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(Company's Full Name)

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C	a	p	i	t	a	l		R	e	g	i	o	n		(	N	C	R	)

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

Julie Ann B. Domino-Pablo
Contact Person

(02) 5317-1000
Company Telephone Number

1	2		3	1

Month Day
Fiscal Year

SEC Form 17-Q
(1st Quarter ended 31 March 2025)
FORM TYPE

0	6		1st Tues

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

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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 **March 31, 2025**

2. Commission identification number **CS2008-01099**

3. BIR Tax Identification No **006-960-000-000**

4. Exact name of issuer as specified in its charter
   SAN MIGUEL GLOBAL POWER HOLDINGS CORP.

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

6. Industry Classification Code: [ ] (SEC Use Only)

7. **40 San Miguel Avenue, Wack-Wack Greenhills**
   City of Mandaluyong City, Second District
   National Capital Region — **1550**
   Address of issuer's principal office — Postal Code

8. **(632) 5317-1000**
   Issuer's telephone number, including area code

9. **5th Floor, C5 Office Building Complex,**
   #100 E. Rodriguez Jr. Ave., C5 Road, Bo. Ugong
   Pasig City 1604, Metro Manila
   Former name, former address and former fiscal year, if changed since last report

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

Securities	Amount Outstanding (as of March 31, 2025) (In Thousands)
Series C Fixed Rate Bonds issued in July 2016	₱4,756,310
Series F Fixed Rate Bonds issued in December 2017	3,609,020
Series J Fixed Rate Bonds issued in April 2019	6,923,100
Series K-L-M Fixed Rate Bonds issued in July 2022	40,000,000
Total	₱55,288,430

	Number of shares of stock and debt outstanding (as of March 31, 2025)
Common Shares	**2,823,604,000**
Consolidated Total Liabilities (in Thousands)	**P428,832,981**

11. Are any or all of the securities listed on a Stock Exchange?
    Yes [ ] No [√]

    If yes, state name of such Stock Exchange and the class/es of securities listed herein. N/A

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.
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.

The unaudited consolidated financial statements of San Miguel Global Power Holdings Corp. ("San Miguel Global Power" or "Parent Company") and its subsidiaries (collectively, the "Group") as of and for the period ended March 31, 2025 (with comparative figures as of December 31, 2024 and for the period ended March 31, 2024) and Selected Notes to the Consolidated Financial Statements are hereto attached as **Annex "A"**.

Item 2. Management's Discussion and Analysis of Financial Position and Financial Performance.

The information required by Part III, Paragraph (A)(2)(b) of "Annex C" is attached hereto as **Annex "B"**.

PART II - OTHER INFORMATION

There are no other information to be disclosed under this Part II which has not been previously reported by San Miguel Global Power in a report under 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	**SAN MIGUEL GLOBAL POWER HOLDINGS CORP.**
Signature and Title	**PAUL BERNARD D. CAUSON** Chief Finance Officer/ Authorized Signatory
Date	May 13, 2025
Signature and Title	**RAMON U. AGAY** Comptroller/ Authorized Signatory
Date	May 13, 2025

ANNEX "A"

SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
(A Wholly-owned Subsidiary of San Miguel Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2025 AND DECEMBER 31, 2024
(In Thousands)

	Note	2025 (Unaudited)	2024 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	*7, 21, 22*	**P80,154,542**	P67,867,411
Trade and other receivables - net	*8, 15, 21, 22*	**105,482,662**	115,884,031
Inventories	*9, 15*	**11,114,882**	14,326,383
Prepaid expenses and other current assets	*15, 21, 22*	**36,243,073**	51,561,324
Total Current Assets		**232,995,159**	249,639,149
Noncurrent Assets			
Investments and advances - net	*10*	**70,475,592**	19,895,587
Property, plant and equipment - net	*11*	**367,717,204**	459,505,829
Right-of-use assets - net	*6, 15*	**41,388,665**	42,123,333
Goodwill and other intangible assets - net		**70,069,869**	71,736,078
Deferred tax assets		**1,279,485**	1,353,752
Other noncurrent assets	*15, 21, 22*	**37,975,998**	37,618,797
Total Noncurrent Assets		**588,906,813**	632,233,376
TOTAL ASSETS		**P821,901,972**	P881,872,525
LIABILITIES AND EQUITY			
Current Liabilities			
Loans payable	*12, 21, 22*	**P10,000,000**	P41,350,425
Accounts payable and accrued expenses	*13, 15, 21, 22*	**92,187,665**	144,101,704
Lease liabilities - current portion	*6, 15, 21, 22*	**4,163,524**	10,048,624
Income tax payable		**112,431**	79,614
Current maturities of long-term debt - net of debt issue costs	*14, 21, 22*	**42,678,322**	28,477,307
Total Current Liabilities		**149,141,942**	224,057,674
Noncurrent Liabilities			
Long-term debt - net of current maturities and debt issue costs	*14, 21, 22*	**238,993,104**	249,460,584
Deferred tax liabilities		**16,520,679**	23,978,387
Lease liabilities - net of current portion	*6, 15, 21, 22*	**19,890,108**	21,356,642
Other noncurrent liabilities	*21, 22*	**4,287,148**	3,994,059
Total Noncurrent Liabilities		**279,691,039**	298,789,672
TOTAL LIABILITIES		**428,832,981**	522,847,346

Forward

	Note	2025 (Unaudited)	2024 (Audited)
Equity	*16*		
Equity Attributable to Equity Holders of the Parent Company			
Capital stock		**P2,823,604**	P2,823,604
Additional paid-in capital		**48,081,781**	48,081,781
Senior perpetual capital securities		**156,944,640**	151,194,865
Redeemable perpetual capital securities		**145,979,113**	145,979,113
Equity reserves	*10*	**5,871,992**	(16,384,899)
Retained earnings		**32,415,738**	26,387,315
		392,116,868	358,081,779
Non-controlling Interests		**952,123**	943,400
Total Equity		**393,068,991**	359,025,179
TOTAL LIABILITIES AND EQUITY		**P821,901,972**	P881,872,525

See accompanying Management Discussion and Analysis and Selected Notes to Consolidated Financial Statements.

Certified Correct:

PAUL BERNARD D. CAUSON
Chief Finance Officer / Authorized Signatory

SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
(A Wholly-owned Subsidiary of San Miguel Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED MARCH 31, 2025 AND 2024
(In Thousands, Except Per Share Data)

	Note	**2025 (Unaudited)**	2024 (Unaudited)
REVENUES	*15, 17*	**P42,496,775**	P44,122,535
COST OF POWER SOLD	*15, 18*	**29,450,295**	33,540,666
GROSS PROFIT		**13,046,480**	10,581,869
SELLING AND ADMINISTRATIVE EXPENSES	*8, 11*	**2,358,244**	1,741,312
INCOME FROM OPERATIONS		**10,688,236**	8,840,557
INTEREST EXPENSE AND OTHER FINANCING CHARGES	*6, 12, 14*	**(5,776,551)**	(5,017,019)
INTEREST INCOME	*7*	**808,262**	221,279
EQUITY IN NET EARNINGS (LOSSES) OF ASSOCIATES AND JOINT VENTURES - Net	*10*	**1,562,586**	(22,868)
OTHER INCOME (CHARGES) - Net	*19*	**21,139,617**	(1,329,936)
INCOME BEFORE INCOME TAX		**28,422,150**	2,692,013
INCOME TAX EXPENSE		**2,036,477**	1,145,308
NET INCOME		**P26,385,673**	P1,546,705
Attributable to:			
Equity holders of the Parent Company		**P26,376,950**	P1,552,187
Non-controlling interests		**8,723**	(5,482)
		P26,385,673	P1,546,705
Earnings (Losses) Per Common Share Attributable to Equity Holders of the Parent Company			
Basic/Diluted	*20*	**P6.76**	(P1.47)

See accompanying Management Discussion and Analysis and Selected Notes to Consolidated Financial Statements.

Certified Correct:

PAUL BERNARD D. CAUSON
Chief Finance Officer / Authorized Signatory

SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
(A Wholly-owned Subsidiary of San Miguel Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED MARCH 31, 2025 AND 2024
(In Thousands)

	Note	**2025 (Unaudited)**	2024 (Unaudited)
NET INCOME		**P26,385,673**	P1,546,705
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may not be reclassified to profit or loss			
Net gain on financial assets at fair value through other comprehensive income		**22,950,139**	-
Income tax expense		**(688,117)**	-
	10	**22,262,022**	-
Item that may be reclassified to profit or loss			
Gain (loss) on exchange differences on translation of foreign operations		**(5,131)**	7,291
OTHER COMPREHENSIVE INCOME - Net of tax		**22,256,891**	7,291
TOTAL COMPREHENSIVE INCOME		**P48,642,564**	P1,553,996
Attributable to:			
Equity holders of the Parent Company		**P48,633,841**	P1,559,478
Non-controlling interests		**8,723**	(5,482)
		P48,642,564	P1,553,996

See accompanying Management Discussion and Analysis and Selected Notes to Consolidated Financial Statements.

Certified Correct:

PAUL BERNARD D. CAUSON
Chief Finance Officer / Authorized Signatory

SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
(A Wholly-owned Subsidiary of San Miguel Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED MARCH 31, 2025 AND 2024
(In Thousands)

		Equity Attributable to Equity Holders of Parent Company											
						Equity Reserves							
	Note	Capital Stock	Additional Paid-in Capital	Senior Perpetual Capital Securities	Redeemable Perpetual Capital Securities	Equity Reserves	Translation Reserves	Reserve for Retirement Plan	Hedging Reserve	Retained Earnings	Total	Non-controlling Interests	Total Equity
As at January 1, 2025 (Audited)		P2,823,604	P48,081,781	P151,194,865	P145,979,113	(P17,253,511)	P935,708	(P67,096)	P -	P26,387,315	P358,081,779	P943,400	P359,025,179
Net income		-	-	-	-	-	-	-	-	26,376,950	26,376,950	8,723	26,385,673
Other comprehensive income (loss) - net of tax	10	-	-	-	-	22,262,022	(5,131)	-	-	-	22,256,891	-	22,256,891
Total comprehensive income (loss)		-	-	-	-	22,262,022	(5,131)	-	-	26,376,950	48,633,841	8,723	48,642,564
Issuances of senior perpetual capital securities	16, 23	-	-	5,749,775	-	-	-	-	-	-	5,749,775	-	5,749,775
Deconsolidation of subsidiaries	16	-	-	-	-	-	-	-	-	(295,529)	(295,529)	-	(295,529)
Share issuance costs		-	-	-	-	-	-	-	-	(9,507)	(9,507)	-	(9,507)
Distributions to holders of:													
Senior perpetual capital securities	16	-	-	-	-	-	-	-	-	(4,103,625)	(4,103,625)	-	(4,103,625)
Redeemable perpetual capital securities	16	-	-	-	-	-	-	-	-	(15,939,866)	(15,939,866)	-	(15,939,866)
Transactions with owners		-	-	5,749,775	-	-	-	-	-	(20,348,527)	(14,598,752)	-	(14,598,752)
As at March 31, 2025 (Unaudited)		P2,823,604	P48,081,781	P156,944,640	P145,979,113	P5,008,511	P930,577	(P67,096)	P -	P32,415,738	P392,116,868	P952,123	P393,068,991
As at January 1, 2024 (Audited)		P2,823,604	P48,081,781	P161,767,709	P102,546,825	(P3,827,112)	P914,958	(P107,000)	P -	P30,367,328	P342,568,093	P905,112	P343,473,205
Net income (loss)		-	-	-	-	-	-	-	-	1,552,187	1,552,187	(5,482)	1,546,705
Other comprehensive income (loss) - net of tax		-	-	-	-	-	7,291	-	-	-	7,291	-	7,291
Total comprehensive income (loss)		-	-	-	-	-	7,291	-	-	1,552,187	1,559,478	(5,482)	1,553,996
Distributions to senior perpetual capital securities		-	-	-	-	-	-	-	-	(1,261,945)	(1,261,945)	-	(1,261,945)
As at March 31, 2024 (Unaudited)		P2,823,604	P48,081,781	P161,767,709	P102,546,825	(P3,827,112)	P922,249	(P107,000)	P -	P30,657,570	P342,865,626	P899,630	P343,765,256

See accompanying Management Discussion and Analysis and Selected Notes to Consolidated Financial Statements.

Certified Correct:

PAUL BERNARD D. CAUSON
Chief Finance Officer / Authorized Signatory

SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
(A Wholly-owned Subsidiary of San Miguel Corporation)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2025 AND 2024

(In Thousands)

	Note	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**P28,422,150**	P2,692,013
Adjustments for:			
Interest expense and other financing charges	6, 12, 14	**5,776,551**	5,017,019
Depreciation and amortization	11, 18	**3,940,771**	3,211,195
Unrealized foreign exchange losses - net		**71,843**	1,507,575
Retirement benefits costs		**39,066**	37,419
Reversal of allowance on trade receivables	8	**-**	(5,081)
Interest income	7	**(808,262)**	(221,279)
Equity in net losses (earnings) of associates and joint ventures - net		**(1,562,586)**	22,868
Gain on fair valuation upon loss of control of subsidiaries	10	**(21,933,046)**	-
Operating income before working capital changes		**13,946,487**	12,261,729
Decrease (increase) in:			
Trade and other receivables - net		**18,665,695**	796,044
Inventories		**(1,382,874)**	4,525,337
Prepaid expenses and other current assets		**(5,518,397)**	(1,671,892)
Increase (decrease) in:			
Accounts payable and accrued expenses		**(4,214,157)**	8,553,421
Other noncurrent liabilities		**(173,792)**	(151,353)
Cash generated from operations		**21,322,962**	24,303,286
Interest income received		**711,076**	169,544
Income taxes paid		**(912,698)**	(347,003)
Interest expense and other financing charges paid		**(5,229,477)**	(4,900,486)
Net cash flows provided by operating activities		**15,891,863**	19,225,341
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from redemption of preferred shares	10	**78,717,390**	-
Additions to intangible assets		**(1,620)**	(1,470)
Advances paid to suppliers and contractors		**(291,915)**	(1,186,164)
Additions to property, plant and equipment	11	**(3,360,335)**	(17,356,538)
Cash of deconsolidated subsidiaries		**(5,667,901)**	-
Additions to investments and advances, net		**(7,779,814)**	(1,131,373)
Decrease (increase) in other noncurrent assets		**(21,046,127)**	50,188
Net cash flows provided by (used in) investing activities		**40,569,678**	(19,625,357)

Forward

	Note	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	*12, 23*	**P19,500,000**	P29,172,000
Proceeds from the issuance of senior perpetual capital securities	*16, 23*	**5,749,775**	-
Proceeds from long-term debts	*14, 23*	**9,400,000**	12,000,000
Distributions paid to senior perpetual capital securities holders	*16*	**(4,103,625)**	(1,261,945)
Payments of long-term debts	*14, 23*	**(4,962,070)**	(1,374,820)
Payments of lease liabilities	*6, 23*	**(7,224,539)**	(5,070,231)
Distributions paid to redeemable perpetual capital securities holders	*16*	**(15,939,866)**	-
Payments of short-term borrowings	*12, 23*	**(45,912,300)**	(29,172,000)
Net cash flows provided by (used in) financing activities		**(43,492,625)**	4,293,004
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(681,785)**	26,089
NET INCREASE IN CASH AND CASH EQUIVALENTS		**12,287,131**	3,919,077
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**67,867,411**	31,659,442
CASH AND CASH EQUIVALENTS AT END OF PERIOD	*7*	**P80,154,542**	P35,578,519

See accompanying Management Discussion and Analysis and Selected Notes to Consolidated Financial Statements.

Certified Correct:

PAUL BERNARD D. CAUSON
Chief Finance Officer / Authorized Signatory

SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
AND SUBSIDIARIES
TRADE AND OTHER RECEIVABLES
MARCH 31, 2025
(Amounts in Thousands)

					Past Due							
		Total		**Current**		**1 - 30 Days**		**31 - 60 Days**		**61 - 90 Days**		**Over 90 Days**
Trade	P	74,994,832	P	40,066,575	P	1,266,186	P	1,247,994	P	1,561,019	P	30,853,058
Non-trade		16,616,275		13,560,830		28,464		252,739		89,406		2,684,836
Amounts owed by related parties		18,333,828		14,851,129		236,221		75,027		82,850		3,088,601
Total		109,944,935	P	68,478,534	P	1,530,871	P	1,575,760	P	1,733,275	P	36,626,495
Less allowance for impairment losses		4,462,273										
Net	P	105,482,662										

SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
(A Wholly-owned Subsidiary of San Miguel Corporation)
AND SUBSIDIARIES

SELECTED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except Per Share Data and Number of Shares)

1. Reporting Entity

San Miguel Global Power Holdings Corp. (the "Parent Company") was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on January 23, 2008, and its primary purpose of business is to purchase, sell, assign, lease, develop, create security interest over, operate and dispose of all properties of every kind and description, including, and shares of stocks or other securities or obligations, created or issued by any corporation or other entity. The Parent Company has a perpetual corporate life in accordance with the Revised Corporation Code of the Philippines.

The accompanying consolidated financial statements comprise the financial statements of the Parent Company and its Subsidiaries (collectively referred to as the Group) and the Group's interests in associates and joint ventures.

The Parent Company is a wholly-owned subsidiary of San Miguel Corporation (SMC). The ultimate parent company of the Group is Top Frontier Investment Holdings, Inc. (Top Frontier). SMC and Top Frontier are public companies under Section 17.2 of the Securities Regulation Code and whose shares are listed on The Philippine Stock Exchange, Inc.

The Board of Directors (BOD) and the stockholders approved, on May 13, 2024 and June 4, 2024, respectively, the change of the Parent Company's principal office and amendment of its Amended Articles of Incorporation to reflect the same, from 5th Floor, C5 Office Building Complex, #100 E. Rodriguez Jr. Ave., C5 Road, Bo. Ugong, Pasig City 1604, Metro Manila to No. 40 San Miguel Avenue, Wack-Wack Greenhills 1550, City of Mandaluyong, Second District, National Capital Region. On September 26, 2024, the Philippine SEC approved the application filed by the Parent Company.

2. Basis of Preparation

The consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting,* and should be read in conjunction with the Group's last annual audited consolidated financial statements as at and for the year ended December 31, 2024. They do not include all the information required for a complete set of Philippine Financial Reporting Standards (PFRS) Accounting Standards financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual audited consolidated financial statements.

The consolidated financial statements were approved and authorized for issue in accordance with a resolution by the BOD on March 13, 2025.

Basis of Measurement

The consolidated financial statements of the Group have been prepared on a historical cost basis except for the following items which are measured on an alternative basis on each reporting date:

Items	Measurement Basis
Financial assets at fair value through profit or loss (FVPL)	Fair value
Defined benefits retirement asset (liability)	Fair value of the plan assets less the present value of the defined benefits retirement obligation

Functional and Presentation Currency

The consolidated financial statements are presented in Philippine Peso, which is the functional currency of the Parent Company. All financial information is rounded off to the nearest thousand (P000), except when otherwise indicated.

Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries. The major subsidiaries include the following:

	Percentage of Ownership	
	2025	2024
Power Generation		
Sual Power Inc. (SPI)	**100**	**100**
San Roque Hydropower Inc. (SRHI)	**100**	100
Limay Power Inc. (LPI)	**100**	100
Malita Power Inc. (MPI)	**100**	100
PowerOne Ventures Energy Inc. (PVEI)	**100**	100
Prime Electric Generation Corporation	**100**	100
Oceantech Power Generation Corporation	**100**	100
Masinloc Power Co. Ltd. (MPCL)	**100**	100
Power Ventures Generation Corporation	**100**	100
Mariveles Power Generation Corporation (MPGC)	**95**	95
SMC Global Light and Power Corp.	**100**	100
Lucanin Solar Inc.	**100**	100
South Premiere Power Corp. (SPPC)	**33**	100
Excellent Energy Resources Inc. (EERI)	**33**	100

Forward

	Percentage of Ownership	
	2025	2024
Retail and Other Power-related Services		
SMGP BESS Power Inc. (SMGP BESS)	**100**	100
SMGP Kabankalan Power Co. Ltd. (SMGP Kabankalan)	**100**	100
SMC Power Generation Corp.	**100**	100

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date when the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. Intergroup balances and transactions, including intergroup unrealized profits and losses, are eliminated in preparing the consolidated financial statements.

Non-controlling interests represent the portion of profit or loss and net assets not attributable to the Parent Company and are presented in the consolidated statements of income, consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the equity attributable to equity holders of the Parent Company.

Non-controlling interests include the interests not held by the Parent Company in MPGC as at March 31, 2025 and December 31, 2024.

On January 27, 2025, the Parent Company's ownership interests in SPPC, EERI and Ilijan Primeline Industrial Estate Corp. (IPIEC) - a wholly-owned landholding subsidiary, were diluted from 100% to 33%, thereby resulting to loss of control over these subsidiaries (see Note 10).

3. Material Accounting Policy Information

The principal accounting policies adopted in the preparation of the consolidated financial statements of the Group are consistent with those followed in the most recent annual audited consolidated financial statements, except for the changes in accounting policies as explained below. The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending December 31, 2025.

The Financial and Sustainability Reporting Standards Council approved the adoption of a number of amendments to standards as part of PFRS Accounting Standards.

Adoption of Amendments to Standards

The Group has adopted the Lack of Exchangeability (Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*) effective January 1, 2025. The amendments clarify that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, an entity needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the entity because the currency is not exchangeable.

The adoption of the amendments to standards did not have a material effect on the consolidated financial statements.

New and Amendments to Standards Not Yet Adopted

A number of new and amended standards are effective for annual periods beginning after January 1, 2025 and have not been applied in preparing the consolidated financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures*). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

  The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

  Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Contracts Referencing Nature-dependent Electricity (Amendments to PFRS 9 and PFRS 7). The amendments clarify the application of the own-use exemption for contracts referencing electricity from nature-dependent renewable energy sources, amend the hedge accounting requirements to allow these contracts to be designated as hedging instruments if certain conditions are met, and introduce additional disclosure requirements on the impact of these contracts on the financial performance and future cash flow.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to two standards:

  - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to ‘inputs that were not based on observable market data’ in the obsolete paragraph 27A of PFRS 7, with reference to ‘unobservable inputs’ in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.

  - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:

    - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and

    - replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that’s unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

  The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, *Presentation and Disclosure in Financial Statements*, replaces PAS 1, *Presentation of Financial Statements*. The new standard introduces the following key requirements:

  - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss.

  - Management-defined performance measures are disclosed in a single note to the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2025 on the consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the consolidated financial statements when these amendments are adopted.

4. Management's Use of Judgments, Estimates and Assumptions

In preparing these consolidated financial statements, management has exercised judgments, made accounting estimates and used assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those applied in the audited consolidated financial statements as at and for the year ended December 31, 2024.

5. Segment Information

Operating Segments

The Group's operations are segmented into three businesses: a) power generation, b) retail and other power-related services and c) others consistent with the reports prepared internally for use by the Group's chief operating decision maker in reviewing the business performance of the operating segments. The differing economic characteristics and activities of these operating segments make it more useful to users of the consolidated financial statements to have information about each component of the Group's profit or loss, assets and liabilities.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment, right-of- use assets, net of allowances, accumulated depreciation and amortization, and impairment, and other noncurrent assets. Segment liabilities include all operating liabilities and consist primarily of loans payable, accounts payable and accrued expenses, lease liabilities, and other noncurrent liabilities. Segment assets and liabilities do not include deferred taxes. Capital expenditures consist of additions to property, plant and equipment of each reportable segment.

Inter-segment Transactions

Segment revenues, expenses and performance include sales and purchases between operating segments. Such transactions are eliminated in consolidation.

The Group operates only in the Philippines which is treated as a single geographical segment.

Major Customers

The Group sells, retails and distributes power, through power supply agreements (PSAs), retail supply contracts, ancillary service procurement agreements and other power-related service agreements, either directly to customers (other generators, distribution utilities, including Manila Electric Company [Meralco], electric cooperatives, industrial customers and National Grid Corporation of the Philippines [NGCP]) or through the Philippine Wholesale Electricity Spot Market (WESM). Sale of power to external customers that represents 10% or more of the Group's total revenues, is as follows:

	March 31	
Customer	**2025 (Unaudited)**	2024 (Unaudited)
Meralco	**P17,072,900**	18,589,837
WESM	**8,472,830**	7,894,317

For management reporting purposes, the Group's operating segments are organized and managed separately as follows:

Operating Segments

Financial information about reportable segments follows:

	For the Periods Ended March 31									
	Power Generation		Retail and Other Power-related Services		Others		Eliminations		Consolidated	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenues										
External	P32,916,805	P35,711,028	P9,398,591	P8,318,589	P181,379	P92,918	P -	P -	P42,496,775	P44,122,535
Inter-segment	6,249,892	3,421,078	-	-	470,825	478,549	(6,720,717)	(3,899,627)	-	-
	39,166,697	39,132,106	9,398,591	8,318,589	652,204	571,467	(6,720,717)	(3,899,627)	42,496,775	44,122,535
Costs and Expenses										
Cost of power sold	29,600,983	31,399,065	5,716,946	5,463,435	547,968	332,991	(6,415,602)	(3,654,825)	29,450,295	33,540,666
Selling and administrative expenses	1,995,110	1,303,677	522,264	360,874	377,967	471,177	(537,097)	(394,416)	2,358,244	1,741,312
	31,596,093	32,702,742	6,239,210	5,824,309	925,935	804,168	(6,952,699)	(4,049,241)	31,808,539	35,281,978
Segment Result	P7,570,604	P6,429,364	P3,159,381	P2,494,280	(P273,731)	(P232,701)	P231,982	P149,614	P10,688,236	P8,840,557
Interest expense and other financing charges									(5,776,551)	(5,017,019)
Interest income									808,262	221,279
Equity in net earnings (losses) of associates and joint ventures - net									1,562,586	(22,868)
Other income (charges) - net									21,139,617	(1,329,936)
Income tax expense									(2,036,477)	(1,145,308)
Consolidated Net Income									P26,385,673	P1,546,705

	As at and For the Periods Ended									
	Power Generation		Retail and Other Power-related Services		Others		Eliminations		Consolidated	
	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Other Information										
Segment assets	P536,636,210	P716,667,127	P80,834,143	P82,193,061	P298,535,232	P259,941,743	(P235,928,559)	(P269,914,823)	P680,077,026	P788,887,108
Investments and advances - net	7,680,702	7,251,335	251,893	256,211	317,127,924	284,502,022	(254,584,927)	(272,113,981)	70,475,592	19,895,587
Goodwill and other intangible assets - net									70,069,869	71,736,078
Deferred tax assets									1,279,485	1,353,752
Consolidated Total Assets									P821,901,972	P881,872,525
Segment liabilities	P305,972,296	P409,354,613	P27,838,207	P31,680,751	P64,473,552	P83,456,792	(P267,755,610)	(P303,640,702)	P130,528,445	P220,851,454
Long-term debt - net									281,671,426	277,937,891
Income tax payable									112,431	79,614
Deferred tax liabilities									16,520,679	23,978,387
Consolidated Total Liabilities									P428,832,981	P522,847,346
Capital expenditures	P6,478,016	P47,246,555	P1,736,469	P11,341,437	P43,899	P119,262	(P5,804)	(P5,370,685)	P8,252,580	P53,336,569
Coal, fuel oil and other consumables	15,918,230	92,265,094	1,620,298	9,498,823	-	5	-	-	17,538,528	101,763,922
Power purchases	9,733,517	45,622,234	2,940,267	10,639,701	-	-	(6,243,645)	(26,597,361)	6,430,139	29,664,574
Depreciation and amortization of property, plant and equipment, right-of-use assets and intangible assets	3,172,281	10,803,126	711,887	3,166,256	66,549	243,229	(9,946)	(39,743)	3,940,771	14,172,868
Noncash items other than depreciation and amortization	(22,880,998)	5,475,625	120,756	(133,165)	(624,481)	(162,631)	-	-	(23,384,723)	5,179,829

**Noncash items other than depreciation and amortization include gain on fair valuation upon loss of control of subsidiaries, equity in net losses (earnings) of associates and joint ventures, net unrealized foreign exchange losses (gains), retirement benefits cost, and impairment losses on trade receivables (net of reversals), property, plant and equipment.*

6. Significant Agreements and Lease Commitments

Independent Power Producer (IPP) Administration (IPPA) Agreements

As a result of the biddings conducted by the Power Sector Assets and Liabilities Management Corporation (PSALM) for the Appointment of the IPP Administrator for the capacity of the following power plants, the Group was declared the winning bidder to act as IPP Administrator through the following appointed subsidiaries:

Subsidiary	Power Plant	Location
SPI	Sual Coal - Fired Power Station (Sual Power Plant)	Sual, Pangasinan Province
SRHI	San Roque Hydroelectric Multi- purpose Power Plant (San Roque Hydroelectric Power Plant)	San Roque, Pangasinan Province

SPPC also became the IPP Administrator for the Ilijan Power Plant, a natural gas-fired combined cycle power plant located in Ilijan, Batangas, in June 2010 until the Ilijan Power Plant was turned over to SPPC in June 2022.

SPI served as the IPP Administrator for the Sual Power Plant from November 2009 until the end of the IPPA Agreement term on October 24, 2024. Accordingly, PSALM turned over the Sual Power Plant to SPI on October 25, 2024.

The IPPA Agreements are with the conformity of the National Power Corporation (NPC), a government-owned and controlled corporation created by virtue of Republic Act (RA) No. 6395, as amended, whereby NPC confirms, acknowledges, approves and agrees to the terms of the IPPA Agreements and further confirms that for so long as it remains the counterparty of the IPP, it will comply with its obligations and exercise its rights and remedies under the original agreement with the IPP at the request and instruction of PSALM.

The IPPA Agreements include, among others, the following common salient rights and obligations:

i. the right and obligation to manage and control the capacity of the power plant for its own account and at its own cost and risks;

ii. the right to trade, sell or otherwise deal with the capacity (whether pursuant to the spot market, bilateral contracts with third parties or otherwise) and contract for or offer related ancillary services, in all cases for its own account and at its own cost and risks. Such rights shall carry the rights to receive revenues arising from such activities without obligation to account therefore to PSALM or any third party;

iii. the right to receive a transfer of the power plant upon termination of the IPPA Agreement at the end of the cooperation period or in case of buy-out;

iv. previously for SPI and SPPC, the right to receive an assignment of NPC's interest in existing short-term bilateral power supply contracts;

v. the obligation to supply and deliver, at its own cost, fuel required by the IPP and necessary for the Sual Power Plant to generate the electricity required to be produced by the IPP;

vi. maintain the performance bond in full force and effect with a qualified bank; and

vii. the obligation to pay PSALM the monthly payments and energy fees in respect of all electricity generated from the capacity, net of outages.

Relative to the IPPA Agreements, SRHI has to pay PSALM monthly payments for 18 years until April 26, 2028, SPPC for 12 years until June 26, 2022 and SPI for 15 years until October 1, 2024. Energy fees amounted to P294,837 and P301,846 for the periods ended March 31, 2025 and 2024, respectively (see Note 18). SRHI renewed its performance bond amounting to US$20,305 which will expire on January 25, 2026.

On June 16, 2015, SPPC renewed its performance bond amounting to US$60,000 with a validity period of one year. This performance bond was subsequently drawn by PSALM on September 4, 2015, which is subject of an ongoing case (see Note 23).

The lease liabilities of SRHI are carried at amortized cost using the US Dollar and Philippine Peso discount rates of 3.30% and 7.90%, respectively.

The discount determined at inception of the agreement is amortized over the period of the IPPA Agreements and recognized as part of "Interest expense and other financing charges" account in the consolidated statements of income. Interest expense amounted to P216,849 and P439,063 for the periods ended March 31, 2025 and 2024, respectively.

The carrying amount of the San Roque Hydroelectric Power Plant under the IPPA lease arrangement with PSALM, presented under "Right-of-use assets" account in the consolidated statements of financial position, amounted to P28,189,762 and P28,440,709 as at March 31, 2025 and December 31, 2024, respectively.

The total cash outflows amounted to P1,069,693 and P5,442,451 for the periods ended March 31, 2025 and 2024, respectively.

Maturity analysis of lease payments as at March 31, 2025 and December 31, 2024 are disclosed in Note 21.

Power Sales Agreements (PSAs)

On March 20, 2024, LPI also executed a PSA with Meralco, pursuant to a competitive selection process conducted by Meralco for its 400 MW baseload power requirements, for the interim supply of 400 MW which took effect starting in August 2024 until February 2025.

On July 31, 2024, Meralco awarded in favor of SRHI a PSA for the supply of 340 MW (net) renewable energy mid-merit capacity to be sourced from the San Roque Hydroelectric Power Plant or other sources for a term of 10 years. On December 3, 2024, the ERC issued the provisional authority to implement this Meralco PSA with modifications. The approval was received by SRHI only on May 2, 2025.

On September 2, 2024, Meralco awarded in favor of MPCL a PSA for the supply of 500 MW baseload capacity to be sourced from Units 3 and 4 of the Masinloc Coal-Fired Thermal Power Plant for a term of 15 years effective September 2025. As at report date, the application for the approval of the PSA of MPCL has been filed with and has yet to be approved by the ERC.

The PSA of Meralco with MPGC has been approved by the ERC on November 26, 2024. However, MPGC is still awaiting for the issuance and receipt of the orders of approval from the ERC.

7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash in banks and on hand		**P29,166,043**	P27,206,205
Short-term investments		**50,988,499**	40,661,206
	21, 22	**P80,154,542**	P67,867,411

Cash in banks earns interest at bank deposit rates. Short-term investments include demand deposits which can be withdrawn at any time depending on the immediate cash requirements of the Group and earn interest at short-term investment rates.

Interest income from cash and cash equivalents amounted to P739,035 and P165,391 for the periods ended March 31, 2025 and 2024, respectively.

8. Trade and Other Receivables

Trade and other receivables consist of:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade		**P74,994,832**	P101,798,812
Non-trade		**16,616,275**	11,504,874
Amounts owed by related parties	*10, 15*	**18,333,828**	7,447,364
		109,944,935	120,751,050
Less allowance for impairment losses		**4,462,273**	4,867,019
	21, 22	**P105,482,662**	P115,884,031

Trade and other receivables are non-interest-bearing, unsecured and are generally on a 30-day term or an agreed collection period. The balance of trade receivables is inclusive of value-added tax (VAT) on the sale of power collectible from customers.

The movements in the allowance for impairment losses are as follows:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period		**P4,867,019**	P2,665,606
Impairment losses		**-**	2,145,703
Reversal		**-**	(5,081)
Deconsolidation of subsidiaries and others	*10*	**(404,746)**	60,791
Balance at end of period		**P4,462,273**	P4,867,019

There were no impairment losses recognized in the consolidated statements of income for the periods ended March 31, 2025 and 2024, respectively.

In 2024, certain trade receivables were collected and the related allowance for impairment losses recognized in prior years were reversed accordingly. Reversal of impairment losses on trade receivables recognized in the consolidated statements of income under “Selling and administrative expenses” account amounted to P5,081 for the period ended March 31, 2024.

9. Inventories

Inventories consist of:

	Note	**March 31, 2025 (Unaudited)**	December 31, 2024 (Audited)
Coal		**P5,943,522**	P5,695,799
Materials and supplies		**4,737,435**	5,992,159
Fuel oil	*15*	**198,643**	817,604
LNG		-	1,585,329
Other consumables		**235,282**	235,492
		P11,114,882	P14,326,383

There were no inventory write-downs to net realizable value as at March 31, 2025 and December 31, 2024. Inventories charged to cost of power sold amounted to P17,538,528 and P22,527,965 for the periods ended March 31, 2025 and 2024, respectively (see Note 18).

10. Investments and Advances

Joint Investment with Meralco and Aboitiz Power Corporation (AboitizPower) into the Country's First Integrated LNG-to-Power Facility Projects in Batangas City

On March 1, 2024, Meralco PowerGen Corporation (MGen) and Therma NatGas Power, Inc. (TNGP, a subsidiary of AboitizPower), through their jointly owned entity, Chromite Gas Holdings Inc. (CGHI), have entered into binding agreements with the Parent Company and its relevant subsidiaries, for MGen and TNGP to jointly invest for a 67% equity interest in the Parent Company's gas-fired power plants, namely (i) the brownfield 1,278 MW Ilijan Power Plant owned by SPPC, (ii) the greenfield 1,320 MW Batangas Combined Cycle Power Plant (BCCPP) owned by EERI and (iii) land owned by IPIEC where the gas-fired power plant and related facilities of EERI as well as the Batangas LNG Terminal are located.

The transaction also involved the joint acquisition by CGHI and the Parent Company of LFC, the owner of the Batangas LNG Terminal, which receives, stores and processes LNG to fuel SPPC's Ilijan Power Plant and for EERI's BCCPP.

The transaction has customary closing conditions and has been issued the requisite regulatory approvals, including the review and approval of the Philippine Competition Commission (PCC). On May 17, 2024, Top Frontier filed its application for the approval of the transaction with the PCC. On December 23, 2024, the PCC publicly disclosed its approval of the joint acquisition of power facilities and Batangas LNG Terminal by MGen, TNGP and the Parent Company, subject to certain commitments from the parties aimed at ensuring fair competition and promoting transparency in the power industry.

On January 27, 2025, the Parent Company completed the following transactions (collectively, the "Chromite Transaction") pursuant to the agreements executed on March 1, 2024 with CGHI:

- Investment by CGHI of 67% equity interests in: (i) SPPC, (ii) EERI, and (iii) IPIEC.

