SEC Number <u>**66381**</u>
File Number _____

<u>ENERGY DEVELOPMENT CORPORATION</u>
(Company's full Name)

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

<u>(02) 7755-2332</u>
(Telephone Number)

<u>June 30, 2026</u>
(Quarter Ending)

<u>SEC FORM 17-Q</u>
(Form Type)

COVER SHEET

6 6 3 8 1

SEC Registration Number

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

(Company's Full Name)

9th Floor Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City

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

Jhunar B. Abbot	7755-2332
(Contact Person)	(Company Telephone Number)

12 31	SEC17Q	First Tuesday of May
Month *Day* (Fiscal Year)	(Form Type)	*Month* *Day* (Annual Meeting)

(Secondary License Type, If Applicable)

	Article I
Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

311	₱86,650,755,109	₱12,993,448,446
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **June 30, 2026**

2. Commission identification number: **66381**

3. BIR Tax Identification No. **000-169-125-000**

4. Exact name of issuer as specified in its charter: **ENERGY DEVELOPMENT CORPORATION**

5. **PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code

7. **Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City**
Address of issuer's principal office
1604
Postal Code

8. **(02) 7755-2332**
Issuer's telephone number, including area code:

9. Former name, former address and former fiscal year, if changed since last report:

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

Title of each Class	Number of shares outstanding as of June 30, 2026
Common Stock, P1,000,000.00 par value	17,027.850332
Preferred Stock, P10,000.00 par value	9,375
Non-Voting Preferred Stock, P10.00 par value	42,000,000

11. Are any or all of the securities listed on a Stock Exchange?
Yes [ ] No [√]
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

12. Indicate by check mark whether the registrant:
(a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code (“SRC”) and SRC Rule 17 thereunder or Sections 11 of the Revised Securities Act (“RSA”) and RSA Rule 11(a)-1 thereunder, and Sections 23 and 177 of the Revised Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [√] No [ ]

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

Yes [√] No [ ]

Table of Contents

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Our unaudited consolidated financial statements for the six-month period ended June 30, 2026 have been prepared in accordance with Philippine Accounting Standards 34, Interim Financial Reporting, and are filed as Annex I of this report.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A")

The following is a discussion and analysis of the Group's consolidated financial performance for the six-month period ended June 30, 2026. The prime objective of this MD&A is to help the readers understand the dynamics of the Group's business and the key factors underlying our financial results. Hence, our MD&A includes a discussion of our core business and an analysis of the results of operations. This section also focuses on key statistics from the unaudited financial statements and pertains to risks and uncertainties relating to the geothermal and other renewable power industry in the Philippines where we operate up to the stated reporting period. However, our MD&A should not be considered all inclusive, as it excludes unknown risks, uncertainties and changes that may occur in the general economic, political, and environmental condition after the stated reporting date.

Our MD&A should be read in conjunction with our unaudited consolidated financial statements and the accompanying notes. All financial information is reported in Philippine Pesos (Php) unless otherwise stated.

Any references in this MD&A to "we", "us", "our", or "Group" pertains to the Energy Development Corporation and its subsidiaries. "EDC" pertains to the Parent Company, Energy Development Corporation.

Additional information about the Group can be found on our corporate website www.energy.com.ph.

Business Overview

Principal products or services

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 span 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, Green Core Geothermal Inc. ("GCGI") and Bac-Man Geothermal Inc. ("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 electric cooperatives, privately-owned distribution utilities, and large and mid-sized industrial clients thru Retail Competition and Open Access ("RCOA") and the Green Energy Option Program ("GEOP"), and sales to the Wholesale Electricity Spot Market ("WESM"). GCGI and BGI each holds a Retail Electricity Supplier ("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 September 16, 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. EDC Burgos Wind Power Corporation's ("EBWPC") Burgos Wind Power project has a concession area in Burgos, Ilocos Norte and is under the Feed-in-Tariff ("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 Pantabangan-Masiway hydroelectric plants ("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 is also under the FIT arrangement. The Group, through EDC Siklab Power Corporation ("EDC Siklab"), also has solar rooftop projects in Gaisano La Paz, Kalibo, Oton, Passi, Balasan, Sogod, Ormoc and Sorsogon.

Distribution methods of products or services

1,092.8 GWh of electricity sold by Unified Leyte was delivered mainly to the WESM, electric cooperatives, distribution utilities, industrial customers, and retail energy suppliers.

312.1 GWh of electricity sold by the Mindanao geothermal power plants was delivered mainly to the WESM and other industrial customers.

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

194.2 GWh of electricity sold by EDC's BESS in Bac-Man, Southern Negros, and Tongonan was delivered to the Ancillary Services Reserve Market ("ASRM"), while 8.2 GWh was delivered to the WESM.

1,243.6 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 to contestable customers through its RES and GEOP contracts. Palinpinon also sold 39.8 GWh to the ASRM.

1,164.2 GWh of electricity sold by the Bac-Man geothermal power plants was delivered mainly to contestable customers through RES and GEOP contracts, to the WESM and electric cooperatives in the Luzon region.

108.1 GWh and 4.2 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.”).

176.1 GWh of electricity sold by FG Hydro’s PAHEP/MAHEP was mainly delivered to the WESM and through power supply agreements with distribution utilities. 74.6 GWh was also sold to the ASRM.

2.3 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 National Grid Corporation of the Philippines.

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 Energy Regulatory Commission (“ERC”) ordered the temporary suspension of the billing and settlement of the Reserve Market for the March billing period. 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 through the market, the 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 RES for the supply of electricity instead of coursing the same through the franchised distribution utility.

Moreover, Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008 (the "RE Act"), provides for policy mechanisms, such as the Renewable Portfolio Standards ("RPS") and the GEOP, to further promote the development and utilization of renewable energy resources. Under the RPS, mandated participants such as but not limited to electric cooperatives, distribution utilities and RES are required to source a portion of their energy requirement from RPS-eligible plants. In line with this, a Renewable Energy Market ("REM") was established where Renewable Energy Certificates corresponding to energy generated from eligible RE facilities can be traded, which shall be used by Mandated Participants to comply with their RPS obligations. On December 26, 2024, DOE declared the full commercial operations of the REM.

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

Another program under the EPIRA framework, the ERC launched the Retail Aggregation Program ("RAP") in 2022 (ERC Resolution No. 04, Series of 2022) which allows end-users within the same franchise area to pool their demand to meet the 500 kW threshold. This enables smaller consumers to collectively choose their own electricity providers and transition to clean energy sources. Effective June 26, 2026, ERC Resolution No. 22, Series of 2025 lowered the eligibility threshold for both RCOA and RAP from 500 kW to 100 kW average monthly peak demand. This expansion significantly broadens the contestable market, enabling medium-sized enterprises (100–499 kW) to directly select their retail electricity supplier.

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. For its first round of auction in 2022 or Green Energy Auction-1, DOE set an installation target of 2,000 MW of RE capacity for 2023-2025 and awarded nineteen (19) winning bidders. This was able to generate 1,967 MW of committed renewable energy capacity or 98% of installation target to be delivered between 2023 to 2025. The first round offered capacities utilizing hydro, biomass, solar and wind generation technologies, with the bulk (1,490 MW) of awarded capacities coming from solar projects.

In 2023, for Green Energy Auction-2, DOE set an installation target of 11,600 MW of RE capacity for 2024-2026 and released the Notice of Award to a hundred and five (105) winning bidders. While it was able to raise 3,581 MW worth of committed RE capacity targeted to be delivered between 2024 to 2026, it was only 32% of the DOE's ambitious target. The DOE published the Notice of Auction and Terms of Reference for Green Energy Auction-3 for geothermal, impounding hydro, and pumped-storage hydro facilities on November 14, 2024. On June 25, 2025, the DOE announced that bidders had formally accepted awards for over 6,500 MW of capacity, scheduled for delivery between 2025 and 2035.

The DOE launched the Green Energy Auction-4 in 2025 as the nation's first auction round to incorporate Integrated Renewable Energy and Energy Storage Systems ("IRESS"), specifically pairing solar power generation with Battery Energy Storage Systems. In addition to IRESS, the auction covered ground-mounted solar, roof-mounted solar, floating solar, and onshore wind technologies. On June 11, 2025, the DOE issued the Notice of Auction and Terms of Reference for the fifth round of Green Energy Auction, marking the country's first auction dedicated exclusively to fixed-bottom Offshore Wind technology, with a target capacity of 3,300 MW for commercial delivery between 2028 and 2030.

However, the DOE placed all Green Energy Auction-5 activities on hold until further notice following its advisory issued on 4 July 2026.

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

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

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

Dependence on one or a few major customers

For the period ended June 30, 2026, the Group's revenue from sale of electricity is not dependent on one or a few major customers.

Concessions

As of June 30, 2026, the Group holds the following service contracts:

Geothermal Resource

EDC holds five (5) Geothermal Renewable Energy Service Contracts ("GRESCs") 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

On May 8, 2012, EDC, through its subsidiaries GCGI and BGI, also secured three (3) Geothermal Operating Contracts ("GOCs"). Each has a twenty-five (25) year contract period expiring in 2037, renewable for another twenty-five (25) years. These cover the following power plant operations:

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

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

- Mt. Zion 2 Geothermal Power Project - Converted to the new RE contract template per DOE Department Circular No. DC2019-10-0013, with a pre-development period expiring in 2028; twenty-five (25)-year contract period expiring in 2040, renewable for another twenty-five (25) years.
- Amacan Geothermal Power Project - Converted to the new RE contract template per DOE Department Circular No. DC2019-10-0013, with an ongoing request to extend the pre-development period to August 2027; twenty-five (25)-year contract period expiring in 2041, renewable for another twenty-five (25) years.
- Mainit-Sadanga Geothermal Power Project - Seven (7)-year pre-development period expiring in 2028; twenty-five (25)-year contract period expiring in 2046, renewable for another twenty-five (25) years.
- Mt. Sembrano Geothermal Power Project - Converted to the new RE contract template per DOE Department Circular No. DC2024-06-0018, with a Certificate of Authority ("COA") valid from August 04, 2025 to August 03, 2028.
- Buguias-Tinoc Geothermal Power Project - Converted to the new RE contract template per DOE Department Circular No. DC2024-06-0018, with a COA valid from August 01, 2025 to July 31, 2028.

Wind Resource

The Group holds eight (8) Wind Energy Service Contracts ("WESC"), each with a twenty-five (25)-year contract terms covering the following projects:

Project	**DOE Certificates of Registration**	**WESC Expiration**
1) 150 MW Wind Project in Burgos, Ilocos Norte	WESC 2009-09-004	2034
2) 84 MW Wind Project in Pagudpud, Ilocos Norte	WESC 2010-02-040	2035
3) Iloilo 1 Wind Project in Batad and San Dionisio, Iloilo*	WESC 2014-07-078	2039
4) Burgos 4 Wind Project in Burgos, Ilocos Norte	WESC 2015-09-086	2038
5) Ilocos Norte Wind Power Project in Burgos and Pasuquin, Ilocos Norte	WESC 2021-01-147	2046
6) Pasuquin Wind Power Project in Pasuquin Ilocos Norte	WESC 2021-01-148	2046
7) Guimaras Onshore Wind Project	WESC 2022-03-199	2047
8) Laguna 1 Onshore Wind Project	WESC 2022-10-224	2047

* *WESC surrendered on 17 May 2024; pending approval by DOE*

In August 2025, EDC secured four (4) Certificates of Authority ("COAs") pursuant to DOE Department Circular No. DC2024-06-0018, entitled "Revised Omnibus Guidelines Governing the Award and Administration of Renewable Energy Contracts and the Registration of Renewable Energy Developers". Each COA is valid for three (3) years and covers the following offshore wind projects:

Project	**DOE Certificates of Authority**	**Conversion from WESC**
1) Guimaras 1 Offshore Wind Project	OsWCOA2025-07-074	WESC 2022-05-202
2) Iloilo-Guimaras Offshore Wind Project	OsWCOA2025-08-084	WESC 2022-05-203
3) Guimaras-Negros Occidental Offshore Wind Project	OsWCOA2025-07-078	WESC 2022-05-204
4) Negros Occidental Offshore Wind Project	OsWCOA2025-07-077	WESC 2022-10-225

Solar Resource

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

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

* *Renewable for another twenty-five (25) years*
** *SESC assigned to EDC Siklab Power Corporation*

New Products or Services

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

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 second quarter of 2027.

Financial Highlights

Period ended June 30, 2026 vs. June 30, 2025

During the period ended June 30, 2026, recurring net income attributable to equity holders of the Parent Company ("RNIA") posted at ₱8,655.7 million, higher by 108.2% as compared to the ₱4,157.5 million RNIA during the same period in 2025.

The recurring net income for the period ended June 30, 2026 increased by 101.5% or ₱4,729.7 million to ₱9,390.1 million from ₱4,660.4 million during the same period in 2025. The increase was mainly from the higher recurring revenue by ₱9,463.7 million and higher recurring miscellaneous income by ₱642.6 million, partly offset by the higher recurring operating expenses by ₱4,203.8 million, net financial expense by ₱692.2 million, and recurring income tax expense by ₱480.7 million.

The net income for the period ended June 30, 2026 increased by 78.5% or ₱4,026.9 million to ₱9,158.8 million from ₱5,131.9 million net income during the same period in 2025. The increase was mainly from the higher revenue by ₱9,481.0 million, and higher income from insurance claims by ₱184.4 million and net miscellaneous income by ₱50.1 million, partly offset by the higher operating expenses by ₱4,227.6 million, net financial expense by ₱692.2 million, net foreign exchange loss by ₱430.5 million, and income tax expense by ₱338.3 million.

Net income is equivalent to 28.4% of total revenue for the period ended June 30, 2026 as compared to the 22.5% during the same period in 2025.

Net income attributable to equity holders of the Parent Company at ₱8,436.5 million for the period ended June 30, 2026, was a ₱3,807.5 million increase from ₱4,629.0 million during the same period in 2025.

Results of Operations

The following table details the results of operations of the Group for the period ended June 30, 2026 and 2025.

Statements of Income
Horizontal and Vertical Analysis of Material Changes as of June 30, 2026 and 2025

			HORIZONTAL ANALYSIS Favorable (Unfavorable) Variance		VERTICAL ANALYSIS	
(Amounts in PHP millions)	**June 2026**	**June 2025**	**Amount**	%	June 2026	June 2025
REVENUE						
Sale of electricity	**32,252.6**	**22,771.6**	**9,481.0**	41.6%	100.0%	100.0%
COSTS OF SALE OF ELECTRICITY						
Costs of sale of electricity	**(15,686.1)**	**(11,666.3)**	**(4,019.8)**	34.5%	-48.6%	-51.2%
GENERAL AND ADMINISTRATIVE EXPENSES	**(3,934.7)**	**(3,726.9)**	**(207.8)**	5.6%	-12.2%	-16.4%
FINANCIAL INCOME (EXPENSE)						
Interest expense	**(3,212.6)**	**(2,458.1)**	**(754.5)**	30.7%	-10.0%	-10.8%
Interest income	**217.6**	**155.3**	**62.3**	40.1%	0.7%	0.7%
	(2,995.0)	**(2,302.8)**	**(692.2)**	30.1%	-9.3%	-10.1%
OTHER INCOME (CHARGES)						
Income from insurance claims	**648.4**	**464.0**	**184.4**	39.7%	2.0%	2.0%
Foreign exchange gains (losses) – net	**(293.9)**	**136.6**	**(430.5)**	-315.2%	-0.9%	0.6%
Miscellaneous income (charges) - net	**132.0**	**81.9**	**50.1**	61.2%	0.4%	0.4%
	486.5	**682.5**	**(196.0)**	-28.7%	1.5%	3.0%
INCOME BEFORE INCOME TAX	**10,123.3**	**5,758.1**	**4,365.2**	75.8%	31.4%	25.3%
PROVISION FOR (BENEFIT FROM) INCOME TAX						
Current	**1,089.8**	**633.1**	**456.7**	72.1%	3.4%	2.8%
Deferred	**(125.3)**	**(6.9)**	**(118.4)**	1,715.9%	-0.4%	0.0%
	964.5	**626.2**	**338.3**	54.0%	3.0%	2.7%
NET INCOME	**9,158.8**	**5,131.9**	**4,026.9**	78.5%	28.4%	22.5%
Net income attributable to:						
Equity holders of the Parent Company	**8,436.5**	**4,629.0**	**3,807.5**	82.3%	26.2%	20.3%
Non-controlling interest	**722.3**	**502.9**	**219.4**	43.6%	2.2%	2.2%
EBITDA	**17,937.3**	**11,231.1**	**6,706.2**	59.7%	55.6%	49.3%
RECURRING NET INCOME	**9,390.1**	**4,660.4**	**4,729.7**	101.5%	29.1%	20.5%
Recurring net income attributable to:						
Equity holders of the Parent Company	**8,655.7**	**4,157.5**	**4,498.2**	108.2%	26.8%	18.3%
Non-controlling interest	**734.4**	**502.9**	**231.5**	46.0%	2.3%	2.2%

Revenue

Revenue increased by 41.6% or ₱9,481.0 million to ₱32,252.6 million for the period ended June 30, 2026 from ₱22,771.6 million during the same period in 2025, from the combined higher average sales price and higher sales volume.

Costs of Sale of Electricity

Costs of sale of electricity increased by ₱4,019.8 million to ₱15,686.1 million for the period ended June 30, 2026 from ₱11,666.3 million during the same period in 2025 mainly due to the increase in purchased services and utilities by ₱2,275.7 million, depreciation and amortization by ₱1,333.9 million, rental, insurance and taxes by ₱323.2 million, and repairs and maintenance by ₱268.2 million, partly offset by the decrease in parts and supplies issued by ₱125.1 million and personnel costs by ₱86.9 million.

General and Administrative Expenses

General and administrative expenses increased by 5.6% or ₱207.8 million to ₱3,934.7 million for the period ended June 30, 2026 from ₱3,726.9 million during the same period in 2025 mainly due to increase in rental, insurance and taxes by ₱184.3 million, purchased services and utilities by ₱146.0 million, and provision for impairment of parts and supplies inventories ₱124.2 million, partly offset by the lower personnel costs by ₱167.4 million, and business and related expenses by ₱68.7 million.

Financial Income (Expense)

Net financial expense increased by 30.1% or ₱692.2 million to ₱2,995.0 million for the period ended June 30, 2026 from ₱2,302.8 million during the same period in 2025.

Interest Expense

Interest expense increased by 30.7% or ₱754.5 million to ₱3,212.6 million for the period ended June 30, 2026 from ₱2,458.1 million during the same period in 2025 mainly due to the increase in interest on long-term debts including amortization of transaction costs.

Interest Income

Interest income increased by 40.1% or ₱62.3 million to ₱217.6 million for the period ended June 30, 2026 from ₱155.3 million during the same period in 2025 mainly from the interest income related to FG Hydro's redemption of financial assets at fair value through profit and loss ("FVPL") and EBWPC's interest income on its accounts receivable.

Other Income (Charges)

Other income decreased by 28.7% or a ₱196.0 million to ₱486.5 million for the period ended June 30, 2026 from ₱682.5 million.

Income from insurance claims

Income from insurance claims increased by ₱184.4 million to ₱648.4 million for the period ended June 30, 2026 from ₱464.0 million during the same period in 2025 mainly from the insurance claims related to business interruptions.

Foreign exchange gains (losses) - net

Net foreign exchange loss for the period ended June 30, 2026 amounted to ₱293.9 million, a 315.2% or ₱430.5 million turnaround from the ₱136.6 million net foreign exchange gain during the same period in 2025. This was mainly attributable to realignment of accounts of EBWPC and EDC's foreign currency denominated loans.

