\$ 2,000,000,000	2,000,000,000	\$ 1,394,157,448	1,394,157,448	\$ 201,084,580	201,084,580	\$ 1,193,072,868	1,193,072,868	6.1589% until next repricing date in October 2027	various		19 semi-annual payments	October 5, 2032

ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES  
 SCHEDULE D - Long-term Debt  
 As of December 31, 2025

Title of Issue and Type of Obligation	Amount Authorized by Indenture		Balance at December 31, 2025		Current Portion of Long-Term Debt		Long-Term Debt (Net of Current		Interest Rate	Amount and Number of Periodic Payments		Maturity Date
	(In original currency)	(In PHP)	(In original currency)	(In PHP)	(In original currency)	(In PHP)	(In original currency)	(In PHP)		(In original currency)	(Approx in PHP)	
BDO PHP2.0 Billion Term Loan	₱ 2,000,000,000	2,000,000,000	₱ 1,588,473,706	1,588,473,706	₱ 197,834,511	197,834,511	₱ 1,390,639,195	1,390,639,195	5.2181% until next repricing date in September 2026	₱ 100,000,000	20 semi-annual payments	September 1, 2033
BDO PHP3.0 Billion Term Loan	₱ 3,000,000,000	3,000,000,000	₱ 2,530,387,533	2,530,387,533	₱ 296,517,243	296,517,243	₱ 2,233,870,290	2,233,870,290	5.2181% until next repricing date in September 2026	various	19 semi-annual payments	September 1, 2033
BPI PHP3.0 Billion Term Loan	₱ 3,000,000,000	3,000,000,000	₱ 2,982,408,286	2,982,408,286	₱ 296,916,787	296,916,787	₱ 2,685,491,499	2,685,491,499	5.2584% until next repricing date in September 2026	various	18 semi-annual payments	September 12, 2034
BPI PHP2.0 Billion Term Loan	₱ 2,000,000,000	2,000,000,000	₱ 1,984,959,803	1,984,959,803	₱ 198,030,776	198,030,776	₱ 1,786,929,027	1,786,929,027	5.2584% until next repricing date in September 2026	various	18 semi-annual payments	September 12, 2034
BDO PHP3.0 Billion Term Loan	₱ 3,000,000,000	3,000,000,000	₱ 2,682,187,650	2,682,187,650	₱ 297,360,243	297,360,243	₱ 2,384,827,407	2,384,827,407	5.6465% until next repricing date in May 2026	₱ 150,000,000	20 semi-annual payments	November 7, 2034
BDO PHP2.0 Billion Term Loan	₱ 2,000,000,000	2,000,000,000	₱ 1,785,343,287	1,785,343,287	₱ 197,697,742	197,697,742	₱ 1,587,645,545	1,587,645,545	5.6465% until next repricing date in May 2026	₱ 100,000,000	20 semi-annual payments	November 7, 2034
BDO PHP2.0 Billion Term Loan	₱ 2,000,000,000	2,000,000,000	₱ 1,785,740,434	1,785,740,434	₱ 197,774,440	197,774,440	₱ 1,587,965,994	1,587,965,994	5.6465% until next repricing date in May 2026	₱ 100,000,000	20 semi-annual payments	November 7, 2034
BDO PHP3.0 Billion Term Loan	₱ 3,000,000,000	3,000,000,000	₱ 2,677,925,727	2,677,925,727	₱ 296,529,387	296,529,387	₱ 2,381,396,340	2,381,396,340	5.6465% until next repricing date in May 2026	various	19 semi-annual payments	November 7, 2034