  As a result of this transaction, the Parent Company's equity interests in SPPC, EERI and IPIEC were diluted from 100% to 33%, thereby resulting to a loss of control and deconsolidation of the assets and liabilities of the 3 subsidiaries from the books of the Parent Company, and the recognition of the 33% equity interests retained in SPPC, EERI and IPIEC at their fair market values totaling to P52,706,102, classified as "Investments in shares of stocks of associates" under "Investment and advances" account in the consolidated statement of financial position as at March 31, 2025, and the resulting revaluation gain of P21,933,046, included as part of "Other income (charges) - net" account, in the consolidated statement of income for the period ended March 31, 2025 (see Note 19).

  The following summarizes the derecognized accounts at the deconsolidation date:

Current assets	**P62,419,630**
Noncurrent assets	**99,364,389**
Current liabilities	**(71,747,551)**
Noncurrent liabilities	**(59,263,412)**
Net assets	**P30,773,056**

- Acquisition by CGHI and the Parent Company of 67% and 32.98% equity interests, respectively, in LFC.

Total consideration paid by the Parent Company for the acquisition of 32.98% equity interests in LFC amounted to P4,340,406, classified as “Investments in shares of stocks of associates” under “Investment and advances” account in the consolidated statement of financial position as at March 31, 2025.

For the period ended March 31, 2025, the Group recognized share in equity in net earnings amounting to P1,562,586, which includes share in equity in net earnings of EERI, SPPC, IPIEC and LFC amounting to a total of P1,137,537.

Subsequently, SPPC, EERI, and IPIEC redeemed and paid their respective redeemable preferred shares (RPS) issued to the Parent Company, previously recognized as investments in equity instruments classified as financial assets at fair value through other comprehensive income in the audited separate statement of financial position as at December 31, 2024 of the Parent Company, the redemption price of P27,115,910, P48,641,209 and P2,960,271, respectively. Consequently, the Parent Company recognized a net gain on investments in equity instruments, on the difference between the total consideration and carrying value of the RPS, presented under “Equity reserves” account in the consolidated statement of financial position as at March 31, 2025 and under “Net gain on financial assets at fair value through other comprehensive income” account in the consolidated statement of comprehensive income for the period ended March 31, 2025.

11. Property, Plant and Equipment

Property, plant and equipment consist of:

March 31, 2025 and December 31, 2024

	Note	Power Plants	Land and Leasehold Improvements	Other Equipment	Building	Capital Projects in Progress (CPIP)	Total
Cost							
January 1, 2024 (Audited)		P197,100,391	P15,291,863	P8,444,101	P4,947,573	P149,927,769	P375,711,697
Additions		2,738,578	1,276,495	368,710	33,470	48,919,316	53,336,569
Reclassifications and others		128,627,113	4,869,464	757,469	228,324	(56,747,414)	77,734,956
December 31, 2024 (Audited)		328,466,082	21,437,822	9,570,280	5,209,367	142,099,671	506,783,222
Additions		1,632,862	25,319	122,462	-	6,471,937	8,252,580
Deconsolidation of subsidiaries	*10*	(97,717,398)	(1,619,225)	(466,914)	(422,128)	(20,656,655)	(120,882,320)
Reclassifications		19,026,761	(348,148)	344,416	-	(18,607,921)	415,108
March 31, 2025 (Unaudited)		**251,408,307**	**19,495,768**	**9,570,244**	**4,787,239**	**109,307,032**	**394,568,590**
Accumulated Depreciation							
January 1, 2024 (Audited)		32,397,121	1,140,409	2,147,669	556,568	-	36,241,767
Depreciation of subsidiaries		9,465,586	455,052	655,410	151,632	-	10,727,680
Reclassifications and others		-	96	27,903	-	-	27,999
December 31, 2024 (Audited)		41,862,707	1,595,557	2,830,982	708,200	-	46,997,446
Depreciation		3,259,541	126,739	182,246	37,888	-	3,606,414
Deconsolidation of subsidiaries	*10*	(23,717,874)	(9,005)	(31,293)	(37,475)	-	(23,795,647)
Reclassifications		(233,809)	(309)	(1,472)	(1,184)	-	(236,774)
March 31, 2025 (Unaudited)		**21,170,565**	**1,712,982**	**2,980,463**	**707,429**	**-**	**26,571,439**
Accumulated Impairment Losses							
January 1, 2024 (Audited)		-	-	244,956	-	-	244,956
Impairment		-	-	34,991	-	-	34,991
December 31, 2024 (Audited) and March 31, 2025 (Unaudited)		**-**	**-**	**279,947**	**-**	**-**	**279,947**
Carrying Amount							
December 31, 2024 (Audited)		P286,603,375	P19,842,265	P6,459,351	P4,501,167	P142,099,671	P459,505,829
March 31, 2025 (Unaudited)		**P230,237,742**	**P17,782,786**	**P6,309,834**	**P4,079,810**	**P109,307,032**	**P367,717,204**

March 31, 2024

	Power Plants	Land and Leasehold Improvements	Other Equipment	Building	Capital Projects in Progress	Total
Cost						
January 1, 2024 (Audited)	197,100,391	15,291,863	8,444,101	4,947,573	149,927,769	375,711,697
Additions	487,617	26,818	18,859	12,306	16,810,938	17,356,538
Reclassifications	19,334,802	3,396,458	93,280	174,409	(21,876,272)	1,122,677
Currency translation adjustments	-	33	253	-	-	286
March 31, 2024 (Unaudited)	216,922,810	18,715,172	8,556,493	5,134,288	144,862,435	394,191,198
Accumulated Depreciation						
January 1, 2024 (Audited)	32,397,121	1,140,409	2,147,669	556,568	-	36,241,767
Depreciation and amortization	1,994,258	82,502	143,093	36,026	-	2,255,879
Reclassifications	-	-	20,169	-	-	20,169
Currency translation adjustments	-	34	252	-	-	286
March 31, 2024 (Unaudited)	34,391,379	1,222,945	2,311,183	592,594	-	38,518,101
Accumulated Impairment Losses						
January 1, 2024 (Audited)	-	-	244,956	-	-	244,956
Impairment	-	-	-	-	-	-
March 31, 2024 (Unaudited)	-	-	244,956	-	-	244,956
Carrying Amount						
March 31, 2024 (Unaudited)	P182,531,431	P17,492,227	P6,000,354	P4,541,694	P144,862,435	P355,428,141

a. Other equipment includes machinery and equipment, transportation equipment, office equipment and furniture and fixtures.

b. CPIP pertains to the following:

   i. Expenditures MPGC related to the construction of its 4 x 150 MW Circulating Fluidized Bed coal-fired power plant in Mariveles, Bataan (Mariveles Greenfield Power Plant).

      Units 1, 2, 3 and 4 of the Mariveles Greenfield Power Plant were declared operational on March 28, September 26, and October 26, 2024, and January 9, 2025, respectively. Following the declarations, all CPIP costs related all 4 units were reclassified to the appropriate property, plant and equipment account.

   ii. Projects of SMGP BESS for the construction of BESS facilities and gas turbine generators situated in various locations in the Philippines.

      Following the start of commercial operations during the first quarter of 2024 of 3 additional BESS facilities located in Concepcion, Tarlac, Ormoc, Leyte and Jasaan, Misamis Oriental, all CPIP costs related to these facilities were reclassified to the appropriate property, plant and equipment account.

   iii. Projects of MPCL for the construction of the Masinloc Power Plant Units 4 and 5, and other related facilities and 20 MW BESS.

   iv. Projects of SMGP Kabankalan for the construction of its 10 MW BESS Phase 2 facility in Kabankalan, Negros Occidental.

   v. Various construction works relating to the respective power plant facilities of LPI and MPI.

   Ongoing capital projects are expected to be completed in 2026.

c. Depreciation and amortization related to property, plant and equipment are recognized in the consolidated statements of income as follows:

		March 31	
	Note	**2025 (Unaudited)**	2024 (Unaudited)
Cost of power sold	*18*	**P3,432,035**	P2,129,177
Selling and administrative expenses		**174,379**	126,702
		P3,606,414	P2,255,879

d. Reclassifications in 2024 mainly pertain to:

i. the Sual Power Plant, which was reclassified from the “Right-of-use assets” account following the expiration of its IPPA Agreement with PSALM and its turnover to SPI (see Note 6);

ii. the portion of land where the Ilijan Power Plant is located that was previously leased by SPPC and subsequently acquired from PSALM in 2024; and

iii. application of advances to contractors against progress billings for ongoing capital projects.

As at March 31, 2025 and December 31, 2024, certain property, plant and equipment amounting to P277,303,350 and P268,670,559 respectively, are pledged as security for syndicated project finance loans (see Note 14).

Certain fully depreciated property, plant and equipment with aggregate costs amounting to P6,667,241 and P6,660,416 as at March 31, 2025 and December 31, 2024, respectively, are still being used in the Group’s operations.

12. Loans Payable

Loans payable account consist of:

	Note	**March 31, 2025 (Unaudited)**	December 31, 2024 (Audited)
Philippine Peso-denominated:			
Parent Company		**P10,000,000**	P28,736,000
SPPC		**-**	5,000,000
MPGC		**-**	383,800
		10,000,000	34,119,800
Foreign Currency-denominated:			
Parent Company		**-**	7,230,625
	21, 22	**P10,000,000**	P41,350,425

The loans are unsecured short-term loans obtained from various financial institutions, to partially refinance maturing obligations, for working capital and for general corporate purposes.

The interest rates applied for the Philippine Peso-denominated loans ranged from 6.50% to 7.95%% and from 6.25% to 7.95% as at March 31, 2025 and December 31, 2024, respectively. The interest rate applied for foreign currency-denominated loan was 7.60% as at December 31, 2024.

Interest expense on loans payable amounted to P291,981 and P263,269 for the periods ended March 31, 2025 and 2024, respectively.

13. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade		**P14,295,794**	P28,244,901
Non-trade		**50,058,837**	80,682,106
Output VAT		**13,761,958**	17,541,261
Amounts owed to related parties	*15*	**10,140,718**	11,608,134
Accrued interest	*6, 12, 14*	**2,097,501**	2,005,377
Withholding and other accrued taxes		**1,810,482**	4,006,200
Derivative liabilities not designated as cash flow hedge		**22,375**	13,725
	21, 22	**P92,187,665**	P144,101,704

Trade payables consist of payable related to energy fees, inventories and power purchases. These are generally on a 30-day term and are non-interest bearing.

Non-trade payables include liability relating to payables to contractors, power rate adjustments, and other payables to the Government excluding output VAT and withholding taxes.

The methods and assumptions used to estimate the fair values of financial liabilities are discussed in Note 22.

14. Long-term Debt

Long-term debt consists of:

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Bonds			
Parent Company			
Philippine Peso-denominated:			
Fixed interest rate of 5.9077%, 7.1051% and 8.0288% maturing in 2025, 2028 and 2032, respectively		**P39,674,096**	P39,650,721
Fixed interest rate of 7.6000% maturing in April 2026		**6,906,018**	6,902,264
Fixed interest rate of 6.6250% maturing in December 2027		**3,595,476**	3,594,372
Fixed interest rate of 5.1792% maturing in July 2026		**4,747,805**	4,746,231
		54,923,395	54,893,588

Forward

	Note	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Term Loans			
Parent Company			
Philippine Peso-denominated:			
Fixed interest rate with maturities up to 2025		**P4,822,526**	P4,818,722
Fixed interest rate maturing in 2028		**7,454,252**	7,451,212
Fixed interest rate with maturities up to 2029		**9,564,212**	9,684,184
Foreign currency-denominated:			
Floating interest rate based on Secured Overnight Financing Rate (SOFR) plus margin, maturing in 2026		**17,079,421**	17,248,607
Floating interest rate based on SOFR plus margin, maturing in 2027		**16,796,775**	16,953,726
Floating interest rate based on SOFR plus margin, maturing in 2025		**5,715,745**	5,769,644
Floating interest rate based on SOFR plus margin, maturing in 2027		**16,917,697**	17,084,579
Floating interest rate based on SOFR plus margin, settled in February 2025 (a)		**-**	2,880,001
Subsidiaries			
Philippine Peso-denominated:			
Fixed interest rate with maturities up to 2029 (b)		**28,614,951**	29,414,962
Fixed interest rate with maturities up to 2030 (c)		**13,101,255**	13,410,025
Fixed interest rate with maturities up to 2033 (d)		**38,019,638**	38,502,565
Fixed interest rate with maturities up to 2034 (e)		**41,206,522**	31,853,575
Floating rate based on Bloomberg Valuation (BVAL) plus margin, with maturities up to 2030 (f)		**5,764,760**	6,049,990
Foreign currency-denominated:			
Fixed interest rate with maturities up to 2030		**16,319,351**	16,494,080
Floating interest rate based on SOFR plus margin, with maturities up to 2030		**5,370,926**	5,428,431
		226,748,031	223,044,303
	21, 22	**281,671,426**	277,937,891
Less current maturities		**42,678,322**	28,477,307
		P238,993,104	P249,460,584

a. On February 10, 2024, the Parent Company fully paid the US$50,000 loan availed on October 31, 2023, pursuant to the terms and conditions of the facility agreement executed on October 24, 2023 with a foreign bank. The loan was paid using cash from operations.

b. In 2025, LPI made partial payments amounting to P817,000 of its P44,000,000, 12-year term loan, pursuant to the terms and conditions of its Omnibus Loan and Security Agreement (OLSA) with a syndicate of local banks.

c. In 2025, MPI made partial payments amounting to P324,186 of its P21,300,000, 12-year term loan, pursuant to the terms and conditions of its OLSA with a syndicate of local banks.

The loan includes amount payable to Bank of Commerce (BOC), an associate of entities under common control, amounting to P1,982,784 and P2,031,488 as at March 31, 2025 and December 31, 2024, respectively (see Note 15).

d. In 2025, SMGP BESS made partial payments amounting to P500,000 of its P40,000,000, 10-year term loan, pursuant to the terms and conditions of its OLSA with a syndicate of local banks.

   The loan includes amount payable to BOC, an associate of entities under common control, amounting to P5,582,500 and P5,655,000 as at March 31, 2025 and December 31, 2024, respectively (see Note 15).

e. On March 27, 2025, MPGC completed the additional drawdown amounting to P9,400,000 from its OLSA executed on December 17, 2024 with various local banks. The loan is subject to a fixed interest rate and will mature in December 2034.

   The proceeds from the loan was used to finance the Mariveles Greenfield Power Plant project.

   The loan includes amount payable to BOC, an associate of entities under common control, amounting to P7,500,000 as at March 31, 2025 and December 31, 2024 (see Note 15).

f. In 2025, MPCL made principal repayments amounting to P291,134 pursuant to the terms and conditions of its Amended Omnibus Refinancing Agreement (ORA).

   The loan includes the P3,511,345 and P3,686,912 amount payable to BOC as at March 31, 2025 and December 31, 2024, respectively (see Note 15).

Unamortized debt issue costs amounted to P2,908,242 and P3,069,044 as at March 31, 2025 and December 31, 2024, respectively. Accrued interest amounted to P2,078,678 and P1,905,165 as at March 31, 2025 and December 31, 2024, respectively. Interest expense amounted to P4,934,479 and P4,001,784 for the periods ended March 31, 2025 and 2024, respectively.

On April 29, 2025, MPCL made principal repayments of loans from its Omnibus Expansion Facility Agreement (OEFA) amounting US$16,328 (equivalent to P911,728).

Valuation Technique for Peso-denominated Bonds
The market value was determined using the market comparison technique. The fair values are based on Philippine Dealing and Exchange Corp. (PDEx). The Bonds are traded in an active market and the quotes reflect the actual transactions in identical instruments.

The fair value of the Bonds, amounting to P57,543,688 and P57,219,517 as at March 31, 2025 and December 31, 2024, respectively, has been categorized as Level 1 in the fair value hierarchy based on the inputs used in the valuation techniques (see Note 22).

The debt agreements of the Parent Company, LPI, MPI, MPCL, SMGP BESS and MPGC impose a number of covenants including, but not limited to, maintenance of certain financial ratios throughout the duration of the term of the debt agreements. The terms and conditions of the debt agreements also contain negative pledge provision with certain limitations on the ability of the Parent Company and its material subsidiaries, LPI, MPI, MPCL, SMGP BESS and MPGC to create or have any outstanding security interest upon or with respect to any of the present or future business, undertaking, assets or revenue (including any uncalled capital) of the Parent

Company or any of its material subsidiaries, LPI, MPI, MPCL, SMGP BESS and MPGC to secure any indebtedness, subject to certain exceptions.

The loans of LPI, MPI, SMGP BESS and MPGC are secured by real estate and chattel mortgages, on all present and future assets, amounting to P44,100,000, P21,325,000, P40,000,000 and P41,900,000, respectively, and reserves of LPI, MPI, SMGP BESS and MPGC as well as a pledge by the Parent Company of all its outstanding shares of stock in LPI, MPI, SMGP BESS and MPGC.

The loans of MPCL obtained from its Amended ORA and OEFA are secured by real estate and chattel mortgages, on all present assets (purchased under its asset purchase agreement, and all its rights in a land lease agreement, with PSALM) and all future assets as defined in its loan agreements, amounting to P8,155,000 and US$525,000, respectively.

As at March 31, 2025 and December 31, 2024, the Group is in compliance with the covenants, including the required financial ratios, of the debt agreements.

The movements in debt issue costs are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	**P3,069,044**	P2,684,515
Additions	**78,450**	1,250,648
Amortization	**(36,505)**	(398,506)
Capitalized amount	**(202,747)**	(467,613)
Balance at end of period	**P2,908,242**	P3,069,044

Repayment Schedule

The annual maturities of the long-term debts as at March 31, 2025 are as follows:

	Gross Amount				
Year	**US Dollar**	**Peso Equivalent of US Dollar**	**Peso**	**Debt Issue Costs**	**Net**
April 1, 2025 to March 31, 2026	US$433,390	P24,794,242	P18,226,778	P342,698	P42,678,322
April 1, 2026 to March 31, 2027	34,912	1,997,344	26,404,896	572,853	27,829,387
April 1, 2027 to March 31, 2028	636,488	36,413,450	21,396,756	896,490	56,913,716
April 1, 2028 to March 31, 2029	38,168	2,183,563	51,983,111	491,749	53,674,925
April 1, 2029 to March 31, 2030	39,952	2,285,682	27,518,278	223,011	29,580,949
April 1, 2030 to March 31, 2031 and thereafter	199,290	11,401,381	59,974,187	381,441	70,994,127
	US$1,382,200	**P79,075,662**	**P205,504,006**	**P2,908,242**	**P281,671,426**

Contractual terms of the Group's interest-bearing loans and borrowings and exposure to interest rate, foreign currency and liquidity risks are discussed in Note 21.

15. Related Party Disclosures

The Parent Company, certain subsidiaries and their shareholders, associates and joint ventures, purchase products and services from one another in the normal course of business. Transactions with related parties are made at normal market prices and terms. The Group requires approval of the BOD for certain limits on the amount and extent of transactions with related parties.

Amounts owed by/owed to related parties are collectible/will be settled in cash. An assessment is undertaken at each financial year by examining the financial position of the related party and the market in which the related party operates.

