

August 14, 2026

via SEC eFAST

SECURITIES AND EXCHANGE COMMISSION

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

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

via PSE EDGE

PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 28th Street cor. 5th Avenue,
Bonifacio Global City, Taguig City

ATTENTION : **ATTY. JOHANNE DANIEL M. NEGRE**
Head, Disclosure Department

via electronic mail

PHILIPPINE DEALING & EXCHANGE CORP.

Market Regulatory Services Group
29th Floor BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

ATTENTION : **ATTY. SUZY CLAIRE B. SELLEZA**
Head – Issuer Compliance and Disclosures Department

Gentlemen:

Please see enclosed SEC Form 17-Q (2nd Quarterly Report 2026) of Aboitiz Power Corporation.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By:


RANULFO J. JAVELOSA, III
Corporate Secretary

COVER SHEET

C 1 9 9 8 0 0 1 3 4

S.E.C. Registration Number

A B O I T I Z P O W E R C O R P O R A T I O N

(Company's Full Name)

A Y A L A T R I A N G L E G A R D E N S T O W E R

2 , P A S E O D E R O X A S C O R . M A K A T I

A V E N U E , M A K A T I C I T Y 1 2 2 6

M E T R O M A N I L A , P H I L I P P I N E S

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

FRANCES KATRINA C. ARSUA

Contact Person

(632) 8886-2600

Company Telephone Number

1 2 3 1

Month Day
Fiscal Year2nd Quarterly Report 2026

1 7 - Q

FORM TYPE

4th Monday of April

0 4 2 7

Month Day
Annual Meeting

Secondary License Type, if Applicable

S E C

Dept. Requiring this Doc

Amended Articles Number/Section

Total No. of Stockholders

x

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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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 C199800134 3. BIR Tax Identification No. 200-652-460-000
4. Exact name of issuer as specified in its charter

ABOITIZ POWER CORPORATION

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

Philippines

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

Ayala Triangle Gardens Tower 2, Paseo de Roxas cor. Makati
Ave., Makati City, Metro Manila, Philippines

1226

8. Issuer's telephone number, including area code

(632) 8886-2600

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

N/A

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 of Common Stock
Outstanding and Amount of Debt Outstanding
(as of June 30, 2026)

Common Stock P1 Par Value

7,205,854,307

Amount of Debt Outstanding

P325,625,209,000.00

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:

Philippine Stock Exchange

Common

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation

Code of the Philippines, during the preceding 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 ☐

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to the financial statements and schedules attached herewith.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of Aboitiz Power Corporation's ("AboitizPower", "Parent", or the "Company") and subsidiaries' (the "Group") financial condition and results of operations should be read in conjunction with the Group's consolidated financial statements, and accompanying schedules and disclosures, included as part of this report.

This section also includes a discussion of financial ratios. These financial ratios are unaudited and are not measurements of profitability in accordance with PFRS Accounting Standards and should not be considered as an alternative to net income or any other measure of performance which are in accordance with PFRS Accounting Standards.

Top Five Key Performance Indicators

Management uses the following indicators to evaluate the performance of the Group:

1. **Share in net earnings of associates and joint ventures.** This represents the Group's share in the undistributed earnings or losses of its investees for each reporting period subsequent to the acquisition of said investment, net of any impairment loss, if any. It also indicates the profitability of the investment and investees' contribution to the Group's net income.

Manner of Computation: Investee's Net Income (Loss) x Investor's % ownership less impairment loss, if any.

2. **Earnings before interest, taxes, depreciation, and amortization (EBITDA).** The Group computes EBITDA as earnings before extraordinary items, net of finance expense, provision for income tax, depreciation expense, and amortization expense. It provides management and investors with a tool for determining the ability of the Group to generate cash from operations to cover finance charges and income taxes. It is also a measure to evaluate the Group's ability to service its debts, and finance its capital expenditures and working capital requirements.
3. **Cash Flow Generated.** Using the Consolidated Statements of Cash Flows, management determines the sources and usage of funds for the period and analyzes how the Group manages its profit and uses its internal and external sources of capital. This helps management in identifying the impact on cash flow when the Group's activities are in a state of growth or decline, and in evaluating management's efforts to control the impact.
4. **Current Ratio.** This liquidity measurement is calculated by dividing total current assets by total current liabilities. It is an indicator of the Group's short-term debt-paying ability; a higher ratio signifies greater liquidity.

5. **Net Debt-to-Equity Ratio.** This ratio indicates the Group's leverage by comparing assets provided by creditors to assets provided by shareholders. It is determined by dividing total interest-bearing debt less cash and cash equivalents, including restricted cash, by total stockholders' equity.

Six-Month Period Ended June 30, 2026 versus Six-Month Period Ended June 30, 2025

The table below shows the comparative figures of the key performance indicators as of and for the six-month period ended June 30, 2026 and June 30, 2025 and as of and for the year ended December 31, 2025:

Key Performance Indicators <i>(amounts in Php 000s, except for financial ratios)</i>	June 30, 2026	June 30, 2025	December 31, 2025
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	10,317,485	9,309,683	19,369,484
EBITDA	40,569,175	31,136,947	72,270,554
CASH FLOW GENERATED:			
Net cash flows from operating activities	20,674,210	21,889,383	51,722,480
Net cash flows provided by (used in investing activities)	20,027,245	(52,091,162)	(104,433,623)
Net cash flows provided by (used in) financing activities	(36,599,301)	20,345,550	54,966,916
Net increase (decrease) in cash and cash equivalents	4,102,154	(9,856,229)	2,255,773
Cash and cash equivalents, beginning	58,932,061	56,759,297	56,759,297
Cash and cash equivalents, end	62,658,309	46,877,919	58,932,061
CURRENT RATIO	0.9	0.8	0.8
NET DEBT-TO-EQUITY RATIO	1.2	1.2	1.2

- Share in net earnings in associates and joint ventures for the first half of 2026 rose by 11%, compared to the same period in 2025, primarily driven by the full first half contribution from Chromite Gas Holdings, Inc. (CGHI), higher income from Cebu Energy Development Corporation (CEDC) due to higher Wholesale Electricity Spot Market (WESM) prices driven by increased demand in the Visayas, and dividends from Abaqa International Pte. Ltd. (Abaqa) (none in 2025). This was partly offset by the lower contribution from GNPowder Dinginin Ltd. Co. (GNPD) due to higher repairs and maintenance costs, as well as the impact of the depreciation of the Philippine Peso (Php) against the US Dollar.
- EBITDA for the first half of 2026 increased by 30% as against the same period in 2025 driven by higher margins in the Group's generation segment, primarily attributable to stronger energy market prices, fresh contributions from Caliraya-Botocan-Kalayaan (CBK) Hydroelectric Power Plant Complex, higher contracted capacity, full first-half contribution of CGHI, and the delivery of new solar power plants - specifically the 221 megawatt-peak (MWp) Olongapo, 47MWp Armenia, and 93MWp San Manuel plants, which more than offset lower coal plant availability during the period.
- Cash and cash equivalents went up by ₱3.73 billion (bn) from December 31, 2025, mainly due to positive cash from operating activities of ₱20.67 bn, reflecting the improved financial performance in 2026, partly offset by the dividends paid amounting to ₱16.32 bn during the period.
- Current Ratio as of June 30, 2026 was at 0.9x compared to 0.8x as of December 31, 2025. This was driven by higher cash and receivables from increased revenues, and reduction in short-term debts following the repayment of the bridge loans used for the CGHI acquisition in 2025. Meanwhile, Net Debt-to-Equity Ratio of 1.2x as of June 30, 2026 remained stable compared to December 31, 2025, as the decline in total debt was offset by equity growth during the first half of 2026.

Results of Operations

Net income attributable to equity holders of the parent for the first half of 2026 was ₱18.42 bn, representing a 45% increase compared to the ₱12.67 bn reported in the same period in 2025.

Generation and Retail Electricity Supply

Energy sold during the first half of 2026 totaled 22,764 gigawatt-hours (GWh), a 17% increase from the 19,440 GWh recorded for the same period in 2025. As a result, the first half EBITDA of AboitizPower's generation and retail supply businesses rose by 29% to ₱39.9 bn in 2026, from ₱31.1 bn in 2025.

Distribution

Energy sales rose by 6% year-on-year to 3,606 GWh in the first half of 2026, up from 3,386 GWh in the same period in 2025. Despite this, EBITDA of AboitizPower's distribution business declined by 3% from the same period last year to ₱5.2 bn in 2026, as topline gains were more than offset by the expenses incurred in relation to distribution utility group's expansion.

Analysis of Material Changes (+/- 5% or more) in the Unaudited Interim Condensed Financial Statements

For the period ended June 30, 2026 (Unaudited) vs. June 30, 2025 (Unaudited)

The following table illustrates the movements in income statement items that contributed to the increase in net income attributable to equity shareholders of parent as of June 30, 2026 (amounts in thousand Php):

Net income attributable to equity shareholders of Parent (as of June 30, 2025)	₱12,666,608
Increase in operating revenues	29,125,966
Increase in operating expenses	(21,801,879)
Decrease in interest income	(88,371)
Increase in interest expense	(1,420,440)
Increase in share in net earnings of associates and joint ventures	1,007,802
Decrease in other income - net	(110,098)
Increase in provision for taxes	(612,774)
Increase in income attributable to non-controlling interests	(345,069)
Total	5,755,137
Net income attributable to equity shareholders of Parent (as of June 30, 2026)	₱18,421,745

Operating revenues - 32% increase

Increase of ₱29.13 bn driven by stronger energy market prices, higher contracted capacity, delivery of new solar plants, as well as fresh contributions from CBK Hydroelectric Power Plant project which was turned over in February 2026.

Operating expenses - 28% increase

Increase of ₱21.80 bn mainly on account of increased costs of purchased power and generation costs associated with higher revenues.

Interest income - 9% decrease

Decrease of ₱88.37 million (mn) driven by lower prevailing interest rates on cash deposits and money market placements.

Interest expense and other financing costs - 16% increase

Increase of ₱1.42 bn arising from the issuance of ₱30.00 bn bonds of the Parent Company in the third quarter of 2025, and new debt of Aboitiz Renewables, Inc. (ARI) related to the CBK project acquisition.

Share in net earnings of associates and joint ventures - 11% increase

Increase of ₱1.01 bn due to the full first half earnings from the Investment in CGHI, as well as higher contributions from CEDC, and dividends from Abaqa. This was tempered by the lower contribution from GNPD due to higher repairs and maintenance expense, and increased provision for deferred taxes from its foreign exchange translation as the Php depreciated against US Dollar during the period.

Other income (expenses) - net - 15% decrease

Decrease of ₱110.10 mn primarily due to net foreign exchange losses on the translation of GNPower Mariveles Energy Center Ltd. Co. Php-denominated net assets as Php depreciated against US Dollar.

Provision for income tax - 21% increase

Increase of ₱612.77 mn due to higher taxable income generated from stronger operations in 2026.

Changes in Registrant's Resources, Liabilities and Shareholders' Equity

For the period ended June 30, 2026 (Unaudited) vs. December 31, 2025 (Audited)

Balance Sheet items

Assets

Total assets grew by ₱1.34 bn as of June 30, 2026 compared to December 31, 2025. The major movements of the accounts contributing to the increase were as follows:

Cash and cash equivalents - 6% increase

Increase of ₱3.73 bn mainly due to robust cash flows from operating activities of ₱20.67 bn, partly offset by the dividends paid amounting to ₱16.32 bn during the period.

Trade and other receivables - 20% increase

Increase of ₱7.84 bn mainly due to higher operating revenues compared to collections during the period, and the inclusion of the balances from the acquisition of the CBK project starting February 2026, with no comparable balance in 2025.

Inventories - 20% increase

Increase of ₱2.70 bn driven by higher cost of coal inventory, and warehouse inventory.

Other current assets - 12% decrease

Decrease of ₱1.98 bn primarily due to lower restricted cash. Under certain subsidiary loan agreements, proceeds from sale of power are held in trust to service the current portion of long-term debt, interest and operating costs. This declined as the restricted cash was released upon loan payments during the period.