CBC PHP3.0 Billion Term Loan	₱ 3,000,000,000	3,000,000,000	₱ 2,681,949,525	2,681,949,525	₱ 297,205,937	297,205,937	₱ 2,384,743,588	2,384,743,588	5.5474% until next repricing date in June 2026	₱ 150,000,000	20 semi-annual payments	December 12, 2034
CBC PHP2.0 Billion Term Loan	₱ 2,000,000,000	2,000,000,000	₱ 1,788,150,960	1,788,150,960	₱ 198,172,626	198,172,626	₱ 1,589,978,334	1,589,978,334	5.5474% until next repricing date in June 2026	₱ 100,000,000	20 semi-annual payments	December 12, 2034
CBC PHP2.0 Billion Term Loan	₱ 2,000,000,000	2,000,000,000	₱ 1,787,551,039	1,787,551,039	₱ 198,057,807	198,057,807	₱ 1,589,493,232	1,589,493,232	5.5474% until next repricing date in June 2026	₱ 100,000,000	20 semi-annual payments	December 12, 2034
CBC PHP2.0 Billion Term Loan	₱ 3,000,000,000	3,000,000,000	₱ 2,828,171,482	2,828,171,482	₱ 296,729,075	296,729,075	₱ 2,531,442,407	2,531,442,407	5.6471% until next repricing date in April 2026	various	19 semi-annual payments	December 12, 2034
BPI PHP2.0 Billion Term Loan	₱ 2,000,000,000	2,000,000,000	₱ 1,985,216,092	1,985,216,092	₱ (2,017,165)	(2,017,165)	₱ 1,987,233,257	1,987,233,257	5.5288% until next repricing date in April 2026	various	18 semi-annual payments	October 22, 2035
BDO PHP2.7 Billion Term Loan	₱ 2,700,000,000	2,700,000,000	₱ 2,682,268,002	2,682,268,002	₱ 401,386,824	401,386,824	₱ 2,280,881,178	2,280,881,178	5.5288% until next repricing date in June 2026	various	18 semi-annual payments	December 19, 2034
ANZ PHP2.15 Billion Term Loan	₱ 2,150,000,000	2,150,000,000	₱ 2,049,984,735	2,049,984,735	₱ (9,066,434)	(9,066,434)	₱ 2,059,051,169	2,059,051,169	5.4249% until next repricing date in April 2026	various	10 semi-annual payments	April 24, 2030
BDO PHP2.5 Billion Term Loan	₱ 2,500,000,000	2,500,000,000	₱ 2,469,863,496	2,469,863,496	₱ 25,000,000	25,000,000	₱ 2,444,863,496	2,444,863,496	5.24% until next repricing date in August 2026	various	30 semi-annual payments	February 6, 2040
BPI PHP2.5 Billion Term Loan	₱ 2,500,000,000	2,500,000,000	₱ 2,469,863,496	2,469,863,496	₱ 25,000,000	25,000,000	₱ 2,444,863,496	2,444,863,496	5.24% until next repricing date in August 2026	various	30 semi-annual payments	February 6, 2040
RCBC PHP2.0 Billion Term Loan	₱ 2,000,000,000	2,000,000,000	₱ 1,975,890,796	1,975,890,796	₱ 20,000,000	20,000,000	₱ 1,955,890,796	1,955,890,796	5.24% until next repricing date in August 2026	various	30 semi-annual payments	February 6, 2040
BDO PHP5.0 Billion Term Loan	₱ 5,000,000,000	5,000,000,000	₱ 4,962,640,429	4,962,640,429	₱ 45,822,606	45,822,606	₱ 4,916,817,823	4,916,817,823	5.4357% until next repricing date in June 2026	various	19 semi-annual payments	December 12, 2035
<b>TOTAL</b>		<b>123,353,250,000</b>		<b>99,024,384,194</b>		<b>12,864,840,208</b>		<b>86,159,543,986</b>				