The following are the transactions with related parties and the outstanding balances as at March 31, 2025 (Unaudited) and December 31, 2024 (Audited):

	Year	Revenues from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
SMC	**2025**	**P129,510**	**P1,102,659**	**P42,065**	**P5,624,290**	On demand or 30 days;	Unsecured;
	2024	546,201	4,388,136	51,985	6,849,349	non-interest-bearing	no impairment
Entities under Common Control	**2025**	**2,166,745**	**1,087,453**	**2,071,845**	**11,011,697**	On demand or 30 days;	Unsecured;
	2024	7,941,539	4,606,848	1,810,683	11,503,950	non-interest-bearing	no impairment
	2025	**-**	**-**	**8,645,305**	**-**	Installment basis up to	Unsecured;
	2024	-	-	8,645,305	-	2026; interest-bearing	no impairment
Associates	**2025**	**362,307**	**-**	**13,119,954**	**28,101**	On demand or 30 days;	Unsecured;
	2024	1,298,826	-	663,448	28,101	non-interest-bearing	no impairment
	2025	**12**	**-**	**11**	**-**	9 years;	Unsecured;
	2024	1,608	-	2,129	-	interest-bearing	no impairment
Joint Venture	**2025**	**8,462**	**914,170**	**20,721**	**694,712**	30 days;	Unsecured;
	2024	33,598	1,028,812	5,011	427,591	non-interest-bearing	no impairment
	2025	**1,485**	**-**	**171,601**	**-**	92 days;	Unsecured;
	2024	5,990	-	180,732	-	interest-bearing	no impairment
	2025	**18,425**		**1,591,470**		10.5 years;	Unsecured;
	2024	74,927	-	1,564,475	-	interest-bearing	no impairment
Associate and Joint Ventures	**2025**	**-**	**-**	**481**	**1,157**	30 days;	Unsecured;
of Entities under Common Control	2024	-	-	481	1,157	non-interest-bearing	no impairment
	2025	**-**	**416,485**	**-**	**18,710,379**	7 to 12 years;	Secured
	2024	-	952,088	-	19,014,637	interest-bearing	
	2025	**P2,686,946**	**P3,520,767**	**P25,663,453**	**P36,070,336**		
	2024	P9,902,689	P10,975,884	P12,924,249	P37,824,785		

a. Amounts owed by related parties consist of trade and non-trade receivables, receivables pertaining to the sale of certain parcels of land and investments in 2022, included as part of "Trade and other receivables" and "Other noncurrent assets" accounts in the consolidated statements of financial position, prepayments for rent and insurance, and security deposits (see Note 8).

b. Amounts owed to related parties consist of trade and non-trade payables including management fees, purchases of fuel, reimbursement of expenses, rent, insurance, services rendered, customers' deposits and subscriptions payable to Olongapo Electricity Distribution Company, Inc. (OEDC). As at March 31, 2025 and December 31, 2024, amounts owed to related parties for the lease of office space and parcels of land presented as part of "Lease liabilities - current portion" and "Lease liabilities - net of current portion" accounts in the consolidated statements of financial position amounted to P7,071,966 and P7,066,765, respectively.

c. Amounts owed by associates mainly consist of advances granted and management/shared service fees charged to SPPC and EERI and interest-bearing loan granted to OEDC included as part of "Trade and other receivables" and "Other noncurrent assets" accounts in the consolidated statements of financial position (see Note 8).

d. Amounts owed by a joint venture consists of interest-bearing loans granted and management fees charged to Angat Hydropower Corporation by PVEI included as part of “Trade and other receivables” and “Other noncurrent assets” accounts in the consolidated statements of financial position (see Note 8).

e. Amounts owed to an associate and joint venture of entities under common control include interest-bearing long-term loans of MPI, MPCL, SMGP BESS and MPGC payable to BOC, amounting to P18,576,629 and P18,873,400, presented as part of “Long-term debt” account in the consolidated statements of financial position as at March 31, 2025 and December 31, 2024, respectively (see Note 14). These loans are secured by certain property, plant and equipment (see Note 11).

f. The compensation of key management personnel of the Group, by benefit type, are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Short-term employee benefits	**P46,301**	P133,074
Retirement benefits costs	**2,956**	9,076
	P49,257	P142,150

There were no known transactions with parties that fall outside the definition “related parties” under PAS 24, *Related Party Disclosures*, but with whom the Group or its related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm’s length basis.

16. Equity

Capital Stock

The details of the Parent Company’s authorized, subscribed, issued and outstanding capital stock as at March 31, 2025 and December 31, 2024 are as follows.

	March 31, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorized – par value of P1.00	**3,774,400,000**	**P3,774,400**	3,774,400,000	P3,774,400
Subscribed capital stock:				
Balance at beginning of period	**2,823,604,000**	**P2,823,604**	2,823,604,000	P2,823,604
Subscription	**950,796,000**	**950,796**	-	-
Balance at end of period	**3,774,400,000**	**3,774,400**	2,823,604,000	2,823,604
Less subscription receivable:				
Balance at beginning of period	**-**	**-**	-	-
Subscription during the period	**950,796,000**	**950,796**	-	-
Balance at end of period	**950,796,000**	**950,796**	-	-
Issued and outstanding	**2,823,604,000**	**P2,823,604**	2,823,604,000	P2,823,604

On March 6, 2025, the BOD of the Parent Company approved the following:

- subscription by SMC to 950,796,000 common shares out of the unissued capital stock of the Parent Company (“Subject Shares”) in cash, at a subscription price of P30.00 per share or for a total subscription amount of P28,523,880;

- increase in its authorized capital stock of the Parent Company by P4,025,600 (comprising of 4,025,600,000 shares with par value of P1.00), or from P3,774,400, divided into 3,774,400,000 shares with par value of P1.00 to P7,800,000, divided into 7,800,000,000 shares with par value of P1.00 (the “ACS Increase”); and

- subscription by SMC to 1,011,093,800 common shares out of the ACS increase at P30.00 per share, or for a total subscription amount of P30,332,814.

On the same day, the Parent Company and SMC executed the respective Subscription Agreements covering the aforesaid subscriptions approved by the BOD.

On April 7, 2025, the stockholders of the Parent Company approved the ACS Increase and the amendment of the Amended Articles of Incorporation to reflect the ACS Increase and ratified the said subscription by SMC out of the ACS Increase. As at report date, the application for the ACS Increase is pending with the Philippine SEC.

The subscription amounts were fully paid by SMC to Parent Company on April 7, 2025.

<u>Issuance of Senior Perpetual Capital Securities (SPCS)</u>
On February 19, 2025, the Parent Company completed the issuance of another US$100,000 SPCS (equivalent to P5,749,775, net of directly attributable transaction costs), at an issue price of 100.503% plus an amount corresponding to accrued distribution from and including December 2, 2024 to, but excluding, February 19, 2025. The US$100,000 SPCS is consolidated into and form a single series with the US$500,000 SPCS issued on December 2, 2024, bringing the total securities to US$600,000. The US$100,000 SPCS are identical in all respects with the US$500,000 SPCS, other than with respect to the date of issuance and issue price.

The Parent Company intends to apply the net proceeds from the issuance of the US$100,000 SPCS towards the partial purchase, repurchase and/or redemption of the outstanding 7.00% SPCS issued in October and December 2020.

The US$100,000 SPCS was listed on the Singapore Exchange Securities Trading Limited on February 20, 2025.

<u>Distributions to SPCS Holders</u>
The Parent Company paid P4,103,625 and P1,261,945 to the SPCS holders in 2025 and 2024, respectively, as distributions in accordance with the terms and conditions of the relevant subscription agreements.

In April 2025, the Parent Company paid distributions amounting to US$6,769 to holders of SPCS issued in October and December 2020.

<u>Distributions to RPCS Holders</u>
On January 10, 2025, the Parent Company paid distributions amounting to US$17,000 (equivalent to P1,322,827) to the US$800,000 RPCS holder.

On February 12, 2025, the Parent Company paid distributions in arrears amounting to P14,617,039 to SMC for all outstanding RPCS issued in 2018, 2022 and 2023 in accordance with the terms and conditions of the respective subscription agreements.

In April 2025, the Parent Company paid distributions amounting to US$17,000 to the US$800,000 RPCS holder.

17. Revenues

Revenues consist of:

	Note	March 31 2025 (Unaudited)	2024 (Unaudited)
Sale of power:			
Power generation and trading		**P32,916,805**	P35,711,028
Retail and other power-related services		**9,398,591**	8,318,589
Other services		**181,379**	92,918
	5, 15	**P42,496,775**	P44,122,535

Revenues from other services mainly pertain to operations and maintenance services rendered (see Note 15).

18. Cost of Power Sold

Cost of power sold consist of:

	Note	March 31 2025 (Unaudited)	2024 (Unaudited)
Coal, fuel oil and other consumables	*9, 15*	**P17,538,528**	P22,527,965
Power purchases		**6,430,139**	6,272,327
Depreciation and amortization	*11*	**3,695,429**	3,036,082
Plant operations and maintenance, and other fees		**1,491,362**	1,402,446
Energy fees	*6*	**294,837**	301,846
	5	**P29,450,295**	P33,540,666

19. Other Income (Charges) - net

Other income (charges) consist of:

	Note	March 31 2025 (Unaudited)	2024 (Unaudited)
Gain on fair valuation upon loss of control of subsidiaries	*10*	**P21,933,046**	P -
Foreign exchange losses - net	*21*	**(822,022)**	(1,435,618)
Marked-to-market gains on derivatives	*22*	**(34,375)**	97,230
Miscellaneous income		**62,968**	8,452
		P21,139,617	(P1,329,936)

20. Basic and Diluted Earnings (Loss) Per Share

Basic and diluted earnings (loss) per share is computed as follows:

	March 31	
	2025 (Unaudited)	2024 (Unaudited)
Net income attributable to equity holders of the Parent Company	**P26,376,950**	P1,552,187
Distributions for the period to:		
RPCS holders	**(3,246,246)**	(1,929,377)
SPCS holders	**(4,047,689)**	(3,784,561)
Net income (loss) attributable to common shareholders of the Parent Company (a)	**19,083,015**	(4,161,751)
Weighted average number of common shares issued and outstanding (in thousands) (b)	**2,823,604**	2,823,604
Basic/Diluted Earnings (Loss) Per Share (a/b)	**P6.76**	(P1.47)

As at March 31, 2025 and 2024, the Parent Company has no dilutive debt or equity instruments.

The negative basic/diluted loss per common share in 2024 resulted mainly from the impact of foreign exchange losses and interest costs and other financing charges in (including distributions to perpetual capital securities) for the Group's various financing activities. These were undertaken to fund the ongoing construction of several power plant expansion projects intended to significantly increase the capacities and modernize the existing power generation portfolio of the Group. These expansion projects, including, among others, the ~1,000 MW BESS facilities, 4 x 150 MW Mariveles Greenfield Power Plant and the 2 x 350 MW Masinloc Power Generation Units 4 and 5, are to commence commercial operations up to 2026 (see Note 11). The projects' capacities are contracted and to be contracted to creditworthy offtakers such as Meralco and NGCP, and are expected to contribute significantly to the profitability of the Group in the coming years following the start of their commercial operations.

21. Financial Risk and Capital Management Objectives and Policies

Objectives and Policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Liquidity Risk
- Credit Risk
- Market Risk (Interest Rate Risk, Foreign Currency Risk and Commodity Price Risk)

This note presents information about the exposure to each of the foregoing risks, the objectives, policies and processes for measuring and managing these risks, and for management of capital.

The principal non-trade related financial instruments of the Group include cash and cash equivalents, restricted cash, long-term receivables, loans payable, long-term debt and derivative instruments. These financial instruments, except derivative instruments, are used mainly for working capital management purposes. The trade-related financial assets and financial liabilities of the Group such as trade and other receivables, accounts payable and accrued expenses, lease liabilities and other noncurrent liabilities arise directly from and are used to facilitate its daily operations.

The outstanding derivative instruments of the Group, such as forwards, are intended mainly for risk management purposes. The Group uses derivatives to manage its exposures to foreign currency and commodity price risks arising from the operating and financing activities.

The BOD has the overall responsibility for the establishment and oversight of the risk management framework of the Group.

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Audit and Risk Oversight Committee to assist the BOD in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: a) quality and integrity of the consolidated financial statements and financial reporting process and the systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the consolidated financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance with tax, legal and regulatory requirements; e) evaluation of management's process to assess and manage the enterprise risk issues; and f) fulfillment of the other responsibilities set out by the BOD. The Audit and Risk Oversight Committee shall prepare such reports as may be necessary to document the activities of the committee in the performance of its functions and duties. Such reports shall be included in the annual report of the Group and other corporate disclosures as may be required by the Philippine SEC and/or the PDEx.

The Audit and Risk Oversight Committee also oversees how management monitors compliance with the risk management policies and procedures of the Group and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Internal Audit assists the Audit and Risk Oversight Committee in monitoring and evaluating the effectiveness of the risk management and governance processes of the Group. Internal Audit undertakes both regular and special reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Oversight Committee.

<u>Liquidity Risk</u>

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall under normal and stress circumstances.

The Group’s objectives to manage its liquidity risk are as follows: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; (c) to be able to access funding when needed at the least possible cost; and (d) to maintain an adequate time spread of refinancing maturities.

The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several local banks is also available to ensure availability of funds when necessary. The Group also uses derivative instruments such as forwards to manage liquidity.

The table below summarizes the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted receipts and payments used for liquidity management:

March 31, 2025 (Unaudited)	**Carrying Amount**	**Contractual Cash Flow**	**1 Year or Less**	**>1 Year - 2 Years**	**>2 Years - 5 Years**	**Over 5 Years**
Financial Assets						
Cash and cash equivalents	**P80,154,542**	**P80,154,542**	**P80,154,542**	**P -**	**P -**	**P -**
Trade and other receivables - net*	**101,648,228**	**101,648,228**	**101,648,228**	**-**	**-**	**-**
Long-term receivables (including current portion)	**14,001,614**	**14,001,614**	**3,643,012**	**8,475,954**	**1,593,387**	**289,261**
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets" accounts)	**13,697,068**	**13,697,068**	**9,018,899**	**3,004,620**	**1,673,524**	**25**
Financial Liabilities						
Loans payable	**10,000,000**	**10,025,278**	**10,025,278**	**-**	**-**	**-**
Accounts payable and accrued expenses*	**76,414,637**	**76,414,637**	**76,414,637**	**-**	**-**	**-**
Derivative liabilities not designated as cash flow hedge (included under "Accounts payable and accrued expenses" account)	**22,375**	**22,375**	**22,375**	**-**	**-**	**-**
Long-term debt - net (including current maturities)	**281,671,426**	**363,007,524**	**63,437,567**	**45,877,099**	**172,737,599**	**80,955,259**
Lease liabilities (including current portion)	**24,053,632**	**27,422,365**	**3,907,307**	**6,154,916**	**9,619,172**	**7,740,970**
Other noncurrent liabilities	**550,384**	**550,384**	**-**	**250,931**	**197,524**	**101,929**

**Excluding statutory receivables and payables.*

December 31, 2024 (Audited)	Carrying Amount	Contractual Cash Flow	1 Year or Less	>1 Year - 2 Years	>2 Years - 5 Years	Over 5 Years
Financial Assets						
Cash and cash equivalents	P67,867,411	P67,867,411	P67,867,411	P -	P -	P -
Trade and other receivables - net*	110,776,695	110,776,695	110,776,695	-	-	-
Long-term receivables (including current portion)	14,140,044	14,140,044	5,104,369	7,393,836	1,352,637	289,202
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets" accounts)	8,495,006	8,495,006	3,865,243	2,973,551	1,656,202	10
Financial Liabilities						
Loans payable	41,350,425	41,662,148	41,662,148	-	-	-
Accounts payable and accrued expenses*	122,229,914	122,229,914	122,229,914	-	-	-
Derivative liabilities not designated as cash flow hedge (included under "Accounts payable and accrued expenses" account)	13,725	13,725	13,725	-	-	-
Long-term debt - net (including current maturities)	277,937,891	362,378,837	49,276,576	60,537,755	170,496,680	82,067,826
Lease liabilities (including current portion)	31,405,266	40,231,022	10,324,934	6,169,050	9,646,282	14,090,756
Other noncurrent liabilities	502,869	502,869	-	199,972	183,678	119,219

**Excluding statutory receivables and payables.*

Credit Risk

Credit risk is the risk of financial loss to the Group when a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Trade and Other Receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry in which customers operate, as these factors may have an influence on the credit risk.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The Group ensures that sales on account are made to customers with appropriate credit history. The Group has detailed credit criteria and several layers of credit approval requirements before engaging a particular customer or counterparty. The review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer and are reviewed on a regular basis. Customers that fail to meet the benchmark creditworthiness may transact with the Group only on a prepayment basis.

Financial information on the Group's maximum exposure to credit risk, without considering the effects of other risk mitigation techniques, is presented below:

	Note	**March 31, 2025 (Unaudited)**	December 31, 2024 (Audited)
Cash and cash equivalents (excluding cash on hand)	*7*	**P80,152,096**	P67,864,985
Trade and other receivables - net*	*8*	**101,648,228**	110,776,695
Long-term receivables		**14,001,614**	14,140,044
Restricted cash		**13,697,068**	8,495,006
		P209,499,006	P201,276,730

**Excluding statutory receivables*

The table below presents the Group's exposure to credit risk and shows the credit quality of the financial assets by indicating whether the financial assets are subjected to 12-month ECL or lifetime ECL. Financial assets that are credit-impaired are separately presented.

	Financial Assets at Amortized Cost			
March 31, 2025 (Unaudited)	**12-month ECL**	**Lifetime ECL - not credit impaired**	**Lifetime ECL - credit Impaired**	**Total**
Cash and cash equivalents (excluding cash on hand)	**P80,152,096**	**P -**	**P -**	**P80,152,096**
Trade and other receivables	-	**101,648,228**	**4,462,273**	**106,110,501**
Long-term receivables	-	**14,001,614**	-	**14,001,614**
Restricted cash	**13,697,068**	-	-	**13,697,068**
	P93,849,164	**P115,649,842**	**P4,462,273**	**P213,961,279**

	Financial Assets at Amortized Cost			
December 31, 2024 (Audited)	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit Impaired	Total
Cash and cash equivalents (excluding cash on hand)	P67,864,985	P -	P -	P67,864,985
Trade and other receivables	-	110,776,695	4,867,019	115,643,714
Long-term receivables	-	14,140,044	-	14,140,044
Restricted cash	8,495,006	-	-	8,495,006
	P76,359,991	P124,916,739	P4,867,019	P206,143,749

Receivables that are not credit impaired are considered high grade since the customers or counterparties have strong financial capacity and business performance and with the lowest default risk.