Investments and advances - 13% decrease

Decrease of ₱20.63 bn mainly from CGHI's return of capital (through redemption of CGHI shares), and dividends received from associates, offset by equity share in net earnings during the period.

Property, plant and equipment - 19% increase

Increase of ₱45.57 bn reflecting the reclassification of 2025 deposits (part of Other noncurrent assets) into Property, plant and equipment upon the turnover of CBK assets in February 2026.

Other noncurrent assets - 55% decrease

Decrease of ₱37.40 bn due to the reclassification of the 2025 deposits related to the CBK asset acquisition, partly offset by higher noncurrent receivables for under-recovery of distribution units.

Derivative assets (liabilities) - current and noncurrent - net - 42% increase

Increase of ₱120.72 mn due to mark-to-market revaluation of dollar-hold, commodity and forward contracts of certain business units.

Liabilities

As of June 30, 2026, total liabilities as of June 30, 2026 decreased by ₱4.66 bn, or 1% compared to December 31, 2025. The major movements of accounts leading to the decrease were as follows:

Short-term loans - 9% decrease

Decrease of ₱7.24 bn mainly due to repayment of bridge loans related to CGHI acquisition, offset by the loan availments during the period for the additional financing for the acquisition of CBK assets and working capital requirements of the Group.

Income tax payable - 8% increase

Increase of ₱84.07 mn due to increase in taxable income from higher EBITDA.

Equity

Equity attributable to the shareholders of the Parent increased by ₱5.81 bn or 3% as the net income of ₱18.42 bn exceeded dividend distribution of ₱16.43 bn during the period. The share in other comprehensive income of associates and joint ventures increased by ₱1.41 bn or 60%, and cumulative translation adjustments by ₱2.24 bn or 74%, as a result of the foreign exchange translation of dollar-denominated entities as of June 30, 2026.

Material Changes in Liquidity and Cash Reserves of Registrant

As of June 30, 2026, the Group's cash and cash equivalents increased by 6% to ₱62.66 bn, from ₱58.93 bn as of December 31, 2025.

Net cash flows from operating activities decreased from ₱21.89 bn during the first half of 2025 to ₱20.67 bn in the same period in 2026, primarily driven by higher working capital requirements. In contrast, investing activities provided net cash of ₱20.03 bn in the first half of 2026, a significant turnaround from the ₱52.09 bn net cash used during the same period last year. This shift was due to the acquisition of CGHI in January 2025, and the subsequent redemption by CGHI of its preferred shares held by Therma NatGas Power, Inc. in 2026 of ₱29.48 bn. Meanwhile, net cash used from financing activities ended at ₱36.60 bn (reversing the net cash provided by financing activities of ₱20.35 bn during the same period last year) attributable to the repayment of short-term loans availed in 2025 to fund the CGHI acquisition, and long-term debts.

Financial Ratios

The Group's current ratio slightly increased to 0.9x as of June 30, 2026, compared to 0.8x as of December 31, 2025, driven by higher cash and receivables from increased revenues, and reduction in short-term debts following the repayment of the bridge loans used for the CGHI acquisition in 2025. Meanwhile, Net Debt-to-Equity Ratio of 1.2x as of June 30, 2026 remained stable compared to December 31, 2025, as the decline in total debt was offset by equity growth during the first half of 2026.

Outlook for the Upcoming Year/ Known Trends, Events, and Uncertainties which may have Material Impact on the Registrant

- (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.**

Known trends, events, and uncertainties that may have material impact on AboitizPower have been discussed extensively in sections of the Company's Information Statement. For an extensive discussion on regulatory issues, see "Effect of Existing or Probable Government Regulations on the Business" on page 89 of AboitizPower's SEC Form 20-IS (2025 Definitive Information Statement).

- (ii) **All 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.**

None.

- (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 registrant's liquidity increasing or decreasing in any material way.**

None.

- (iv) Any material commitments for capital expenditures.**

AboitizPower believes that its balance sheet gives it the capability to build or acquire additional generating capacity over the next few years. Please refer to *"Outlook for the Upcoming Year/ Known Trends, Events, and Uncertainties which may have Material Impact on the Registrant"* on page 136 of AboitizPower's SEC Form 20-IS (2025 Definitive Information Statement).

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

Known trends, events, and uncertainties that may have a material impact on AboitizPower have been discussed extensively in sections of the Company's Information Statement, see *"Effect of Existing or Probable Government Regulations on the Business"* on page 89 of AboitizPower's SEC Form 20-IS (2025 Definitive Information Statement).

In addition, the State of National Energy Emergency declared by President Ferdinand Marcos Jr. on March 24, 2026, in response to the effects of ongoing conflicts in the Middle East, and the efforts to amend the Electric Power Industry Reform Act (EPIRA) driven by President Marcos' 2026 State of the Nation Address and subsequent actions by the Department of Energy (DOE), could prompt further government intervention and/or regulatory changes, particularly if disruptions to global fuel supply and pricing conditions persist or worsen.

AboitizPower will continue to engage with the DOE, the Energy Regulatory Commission (ERC), and industry stakeholders as the proposed amendments and their implementing regulations are developed and will evaluate the potential impact on the business, operations, and financial condition once the amendments to existing regulations have been finalized.

Risk management processes are in place to mitigate the impact of interest rate, foreign exchange rate, and commodity price movements across AboitizPower and its subsidiaries. The Company will continue to align and adjust its operations to adapt to changing regulatory environments and climate conditions.

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

None.

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

El Niño and La Niña climate patterns can have an impact on the Company's hydro generation business. Other seasonal factors may include: temperature, production of industries, and construction activities.

- (viii) The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item.**

None.

PART II - OTHER INFORMATION

There are no significant information on the company which requires disclosure herein and/or were not included in SEC Form 17-C.

SIGNATURES

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.

Issuer	ABOITIZ POWER CORPORATION
Principal Accounting Officer	SGD. Ma. Racquel J. Bustamante
Signature and Title	SVP/Deputy Chief Finance Officer/Treasurer/ Alternate Corporate Information Officer
Date	August 14, 2026
Authorized Officer of the Issuer	SGD. Ranulfo J. Javelosa, III
Signature and Title	Corporate Secretary
Date	August 14, 2026

Aboitiz Power Corporation and Subsidiaries

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

and

Independent Auditor's Report

ABOITIZ POWER CORPORATION AND SUBSIDIARIES**UNAUDITED INTERIM CONSOLIDATED BALANCE SHEETS**

(With Comparative Figures as of December 31, 2025)

(Amounts in Thousands)

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱62,658,309	₱58,932,061
Trade and other receivables (Note 6)	46,529,796	38,694,532
Derivative assets (Note 20)	620,874	266,639
Inventories - net	15,936,123	13,238,116
Other current assets (Note 7)	13,876,647	15,858,181
Total Current Assets	139,621,749	126,989,529
Noncurrent Assets		
Investments and advances (Note 8)	138,809,675	159,444,080
Property, plant and equipment	281,160,893	235,588,441
Intangible assets (Note 10)	33,114,249	31,835,831
Derivative assets - net of current portion (Note 20)	—	90,989
Net pension assets	26,894	28,144
Deferred income tax assets	1,296,940	1,308,002
Other noncurrent assets (Note 11)	30,110,153	67,512,836
Total Noncurrent Assets	484,518,804	495,808,323
TOTAL ASSETS	₱624,140,553	₱622,797,852
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Note 13)	₱72,765,000	₱80,008,900
Current portions of:		
Long-term debts (Note 14)	30,344,290	26,651,906
Lease liabilities (Note 21)	251,101	304,453
Long-term obligation on power distribution system	40,000	40,000
Derivative liabilities (Note 20)	45,801	70,599
Trade and other payables (Note 12)	50,064,206	48,802,084
Income tax payable	1,161,806	1,077,739
Total Current Liabilities	154,672,204	156,955,681
Noncurrent Liabilities		
Noncurrent portions of:		
Long-term debts (Note 14)	₱217,620,828	₱220,887,558
Lease liabilities (Note 21)	4,643,990	4,674,069
Long-term obligation on power distribution system	32,428	28,560
Derivative liabilities - net of current portion (Note 20)	167,320	—
Customers' deposits	11,118,946	10,753,670
Decommissioning liability	5,717,223	5,486,345
Deferred income tax liabilities	5,781,225	5,691,342
Net pension liabilities	755,795	689,037
Other noncurrent liabilities	2,991,416	2,991,416
Total Noncurrent Liabilities	248,829,171	251,201,997
Total Liabilities	403,501,375	408,157,678

(Forward)

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Equity Attributable to Equity Holders of the Parent		
Paid-in capital	19,947,498	19,947,498
Share in other comprehensive income of associates and joint ventures (Note 8)	3,779,024	2,365,740
Cumulative translation adjustments	5,267,017	3,025,568
Cash flow hedge reserve	378,404	248,243
Actuarial losses on defined benefit plans	(1,050,765)	(1,085,266)
Equity reserve	(6,124,735)	(6,124,735)
Treasury stock - at cost	(4,891,831)	(4,891,831)
Retained earnings (Note 22)		
Appropriated	—	11,900,000
Unappropriated	189,231,521	175,339,124
	206,536,133	200,724,341
Non-controlling Interests	14,103,045	13,915,833
Total Equity	220,639,178	214,640,174
TOTAL LIABILITIES AND EQUITY	₱624,140,553	₱622,797,852

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME**

(Amounts in Thousands, Except Earnings Per Share Amounts)

	Periods Ended June 30		Quarters Ended June 30	
	2026	2025	2026	2025
OPERATING REVENUES (Note 18)	₱121,190,874	₱92,064,908	₱70,181,855	₱48,257,824
OPERATING EXPENSES (Note 15)	99,301,659	77,499,780	59,023,161	40,233,644
OPERATING PROFIT	21,889,215	14,565,128	11,158,694	8,024,180
FINANCIAL EXPENSES - net				
Interest income	928,435	1,016,806	457,029	469,042
Interest expense and other financing costs (Note 19)	(10,112,249)	(8,691,809)	(5,111,062)	(4,496,216)
	(9,183,814)	(7,675,003)	(4,654,033)	(4,027,174)
OTHER INCOME (EXPENSES)				
Share in net earnings of associates and joint ventures (Note 8)	10,317,485	9,309,683	6,270,258	5,943,133
Other income - net (Note 16)	621,156	731,254	321,352	325,884
	10,938,641	10,040,937	6,591,610	6,269,017
INCOME BEFORE INCOME TAX	23,644,042	16,931,062	13,096,271	10,266,023
PROVISION FOR INCOME TAX	3,502,659	2,889,885	1,605,156	1,418,563
NET INCOME	₱20,141,383	₱14,041,177	₱11,491,115	₱8,847,460
ATTRIBUTABLE TO:				
Equity holders of the parent	₱18,421,745	₱12,666,608	₱10,513,913	₱8,049,994
Non-controlling interests	1,719,638	1,374,569	977,202	797,466
	₱20,141,383	₱14,041,177	₱11,491,115	₱8,847,460
EARNINGS PER COMMON SHARE (Note 17)				
Basic and diluted, income for the period attributable to ordinary equity holders of the parent	₱2.56	₱1.76	₱1.46	₱1.12

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Periods Ended June 30		Quarters Ended June 30	
	2026	2025	2026	2025
NET INCOME ATTRIBUTABLE TO:				
Equity holders of the parent	₱18,421,745	₱12,666,608	₱10,513,913	₱8,049,994
Non-controlling interests	1,719,638	1,374,569	977,202	797,466
	20,141,383	14,041,177	11,491,115	8,847,460
OTHER COMPREHENSIVE INCOME				
<i>Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:</i>				
Movement in cumulative translation adjustments	2,639,285	(2,206,067)	440,280	(1,051,151)
Movement in cash flow hedges	124,049	(195,938)	(117,980)	(112,451)
Share in movement in cumulative translation adjustment of associates and joint ventures (Note 8)	1,413,284	(747,262)	348,689	(332,413)
	4,176,618	(3,149,267)	670,989	(1,496,015)
<i>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:</i>				
Actuarial loss on defined benefit	34,501	11,888	34,523	(23)
	34,501	(56,286)	34,523	12,124
Total other comprehensive income (loss) for the period, net of tax	4,211,119	(3,205,553)	705,512	(1,483,891)
TOTAL COMPREHENSIVE INCOME	₱24,352,502	₱10,835,624	₱12,196,627	₱7,363,569
ATTRIBUTABLE TO:				
Equity holders of the parent	₱22,241,140	₱9,633,765	₱11,194,990	₱6,892,613
Non-controlling interests	2,111,362	1,201,859	1,001,637	470,956
	₱24,352,502	₱10,835,624	₱12,196,627	₱7,363,569