The comparative foreign exchange rates were as follows:

	PHP:US$
December 31, 2024	57.845
June 30, 2025	56.330
December 31, 2025	58.790
June 30, 2026	61.360

Miscellaneous income (charges) - net

Net miscellaneous income increased by 61.2% or ₱50.1 million to ₱132.0 million for the period ended June 30, 2026 from the ₱81.9 million net miscellaneous income during the same period in 2025. This was mainly due to the increase in dividend income and income from the sale of renewable energy certificates, partly offset by the loss on loan extinguishment and loss on joint venture for the period ended June 30, 2026.

Provision for (Benefit from) Income Tax

Current

Provision for current income tax increased by 72.1% or ₱456.7 million to ₱1,089.8 million for the period ended June 30, 2026 from ₱633.1 million during the same period in 2025 mainly due to the higher taxable income.

Deferred

Benefit from deferred income tax increased by 1,715.9% or ₱118.4 million to ₱125.3 million for the period ended June 30, 2026 from ₱6.9 million during the same period in 2025 mainly due to the movement of EDC's deferred tax on derivative gain or loss and right-of-use assets, partly offset by the deferred tax related to FG Hydro's utilization of its net operating loss carry over and EBWPC's deferred tax related to the differences between the carrying amount of EBWPC's nonmonetary assets and liabilities and the tax base, and deferred tax on its derivatives.

Net Income

As a result, the Group's net income increased by 78.5% or ₱4,026.9 million to ₱9,158.8 million for the period ended June 30, 2026 from ₱5,131.9 million net income for the same period in 2025.

Net income is equivalent to 28.4% of total revenue for the period ended June 30, 2026 as compared to 22.5% for the same period in 2025.

Financial Condition

The following table details the financial condition of the Group as of June 30, 2026 and December 31, 2025.

Statement of Financial Position
Horizontal and Vertical Analysis of Material Changes as of June 30, 2026 and December 31, 2025

			HORIZONTAL ANALYSIS Favorable (Unfavorable) Variance		VERTICAL ANALYSIS	
(Amounts in PHP millions)	**June 2026**	**December 2025**	**Amount**	%	June 2026	December 2025
ASSETS						
Current Assets						
Cash and cash equivalents	**13,174.5**	**10,674.1**	**2,500.4**	23.4%	6.0%	4.9%
Financial assets at fair value through profit or loss	**661.7**	**1,845.3**	**(1,183.6)**	-64.1%	0.3%	0.9%
Trade and other receivables	**10,190.1**	**8,467.6**	**1,722.5**	20.3%	4.6%	3.9%
Due from related parties	**32.2**	**44.1**	**(11.9)**	-27.0%	0.0%	0.0%
Parts and supplies inventories	**13,837.0**	**14,136.0**	**(299.0)**	-2.1%	6.3%	6.5%
Derivative assets	**51.7**	**8.6**	**43.1**	501.2%	0.0%	0.0%
Other current assets	**4,090.8**	**3,095.3**	**995.5**	32.2%	1.8%	1.4%
Total Current Assets	**42,038.0**	**38,271.0**	**3,767.0**	9.8%	19.0%	17.6%
Noncurrent Assets						
Property, plant and equipment	**151,625.9**	**152,202.7**	**(576.8)**	-0.4%	68.5%	70.2%
Goodwill and intangible assets	**3,177.9**	**3,238.3**	**(60.4)**	-1.9%	1.4%	1.5%
Exploration and evaluation assets	**4,392.9**	**4,189.3**	**203.6**	4.9%	2.0%	1.9%
Deferred tax assets – net	**989.1**	**855.0**	**134.1**	15.7%	0.4%	0.4%
Derivative assets - net of current portion	**191.6**	**26.6**	**165.0**	620.3%	0.1%	0.0%
Financial assets at fair value through other comprehensive income	**3,092.5**	**3,100.4**	**(7.9)**	-0.3%	1.4%	1.4%
Other noncurrent assets	**15,800.2**	**14,956.4**	**843.8**	5.6%	7.1%	6.9%
Total Noncurrent Assets	**179,270.1**	**178,568.7**	**701.4**	0.4%	81.0%	82.4%
TOTAL ASSETS	**221,308.1**	**216,839.7**	**4,468.4**	2.1%	100.0%	100.0%
LIABILITIES AND EQUITY						
LIABILITIES						
Current Liabilities						
Trade and other payables	**15,345.7**	**20,300.2**	**(4,954.5)**	-24.4%	6.9%	9.4%
Due to related parties	**4.6**	**1.8**	**2.8**	155.6%	0.0%	0.0%
Income tax payable	**1,087.7**	**121.2**	**966.5**	797.4%	0.5%	0.1%
Current portion of:						
Long-term debts	**15,588.1**	**12,864.8**	**2,723.3**	21.2%	7.0%	5.9%
Lease liability	**644.3**	**599.2**	**45.1**	7.5%	0.3%	0.3%
Derivative liabilities	**0.3**	**9.2**	**(8.9)**	-96.7%	0.0%	0.0%
Total Current Liabilities	**32,670.7**	**33,896.4**	**(1,225.7)**	-3.6%	14.8%	15.6%
Noncurrent Liabilities						
Long-term debts - net of current portion	**84,056.1**	**86,159.5**	**(2,103.4)**	-2.4%	38.0%	39.7%
Long-term lease liability - net of current portion	**2,405.4**	**3,419.7**	**(1,014.3)**	-29.7%	1.1%	1.6%
Net retirement and other post-employment benefits	**2,596.5**	**2,516.9**	**79.6**	3.2%	1.2%	1.2%
Deferred tax liabilities - net	**189.7**	**148.4**	**41.3**	27.8%	0.1%	0.1%
Derivative liabilities - net of current portion	**0.7**	**47.8**	**(47.1)**	-98.5%	0.0%	0.0%
Provisions and other long-term liabilities	**5,684.1**	**5,225.2**	**458.9**	8.8%	2.6%	2.4%
Total Noncurrent Liabilities	**94,932.5**	**97,517.5**	**(2,585.0)**	-2.7%	42.9%	45.0%
TOTAL LIABILITIES	**127,603.2**	**131,413.9**	**(3,810.7)**	-2.9%	57.7%	60.6%
EQUITY						
Equity Attributable to Equity Holders of the Parent						
Preferred stock	**513.8**	**513.8**	–	0.0%	0.2%	0.2%
Common stock	**19,076.3**	**19,076.3**	–	0.0%	8.6%	8.8%
Treasury stock	**(19,034.1)**	**(19,033.6)**	**(0.5)**	0.0%	-8.6%	-8.8%
Additional paid-in capital	**12,495.1**	**12,495.1**	–	0.0%	5.6%	5.8%
Equity reserve	**(3,706.4)**	**(3,706.4)**	–	0.0%	-1.7%	-1.7%
Net accumulated unrealized gain on financial assets at fair value through other comprehensive income	**100.9**	**108.8**	**(7.9)**	-7.3%	0.0%	0.1%
Fair value adjustments on hedging transactions	**142.0**	**(110.8)**	**252.8**	-228.2%	0.1%	-0.1%
Cumulative translation adjustment	**2,019.1**	**1,754.8**	**264.3**	15.1%	0.9%	0.8%
Retained earnings						
Unappropriated	**42,072.7**	**34,012.6**	**8,060.1**	23.7%	19.0%	15.7%
Appropriated	**38,000.0**	**38,000.0**	–	0.0%	17.2%	17.5%
	91,679.4	**83,110.6**	**8,568.8**	10.3%	41.4%	38.3%
Non-controlling interests	**2,025.5**	**2,315.2**	**(289.7)**	-12.5%	0.9%	1.1%
TOTAL EQUITY	**93,704.9**	**85,425.8**	**8,279.1**	9.7%	42.3%	39.4%
TOTAL LIABILITIES AND EQUITY	**221,308.1**	**216,839.7**	**4,468.4**	2.1%	100.0%	100.0%

Cash and cash equivalents

Cash and cash equivalents increased by 23.4% or ₱2,500.4 million to ₱13,174.5 million as of June 30, 2026 from the ₱10,674.1 million balance as of December 31, 2025 mainly due to the ₱11,689.2 million net cash generated from operating activities, ₱9,925.0 million loan proceeds, and ₱1,501.0 million redemption of financial assets at FVPL, partly offset by the ₱12,977.0 million payments for long-term debt and interest and other financing charges, ₱5,383.4 million acquisition of property, plant and equipment, ₱1,388.4 million payments for cash dividends, and ₱350.0 million acquisitions of financial assets at FVPL.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss decreased by 64.1% or ₱1,183.6 million to ₱661.7 million as of June 30, 2026 from the ₱1,845.3 million balance as of December 31, 2025 mainly due to FG Hydro's redemption of its investments for the period.

Trade and other receivables

Trade and other receivables increased by 20.3% or ₱1,722.5 million to ₱10,190.1 million as of June 30, 2025 from the ₱8,467.6 million balance as of December 31, 2025 mainly due to increased receivables from customers, partly from the increase in revenue for the period.

Due from related parties

Due from related parties decreased by 27.0% or ₱11.9 million to ₱32.2 million as of June 30, 2026 from the ₱44.1 million balance as of December 31, 2025 mainly due to transactions with First Gen Energy Solutions, Inc.

Parts and supplies inventories

Parts and supplies inventories decreased by 2.1% or ₱299.0 million to ₱13,837.0 million as of June 30, 2026 from the ₱14,136.0 million balance as of December 31, 2025 mainly due to the inventory withdrawals for the period, primarily for drilling activities.

Derivative assets

			Increase (Decrease)	
In PHP millions	June 30, 2026	December 31, 2025	Amount	%
Current	51.7	8.6	43.1	501.2%
Noncurrent	191.6	26.6	165.0	620.3%
	243.3	35.2	208.1	591.2%

Derivative assets increased by 591.2% or ₱208.1 million to ₱243.3 million as of June 30, 2026 from the ₱35.2 million balance as of December 31, 2025 mainly due to valuation of EDC's call spread and EBWPC's interest rate swap derivative contracts.

Other current assets

Other current assets increased by 32.2% or ₱995.5 million to ₱4,090.8 million as of June 30, 2026 from the ₱3,095.3 million balance as of December 31, 2025 mainly due to the increase in creditable withholding taxes by ₱692.4 million and deposits and special funds by ₱385.6 million.

Property, plant and equipment

Property, plant and equipment slightly decreased by 0.4% or ₱576.8 million to ₱151,625.9 million as of June 30, 2026 from the ₱152,202.7 million balance as of December 31, 2025 mainly due to the ₱5,052.7 million depreciation and amortization for the period and ₱622.7 million net reclassifications and foreign exchange adjustments, offset by the ₱5,383.4 million additions for the period.

Deferred tax assets - net

Deferred tax assets - net increased by 15.7% or ₱134.1 million to ₱989.1 million as of June 30, 2026 from the ₱855.0 million balance as of December 31, 2025 mainly due to the movement of the deferred tax on derivative gain or loss and right-of-use assets.

Other noncurrent assets

Other noncurrent assets increased by 5.6% or ₱843.8 million to ₱15,800.2 million as of June 30, 2026 from the ₱14,956.4 million balance as of December 31, 2025 mainly due to the increase in long-term receivables and special deposits by ₱356.1 million, deposits and special funds by ₱176.6 million, prepaid taxes by ₱162.4 million, and investment in associate by ₱154.1 million.

Trade and other payables

Trade and other payables decreased by 24.4% or ₱4,954.5 million to ₱15,345.7 million as of June 30, 2026 from the ₱20,300.2 million balance as of December 31, 2025 mainly due to the payments to contractors.

Due to related parties

Due to related parties increased by 155.6% or ₱2.8 million to ₱4.6 million as of June 30, 2026 from the ₱1.8 million balance as of December 31, 2025 mainly due to the transactions with First Gen Corporation.

Income tax payable

Income tax payable increased by 797.4% or ₱966.5 million to ₱1,087.7 million as of June 30, 2026 from the ₱121.2 million balance as of December 31, 2025 mainly due to the income tax payable recognized for the period.

Long-term debts

In PHP millions	June 30, 2026	December 31, 2025	Increase (Decrease) Amount	%
Current	15,588.1	12,864.8	2,723.3	21.2%
Noncurrent	84,056.1	86,159.5	(2,103.4)	-2.4%
	99,644.2	99,024.3	619.9	0.6%

Long-term debts increased by 0.6% or ₱619.9 million to ₱99,644.2 million as of June 30, 2026 from the ₱99,024.3 million balance as of December 31, 2025 mainly due to the loan drawdowns during the period, offset by the principal payments.

Lease liability

In PHP millions	June 30, 2026	December 31, 2025	Increase (Decrease) Amount	%
Current	644.3	599.2	45.1	7.5%
Noncurrent	2,405.4	3,419.7	(1,014.3)	-29.7%
	3,049.7	4,018.9	(969.2)	-24.1%

Lease liability decreased by 24.1% or ₱969.2 million to ₱3,049.7 million as of June 30, 2026 from the ₱4,018.9 million balance as of December 31, 2025 mainly due to the reassessments and retirement of lease contracts and payments for lease liabilities for the period.

Derivative liabilities

In PHP millions	June 30, 2026	December 31, 2025	Increase (Decrease) Amount	%
Current	0.3	9.2	(8.9)	-96.7%
Noncurrent	0.7	47.8	(47.1)	-98.5%
	1.0	57.0	(56.0)	-98.2%

Derivative liabilities decreased by 98.2% or ₱56.0 million as of June 30, 2026 to ₱1.0 million from the ₱57.0 million balance as of December 31, 2025 mainly due to valuation of EDC and EBWPC’s interest rate swap derivative contracts.

Deferred tax liabilities - net

Deferred tax liabilities - net increased by 27.8% or ₱41.3 million to ₱189.7 million as of June 30, 2026 from the ₱148.4 million balance as of December 31, 2025 mainly due to EBWPC’s deferred tax related to the differences between the carrying amount of EBWPC’s nonmonetary assets and liabilities and the tax base, and deferred tax on its derivatives.

Provisions and other long-term liabilities

Provisions and other long-term liabilities increased by 8.8% or ₱458.9 million to ₱5,684.1 million as of June 30, 2026 from the ₱5,225.2 million balance as of December 31, 2025 mainly due to the increase in security deposits from customers.

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 decreased by 7.3% or ₱7.9 million to ₱100.9 million as of June 30, 2026 from the ₱108.8 million balance as of December 31, 2025 mainly due to the valuation of EDC's financial assets at fair value through other comprehensive income.

Fair value adjustments on hedging transactions

Fair value adjustments on hedging transactions decreased by 228.2% or ₱252.8 million to ₱142.0 million as of June 30, 2026 from the (₱110.8) million balance as of December 31, 2025 mainly due to the valuation of hedging transactions.

Cumulative translation adjustment

Cumulative translation adjustment increased by 15.1% or ₱264.3 million to ₱2,019.1 million as of June 30, 2026 from the ₱1,754.8 million balance as of December 31, 2025 mainly due to the translation of EBWPC.

Retained Earnings

Unappropriated

Unappropriated retained earnings increased by 23.7% or ₱8,060.1 million to ₱42,072.7 million as of June 30, 2026 from the ₱34,012.6 million balance as of December 31, 2025 from the net income attributable to the equity holders of the Parent Company amounting to ₱8,436.5 million, partly offset by the dividends declared for the period amounting to ₱376.4 million.

Non-controlling interests

Non-controlling interests decreased by 12.5% or ₱289.7 million to ₱2,025.5 million as of June 30, 2026 from the ₱2,315.2 million balance as of December 31, 2025, mainly due to ₱1,011.9 million cash dividends declared on non-controlling interest, partly offset by the ₱722.2 million share in net income for the period.

Capital and Liquidity Resources

As of June 30 (in millions of pesos)	**2026**	**2025**	**YoY change**
Statement of Financial Position Data			
Total Assets	221,308.1	204,810.6	16,497.5
Total Liabilities	127,603.2	122,011.8	5,591.4
Total Stockholder's Equity	93,704.9	82,798.8	10,906.1

The Group's total assets as of June 30, 2026 amounted to ₱221,308.1 million, 8.1% higher as compared to the ₱204,810.6 million level as of June 30, 2025. This was driven by the increase in power plant and equipment by ₱7,392.2 million, other noncurrent assets by ₱3,864.1 million, trade and other receivables by ₱2,721.4 million, exploration and evaluation assets by ₱1,563.1 million, and other current assets by ₱1,217.1 million.

Cash Flow

Period ended June 30, 2026 vs. June 30, 2025

Net cash flows from operating activities increased by 49.1% or ₱3,848.9 million to ₱11,689.2 million for the period ended June 30, 2026 from the ₱7,840.3 million during the same period in 2025 mainly due to the:

- higher operating income before working capital changes by ₱6,709.8 million, and
- decrease in parts and supplies inventories by ₱1,101.7 million.

These were partly offset by the:

- increase in other current assets by ₱1,386.1 million,
- higher increase in trade and other receivables by ₱1,240.2 million, and
- higher decrease in trade and other payables by ₱780.5 million.

Net cash flows used in investing activities decreased by 69.4% or ₱10,231.4 million to ₱4,505.9 million for the period ended June 30, 2026 from ₱14,737.3 million during the same period in 2025 mainly due to the lower acquisitions of power, plant and equipment by ₱4,301.0 million, lower acquisitions of financial assets at fair value through other comprehensive income by ₱2,800.0 million, redemptions of financial assets at FVPL by ₱1,501.0 million, lower acquisitions of financial assets at FVPL by ₱981.0 million and lower additions to noncurrent assets by ₱633.8 million.

Net cash flows used in financing activities increased by 172.6% or ₱11,098.5 million to net cash outflow of ₱4,666.6 million for the period ended June 30, 2026 from net cash inflow ₱6,431.9 million during the same period in 2025. This was mainly due to the lower proceeds from availment of long-term debts by ₱11,823.9 million, higher payments of long-term debt, interest and financing charges by ₱5,252.8 million, partly offset by lower payments of cash dividends by ₱5,914.7 million.

Discussion on the Subsidiaries

Green Core Geothermal Inc. (GCGI)

(Amounts in PHP millions)	**For the periods ended June 30 (Unaudited)**	
	2026	**2025**
Revenue	9,957.2	9,870.7
Costs of sale of electricity	(7,845.7)	(10,107.9)
General and administrative expenses	(417.2)	(442.9)
Other income (charges) – net	479.8	466.5
Income before income tax	2,174.1	(213.6)
Provision for income tax	(361.5)	(12.8)
Net income	1,812.6	(226.4)
	As of	
	June 30, 2026 (Unaudited)	**December 31, 2025 (Audited)**
Total current assets	6,312.7	4,571.6
Total noncurrent assets	15,611.5	15,547.7
Total current liabilities	4,942.5	4,996.5
Total noncurrent liabilities	5,053.6	5,007.1
Total equity	11,928.1	10,115.7

Revenue increased by 0.9% or ₱86.5 million to ₱9,957.2 million for the period ended June 30, 2026 from ₱9,870.7 million for the same period in 2025 due to higher average sales price, partly offset by lower sales volume.

Cost of sale of electricity decreased by 22.4% or ₱2,262.2 million to ₱7,845.7 million for the period ended June 30, 2026 from ₱10,107.9 million for the same period in 2025 mainly due to lower cost of steam by ₱1,654.3 million and replacement power cost by ₱953.6 million, partly offset by higher rental, insurances and taxes by ₱224.3 million, and purchased services and utilities by ₱104.8 million.

General and administrative expenses decreased by 5.8% or ₱25.7 million, to ₱417.2 million for the period ended June 30, 2026 from ₱442.9 million for the same period in 2025 mainly due to lower business and related expense by ₱54.8 million, partly offset by higher other non-cash provisions by ₱13.8 million, and rental, insurance and taxes by ₱11.5 million.

Other income - net increased by 2.9% or ₱13.3 million to ₱479.8 million for the period ended June 30, 2026 from ₱466.5 million for the same period in 2025 mainly due to higher miscellaneous income by ₱142.4 million, and lower net foreign exchange loss by ₱13.4 million, partly offset by higher interest expense by ₱139.2 million and lower interest income by ₱3.2 million.