**EXHIBIT 3**

**ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES**

SCHEDULE E - Indebtedness to Related Parties

As of December 31, 2025

Name of Related Parties	Balance at beginning of period	Balance at end of period
	NOT APPLICABLE	

**ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES**

SCHEDULE F - Guarantees of Securities of Other Issuers

As of December 31, 2025

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
		NOT APPLICABLE		

## ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

## SCHEDULE G - Capital Stock

As of December 31, 2025

Title of Issue	Number of shares authorized	Number of shares outstanding	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Number of shares held by Directors and key executive officers
Common Stock	27,000	17,027.869723		7,494 (44.01%)  9,223 (54.16%)  148 (0.87%)  144 (0.85%)	11.000002 (0.06%)
Preferred Stock (Voting)	15,000	9,375		9,375 (100%)	
Preferred Stock (Non-voting)	300,000,000	42,000,000		42,000,000 (100%)	

**ENERGY DEVELOPMENT CORPORATION****(A Subsidiary of Red Vulcan Holdings Corporation)****SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR****FEE-RELATED INFORMATION****DECEMBER 31, 2025**

	2025	2024	2023
<b>Total Audit Fees (Section 2.1a)</b>	<b>₱13,527,730</b>	<b>₱13,870,507</b>	<b>₱13,277,826</b>
Non-audit service fees:			
Other assurance services <sup>1</sup>	<b>3,653,900</b>	8,024,340	3,385,000
Tax services	<b>6,720,428</b>	1,922,399	457,600
All other services	<b>1,525,000</b>	1,586,875	6,084,063
<b>Total Non-Audit Fees (Section 2.1b)</b>	<b>11,899,328</b>	<b>11,533,614</b>	<b>9,926,663</b>
<b>Total Audit and Non-Audit Fees</b>	<b>₱25,427,058</b>	<b>₱25,404,121</b>	<b>₱23,204,489</b>

<sup>1</sup>Includes engagement related to EDC's 2024 ASEAN Green Bonds offering amounting to ₱4.0 million

## INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Energy Development Corporation (a subsidiary of Red Vulcan Holdings Corporation) and its subsidiaries (collectively referred to as the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 9, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Components of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

*Maria Veronica Andresa R. Pore*

Maria Veronica Andresa R. Pore  
Partner

CPA Certificate No. 90349

Tax Identification No. 164-533-282

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

SEC Partner Accreditation No. 90349-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

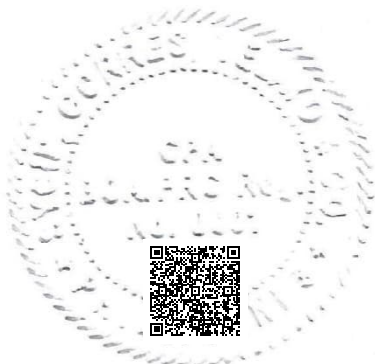
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

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

PTR No. 10765107, January 2, 2026, Makati City

March 9, 2026



## SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

### Energy Development Corporation and Subsidiaries

<b>Ratio</b>	<b>Formula</b>	<b>December 2025</b>	<b>December 2024</b>
Current ratio	Dividing total current assets over total current liabilities	1.13	1.15
Solvency ratio	Dividing net income excluding depreciation and non-cash provisions over total debt obligations	0.17	0.23
Debt-to-equity ratio	Dividing total interest-bearing debts over stockholders' equity	1.16	0.87
Asset-to-equity ratio	Dividing total assets over total stockholders' equity	2.54	2.27
Interest rate coverage ratio	Dividing earnings before interest and taxes of one period over interest expense of the same period	2.29	3.74
Net debt-to-equity ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	1.03	0.71
Return on equity (%)	Dividing the net income (annual basis) by total stockholders' equity (average)	8.67%	10.96%
Return on assets (%)	Dividing the net income (annual basis) by the total assets (average)	3.61%	5.14%

# Exhibit 4

2025 Audit and Governance  
Committee Report

## Year 2025 Audit and Governance Committee Report

### The Board of Directors

Energy Development Corporation

The Audit and Governance Committee (AGC) assists the Board of Directors (Board) in fulfilling its oversight responsibility as regards the Company's: a) integrity of financial reporting process; b) effectiveness and soundness of internal control environment; c) adequacy of audit functions, both external and internal audits; and d) compliance with rules, policies, laws, regulations, contracts, and the Code of Conduct and Discipline.

In fulfilling our responsibilities as stated in the AGC Charter and the Company's Manual on Corporate Governance (CG Manual), we confirm that:

#### *Financial Reporting and Disclosures*

- We have reviewed with Management and the external auditor (SGV & Co.) the annual audited financial statements and the quarterly interim financial reports and endorsed these to the Board for approval and release to regulatory agencies and creditors. Our review included discussions on the appropriateness of accounting policies adopted by Management, the reasonableness of estimates, assumptions and judgments used in the preparation of the financial statements, the impact of new accounting standards and interpretations, and other key accounting issues and audit results as highlighted by the external auditor.