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED JUNE 30, 2026 AND 2025
(Amounts in Thousands, Except Dividends Per Share Amounts)

	Attributable to Equity Holders of the Parent											
	Paid-in Capital	Share in Other Comprehensive Income (Loss) of Associates and Joint Ventures (Note 8)	Cumulative Translation Adjustments	Cash Flow Hedge Reserve	Actuarial Gains (Losses) on Defined Benefit Plans	Equity Reserve	Treasury Stock (Note 23)	Retained Earnings (Note 22)		Total Attributable to Equity Holders of the Parent	Non-controlling Interests	Total
								Appropriated	Unappropriated			
Balances at January 1, 2026	₱19,947,498	₱2,365,740	₱3,025,568	₱248,243	(₱1,085,266)	(₱6,124,735)	(₱4,891,831)	₱11,900,000	₱175,339,124	₱200,724,341	₱13,915,833	₱214,640,174
Net income for the period	—	—	—	—	—	—	—	—	18,421,745	18,421,745	1,719,638	20,141,383
Other comprehensive income	—	1,413,284	2,241,449	130,161	34,501	—	—	—	—	3,819,395	391,724	4,211,119
Total comprehensive income	—	1,413,284	2,241,449	130,161	34,501	—	—	—	18,421,745	22,241,140	2,111,362	24,352,502
Cash dividends - P2.28 per share (Note 22)	—	—	—	—	—	—	—	—	(16,429,348)	(16,429,348)	—	(16,429,348)
Reversal of appropriation	—	—	—	—	—	—	—	(11,900,000)	11,900,000	—	—	—
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(1,924,150)	(1,924,150)
Balances at June 30, 2026	₱19,947,498	₱3,779,024	₱5,267,017	₱378,404	(₱1,050,765)	(₱6,124,735)	(₱4,891,831)	₱—	₱189,231,521	₱206,536,133	₱14,103,045	₱220,639,178
Balances at January 1, 2025	₱19,947,498	₱1,892,252	₱8,921,693	₱65,221	(₱1,212,778)	(₱6,212,785)	(₱4,891,831)	₱11,900,000	₱172,822,755	₱203,232,025	₱12,664,657	₱215,896,682
Net income for the period	—	—	—	—	—	—	—	—	12,666,608	12,666,608	1,374,569	14,041,177
Other comprehensive loss	—	(815,436)	(2,028,671)	(200,624)	11,888	—	—	—	—	(3,032,843)	(172,710)	(3,205,553)
Total comprehensive income (loss)	—	(815,436)	(2,028,671)	(200,624)	11,888	—	—	—	12,666,608	9,633,765	1,201,859	10,835,624
Cash dividends - P2.30 per share (Note 22)	—	—	—	—	—	—	—	—	(16,933,759)	(16,933,759)	—	(16,933,759)
Acquisition of non-controlling interest	—	—	—	—	—	88,050	—	—	—	88,050	(88,050)	—
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(4,627,494)	(4,627,494)
Balances at June 30, 2025	₱19,947,498	₱1,076,816	₱6,893,022	(₱135,403)	(₱1,200,890)	(₱6,124,735)	(₱4,891,831)	₱11,900,000	₱168,555,604	₱196,020,081	₱9,150,972	₱205,171,053

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Periods Ended June 30		Quarters Ended June 30	
	2026	2025	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	₱23,644,042	₱16,931,062	₱13,096,271	₱10,266,023
Adjustments for:				
Interest expense and other financing costs (Note 19)	10,112,249	8,691,809	5,111,062	4,496,216
Depreciation and amortization (Note 15)	7,432,245	6,419,319	3,886,054	3,247,429
Net unrealized foreign exchange losses	292,603	25,149	187,356	73,710
Loss on disposal of property, plant and equipment (Note 16)	23,576	8,706	25,799	17,175
Share in net earnings of associates and joint ventures (Note 8)	(10,317,485)	(9,309,683)	(6,270,258)	(5,943,133)
Interest income	(928,435)	(1,016,806)	(457,029)	(469,042)
Unrealized fair valuation loss (gain) on derivatives	(348)	318	(348)	318
Operating income before working capital changes	30,258,447	21,749,874	15,578,907	11,688,696
Decrease (increase) in:				
Trade and other receivables	(8,049,764)	(751,810)	(7,752,824)	(409,249)
Inventories	(2,698,007)	2,374,156	(2,677,360)	533,280
Concession asset	196,817	655,061	193,013	346,874
Other assets	(1,176,034)	1,232,058	(2,251,807)	67,157
Increase (decrease) in:				
Trade and other payables	5,174,960	(479,193)	7,625,953	(1,704,393)
Customers' deposits	365,276	503,427	140,268	30,180
Net cash generated from operations	24,071,695	25,283,573	10,856,150	10,552,545
Income and final taxes paid	(3,397,485)	(3,394,190)	(2,976,348)	(2,837,697)
Net cash flows from operating activities	20,674,210	21,889,383	7,879,802	7,714,848
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash dividends received (Note 8)	3,296,843	3,610,236	2,857,408	3,578,671
Interest received	955,174	1,035,685	462,090	420,791
Proceeds from redemption of shares (Note 8)	29,480,000	—	17,420,000	—
Decrease (increase) in other noncurrent assets	841,962	(720,027)	859,649	(731,439)
Proceeds from sale of property, plant and equipment	—	24,664	—	24,664
Additions to:				
Property, plant and equipment	(9,799,559)	(8,716,073)	(6,174,406)	(5,340,996)
Intangible assets	(482,939)	(544,489)	(268,113)	(324,268)
Investments (Note 8)	(4,264,236)	(46,781,158)	—	(64,194)
Net cash flows from (used) in investing activities	20,027,245	(52,091,162)	15,156,628	(2,436,771)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availment of long-term debt (Note 14)	13,552,495	4,800,000	1,052,495	4,800,000
Net availment (payments) of short-term loans (Note 13)	(7,269,600)	49,024,480	(26,179,586)	(116,790)
Cash dividends paid (Note 22)	(16,321,860)	(16,933,258)	(167,013)	—
Payments of:				
Long-term debt (Note 14)	(14,418,085)	(5,407,561)	(3,157,004)	(960,761)
Lease liabilities, including interest accretion (Note 21)	(239,404)	(154,627)	(167,075)	(67,213)
Dividends to non-controlling interests (Note 23)	(1,924,150)	(1,921,738)	(404,800)	(834,354)
Interest	(9,978,697)	(9,061,746)	(5,034,599)	(4,676,629)
Net cash flows from (used) in financing activities	(36,599,301)	20,345,550	(34,057,582)	(1,855,747)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,102,154	(9,856,229)	(11,021,152)	3,422,330
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS	(375,906)	(25,149)	(187,356)	(54,754)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	58,932,061	56,759,297	73,866,817	43,510,343
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 5)	₱62,658,309	₱46,877,919	₱62,658,309	₱46,877,919

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED NOTES TO FINANCIAL STATEMENTS

(Amounts in Thousands, Except Earnings per Share and Exchange Rate Data and When Otherwise Indicated)

1. Corporate Information

Aboitiz Power Corporation (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission on February 13, 1998. The Company is a publicly-listed holding company of the entities engaged in power generation and power distribution in the Aboitiz Group. As of June 30, 2026, Aboitiz Equity Ventures, Inc. (AEV; also a publicly-listed entity incorporated in the Philippines) and JERA Asia Private Limited own the Company by 53.09% and 27.57%, respectively. The ultimate parent of the Company is Aboitiz & Company, Inc. (ACO).

The registered office address of the Company is Ayala Triangle Gardens Tower 2 Paseo De Roxas corner Makati Avenue, Bel-Air 1209 City of Makati.

2. Group Information

The unaudited interim condensed consolidated financial statements comprise the financial statements of the Company, subsidiaries controlled by the Company and a joint operation that is subject to joint control (collectively referred to as “the Group”).

The following are the subsidiaries as of June 30, 2026 and December 31, 2025:

	Nature of Business	June 30, 2026		December 31, 2025	
		Direct	Indirect	Direct	Indirect
Aboitiz Renewables, Inc. (ARI) and Subsidiaries	Power generation	100.00	–	100.00	–
AP Renewables, Inc. (APRI)	Power generation	–	100.00	–	100.00
Aboitiz Power Distributed Energy, Inc. (APX1)	Power generation	–	100.00	–	100.00
Aboitiz Power Distributed Renewables, Inc. (APX2)	Power generation	–	100.00	–	100.00
Hedcor, Inc. (HI)	Power generation	–	100.00	–	100.00
Hedcor Sibulan, Inc. (HSI)	Power generation	–	100.00	–	100.00
Hedcor Tudaya, Inc. (HTI)	Power generation	–	100.00	–	100.00
Luzon Hydro Corporation (LHC)	Power generation	–	100.00	–	100.00
Sinag Solar Power Corporation (formerly AP Solar Tiwi, Inc.)*	Power generation	–	100.00	–	100.00
Retensol, Inc.*	Power generation	–	100.00	–	100.00
AP Renewable Energy Corporation*	Power generation	–	100.00	–	100.00
Aseagas Corporation (Aseagas)*	Power generation	–	100.00	–	100.00
Bakun Power Line Corporation*	Power generation	–	100.00	–	100.00
Cleanergy, Inc.*	Power generation	–	100.00	–	100.00
Cordillera Hydro Corporation*	Power generation	–	100.00	–	100.00
Hedcor Benguet, Inc.*	Power generation	–	100.00	–	100.00
Hedcor Bukidnon, Inc. (HBI)	Power generation	–	100.00	–	100.00
Hedcor Kabayan, Inc. *	Power generation	–	100.00	–	100.00
PV Sinag Power, Inc. (formerly Hedcor Ifugao, Inc.)*	Power generation	–	100.00	–	100.00
Amihan Power, Inc. (formerly Hedcor Kalinga, Inc.)*	Power generation	–	100.00	–	100.00
Aboitiz Solar Power, Inc. (formerly Hedcor Itogon Inc.)*	Power generation	–	100.00	–	100.00
Hedcor Manolo Fortich, Inc.*	Power generation	–	100.00	–	100.00
Amihan Frontier Energy, Inc. (formerly Hedcor Mt. Province, Inc.)*	Power generation	–	100.00	–	100.00
Hedcor Sabangan, Inc. (HSAB)	Power generation	–	100.00	–	100.00