Provision for income tax increased by 2,724.2% or ₱348.7 million to ₱361.5 million from ₱12.8 million on account of higher taxable income.

Total current assets increased by 38.1% or ₱1,741.1 million to ₱6,312.7 million as of June 30, 2026 from the ₱4,571.6 million balance as of December 31, 2025 mainly due to higher trade and other receivables by ₱893.3 million, cash and cash equivalents by ₱707.5 million, other current assets by ₱98.3 million, and parts and supplies inventories by ₱43.4 million.

Total noncurrent assets increased by 0.4% or ₱63.8 million to ₱15,611.5 million as of June 30, 2026 from the ₱15,547.7 million balance as of December 31, 2025 mainly due to higher other noncurrent assets by ₱92.7 million, partly offset by lower property, plant and equipment by ₱26.4 million.

Total current liabilities decreased by 1.1% or ₱54.0 million to ₱4,942.5 million as of June 30, 2026 from the ₱4,996.5 million balance as of December 31, 2025, mainly due to lower trade and other payables by ₱466.1 million, partly offset by higher income tax payable by ₱359.4 million, and long-term debts-current portion by ₱47.4 million.

Total noncurrent liabilities increased by 0.9% or ₱46.5 million to ₱5,053.6 million as of June 30, 2026 from the ₱5,007.1 million balance as of December 31, 2025, mainly due to higher other long term liabilities by ₱95.5 million, partly offset by lower noncurrent long term debt by ₱45.8 million.

Total equity increased by 17.9% or ₱1,812.4 million to ₱11,928.1 million as of June 30, 2026 from the ₱10,115.7 million balance as of December 31, 2025, mainly due to this year's net income of ₱1,812.6 million.

<u>Bac-Man Geothermal Inc. (BGI)</u>

	For the periods ended June 30 (Unaudited)	
(Amounts in PHP millions)	**2026**	**2025**
Revenue	8,457.6	5,757.5
Costs of sale of electricity	(7,261.1)	(4,644.0)
General and administrative expenses	(258.4)	(218.7)
Other income (charges) – net	79.8	58.4
Income before income tax	1,017.9	953.2
Provision for income tax	(43.9)	(121.2)
Net income	974.0	832.0
	As of	
	June 30, 2026 (Unaudited)	**December 31, 2025 (Audited)**
Total current assets	6,244.2	4,781.4
Total noncurrent assets	14,918.8	14,970.8
Total current liabilities	3,353.5	3,294.9
Total noncurrent liabilities	5,167.4	1,789.1
Total equity	12,642.1	14,668.2

Revenue increased by 46.9% or ₱2,700.1 million to ₱8,457.6 million for the period ended June 30, 2026 from ₱5,757.5 million for the same period in 2025. The favorable variance was due to higher sales volume and increase in average price.

Cost of sale of electricity increased by 56.4% or ₱2,617.1 million to ₱7,261.1 million for the period ended June 30, 2026 from ₱4,644.0 million for the same period in 2025. The increase was primarily from the higher purchased services and utilities by ₱1,982.9 million, mainly from higher distribution and transmission cost and replacement power cost. Cost of sale of electricity also increased from the higher rental, insurance and taxes by ₱492.6 million, depreciation and amortization by ₱141.8 million, repairs and maintenance by ₱98.7 million, and parts and supplies issued by ₱26.1 million, partly offset by lower cost of steam by ₱115.6 million, and government share by ₱9.7 million.

General and administrative expense increased by 18.2% or ₱39.7 million to ₱258.4 million for the period ended June 30, 2026 from ₱218.7 million for the same period in 2025. This was mainly due to higher rental, insurance and taxes by ₱28.4 million, purchased services and utilities by ₱7.5 million, and provision for impairment of parts and supplies by ₱2.5 million.

Other income - net increased by 36.6% or ₱21.4 million to ₱79.8 million for the period ended June 30, 2026 from ₱58.4 million for the same period in 2025, mainly due to the increase in miscellaneous income by ₱86.5 million, and the increase on foreign exchange gain of ₱12.2 million, partly offset by the higher financial expense - net by ₱77.3 million.

Provision for income tax decreased by 63.8% or ₱77.3 million to ₱43.9 million from ₱121.2 million last year on account of lower taxable income subject to regular corporate income tax.

Total current assets increased by 30.6% or ₱1,462.8 million to ₱6,244.2 million as of June 30, 2026 from the ₱4,781.4 million balance as of December 31, 2025. The increase was attributed to higher cash and cash equivalents by ₱756.9 million, other current assets particularly on tax credits and security deposits by ₱425.9 million, trade and other receivables by ₱225.1 million, and parts and supplies inventories by ₱56.1 million, partly offset by lower due from related parties by ₱1.2 million.

Total noncurrent assets decreased by 0.3% or ₱52.0 million to ₱14,918.8 million as of June 30, 2026 from the ₱14,970.8 million balance as of December 31, 2025. The decrease was attributable to this period's depreciation of plant, property and equipment of ₱326.0 million, partly offset by the capital expenditures this period of ₱68.6 million, and increase of other noncurrent assets by ₱208.2 million.

Total current liabilities increased by 1.8% or ₱58.6 million to ₱3,353.5 million as of June 30, 2026 from ₱3,294.9 million balance as of December 31, 2025. The increase was attributable to the increase in income tax payable by ₱42.0 million, current portion of long-term debts by ₱25.4 million, partly offset by decrease of trade and other payables by ₱9.5 million.

Total noncurrent liabilities increased by 188.8% or ₱3,378.3 million to ₱5,167.4 million as of June 30, 2026 from the ₱1,789.1 million balance as of December 31, 2025. The increase was mainly from the increase of long-term debts - net of current portion by ₱2,956.1 million, other long-term liabilities by ₱419.0 million, and net retirement and other post-employment by ₱4.0 million.

Total equity decreased by 13.8% or ₱2,026.1 million to ₱12,642.1 million as of June 30, 2026 from the ₱14,668.2 million balance as of December 31, 2025 due to this year's dividend declaration of ₱3,000.0 million, partially offset by current year's net income of ₱974.0 million.

EDC Burgos Wind Power Corporation (EBWPC)

(Amounts in USD millions)	For the periods ended June 30 (Unaudited)	
	2026	**2025**
Revenue	19.5	24.6
Costs of sale of electricity	(14.2)	(12.6)
General and administrative expenses	(2.1)	(1.7)
Other charges - net	(3.8)	(3.7)
Income before income tax	(0.6)	6.6
Provision for income tax	(0.3)	(0.3)
Net income	(0.9)	6.3
	As of	
	June 30, 2026 (Unaudited)	**December 31, 2025 (Audited)**
Total current assets	41.0	51.7
Total noncurrent assets	249.8	249.7
Total current liabilities	29.4	28.1
Total noncurrent liabilities	181.9	194.1
Total equity	79.5	79.2

Revenue decreased by 20.7% or US$5.1 million to US$19.5 million for the year ended June 30, 2026, from US$24.6 million for the same period in 2025 mainly due to lower energy production resulting from comparatively weaker winds on site.

Costs of sale of electricity increased by 12.7% or US$1.6 million to US$14.2 million for the period ended June 30, 2026, from US$12.6 million for the same period in 2025 mainly due to higher repairs and maintenance by US$1.5 million.

General and administrative expenses increased by 23.5% or US$0.4 million to US$2.1 million for the period ended June 30, 2026, from US$1.7 million for the same period in 2025 mainly due to higher business and related expenses by US$0.3 million and rental, insurance and taxes by US$0.1 million.

Other charges - net increased by 2.7% or US$0.1 million to US$3.8 million for the period ended June 30, 2026 from US$3.7 million for the same period in 2025 mainly due to incurring higher interest expense by US$0.8 million and lower net foreign exchange gains by US$0.6 million, partly offset by higher interest income by US$0.6 million and higher net miscellaneous income by US$0.6 million.

Total current assets decreased by 20.7% or US$10.7 million to US$41.0 million as of June 30, 2026 from the US$51.7 million balance as of December 31, 2025, mainly due to the decrease in trade and other receivables by US$19.2 million and other current assets by US$0.8 million, partly offset by the increase in cash and cash equivalents by US$9.2 million and derivative assets by US$0.1 million.

Total noncurrent assets increased by US$0.1 million to US$249.8 million as of June 30, 2026 from the US$249.7 million balance as of December 31, 2025, mainly due to the increase in other noncurrent assets by US$4.1 million and noncurrent derivative asset by US$1.2 million, partly offset by the net decrease in the book value of property, plant and equipment by US$5.1 million.

Total current liabilities increased by 4.6% or US$1.3 million to US$29.4 million as of June 30, 2026, from the US$28.1 million balance as of December 31, 2025, mainly due to the increase in trade and other payables by US$1.5 million and current portion of long-term debts by US$0.5 million, offset in part by the decrease in income tax payable by US$0.6 million and current portion of lease liability by US$0.1 million.

Total noncurrent liabilities decreased by 6.3% or US$12.2 million to US$181.9 million as of June 30, 2026 from the US$194.1 million balance as of December 31, 2025 mainly due to the decrease of long-term debt - net of current portion by US$12.2 million, derivative liability - net of current portion by US$0.4 million, and asset retirement obligation by US$0.2 million, partly offset by the increase in deferred tax liabilities - net by US$0.6 million.

Total equity increased by 0.4% or US$0.3 million to US$79.5 million as of June 30, 2026, from the US$79.2 million balance as of December 31, 2025, due to the decrease in cumulative translation adjustment by US$1.3 million, partly offset by the US$0.9 million net loss for the year.

FG Hydro Power Corporation (FG Hydro)

	For the periods ended June 30 (Unaudited)	
(Amounts in PHP millions)	**2026**	**2025**
Revenue	2,345.9	1,977.9
Costs of sale of electricity	(424.0)	(362.1)
General and administrative expenses	(298.3)	(232.3)
Operating income	1,623.6	1,383.5
Net income	1,803.8	1,257.1
	As of	
	June 30, 2026 (Unaudited)	**December 31, 2025 (Audited)**
Total assets	12,395.8	13,113.2
Total liabilities	7,264.8	7,256.3
Total equity	5,131.0	5,856.9

Revenue increased by 18.6% or ₱368.0 million to ₱2,345.9 million for the period ended June 30, 2026 from ₱1,977.9 million for the same period in 2025. The increase was primarily due to a higher starting water elevation in 2026 that led to greater generation. More electricity was sold via power supply agreements and increased capacity available for ancillary services was offered to the Reserve Market. Additionally, higher average selling prices in the WESM and Reserve Market also contributed to the increase.

Costs of sale of electricity increased by 17.1% or ₱61.9 million to ₱424.0 million for the period ended June 30, 2026 from ₱362.1 million for the same period in 2025, primarily driven by higher service fees paid to National Irrigation Administration due to increased power generation and higher WESM purchases and related charges for replacement power.

General and administrative expenses increased by 28.4% or ₱66.0 million to ₱298.3 million for the period ended June 30, 2026 from ₱232.3 million for the same period in 2025, mainly due to higher taxes and licenses, professional fees and other outside services.

Net income increased by 43.5% or ₱546.7 million to ₱1,803.8 million for the period ended June 30, 2026 from ₱1,257.1 million for the same period in 2025, driven by higher operating income, dividend income and interest income, partially offset by the higher interest expense on long-term debt availed by FG Hydro in February 2025 and higher provision for taxes.

Total assets decreased by 5.5% or ₱717.4 million to ₱12,395.8 million as of June 30, 2026 from the ₱13,113.2 million balance as of December 31, 2025, mainly due to redemptions of financial assets at FVPL, offset by higher cash balance from operations.

Total liabilities increased by 0.1% or ₱8.5 million to ₱7,264.8 million as of June 30, 2026 from the ₱7,256.3 million balance as of December 31, 2025, primarily due to the recognition of income tax payable offset by the scheduled principal and interest payments on long-term debt.

Total equity decreased by 12.4% or ₱725.9 million to ₱5,131.0 million as of June 30, 2026 from the ₱5,856.9 million balance as of December 31, 2025, mainly due to the cash dividends paid, partly offset by the net income earned during the period.

EDC Siklab Power Corporation (EDC Siklab)

	For the periods ended June 30 (Unaudited)	
(Amounts in PHP millions)	**2026**	**2025**
Revenue	13.4	19.5
Costs of sale of electricity	(7.4)	(7.0)
General and administrative expenses	(5.7)	(5.0)
Other income - net	-	-
Income before income tax	0.3	7.5
Provision for income tax	(0.4)	(2.0)
Net income	(0.1)	5.5
	As of	
	June 30, 2026 (Unaudited)	**December 31, 2025 (Audited)**
Total current assets	78.3	76.8
Total noncurrent assets	222.6	226.6
Total current liabilities	12.1	14.5
Total equity	288.8	288.9

Revenue decreased by 31.3% or ₱6.1 million to ₱13.4 million for the period ended June 30, 2026 from ₱19.5 million for the same period in 2025 due to lower sales volume.

Cost of sales increased by 5.7% or ₱0.4 million to ₱7.4 million in June 30, 2026 from ₱7.0 million for the same period in 2025 due to higher rental, insurance and taxes by ₱0.5 million, partly offset by the lower purchased services and utilities by ₱0.1 million.

General and administrative expenses increased by 14.0% or ₱0.7 million to ₱5.7 million in June 30, 2026 from ₱5.0 million for the same period in 2025 with the higher business and related expenses by ₱0.6 million and provision for doubtful accounts by ₱0.1 million.

Provision for income tax decreased by 80.0% or ₱1.6 million to ₱0.4 million from ₱2.0 million on account of lower taxable income.

Net income decreased by ₱5.6 million to ₱0.1 million net loss for the period ended June 30, 2026 from ₱5.5 million net income for the same period in 2025.

Total current assets increased by 2.0% or ₱1.5 million to ₱78.3 million as of June 30, 2026 from the ₱76.8 million balance as of December 31, 2025 due to the increase in cash and cash equivalents by ₱5.4 million, partly offset by the decrease in other current assets by ₱3.8 million, and trade and other receivables by ₱0.1 million.

Total noncurrent assets decreased by 1.8% or ₱4.0 million to ₱222.6 million as of June 30, 2026 from the ₱226.6 million balance as December 31, 2025 due to lower property, plant and equipment by ₱6.1 million, partly offset by the increase in other non-current assets by ₱2.1 million.

Total current liabilities decreased by 16.6% or ₱2.4 million to ₱12.1 million as of June 30, 2026 from the ₱14.5 million balance as December 31, 2025 due to the decrease in trade and other payables.

Total equity decreased by ₱0.1 million to ₱288.8 million as of June 30, 2026, from the ₱288.9 million balance as of December 31, 2025 due to this period's net loss of ₱0.1 million.

Key Performance Indicators

The top eight (8) key performance indicators are set forth below:

	June 30, 2026	June 30, 2025
Current Ratio	1.29	1.23
Debt-to-Equity Ratio	1.06	1.09
Net Debt-to-Equity Ratio	0.92	0.93
Return on Assets (%)	5.36	4.66
Return on Equity (%)	12.94	10.69
Solvency Ratio	0.15	0.10
Interest Rate Coverage Ratio	4.13	3.13
Asset-to-Equity Ratio	2.36	2.47

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 & cash equivalents divided by stockholders' equity. This ratio measures a 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 the 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 debt obligations. 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.

Foreign Exchange Volatility

EDC, which has a Philippine peso functional currency, has ₱5,783.6 million in long-term US dollar denominated loans as of June 30, 2026 which is 5.8% of the Group's total long-term loans.

EBWPC, a subsidiary of EDC, which has a US dollar functional currency, has ₱4,530.5 million in long-term Philippine peso denominated loans as of June 30, 2026 which is 4.5% of the Group's total long-term loans.

PART II - OTHER INFORMATION

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.

There are no material changes in the contingent financial obligations since the last annual balance sheet date.

(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 material 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 June 30, 2026, the Group has unserved purchase orders and awarded contracts for capital expenditures amounting to ₱1,556.9 million. These will be funded by net cash from operations and loan proceeds.

(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 that did not arise 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 cyclicality of interim operations. For Burgos Wind, higher revenue and operating profits are expected in the first and last quarters of the year based on the wind generation profile of Burgos. Meanwhile, the solar projects are expected to generate higher revenues during the summer months.

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

On July 6, 2026, EDC drew ₱2.0 billion from the remaining balance of the term loan facility signed with BPI last August 9, 2025.

Cash Dividends

On February 13, 2026, FG Hydro declared dividends amounting to ₱815.2 million attributable to non-controlling common shareholder and paid on March 18, 2026.

On May 13, 2026, EDC declared dividends amounting to ₱376.4 million attributable to voting preferred shareholder and paid by June 30, 2026.

On June 30, 2026, FG Hydro declared dividends amounting to ₱196.7 million attributable to non-controlling common shareholder and paid on June 30, 2026.

Major Stockholders

As of June 30, 2026, the total number of stockholders was 309. Public float level was at 0.12% (or 19.850332 common shares).