#### *Internal Control*

- We have monitored the effectiveness of the internal control environment through various measures such as the review of the results of the external audit regarding internal control issues; exercising functional responsibility over Internal Audit and the Corporate Governance and Housekeeping Team of the Legal Services Division and receiving reports on work done in assessing key governance, risk management and control components; discussing with Management the major control issues and recommendations to improve policies and processes; and promoting a culture of integrity and ethical values in the Company.

Based on the results of the assurance activities performed by the Company's Internal Audit, the external auditor's unqualified opinion on the financial statements, and discussions with Management, the AGC assessed that the Company's systems of internal controls, risk management, and governance processes are adequate and generally effective.

#### *External and Internal Audit*

- We have reviewed the overall scope and audit plan of the external auditor. We also reviewed and affirmed the Management's evaluation on the performance of the external auditor for the 2024 financial statements audit and approved the re-engagement of SGV & Co. for the 2025 audit.
- We have approved the non-audit services rendered by the external auditor.
- We have approved the Internal Audit's annual plan and confirmed that independence is maintained, the scope of work is sufficient and resources are adequate.

*Compliance and Corporate Governance*

- We have monitored the Company's compliance with applicable laws, rules and regulations and relevant Company policies based on the reports from external and internal audit, CG&H team, and discussions with management.
- We have supported the Company's initiatives to strengthen its corporate governance framework by providing full support to the Company's efforts in (i) maintaining compliance with the Revised Corporation Code and other laws, rules and regulations on corporate governance, in particular, the Code of Corporate Governance for Public Companies and Registered Issuers, (ii) benchmarking CG practices with comparable companies, (iii) improving the CG evaluation system, and (iv) ensuring that our directors, key officers and senior executives comply with the CG requirements on reporting and disclosure, as well as on CG trainings.

*Committee Membership and Meetings*

- We conducted six (5) meetings in 2025. The former AGC Chairman M. I. Ayala and the new AGC Chairman JV. P. Paterno attended two (2); AGC Director R. B. Tantoco and former AGC Director C. Low Eu Sun attended three (3); and Directors S. C. Quiniones, TGS. G. Lara and J. C. Russell attended all the meetings. Director V. Lim was appointed in December 2025.

*Assessment of Performance*

- We have assessed our performance for the year 2025 based on the guidelines and suggested parameters set by SEC. The assessment results showed that the AGC Charter remains fully compliant with the suggested parameters of SEC and the committee generally complied with the requirements set forth in the AGC Charter and Company's CG Manual.

February 26, 2026



**Jose Victor P. Paterno**  
Chairman  
(May 2025 to present)

*Verena Lim*

**Verena Lim**  
Member  
(December 2025 to present)

*Sebastian C. Quiniones, Jr.*

**Sebastian C. Quiniones, Jr.**  
Member  
(May 2021 to present)



**Jonathan C. Russell**  
Member  
(August 2017 to present)

*Director Teresa Socorro G. Lara*

**Teresa Grace Socorro G. Lara**  
Member  
(May 2021 to present)

*Richard B. Tantoco*

**Richard B. Tantoco**  
Member  
(July 2023 to present)

# Exhibit 5

Material Service Contracts  
and Agreements

## Material Contracts and Agreements

### *Geothermal Renewable Energy Service Contracts*

The Company and its subsidiaries currently have thirteen (13) service contracts with the Government for the exploration and utilization of geothermal energy. Three (3) Geothermal Operating Contracts (“GOCs”) cover geothermal power plant operations, and ten (10) geothermal contract areas are covered by Geothermal Renewable Energy Service Contracts (“GRESCs”) and Geothermal Service Contracts (“GSCs”) under the RE Act. The Company’s existing geothermal contracts cover the following:

- GRESC
  - Tongonan, Kananga, Leyte
  - Southern Negros, Valencia, Negros Oriental
  - Bacon-Manito, Albay-Sorsogon
  - Mt. Apo, Kidapawan City, North Cotabato
  - Northern Negros, Negros Occidental
- GSC
  - Amacan Geothermal Project, Davao de Oro (Compostela Valley)
  - Mt. Zion 2 Geothermal Power Project, North Cotabato – Davao del Sur
  - Mainit-Sadanga Geothermal Power Project, Mountain Province
  - Mt. Sembrano Geothermal Power Project, Pililla and Jalajala Rizal; Pangil and Pakil Laguna
  - Buguias-Tinoc Geothermal Power Project, Buguias and Tinoc, Ifugao
- GOC
  - Palinpinon Geothermal Power Plants in Valencia, Negros Oriental
  - Tongonan Geothermal Power Plant in Kananga, Leyte
  - Bacon-Manito Geothermal Power Plants in Albay-Sorsogon