	Nature of Business	June 30, 2026		December 31, 2025	
		Direct	Indirect	Direct	Indirect
Hedcor Tamugan, Inc.*	Power generation	–	100.00	–	100.00
RE Resources, Inc. (formerly Mt. Apo Geopower, Inc.)*	Power generation	–	100.00	–	100.00
Visayas Cleanergy, Inc. (formerly Negron Cuadrado Geopower, Inc. (NCGI))*	Power generation	–	100.00	–	100.00
Tagoloan Hydro Corporation*	Power generation	–	100.00	–	100.00
Luzon Hydro Company Limited*	Power generation	–	100.00	–	100.00
Electricidad, Inc. (formerly La Filipina Electrika, Inc.)*	Power generation	–	100.00	–	100.00
Wind Renewable Energy Corporation*	Power generation	–	100.00	–	100.00
Maaraw Renewable Energy Corporation*	Power generation	–	100.00	–	100.00
Maaraw Holdings San Carlos, Inc. (MHSCI)	Holding company	–	100.00	–	100.00
San Carlos Sun Power, Inc. (Sacasun)	Power generation	–	100.00	–	100.00
Luzon Alternative Energy Sources, Inc.*	Power generation	–	100.00	–	100.00
Luzon Cleanergy Generation, Inc.*	Power generation	–	100.00	–	100.00
Luzon Cleanergy, Inc.*	Power generation	–	100.00	–	100.00
Maaraw Holdings Bais, Inc.*	Power generation	–	100.00	–	100.00
Mindanao Cleanergy, Inc.*	Power generation	–	100.00	–	100.00
North Luzon Green and Sustainable Energy, Inc.*	Power generation	–	100.00	–	100.00
North Luzon Green Power, Inc.*	Power generation	–	100.00	–	100.00
North Luzon Natural Energy, Inc.*	Power generation	–	100.00	–	100.00
Northern Sun Power, Inc.*	Power generation	–	100.00	–	100.00
Northern Sun Radiance, Inc.*	Power generation	–	100.00	–	100.00
South Cleanergy, Inc.*	Power generation	–	100.00	–	100.00
South Luzon Power Development, Inc.*	Power generation	–	100.00	–	100.00
South Luzon Sustainable Energy, Inc.*	Power generation	–	100.00	–	100.00
Cleanergy 1, Inc.*	Power generation	–	100.00	–	100.00
Cleanergy 2, Inc.*	Power generation	–	100.00	–	100.00
Cleanergy 1 Power, Inc.*	Power generation	–	100.00	–	100.00
Cleanergy 2 Power, Inc.*	Power generation	–	100.00	–	100.00
Cleanergy 3 Power, Inc.*	Power generation	–	100.00	–	100.00
Cleanergy 4 Power, Inc.*	Power generation	–	100.00	–	100.00
Cleanergy 5 Power, Inc.*	Power generation	–	100.00	–	100.00
Cleanergy 6 Power, Inc.*	Power generation	–	100.00	–	100.00
Cleanergy 7 Power, Inc.*	Power generation	–	100.00	–	100.00
Cleanergy 8 Power, Inc.*	Power generation	–	100.00	–	100.00
Inner Channel Wind Power Corporation (ICWPC)*	Power generation	–	100.00	–	100.00
Cornerstone Energy Development, Inc.*	Power generation	–	100.00	–	60.00
El Faro 1 Inc.*	Power generation	–	100.00	–	100.00
El Faro 2 Inc.*	Power generation	–	100.00	–	100.00
El Faro 3 Inc.*	Power generation	–	100.00	–	100.00
El Faro 4 Inc.*	Power generation	–	100.00	–	100.00
El Faro 5 Inc.*	Power generation	–	100.00	–	100.00
Haraya 1, Inc.*	Power generation	–	100.00	–	100.00
Haraya 2, Inc.*	Power generation	–	100.00	–	100.00
Haraya 3, Inc.*	Power generation	–	100.00	–	100.00
Haraya 4, Inc.*	Power generation	–	100.00	–	100.00
Haraya 5, Inc.*	Power generation	–	100.00	–	100.00
Hiraya Verde 1 Inc.*	Power generation	–	100.00	–	100.00
Hiraya Verde 2 Inc.*	Power generation	–	100.00	–	100.00
Hiraya Verde 3, Inc.*	Power generation	–	100.00	–	100.00
Hiraya Verde 4, Inc.*	Power generation	–	100.00	–	100.00
Hiraya Verde 5, Inc.*	Power generation	–	100.00	–	100.00
Verdetek 1, Inc.*	Power generation	–	100.00	–	100.00
Verdetek 2, Inc.*	Power generation	–	100.00	–	100.00
Verdetek 3, Inc.*	Power generation	–	100.00	–	100.00
Verdetek 4, Inc.*	Power generation	–	100.00	–	100.00
Ubay Solar Corporation*	Power generation	–	100.00	–	100.00
Hydro Electric Development Corporation*	Power generation	–	99.97	–	99.97
Cleanergy 9 Power, Inc. (C9PI)*	Power generation	–	64.00	–	64.00
South Luzon Energy Solutions, Inc.*	Power generation	–	60.00	–	60.00
Therma Power, Inc. (TPI) and Subsidiaries	Power generation	100.00	–	100.00	–
Mindanao Sustainable Solutions, Inc.*	Services	–	100.00	–	100.00
Therma Luzon, Inc. (TLI)	Power generation	–	100.00	–	100.00
Therma Marine, Inc. (Therma Marine)	Power generation	–	100.00	–	100.00
Therma Mobile, Inc. (Therma Mobile)	Power generation	–	100.00	–	100.00
Therma South, Inc. (TSI)	Power generation	–	100.00	–	100.00

	Nature of Business	June 30, 2026		December 31, 2025	
		Direct	Indirect	Direct	Indirect
Therma Power-Visayas, Inc. (TPVI)	Power generation	–	100.00	–	100.00
Therma Central Visayas, Inc.*	Power generation	–	100.00	–	100.00
Therma Subic, Inc.*	Power generation	–	100.00	–	100.00
Therma Mariveles Holdings, Inc.	Holding company	–	100.00	–	100.00
Therma NatGas Power Inc.*	Power generation	–	100.00	–	100.00
Therma Pagbilao Power Inc.*	Power generation	–	100.00	–	100.00
Therma Quezon Energy Inc.*	Power generation	–	100.00	–	100.00
Kasambagan Integrated Energy Corporation*	Power generation	–	100.00	–	–
GNPower Mariveles Energy Center Ltd. Co. (formerly GNPower Mariveles Coal Plant) (GMEC)	Power generation	–	78.33	–	78.33
Therma Dinginin Holdings, Inc.	Holding company	–	100.00	–	100.00
Therma Visayas, Inc. (TVI)	Power generation	–	80.00	–	80.00
Abovant Holdings, Inc.	Holding company	–	60.00	–	60.00
AboitizPower International Pte. Ltd. (AP Int.)	Holding company	100.00	–	100.00	–
Cleanergy Asia Power Holdings Pte Ltd.	Holding company	–	100.00	–	100.00
AP Lariang Pte Ltd.	Holding company	–	100.00	–	100.00
Alpha Picket Trading International Pte. Ltd.*	Trading company	100.00	–	–	–
	Retail electricity				
Adventpower, Inc. (API) (formerly Aboitiz Energy Solutions, Inc.)	supplier	100.00	–	100.00	–
	Retail electricity				
Adventenergy, Inc. (AI)	supplier	100.00	–	100.00	–
Balamban Enerzone Corporation (BEZ)	Power distribution	100.00	–	100.00	–
Lima Enerzone Corporation (LEZ)	Power distribution	100.00	–	100.00	–
Mactan Enerzone Corporation (MEZ)	Power distribution	100.00	–	100.00	–
Malvar Enerzone Corporation (MVEZ)	Power distribution	100.00	–	100.00	–
Tarlac Enerzone Corporation (TEZ)	Power distribution	100.00	–	100.00	–
East Asia Utilities Corporation (EAUC)	Power generation	50.00	50.00	50.00	50.00
Cotabato Light and Power Company (CLP)	Power distribution	99.94	–	99.94	–
Cotabato Ice Plant, Inc.	Manufacturing	–	100.00	–	100.00
Davao Light & Power Company, Inc. (DLP)	Power distribution	99.93	–	99.93	–
SPI Power Incorporated (SPI) (formerly STEAG State Power, Inc.)	Power generation	85.00	–	85.00	–
Subic Enerzone Corporation (SEZ)	Power distribution	65.00	34.98	65.00	34.98
Cebu Private Power Corporation (CPPC)	Power generation	60.00	–	60.00	–
	Retail electricity				
Prism Energy, Inc. (PEI)	supplier	60.00	–	60.00	–
Visayan Electric Company (VECO)	Power distribution	55.26	–	55.26	–
Cell Power Energy Corporation (CPEC)*	Power generation	100.00	–	100.00	–
Heritage Light and Power Corporation (HLPC)*	Power distribution	100.00	–	100.00	–
Orient Light and Power Corporation (OLPC)*	Power distribution	100.00	–	100.00	–
Peninsula Electric Corporation (PENEC)*	Power distribution	100.00	–	100.00	–
Potentia Insurance Pte Ltd (PIPL)	Insurance company	100.00	–	100.00	–
Coastal Light and Power Inc. (CLPI)*	Power distribution	100.00	–	100.00	–
Reef Light and Power Inc. (RLPI)*	Power distribution	100.00	–	100.00	–
Valley Light and Power Inc. (VLPI)*	Power distribution	100.00	–	100.00	–
Northern Sine Electric, Inc. (NSEI)*	Power distribution	100.00	–	100.00	–
PowerPlus Innovation, Inc. (PPI)*	Management services	100.00	–	100.00	–
A+ Power Services Inc.	Power distribution	–	100.00	–	100.00
Pole2Pole Inc. (P2P)	Power distribution	–	100.00	–	100.00
Cleanergy 10 Power, Inc. (C10PI)*	Power generation	–	100.00	–	100.00
1882 Energy Ventures Incorporated (1882EV)	Holding company	100.00	–	100.00	–
	Electric vehicle				
AP Electric Mobility Inc. (APEMI)	operation	–	100.00	–	100.00
	Installation of solar				
Solviva Energy Incorporated (formerly Solviva Energy OPC) (SOLVIVA)	panels	–	100.00	–	100.00
Powerhouse Innovations Inc.	Technology company	–	100.00	–	100.00

* No commercial operations as of June 30, 2026

All of the foregoing subsidiaries are incorporated and registered with the Philippine SEC and operate in the Philippines except for the following:

Subsidiary	Country of incorporation
AP Int.	Singapore
Cleanergy Asia Power Holdings Pte Ltd.	Singapore
AP Lariang Pte Ltd.	Singapore
Potentia Insurance PTE. LTD.	Singapore
Alpha Picket Trading International Pte. Ltd.	Singapore
APIBV	Netherlands

Acquisition of Caliraya-Botocan-Kalayaan Hydroelectric Power Plant (CBK HEPP) Complex

On July 4, 2025, the Thunder Consortium consisting of ARI, Electric Power Development Co., Ltd. (J-Power), and Sumitomo Corporation, was declared as the highest-ranking bidder in the bidding process conducted by the Power Sector Assets and Liabilities Management Corporation (PSALM) Privatization Bids and Awards Committee for the privatization of the Caliraya-Botocan-Kalayaan Hydroelectric Power Plant Complex (CBK HEPP Complex). On July 18, 2025, the Consortium received the Notice of Award as the winning bidder. In the same period, ARI sold 5,600 and 160 common shares of its investment in Cleanergy 9 Power Inc. (C9PI) amounting to ₱3.81 billion to Sumitomo Corporation and J-Power, respectively. This resulted in a reduction of ARI's economic interest to 64%.

On August 14, 2025, the Thunder Consortium, through its project company, C9PI, signed the relevant project agreements with PSALM and the National Power Corporation in relation to the Notice of Award issued by PSALM. On November 28, 2025, the Philippine Competition Commission approved the acquisition of the CBK HEPP Complex by the Thunder Consortium.

On December 19, 2025, C9PI paid total deposit amounting to ₱41.27 billion presented as other noncurrent asset which includes the ₱5.00 billion land lease deposit.

On February 9, 2026, PSALM officially turned over the CBK HEPP Complex in Laguna to the Thunder Consortium.

The accounting for the transaction was determined provisionally as C9PI is still finalizing the valuation of the assets acquired. This will be finalized within one year from acquisition date as allowed by the accounting standards. The provisional values of the assets recognized as a result of the acquisition is allocated to Property, plant and equipment equivalent to total consideration of ₱36.27 billion

From the date of acquisition, the CBK HEPP Complex contributed ₱5.51 billion to the consolidated revenues and net income of ₱394.16 million to the consolidated net income for the six months period ended June 30, 2026.

3. Basis of Financial Statement Preparation and Changes in Accounting Policies

Basis of Financial Statement Preparation

The unaudited interim condensed consolidated financial statements of the Group have been prepared on a historical cost basis, except for derivative financial instruments, financial assets at FVTPL and investment properties which are measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine peso, which is the Company's functional currency, and all values are rounded to the nearest thousands, except for earnings per share and exchange rates and as otherwise indicated.