The aging of trade and other receivables (excluding statutory receivables) is as follows:

	March 31, 2025 (Unaudited)				December 31, 2024 (Audited)			
	Trade	**Non-trade**	**Amounts Owed by Related Parties**	**Total**	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current	**P40,066,554**	**P13,182,575**	**P11,400,698**	**P64,649,827**	P57,027,864	P4,845,403	P1,089,041	P62,962,308
Past due:								
1 - 30 days	**1,266,165**	**26,384**	**236,221**	**1,528,770**	12,002,438	45,266	365,300	12,413,004
31 - 60 days	**1,247,973**	**251,121**	**75,028**	**1,574,122**	2,030,425	15,809	81,464	2,127,698
61 - 90 days	**1,561,019**	**89,336**	**82,850**	**1,733,205**	1,042,048	9,942	13,071	1,065,061
Over 90 days	**30,853,055**	**2,682,922**	**3,088,600**	**36,624,577**	29,696,037	6,209,073	1,170,533	37,075,643
	P74,994,766	**P16,232,338**	**P14,883,397**	**P106,110,501**	P101,798,812	P11,125,493	P2,719,409	P115,643,714

Past due trade receivables more than 30 days pertain mainly to generation charges and output VAT. The Group believes that the unimpaired amounts that are past due and those that are neither past due nor impaired are still collectible based on historical payment behavior and analyses of the underlying customer credit ratings. There are no significant changes in their credit quality.

The Group computes impairment loss on receivables based on past collection experience, current circumstances and the impact of future economic conditions, if any, available at the reporting period. There are no significant changes in the credit quality of the counterparties during the period.

The Group's cash and cash equivalents, derivative assets and restricted cash are placed with reputable entities with high quality external credit ratings.

The Group has significant concentration of credit risk. Sale of power to Meralco accounts for 40% and 42% of the Group's total revenues for the periods ended March 31, 2025 and 2024, respectively.

The Group does not execute any credit guarantee in favor of any counterparty.

Interest Rate Risk

Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates. The Group's exposure to changes in interest rates relates primarily to the long-term borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. On the other hand, borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group manages its interest cost by using an optimal combination of fixed and variable rate debt instruments. Management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up rates charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

On the other hand, the investment policy of the Group is to maintain an adequate yield to match or reduce the net interest cost from its borrowings pending the deployment of funds to their intended use in the operations and working capital management. However, the Group invests only in high-quality short-term investments while maintaining the necessary diversification to avoid concentration risk.

In managing interest rate risk, the Group aims to reduce the impact of short-term fluctuations on the earnings. Over the longer term, however, permanent changes in interest rates would have an impact on profit or loss.

The management of interest rate risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various standard and non-standard interest rate scenarios.

Interest Rate Risk Table
The terms and maturity profile of the interest-bearing financial instruments, together with its gross amounts, are shown in the following tables:

March 31, 2025 (Unaudited)	**< 1 Year**	**1-2 Years**	**>2-3 Years**	**>3-4 Years**	**>4-5 Years**	**>5 Years**	**Total**
Fixed Rate							
Philippine Peso-denominated	**P17,062,244**	**P25,240,362**	**P20,232,222**	**P50,818,577**	**P26,353,744**	**P59,974,187**	**P199,681,336**
Interest rate	**5.0000% to 8.6228%**	**5.1792% to 8.6228%**	**6.6250% to 8.6228%**	**7.1051% to 8.6228%**	**7.6525% 8.6228%**	**7.6525% to 8.6228%**	
Foreign currency-denominated (expressed in Philippine Peso)	**1,437,230**	**1,502,763**	**1,570,558**	**1,642,871**	**1,719,704**	**8,578,182**	**16,451,308**
Interest rate	**8.3310%**	**8.3310%**	**8.3310%**	**8.3310%**	**8.3310%**	**8.3310%**	
Floating Rate							
Philippine Peso-denominated	**1,164,534**	**1,164,534**	**1,164,534**	**1,164,534**	**1,164,534**	**-**	**5,822,670**
Interest rate	**BVAL + Margin**	**BVAL + Margin**	**BVAL + Margin**	**BVAL + Margin**	**BVAL + Margin**	**BVAL + Margin**	
Foreign currency-denominated (expressed in Philippine Peso)	**23,357,012**	**494,581**	**34,842,892**	**540,692**	**565,978**	**2,823,199**	**62,624,354**
Interest rate	**SOFR + Margin**	**SOFR + Margin**	**SOFR + Margin**	**SOFR + Margin**	**SOFR + Margin**	**SOFR + Margin**	
	P43,021,020	**P28,402,240**	**P57,810,206**	**P54,166,674**	**P29,803,960**	**P71,375,568**	**P284,579,668**

December 31, 2024 (Audited)	< 1 Year	1-2 Years	>2-3 Years	>3-4 Years	>4-5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated	P17,004,744	P22,339,154	P18,370,097	P48,394,411	P26,400,744	P59,538,372	P192,047,522
Interest rate	5.0000% to 8.6228%	5.1792% to 8.6228%	6.6250% to 8.6228%	7.1051% to 8.6228%	7.5758% to 8.6228%	7.5758% to 8.2443%	
Foreign currency-denominated (expressed in Philippine Peso)	1,453,182	1,519,443	1,587,990	1,661,106	1,738,792	8,673,395	16,633,908
Interest rate	8.3310%	8.3310%	8.3310%	8.3310%	8.3310%	8.3310%	
Floating Rate							
Philippine Peso-denominated	1,164,534	1,164,534	1,164,534	1,164,534	1,164,534	291,134	6,113,804
Interest rate	BVAL + Margin	BVAL + Margin	BVAL + Margin	BVAL + Margin	BVAL + Margin	BVAL + Margin	
Foreign currency-denominated (expressed in Philippine Peso)	9,155,013	17,853,571	35,229,629	546,693	572,260	2,854,535	66,211,701
Interest rate	SOFR + Margin	SOFR + Margin	SOFR + Margin	SOFR + Margin	SOFR + Margin	SOFR + Margin	
	P28,777,473	P42,876,702	P56,352,250	P51,766,744	P29,876,330	P71,357,436	P281,006,935

The sensitivity to a reasonably possible 1% increase in the interest rates, with all other variables held constant, would have decreased the Group's profit before tax (through the impact on floating rate borrowings) by P171,118 and P723,255 for the period ended March 31, 2025 and for the year ended December 31, 2024, respectively. A 1% decrease in the interest rate would have had the equal but opposite effect. These changes are considered to be reasonably possible given the observation of prevailing market conditions in those periods. There is no impact on the Group's other comprehensive income.

Foreign Currency Risk
The functional currency is the Philippine Peso, which is the denomination of the bulk of the Group's revenues. The exposure to foreign currency risk results from significant movements in foreign exchange rates that adversely affect the foreign currency-denominated transactions of the Group. The risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity. The Group enters into foreign currency hedges using derivative instruments, such as foreign currency forwards, to manage its foreign currency risk exposure.

Short-term currency forward contracts (non-deliverable) are entered into to manage foreign currency risks relating to foreign currency-denominated obligations and long-term borrowings.

Information on the Group's foreign currency-denominated monetary assets and monetary liabilities and their Philippine Peso equivalents is as follows:

		March 31, 2025 (Unaudited)		**December 31, 2024 (Audited)**	
	Note	**US Dollar**	**Peso Equivalent**	US Dollar	Peso Equivalent
Assets					
Cash and cash equivalents	*7*	**US$918,178**	**P52,528,938**	US$168,440	P9,743,423
Trade and other receivables	*8*	**259,133**	**14,824,978**	198,748	11,496,606
Long-term receivables		**34,043**	**1,947,605**	33,855	1,958,324
		1,211,354	**69,301,521**	401,043	23,198,353
Liabilities					
Loans payable	*12*	**-**	**-**	125,000	7,230,625
Accounts payable and accrued expenses	*13*	**1,707,109**	**97,663,681**	1,288,607	74,539,484
Long-term debt (including current maturities)	*14*	**1,382,200**	**79,075,662**	1,432,200	82,845,609
Lease liabilities (including current portion)		**159,049**	**9,099,200**	277,111	16,029,502
		3,248,358	**185,838,543**	3,122,918	180,645,220
Net Foreign Currency-denominated Monetary Liabilities		**US$2,037,004**	**P116,537,022**	US$2,721,875	P157,446,867

The Group reported net losses on foreign exchange amounting to P822,022 and P1,435,618 for the periods ended March 31, 2025 and 2024, respectively, with the translation of its foreign currency-denominated assets and liabilities (see Note 19).

These mainly resulted from the movements of the Philippine Peso against the US dollar as shown in the following table:

	US Dollar to Philippine Peso
March 31, 2025	**P57.210**
December 31, 2024	57.845
March 31, 2024	56.240
December 31, 2023	55.370

The management of foreign currency risk is also supplemented by monitoring the sensitivity of the Group's financial instruments to various foreign currency exchange rate scenarios.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to translation of results and financial position of foreign operations):

	P1 Decrease in the US Dollar Exchange Rate		**P1 Increase in the US Dollar Exchange Rate**	
March 31, 2025 (Unaudited)	**Effect on Income before Income Tax**	**Effect on Equity**	**Effect on Income before Income Tax**	**Effect on Equity**
Cash and cash equivalents	**(P915,043)**	**(P689,416)**	**P915,043**	**P689,416**
Trade and other receivables	**(258,730)**	**(194,450)**	**258,730**	**194,450**
Long-term receivables	**(34,043)**	**(25,532)**	**34,043**	**25,532**
	(1,207,816)	**(909,398)**	**1,207,816**	**909,398**
Loans Payable				
Accounts payable and accrued expenses	**1,706,842**	**1,279,866**	**(1,706,842)**	**(1,279,866)**
Long-term debt (including current maturities)	**1,382,200**	**1,036,650**	**(1,382,200)**	**(1,036,650)**
Lease liabilities (including current portion)	**159,049**	**119,287**	**(159,049)**	**(119,287)**
	3,248,091	**2,435,803**	**(3,248,091)**	**(2,435,803)**
	P2,040,275	**P1,526,405**	**(P2,040,275)**	**(P1,526,405)**

	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
December 31, 2024 (Audited)	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
Cash and cash equivalents	(P165,301)	(P127,114)	P165,301	P127,114
Trade and other receivables	(198,734)	(149,068)	198,734	149,068
Long-term receivables	(33,855)	(25,391)	33,855	25,391
	(397,890)	(301,573)	397,890	301,573
Loans Payable	125,000	93,750	(125,000)	(93,750)
Accounts payable and accrued expenses	1,288,337	966,523	(1,288,337)	(966,523)
Long-term debt (including current maturities)	1,432,200	1,074,150	(1,432,200)	(1,074,150)
Lease liabilities (including current portion)	277,111	207,833	(277,111)	(207,833)
	3,122,648	2,342,256	(3,122,648)	(2,342,256)
	P2,724,758	P2,040,683	(P2,724,758)	(P2,040,683)

Exposures to foreign exchange rates vary during the year depending on the volume of foreign currency-denominated transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

Capital Management

The Group maintains a sound capital base to ensure its ability to continue as a going concern, thereby continue to provide returns to stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, distribution payment, pay-off existing debts, return capital to shareholders or issue new shares, subject to compliance with certain covenants of its long-term debts, SPCS and RPCS (see Notes 14 and 16).

The Group defines capital as capital stock, additional paid-in capital, SPCS and RPCS and retained earnings, both appropriated and unappropriated. Other components of equity such as equity reserves are excluded from capital for purposes of capital management.

The Group monitors capital on the basis of debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is defined as total current liabilities and total noncurrent liabilities, while equity is total equity as shown in the consolidated statements of financial position.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Group's business, operation and industry.

There were no changes in the Group's approach to capital management during the period.

22. Financial Assets and Financial Liabilities

The table below presents a comparison by category of the carrying amounts and fair values of the Group's financial instruments:

	March 31, 2025		**December 31, 2024**	
	Carrying Amount	**Fair Value**	**Carrying Amount**	Fair Value
Financial Assets				
Cash and cash equivalents	**P80,154,542**	**P80,154,542**	P67,867,411	P67,867,411
Trade and other receivables - net*	**101,648,228**	**101,648,228**	110,776,695	110,776,695
Long-term receivables (including current portion)	**14,001,614**	**14,001,614**	14,140,044	14,140,044
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets" accounts)	**13,697,068**	**13,697,068**	8,495,006	8,495,006
	P209,501,452	**P209,501,452**	P201,279,156	P201,279,156
Financial Liabilities				
Loans payable	**P10,000,000**	**P10,000,000**	P41,350,425	P41,350,425
Accounts payable and accrued expenses*	**76,414,637**	**76,414,637**	122,229,914	122,229,914
Derivative liabilities not designated as cash flow hedge (included under "Accounts payable and accrued expenses" account)	**22,375**	**22,375**	13,725	13,725
Long-term debt - net (including current maturities)	**281,671,426**	**296,250,243**	277,937,891	295,112,421
Lease liabilities (including current portion)	**24,053,632**	**24,053,632**	31,405,266	31,405,266
Other noncurrent liabilities	**550,384**	**550,384**	502,869	502,869
	P392,712,454	**P407,291,271**	P473,440,090	P490,614,620

**Excluding statutory receivables and payables*

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 (excluding statutory receivables), Long-term Receivables, and Restricted Cash. The carrying amounts of cash and cash equivalents, and trade and other receivables approximate their fair values primarily due to the relatively short-term maturities of these financial instruments. In the case of long-term receivables and restricted cash, the carrying amounts approximate their fair values, since the effect of discounting is not considered material.

Derivatives. The fair values of forward exchange contracts are calculated by reference to current forward exchange rates. In the case of freestanding currency and commodity derivatives, the fair values are determined based on quoted prices obtained from their respective active markets. Fair values for stand-alone derivative instruments that are not quoted from an active market and for embedded derivatives are based on valuation models used for similar instruments using both observable and non-observable inputs. The fair values of the derivatives have been categorized as Level 2 in the fair value hierarchy.

Loans Payable and Accounts Payable and Accrued Expenses (excluding statutory payables and Derivative Liabilities). The carrying amounts of loans payable and accounts payable and accrued expenses approximate their fair values due to the relatively short-term maturities of these financial instruments.

Lease Liabilities. The fair value is based on the present value of expected cash flows using the applicable discount rates based on current market rates of similar instruments. The fair value of lease liabilities has been categorized as Level 2 in the fair value hierarchy.

Long-term Debt and Other Noncurrent Liabilities. The fair value of interest-bearing fixed-rate loans is based on the discounted value of expected future cash flows using the applicable market rates for similar types of instruments as at reporting date. Discount rates used for Philippine Peso-denominated loans range from 5.10% to 5.85% and 5.65% to 6.16% as at March 31, 2025 and December 31, 2024, respectively. Discount rates used for foreign currency-denominated loans range from 3.89% to 5.18% and 4.20% to 5.99% as at March 31, 2025 and December 31, 2024, respectively. The carrying amounts of floating rate loans with quarterly interest rate repricing approximate their fair values.

The fair value of Peso-denominated bonds has been categorized as Level 1 and interest-bearing fixed-rate loans, lease liabilities and other noncurrent liabilities have been categorized as Level 2 in the fair value hierarchy.

Derivative Financial Instruments
The Group's derivative financial instruments according to the type of financial risk being managed and the details of freestanding derivative financial instruments that are categorized into those accounted for as cash flow hedges and those that are not designated as accounting hedges are discussed below.

The Group enters into various foreign currency and commodity derivative contracts to manage its exposure on foreign currency and commodity price risks. The portfolio is a mixture of instruments including forwards.

Derivative Instruments not Designated as Hedges
The Group enters into certain derivatives as economic hedges of certain underlying exposures. These include freestanding derivatives which are not designated as accounting hedges. Changes in fair value of these instruments are accounted for directly in the consolidated statements of income. Details are as follows:

Freestanding Derivatives
Freestanding derivatives consist of foreign currency derivatives entered into by the Group.

Currency Forwards
The Group entered into short-term foreign currency forward contracts with aggregate notional amount of US$60,000 and US$45,000 as at March 31, 2025 and December 31, 2024, respectively. As at March 31, 2025 and December 31, 2024, the negative fair value of these currency forwards included under "Accounts payable and accrued expenses" account amounted to P22,375 and P13,725, respectively (see Note 13).

The Group recognized marked-to-market gains (losses) from freestanding derivatives amounting to (P34,375) and P97,230 for the periods ended March 31, 2025 and 2024, respectively (see Note 19).

Fair Value Changes on Derivatives
The net movements in fair value of all derivative instruments are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period	**(P13,725)**	(P13,925)
Net change in fair value of derivatives not designated as accounting hedge	**(34,375)**	104,350
	(48,100)	90,425
Less fair value of settled instruments	**(25,725)**	104,150
Balance at end of period	**(P22,375)**	(P13,725)

Fair Value Measurements
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

23. Other Matters

a. Contingencies

The Group is a party to certain cases or claims which are either pending decision by the court/regulators or are subject to settlement agreements. The outcome of these cases or claims cannot be presently determined.

i. Temporary Restraining Order (TRO) Issued to Meralco

On December 5, 2013, Meralco wrote the ERC requesting for clearance and authority: (i) to collect a generation charge of P7.90 per kWh in its December 2013 billings to its customers for its generation cost for the month of November 2013; and (ii) to defer to February 2014 the recovery of the remaining P3,000,000, representing a portion of the generation costs for the November 2013 supply month which was not passed on to customers in December 2013, subject.to the inclusion of the appropriate carrying charge. In response thereto, the ERC, in its letter dated December 9, 2013, granted Meralco the authority to implement a staggered collection of its generation cost for the power supplied in November 2013. The ERC, however, did not approve Meralco's request to recover the carrying costs and directed it to file a formal application for this instead.

On December 19, 2013, Petitioners Bayan Muna representatives, et al. filed a petition against the ERC and Meralco, questioning the increase in the generation cost for November 2013 supply month. On December 20, 2013, Petitioner National Association of Electricity Consumers for Reforms (NASECORE) et al. filed a petition against the ERC, DOE and Meralco assailing the automatic adjustment of generation cost. On December 23, 2013, the Supreme Court (SC) issued a resolution consolidating both petitions and issued a TRO enjoining: (I) the ERC from implementing its letter dated December 9, 2013, and (II) Meralco from increasing the rates it charged to its consumers based on its letter dated December 5, 2013.

As a result, Meralco was constrained to fix its generation rate to its October 2013 level of P5.67 per kWh. The TRO originally had a period of 60 days.

On January 8, 2014, Meralco filed its Consolidated Comment/Opposition with Counter-Petition (the "Counter-Petition") which prayed, among others, for the inclusion of SPI, SPPC, SRHI, MPCL and several generators as respondents to the case. On January 10, 2014, the SC issued an order treating the Counter-Petition as in the nature of a third party complaint and granting the prayer to include SPI, SPPC, SRHI and MPCL as respondents in the Petition.

On February 18, 2014, the SC extended the TRO issued on December 23, 2013 for another 60 days or until April 22, 2014 and granted additional TROs enjoining the PEMC and the generators from demanding and collecting the deferred amounts. In a Resolution dated April 22, 2014, the SC extended indefinitely the effectivity of the TROs issued on December 23, 2013 and February 18, 2014.