The service contracts for the (i) Tongonan; (ii) Southern Negros; (iii) Bacon-Manito; (iv) Mt. Apo; and (v) Northern Negros are in the form of GRESCs. (i) Amacan; (ii) Mt. Zion 2; and (iii) Mainit-Sadanga; (iv) Mt. Sembrano; and (v) Buguias-Tinoc contract areas are in the form of GSCs. The contract for the (i) Palinpinon; (ii) Tongonan; and (iii) Bacon-Manito geothermal power plants are in the form of GOCs. The GRESCs, GSCs and the GOCs were entered into pursuant to the RE Act. Generally, under the service contracts, the Company is appointed as the exclusive party to conduct geothermal operations on behalf of the Government in the relevant contract area and agrees to provide the necessary services, technology and financing for the geothermal operations contemplated therein, and assumes the financial risks for those operations.

Four (4) of the Company’s five (5) GRESC contract areas, specifically Tongonan, Southern Negros, Bacon-Manito, and Mt. Apo, are in commercial operation. The GRESCs for the first three (3) contract areas have a term until 2031 (extendible until 2056) while that for Mt. Apo will expire in 2042. The Company’s GRESC over the Northern Negros Geothermal Project (NNGP) has been renewed for an additional period of twenty-five (25) years, reckoned from March 24, 2019. The Company has completed the evaluation of the NNGP resource performance and assessment and is currently in the construction phase of the Bago Binary Geothermal Power Plant.

Amacan’s GSC has been converted to the new RE contract template per DOE Department Circular No. DC2019-10-0013, with the pre-development period expiring in 2025. Mt. Zion 2’s GSC with pre-development period expiring in 2028. The Mainit-Sadanga GSC, issued in October 2021, provides for a seven-year pre-development period, or until 2028. Additionally, two (2) GSCs, namely Mt. Sembrano and Buguias-Tinoc, were awarded to EDC after winning the bid pursuant to Department Circular No. 2023-06-0019, “Adopting the Guidelines Governing the 4th Open and Competitive Selection Process (OCSP4) in the Award of Renewable Energy Service Contracts, and for Other Purposes”. All the above-mentioned projects are in various stages of pre-development activities. These sites hold potential geothermal resources in commercial quantity, and if discovered during the pre-development stage, each

service contract shall, with respect to any production area delineated therein, remain in force for the balance of a 25-year period. It is renewable for an additional 25 years if the Company is not in default of its obligations under the service contract.

Under each of the service contracts, all materials, equipment, plants and other installations that are erected or placed on the contract area shall remain the property of the Company throughout the term of the RE Contract and after termination thereof. The Company shall be given one year to remove these facilities; otherwise, ownership shall be vested in the Government.

Under the service contracts, the Company must pay government share to the Government and host local government units, from the proceeds derived from the geothermal operations. Under the GRESCs, GSCs, and GOCs, the Company must pay a Government Share equal to 1.5% of the income derived from the sale of geothermal steam or electricity produced and other incidental income, in addition to income tax payable by the Company.

### *Wind Energy Service Contracts*

The Company holds twelve (12) WESCs with the DOE. The wind service contracts cover the following:

- 150-MW Wind Project in Burgos, Ilocos Norte;
- Pagudpud Wind Project in Pagudpud, Ilocos Norte;
- Burgos 4 Wind Project in Burgos, Ilocos Norte;
- Iloilo 1 Wind Project in Batad & San Dionisio, Iloilo;
- Ilocos Norte Wind Project in Burgos and Pasuquin, Ilocos Norte;
- Pasuquin Wind Project in Pasuquin Ilocos Norte;
- Guimaras Onshore Wind Project in Guimaras;
- Guimaras 1 Offshore Wind Project in Guimaras;
- Iloilo-Guimaras Offshore Wind Project in Guimaras;
- Guimaras-Negros Occidental Offshore Wind Project in Guimaras;
- Laguna 1 Onshore Wind Project in Laguna; and
- Negros Occidental Offshore Wind Project in Negros Occidental