Statement of Compliance

The unaudited interim condensed consolidated financial statements 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 of the information and disclosures required in the annual audited consolidated financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements as of and for the year ended December 31, 2025, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

On July 28, 2026, the Board of Directors (BOD) of the Company approved and authorized the release of the unaudited interim condensed consolidated financial statements of the Group.

Changes in Accounting Policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those of the previous financial year, except for the amendments to existing standards which were applied starting January 1, 2026. There are no significant changes affecting the interim condensed consolidated financial statements from these adoptions. Comprehensive disclosures regarding the impact of these adoptions will be provided in the Group's annual consolidated financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- Annual Improvements to PFRS Accounting Standards—Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

- Amendments to PFRS 7, *Gain or Loss on Derecognition*

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments to PFRS 9

- Lessee Derecognition of Lease Liabilities

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

- Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the Financial and Sustainability Reporting Standards Committee (FSRSC) amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

- PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

- Amendments to PFRS 10, Consolidated Financial Statements, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting such transactions and of other aspects of accounting for associates and joint ventures.

4. Significant Accounting Judgments, Estimates and Assumptions

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

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

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

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

5. Cash and Cash Equivalents

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash on hand and in banks	₱20,095,798	₱13,926,853
Short-term deposits	42,562,511	45,005,208
	₱62,658,309	₱58,932,061

Cash in banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposits rates.

6. Trade and Other Receivables

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Trade receivables - net of allowance for expected credit losses	₱49,196,040	₱35,414,075
Others:		
Non-trade receivable	5,569,134	5,309,129
Interest receivable	56,361	83,100
Dividends receivable	132,000	403,064
Total	₱54,953,535	₱41,209,368
Less noncurrent portion (Note 11)	₱8,423,739	₱2,514,836
	₱46,529,796	₱38,694,532

Trade and other receivables are noninterest-bearing and are generally on 10 - 30 days' term.

Non-trade receivable relates mostly to claims from insurance.

7. Other Current Assets

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Restricted cash	₱4,493,210	₱6,569,631
Prepaid tax	4,024,678	3,922,527
Advances to projects and suppliers	2,352,898	1,806,179
Concession contract asset	1,405,225	1,358,605
Prepaid expenses	678,032	1,674,870
Input VAT	585,289	388,511
Others	337,315	137,858
	₱13,876,647	₱15,858,181

Restricted cash represents proceeds from sale of power under the control of trustees of certain subsidiaries' lenders as per loan agreement. These will be used to pay the current portion of long-term debt, interest payments and operating costs of certain subsidiaries' in the following period.

Advances to projects and suppliers pertain to TVI's cost of construction and installation of substation and transmission facilities which are subject for reimbursement from the National Grid Corporation of the Philippines (NGCP) after the completion of its project.

Prepaid expenses mainly includes prepayments for insurance.

8. Investments and Advances

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Acquisition cost:		
Balance at beginning of period	₱112,335,666	₱57,432,661
Additions during the period	140,605	54,903,005
Redemptions during the period	(29,480,000)	—
Balance at end of period	82,996,271	112,335,666
Accumulated equity in net earnings:		
Balance at beginning of period	45,310,799	37,171,953
Share in net earnings	10,317,485	19,369,484
Dividends	(3,025,779)	(11,230,638)
Balance at end of period	52,602,505	45,310,799
Share in net unrealized valuation gain on FVOCI investment of an associate	110,749	110,749
Share in actuarial losses on defined benefit plans of associates and joint ventures	(60,904)	(60,904)
Share in cumulative translation adjustments of associates and joint ventures	3,729,179	2,315,895
	3,779,024	2,365,740
	139,377,800	160,012,205
Less allowance for impairment losses	568,125	568,125
	₱138,809,675	₱159,444,080

In January 2026, ARI converted its advances amounting to P81.0 million to 4BEC upon approval of the Philippine SEC on the latter's application for increase in authorized capital stock.

In February 2026, TPI made capital contributions to TCEI amounting to P60.0 million.

The Group's associates and joint ventures and the corresponding equity ownership as of June 30, 2026 and December 31, 2025 are as follows:

	Nature of Business	Percentage of ownership	
		June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Manila-Oslo Renewable Enterprise, Inc. (MORE) ¹	Holding company	83.33	83.33
GNPower Dingin Ltd. Co. (GNPD) ^{1,2,3}	Power generation	70.00	70.00
AA Thermal, Inc. (ATI) ^{1,2}	Holding company	60.00	60.00
Advent Upgrade Solar, Inc. (AUSI) (formerly Aboitiz Upgrade Solar, Inc.) ^{1,*}	Power generation	50.00	50.00
Aura Energy Holdings Inc. (AEHI) ^{1,*}	Power generation	50.00	50.00
Therma Cebu Energy Inc. (TCEI) ^{1,*}	Power generation	50.00	50.00
Hijos de F. Escaño, Inc. (Hijos)	Holding company	46.73	46.73
Mazzaraty Energy Corporation (MEC)	Retail electricity supplier	44.87	44.87
Sinag Naraw Power, Inc. (SNPI)*	Power generation	44.00	44.00
San Fernando Electric Light & Power Co., Inc. (SFELAPCO)	Power distribution	43.78	43.78
Pampanga Energy Ventures, Inc. (PEVI)	Holding company	42.84	42.84

	Nature of Business	Percentage of ownership	
		June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
4 Barracuda Energy Corporation (4BEC)*	Power generation	41.00	41.00
Abaqa International Pte. Ltd. (AIPL)	Trading company	40.00	40.00
Chromite Gas Holdings, Inc. (CGHI) ¹	Holding company	40.00	40.00
Lihangin Wind Energy Corporation (LWEC) ^{4,*}	Power generation	35.00	35.00
AEV Aviation, Inc. (AAI)	Service	26.69	26.69
Cebu Energy Development Corporation (CEDC)	Power generation	26.40	26.40
Redondo Peninsula Energy, Inc. (RPEI)*	Power generation	25.00	25.00
Southern Philippines Power Corporation (SPPC)	Power generation	20.00	20.00
Western Mindanao Power Corporation (WMPC)	Power generation	20.00	20.00

¹ Joint venture.

² Economic interest

³ Includes 30% indirect ownership through AA Thermal.

⁴ Includes 20% direct ownership through ARI and 30% indirect ownership through AEHI.

* No commercial operations as of June 30, 2026

The principal place of business and country of incorporation of the Group's associates and joint venture are in the Philippines except AIPL. Associates and joint ventures are the same as those presented as of December 31, 2025 audited financial statements.

The carrying values of investments, which are accounted for under the equity method follow:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
GNPD ²	₱46,389,217	₱42,999,726
AA Thermal ¹	41,780,142	40,291,849
CGHI	32,555,132	58,979,923
MORE	10,747,205	10,340,363
CEDC	4,198,494	4,018,279
PEVI	734,980	736,503
SFELAPCO	581,447	550,958
Hijos	374,908	330,880
4BEC	256,749	170,589
AUSI	225,728	202,625
WMPC	236,291	153,861
AEHI	160,993	162,206
SPPC	134,929	136,327
RPEI	90,539	90,357
LWEC	51,379	47,739
AIPL	19,367	19,367
Others	272,175	212,528
	₱138,809,675	₱159,444,080

¹ Includes indirect interest from GNPD.

² Direct interest only.

Investment in Chromite Gas Holdings, Inc. (CGHI)

In March 2024, the Company, through Therma NatGas Power, Inc. (a wholly-owned subsidiary of Therma Power, Inc.), executed an Investment Agreement with Meralco PowerGen Corporation (MGen) to acquire 40% and 60% interests, respectively, in CGHI. CGHI acquired 67% equity interests in each of the 1,278 MW Ilijan power plant (South Premiere Power Corp. or SPPC), the 1,320 MW combined cycle power facility, (Excellent Energy Resources, Inc. or EERI), Ilijan Primeline Industrial Estate Corp. (IPIEC) and the LNG import and regasification terminal owned by Linseed Field Corporation (LFC). The Company, MGEN and San Miguel Global Power Corporation effectively own 26.8%, 40.2% and 33%, respectively, of SPPC, EERI, IPIEC and LFC.

On December 23, 2024, the transaction was approved by the Philippine Competition Commission.

On January 27, 2025, the parties have completed the acquisition wherein the Company's total acquisition price for its proportionate share in the Investment in CGHI amounted to ₱54.62 billion. The acquisition price includes contingent consideration amounting to ₱8.02 billion, and other costs directly related to the acquisition.

In February 2026, a partial payment amounting to ₱4.12 billion was made for the contingent consideration. The outstanding contingent liability as of June 30, 2026 amounted to 3.90 billion.

In 2026, CGHI made a partial redemption of its preferred shares held by Therma Natgas Power, Inc. amounting to ₱29.48 billion.

9. Joint Operation

Name of Joint Operation	Nature of Business	Percentage of Ownership	
		June 30, 2026	December 31, 2025
Pagbilao Energy Corporation (PEC)	Power generation	50%	50%

** PEC's principal place of business and country of incorporation is the Philippines*

On May 15, 2014, the Group entered into a shareholders' agreement with TPEC Holdings Corporation (TPEC) for the development, construction and operation of the 420 MW Pagbilao Unit III in Pagbilao, Quezon through PEC. TPI and TPEC both agreed to provide their respective capital contributions and subscribe to common shares such that each stockholder owns 50% of the issued and outstanding shares of stock of PEC.

The financial and operating activities of the operation are jointly controlled by the participating shareholders and are primarily designed for the provision of output to the shareholders.

The Group's share of assets, liabilities, revenue, expenses and cash flows of joint operations are included in the unaudited interim condensed consolidated financial statements on a line-by-line basis.

10. Intangible Assets

June 30, 2026

	Goodwill	Franchise	Service concession rights	Project development costs	Customer contracts	Software and licenses	Total
Cost:							
Balances at beginning of period	₱26,566,919	₱3,078,433	₱5,877,185	₱1,621,072	₱60,068	₱2,178,035	₱39,381,712
Additions	—	—	67,825	359,910	—	55,204	482,939
Transfers/Reclass	—	—	—	—	—	(62,002)	(62,002)
Exchange differences	1,131,704	—	—	—	—	—	1,131,704
Balances at end of period	27,698,623	3,078,433	5,945,010	1,980,982	60,068	2,171,237	40,934,353
Accumulated amortization:							
Balances at beginning of period	—	968,426	5,433,258	—	60,068	1,084,129	7,545,881
Amortization	—	38,480	78,780	—	—	156,963	274,223
Balances at end of period	—	1,006,906	5,512,038	—	60,068	1,241,092	7,820,104
Net book values	₱27,698,623	₱2,071,527	₱432,972	₱1,980,982	₱—	₱930,145	₱33,114,249

Under Philippine Financial Reporting Standards (PFRS) Accounting Standards, the Group is required to annually test the goodwill for impairment. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The annual goodwill impairment test is usually performed by the Group at year-end, or when there is an indicator of impairment.

11. Other Noncurrent Assets

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Concession contract asset, net of current portion	₱6,484,950	₱6,728,387
Advances to contractors and projects	4,854,620	4,697,340
Prepaid taxes	4,568,167	5,044,039
Input VAT	3,767,145	3,905,212
Trade receivable - noncurrent portion	8,423,739	2,514,836
Deposits	778,551	42,851,677
Financial assets at FVTPL	—	—
Investment properties	394,902	394,902
Prepaid expenses	277,352	261,749
Others	560,727	1,114,694
	₱30,110,153	₱67,512,836

Concession contract asset pertains to SPI's PPA with NPC which has been accounted for under the provisions of Philippine Interpretation IFRIC 12. Under the terms of the PPA, SPI will receive capital recovery fees from NPC representing recovery of SPI's capital cost incurred in relation to the construction of the Power Station.

Concession contract asset due not later than one year is presented as current asset in the consolidated balance sheets (see Note 7).