In the Petition filed by special interest groups, the SC was made aware of the order of the ERC dated March 3, 2014 (the "March 3, 2014 ERC Order") (as defined and discussed under "ERC Order Voiding WESM Prices"), in which the ERC declared void the WESM prices during the November and December 2013 supply months and imposed regulated prices in their stead. The March 3, 2014 ERC Order likewise directed PEMC to: (a) calculate these "regulated prices" based on a formula identified by the ERC as representative of 2013 market prices under normalized conditions and (b) to collect the same from the WESM participants involved.

A decision was promulgated by the SC En Banc on August 3, 2021 (the "SC Decision"), affirming the December 9, 2013 ERC Order, which approved the staggered imposition by Meralco of its generation rate for November 2013 from its consumers and declared as null and void the March 3, 2014 ERC Order. SPI, SPPC, and SRHI however received a copy of the SC Decision through their counsel only on July 5, 2022, while MPCL received the same on July 6, 2022.

On July 26, 2022, the special interest groups sought reconsideration of the SC Decision by filing separate Motions for Reconsideration where they prayed that the SC Petition be granted. The ERC likewise filed a Motion for Partial Reconsideration of the SC Decision and sought the reinstatement of the March 3, 2014 ERC Order, among others.

These motions were denied with finality by the SC En Banc, in its resolution dated October 11, 2022, which also directed the entry of judgment of the SC Decision be made immediately. On January 4, 2023, the external counsel of SPPC, SPI and SRHI received a copy of the Entry of Judgement from the SC En Banc dated October 11, 2022, while the external counsel of MPCL received a copy of the same on January 5, 2023.

With this, the relevant subsidiaries namely, SPPC, MPCL and SPI are pursuing the implementation of the SC Decision as at March 31, 2025. SPPC, MPCL and SPI have aggregate outstanding receivables from Meralco estimated at P1,275,985 included under "Trade and other receivables" account in the consolidated statements of financial position as at March 31, 2025.

ii. *ERC Order Voiding WESM Prices*

Relative to the above-cited Petition, on December 27, 2013, the DOE, ERC and PEMC, acting as a tripartite committee, issued a joint resolution setting a reduced price cap on the WESM of P32.00 per kWh. The price was set to be effective for 90 days until a new cap is decided upon.

On March 3, 2014, the ERC, in the exercise of its police power, issued an order in Miscellaneous Case No. 2014-021, declaring the November and December 2013 Luzon WESM prices void, imposed the application of regulated prices and mandated PEMC, the operator of the WESM, to calculate and issue adjustment bills using recalculated prices (the "March 3, 2014 ERC Order").

Subsequent orders were issued by the ERC setting the period for compliance of the March 3, 2014 ERC Order (collectively, together with the March 3, 2014 Order, the "2014 ERC Orders"). Based on these orders, SPI and SRHI recognized a reduction in the sale of power while MPCL, San Miguel Electric Corp. (SMELC) and SPPC recognized a reduction in its power purchases. Consequently, a payable and receivable were also recognized for the portion of over-collection or over-payment, the settlement of which have been covered by a 24-month Special Payment Arrangement with PEMC which was already completed on May 25, 2016.

SPI, SPPC, SRHI and MPCL filed various pleadings requesting ERC for the reconsideration of the March 3, 2014 ERC Order. Other generators also requested the SC to stop the implementation of the March 3, 2014 ERC Order. The ERC denied the motions for reconsideration filed by the generators.

On June 26, 2014, SPI, SPPC and SRHI, while on December 12, 2014, MPCL appealed the said ERC denial before the Court of Appeals ("CA") through their respective Petitions for Review.

After consolidating the cases, the CA, in its decision dated November 7, 2017 (the "November 7, 2017 Decision"), granted the Petition for Review filed by SPI, SPPC, SRHI and MPCL, declared the 2014 ERC Orders null and void and accordingly reinstated and declared as valid the WESM prices for Luzon for the supply months of November to December 2013.

Motions for Reconsideration of the November 7, 2017 Decision and several other motions which were filed by various intervenors, were denied by the CA through its Omnibus Resolution dated March 29, 2019. The intervenors filed Petitions for Review on Certiorari before the SC, which were also denied by the SC through its resolutions dated September 11, 2019 and October 1, 2019. Entries of judgment have been issued by the SC certifying that the resolutions denying the Petitions for Review on Certiorari filed by various intervenors against SPI, SPPC, SRHI and MPCL, among others, have become final and executory.

The ERC and Meralco also filed separate Petitions for Review appealing the November 7, 2017 Decision and Omnibus Resolution dated March 29, 2019 of the CA, which nullified and set aside the 2014 ERC Orders, declaring the WESM prices for November and December 2013 void.

In a Resolution dated November 4, 2020, the SC directed the consolidation of the separate petitions filed by the ERC and Meralco considering that said cases involve the same parties, raise the same issues, and assail the same decision and resolution, and the transfer of the petition filed by Meralco to the 3rd Division of the SC handling the petition by the ERC.

The ERC filed its Consolidated Reply to the comments on its petition dated November 18, 2020.

The SC has not yet promulgated a decision as at December 31, 2024. However, on August 3, 2021, a decision was rendered by the SC En Banc in a separate case (as discussed under *TRO Issued to Meralco*") declaring the March 3, 2014 ERC Order as null and void, which is the subject of the aforementioned Petition. Considering that this decision of the SC En Banc covers the March 3, 2014 ERC Order, the difference between the actual Luzon WESM prices and the regulated prices (based on the March 3, 2014 ERC Order) for WESM sales and purchases by SPI, SPPC, SRHI, SMELC and MPCL amounting to up to P2,321,785 will have to be settled with the IEMOP, the current operator of the WESM, in favor of the relevant subsidiaries of the Group.

iii. Generation Payments to PSALM

SPPC and PSALM were parties to the Ilijan IPPA Agreement covering the appointment of SPPC as the IPP Administrator of the Ilijan Power Plant.

SPPC and PSALM have an ongoing dispute arising from differing interpretations of certain provisions related to generation payments under the Ilijan IPPA Agreement. As a result of such dispute, the parties have arrived at different computations regarding the subject payments. In a letter dated August 6, 2015, PSALM has demanded payment of the difference between the generation payments calculated based on its interpretation and the amount which has already been paid by SPPC, plus interest, covering the period December 26, 2012 to April 25, 2015.

On August 12, 2015, SPPC initiated a dispute resolution process with PSALM as provided under the terms of the Ilijan IPPA Agreement, while continuing to maintain its position that it has fully paid all of its obligations to PSALM. Notwithstanding the bona fide dispute, PSALM issued a notice terminating the Ilijan IPPA Agreement on September 4, 2015. On the same day, PSALM also called on the performance bond posted by SPPC pursuant to the Ilijan IPPA Agreement.

On September 8, 2015, SPPC filed a Complaint with the Regional Trial Court of Mandaluyong City (the "RTC") requesting the RTC that its interpretation of the relevant provisions of the Ilijan IPPA Agreement be upheld and asked that a 72-hour TRO be issued against PSALM for illegally terminating the Ilijan IPPA Agreement and drawing on the performance bond of SPPC. On even date, the RTC issued a 72-hour TRO which prohibited PSALM from treating SPPC as being in Administrator Default and from performing other acts that would change the status quo ante between the parties before PSALM issued the termination notice and drew on the performance bond of SPPC. The TRO was extended until September 28, 2015.

On September 28, 2015, the RTC issued an order granting a Preliminary Injunction enjoining PSALM from proceeding with the termination of the Ilijan IPPA Agreement while the main case is pending. PSALM sought for reconsideration of the said order but was later on denied by the RTC. PSALM filed with the CA a Petition for Review on Certiorari assailing the RTC's order of denial. The CA ruled in favor of SPPC and affirmed the RTC's issuance of a writ of preliminary injunction against PSALM prohibiting it from terminating the Ilijan IPPA Agreement while the main case in the lower court is pending and named Meralco as intervenor (the "2017 CA Decision").

PSALM filed a Motion for Reconsideration of the 2017 CA Decision but it was denied by the CA in its resolution dated July 12, 2018 (the "2018 CA Resolution").

On September 19, 2018, PSALM filed a Petition for Certiorari with Urgent Prayer for the Issuance of a TRO and/or Writ of Preliminary Injunction before the SC praying for the reversal and nullification of the 2017 CA Decision and the 2018 CA Resolution but was denied by the SC in its resolution dated March 4, 2019 (the "March 4, 2019 SC Resolution"). PSALM filed a Motion for Reconsideration thereof and was denied by the SC in a resolution dated August 5, 2019 which became final and executory on the same date.

After years of resolving other related issues, pre-trial proceeded on November 19, 2021 and the parties filed the Joint Stipulation of Facts on April 6, 2022.

On August 30, 2024, SPPC filed its Formal Offer of Evidence. On September 12, 2024, in compliance with a directive from the court, SPPC submitted additional hard copies of its exhibits. The court admitted SPPC's documentary evidence through an Order dated October 11, 2024.

On November 22, 2024, PSALM filed its Formal Offer of Evidence. In an Order dated December 19, 2024, the trial court admitted PSALM's exhibits and directed the parties to submit their respective closing Memoranda. PSALM filed its closing Memorandum on February 7, 2025 and SPPC filed its Memorandum on February 18, 2025. In an Order dated March 7, 2025, the court considered the case as submitted for decision.

Although the proceedings before the RTC remain pending, the Ilijan Power Plant was turned over by PSALM to SPPC pursuant to the IPPA Agreement and the Deed of Sale executed between PSALM and SPPC on June 3, 2022.

iv. *Criminal Cases*

SPPC

On September 29, 2015, SPPC filed a criminal complaint for estafa and for violation of Section 3(e) of Republic Act No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act (“RA No. 3019”), before the Department of Justice (DOJ), against certain officers of PSALM, in connection with the termination of SPPC’s Ilijan IPPA Agreement, which was made by PSALM with manifest partiality and evident bad faith. Further, it was alleged that PSALM fraudulently misrepresented its entitlement to draw on the performance bond posted by SPPC, resulting in actual injury to SPPC in the amount of US$60,000. On June 13, 2017, the DOJ endorsed the complete records of the complaint to the Office of the Ombudsman for appropriate action.

On a related matter, on November 14, 2018, SPPC filed with the Office of the Ombudsman-Field Investigation Office, an administrative complaint against an executive officer of PSALM and several unidentified persons for violation of the Ombudsman Act and the Revised Administrative Code, in the performance of their functions as public officers.

In a Resolution dated March 10, 2021, which was approved by the Ombudsman on February 15, 2022, the Graft Investigation and Prosecution Officer (GIPO) dismissed the criminal complaint against the Respondents. In a Decision of the same date, approved by the Ombudsman also on February 15, 2022, the GIPO also dismissed the administrative complaint against the Respondents.

On March 21, 2022, SPPC filed a Motion for Reconsideration of the resolution dismissing the criminal complaint. In an Order dated May 25, 2022, the Office of the Ombudsman denied SPPC’s Motion for Reconsideration. SPPC has decided not to question the dismissal of the criminal complaint.

SPI

On October 21, 2015, SPI filed a criminal complaint for Plunder and violation of Sections 3(e) and 3(f) of R.A. No. 3019, before the DOJ against a certain officer of PSALM, and certain officers of TPEC and TSC, relating to the illegal grant of the so-called “excess capacity” of the Sual Power Plant in favor of TPEC which enabled it to receive a certain amount at the expense of the Government and SPI.

In a Resolution dated July 29, 2016, the DOJ found probable cause to file an Information against the respondents for Plunder and violation of Sections 3(e) and 3(f) of RA No. 3019 (the “July 29, 2016 DOJ Resolution”). The DOJ further resolved to forward the entire records of the case to the Office of the Ombudsman for their proper action. The TPEC and TSC officers appealed said July 29, 2016 DOJ Resolution, through the filing of a Petition for Review with the Secretary of Justice. The PSALM officer filed a Verified Motion for Reconsideration.

On October 25, 2017, the DOJ issued a Resolution partially granting the Petition for Review of the TPEC and TSC officers by reversing the July 29, 2016 DOJ Resolution insofar as the conduct of the preliminary investigation was concerned, ruling that the Office of the Prosecutor General should have endorsed the case to the Office of the Ombudsman. On November 17, 2017, SPI filed a motion for partial reconsideration of said DOJ Resolution dated October 25, 2017.

While the said Motion for Partial Reconsideration was pending, SPI, TPEC, TSC and the TPEC and TSC officers filed before the DOJ a Joint Motion to Dismiss dated June 6, 2022 praying for the dismissal of the criminal complaint filed by SPI against TPEC and TSC.

In a Resolution promulgated on May 5, 2023, the DOJ affirmed its Resolution dated October 25, 2017. The DOJ held that considering SPI's desistance, SPI's Motion for Partial Reconsideration of the DOJ's Resolution of October 25, 2017 was considered dismissed and/or withdrawn. The PSALM officer's Verified Motion for Reconsideration remains unresolved as at report date.

v. *Civil Cases*

SPI

On June 17, 2016, SPI filed with the RTC, Pasig City ("RTC Pasig") a civil complaint for consignation against PSALM arising from PSALM's refusal to accept SPI's remittances corresponding to the proceeds of the sale on the WESM for electricity generated from capacity in excess of the 1,000 MW of the Sual Power Plant (the "Sale of the Excess Capacity"). With the filing of the complaint, SPI also consigned with the RTC Pasig, the amount corresponding to the proceeds of the Sale of the Excess Capacity for the billing periods December 26, 2015 to April 25, 2016.

PSALM filed an Answer dated August 17, 2016 stating that it has no right to, and is not the owner of, the proceeds of the sale on the WESM of electricity generated from the capacity in excess of 1,000 MW of the Sual Plant and that the consignation should belong to TPEC as it is rightfully entitled to the 200 MW and to the payments which SPI made consequent therewith.

On October 3, 2016, SPI filed an Omnibus Motion to Admit Supplemental Complaint and to Allow Future Consignation without Tender (the "Omnibus Motion"). Together with this Omnibus Motion, SPI consigned with the RTC Pasig an additional amount corresponding to the proceeds of the Sale of the Excess Capacity for the billing periods from April 26, 2016 to July 25, 2016. After this, SPI continuously consigned additional proceeds of Sale of the Excess Capacity for succeeding billing periods.

On May 22, 2018, the RTC Pasig issued an order dismissing the complaint for consignation filed by SPI on the ground that the court has no jurisdiction over the subject matter of the complaint and finding that the ERC has the technical competence to determine the proper interpretation of "contracted capacity", the fairness of the settlement formula and the legality of the memorandum of agreement.

On July 4, 2018, SPI filed its Motion for Reconsideration ("MR") to the May 22, 2018 order which dismissed the consignation case.

After the case was later re-raffled to RTC Branch 268, in an Order dated September 30, 2021, the RTC Branch 268: (a) granted SPI's Motion for Reconsideration of the Order of May 22, 2018, which dismissed the case for lack of jurisdiction; (b) granted SPI's Omnibus Motion to Admit Supplemental Complaint and Allow Future Consignations without Tender; and (c) reinstated the Complaint (the "September 30, 2021 Order").

On October 5, 2022, SPI and PSALM filed an Omnibus Motion to Dismiss and Release Deposited Monies, whereby PSALM, consistent with its representation and acknowledgment in its Answer that the consigned amounts rightfully belong to TPEC, agreed to the release of the said amounts to TPEC and SPI, relying on PSALM's representation and acknowledgment, did not object to the release of the consigned amounts to TPEC.

On October 10, 2022, the RTC issued an Order granting the Omnibus Motion and authorized TPEC's named representative in the Omnibus Motion to withdraw the consigned amounts.

Further related thereto, on December 1, 2016, SPI received a copy of a Complaint filed by TPEC and TSC with the ERC against SPI and PSALM in relation to the Excess Capacity issues, which issues have already been raised in the abovementioned cases. SPI filed a Motion to Dismiss and Motion to Suspend Proceeding of the instant case.

On June 6, 2022, SPI, TPEC and TSC filed a Joint Motion to Dismiss the ERC complaint. SPI received the Order from the ERC on June 22, 2022, asking the parties to submit a copy of the settlement agreement within 5 days from receipt of such order. TPEC, TSC and SPI filed with the ERC a Compliance and Submission attaching the settlement agreement on June 28, 2022. As at December 31, 2024, the case is still pending as the ERC has not issued any resolution granting the Joint Motion to Dismiss filed by the parties.

The total amount consigned with the RTC Pasig amounting to P491,242 was released to TPEC on December 20, 2022.

vi. *Claims for Contract Price Adjustments on Certain "Fixed Price" PSAs with Meralco*

On October 22, 2019, SPI and SPPC each filed before the ERC a Joint Application with Meralco for the approval of their respective PSA with Meralco with prayer for provisional authority (the "Application"). The PSA of SPPC covers the supply of 670 MW baseload capacity to Meralco ("SPPC PSA") while the PSA of SPI covers the supply of 330 MW baseload capacity to Meralco ("SPI PSA") both for a period of 10 years (collectively, the "PSAs"). The PSAs were awarded by Meralco to each of SPPC and SPI after they emerged as the winning bidders in the competitive selection process conducted by Meralco in September 2019.

On March 16, 2020, the ERC released Orders both dated December 10, 2019, granting provisional authority to implement the SPPC PSA and SPI PSA.

On May 11, 2022, SPPC and SPI each filed a Joint Motion for Price Adjustment with Meralco (the "Joint Motion") seeking approval from the ERC to temporarily increase the contract price under the SPPC PSA and SPI PSA for a period of 6 months, to recover incremental fuel costs covering January to May 2022 billing periods arising from a Change in Circumstances (as defined in the PSAs) to be collected over a period of 6 months.

On September 29, 2022, the ERC denied the foregoing Joint Motions filed by each of SPPC and SPI with Meralco requesting for the proposed price adjustments (the "September 29, 2022 ERC Orders").

SPPC CA Petition

On November 10, 2022, SPPC filed with the CA a Petition for Certiorari under Rule 65 with Application for the Issuance of a TRO and/or Writ of Preliminary Injunction to annul, reverse and set aside the September 29, 2022 ERC Order for SPPC (the "SPPC CA Petition").

In a Resolution dated November 23, 2022, the 14th Division of the CA granted SPPC's application for a 60-day TRO, conditioned upon the posting of a bond in the amount of P50,000 (the "TRO Bond"). The CA later issued a TRO on December 2, 2022, after posting by SPPC of the TRO Bond, and the writ of preliminary injunction for the SPPC CA Petition on February 23, 2023.

On July 10, 2023, SPPC received the CA's Joint Decision dated June 27, 2023 (the "June 27, 2023 CA Decision") which granted the consolidated petitions of SPPC and SPI. The CA: (i) annulled and set aside the September 29, 2022 ERC Orders for having been issued with grave abuse of discretion; (ii) granted the Joint Motions for Price Adjustment with Provisional Authority and/or Interim Relief without prejudice to any further requests for price adjustments for June 2022 onwards (for SPPC, from June 2022 to January 25, 2023 [date of writ of preliminary injunction] and for SPI, from June 2022 to the date of the finality of the Joint Decision); and (iii) made permanent the writ of preliminary injunction issued in favor of SPPC.