List of Top 20 Stockholders as of June 30, 2026

Rank	Name	Nationality	Number of Shares			Percentage
			Preferred	Common	Total	
1	Red Vulcan Holdings Corporation	Filipino	9,375	7,494	16,869	63.891%
2	Philippines Renewable Energy Holdings Corporation	Dutch	-	9,222	9,222	34.928%
3	First Gen Corporation	Filipino	-	148	148	0.561%
4	Northern Terracotta Power Corporation	Filipino	-	144	144	0.545%
5	Boston Common International Sustainable Climate Fund, LLC	American	-	2.820130	2.820130	0.011%
6	Jerome H. Cainglet	Filipino	-	1.000001	1.000001	0.004%
7	Manuel I. Ayala	Filipino	-	1.000001	1.000001	0.004%
8	Richard B. Tantoco	Filipino	-	1.000001	1.000001	0.004%
9	Ang Eng Seng	Singaporean	-	1.000000	1.000000	0.004%
10	David Andrew Baldwin	Australian	-	1.000000	1.000000	0.004%
11	Federico R. Lopez	Filipino	-	1.000000	1.000000	0.004%
12	Francis Giles B. Puno	Filipino	-	1.000000	1.000000	0.004%
13	Jonathan C. Russell	British	-	1.000000	1.000000	0.004%
14	Jose Victor P. Paterno	Filipino	-	1.000000	1.000000	0.004%
15	Pierre Eugene Jean Pont	Australian	-	1.000000	1.000000	0.004%
16	Sebastian C. Quiniones, Jr.	Filipino	-	1.000000	1.000000	0.004%
17	Teresa Grace Socorro G. Lara	Filipino	-	1.000000	1.000000	0.004%
18	Verena Lim	Australian	-	1.000000	1.000000	0.004%
19	Elizabeth L. Bengzon	Filipino	-	0.956000	0.956000	0.004%
20	Rosalind Camara	Filipino	-	0.663750	0.663750	0.003%

Board of Directors

As of June 30, 2026, the members of the Board of Directors of EDC are as follows:

Federico R. Lopez	Chairman of the Board and Chief Strategy Officer
Francis Giles B. Puno	Vice-Chairman and Chief Executive Officer
Jerome H. Cainglet	Director, President and Chief Operating Officer
Richard B. Tantoco	Director
Jonathan C. Russell	Director
Pierre Eugene Jean Pont	Director
Verena Lim	Director
Ang Eng Seng	Director
Sebastian C. Quiniones, Jr.	Independent Director
Teresa Grace Socorro G. Lara	Independent Director
Jose Victor P. Paterno	Independent Director

Officers

As of June 30, 2026, the officers of EDC are as follows:

Name	Position
Federico R. Lopez	Chairman of the Board and Chief Strategy Officer
Francis Giles B. Puno	Vice Chairman and Chief Executive Officer
Jerome H. Cainglet	President and Chief Operating Officer
Victor Emmanuel B. Santos, Jr.	Executive Vice President
Erwin O. Avante	Senior Vice President, Chief Financial Officer/Treasurer and Compliance Officer for Securities and Exchange Commission
Edwin H. Alcober	Vice President, Chief Resource Technology Officer, and Head of Production Optimization*
Marvin Kenneth S. Bailon	Vice President and Head of Business Development and International Business
Ma. Cecilia R. Batalla	Vice President and Head of Human Resources Management
Joeffrey A. Caranto	Vice President and Head of Project Development – International, Business Development & International Business*
Miguel Lorenzo S. De Vera	Vice President and Head of New Business and Technologies
Jeffrey D. Junsay	Vice President, Head of Integrated Subsurface and Head of Facilities Operations and Maintenance
Ann Christine T. Rojo	Vice President, Head of Regulatory Affairs Division
Jay Joel L. Soriano	Vice President
Gabriel S. Vergara	Vice President and Head of Enterprise Commercial
Ryan Z. Velasco	Vice President, Corporate Information Officer and Head of Corporate Strategy and Planning
Renato A. Castillo	Chief Risk Officer
Jennifer Joy S. Santos	Chief Transformation Officer and Head of Transformation Office
Jose G. Cimanes, Jr.	Chief Audit Executive
Jhunar B. Abbot	Comptroller
Bernadette Ann V. Policarpio	Vice President, Corporate Secretary, Head of Legal and Regulatory Affairs and Legal Services Division, and Regulatory Compliance Officer for the Department of Energy and Energy Regulatory Commission
Ana Maria A. Katigbak-Lim	Assistant Corporate Secretary

*Seconded to PT FirstGen Geothermal Indonesia

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant **ENERGY DEVELOPMENT CORPORATION**

JHUNAR B. ABBOT
Assistant Vice President,
Head of Comptrollership

ERWIN O. AVANTE
Senior Vice President, Chief Financial Officer,
Treasurer and Compliance Officer

August 7, 2026

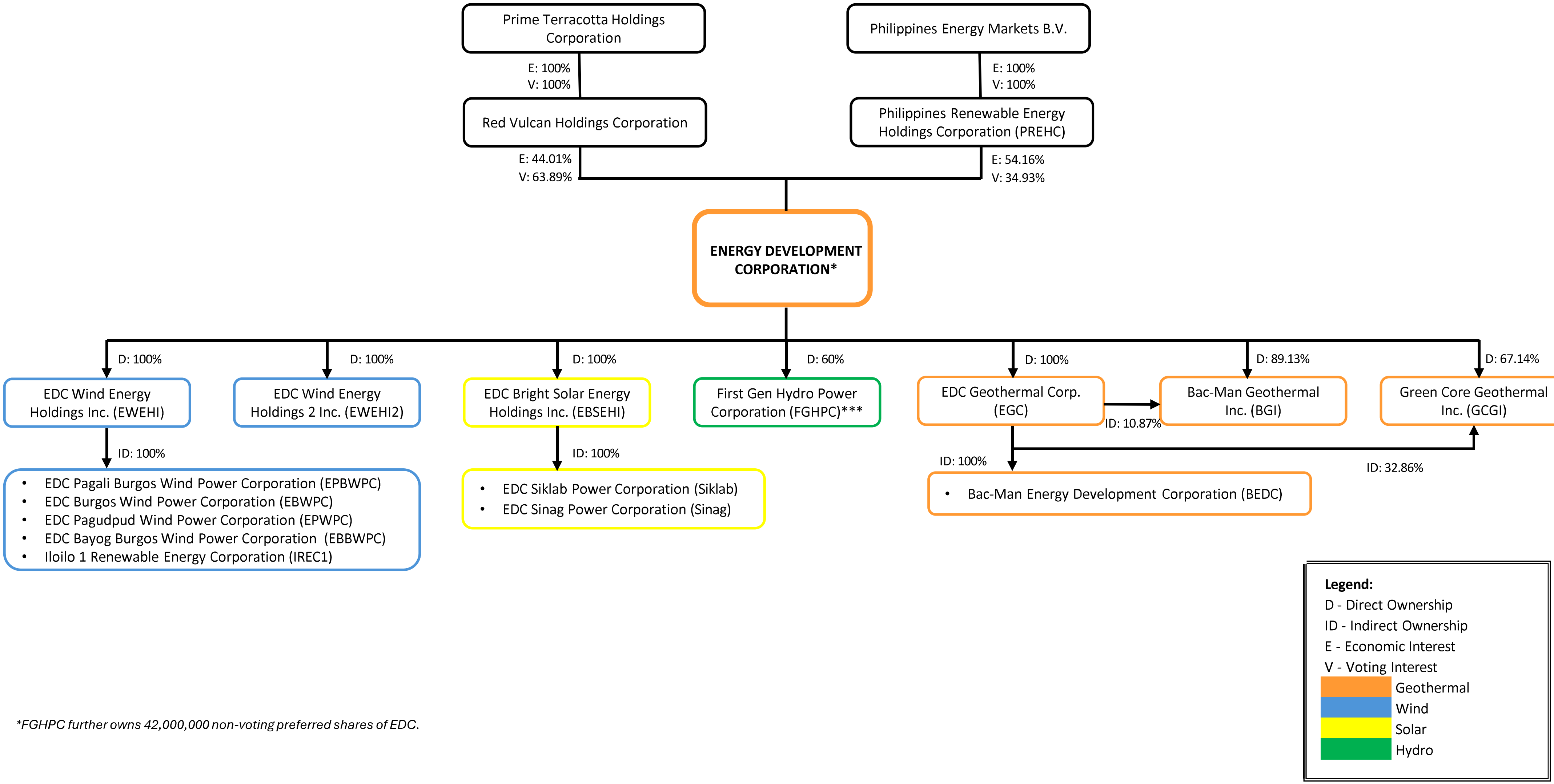
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Energy Development Corporation and Subsidiaries

Ratio	Formula	June 30, 2026	June 30, 2025
Current ratio	Dividing total current assets over total current liabilities	1.29	1.23
Solvency ratio	Dividing net income excluding depreciation and non-cash provisions over total debt obligations	0.15	0.10
Debt-to-equity ratio	Dividing total interest-bearing debts over stockholders' equity	1.06	1.09
Asset-to-equity ratio	Dividing total assets over total stockholders' equity	2.36	2.47
Interest rate coverage ratio	Dividing earnings before interest and taxes of one period over interest expense of the same period	4.13	3.13
Net debt-to-equity Ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	0.92	0.93
Return on equity (%)	Dividing the net income (annual basis) by total stockholders' equity (average)	12.94%	10.69%
Return on assets (%)	Dividing the net income (annual basis) by the total assets (average)	5.36%	4.66%

Ownership Structure of Energy Development Corporation - Domestic Subsidiaries

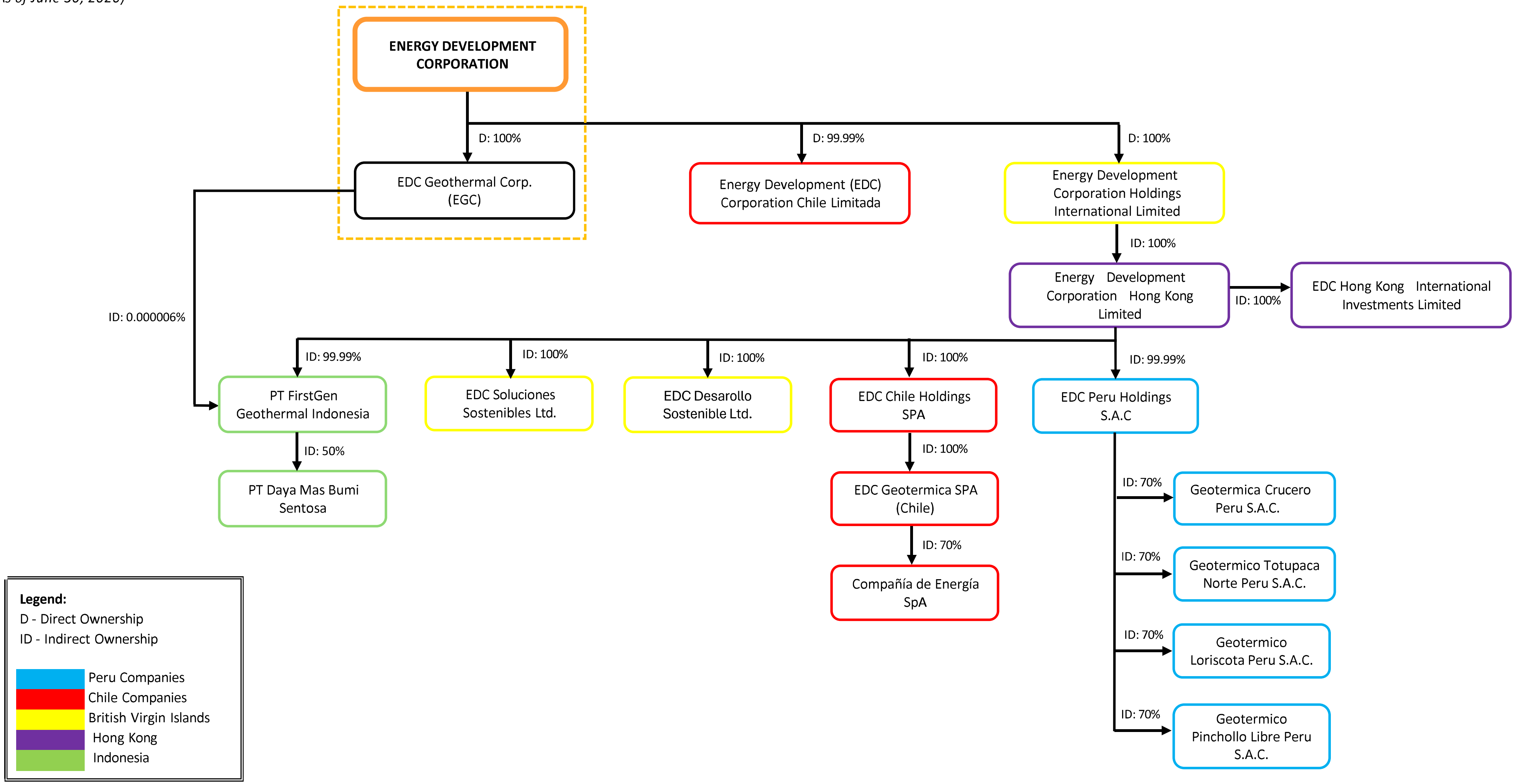
(As of June 30, 2026)

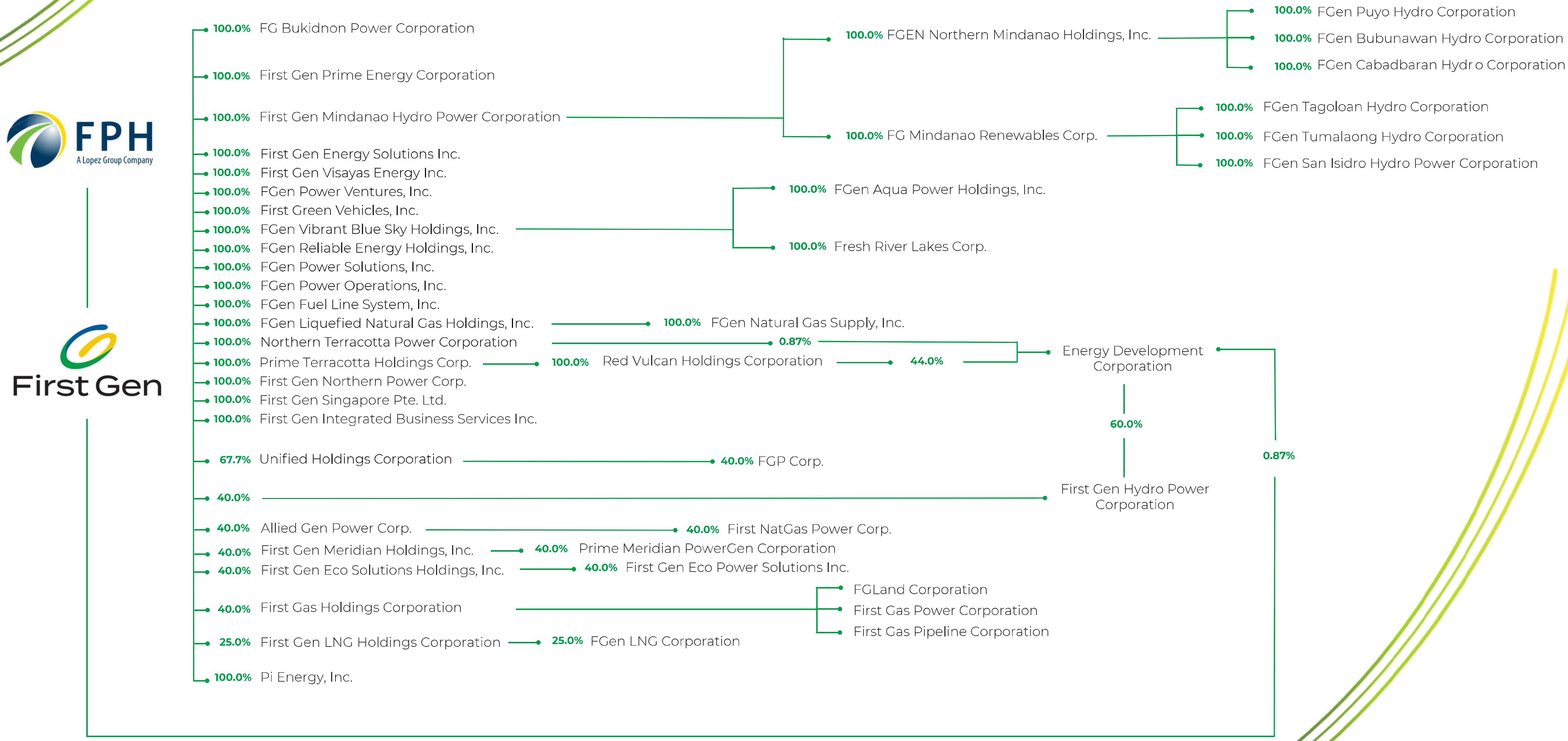


*FGHPC further owns 42,000,000 non-voting preferred shares of EDC.

Ownership Structure of Energy Development Corporation -International Subsidiaries

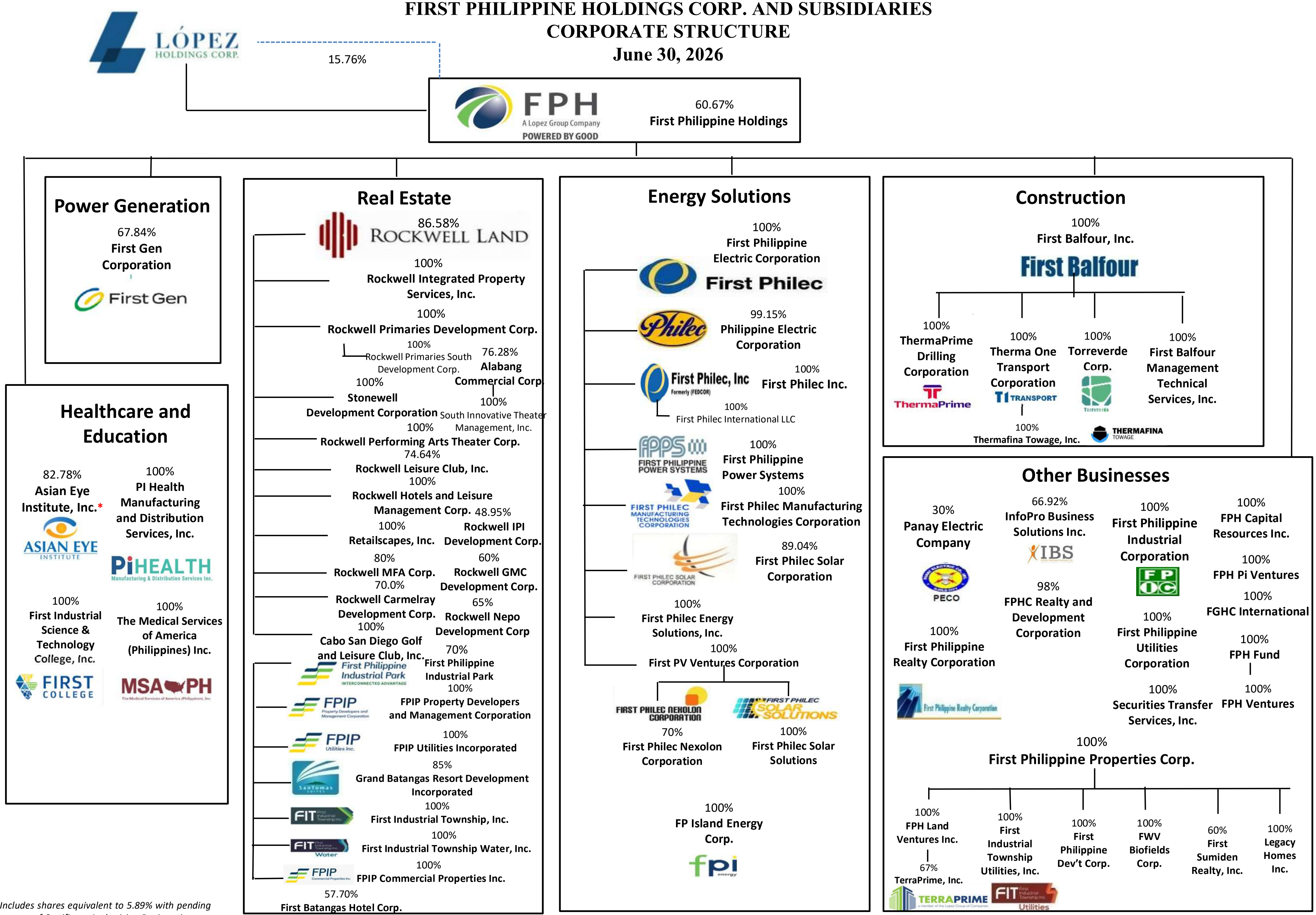
(As of June 30, 2026)





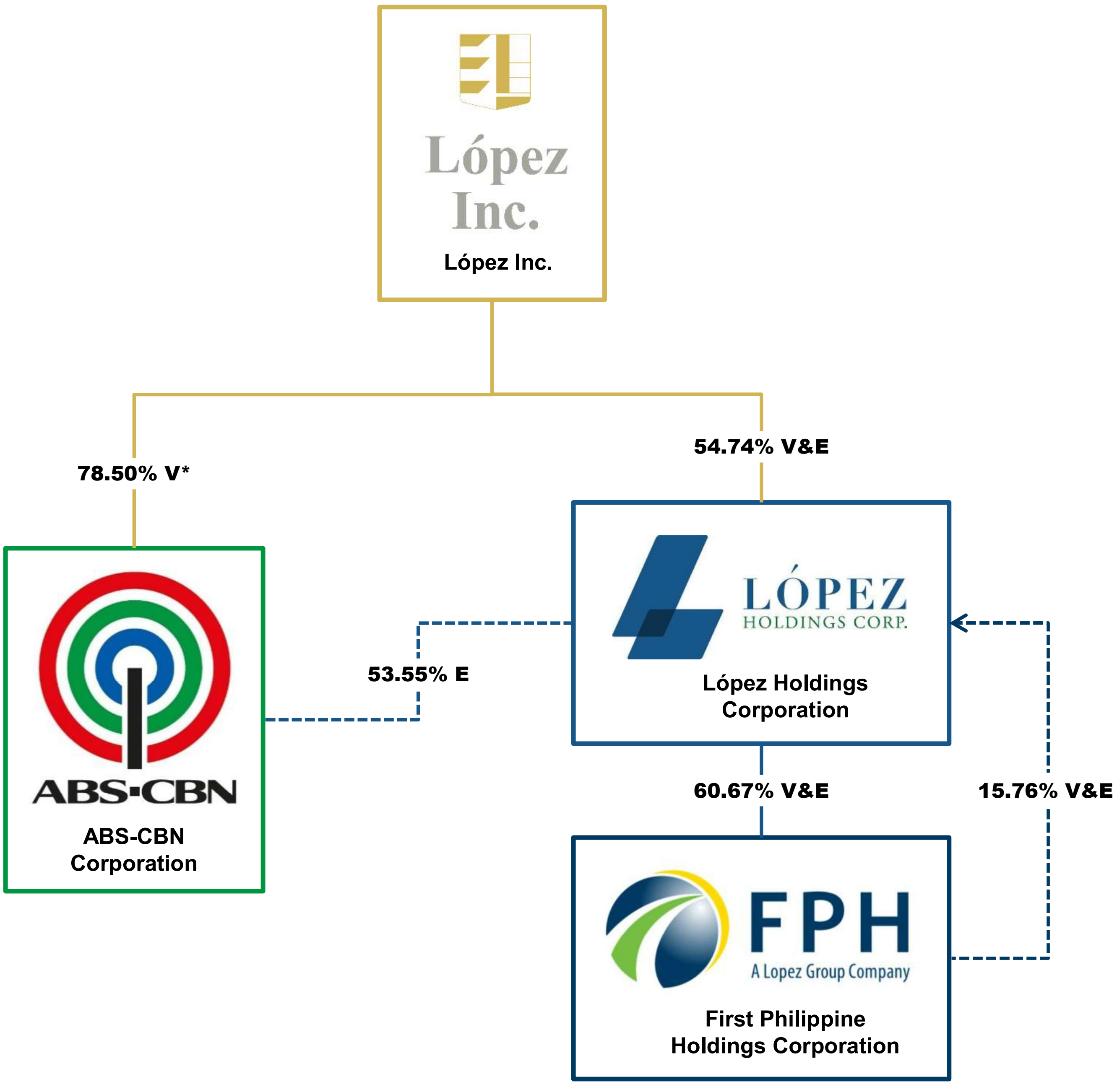
***Corporate Structure as of June 30, 2026.**

FIRST PHILIPPINE HOLDINGS CORP. AND SUBSIDIARIES
CORPORATE STRUCTURE
June 30, 2026



*Includes shares equivalent to 5.89% with pending issuance of Certificate Authorizing Registration.