EBWPC, a subsidiary of the Company, developed an 87-MW wind farm in Burgos and the WESC for the project was assigned to EBWPC in February 2011. EBWPC submitted a Declaration of Commerciality (“DOC”) for the project in August 2011 and the same has been approved by the DOE in April 2013. As it has been studied that there is potential for a bigger wind farm in EBWPC’s contract area, EBWPC submitted a DOC covering the Burgos Wind Expansion Project. The expansion project added 63 MW of wind power capacity. The DOE’s confirmation of the expansion project’s commerciality was secured in December 2013. The project started commercial operations in November 2014.

On the other hand, the WESC for the Pagudpud Wind Project was assigned by EDC to EPWPC in June 2012. EPWPC submitted a DOC for this project in February 2013, and the same was confirmed by the DOE in June 2014.

The WESCs for Iloilo 1 and Negros were signed in August 2014. Further, WESCs for Burgos 4 were signed in December 2015 and WESCs for Ilocos Norte and Pasuquin were signed in June 2021. Lastly, the WESCs for Guimaras Onshore, Guimaras 1 Offshore, Iloilo-Guimaras Offshore, Guimaras-Negros Occidental Offshore, Laguna 1 Onshore and Negros Occidental Offshore were all signed in 2022.

Under the WESCs, the Company is obligated to provide the services, technology, equipment and financing for the wind energy operations contemplated by the WESC. The Company assumes the

financial risks in case it is determined during the pre-development stage that wind resources in the contract area do not justify commercial development.

Under the DOE's new guidelines pursuant to DC2019-10-0013, the WESC's pre-development stage is now effective for a non-extendible period of five (5) years, provided that the Company shall submit a Declaration of Commerciality at any time during the pre-development stage, otherwise, the term of the WESC shall automatically terminate.

Within the pre-development stage of the wind energy operation, the Company is required to undertake exploration, assessment, harnessing, piloting, and other studies of wind resources. Upon submission by the Company and the confirmation by the DOE of a declaration of commerciality within the pre-development stage, the WESC remains in force for the balance of a period of 25 years from the effective date and can be renewed for another 25 years if the Company has not been in default of any of its material obligations under the WESC.

### *Solar Energy Service Contracts*

The Company holds two operational (2) SESCOs with the DOE. These service contracts cover areas in the following:

1. 4.16-MW and 2.66-MW Burgos Solar Project in Burgos, Ilocos Norte; and
2. Gaisano Iloilo Solar Power Project in Iloilo City (Solar Rooftop).

EDC developed the 4.16-MW Burgos Solar Project under the Burgos SESCO awarded in August 2014. In the same month, EDC submitted a DOC for the project. The project started commercial operations in March 2015.

Under the same contract, EDC also developed a 2.66-MW solar farm, which is the Burgos Solar Phase 2 Project. EDC submitted its DOC for the project in May 2015. The project started commercial operations in January 2016.

The SESCO for Gaisano Iloilo Solar Power Project was signed in February 2017 and the Project has been operational since March 2017.

Under the SESCOs, the Company is obligated to provide the services, technology, equipment and financing for the solar energy operations contemplated by the SESCO. The Company assumes the financial risks in case it is determined during the pre-development stage that solar resources in the contract area do not justify commercial development.

Under the DOE's guidelines covering the existing SESCOs of the Company, the SESCO is effective for a non-extendible period of two (2) years provided that the failure of the Company to accomplish the first annual milestones, set forth by the DOE and as indicated in the Work Program, shall result in the expiration of the RE Contract. However, the submission of a Declaration of Commerciality at any time during the pre-development stage and the confirmation thereof by the DOE shall supersede the milestone requirement.

Within the pre-development stage of the solar energy operation, the Company is required to undertake exploration, assessment, harnessing, piloting, and other studies of solar resources. Upon submission by the Company and the confirmation by the DOE of a declaration of commerciality within the pre-development stage, the SESCO remains in force for the balance of a period of 25 years from the effective date and can be renewed for another 25 years if the Company has not been in default of any of its material obligations under the SESCO.