On January 16, 2024, SPPC received, through its external counsel, a copy of the Resolution issued by the CA dated December 28, 2023, denying the separate Motions for Reconsideration filed by NASECORE and the ERC.

The June 27, 2023 CA Decision was later on confirmed by the SC in a Resolution dated April 3, 2024 which denied the ERC's Petition for Review on Certiorari "for failure of petitioner [ERC] to sufficiently show that the Court of Appeals committed any reversible error in the challenged joint decision and resolution as to warrant the exercise of this Court's discretionary appellate jurisdiction." ERC's Motion for Reconsideration of the SC Resolution was also denied with finality in another SC Resolution date July 10, 2024, and received on August 30, 2024. An Entry of Judgment has already been issued for this case.

Pursuant thereto, SPPC filed on October 10, 2024 its Motion for Issuance of Writ of Execution with the ERC to enforce the June 27, 2023 CA Decision. The motion is pending with the ERC to date.

On February 6, 2025, SPPC filed a Motion to Resolve (re: Motion for Issuance of Writ of Execution) with the ERC. On March 11, 2025, SPPC also filed with the CA a Motion to Direct the Court of Origin to Issue Writ of Execution to compel the ERC to issue writs of execution on the June 27, 2023 CA Decision.

Related thereto, pursuant to the June 27, 2023 CA Decision, SPPC issued a Notice of Change in Circumstances (CIC) on August 18, 2023, informing Meralco of its request for price adjustments for the period May 26, 2022 to December 6, 2022 and requested the cooperation and assistance of Meralco in seeking the necessary approvals on the recovery of the additional claim due to CIC, as provided under the SPPC PSA, through the filing of a joint motion for the adjustment of the Contract Price with the ERC. In a letter dated January 30, 2024, Meralco acknowledged SPPC's right to the adjustment in the Contract Price as a result of the CIC under the SPPC PSA and in a letter dated August 30, 2024, validated the amounts being claimed therein.

On November 21, 2024, SPPC filed a Motion for Price Adjustment with the ERC, for its CIC claim for the period May 26, 2022 to December 6, 2022 pursuant to the SPPC PSA, with its claims anchored on essentially the same legal bases established or ruled on by the CA in its Joint Decision and confirmed by the SC with finality. The motion remains pending to date with the ERC.

SPI CA Petition
On November 10, 2022, SPI also filed with the CA a Petition for Certiorari under Rule 65 with Application for the Issuance of a TRO and/or Writ of Preliminary Injunction to annul, reverse and set aside the September 29, 2022 ERC Order for SPI (the "SPI CA Petition"). This was raffled to the 17th Division of the CA which was subsequently transferred to its 16th Division.

On November 24, 2022, SPI filed an Urgent Motion for Consolidation of the instant Petition with the SPPC CA Petition pending before the 13th Division of the CA.

On January 26, 2023, SPI received the Resolution dated January 13, 2023 of the CA 16th Division which (i) denied SPI's prayer for the issuance of a TRO and/or writ of preliminary injunction, and (ii) granted the consolidation of the SPI CA Petition with the SPPC CA Petition. The SPI CA Petition was thus consolidated with the SPPC CA Petition before the CA 13th Division.

On July 10, 2023, SPI received the CA's Joint Decision dated June 27, 2023 (the "June 27, 2023 CA Decision") which granted the consolidated petitions of SPPC and SPI. The CA: (i) annulled and set aside the September 29, 2022 ERC Orders for having been issued with grave abuse of discretion; (ii) granted the Joint Motions for Price Adjustment with Provisional Authority and/or Interim Relief, without prejudice to any further requests for price adjustments for June 2022 onwards (for SPPC, from June 2022 to January 25, 2023 [date of writ of preliminary injunction] and for SPI, from June 2022 to the date of the finality of the Joint Decision); and (iii) denied SPI's Motion for Partial Reconsideration of the January 13, 2023 CA Resolution and its application for the issuance of a writ of preliminary injunction for being moot and academic. On January 16, 2024, SPI received, through its external counsel, a copy of the Resolution issued by the CA dated December 28, 2023, denying the separate Motions for Reconsideration filed by NASECORE and the ERC.

The June 27, 2023 CA Decision was later on confirmed by the SC in a Resolution dated April 3, 2024, and received on May 21, 2024, which denied the ERC's Petition for Review on Certiorari "for failure of petitioner [ERC] to sufficiently show that the Court of Appeals committed any reversible error in the challenged joint decision and resolution as to warrant the exercise of this Court's discretionary appellate jurisdiction." ERC's Motion for Reconsideration of the SC Resolution was denied with finality in an SC Resolution dated July 10, 2024, and received on August 30, 2024. An Entry of Judgment has already been issued for this case.

Pursuant thereto, SPI filed on October 10, 2024 its Motion for Issuance of Writ of Execution with the ERC to enforce the June 27, 2023 CA Decision. The motion is pending with the ERC to date.

On February 6, 2025, SPI filed a Motion to Resolve (re: Motion for Issuance of Writ of Execution) with the ERC. On March 11, 2025, SPI also filed with the CA a Motion to Direct the Court of Origin to Issue Writ of Execution to compel the ERC to issue writs of execution on the June 27, 2023 CA Decision.

Related thereto, pursuant to the June 27, 2023 CA Decision, SPI issued a Notice of Change in Circumstances on August 18, 2023, informing Meralco of its request for price adjustments for the period June 2022 to July 2023, and requested the cooperation and assistance of Meralco in seeking the necessary approvals on the recovery of the additional claim due to CIC, as provided under the PSA, through the filing of a joint motion for the adjustment of the Contract Price with the ERC. In a letter dated January 30, 2024, Meralco acknowledged SPI's right to the adjustment in the Contract Price as a result of the CIC under the SPI PSA, and in a letter dated August 30, 2024, validated the amounts being claimed therein.

On November 21, 2024, SPI filed a Motion for Price Adjustment with the ERC, for its CIC claim for the period June 2022 to July 2023 pursuant to the SPI PSA with its claims anchored on essentially the same legal bases established or ruled on by the CA in its Joint Decision and confirmed by the SC with finality. The motion remains pending to date with the ERC.

In view of the dilution of the Parent Company's equity interest in SPPC from 100% to 33%, SPPC assigned in favor of the Parent Company all of its rights of action under the case relating to the Generation Payments to PSALM and the claims for contract price adjustments from Meralco, and the Parent Company assumed all obligations of SPPC in relation to the cases involving the TRO Issued to Meralco and ERC Voiding WESM Prices, pursuant to the terms of the agreements executed on March 1, 2024 and January 15, 2025 with relevant parties.

b. <u>Events After Report Date</u>
On April 7, 2025, the Parent Company redeemed a portion of its outstanding RPCS issued to SMC with total carrying amount equivalent to P57,299,318 and paid distributions amounting to P1,528,042.

c. <u>Supplemental Cash Flows Information</u>
The following table summarizes the changes in liabilities and equity arising from the financing activities, including both changes arising from cash flows and non-cash changes:

	Loans Payable	**Long-term Debt**	**Lease Liabilities**	**SPCS**	**Total**
Balances as at January 1, 2025 (Audited)	**P41,350,425**	**P277,937,891**	**P31,405,266**	**P151,194,865**	**P501,888,447**
Changes from Financing Activities					
Proceeds from borrowings	**19,500,000**	**9,400,000**	**-**	**-**	**28,900,000**
Proceeds from issuance of SPCS	**-**	**-**	**-**	**5,749,775**	**5,749,775**
Payments of borrowings	**(45,912,300)**	**(4,962,070)**	**-**	**-**	**(50,874,370)**
Payments of lease liabilities	**-**	**-**	**(7,224,539)**	**-**	**(7,224,539)**
Total Changes from Financing Activities	**(26,412,300)**	**4,437,930**	**(7,224,539)**	**5,749,775**	**(23,449,134)**
Effect of changes in foreign exchange rates	**61,875**	**(933,447)**	**(201,680)**	**-**	**(1,073,252)**
Other changes	**(5,000,000)**	**229,052**	**74,585**	**-**	**(4,696,363)**
Balance as at March 31, 2025 (Unaudited)	**P10,000,000**	**P281,671,426**	**P24,053,632**	**P156,944,640**	**P472,669,698**

	Loans Payable	Long-term Debt	Lease Liabilities	Total
Balances as at January 1, 2024 (Audited)	P13,736,000	P258,769,473	P42,787,300	P315,292,773
Changes from Financing Activities				
Proceeds from borrowings	29,172,000	12,000,000	-	41,172,000
Payments of borrowings	(29,172,000)	(1,374,820)		(30,546,820)
Payments of lease liabilities	-	-	(5,070,231)	(5,070,231)
Total Changes from Financing Activities	-	10,625,180	(5,070,231)	5,554,949
Effect of changes in foreign exchange rates	-	1,273,784	281,935	1,555,719
Other changes	-	199,634	149,325	348,959
Balance as at March 31, 2024 (Unaudited)	P13,736,000	P270,868,071	P38,148,329	P322,752,400

Other changes pertain to deconsolidated loans payable of SPPC (see Note 10), additions for new lease agreements and amortizations of lease liabilities and debt-issue costs of long-term debt.

d. <u>Commitments</u>
The outstanding purchase commitments of the Group amounted to P88,545,626 and P109,084,701 as at March 31, 2025 and December 31, 2024, respectively.

The Group's material commitments for capital expenditure consist mainly of construction of power plants, mostly utilizing high efficiency low emission technologies, in line with the Group's expansion projects, and acquisition, upgrade or repair of fixed assets needed for normal operations of the business. These will be funded by available cash and proceeds from short-term loans, long-term debt and issued capital securities.

e. There are no unusual items as to the nature and amount affecting assets, liabilities, equity, net income or cash flows, except those stated in the Management Discussion and Analysis of Financial Position and Financial Performance.

f. There were no material changes in the estimates of amounts reported in prior financial year.

SAN MIGUEL GLOBAL POWER HOLDINGS CORP. AND SUBSIDIARIES
DISCUSSION OF THE GROUP'S FINANCIAL SOUNDNESS INDICATORS

The following are the major performance measures that San Miguel Global Power Holdings Corp. (formerly SMC Global Power Holdings Corp.) and Subsidiaries (the "Group") use. Analyses are employed by comparisons and measurements based on the financial data as at March 31, 2025 and December 31, 2024 for liquidity, solvency and profitability ratios and for the periods ended March 31, 2025 and 2024 for operating efficiency ratios.

LIQUIDITY RATIO

$$\textbf{Current Ratio} = \frac{\textbf{Current Assets}}{\textbf{Current Liabilities}}$$

(in Millions Peso)	**March 2025**	December 2024
(A) Current Assets	**232,995**	249,639
(B) Current Liabilities	**149,142**	224,058
Current Ratio (A) / (B)	**1.56**	1.11

SOLVENCY RATIO

$$\textbf{Net Debt-to-Equity* Ratio} = \frac{\textbf{Net Debt}}{\textbf{Total Equity}}$$

Per relevant Loan Covenants of San Miguel Global Power

(in Millions Peso)	**March 2025**	December 2024
(A) Net Debt [(1)]	**130,897**	219,596
(B) Total Equity [(2)]	**386,203**	354,566
Net Debt-to-Equity Ratio (A) / (B)	**0.34**	0.62

**All items are net of amounts attributable to ring-fenced subsidiaries*

(1) Consolidated net total debt plus total PSALM lease liabilities.
(2) Consolidated total equity.

Asset-to-Equity Ratio = $\dfrac{\textbf{Total Assets}}{\textbf{Total Equity}}$

	Conventional		**Adjusted** [3]	
(in Millions Peso)	**March 2025**	December 2024	**March 2025**	December 2024
(A) Total Assets	**821,902**	881,873	**793,712**	853,432
(B) Total Equity	**393,069**	359,025	**393,069**	359,025
Asset-to-Equity Ratio (A) / (B)	**2.09**	2.46	**2.02**	2.38

(3) Net carrying amount of the IPPA power plant, in relation to the IPPA Agreement of SRHI with PSALM, was omitted in total assets as this power plant asset was capitalized with corresponding lease liabilities. As at March 31, 2025 and December 31, 2024, the carrying amount of the IPPA power plant asset amounted to P28,190 million and P28,441 million, respectively.

PROFITABILITY RATIO

Return on Equity = $\dfrac{\textbf{Net Income}}{\textbf{Total Equity}}$

(in Millions Peso)	**March 2025**	December 2024
(A) Net Income [4]	**37,223**	12,384
(B) Total Equity	**393,069**	359,025
Return on Equity (A) / (B)	**9.5%**	3.4%

(4) Annualized for quarterly reporting.

Interest Coverage Ratio = $\dfrac{\textbf{Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)}}{\textbf{Interest Expense}}$

Per relevant Loan Covenants of San Miguel Global Power

(in Millions Peso)	**March 2025**	December 2024
(A) EBITDA [5]	**39,370**	37,897
(B) Interest Expense [6]	**14,764**	14,761
Interest Coverage Ratio (A) / (B)	**2.67**	2.57

(5) Most recent four quarterly period consolidated EBITDA (gross of PSALM payments and excluding amounts attributable to ring-fenced subsidiaries).

(6) Most recent four quarterly period consolidated interest expense (excluding amounts attributable to ring-fenced subsidiaries).

OPERATING EFFICIENCY

$$\text{Volume Growth (Decline)} = \frac{\text{Current Period Offtake Volume}}{\text{Prior Period Offtake Volume}} - 1$$

(in GWh)	Periods Ended March 31	
	2025	2024
(A) Current Period Offtake Volume	**7,496**	7,956
(B) Prior Period Offtake Volume	**7,956**	4,657
Volume Growth (Decline) [(A / B) – 1]	**(5.8%)**	70.8%

$$\text{Revenue Growth (Decline)} = \frac{\text{Current Period Revenue}}{\text{Prior Period Revenue}} - 1$$

(in Millions Peso)	Periods Ended March 31	
	2025	2024
(A) Current Period Revenue	**42,497**	44,123
(B) Prior Period Revenue	**44,123**	41,124
Revenue Growth (Decline) [(A / B) – 1]	**(3.7%)**	7.3%

$$\text{Operating Margin} = \frac{\text{Income from Operations}}{\text{Revenues}}$$

(in Millions Peso)	Periods Ended March 31	
	2025	2024
(A) Income from Operations	**10,688**	8,840
(B) Revenues	**42,497**	44,123
Operating Margin (A) / (B)	**25.2%**	20.0%

San Miguel Global Power
Giving You the Power to Celebrate Life

San Miguel Global Power Holdings Corp.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND FINANCIAL PERFORMANCE

INTRODUCTION

The following discussion should be read in conjunction with the attached unaudited consolidated financial statements of San Miguel Global Power Holdings Corp. ("San Miguel Global Power" or "Parent Company", formerly SMC Global Power Holdings Corp.) and its subsidiaries (collectively referred to as the "Group") as at and for the period ended March 31, 2025 (with comparative figures as at December 31, 2024 and for the period ended March 31, 2024). All necessary adjustments have been made to present fairly the consolidated financial position, financial performance and cash flows of the Group as at March 31, 2025, and for all the other periods presented. Certain information and footnote disclosure normally included in the audited consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards have been omitted.

I. MAJOR DEVELOPMENTS AND SIGNIFICANT TRANSACTIONS IN 2025

Joint Agreement with Manila Electric Company (Meralco) and Aboitiz Power Corporation (AboitizPower) on the Group's Liquefied Natural Gas (LNG) Projects

On January 27, 2025, San Miguel Global Power completed the following transactions (collectively, the "Chromite Transaction" pursuant to the agreements executed on March 1, 2024 with Chromite Gas Holdings Inc. (CGHI), an entity owned jointly by Meralco PowerGen Corporation (a subsidiary of Meralco) and Therma NatGas Power, Inc. (a subsidiary of AboitizPower):

- Investment by CGHI of 67% equity interests in: (i) South Premiere Power Corp. (SPPC), the owner/operator of the 1,278 megawatts (MW) Ilijan Power Plant; (ii) Excellent Energy Resources Inc. (EERI), the owner/operator of the 1,320MW Batangas Combined Cycle Gas Power Plant; and (iii) Ilijan Primeline Industrial Estate Corp. (IPIEC), the owner of the land where EERI's power plant and facilities and the Batangas Liquified Natural Gas (LNG) Terminal are located.

- Acquisition by CGHI and SMGP of 67% and 32.98% equity interests, respectively, in Linseed Field Corporation (LFC), the owner/operator of the Batangas LNG Terminal, which receives, stores and processes LNG to fuel the power plants of SPPC and EERI.

As a result of the Chromite Transaction, San Miguel Global Power's equity interests in SPPC, EERI and IPIEC were diluted from 100% to 33%. Consequently, San Miguel Global Power derecognized the assets and liabilities of the 3 subsidiaries and recognized the 33% equity interests retained at fair market values and a revaluation gain amounting to P52,706 million and P21,933 million, respectively.

Update on Claims for Contract Price Adjustments on Certain "Fixed Price" Power Sales Agreements (PSAs) with Meralco

On June 27, 2023, the Court of Appeal's (CA) released its joint decision on the separate petitions of Sual Power Inc. (SPI) and SPPC for certiorari (the "Joint Decision"), which effectively annulled and set aside the previous Orders of the Energy Regulatory Commission (ERC) denying their joint petitions with Meralco for tariff adjustments on certain "fixed price" PSAs allowing the recovery of incremental power supply costs due to Change in Circumstances (CIC) and the eventual termination of the PSAs. Following the release of the CA's Joint Decision, SPI and SPPC confirmed the termination of their respective PSAs, but without prejudice to additional claims on incremental power supply costs incurred beyond the period covered by the said petitions arising from the same CIC during the continued implementation of the PSAs by SPPC and SPI pending issuance of the Temporary Restraining Order (TRO) and the Joint Decision by the CA. SPPC ceased the supply under its PSA only on December 7, 2022, after the issuance of the TRO by the CA, while SPI ceased to supply nominations on its PSA on July 24, 2023. On December 28, 2023, the CA issued a decision denying the Motions for Reconsideration filed by the ERC and intervenors on its Joint Decision, which was received by the external counsel of SPI and SPPC on January 16, 2024. The ERC then filed a Petition for Review on Certiorari with the Supreme Court (SC), a copy of which was received by the SPI and SPPC on March 6, 2024. On April 3, 2024, the SC issued a Resolution denying the ERC's Petition for Review on Certiorari "for failure of petitioner [ERC] to sufficiently show that the CA committed any reversible error in the challenged Joint Decision".

The SC in its Resolution dated July 10, 2024 also denied with finality the ERC's Motion for Reconsideration of the SC's Resolution dated April 3, 2024 and the ERC's prayer for the issuance of a TRO and/or Writ of Preliminary Injunction and directed the immediate issuance of an entry of judgment. An Entry of Judgment has already been issued for this case. SPI and SPPC thereafter respectively filed on October 10, 2024, a Motion for Issuance of the Writ of Execution before the ERC praying for the ERC to issue a Writ of Execution enforcing the Joint Decision. The Motion remains pending with the ERC to date. SPPC and SPI filed separate Motions to Resolve (re: Motion for Issuance of Writ of Execution) with the ERC on February 6, 2025. SPPC and SPI also filed with the CA on March 11, 2025, separate Motions to Direct the Court of Origin to Issue Writ of Execution to compel the ERC to issue writs of execution on the Joint Decision.