LOPEZ HOLDINGS CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIP OF THE COMPANIES WITHIN THE GROUP
JUNE 30, 2026



* *voting rights include preferred shares*

Energy Development Corporation
(A Subsidiary of Red Vulcan Holdings Corporation)
and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements
June 30, 2026
(With Comparative Audited Figures as of December 31, 2025)
and For the Six-Month Periods Ended
June 30, 2026 and 2025

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

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30, 2026
(With Comparative Audited Figures as of December 31, 2025)

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 23)	**₱13,174,547,462**	₱10,674,118,007
Financial assets at fair value through profit or loss (Note 23)	**661,655,500**	1,845,339,114
Trade and other receivables (Notes 6, 22 and 23)	**10,190,068,793**	8,467,561,661
Due from related parties (Notes 22 and 23)	**32,245,321**	44,135,557
Parts and supplies inventories (Note 7)	**13,836,983,517**	14,136,003,963
Derivative assets (Note 23)	**51,655,259**	8,634,649
Other current assets (Note 8)	**4,090,849,771**	3,095,230,347
Total Current Assets	**42,038,005,623**	38,271,023,298
Noncurrent Assets		
Property, plant and equipment (Note 9)	**151,625,857,575**	152,202,714,457
Goodwill and intangible assets (Note 10)	**3,177,909,249**	3,238,325,047
Exploration and evaluation assets	**4,392,917,544**	4,189,306,611
Deferred tax assets - net	**989,144,121**	854,976,010
Derivative assets - net of current portion (Note 23)	**191,600,059**	26,600,880
Financial assets at fair value through other comprehensive income (Note 23)	**3,092,487,963**	3,100,430,883
Other noncurrent assets (Notes 11 and 23)	**15,800,156,216**	14,956,368,046
Total Noncurrent Assets	**179,270,072,727**	178,568,721,934
TOTAL ASSETS	**₱221,308,078,350**	₱216,839,745,232

LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 12 and 23)	**₱15,345,682,079**	₱20,300,135,535
Due to related parties (Notes 22 and 23)	**4,609,608**	1,815,131
Derivative liabilities (Note 23)	**297,892**	9,134,714
Income tax payable	**1,087,654,056**	121,225,932
Current portion of:		
Long-term debts (Notes 13 and 23)	**15,588,118,275**	12,864,840,208
Lease liability (Note 23)	**644,335,706**	599,222,242
Total Current Liabilities	**32,670,697,616**	33,896,373,762

(Forward)

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Noncurrent Liabilities		
Long-term debts - net of current portion (Notes 13 and 23)	**₱84,056,085,280**	₱86,159,543,987
Long-term lease liability - net of current portion (Note 23)	**2,405,427,258**	3,419,675,225
Net retirement and other post-employment benefits	**2,596,488,736**	2,516,935,364
Deferred tax liabilities - net	**189,640,344**	148,429,441
Derivative liabilities - net of current portion (Note 23)	**744,730**	47,763,575
Provisions and other long-term liabilities	**5,684,113,101**	5,225,191,164
Total Noncurrent Liabilities	**94,932,499,449**	97,517,538,756
Total Liabilities	**127,603,197,065**	131,413,912,518
Equity		
Equity attributable to equity holders of the Parent Company:		
Preferred stock	**513,750,000**	513,750,000
Common stock	**19,076,250,000**	19,076,250,000
Treasury stock	**(19,034,086,156)**	(19,033,565,724)
Additional paid-in capital	**12,495,108,001**	12,495,108,001
Equity reserve	**(3,706,430,769)**	(3,706,430,769)
Net accumulated unrealized gain on financial assets at fair value through other comprehensive income	**100,897,633**	108,840,454
Fair value adjustments on hedging transactions (Note 23)	**142,031,567**	(110,785,240)
Cumulative translation adjustments	**2,019,076,325**	1,754,890,648
Retained earnings:		
Unappropriated	**42,072,746,520**	34,012,600,621
Appropriated	**38,000,000,000**	38,000,000,000
	91,679,343,121	83,110,657,991
Non-controlling interests	**2,025,538,164**	2,315,174,723
Total Equity	**93,704,881,285**	85,425,832,714
TOTAL LIABILITIES AND EQUITY	**₱221,308,078,350**	₱216,839,745,232

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

ENERGY DEVELOPMENT CORPORATION
(A Subsidiary of Red Vulcan Holdings Corporation)
AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME

	Three-Month Periods Ended June 30		Six-Month Periods Ended June 30	
	2026	2025	**2026**	2025
REVENUE FROM SALE OF ELECTRICITY	**₱17,494,804,926**	₱11,728,815,186	**₱32,252,618,657**	₱22,771,627,416
COSTS OF SALE OF ELECTRICITY (Note 14)	**(8,230,401,486)**	(6,565,352,486)	**(15,686,122,814)**	(11,666,319,416)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 15)	**(2,049,952,573)**	(2,111,976,725)	**(3,934,722,529)**	(3,726,925,350)
FINANCIAL INCOME (EXPENSES)				
Interest expense (Notes 4 and 16)	**(1,555,619,107)**	(1,289,214,027)	**(3,212,616,283)**	(2,458,078,432)
Interest income (Notes 4 and 17)	**88,307,426**	73,094,025	**217,607,489**	155,292,272
	(1,467,311,681)	(1,216,120,002)	**(2,995,008,794)**	(2,302,786,160)
OTHER INCOME (CHARGES)				
Income from insurance claims	**–**	464,000,000	**648,420,194**	464,000,000
Foreign exchange gains (losses) - net (Note 18)	**(34,771,058)**	76,767,332	**(293,881,467)**	136,610,110
Miscellaneous income(charges) - net (Note 19)	**271,255,350**	68,032,827	**132,005,852**	81,859,202
	236,484,292	608,800,159	**486,544,579**	682,469,312
INCOME BEFORE INCOME TAX	**5,983,623,478**	2,444,166,132	**10,123,309,099**	5,758,065,802
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	**597,839,556**	267,798,200	**1,089,774,282**	633,064,736
Deferred	**(115,347,534)**	5,065,871	**(125,250,226)**	(6,854,402)
	482,492,022	272,864,071	**964,524,056**	626,210,334
NET INCOME	**₱5,501,131,456**	₱2,171,302,061	**₱9,158,785,043**	₱5,131,855,468
Net income (loss) attributable to:				
Equity holders of the Parent Company	**₱5,103,496,847**	₱1,891,285,026	**₱8,436,545,900**	₱4,629,041,053
Non-controlling interests	**397,634,609**	280,017,035	**722,239,143**	502,814,415
	₱5,501,131,456	₱2,171,302,061	**₱9,158,785,043**	₱5,131,855,468
Basic/Diluted Earnings Per Share for Net Income Attributable to Equity Holders of the Parent Company (Note 21)	**₱277,609.68**	₱111,068.71	**₱473,350.49**	₱254,611.38

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

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

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three-Month Periods Ended June 30		Six-Month Periods Ended June 30	
	2026	2025	**2026**	2025
NET INCOME	**₱5,501,131,456**	₱2,171,302,061	**₱9,158,785,043**	₱5,131,855,468
OTHER COMPREHENSIVE INCOME (LOSS)				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:				
Cumulative translation adjustments on foreign subsidiaries	**38,060,014**	(148,161,448)	**264,185,677**	(31,484,844)
Fair value adjustments on hedging transactions, net of tax effect amounting to nil in 2026 and (₱67.9 million) in 2025 (Note 23)	**67,157,725**	(72,806,398)	**252,816,807**	(277,342,847)
Changes in fair value of debt instruments at fair value through other comprehensive income	**319,429**	(719,650)	**(7,388,591)**	(120,790)
NET OTHER COMPREHENSIVE INCOME (LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	**105,537,168**	(221,687,496)	**509,613,893**	(308,948,481)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:				
Remeasurements of retirement and other post-employment benefits	**–**	–	**–**	(3,394,336)
Changes in fair value of equity instruments designated at fair value through other comprehensive income	**(11,808)**	5,102,468	**(554,230)**	101,058
NET OTHER COMPREHENSIVE INCOME (LOSS) NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	**(11,808)**	5,102,468	**(554,230)**	(3,293,278)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	**105,525,360**	(216,585,028)	**509,059,663**	(312,241,759)
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**₱5,606,656,816**	₱1,954,717,033	**₱9,667,844,706**	₱4,819,613,709
Total comprehensive income attributable to:				
Equity Holders of the Parent Company	**₱5,209,022,207**	₱1,674,699,998	**₱8,945,605,562**	₱4,318,157,028
Non-controlling interests	**397,634,609**	280,017,035	**722,239,144**	501,456,681
	₱5,606,656,816	₱1,954,717,033	**₱9,667,844,706**	₱4,819,613,709

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

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

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2026 AND 2025

	Preferred Stock	Common Stock	Treasury Stock	Additional Paid-in Capital	Equity Reserve	Net Accumulated Unrealized Gain on Financial Assets at FVOCI	Fair Value Adjustments on Hedging Transactions	Cumulative Translation Adjustments	Unappropriated Retained Earnings	Appropriated Retained Earnings	Subtotal	Non-controlling Interests	Total Equity
Balances, January 1, 2026	**₱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**
Total comprehensive income													
Net income	–	–	–	–	–	–	–	–	8,436,545,899	–	8,436,545,899	722,239,144	9,158,785,043
Fair value adjustments on hedging transactions (Note 23)	–	–	–	–	–	–	252,816,807	–	–	–	252,816,807	–	252,816,807
Cumulative translation adjustments on foreign subsidiaries	–	–	–	–	–	–	–	264,185,677	–	–	264,185,677	–	264,185,677
Changes in fair value of equity instruments at FVOCI recognized in equity	–	–	–	–	–	(554,230)	–	–	–	–	(554,230)	–	(554,230)
Changes in fair value of debt instruments designated at FVOCI recognized in equity	–	–	–	–	–	(7,388,591)	–	–	–	–	(7,388,591)	–	(7,388,591)
Total other comprehensive loss	–	–	–	–	–	(7,942,821)	252,816,807	264,185,677	–	–	509,059,663	–	509,059,663
	–	–	–	–	–	(7,942,821)	252,816,807	264,185,677	8,436,545,899	–	8,945,605,562	722,239,144	9,667,844,706
Dividends declared	–	–	–	–	–	–	–	–	(376,400,000)	–	(376,400,000)	–	(376,400,000)
Dividends declared on non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	(1,011,875,703)	(1,011,875,703)
Acquisition of treasury stock	–	–	(520,432)	–	–	–	–	–	–	–	(520,432)	–	(520,432)
Balances, June 30, 2026	**₱513,750,000**	**₱19,076,250,000**	**(₱19,034,086,156)**	**₱12,495,108,001**	**(₱3,706,430,769)**	**₱100,897,633**	**₱142,031,567**	**₱2,019,076,325**	**₱42,072,746,520**	**₱38,000,000,000**	**₱91,679,343,121**	**₱2,025,538,164**	**₱93,704,881,285**

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

	Preferred Stock	Common Stock	Treasury Stock	Additional Paid-in Capital	Equity Reserve	Net Accumulated Unrealized Gain on Financial Assets at FVOCI	Fair Value Adjustments on Hedging Transactions	Cumulative Translation Adjustments	Unappropriated Retained Earnings	Appropriated Retained Earnings	Subtotal	Non-controlling Interests	Total Equity
Balances, January 1, 2025	**₱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													
Net income	–	–	–	–	–	–	–	–	4,629,041,053	–	4,629,041,053	502,814,415	5,131,855,468
Fair value adjustments on hedging transactions (Note 23)	–	–	–	–	–	–	(277,342,847)	–	–	–	(277,342,847)	–	(277,342,847)
Cumulative translation adjustments on foreign subsidiaries	–	–	–	–	–	–	–	(31,484,844)	–	–	(31,484,844)	–	(31,484,844)
Changes in fair value of equity instruments at FVOCI recognized in equity	–	–	–	–	–	101,058	–	–	–	–	101,058	–	101,058
Remeasurements of retirement and other post-employment benefits	–	–	–	–	–	–	–	–	(2,036,602)	–	(2,036,602)	(1,357,734)	(3,394,336)
Changes in fair value of debt instruments designated at FVOCI recognized in equity	–	–	–	–	–	(120,790)	–	–	–	–	(120,790)	–	(120,790)
Total other comprehensive loss	–	–	–	–	–	(19,732)	(277,342,847)	(31,484,844)	(2,036,602)	–	(310,884,025)	(1,357,734)	(312,241,759)
	–	–	–	–	–	(19,732)	(277,342,847)	(31,484,844)	4,627,004,451	–	4,318,157,028	501,456,681	4,819,613,709
Issuance of stocks	420,000,000	–	–	3,780,000,000	–	–	–	–	–	–	4,200,000,000	–	4,200,000,000
Investments from non-controlling shareholders	–	–	–	113,050	–	–	–	–	–	–	113,050	130,974	244,024
Dividends declared	–	–	–	–	–	–	–	–	(7,305,700,000)	–	(7,305,700,000)	–	(7,305,700,000)
Dividends declared on non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	(125,000)	(125,000)
Acquisition of treasury stock	–	–	(4,200,018,750)	–	–	–	–	–	–	–	(4,200,018,750)	–	(4,200,018,750)
Balances, June 30, 2025	**₱513,750,000**	**₱19,076,250,000**	**(₱19,032,014,694)**	**₱12,495,221,051**	**(₱3,706,430,769)**	**₱109,348,610**	**(₱489,859,841)**	**₱1,844,490,406**	**₱34,786,131,720**	**₱35,000,000,000**	**₱80,596,886,483**	**₱2,201,895,056**	**₱82,798,781,539**

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

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

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six-Month Periods Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱10,123,309,099**	₱5,758,065,802
Adjustments for:		
Depreciation and amortization (Notes 9, 10, 14 and 15)	**5,112,789,234**	3,785,887,332
Interest expense (Note 16)	**3,212,616,283**	2,458,078,432
Unrealized foreign exchange losses (gains) - net (Note 18)	**248,496,707**	(162,271,451)
Interest income (Note 17)	**(217,607,489)**	(155,292,272)
Dividend income (Note 19)	**(196,669,503)**	(55,206,200)
Provision for impairment of parts and supplies (Notes 7 and 15)	**126,601,568**	2,390,896
Change in net retirement and other post-employment benefits	**79,553,372**	191,613,400
Share in loss in investment in associate (Note 19)	**68,608,699**	19,660,345
Provisions for impairment of trade and other receivables, prepaid taxes, and others (Note 15)	**66,094,526**	64,417,970
Mark-to-market gain on financial assets at fair value through profit or loss (Note 19)	**33,455,330**	(6,917,986)
Loss on disposal and retirement of property, plant and equipment	**(32,102,907)**	348,534
Loss on direct write-off of input VAT claims (Note 19)	**3,463,693**	17,057,802
Realized losses (gains) from redemption of financial assets at fair value through profit or loss	**(771,716)**	122,306
Operating income before working capital changes	**18,627,836,896**	11,917,954,910
Decrease (increase) in:		
Trade and other receivables	**(1,724,909,443)**	(484,736,817)
Due from a related party	**11,890,236**	(7,216)
Parts and supplies inventories	**172,418,878**	(929,306,466)
Other current and noncurrent assets	**(732,129,577)**	653,930,788
Increase (decrease) in:		
Trade and other payables	**(4,405,586,999)**	(3,625,147,096)
Due to related parties	**2,794,477**	1,829,439
Provisions and other long-term liabilities	**552,640,656**	1,007,086,773
Cash generated from operations	**12,504,955,124**	8,541,604,315
Income taxes paid including creditable withholding taxes	**(815,776,310)**	(701,323,551)
Net cash flows from operating activities	**11,689,178,814**	7,840,280,764
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property, plant and equipment (Note 9)	**(5,383,360,900)**	(9,684,356,586)
Financial assets at FVOCI	–	(2,800,000,000)
Financial assets at FVPL	**(350,000,000)**	(1,331,000,000)
Exploration and evaluation assets	**(198,051,277)**	(178,543,534)
Investment in associate	**(144,185,499)**	–
Intangible assets (Note 10)	**(9,804,088)**	(5,273,095)
Additions to other noncurrent assets	**(337,650,967)**	(971,496,506)
Interest received	**216,113,368**	173,665,872
Dividend received	**196,669,503**	55,206,200
Proceeds from:		
Redemption of financial assets at FVPL	**1,501,000,000**	–
Sale of property, plant and equipment	**3,355,194**	4,457,238
Net cash flows used in investing activities	**(4,505,914,666)**	(14,737,340,411)

(Forward)

	For the Six-Month Periods Ended June 30	
	2026	2025
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Long term debt	**(₱9,991,690,919)**	(₱5,614,579,218)
Interest and other financing charges	**(2,985,342,890)**	(2,109,628,038)
Cash dividends	**(1,388,356,214)**	(7,303,044,034)
Lease liability	**(225,661,607)**	(290,071,511)
Acquisition of treasury stock	**(520,432)**	(18,750)
Proceeds from:		
Availment of long-term debts	**9,925,000,000**	21,748,948,899
Investments from non-controlling shareholders	**–**	244,024
Net cash flows from (used in) financing activities	**(4,666,572,062)**	6,431,851,372
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,516,692,086**	(465,208,275)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(16,262,631)**	19,298,585
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**10,674,118,007**	13,579,439,221
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Notes 5 and 23)	**₱13,174,547,462**	₱13,133,529,531

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

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

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

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 Holdings Corporation (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 June 30, 2026, 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%.