In 2025, deposits include the payment by C9PI to PSALM amounting to ₱41.27 billion in connection with the acquisition of the Plant's assets including land lease agreement (see Note 2).

Noncurrent portion of the trade receivable includes the receivable from additional revenue earned as a result of Energy Regulatory Commission (ERC) Resolution No. 28, series of 2025 providing feed-in-tariff (FIT) rate adjustments for years 2021 to 2025, and receivable from the sale of asset to ERC, collectible within 5 years. Moreover, the Group calculates the over or under recoveries on the Generation Rate, Transmission Rate, System Loss Rate, Lifeline Subsidy Rate, and Senior Citizen Subsidy Rate brought about by the variance between the allowable cost and the revenues billed.

12. Trade and Other Payables

	June 30, 2026	December 31, 2025
	(Unaudited)	(Audited)
Trade payables	₱31,562,746	₱27,047,097
Accrued expenses:		
Interest	3,006,114	3,324,851
Taxes and fees	1,843,300	2,328,051
Claims conversion costs	205,488	191,494
Insurance	12,297	69,703
Nontrade (see Note 8)	4,696,065	8,742,637
Output VAT	4,400,036	3,534,634
Amounts due to contractors and other third parties	2,380,505	1,958,463
Customers' deposit	619,642	454,277
Dividends payable (see Note 22)	332,812	225,324
Unearned revenues	381,471	277,580
Others	623,730	647,973
	₱50,064,206	₱48,802,084

Trade payables are noninterest-bearing and generally on 30-day terms.

Accrued taxes and fees represent accrual of real property tax, transfer tax and other fees.

Nontrade payables mostly pertain to the current portion of the contingent consideration related to the investment in CGHI (see Note 8).

Amounts due to contractors and other third parties include liabilities arising from the power plant construction.

Others include withholding taxes and other liabilities and are generally payable within 12 months from the balance sheet date.

13. Short-term Loans

		June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Peso loans - financial institutions - unsecured	4.60% - 7.16% in 2026 4.20% - 6.87% in 2025	₱72,765,000	₱79,421,000
Dollar loans - financial institutions - unsecured	nil in 2026 5.75% in 2025	—	587,900
		₱72,765,000	₱80,008,900

The Peso loans are unsecured short-term notes payable from local banks. These loans are covered by the respective borrower's existing credit lines with the banks and are not subject to any significant covenants and warranties.

The Peso loans include bridge loan facilities used to partially finance the acquisition of CBK HEPP Complex and CGHI. In 2026, C9PI has drawn an additional ₱2.7 billion from its bridge loan facility.

14. Long-term Debts

	2026 Interest Rate (Unaudited)	2025 Interest Rate (Audited)	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Company:				
Retail Bonds - ₱12.00 billion	5.03%	5.03%	7,200,000	7,200,000
Retail Bonds - ₱7.30 billion	5.28	5.28%	7,250,000	7,250,000
Retail Bonds - ₱3.00 billion	5.34%	5.34%	3,000,000	3,000,000
Retail Bonds - ₱10.00 billion	5.31% - 5.74%	5.31% - 5.74%	10,000,000	10,000,000
Retail Bonds - ₱30.00 billion	5.88% - 6.86%	5.88% - 6.86%	30,000,000	30,000,000
Retail Bonds - ₱8.00 billion	—	3.82%	—	8,000,000
Long-term loan	4.00% - 4.33%	4.00% - 4.33%	10,700,000	10,700,000
Subsidiaries:				
GMEC				
Financial institutions - unsecured	Six-month SOFR*** LIBOR + 1.7% margin	Six-month SOFR*** LIBOR + 1.7% margin	25,691,867	25,939,407
TMI				
Financial institutions - secured	4.54% - 7.68%	4.54% - 7.68%	1,625,000	1,787,499
HSAB				
Financial institutions - unsecured	4.92%	4.92%	694,417	745,111
TVI				
Financial institutions - secured	5.56% - 9.00%	5.56% - 9.00%	23,974,698	25,359,290
API				
Financial institutions - unsecured	7.24%	7.24%	564,000	570,000
TSI				
Financial institutions - secured	4.27%	4.27%	13,727,357	14,358,862
APRI				
Financial institutions - secured	BVAL** + 4.91%-6.67%	BVAL** + 4.91%-6.67%	₱10,335,959	₱10,335,567
HBI				
Financial institutions - unsecured	5.59% - 7.06%	5.59% - 7.06%	5,918,944	6,234,835
APREC				
Financial institutions - secured	6.51%	6.51%	6,070,000	6,070,000
HSI				
Fixed rate corporate notes - unsecured	5.21% - 5.42%	5.21% - 5.42%	1,600,000	1,600,000
HI				
Financial institution - unsecured	5.00%	5.00%	1,037,908	1,062,598

	2026 Interest Rate (Unaudited)	2025 Interest Rate (Audited)	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
PVSINAG				
Financial institution - secured	7.06% - 8.02%	7.06% - 8.02%	8,714,077	8,977,435
ARI				
Financial institution - unsecured	6.65% - 6.91%	6.65% - 6.91%	29,552,940	19,670,588
ASPI				
Financial institution - secured	6.06%	6.06%	5,400,000	5,400,000
HTI				
Financial institution - unsecured	4.92%	4.92%	488,800	518,045
SPI				
Financial institutions - secured	LIBOR* + 1.50% - 5.00%	LIBOR* + 1.50% - 5.00%	1,325,376	1,505,024
CEDI				
Financial institution - secured	5.72%	5.72%	3,488,495	2,436,000
TLI				
Financial institution - secured	7.39%	7.39%	32,872,500	33,700,000
SACASUN				
Financial institution - secured	5.70%	—%	2,000,000	—
Joint operation (see Note 9)				
Financial institutions - secured	5.77% - 6.27%	5.77% - 6.27%	6,288,602	6,753,593
			249,520,940	249,173,854
Less deferred financing costs			1,555,822	1,634,390
			247,965,118	247,539,464
Less current portion - net of deferred			30,344,290	26,651,906
			₱217,620,828	₱220,887,558

Company

On July 14, 2025, the Company issued ₱30.00 billion fixed-retail bonds which comprise of Series A 5.8846% 2-year bonds due 2027, Series B 6.2934% 5-year bonds due 2030 and Series C 6.8572% 10-year bonds due 2035.

On September 17, 2025, the BOD approved the exercise by the Company of the early redemption for its outstanding ten-year fixed rate retail bonds issued in 2018, with a fixed interest rate of 8.5091% per annum, for a total amount of Php2.50 billion. The redemption price is at 102% and will be redeemed on October 25, 2025.

Subsidiaries

In June 2026, CEDI made an additional drawdown of ₱1.05 billion with interest rate of 7.0464% for 15 years to finance the construction and operation of its wind power project.

In March 2026, SACASUN availed of a new loan for a total of ₱2.00 billion with interest rate of 5.6974% for 10 years for its preferred shares redemption.

In March 2026, ARI availed of a new loan for a total of ₱10.00 billion with interest rate of 6.7116% for 10 years for general corporate purposes.

In April 2025, APRI availed of a new loan facility totaling ₱2.50 billion, with interest rates ranging from 4.91% to 6.67% and maturities of 9 to 10 years. The first tranche of ₱500.0 million was drawn in May 2025, followed by the second tranche of ₱1.50 billion in November 2025. The remaining ₱500.0 million was drawn in March 2026.

In September 2025, ASPI availed of a new loan for a total of ₱5.40 billion with interest rate of 6.0637% for 15 years.

In July 2025, APREC availed of a new loan for a total of ₱6.07 billion with interest rates of 6.5112% for 15 years.

In June 2025, TVI availed of a new loan for a total of ₱15.98 billion with interest rates of 7.5975% - 8.0927% for 10 years. The first tranche amounting to ₱4.30 billion was drawn last June 2025, while the second tranche amounting to ₱1.60 billion was drawn last September 2025.

In June 2025, APRI availed of a new loan for a total of ₱500.0 million, with interest rates 6.2674% for 10 years.

Total payments of long-term debt amounted to ₱14.42 billion and ₱5.41 billion as of June 30, 2026 and 2025, respectively.

Loan covenants

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

These restrictions and requirements were complied with by the Group based on each loan covenant required as of June 30, 2026 and December 31, 2025.

15. Operating Expenses

	For the periods ended June 30	
	2026	2025
Cost of generated power	₱23,833,144	₱20,728,174
Cost of purchased power	52,267,921	35,015,093
Depreciation and amortization	7,432,245	6,419,319
Operations and maintenance	8,888,270	8,181,048
General and administrative	6,880,079	7,156,146
	₱99,301,659	₱77,499,780

16. Other Income (Expenses)

	For the periods ended June 30	
	2026	2025
Surcharges	₱322,810	₱289,932
Rental income	55,077	54,458
Non-utility operating income	23,897	40,560
Losses on disposal of property, plant and equipment	(23,576)	(8,706)
Net foreign exchange losses	(271,897)	(104,977)
Others - net	514,845	459,987
	₱621,156	₱731,254

“Others” include insurance claims, tax credits, and other non-recurring items like sale of scrap and sludge oil.

17. Earnings Per Common Share

Basic and diluted earnings per common share amounts were computed as follows:

	For the periods ended June 30	
	2026	2025
a. Net income attributable to equity holders of the parent	₱18,421,745	₱12,666,608
b. Weighted average number of outstanding shares	7,205,854,307	7,205,854,307
Basic and diluted earnings per share (a/b)	₱2.56	₱1.76

There are no dilutive potential common shares for the six-month periods ended June 30, 2026 and 2025.

18. Operating Segment Information

Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions about how resources are to be allocated to the segment and assess their performances, and for which discrete financial information is available. The Group's Chief Executive Officer is the Group's CODM.

For purposes of management reporting, the Group's operating businesses are organized and managed separately according to services provided, with each segment representing a strategic business segment. The Group's identified operating segments, which are consistent with the segments reported to the BOD, which is the Group's CODM, are as follows:

- "Power Generation" segment, which is engaged in the generation and supply of power to various customers under power supply contracts, ancillary service procurement agreements and for trading in WESM;
- "Power Distribution" segment, which is engaged in the distribution and sale of electricity to the end-users;
- "Retail Electricity Supply" segment, which is engaged in sales to various off takers that are considered to be eligible contestable customers; and
- "Parent Company and Others", which includes the operations of the Company, retail electricity sales to various off takers that are considered to be eligible contestable customers and electricity related services of the Group such as installation of electrical equipment.

The power generation segment's revenue from contracts with customers is mainly from power supply contracts. Set out below is the disaggregation of the Group's revenue from contracts with customers:

January - June 2026

	Power Generation	Power Distribution	Retail Electricity Supply	Parent and Others	Total
Revenue from power supply contracts	₱34,144,062	₱—	₱—	₱—	₱34,144,062
Revenue from distribution services	—	38,283,907	—	—	38,283,907
Revenue from retail electricity sales	—	—	23,802,835	—	23,802,835
Revenue from non-power supply contracts	24,137,422	—	—	—	24,137,422
Revenue from technical and management services and others	—	—	—	822,648	822,648
	₱58,281,484	₱38,283,907	₱23,802,835	₱822,648	₱121,190,874

January - June 2025

	Power Generation	Power Distribution	Retail Electricity Supply	Parent and Others	Total
Revenue from power supply contracts	₱26,361,639	₱—	₱—	₱—	₱26,361,639
Revenue from distribution services	—	28,446,046	—	—	28,446,046
Revenue from retail electricity sales	—	—	20,439,791	—	20,439,791
Revenue from non-power supply contracts	16,270,244	—	—	—	16,270,244
Revenue from technical and management services and others	—	—	—	547,188	547,188
	₱42,631,883	₱28,446,046	₱20,439,791	₱547,188	₱92,064,908

The revenue from contracts with customers is consistent with the revenue with external customers presented in the segment information.

The Group has only one geographical segment as virtually all of its assets are located in the Philippines. The Group operates and derives principally all of its revenue from domestic operations. Thus, geographical business information is not required.