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 Unaudited Interim Condensed Consolidated Financial Statements
The unaudited interim condensed consolidated financial statements were reviewed, approved and authorized for issuance by the Board of Directors (Board) through the Audit and Governance Committee on August 7, 2026.

2. Basis of Preparation

The unaudited interim condensed consolidated financial statements of the Group as of June 30, 2026 and for the six (6)-month periods ended June 30, 2026 and 2025 have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2025.

The unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through profit or loss (FVPL), derivative instruments and financial asset at fair value through other comprehensive income (FVOCI) that are measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine peso (₱), which is the Parent Company's functional currency. All values are rounded to the nearest ₱, except when otherwise indicated.

3. Summary of Material Accounting Policy Information

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as of and for the year ended December 31, 2025, except for the adoption of new standards effective as of January 1, 2026.

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

Several amendments apply for the first time in 2026, but do not have an impact on the unaudited interim condensed consolidated financial statements of the Group.

- 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'.

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4. 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 Chief Operating Decision Maker 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, and other projects in Leyte Province.

b. Negros Island Geothermal Facilities - 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 Facilities - This segment relates to Bacon-Manito Geothermal Production Field and Power Plants. Power plants included in Bacon-Manito are Bacman I, Bacman II, Palayan Binary and Tanawon Geothermal.

d. Mt. Apo Geothermal Facilities - This segment refers to Mt. Apo Geothermal Production Field and Power Plants. Power plants included in Mt. Apo are Mindanao I, Mindanao II, and Mindanao III.

e. Pantabangan/Masiway - This segment relates to Pantabangan-Masiway hydroelectric complex located in Nueva Ecija Province.

f. Wind Business Facilities - This segment pertains to wind project commercially operating in Northern Luzon.

g. Solar Business Facilities - 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 period and earnings before interest, taxes, and depreciation and amortization (EBITDA). Net income for the period is measured consistent with consolidated net income reported in the unaudited interim condensed consolidated financial statements. EBITDA is calculated as revenue from sale of electricity minus costs of sale of electricity and general and administrative expenses, excluding non-cash items such as depreciation and amortization, impairment losses on non-financial assets, and loss on disposal of property, plant and equipment, among others.

Financial information on the operating segments are summarized as follows:

	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan / Masiway	Wind	Solar	BESS	Others	Total
For the Six-Month Period Ended June 30, 2026										
Segment revenue from external customers	**₱15,202,196,110**	**₱7,836,335,307**	**₱9,816,561,280**	**₱2,427,868,200**	**₱2,345,945,786**	**₱1,167,326,130**	**₱82,385,255**	**₱2,528,635,275**	**₱–**	**₱41,407,253,343**
Intersegment revenue	**(3,587,650,875)**	**(2,341,310,463)**	**(3,222,770,419)**	**–**	**(2,499,892)**	**(403,037)**	**–**	**–**	**–**	**(9,154,634,686)**
Segment revenue	**11,614,545,235**	**5,495,024,844**	**6,593,790,861**	**2,427,868,200**	**2,343,445,894**	**1,166,923,093**	**82,385,255**	**2,528,635,275**	**–**	**32,252,618,657**
Segment expenses	**(8,437,867,893)**	**(2,586,300,561)**	**(5,184,932,474)**	**(1,362,423,461)**	**(722,392,694)**	**(978,077,066)**	**(41,990,239)**	**(354,722,654)**	**–**	**(19,668,707,042)**
Unallocated expenses	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**47,861,695**	**47,861,695**
Interest income	**37,840,418**	**13,975,600**	**21,101,556**	**8,454,278**	**59,582,916**	**69,572,631**	**4,492,480**	**1,215,940**	**1,371,670**	**217,607,489**
Interest expense	**(1,251,985,050)**	**(668,074,335)**	**(408,485,110)**	**(198,863,191)**	**(190,941,111)**	**(349,616,334)**	**(5,617,900)**	**(134,475,619)**	**(4,557,633)**	**(3,212,616,283)**
Other income (charges) – net	**(212,107,321)**	**538,816,326**	**77,262,425**	**(44,770,038)**	**461,406,327**	**22,393,496**	**(319,505)**	**(6,846,488)**	**(349,290,643)**	**486,544,579**
Benefit from (provision for) income taxes	**(307,715,697)**	**(332,160,962)**	**(21,434,551)**	**(81,607,517)**	**(148,003,364)**	**(19,413,049)**	**(4,306,570)**	**–**	**(49,882,346)**	**(964,524,056)**
Segment result	**₱1,442,709,692**	**₱2,461,280,912**	**₱1,077,302,707**	**₱748,658,271**	**₱1,803,097,968**	**(₱88,217,229)**	**₱34,643,521**	**₱2,033,806,454**	**(₱354,497,257)**	**₱9,158,785,039**
EBITDA	**₱5,677,149,443**	**₱3,529,079,522**	**₱2,171,628,809**	**₱1,575,849,513**	**₱1,778,882,374**	**₱673,277,297**	**₱63,572,304**	**₱2,391,798,642**	**₱–**	**₱17,861,237,904**
Unallocated expenses										**76,020,738**
										₱17,937,258,642

	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan / Masiway	Wind	Solar	Others	Total
For the Six-Month Period Ended June 30, 2025									
Segment revenue from external customers	₱13,358,659,512	₱8,552,301,148	₱7,226,744,481	₱1,240,361,481	₱1,977,899,057	₱1,421,570,311	₱67,614,824	₱2,411,648	₱33,847,562,462
Intersegment revenue	(4,472,874,587)	(3,689,614,927)	(2,927,915,778)	–	9,103,396	5,366,850	–	–	(11,075,935,046)
Segment revenue	8,885,784,925	4,862,686,221	4,298,828,703	1,240,361,481	1,987,002,453	1,426,937,161	67,614,824	2,411,648	22,771,627,416
Segment expenses	(7,828,240,164)	(2,049,347,325)	(2,639,054,053)	(1,275,979,609)	(594,461,141)	(818,243,651)	(36,925,535)	–	(15,242,251,478)
Unallocated expenses	–	–	–	–	–	–	–	(150,993,288)	(150,993,288)
Interest income	43,198,317	15,976,746	46,778,145	8,144,331	9,014,831	30,811,244	1,305,445	63,213	155,292,272
Interest expense	(1,143,441,489)	(360,980,535)	(233,978,560)	(239,487,535)	(172,781,096)	(286,012,552)	(5,123,099)	(16,273,566)	(2,458,078,432)
Other income (charges) - net	62,585,356	485,478,727	30,136,454	14,760,483	137,860,669	41,173,857	80,487	(89,606,721)	682,469,312
Benefit from (provision for) income taxes	1,689,212	(328,675,420)	(166,966,486)	21,953,340	(100,484,874)	(17,937,877)	(3,901,982)	(31,886,247)	(626,210,334)
Segment result	₱21,576,157	₱2,625,138,414	₱1,335,744,203	(₱230,247,509)	₱1,266,150,842	₱376,728,182	₱23,050,140	(₱286,284,961)	₱5,131,855,468
EBITDA	₱2,876,816,277	₱3,382,612,573	₱2,057,123,438	₱362,721,118	₱1,554,868,859	₱1,067,524,258	₱53,049,285	₱2,411,648	₱11,357,127,456
Unallocated expenses									(126,048,608)
									₱11,231,078,848

	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan / Masiway	Wind	Solar	BESS	Elimination	Total
For the Six-Month Period Ended June 30, 2026										
Segment assets	**₱123,860,063,001**	**₱49,534,934,317**	**₱33,700,887,434**	**₱15,813,689,042**	**₱12,395,820,841**	**₱17,847,353,694**	**₱780,301,658**	**₱5,843,073,380**	**(₱81,401,287,301)**	**₱178,374,836,066**
Unallocated corporate assets										**42,933,242,284**
Total assets										**₱221,308,078,350**
Segment liabilities	**₱70,615,047,787**	**₱32,583,870,872**	**₱32,644,546,862**	**₱9,944,727,348**	**₱7,264,867,913**	**₱12,965,568,813**	**₱563,536,332**	**₱3,570,922,811**	**(₱61,204,307,121)**	**₱108,948,781,617**
Unallocated corporate liabilities										**18,654,415,448**
Total liabilities										**₱127,603,197,065**
Capital expenditure	**₱3,152,350,051**	**₱639,008,969**	**₱225,491,426**	**₱660,663,693**	**₱7,145,151**	**₱231,701,309**	**₱–**	**₱269,829,899**	**₱–**	**₱5,186,190,498**
Unallocated capital expenditure										**197,170,402**
Total capital expenditure										**₱5,383,360,900**
Depreciation and amortization	**₱2,409,585,258**	**₱593,690,943**	**₱706,977,066**	**₱505,257,074**	**₱157,829,174**	**₱471,173,405**	**₱22,666,258**	**₱217,451,015**	**₱14,259,626**	**₱5,098,889,819**
Unallocated depreciation and amortization										**13,899,415**
Total depreciation and amortization										**₱5,112,789,234**
Other non-cash items	**₱90,886,841**	**₱26,664,296**	**₱55,793,356**	**₱5,147,700**	**₱–**	**₱13,257,865**	**₱511,030**	**₱435,006**	**₱–**	**₱192,696,094**
Unallocated non-cash items										**–**
Total non-cash items										**₱192,696,094**

	Leyte	Negros Island	Bacon-Manito	Mt. Apo	Pantabangan/ Masiway	Wind	Solar	BESS	Elimination	Total
As of and for the year ended December 31, 2025										
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										₱131,413,912,518
Capital expenditure	₱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	₱–	₱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

The following table shows the Group's reconciliation of EBITDA to the consolidated net income for the six-month periods ended June 30, 2026 and 2025:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
EBITDA	**₱17,937,258,642**	₱11,231,078,848
Add (deduct):		
Depreciation and amortization (Notes 9, 10, 14 and 15)	**(5,112,789,234)**	(3,785,887,332)
Interest expense (Note 16)	**(3,212,616,283)**	(2,458,078,432)
Provision for income tax	**(964,524,056)**	(626,210,334)
Income from insurance claims	**648,420,194**	464,000,000
Foreign exchange gains (losses) - net (Note 18)	**(293,881,467)**	136,610,110
Interest income (Note 17)	**217,607,489**	155,292,272
Miscellaneous income (charges) - net (Note 19)	**132,005,852**	81,859,202
Provision for impairment of parts and supplies inventories (Notes 7 and 15)	**(126,601,568)**	(2,390,896)
Provision for impairment of trade and other receivables, prepaid taxes, and others (Note 15)	**(66,094,526)**	(64,417,970)
Consolidated net income	**₱9,158,785,043**	₱5,131,855,468

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. Intersegment revenues are made at normal commercial terms and conditions.

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-employment benefits, pertain to the Head Office and are managed on a group basis.

5. Cash and Cash Equivalents

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash on hand and in banks	**₱8,914,927,317**	₱10,204,972,667
Cash equivalents	**4,259,620,145**	469,145,340
	₱13,174,547,462	₱10,674,118,007

Cash in banks earn interest at the respective bank deposit rates. 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.

6. Trade and Other Receivables

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Trade receivable:		
Third parties	**₱10,349,146,987**	₱8,864,985,751
Related parties (Note 22)	**104,851,023**	117,411,421
	10,453,998,010	8,982,397,172
Others:		
Non-trade accounts receivable	**847,665,481**	597,642,601
Loans and notes receivables	**57,594,272**	37,673,542
Advances to employees	**43,308,674**	57,738,934
	948,568,427	693,055,077
	11,402,566,437	9,675,452,249
Less allowance for doubtful accounts	**1,212,497,644**	1,207,890,588
	₱10,190,068,793	₱8,467,561,661

Trade receivables are noninterest-bearing and are generally collectible in 30 to 60 days. Non-trade receivables are non-interest-bearing and include accrued interest receivable and other receivables arising from transactions not in the usual course of the Group's business.

7. Parts and Supplies Inventories

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Parts and supplies inventories:		
At cost	**₱10,472,669,363**	₱10,721,229,771
At net realizable value (NRV)	**3,364,314,154**	3,414,774,192
	₱13,836,983,517	₱14,136,003,963

Allowance for inventory obsolescence:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**₱954,311,980**	₱687,820,614
Provision for impairment (Note 15)	**126,601,568**	266,491,366
Balance at end of year	**₱1,080,913,548**	₱954,311,980

Parts and supplies inventories include items that are carried at NRV amounting to ₱3,364.3 million and ₱3,414.8 million as of June 30, 2026 and December 31, 2025, respectively, and have costs amounting ₱4,445.2 million and ₱4,369.1 million, respectively. The rest of the parts and supplies inventories are carried at cost.

8. **Other Current Assets**

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Creditable withholding taxes	**₱1,909,498,483**	₱1,217,068,331
Deposits and special funds	**1,063,623,221**	810,153,788
Prepaid expenses	**633,589,626**	678,022,020
Advances to suppliers	**141,035,118**	119,645,605
Others	**343,103,323**	270,340,603
	₱4,090,849,771	₱3,095,230,347

Deposits and special funds include deposits to distribution utilities as required under the Distribution Wheeling Service Agreements and cash held in escrow accounts of the Group as required under the retail supply contracts and green energy option program supply contracts.

Advances to suppliers pertains mainly to the advances made by the Group for the purchase of parts and supplies, and other goods and services.

Short-term investments consist of money market securities with maturity of more than three (3) months but less than 12 months.

9. Property, Plant and Equipment

	June 30, 2026 (Unaudited)										
	Land	**Power Plants**	**Fluid Collection and Recycling System (FCRS) and 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**	**Total**
Cost											
Balances at January 1	**₱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**
Additions	**–**	**25,625,874**	**–**	**1,817,209**	**425,626**	**10,538,383**	**8,774,257**	**27,850,219**	**200,947,359**	**5,107,381,973**	**5,383,360,900**
Disposals/retirements	**–**	**–**	**–**	**(20,114)**	**(2,481,811)**	**(4,980,548)**	**(2,415,029)**	**(1,980,521)**	**(525,869,945)**	**–**	**(537,747,968)**
Reclassifications/adjustments	**–**	**1,363,484,069**	**7,141,875,334**	**237,709,322**	**5,243,056**	**–**	**18,267,746**	**4,150,868**	**(718,720,240)**	**(9,099,182,581)**	**(1,047,172,426)**
Foreign exchange adjustments	**–**	**904,202,353**	**–**	**62,832,927**	**300,276**	**40,783**	**689,702**	**360,847**	**6,318,091**	**2,649,278**	**977,394,257**
Balances at June 30	**721,721,337**	**111,441,587,054**	**103,893,219,256**	**11,911,114,330**	**4,636,656,660**	**189,046,249**	**2,109,991,434**	**1,622,791,034**	**3,970,363,079**	**12,470,565,966**	**252,967,056,399**
Accumulated Depreciation, Amortization and Impairment											
Balances at January 1	**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**
Depreciation and amortization (Notes 14 and 15)	**–**	**2,489,395,405**	**1,807,779,435**	**247,128,190**	**98,392,958**	**13,709,749**	**73,424,257**	**49,866,778**	**272,962,147**	**–**	**5,052,658,919**
Disposals/retirements	**–**	**–**	**–**	**(6,134)**	**(2,481,805)**	**(3,009,805)**	**(2,256,383)**	**(1,930,393)**	**(243,158,739)**	**–**	**(252,843,259)**
Reclassifications/adjustments	**–**	**(2,169,003)**	**–**	**2,169,003**	**–**	**–**	**–**	**–**	**–**	**103,236,914**	**103,236,914**
Foreign exchange adjustments	**–**	**407,959,184**	**–**	**39,309,157**	**55,950**	**4,652**	**353,261**	**125,202**	**1,831,665**	**–**	**449,639,071**
Balances at June 30	**17,627,581**	**57,290,054,515**	**30,305,049,326**	**6,068,994,838**	**3,285,537,993**	**134,868,265**	**1,826,535,495**	**1,045,702,855**	**1,093,560,538**	**273,267,418**	**101,341,198,824**
Net Book Value	**₱704,093,756**	**₱54,151,532,539**	**₱73,588,169,930**	**₱5,842,119,492**	**₱1,351,118,667**	**₱54,177,984**	**₱283,455,939**	**₱577,088,179**	**₱2,876,802,541**	**₱12,197,298,548**	**₱151,625,857,575**

	December 31, 2025 (Audited)										
	Land	Power Plants	FCRS and 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	Total
Cost											
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	–	(5,730,203)	–	(1,661,020)	(8,642,803)	(33,655,068)	(120,333,418)	(4,346,810)	(2,719,942,793)	–	(2,894,312,115)
Reclassifications/adjustments	(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	(453,493)	(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
Accumulated Depreciation, Amortization and Impairment											
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 14 and 15)	-	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	–	(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	–	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	187,871,638
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
Net Book Value	₱704,093,756	₱54,753,405,829	₱68,254,074,031	₱5,828,380,364	₱1,443,598,623	₱59,283,962	₱329,660,398	₱594,768,353	₱3,945,762,349	₱16,289,686,792	₱152,202,714,457

Estimated Rehabilitation and Restoration Costs

FCRS and production wells include the estimated rehabilitation and restoration costs of the Group's steam fields and power plants' contract areas at the end of the contract period. These were based on technical estimates of probable costs, which may be incurred by the Group in the rehabilitation and restoration of the said steam fields and power plants' contract areas, using a risk-free discount rate and adjusted the cash flows to settle the provision.

Also, the Group has recorded 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 the unaudited interim consolidated statements of income are shown below:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Property, plant and equipment	**₱5,052,658,919**	₱3,972,162,755
Intangible assets (Note 10)	**70,030,819**	65,712,357
Capitalized depreciation	**(9,900,504)**	(251,987,780)
	₱5,112,789,234	₱3,785,887,332
Costs of sales of electricity (Note 14)	**₱4,945,192,456**	₱3,611,327,370
General and administrative (Note 15)	**167,596,778**	174,559,962
	₱5,112,789,234	₱3,785,887,332

Reclassification

The reclassifications in the cost of property, plant and equipment include adjustments to the provision for rehabilitation and restoration costs amounting to ₱152.8 million and ₱25.0 million in period ended June 30, 2026 and December 31, 2025 respectively. Meanwhile, the reclassifications in the accumulated depreciation of property, plant and equipment include capitalized depreciation charges amounting to ₱2.7 million and ₱464.6 million in period ended June 30, 2026 and December 31, 2025, respectively. Other reclassifications were due to the results of reassessment made by the Group on the nature of the assets.

10. Goodwill and Intangible Assets

	June 30, 2026 (Unaudited)			
	Goodwill	**Water Rights**	**Other Intangible Assets**	**Total**
Cost				
Balances at January 1	**₱2,676,889,008**	**₱2,404,778,918**	**₱899,262,106**	**₱5,980,930,032**
Additions	**–**	**–**	**9,804,088**	**9,804,088**
Disposals/retirement	**–**	**–**	**(2,268,820)**	**(2,268,820)**
Balances at June 30	**2,676,889,008**	**2,404,778,918**	**906,797,374**	**5,988,465,300**
Accumulated Amortization and Allowance for Impairment				
Balances at January 1	**141,837,475**	**1,839,655,875**	**761,111,635**	**2,742,604,985**
Amortization	**–**	**48,095,578**	**21,935,241**	**70,030,819**
Disposals/retirement	**–**	**–**	**(2,079,753)**	**(2,079,753)**
Balances at June 30	**141,837,475**	**1,887,751,453**	**780,967,123**	**2,810,556,051**
Net Book Value	**₱2,535,051,533**	**₱517,027,465**	**₱125,830,251**	**₱3,177,909,249**

	December 31, 2025 (Audited)			
	Goodwill	Water Rights	Other Intangible Assets	Total
Cost				
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
Foreign exchange translation adjustment	–	–	–	–
Balances at December 31	2,676,889,008	2,404,778,918	899,262,106	5,980,930,032
Accumulated Amortization and Allowance for Impairment				
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
Impairment/adjustments (Notes 1 and 23)	–	–	–	–
Balances at December 31	141,837,475	1,839,655,875	761,111,635	2,742,604,985
Net Book Value	₱2,535,051,533	₱565,123,043	₱138,150,471	₱3,238,325,047

Water rights are amortized using the straight-line method over 25 years, which is the term of the agreement with National Irrigation Administration. The remaining amortization period of water rights is 5.4 years and 5.9 years as of June 30, 2026 and December 31, 2025, respectively.

Other intangible assets pertain to the Group’s computer software and licenses.

11. **Other Noncurrent Assets**

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Prepaid taxes	**₱9,690,591,457**	₱9,528,171,592
Long-term receivables and special deposits	**2,908,089,835**	2,552,015,994
Investment in associate	**1,874,340,291**	1,720,241,505
Advances to contractors	**1,331,690,538**	1,347,908,366
Deposits and special funds	**493,498,399**	316,852,337
Prepaid expenses - net of current portion	**133,918,193**	101,101,315
Others	**1,352,242,247**	1,310,558,448
	17,784,370,960	16,876,849,557
Less allowance for impairment	**1,984,214,744**	1,920,481,511
	₱15,800,156,216	₱14,956,368,046

Long-term receivables include receivable from TransCo arising from FIT rate adjustments.

Others include capital expenditures funding made by the Group to Compañía De Energia amounting to ₱1,338.8 million and ₱1,299.2 million as of June 30, 2026 and December 31, 2025, respectively.

The Group's continued participation in the Mariposa project is subject to positive results being obtained from resource assessment studies to be conducted by the Group for the project.

12. **Trade and Other Payables**

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Trade payables:		
Third parties	**₱9,075,086,744**	₱12,322,416,615
Related parties (Note 22)	**1,828,819,727**	4,007,404,431
	10,903,906,471	16,329,821,046
Others:		
Withholding and other taxes payable	**1,177,554,614**	1,096,318,002
Accrued interest on long-term debts	**1,007,462,415**	1,056,941,179
Government share payable	**112,446,314**	30,462,397
SSS and other contributions payable	**80,590,486**	75,687,691
Dividends payable	**42,151,725**	42,232,236
Other payables	**2,021,570,054**	1,668,672,984
	4,441,775,608	3,970,314,489
	₱15,345,682,079	₱20,300,135,535

Trade payables are noninterest-bearing and are normally settled on a 30 to 60 days term.

The accrued interest represents interest accrual on outstanding loans.

“Other payables” account includes provision for shortfall generation amounting to ₱1,051.7 million as of June 30, 2026 and December 31, 2025. Other payables also include deferred output VAT and other accruals.

13. Long-term Debts

The details of the Group’s long-term debts are as follows:

Creditor/Project	Maturities	Interest Rate	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
EDC Loans				
International Finance Corporation (IFC)				
▪ IFC 3 - ₱4.8 Billion	March 15, 2033	7.8048%	**₱–**	₱2,459,319,927
DBP ₱291.2 Million Term Loan	December 17, 2030	5.50%	**100,534,174**	111,677,956
UBP ₱1.5 Billion Term Loan	December 5, 2026	5.25%	**449,845,360**	599,619,551
SBC ₱1.0 Billion Term Loan	December 5, 2031	5.5788%	**637,870,738**	667,631,183
UBP ₱2.0 Billion Term Loan	April 10, 2032	5.4382%	**797,775,270**	864,083,880
SBC ₱3.0 Billion Term Loan	May 4, 2027	5.3166%	**359,732,394**	539,438,876
SBC ₱1.0 Billion Term Loan	May 4, 2032	5.4277%	**398,860,101**	432,010,930
BPI ₱1.0 Billion Term Loan	June 1, 2027	5.2059%	**119,917,163**	179,831,694
SBC ₱500.0 Million Term Loan	May 4, 2032	5.4904%	**199,419,822**	215,994,226
BPI				
▪ ₱3.0 Billion Term Loan	April 15, 2030	5.1323%	**1,435,865,482**	1,614,833,085
▪ ₱3.0 Billion Term Loan	April 15, 2030	3.56%	**1,435,804,394**	1,614,744,161
BDO				
▪ ₱4.5 Billion Term Loan	September 10, 2030	6.5877%	**2,159,300,904**	2,429,134,399
▪ ₱2.0 Billion Loan	September 10, 2030	6.5877%	**959,374,697**	1,079,225,786
Fixed Rate ASEAN Green Bonds				
▪ Series B	June 25, 2026	3.7305%	**–**	2,496,355,290
▪ Series C	May 27, 2027	6.7478%	**2,987,072,853**	2,980,251,916
▪ Series D	May 27, 2029	6.8873%	**3,470,967,825**	3,466,539,970
▪ Series E	May 27, 2031	7.0626%	**3,465,007,217**	3,462,081,581
US$50 Million Mizuho Loan	March 24, 2027	4.82813% until next repricing date in September 2026	**1,533,093,357**	1,468,177,349
BPI				
▪ ₱2.0 Billion Term Loan	March 21, 2032	5.8439% until next repricing date in September 2026	**1,397,002,798**	1,496,892,625
▪ ₱2.0 Billion Term Loan	March 21, 2032	5.4939% until next repricing date in September 2026	**1,395,076,538**	1,493,502,680
▪ ₱3.0 Billion Term Loan	March 21, 2032	5.4939% until next repricing date in September 2026	**2,088,673,349**	2,235,872,158
UBP ₱1.0 Billion Term Loan	March 24, 2032	5.831567% until next repricing date in March 2027	**597,217,770**	646,768,802
SBC ₱2.6 Billion Term Loan	April 19, 2032	5.7829% until next repricing date in April 2027	**1,552,659,535**	1,681,481,876
CTBC ₱1.5 Billion Term Loan	June 8, 2027	6.1869%	**897,379,982**	970,887,925
BDO				
▪ ₱2.0 Billion Term Loan	September 3, 2032	5.2063% until next repricing date in September 2026	**1,295,264,193**	1,395,003,078
▪ ₱3.0 Billion Term Loan	September 3, 2032	5.2063% until next repricing date in September 2026	**1,938,229,669**	2,087,139,028
CBC				
▪ ₱2.0 Billion Term Loan	October 5, 2032	6.1589% until next repricing date in October 2027	**1,296,987,196**	1,398,028,018
▪ ₱2.0 Billion Term Loan	October 5, 2032	6.1589% until next repricing date in October 2027	**1,293,614,544**	1,394,157,448
BDO				
▪ ₱2.0 Billion Term Loan	September 1, 2033	5.2181% until next repricing date in September 2026	**1,491,756,339**	1,588,473,706
▪ ₱3.0 Billion Term Loan	September 1, 2033	5.2181% until next repricing date in September 2026	**2,385,675,334**	2,530,387,533
BPI				
▪ ₱3.0 Billion Term Loan	September 12, 2034	5.2584% until next repricing date in September 2026	**2,837,517,656**	2,982,408,286
▪ ₱2.0 Billion Term Loan	September 12, 2034	5.2584% until next repricing date in September 2026	**1,887,116,172**	1,984,959,803

(Forward)

Creditor/Project	Maturities	Interest Rate	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
BDO				
▪ ₱3.0 Billion Term Loan	November 7, 2034	5.4107% until next repricing date in November 2026	**₱2,534,134,303**	₱2,682,187,650
▪ ₱2.0 Billion Term Loan	November 7, 2034	5.4107 % until next repricing date in November 2026	**1,686,932,078**	1,785,343,287
▪ ₱2.0 Billion Term Loan	November 7, 2034	5.4107 % until next repricing date in November 2026	**1,687,290,369**	1,785,740,434
▪ ₱3.0 Billion Term Loan	November 7, 2034	5.4107% until next repricing date in November 2026	**2,530,317,641**	2,677,925,727
CTBC US$50 Million Term Loan	December 12, 2029	4.89725% until next repricing date in December 2026	**2,128,656,856**	2,326,470,821
CBC				
▪ ₱3.0 Billion Term Loan	December 12, 2034	5.9757 % until next repricing date in December 2026	**2,533,008,498**	2,681,949,525
▪ ₱2.0 Billion Term Loan	December 12, 2034	5.9757 % until next repricing date in December 2026	**1,688,839,036**	1,788,150,960
▪ ₱2.0 Billion Term Loan	December 12, 2034	5.9757% until next repricing date in December 2026	**1,688,297,299**	1,787,551,039
▪ ₱3.0 Billion Term Loan	December 12, 2034	5.9757 % until next repricing date in December 2026	**2,679,449,396**	2,828,171,482
Mizuho US$50 Million Term Loan	December 12, 2029	4.64725% until next repricing date in December2026	**2,121,823,216**	2,317,758,146
BPI				
▪ ₱2.0 Billion Term Loan	October 22, 2035	5.2774% until next repricing date in October 2026	**1,984,927,756**	1,985,216,092
▪ ₱2.0 Billion Term Loan	October 22, 2035	5.2774% until next repricing date in October 2026	**1,984,603,284**	–
BDO				
▪ ₱3.0 Billion Term Loan	February 11, 2036	5.134% until next repricing date in August 2026	**2,977,687,115**	–
▪ ₱2.0 Billion Term Loan	February 11, 2036	5.9185% until next repricing date in August 2026	**1,985,062,910**	–
EBWPC Loans				
▪ BDO ₱2.7 Billion Term Loan	December 19, 2034	6.0744% until next repricing date in December 2026	**2,520,611,939**	2,682,268,002
▪ Mizuho US$80 Million Term Loan	December 20, 2029	4.76330% until next repricing date in December 2026	**4,355,461,141**	4,351,911,450
▪ ANZ ₱2.15 Billion Term Loan	April 24, 2030	5.24769% until next repricing date in October 2026	**2,009,926,824**	2,049,984,736
▪ ING US$50 Million Term Loan	May 22, 2030	5.20397% until next repricing date in November 2026	**2,854,413,876**	2,848,581,901
FG Hydro Loans				
▪ BDO ₱2.5 Billion Term Loan	February 6, 2040	5.24% until next repricing date in August 2026	**2,457,998,319**	2,469,863,496
▪ BPI ₱2.5 Billion Term Loan	February 6, 2040	5.24% until next repricing date in August 2026	**2,457,998,319**	2,469,863,496
▪ RCBC ₱2 Billion Term Loan	February 6, 2040	5.24% until next repricing date in August 2026	**1,966,398,656**	1,975,890,796
GCGI Loans				
▪ BDO ₱5.0 Billion Term Loan	December 12, 2035	5.9039% until next repricing date in December 2026	**4,964,234,340**	4,962,640,429
BGI Loans				
▪ BDO ₱3.0 Billion Term Loan	March 12, 2036	5.1052% until next repricing date in September 2026	**2,981,517,558**	–
Total			**99,644,203,555**	99,024,384,195
Less current portion			**15,588,118,275**	12,864,840,208
Noncurrent portion			**₱84,056,085,280**	₱86,159,543,987

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= ₱61.360 on June 30, 2026 and US$1= ₱58.790 on December 31, 2025).

BPI ₱2.0 Billion Term Loan

On January 6, 2026, EDC secured a ₱2.0 billion loan maturing on October 22, 2035 from Bank of the Philippine Islands (BPI). The loan has repriced and currently has a six (6)-month floating rate of 5.2774% per annum until its next repricing date in October 2026.

BDO ₱3.0 Billion Term Loan
On February 11, 2026, EDC secured a ₱3.0 billion loan maturing on February 11, 2036 from BDO Unibank, Inc. The loan was priced at a six (6)-month floating rate of 5.134% per annum until its next repricing date in August 2026.

BDO ₱3.0 Billion Term Loan
On March 12, 2026, BGI secured a ₱3.0 billion loan maturing on March 12, 2036 with BDO Unibank, Inc. The loan was priced at a six (6)-month floating rate of 5.1052% per annum until its next repricing date in September 2026.

IFC
On March 16, 2026, EDC fully prepaid the principal outstanding of the Third Loan with IFC amounting to ₱2.5 billion.

BDO ₱2.0 Billion Term Loan
On May 28, 2026, EDC secured a ₱2.0 billion loan maturing on February 11, 2036 with BDO Unibank, Inc. The loan was priced at a six (6)-month floating rate of 5.9185% per annum until its next repricing date in August 2026.

14. Costs of Sale of Electricity

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Purchased services and utilities (Note 22)	**₱5,819,100,495**	₱3,543,362,063
Depreciation and amortization (Notes 9 and 10)	**4,945,192,456**	3,611,327,370
Rental, insurance and taxes	**1,963,423,267**	1,640,237,795
Personnel costs	**997,948,981**	1,084,807,606
Repairs and maintenance	**938,693,410**	670,450,803
Parts and supplies issued	**760,536,300**	885,630,230
Government share	**154,487,478**	145,827,514
Business and related expenses	**106,740,427**	84,676,035
	₱15,686,122,814	₱11,666,319,416

15. **General and Administrative Expenses**

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Purchased services and utilities	**₱1,504,255,899**	₱1,358,221,850
Personnel costs	**1,091,441,101**	1,258,890,990
Rental, insurance and taxes	**475,557,684**	291,253,895
Business and related expenses	**417,367,595**	486,082,323
Depreciation and amortization (Notes 9 and 10)	**167,596,778**	174,559,962
Provision for impairment of parts and supplies inventories (Note 7)	**126,601,568**	2,390,896
Provisions for impairment of trade and other receivables, prepaid taxes, and others	**66,094,526**	64,417,970
Parts and supplies issued	**49,453,031**	57,406,957
Repairs and maintenance	**36,354,347**	33,700,507
	₱3,934,722,529	₱3,726,925,350

16. **Interest Expense**

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Interest on long-term debts including amortization of transaction costs (Note 13)	**₱3,051,940,787**	₱2,353,734,458
Interest expense on lease liability	**102,132,268**	47,648,362
Interest accretion on provision for rehabilitation and restoration costs	**54,637,674**	52,606,388
Interest on liability from litigation	**3,905,554**	4,089,224
	₱3,212,616,283	₱2,458,078,432

17. **Interest Income**

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Interest income on cash and cash equivalents, financial assets at FVPL and other short-term investments (Notes 5 and 8)	**₱150,709,093**	₱144,508,057
Interest income on FIT rate adjustment	**63,592,384**	8,246,367
Others	**3,306,012**	2,537,848
	₱217,607,489	₱155,292,272

18. Foreign Exchange Gains (Losses)

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Unrealized foreign exchange gains (losses) - net	**(₱248,496,707)**	₱162,271,451
Realized foreign exchange gains (losses) - net	**(45,384,760)**	(25,661,341)
	(₱293,881,467)	₱136,610,110

This account pertains mainly to foreign exchange adjustments on repayment of loans and restatement of outstanding balances of foreign currency-denominated loans, short-term placements and cash in banks.

19. Miscellaneous Income (Charges) - net

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Dividend income	**₱196,669,503**	₱55,206,200
Loss on joint venture	**(68,608,699)**	(19,660,345)
Loss on loan prepayment	**(63,782,708)**	–
Mark-to-market gain - financial asset at FVPL	**(33,455,330)**	6,917,986
Loss on direct write-off of input VAT claims	**(3,463,693)**	(17,057,802)
Others	**104,646,779**	36,792,818
	₱132,005,852	₱62,198,857

20. Cash Dividends

On February 13, 2026, FG Hydro declared dividends amounting to ₱815.2 million attributable to non-controlling common shareholder and paid on March 18, 2026.

On May 13, 2026, EDC declared dividends amounting to ₱376.4 million attributable to voting preferred shareholder and paid on or before June 30, 2026.

On June 30, 2026, FG Hydro declared dividends amounting to ₱196.7 million attributable to non-controlling common shareholder and paid on June 30, 2026.

21. Basic/Diluted Earnings Per Share

The earnings per share amounts were computed as follows:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Net income attributable to equity shareholders of the Parent Company	**₱8,436,545,900**	₱4,629,041,053
Less dividends on preferred shares	**376,400,000**	293,500,000
(a) Net income attributable to common shareholders of the Parent Company	**₱8,060,145,900**	₱4,335,541,053
(b) Weighted average number of common shares outstanding	**17,027.86**	17,028.07
Basic/diluted earnings per share (a/b)	**₱473,350.49**	₱254,611.38

The Parent Company does not have dilutive common stock equivalents as of June 30, 2026 and 2025.

22. Related Party Transactions

Following are the amounts of transactions for six-month periods ended June 30, 2026 and 2025 and outstanding balances as of June 30, 2026 and December 31, 2025:

			Transactions for the six-month period ended June 30 (Unaudited)		Balances	
					June 30, (Unaudited)	December 31, (Audited)
Related Party	Nature of Transaction	Terms	**2026**	2025	**2026**	2025
Due to related parties						
Entities under common control						
First Gen Corporation (First Gen)	Interest-free advances	Unsecured and will be settled in cash	**₱3,525,561**	₱49,686,308	**₱4,550,220**	₱1,755,743
FGP Corp	- do -	- do -	**–**	–	**59,388**	59,388
					₱4,609,608	₱1,815,131
Dividends payable						
Affiliate						
PREHC	Dividend	Unsecured and will be settled in cash	**₱–**	₱3,630,135,880	**₱–**	₱–
Entities under common control						
First Gen	- do -	- do -	**1,011,875,703**	58,233,266	**–**	–
Red Vulcan	- do -	- do -	**376,400,000**	3,556,316,623	**–**	–
North Terracotta Power Corp	- do -	- do -	**–**	58,233,266	**–**	–
					₱–	₱–
Due from related parties						
Entities under common control						
First GES	Other services	Unsecured and will be settled in cash	**₱–**	₱–	**₱30,276,294**	₱40,990,570
Thermaprime Drilling Corporation (Thermaprime)	Lease drilling	- do -	**–**	–	**1,941,251**	1,941,251
First Gen	Other services	- do -	**–**	7,215	**27,776**	1,203,736
					₱32,245,321	₱44,135,557