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment revenue and segment expenses are measured in accordance with PFRS Accounting Standards. The presentation and classification of segment revenue and segment expenses are consistent with the unaudited interim condensed consolidated statements of income. Interest expense and other financing costs, depreciation and amortization expense and income taxes are managed on a per segment basis.

The Group has inter-segment revenues in the form of management fees as well as inter-segment sales of electricity which are eliminated in consolidation. The transfers are accounted for at competitive market prices on an arm's-length transaction basis.

Revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Capital expenditures consist of additions of property, plant and equipment and intangible asset - service concession rights. Adjustments as shown below include items not presented as part of segment assets and liabilities.

Revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Financial information on the operations of the various business segments are summarized as follows:

January - June 2026

	Power Generation	Power Distribution	Parent Company/ Others	Eliminations and Adjustments	Consolidated
REVENUE					
External	₱58,281,484	₱38,283,907	₱24,625,483	₱—	₱121,190,874
Inter-segment	13,751,180	977,730	1,198,403	(15,927,313)	—
Total Revenue	₱72,032,664	₱39,261,637	₱25,823,886	(₱15,927,313)	₱121,190,874
Segment Results	₱18,499,223	₱3,710,689	(₱320,697)	₱—	₱21,889,215
Unallocated corporate income (loss) - net	170,880	431,120	19,156	—	621,156
INCOME FROM OPERATIONS	18,670,103	4,141,809	(301,541)	—	22,510,371
Interest expense	(5,825,760)	(765,452)	(3,521,037)	—	(10,112,249)
Interest income	493,646	20,073	414,716	—	928,435
Share in net earnings of associates and joint ventures	9,730,292	140,594	21,708,910	(21,262,311)	10,317,485
Provision for income tax	(2,478,091)	(788,720)	(235,848)	—	(3,502,659)
NET INCOME	₱20,590,190	₱2,748,304	₱18,065,200	(₱21,262,311)	₱20,141,383
Depreciation and Amortization	₱6,315,024	₱894,774	₱149,938	₱72,509	₱7,432,245
OTHER INFORMATION					
Investments	₱136,357,676	₱1,335,586	₱290,374,924	(₱289,258,511)	₱138,809,675
Segment Assets	₱457,596,845	₱63,379,016	₱343,583,728	(₱240,419,036)	₱624,140,553
Segment Liabilities	₱224,911,455	₱56,421,121	₱124,882,182	(₱2,713,383)	₱403,501,375

January - June 2025

	Power Generation	Power Distribution	Parent Company/ Others	Eliminations and Adjustments	Consolidated
REVENUE					
External	₱42,631,883	₱28,446,046	₱20,986,979	₱—	₱92,064,908
Inter-segment	11,934,121	792,824	732,944	(13,459,889)	—
Total Revenue	₱54,566,004	₱29,238,870	₱21,719,923	(₱13,459,889)	₱92,064,908
Segment Results	₱11,250,661	₱3,860,509	(₱546,042)	₱—	₱14,565,128
Unallocated corporate income (loss) - net	377,570	445,496	(91,812)	—	731,254
INCOME FROM OPERATIONS	11,628,231	4,306,005	(637,854)	—	15,296,382
Interest expense	(4,792,578)	(672,152)	(3,227,079)	—	(8,691,809)
Interest income	329,265	18,196	669,345	—	1,016,806
Share in net earnings of associates and joint ventures	9,081,356	216,470	16,437,705	(16,425,848)	9,309,683
Provision for income tax	(1,799,471)	(830,535)	(259,879)	—	(2,889,885)
NET INCOME	₱14,446,803	₱3,037,984	₱12,982,238	(₱16,425,848)	₱14,041,177
Depreciation and Amortization	₱5,398,433	₱837,016	₱111,361	₱72,509	₱6,419,319
OTHER INFORMATION (December 31, 2025)					
Investments	₱157,213,308	₱1,305,784	₱306,737,386	(₱305,812,398)	₱159,444,080
Segment Assets	₱416,660,191	₱54,275,616	₱362,683,426	(₱210,821,381)	₱622,797,852
Segment Liabilities	₱223,779,486	₱44,313,816	₱138,246,706	₱1,817,670	₱408,157,678

19. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents and long-term debts. The main purpose of these financial instruments is to raise finances for the Group's operations. The Group has various other financial instruments such as trade and other receivables, investments in equity securities, short-term loans, trade and other payables, lease liabilities, long-term obligation on power distribution system and customers' deposits, which generally arise directly from its operations.

The Group also enters into derivative transactions, particularly foreign currency forwards, to economically hedge its foreign currency risk from foreign currency denominated liabilities and purchases and interest rate swap agreement to hedge its floating rate exposure on its foreign currency-denominated loan.

Risk Management Structure

The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Group.

Financial risk committee

The Financial Risk Committee has the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Group's approach to risk issues in order to make relevant decisions.

Treasury service group

The Treasury Service Group is responsible for the comprehensive monitoring, evaluating and analyzing of the Group's risks in line with the policies and limits.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk, commodity price risk and foreign exchange risk.

Liquidity risk

Liquidity risk is the risk of not meeting obligations as they become due because of the inability to liquidate assets or obtain adequate funding. The Group maintains sufficient cash and cash equivalents to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet maturing obligations and pay any dividend declarations.

In managing its long-term financial requirements, the Group's policy is that not more than 25% of long-term borrowings should mature in any twelve-month period. 9.27% of the Group's debt will mature in less than one year as of June 30, 2026 (December 31, 2025: 7.31%). For its short-term funding, the Group's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

The financial assets that will be principally used to settle the financial liabilities presented in the following table are from cash and cash equivalents and trade and other receivables. Cash and cash equivalents can be withdrawn anytime while trade and other receivables are expected to be collected/realized within one year.

The following table summarizes the maturity profile of the Group's financial liabilities as of June 30, 2026 based on contractual undiscounted principal payments:

	Total carrying value	Contractual undiscounted payments				
		Total	On demand	<1 year	1 to 5 years	> 5 years
Short-term loans	₱72,765,000	₱72,765,000	₱—	₱72,765,000	₱—	₱—
Trade and other payables	46,755,762	46,755,762	3,403,365	40,360,981	2,991,416	—
Long-term debts	247,965,118	287,085,086	—	46,962,059	150,893,235	89,229,792
Customers' deposits	11,738,588	11,738,588	—	619,642	487,360	10,631,586
Lease liabilities	4,895,091	11,326,154	—	238,556	2,175,208	8,912,390
Long-term obligation on PDS	72,428	105,729	—	40,000	65,729	—
Derivative liabilities	213,121	213,121	—	45,801	167,320	—
	₱384,405,108	₱429,989,440	₱3,403,365	₱161,032,039	₱156,780,268	₱108,773,768

Market Risk

The risk of loss, immediate or over time, due to adverse fluctuations in the price or market value of instruments, products, and transactions in the Group's overall portfolio (whether on or off-balance sheet) is market risk. These are influenced by foreign and domestic interest rates, foreign exchange rates and gross domestic product growth.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations. To manage this risk, the Group determines the mix of its debt portfolio as a function of the level of current interest rates, the required tenor of the loan, and the general use of the proceeds of its various fund raising activities. As of June 30, 2026, 12% of the Group's long-term debt had annual floating interest rates ranging from 1.5% to 6.51%, and 88% have annual fixed interest rates ranging from 4.27% to 9.00%. As of December 31, 2025, 11% of the Group's long-term debt had annual floating interest rates ranging from 1.5% to 7.68%, and 89% have annual fixed interest rates ranging from 4.27% to 9.00%.

The following tables set out the carrying amounts, by maturity, of the Group's financial instruments that are exposed to cash flow interest rate risk:

As of June 30, 2026

	<1 year	1-5 years	>5 years	Total
Floating rate - long-term debt	₱2,235,937	₱12,993,641	₱14,875,993	₱30,105,571

As of December 31, 2025

	<1 year	1-5 years	>5 years	Total
Floating rate - long-term debt	₱1,640,525	₱13,262,383	₱11,939,609	₱26,842,517

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are non-interest-bearing and are therefore not subject to interest rate risk. The Group's derivative assets and liabilities are subject to fair value interest rate risk.

The interest expense and other financing costs recognized according to source are as follows:

	For the periods ended June 30	
	2026	2025
Short-term loans and long-term debt	₱9,751,290	₱8,358,371
Lease liabilities (see Note 22)	183,082	160,449
Customers' deposits	176	1,978
Other long-term obligations	177,701	171,011
	₱10,112,249	₱8,691,809

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before tax (through the impact on floating rate borrowings):

	Increase (decrease) in basis points	Effect on income before tax
June 2026	200	(₱602,111)
	(100)	301,056
June 2025	200	(₱266,152)
	(100)	133,076

There is no other impact on the Group's equity other than those already affecting the unaudited interim condensed consolidated statements of income.

Commodity Price Risk

Commodity price risk of the Group arises from transactions on the world commodity markets to secure the supply of fuel, particularly coal, which is necessary for the generation of electricity.

The Group's Coal power plant operations depend on the ongoing supply of coal. Any disruption in coal supply, whether due to market shortages, regulatory restrictions, or logistical issues, could affect production and cost of sales. Management mitigates this risk by maintaining relationships with multiple suppliers, monitoring supply levels, and exploring alternative fuel sources. Based on current assessments, these risks are not expected to have a material impact on the carrying amounts of assets as at reporting date.

The Group's objective is to minimize the impact of commodity price fluctuations and this exposure is hedged in accordance with the Group's commodity price risk management strategy. The Group enters into commodity swap contracts to hedge price volatility arising from fixed-price sales contracts. These swaps are designated as cash flow hedges to mitigate the impact of fluctuations in coal prices.

Foreign exchange risk

The foreign exchange risk of the Group pertains significantly to its foreign currency denominated obligations. To manage its foreign exchange risk, stabilize cash flows and improve investment and cash flow planning, the Group enters into foreign currency forward contracts aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on financial performance and cash flows. Foreign currency denominated borrowings account for 9.06% and 14.11% of total consolidated borrowings as of June 30, 2026 and December 31, 2025, respectively.

Presented below are the Group's foreign currency denominated financial assets and liabilities as of June 30, 2026 and December 31, 2025, translated to Philippine Peso:

	June 30, 2026 (Unaudited)		December 31, 2025 (Audited)	
	US Dollar	Philippine Peso equivalent ¹	US Dollar	Philippine Peso equivalent ²
Financial assets:				
Cash and cash equivalents	\$214,879	₱13,184,975	\$74,006	₱4,350,813
Trade and other receivables	18,171	1,114,996	19,048	1,119,841
Advances to associates	104	6,381	20	1,176
Derivative Asset	6,645	407,753	—	—
Total financial assets	239,799	14,714,105	93,074	5,471,830
Financial liabilities:				
Trade and other payables	16,825	1,032,382	16,190	951,810
Long-term debt	—	—	—	—
Total financial liabilities	16,825	1,032,382	16,190	951,810
Total net financial assets (liabilities)	\$222,974	₱13,681,723	\$76,884	₱4,520,020

¹\$1 = 61.36

²\$1 = 58.79

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rates, with all other variables held constant, of the Group's income before tax for the periods ended June 30:

	Increase (decrease) in US Dollar	Effect on income before tax
2026		
US Dollar denominated accounts	US Dollar weakens by 5%	₱682,678
US Dollar denominated accounts	US Dollar strengthens by 5%	(682,678)
2025		
US Dollar denominated accounts	US Dollar weakens by 5%	₱253,781
US Dollar denominated accounts	US Dollar strengthens by 5%	(253,781)

The increase in US Dollar rate represents the depreciation of the Philippine Peso while the decrease in US Dollar rate represents appreciation of the Philippine Peso.

There is no other impact on the Group's equity other than those already affecting the unaudited interim consolidated statements of income.

Credit risk

For its cash investments (including restricted portion), financial assets at FVTPL and receivables, the Group's credit risk pertains to possible default by the counterparty, with a maximum exposure equal to the carrying amount of these investments. With respect to cash investments and financial assets at FVTPL, the risk is mitigated by the short-term and/or liquid nature of its cash investments mainly in bank deposits and placements, which are placed with financial institutions and entities of high credit standing. With respect to receivables, credit risk is controlled by the application of credit approval, limit and monitoring procedures. It is the Group's policy to only enter into transactions with credit-worthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales are made to customers with appropriate credit history and it has internal mechanisms to monitor the granting of credit and management of credit exposures.

Concentration Risk

Credit risk concentration of the Group's receivables according to the customer category is summarized in the following table:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Power distribution:		
Industrial	₱13,367,790	₱12,425,914
Residential	4,059,488	3,783,690
Commercial	1,341,850	1,225,834
City street lighting	117,158	121,045
Power generation:		
Power supply contracts	28,516,976	16,449,616
Non-power supply contracts	5,040,024	4,571,461
	₱52,443,286	₱38,577,560

Capital Management

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. The Group's policy is to keep the gearing ratio at 70% or below. The Group determines net debt as the sum of interest-bearing short-term and long-term loans (comprising long-term debt and lease liabilities) less cash and short-term deposits (including restricted cash).

Gearing ratios of the Group are as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Short-term loans	₱72,765,000	₱80,008,900
Long-term debt	247,965,118	247,539,464
Lease liabilities	4,895,091	4,978,522
Cash and cash equivalents	(62,658,309)	(58,932,061)
Short-term investments	—	—
Restricted cash	(4,493,210)	(6,569,631)
Net debt (a)	258,473,690	267,025,194
Equity	220,639,178	214,640,174
Equity and net debt (b)	479,112,868	481,665,368
Gearing ratio (a/b)	53.95%	55.44%

No changes were made in the objectives, policies or processes during the period ended June 30, 2026.

20. Financial Instruments

Fair Value of Financial Instruments

Fair value is defined as the amount at which the financial instrument could be sold in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced liquidation or sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, pricing services or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. For a financial instrument with an active market, the quoted market price is used as its fair value. On the other hand, if transactions are no longer regularly occurring even if prices might be available and the only observed transactions are forced transactions or distressed sales, then the market is considered inactive. For a financial instrument with no active market, its fair value is determined using a valuation technique (e.g. discounted cash flow approach) that incorporates all factors that market participants would consider in setting a price.

Set out below is a comparison by category of carrying amounts and fair values of the Group's financial instruments whose fair values are different from their carrying amounts.

	June 30, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Asset				
Concession contract asset	₱7,890,175	₱8,656,998	₱8,086,992	₱9,275,667
Financial Liabilities				
Long-term debt - fixed rate	217,859,547	219,152,874	247,539,464	237,419,174
Long-term obligation on power distribution system	72,428	79,261	68,560	79,261
	₱217,931,975	₱219,232,135	₱247,608,024	₱237,498,435

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

Cash and cash equivalents, trade and other receivables, short-term loans and trade and other payables. The carrying amounts of cash and cash equivalents, trade and other receivables, short-term loans and trade and other payables approximate fair value due to the relatively short-term maturity of these financial instruments.

Concession contract asset. The fair value of concession contract asset is based on cash flows discounted using prevailing rate.

Fixed-rate borrowings. The fair value of fixed rate interest-bearing loans is based on the discounted value of future cash flows using the applicable rates for similar types of loans.

Floating-rate borrowings. Since repricing of the variable-rate interest bearing loan is done on a quarterly basis, the carrying value approximates the fair value.

Long-term obligation on PDS and PSALM deferred adjustment. The fair value of the long-term obligation is calculated by discounting expected future cash flows at prevailing market rates.

Customers' deposits. The fair value of bill deposits approximates the carrying values as these deposits earn interest at the prevailing market interest rate in accordance with regulatory guidelines.

Financial assets at FVTPL. These equity securities are carried at fair value.

Derivative financial instruments. The fair value of forward contracts is calculated by reference to prevailing interest rate differential and spot exchange rate as of valuation date, taking into account its remaining term to maturity. The fair value of the interest rate swap and interest rate cap are determined by generally accepted valuation techniques with reference to observable market data such as interest rates.

The Group also entered into an interest rate swap agreement to fully hedge its floating rate exposure on its foreign currency-denominated loan and par forward contracts to hedge the floating rate exposure on foreign-currency denominated payments.

The Group entered into non-deliverable short-term forward contracts with counterparty banks to manage its foreign currency risks associated with foreign currency-denominated liabilities and purchases.

The Group also entered into commodity swap contracts to hedge the price volatility of its forecasted coal purchases.

The movements in fair value changes of all derivative instruments for the six-month period ended June 30, 2026 and for the year ended December 31, 2025 are as follows:

	2026 (Unaudited)	2025 (Audited)
At beginning of period	₱287,029	₱81,030
Net changes in fair value of derivatives designated as cash flow hedges	120,724	205,999
At end of period	₱407,753	₱287,029

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As of June 30, 2026, the Group held the following financial instruments that are measured and carried or disclosed at fair value:

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Derivative assets	₱620,874	₱—	₱620,874	₱—
Derivative liabilities	213,121	—	213,121	—
Disclosed at fair value:				
Concession contract asset	8,656,998	—	—	8,656,998
Long-term debt - fixed rate	219,152,874	—	—	219,152,874
Long-term obligation on PDS	79,261	—	—	79,261

During the six-month period ended June 30, 2026, there were no transfers between level 1 and level 2 fair value measurements and transfers into and out of level 3 fair value measurement.

21. Leases

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the six-month period ended June 30, 2026:

	Land	Building	Equipment and Others	Total	Lease liabilities
At beginning of the period	₱7,770,778	₱826,993	₱125,741	₱8,723,512	₱4,978,522
Additions	5,002,897	—	—	5,002,897	3,335
Amortization expense	(278,001)	(34,844)	(1,046)	(313,891)	—
Capitalized amortization	(2,531)	—	—	(2,531)	—
Interest expense	—	—	—	—	183,082
Capitalized interest	—	—	—	—	1,065
Payments	—	—	—	—	(239,404)
Others	(41,029)	634	3,490	(36,905)	(31,509)
At end of the period	₱12,452,114	₱792,783	₱128,185	₱13,373,082	₱4,895,091

Set out below, are the amounts recognized in the unaudited interim consolidated statements of income:

	For periods ended June 30	
	2026	2025
Amortization expense of right-of-use assets	₱313,891	₱598,817
Interest expense on lease liabilities	183,082	160,449
Rent expense - short-term leases	58,471	44,931
	₱555,444	₱804,197

On August 15, 2025, C9PI entered into a lease agreement with PSALM for the land on which the power plant is situated. The lease has a 25-year term and may be renewed or extended for an additional 25-year period upon mutual written agreement. The lease commenced on February 9, 2026, upon the official turnover of the CBK HEPP Complex in Laguna by PSALM to the C9PI, and the deposit amounting to ₱5.00 billion were reclassified as part of the right-of-use asset.

22. Retained Earnings

- On March 5, 2026, the BOD approved the declaration of regular cash dividends of ₱1.35 per share (₱9.73 billion) and special cash dividends of ₱0.93 per share (₱6.70 billion) to all stockholders of record as of March 19, 2026. The cash dividends were paid on March 27, 2026.
- On March 5, 2026, the BOD approved the reversal of the appropriated retained earnings amounting to ₱11.90 billion. This pertains to the appropriation in 2019 for project development and construction of power plants that were already completed as of approval date.
- The balance of retained earnings includes the accumulated equity in net earnings of subsidiaries, associates and joint arrangements amounting to ₱152.31 billion and ₱148.68 billion as at June 30, 2026 and December 31, 2025, respectively. Such amounts are not available for distribution until such time that the Company receives the dividends from the respective subsidiaries, associates and joint arrangements.

23. Disclosures

1. Seasonality of Interim Operations

Operations of hydropower plants are generally affected by climatic seasonality. Seasonality and location have a direct effect on the level of precipitation. In Luzon where rainy and summer seasons are more pronounced, higher rainfall is normally experienced in the months of June to September. As such, the hydropower plants located in Luzon operate at their maximum capacity during this period. In contrast, the hydropower plants in Mindanao experience a well-distributed rainfall throughout the year, with a slightly better precipitation during the months of December to April. This precipitation seasonality greatly affects subsidiary companies HI, HSI, Hedcor Tudaya, Hedcor Sabangan and LHC, which operate 'run-of-river' hydropower plants since these plants do not have any means to impound water.

Any unexpected change in the seasonal aspects will have no material effect on the Group's financial condition or results of operations.

2. Property, Plant and Equipment

During the six-month period ended June 30, 2026, the Group's additions to property, plant and equipment amounted to ₱9.80 billion mainly coming from Power Plant Equipment and Steam Field Assets and Construction-in-Progress subcategory of property, plant and equipment.

3. Dividends to Non-controlling Interests

The Group's material partly-owned subsidiaries, VECO and SPI paid cash dividends amounting to ₱1.52 billion and ₱1.45 billion to non-controlling interests during the six-month periods ended June 30, 2026 and 2025, respectively.

4. Contingencies

The Group is a party to certain proceedings and legal cases with other parties in the normal course of business. The ultimate outcome of these proceedings and legal cases cannot be presently determined. Management, in consultation with its legal counsels, believes that it has substantial legal and factual bases for its positions and is currently of the opinion that the likely outcome of these proceedings and legal cases will not have a material adverse effect on the Group's financial position and operating results. It is possible, however, that the future results of operations could be materially affected by changes in estimates or in the effectiveness of the strategies relating to these proceedings and legal cases.

The Company obtained Standby Letters of Credit and is acting as surety for the benefit of certain associates and a subsidiary in connection with loans and credit accommodations.

SCHEDULE A – RELEVANT FINANCIAL RATIOS

		June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	Formula		
LIQUIDITY RATIOS			
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.9	0.8
Acid test ratio	$\frac{\text{Cash + Marketable securities} + \text{Accounts receivable} + \text{Other liquid assets}}{\text{Current liabilities}}$	0.7	0.6
SOLVENCY RATIOS			
Debt to equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	1.8	1.9
Asset to equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	2.8	2.9
Net debt to equity ratio	$\frac{\text{Debt - Cash \& cash equivalents}}{\text{Total equity}}$	1.2	1.2
Gearing ratio	$\frac{\text{Debt - Cash \& cash equivalents}}{\text{Total equity} + (\text{Debt - Cash \& cash equivalents})}$	54%	55%
Interest coverage ratio	$\frac{\text{EBIT}}{\text{Interest expense}}$	n.a	2.5
PROFITABILITY RATIOS			
Operating margin	$\frac{\text{Operating profit}}{\text{Total revenues}}$	n.a	19%
Return on equity	$\frac{\text{Net income after tax}}{\text{Total equity}}$	n.a	10%

Ratio marked * is deemed not applicable (n.a.) for the interim reporting period since this would not be comparable to the ratio reported in the previous period.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

1.) AGING OF RECEIVABLES

As of June 30, 2026

	30 Days	60 Days	90 Days	Over 90 Days	Total
Trade receivables:					
Power Distribution Customers	5,420,110	1,385,778	249,605	2,101,097	9,156,590
Power Generation Customers	16,654,085	2,915,960	844,936	7,048,934	27,463,915
Management & Other Services Customers	5,742,476	108,245	95,627	1,452,711	7,399,059
	27,816,671	4,409,983	1,190,168	10,602,742	44,019,564
Less : Allowance for impairment losses				3,247,263	3,247,263
Net trade Receivables	27,816,671	4,409,983	1,190,168	7,355,479	40,772,301
Non-trade receivables	5,726,270	98	4,621	26,506	5,757,495
Grand Total	33,542,942	4,410,081	1,194,789	7,381,985	46,529,796

2.) ACCOUNTS RECEIVABLE DESCRIPTION

Type of Receivable	Nature/Description	Collection Period
Trade	uncollected billings to customers for sale of power, goods and services	30 - 60 days
Non-Trade	claims, operating cash advances and advances to suppliers & employees	30 - 120 days

3.) NORMAL OPERATING CYCLE

Power Subsidiaries

- Distribution - 60 days
- Generation - 65 days