Related Party	Nature of Transaction	Terms	Transactions for the six-month period ended June 30 (Unaudited) 2026	2025	Balances June 30, (Unaudited) 2026	December 31, (Audited) 2025
Other noncurrent assets (Note 11)						
Thermaprime	Loan to affiliate	Payable in 3 years from effectivity of agreement	**₱–**	₱–	**₱399,973,783**	₱399,973,783
					₱399,973,783	₱399,973,783
Trade and other receivables (Note 6)						
Entities under common control						
Rockwell Land Corporation	Sale of electricity	Unsecured and will be settled in cash	**₱41,138,553**	₱144,061,913	**₱34,972,001**	₱34,862,574
PI Energy Inc.	- do -	- do -	**46,384,625**	62,781,276	**15,711,304**	13,443,432
First GES	- do -	- do -	**24,225,591**	64,341,229	**3,491,260**	10,421,397
Prime Meridian Powergen Corporation	- do -	- do -	**164,919**	152,862	**488,260**	13,476,994
First Philippine Industrial Park (FPIP)	- do -	- do -	**5,638,969**	15,281,355	**6,349,166**	5,290,355
First Industrial Township, Inc	- do -	- do -	**11,143,984**	19,369,355	**8,520,766**	4,596,838
FPIP Utilities, Incorporated	- do -	- do -	**17,609,436**	14,194,065	**3,524,601**	3,145,172
First Philec Inc.	- do -	- do -	**13,184,440**	12,822,073	**3,093,713**	2,390,840
FGP Corp	- do -	- do -	**500,542**	-	**941,305**	853,533
First Natgas Power Corp.	- do -	- do -	**35,625,758**	1,039,578	**17,766,585**	27,947,856
Fresh River Lakes Corp.	- do -	- do -	**8,729,194**	712,531	**9,770,789**	707,861
First Gas Power Corp.	- do -	- do -	**139,458**	421,129	**217,955**	266,771
FG Bukidon Power Corporation	- do -	- do -	**–**	–	**–**	7,798
Others	- do -	- do -	**11,446**	4,961	**3,318**	–
					₱104,851,023	₱117,411,421
Trade and other payables (Note 12)						
Entities under common control						
First Balfour Inc.	Civil works and other services	Unsecured and will be settled in cash	**₱1,719,575,466**	₱2,439,188,163	**₱1,063,200,853**	₱2,213,800,873
Thermaprime	Drilling and other related services	- do -	**790,237,163**	1,720,572,028	**424,407,546**	1,197,289,376
InfoPro Business Solutions, Inc	Purchase of services and utilities	- do -	**196,131,911**	107,503,516	**90,844,461**	54,559,924
Silverlink Security & Investigative Services, Inc.	- do -	- do -	**173,272,386**	139,771,442	**53,275,286**	136,072,991
First Gen Integrated Business Services Inc.	- do -	- do -	**440,097,646**	-	**46,091,917**	206,693,584
Fresh River Lakes Corp.	- do -	- do -	**179,433,220**	213,095,858	**46,472,751**	86,514,416
TG Services Inc	- do -	- do -	**74,279,187**	76,392,243	**43,585,842**	56,045,943
Powerlink Security & Investigative Services, Inc.	- do -	- do -	**3,978,460**	34,834,555	**27,427,014**	28,965,089
Pi Energy Inc.	- do -	- do -	**55,884,306**	57,438,595	**9,972,492**	13,067,235
First Gas Power Corp.	- do -	- do -	**6,851,483**	-	**7,112,375**	260,726
First Natgas Power Corp.	- do -	- do -	**587,002**	944,445	**4,027,256**	603,141
FPIP Property Developers and Management Corporation	- do -	- do -	**1,088,718**	2,488,144	**3,404,919**	4,496,442
Therma One Transport Corp.	- do -	- do -	**2,384,733**	2,354,392	**2,474,427**	2,719,383
Bayan Telecommunications Holdings Corporation	- do -	- do -	**140,998**	–	**1,449,845**	1,574,343
Skycable	- do -	- do -	**651,455**	778,800	**1,359,008**	1,252,574
INAEC Aviation Corporation	- do -	- do -	**–**	3,520,001	**726,578**	726,578
First Philec Inc.	- do -	- do -	**–**	–	**568,555**	568,555
Prime Meridian Powergen Corporation	- do -	- do -	**587,002**	–	**519,921**	130,753
FPIP	- do -	- do -	**79,920**	143,111	**465,449**	–
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 -	**3,125,511**	–	**275,683**	264,436
First Philippine Realty Corporation	- do -	- do -	**3,478,375**	3,380,958	**118,174**	118,174
Goldlink Security & Investigative Services, Inc.	- do -	- do -	**–**	–	**77,512**	77,512
ABS-CBN Foundation, Inc.	- do -	- do -	**–**	–	**63,000**	63,000
FGP Corp.	- do -	- do -	**680**	–	**60,242**	59,611
Securities Transfer Services, Inc.	- do -	- do -	**–**	–	**36,720**	36,720

(Forward)

Related Party	Nature of Transaction	Terms	Transactions for the six-month period ended June 30 (Unaudited) 2026	2025	Balances June 30, (Unaudited) 2026	December 31, (Audited) 2025
First Philippine Industrial Corporation	- do -	- do -	**–**	–	**18,759**	482,445
FPIP Utilities Incorporated	- do -	- do -	**133,223**	–	**–**	–
Lopez, Inc.	- do -	- do -	**99,178**	–	–	–
ABS-CBN Corporation	- do -	- do -	**54,206**	–	**–**	–
Lopez Holdings Corporation	- do -	- do -	**1,500**	28,500	–	–
Others	- do -	- do -	**–**	152,895	**10,431**	187,896
					₱1,828,819,727	₱4,007,404,431
Lease Liability						
Entities under common control						
Thermaprime	Lease	Unsecured and will be settled in cash	**₱–**	₱–	**₱716,084,803**	₱1,801,260,421
Rockwell Land Corporation	- do -	- do -	**144,582,688**	–	**196,601,560**	67,929,309
					₱912,686,363	₱1,869,189,730

The Group has not recognized any impairment loss on trade and other receivables relating to intercompany transactions as of June 30, 2026 and December 31, 2025.

23. 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.

The Group classifies its financial instruments in the following categories:

	June 30, 2026 (Unaudited)				
	Amortized Cost	**Financial Assets at FVOCI**	**Financial Assets at FVPL**	**Derivatives Designated as Cash Flow Hedges**	**Total**
			(In Thousand Pesos)		
Financial Assets					
Cash and cash equivalents	**₱13,174,547**	**₱–**	**₱–**	**₱–**	**₱13,174,547**
Trade receivables	**9,336,701**	**–**	**–**	**–**	**9,336,701**
Non-trade receivables	**761,112**	**–**	**–**	**–**	**761,112**
Deposits and special funds[1]	**1,063,623**	**–**	**–**	**–**	**1,063,623**
Loans and notes receivables	**57,594**	**–**	**–**	**–**	**57,594**
Advances to employees	**34,662**	**–**	**–**	**–**	**34,662**
Due from related parties	**32,245**	**–**	**–**	**–**	**32,245**
Short term investment	**241**	**–**	**–**	**–**	**241**
Long-term receivables and special deposits	**2,714,880**	**–**	**–**	**–**	**2,714,880**
Financial assets at FVOCI:					
Debt investments	**–**	**181,945**	**–**	**–**	**181,945**
Equity investments	**–**	**2,910,543**	**–**	**–**	**2,910,543**
Financial assets at FVPL	**–**	**–**	**661,656**	**–**	**661,656**
Derivative assets	**–**	**–**	**–**	**243,255**	**243,255**
Total financial assets	**₱27,175,605**	**₱3,092,488**	**₱661,656**	**₱243,255**	**₱31,173,004**

	June 30, 2026 (Unaudited)				
	Amortized Cost	**Financial Assets at FVOCI**	**Financial Assets at FVPL**	**Derivatives Designated as Cash Flow Hedges**	**Total**
			(In Thousand Pesos)		
Financial Liabilities					
Accounts payable[2]	**₱10,638,191**	**₱–**	**₱–**	**₱–**	**₱10,638,191**
Accrued interest on long-term debts	**1,007,462**	**–**	**–**	**–**	**1,007,462**
Other payables[3]	**464,822**	**–**	**–**	**–**	**464,822**
Due to related parties	**4,610**	**–**	**–**	**–**	**4,610**
Long-term debts	**99,644,204**	**–**	**–**	**–**	**99,644,204**
Lease liability	**3,049,763**	**–**	**–**	**–**	**3,049,763**
Customer deposits	**952,375**	**–**	**–**	**–**	**952,375**
Derivative liabilities	**–**	**–**	**–**	**1,043**	**1,043**
Total financial liabilities	**₱115,761,427**	**₱–**	**₱–**	**₱1,043**	**₱115,762,470**

[1]*Includes current and non-current portion*
[2]*Excluding statutory liabilities to the Government*
[3]*Excluding non-financial liabilities*

	December 31, 2025 (Audited)				
	Amortized Cost	Financial Assets at FVOCI	Financial Assets at FVPL	Derivatives Designated as Cash Flow Hedges	Total
			(In Thousands)		
Financial Assets					
Cash and cash equivalents	₱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[1]	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
Total financial assets	₱22,540,273	₱3,100,431	₱1,845,339	₱35,236	₱27,521,279
Financial Liabilities					
Accounts payable[2]	₱16,081,190	₱–	₱–	₱–	₱16,081,190
Accrued interest on long-term debts	1,056,941	–	–	–	1,056,941
Other payables[3]	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
Total financial liabilities	₱121,002,739	₱–	₱–	56,898	₱121,059,637

[1]*Includes current and non-current portion*
[2]*Excluding statutory liabilities to the Government*
[3]*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 June 30, 2026 and December 31, 2025 other than those with carrying amounts that are reasonable approximations of fair values.

	June 30, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Assets				
Amortized cost:				
Long-term receivables and special deposits	**₱2,714,880,213**	**₱2,257,989,749**	₱1,025,476,524	₱864,675,464
Deposits and special funds	**1,063,623,221**	**1,501,701,914**	484,961,353	484,066,114
	₱3,778,503,434	**₱3,759,691,663**	₱1,510,437,877	₱1,348,741,578
Financial Liabilities:				
Financial liabilities at amortized cost:				
Long-term debts	**₱99,644,203,555**	**₱104,299,676,247**	₱99,024,384,195	₱106,889,760,068
Lease liabilities	**3,049,762,964**	**2,939,383,750**	4,018,897,467	3,998,432,724
Customer deposits	**952,375,471**	**845,424,025**	347,495,030	313,299,633
	₱103,646,341,990	**₱108,084,484,022**	₱103,390,776,692	₱111,201,492,425

Due to their relatively short maturity, ranging from one (1) to three (3) 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, Deposits and Special Funds, and Customer Deposits

The fair value of long-term receivables was computed by discounting the expected cash flow using the applicable rate of 6.34% and 5.54% as of June 30, 2026 and December 31, 2025, respectively.

Financial Assets at FVOCI

Fair values of quoted debt and equity securities are based on quoted market prices and other observable data.

Financial assets at Fair Value through Profit or Loss

The fair values of financial assets at fair value through profit or loss are based on quotations provided by the investment manager.

Derivatives designated as Cash Flow Hedges

The fair values of derivative instruments designated as cash flow hedges are based on quotations provided by the counterparty banks.

Long-term Debts

The fair values for the Group's long-term debts are estimated using the discounted cash flow methodology with the applicable rates ranging from 2.50% to 9.40% as of June 30, 2026 and 1.80% to 8.84% as of December 31, 2025.

Lease Liabilities

The fair values for the Group's lease liabilities are estimated using the discounted cash flow methodology with the applicable rates ranging from 6.90% to 8.00% as of June 30, 2026 and 5.97% to 7.41% as of December 31, 2025.

The following tables show the fair value information of financial instruments classified under loans and receivables, financial assets at FVPL, financial assets at FVOCI, 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)

	June 30, 2026 (Unaudited)			
	Total	**Level 1**	**Level 2**	**Level 3**
Financial Assets				
Loans and receivables:				
Long-term receivables and special deposits	**₱2,257,989,749**	**₱–**	**₱–**	**₱2,257,989,749**
Deposits and special funds	**1,501,701,914**	**–**	**–**	**1,501,701,914**
Financial assets at FVPL	**661,655,500**	**661,655,500**	**–**	**–**
Financial assets at FVOCI:				
Debt investments	**181,945,080**	**181,945,080**	**–**	**–**
Equity investments	**2,910,542,883**	**2,805,842,883**	**104,700,000**	**–**
Derivative assets designated as cash flow hedges	**243,255,318**	**–**	**243,255,318**	–
Financial Liabilities				
Financial liabilities at amortized cost:				
Long-term debts	**₱104,299,676,247**	**₱11,021,663,887**	**₱–**	**₱93,278,012,360**
Lease liabilities	**2,939,383,750**	**–**	**–**	**2,939,383,750**
Customer deposits	**845,424,025**	**–**	**–**	**845,424,025**
Derivative liabilities designated as cash flow hedges	**1,042,621**	**–**	**1,042,621**	**–**

	December 31, 2025 (Audited)			
	Total	Level 1	Level 2	Level 3
Financial Assets				
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	–
Financial Liabilities				
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	–

For the six (6) months ended June 30, 2026, 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.

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 trades with customers such as distribution utilities, electric cooperatives, industrial customers, contestable customers and government-owned-and-controlled corporations. Credit risk is controlled by the application of credit approval limit and monitoring procedures. It is the Group's policy to enter into credit-worthy parties to mitigate any significant concentration of credit risk. Trade receivables balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant. The maximum exposure of trade receivable is equal to its carrying amount.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

June 30, 2026 (Unaudited)

	Trade receivables						
		Days past due					
	Current	**<30 days**	**30-60 days**	**61-90 days**	**>90 days**	**Credit Impaired**	**Total**
			(In Thousand Pesos)				
Expected credit loss rate	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**1.1%**	**100.0%**	**10.7%**
Estimated total gross carrying amount at default (Note 6)	**₱6,642,740**	**₱344,626**	**₱522,932**	**₱69,419**	**₱1,776,777**	**₱1,097,504**	**₱10,453,998**
Expected credit loss	**–**	**–**	**–**	**–**	**19,793**	**1,097,504**	**1,117,297**

December 31, 2025 (Audited)

	Trade receivables						
		Days past due					
	Current	<30 days	30-60 days	61-90 days	>90 days	Credit Impaired	Total
			(In Thousand Pesos)				
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	5.4%	100.0%	12.4%
Estimated total gross carrying amount at default (Note 6)	₱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

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

Credit Quality of Financial Assets
Financial assets are classified as high grade if the counterparties are not expected to default in settling their obligations. Thus, the credit risk exposure is minimal. These counterparties normally include customers, banks and related parties who pay on or before due date. Financial assets are classified as a standard grade if the counterparties settle their obligation with the Group with tolerable delays. Low grade accounts are accounts, which have probability of impairment based on historical trend.

These accounts show propensity of default in payment despite regular follow-up actions and extended payment terms. As of June 30, 2026 and December 31, 2025, financial assets categorized as neither past due nor impaired are viewed by management as high grade, considering the collectability of the receivables and the credit history of the counterparties. Meanwhile, past due but not impaired financial assets are classified as standard grade.

Derivative Financial Instruments
The Group engages in derivative transactions, particularly foreign currency swaps, cross currency swaps, interest rate swaps and call spread swaps to manage its foreign currency risk and/or interest rate risk arising from its foreign-currency denominated loans. These derivatives are accounted for either as derivatives designated as accounting hedges or derivatives not designated as accounting hedges.

The table below shows the derivative financial instruments of the Group:

	June 30, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Derivative Assets	**Derivative Liabilities**	Derivative Assets	Derivative Liabilities
Derivatives designated as accounting hedges				
Cross currency swaps	**₱118,010,470**	**₱–**	₱16,731,560	₱–
Interest rate swaps	**83,874,676**	**1,042,621**	935,888	56,898,289
Call spread swaps	**41,370,172**	**–**	17,568,081	–
Total derivatives	**₱243,255,318**	**₱1,042,621**	₱35,235,529	₱56,898,289
Presented as:				
Current	**₱51,655,259**	**₱297,892**	₱8,634,649	₱9,134,714
Noncurrent	**191,600,059**	**744,729**	26,600,880	47,763,575
Total derivatives	**₱243,255,318**	**₱1,042,621**	₱35,235,529	₱56,898,289

Cross Currency Swap Contracts
As of June 30, 2026, 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 June 30, 2026 and December 31, 2025, the outstanding aggregate notional amount of the Group's CCS amounted to US$40.0 million.

The aggregate fair value change of these CCS amounted to (₱42.2 million) and ₱14.1 million as of June 30, 2026 and December 31, 2025, respectively.

Call Spread Swap Contracts
EDC entered into various call spread swaps (CSS) with aggregate notional amount of US$60.0 million as of June 30, 2026. 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 June 30, 2026 and December 31, 2025, the outstanding aggregate notional amount of the Group's CSS amounted to US$60.0 million.

The aggregate fair value change of these CSS amounted to (₱71.1 million) and ₱43.5 million as of June 30, 2026 and December 31, 2025, 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 June 30, 2026. 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 June 30, 2026 and December 31, 2025, the outstanding aggregate notional amount of the Group's IRS amounted to US$186.8 million.

The aggregate fair value change on these IRS amounted to (₱139.9 million) and ₱57.0 million as of June 30, 2026 and December 31, 2025, respectively.

Fair Value Adjustments
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:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**(₱110,785,240)**	(₱212,516,994)
Changes in fair value	**249,548,178**	144,367,132
	138,762,938	(68,149,862)
Transferred to consolidated statements of income		
Interest expense	**3,268,628**	–
Gain on unwinding of derivatives	**–**	(36,064,338)
	3,268,628	(36,064,338)
Balance before tax	**142,031,566**	(104,214,200)
Tax	**–**	(6,571,040)
Balance at end of year	**₱142,031,566**	(₱110,785,240)

Fair Value Changes of Derivatives
The table below summarizes the net movement in fair values of the Group's derivatives as of June 30, 2026 and December 31, 2025.

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**(₱21,662,760)**	₱1,068,436
Net changes in fair value of derivatives designated as accounting hedges	**260,606,830**	13,333,142
Fair value of settled instruments:		
Designated as accounting hedges	**3,268,628**	(36,064,338)
Balance at end of year	**₱242,212,698**	(₱21,662,760)
Presented as:		
Derivative assets	**₱243,255,318**	₱35,235,529
Derivative liabilities	**(1,042,621)**	(56,898,289)
	₱242,212,697	(₱21,662,760)

The effective portion of the changes in the fair value of the derivatives designated as accounting hedges were deferred in equity under "Fair Value Adjustment on Hedging Transactions" account.

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to comply with its financial loan covenants and support its business operations.

24. Events After Financial Reporting Date

On July 6, 2026, EDC drew ₱2.0 billion from the remaining balance of the term loan facility signed with BPI last August 9, 2025.

25. Other Matters

Seasonality or Cyclicality of Interim Operations
For Wind Ilocos Norte Business Unit, higher revenue and operating profits are expected in the first and last quarters of the year due to stronger average wind speed. Solar power plants are expected to generate their highest revenue during summer months. For the rest of the entities, except for FG Hydro's sale of electricity coming from hydroelectric power/operations, seasonality or cyclicality of interim operations is not applicable. GCGI's and BGI's sales to cooperatives, distribution utilities, and industrial customers are also not subject to seasonality or cyclicality.

Issuances, Repurchases, Repayments, and Subscriptions of Debt and Equity Securities
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.

On March 16, 2026, EDC fully prepaid the principal outstanding of the Third Loan with IFC amounting to ₱2.3 billion.

Other than mentioned above, there are no issuances, repurchases, repayments, and subscriptions made of debt and equity securities during the current period.

Changes in Estimates and Amounts Reported in Prior Financial Years
The key assumptions concerning the future and other key sources of estimation uncertainty used in preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as of and for the year ended December 31, 2025.

Changes in the Composition of the Group During the Interim Period
On June 1, 2026, 11 Peru companies, namely EDC Geotermica SAC, Geotermica Andina SAC, Energy Development Peru SAC, Geotermica Chocopata Peru SAC, EDC Energia Verde Peru SAC, EDC Geotermica Del Sur SAC, EDC Energia Azul SAC, EDC Energia Peru SAC, EDC Energia Geotermica SAC, EDC Progreso Geotermica Peru SAC, EDC Energia Renovable Peru SAC, were merged to EDC Peru Holdings SAC. (EPHS). As a result of this merger, EDC Desarollo Sostenible Ltd. became a minority shareholder of EPHS.

Other than mentioned above, there are no material changes in the composition of the registrant during the period.

Changes in Contingent Liabilities or Contingent Assets Since the Last Annual Reporting Date
There are no material changes in the contingent liabilities or contingent assets since the last annual reporting date.

Existence of Material Contingencies and Any Other Events or Transactions that are Material to an Understanding of the Current Interim Period
There are no material contingencies and any other events or transactions during the period.

Annex II

Energy Development Corporation and Subsidiaries
Aging of Trade Receivables
As of June 30, 2026
In Million Pesos

	Amount
Trade receivables	
Neither past due nor impaired	6,642.7
Less than 30 days past due	344.6
31 days to 1 year past due	2,369.1
Credit impaired	1,097.5
Subtotal	10,453.9
Other receivables	948.6
Total receivables	11,402.5
Allowance for doubtful accounts	1,212.5
Trade and other receivables – net	**10,190.0**

Certified true and correct:

JHUNAR B. ABBOT
Assistant Vice President,
Head of Comptrollership
August 7, 2026
Date Signed