Related thereto, pursuant to the Joint Decision, SPPC and SPI respectively issued Notices of CIC on August 18, 2023, informing Meralco of their requests for price adjustments for the period May 26, 2022 to December 6, 2022 for SPPC, and for the period June 2022 to July 2023 for SPI, and requested the cooperation and assistance of Meralco in seeking the necessary approvals on the recovery of the additional claim due to CIC, as provided under their respective PSAs, through the filing of a joint motion for the adjustment of the Contract Price with the ERC. In a letter dated January 30, 2024, Meralco separately acknowledged SPPC's and SPI's rights to the additional adjustment in the Contract Price as a result of the CIC under the respective PSAs, and in a letter dated August 30, 2024, validated the amounts being claimed therein.

On November 21, 2024, SPPC and SPI separately filed a Motion for Price Adjustment with the ERC, for their respective CIC claims covering the aforesaid periods, pursuant to their respective PSAs, with their claims anchored on essentially the same legal bases established or ruled on by the CA in its Joint Decision and confirmed by the SC with finality. The motions remain pending to date with the ERC.

On January 15, 2025, SPPC and the San Miguel Global Power executed an agreement wherein SPPC assigned in favor of the San Miguel Global Power all of its rights of action under the above claims for price adjustments from Meralco in view of the dilution of San Miguel Global Power's equity interest in SPPC from 100% to 33%, following the Chromite Transaction.

Subscription to San Miguel Global Power's Common Shares by San Miguel Corporation (SMC)

On March 6, 2025, the Board of Directors (BOD) of San Miguel Global Power approved the following:

- subscription by SMC to 950,796,000 common shares out of the unissued capital stock of San Miguel Global Power in cash, at a subscription price of P30.00 per share or for a total subscription amount of P28,524 million;

- increase in authorized capital stock of San Miguel Global Power by P4,026 million (comprising of 4,025,600,000 shares with par value of P1.00), or from P3,774 million, divided into 3,774,400,000 shares with par value of P1.00 to P7,800 million, divided into 7,800,000,000 shares with par value of P1.00 (the "ACS Increase"); and

- subscription by SMC to 1,011,093,800 common shares out of the ACS increase at P30.00 per share, or for a total subscription amount of P30,333 million.

On the same day, San Miguel Global Power and SMC executed the respective Subscription Agreements covering the aforesaid subscriptions approved by BOD.

On April 7, 2025, the stockholders of San Miguel Global Power approved the ACS Increase and the amendment of the Amended Articles of Incorporation to reflect the ACS Increase and ratified the said subscription by SMC out of the ACS Increase. As at report date, the application for the ACS Increase is pending with the Philippine SEC.

The subscription amounts were fully paid by SMC to San Miguel Global Power on April 7, 2025.

Long-term Debts

- *Availment of Term Loan by Mariveles Power Generation Corp. (MPGC)*
  On March 27, 2025, MPGC completed additional drawdowns amounting to P9,400 million from its Omnibus Loan and Security Agreement (OLSA) executed on December 17, 2024, with various local banks. The loan is subject to a fixed interest rate and payable quarterly up to December 2034.

  The proceeds from the loan were used to finance the Mariveles Greenfield Power Plant project.

- *Payments of Maturing Term Loans*
  In the first quarter of 2025, Limay Power Inc. (LPI), Malita Power Inc. (MPI), Masinloc Power Co. Ltd. (MPCL), San Miguel Global Power and SMGP BESS Power Inc. (SMGP BESS) paid a total of P2,057 million of their scheduled long-term debt principal amortizations pursuant to the terms and conditions of their respective facility agreements.

  On February 10, 2025, San Miguel Global Power fully settled its US$50 million term loan (equivalent to P2,905 million) drawn on October 31, 2023 from a foreign bank.

Issuance of US$100 million Senior Perpetual Capital Securities (SPCS) by San Miguel Global Power

On February 19, 2025, San Miguel Global Power completed the issuance of another US$100 million SPCS (equivalent to P5,750 million, net of directly attributable transaction costs), at an issue price of 100.503% plus an amount corresponding to accrued distribution from and including December 2, 2024 to, but excluding, February 19, 2025. The US$100 million SPCS is consolidated into and form a single series with the US$500 million SPCS issued on December 2, 2024, bringing the total securities to US$600 million. The US$100 million SPCS are identical in all respects with the US$500 million SPCS, other than with respect to the date of issuance and issue price.

San Miguel Global Power intends to apply the net proceeds from the issuance of the US$100 million SPCS towards the partial purchase, repurchase and/or redemption of the outstanding 7.00% SPCS issued in October and December 2020.

The US$100 million SPCS was listed on the Singapore Exchange Securities Trading Limited on February 20, 2025.

Events After the Reporting Date

On April 7, 2025, San Miguel Global Power redeemed a portion of its outstanding Redeemable Perpetual Capital Securities (RPCS) issued to SMC with total carrying amount equivalent to P57,300 million and paid distributions amounting to P1,528 million.

II. FINANCIAL PERFORMANCE

2025 vs. 2024

	March 31		Horizontal Analysis Increase (Decrease)		Vertical Analysis	
In Millions	**2025**	2024	Amount	%	**2025**	2024
Revenues	**P42,497**	P44,123	(P1,626)	(4%)	**100%**	100%
Cost of power sold	**(29,451)**	(33,541)	(4,090)	(12%)	**(69%)**	(76%)
Gross profit	**13,046**	10,582	2,464	23%	**31%**	24%
Selling and administrative expenses	**(2,358)**	(1,742)	616	35%	**(6%)**	(4%)
Income from operations	**10,688**	8,840	1,848	21%	**25%**	20%
Interest expense and other financing charges	**(5,777)**	(5,017)	760	15%	**(14%)**	(11%)
Interest income	**808**	221	587	266%	**2%**	0%
Equity in net earnings (losses) of associates and joint ventures - net	**1,563**	(23)	1,586	6,896%	**4%**	0%
Other income (charges) - net	**21,140**	(1,329)	22,469	1,691%	**50%**	(3%)
Income before income tax	**28,422**	2,692	25,730	956%	**67%**	6%
Income tax expense	**2,036**	1,145	891	78%	**5%**	3%
Net income	**P26,386**	P1,547	P24,839	1,606%	**62%**	3%

Revenues

The Group's consolidated revenues for the first quarter of 2025 amounted to P42,497 million, lower by 4% from the P44,123 million recognized in the same period last year. The decline was due primarily to the aforementioned divestment and resulting deconsolidation of SPPC, owner of the 1,278 MW Ilijan Power Plant, following the completion of the Chromite Transaction. In addition, the decline in revenues reflects a downward adjustment in fuel tariffs to customers as coal fuel prices went down by 17% with GC Newcastle prices declining from an average of US$126 per metric ton (MT) for the first quarter of 2024 to US$105/MT for the same period this year. The effect of the deconsolidation was compensated by the revenue contributions from: (a) Units 1 and 2 of EERI's 1,320 MW new gas power plant which were declared operational on December 29, 2024 and January 7, 2025, respectively, thereby contributing a month's worth of revenues prior to its deconsolidation as part of the Chromite Transaction; (b) the full quarter operations of the 4x150 MW Mariveles Greenfield Power Plant Units 1, 2, 3 and 4 (with Unit 4 commencing commercial operations on January 9, 2025) and the additional 3 battery energy storage system (BESS) facilities with a combined capacity of 110 MWh which started commercial operations in March 2024; (c) improved average realization price for Masinloc Power Plant's new and renewed bilateral contracts; and (d) the 400 MW emergency PSA (EPSA) of Limay Power Plant with Meralco which took effect starting August 2024 up to February 2025.

Costs of Power Sold

Costs of power sold decreased to P29,451 million for the first quarter of 2025, which is 12% lower than the P33,541 million incurred for the same period last year. This reduction was attributable to the following: (i) deconsolidation of SPPC which contributed a net decrease in cost of power sold by P8,347 million; and (ii) lower generation costs, as coal global prices averaged at US$105/MT during the period – down from the US$126/MT (in GC Newcastle terms) for the same period last year. The decline was countered by the increase in cost of power sold with the full quarter operations of the Mariveles Greenfield Power Plant's 4 units, incremental depreciation expense from the additional 3 BESS facilities and the one-month operation of EERI's new gas power prior to its deconsolidation.

Selling and Administrative Expenses
Selling and administrative expenses increased by 35% or P616 million, from P1,742 million for the first quarter of 2024 to P2,358 million in 2025 for the same period. The increase was mainly due to incremental operating expenses associated with the full-quarter operations of the Mariveles Greenfield Power Plant and the additional 3 BESS facilities as well as the one-month operation of EERI's Units 1 & 2 new gas power plant prior its deconsolidation.

Income from Operations
Consolidated income from operations of P10,688 million for the first quarter of 2025 grew by 21% from the same period last year. The increase was driven by improved margins from contracted capacities with fuel passthrough arrangements for most of its bilateral customers, including the PSAs with Meralco, as well as the additional margin contributions from ancillary services rendered for National Grid Corporation of the Philippines (NGCP) and offered to the reserve market through the BESS facilities.

Interest Expense and Other Financing Charges
Interest expense and other financing charges went up by 15% to P5,777 million for the first quarter of 2025. This was mainly attributable to the P32,500 million and P9,400 million term loans drawn in tranches by MPGC in December 2024 and March 2025, respectively. This was partly mitigated by lower interest expense on the declining principal balances of the Group's finance lease liabilities owed to Power Sector Assets and Liabilities Management Corporation (PSALM) with only the Independent Power Producer Administrator (IPPA) Agreement of San Roque Hydropower Inc. (SRHI) outstanding, as the finance lease liabilities arising from the Sual IPPA Agreement was fully settled in October 2024.

Interest Income
Interest income amounted to P808 million for the first quarter of 2025. The higher number was due primarily to the increase in outstanding short-term placements of the Group compared to last year.

Equity in Net Earnings (Losses) of Associates and Joint Ventures - net
Equity in net earnings of an associate and joint ventures reached P1,563 million in the first quarter of 2025, marking a significant turnaround from the P23 million loss recorded in the same period last year. This improvement was mainly due to the share in the net earnings of SPPC, EERI, and IPIEC - following the dilution of the Group's equity interests thereon from 100% to 33%, as well as the improved financial performance of Angat Hydropower Corporation (AHC).

Other Income (Charges) - net
Other income-net amounted to P21,140 million for the first quarter of 2025, a significant turnaround from the P1,329 million other charges-net registered for the same period last year. This surge was primarily driven by the revaluation gain recognized from the dilution of equity interests in SPPC, EERI and IPIEC following the completion of the Chromite Transaction.

Income Tax Expense
Provision for income tax amounted to P2,036 million for the first quarter of 2025, higher by 78% from last years' P1,145 million mainly due to the provisions for deferred tax expense recognized on lease-related liabilities and higher taxable income for the period.

Net Income
Consequently, the consolidated net income of the Group for the first quarter of 2025 increased to P26,386 million or by 1,606%, from P1,547 million reported for the same period last year.

The following are the highlights of the performance of the individual operating business segments:

1. **POWER GENERATION**

a. **SPI, owner of Sual Power Plant**

For the first quarter of 2025, net generation of 1,031 gigawatt hours (GWh), at 40% net capacity factor rate, was lower by 18% than the same period in 2024 mainly due to the plant's longer outages.

Revenues of P9,018 million fell by 24%, from P11,825 million in 2024. The decrease was mainly due to the decline in offtake volume as contracts with certain distribution utilities (DUs) expired in December 2024 and was partly replaced by new contracts that took effect only in February 2025 or still awaiting approval from the regulatory agency. Moreover, lower average realization price, resulting from lower fuel tariff as global coal prices fell from an average of US$126/MT in the first quarter of 2024 to US$105/MT for the same period last year, contributed to the decline in revenues.

Consequently, operating income for the first quarter of 2025 fell to P1,015 million, down by 55% from P2,276 million in 2024.

b. **SPPC, owner of Ilijan Power Plant**

Upon completion of the Chromite Transaction on January 27, 2025, SMGP's equity interest in SPPC was diluted from 100% to 33% resulting to a loss of control over SPPC. Accordingly, the assets and liabilities of SPPC were deconsolidated from the books of SMGP and the recognition of share in SPPC's net earnings commenced following the deconsolidation.

For the month of January 2025, the Ilijan Power Plant contributed 424 GWh (at 47% net capacity factor rate), P4,346 million and P1,254 million to the Group's net generation, revenues and operating income, respectively. After the deconsolidation, share in net earnings recognized from the operations of SPPC amounted to P484 million during the period.

c. **LPI, owner of Limay Greenfield Power Plant**

For the first quarter of 2025, the net generation of Limay Greenfield Power Plant of 707 GWh, at 61% net capacity factor rate, was lower by 25% than the 940 GWh registered for the same period in 2024. LPI dispatched 414 GWh of the plant's net generation to its power generation customers while the rest was dispatched to its retail electricity supplier (RES) customers.

On the other hand, total offtake volume has gone up to 970 GWh, a 248% increase from same period in 2024 attributable to the emergency PSA with Meralco that commenced in August 2024 up to February 2025. Likewise, revenues increased by 191% from P1,673 million in 2024 to P4,868 million in 2025 due to higher offtake volume.

Consequently, operating income of P679 million for the first quarter of 2025 was 7.5% higher than the P632 million posted in the same period last year.

d. **MPI, owner of Davao Greenfield Power Plant**

For the first quarter of 2025, a total of 390 GWh was generated by the plant, at a net capacity factor rate of 68%. This was higher by 12% compared to the same period in 2024 owing to the increase in spot nominations. Consequently, total offtake volume increased by 15% to 405 GWh.

Similarly, revenues increased by 13% to P2,336 million during the quarter compared to last year due to higher offtake volume. As a result, operating income for the first quarter of 2025 increased to P540 million from the P485 million posted for the same period last year.

e. **MPCL, owner of Masinloc Power Plant**

The Masinloc Power Plant's operating Units 1, 2, and 3 contributed a total net generation of 1,349 GWh for the first quarter of 2025 with 1,245 GWh or 92% supplied to power generation customers while the rest was discharged to RES customers. This was 8% lower, compared to the 1,471 GWh generated from the same period in 2024, which was attributed to the annual preventive maintenance of Unit 1 during the current period.

Total offtake volume of 1,567 GWh went up from the same period in 2024 resulting primarily from higher customer nominations. Revenues grew by 18% to P8,620 million while operating income increased by 14% to P1,862 million for the first quarter of 2025 compared to the same period in 2024. The growth was driven by higher offtake volume and improved average realization prices under new and renewed bilateral contracts.

f. **MPGC, owner of Mariveles Greenfield Power Plant**

For the first quarter of 2025, the net generation of Mariveles Greenfield Power Plant registered at 898 GWh, at 77% net capacity factor rate. This was a 65% increase from the same period in 2024 due primarily to higher plant dispatch with all 4 units declared operational on March 28, 2024, September 26, 2024, October 26, 2024, and January 9, 2025, respectively, following the completion of its testing and commissioning activities. Likewise, total offtake volume of 911 GWh increased by 67% compared to the same period in 2024 with higher net generation supplied to affiliate generators and the spot market.

As a result, revenues and operating income registered at P4,807 million and P985 million, respectively, an increase of 216% compared to last year's revenues of P1,523 million and a turnaround from the P28 million operating loss posted in 2024.

g. **EERI, owner of the new Batangas Combined Cycle Power Plant (BCCPP)**

Testing and commissioning activities of EERI's Units 1 and 2 started in November 2024 while Unit 3 started in January 2025. Subsequently, Units 1 and 2 were declared operational starting on December 29, 2024 and January 7, 2025, respectively.

As a result of the completion of the Chromite Transaction on January 27, 2025, SMGP's equity interest in EERI was diluted from 100% to 33% thereby resulting to a loss of control over EERI. Accordingly, the assets and liabilities of EERI were deconsolidated from the books of SMGP and the recognition of share in EERI's net earnings commenced following the deconsolidation.

For the month of January 2025, the BCCPP of EERI contributed 364 GWh (at 41% net capacity factor rate), P3,058 million and P731 million to the Group's net generation, revenues and operating income, respectively. After the deconsolidation, share in net earnings recognized from the operations of EERI amounted to P662 million during the period.

h. **SRHI, IPPA of San Roque Hydroelectric Power Plant**

The San Roque Hydroelectric Power Plant's net generation of 227 GWh for the first quarter of 2025, at 30% net capacity factor rate, increased by 57% due to longer operating hours attributable mainly to higher water reservoir level. Likewise, total offtake volumes of 417 GWh increased by 23% compared to the same period in 2024 resulting from higher generation.

Revenues of P2,116 million increased by 32% compared to revenues reported in 2024 at P1,601 million mainly due to increase in offtake volume and higher average realization price.

Operating income of P534 million for the first quarter of 2025 rose by 131% compared to the same period in 2024. The increase was due to higher margin, resulting from the aforesaid increase in offtake volumes and average realization price.

2. **RETAIL AND OTHER POWER-RELATED SERVICES**

a. **LPI - RES**

For the first quarter of 2025, total offtake volume registered at 620 GWh, lower by 28% compared to the same period in 2024 at 859 GWh due mainly to lower customer nominations. Likewise, revenues decreased by 22% from P5,055 million in 2024 to P3,952 million for the first quarter of 2025 due to lower offtake volume.

Consequently, operating income for the quarter was registered at P411 million, 49% lower compared to the P810 million posted for the same period in 2024.

b. **MPCL - RES and BESS**

For the first quarter of 2025, net revenues (inclusive of revenues from retail electricity supply contracts and ancillary revenues from the 10 MWh BESS) and operating income amounted to P2,275 million and P500 million, an increase of 83% and 76%, respectively, from the same period in 2024. The growth was primarily driven by a significant rise in offtake volumes, with a total of 340 GWh supplied under new contracts.

c. **SMGP Kabankalan Power Co. Ltd. (SMGP Kabankalan; owner of Kabankalan I BESS)**

Revenues and operating income decreased by 37% to P146 million and P95 million, respectively, for the first quarter of 2025 compared to the same period last year due to the preventive maintenance activities conducted during the current period resulting to lower offtake volumes.

d. **SMGP BESS (owner of 10 BESS Facilities with combined installed capacity of 330 MWh)**

For the first quarter of 2025, SMGP BESS reported revenues of P3,026 million, higher by 69% compared to the same period last year primarily due to full-quarter operations of the additional 3 BESS sites with a combined capacity of 110 MWh. Likewise, operating income of P2,157 million rose by 72% from P1,251 million in 2024.

2024 vs. 2023

	March 31		**Horizontal Analysis Increase (Decrease)**		**Vertical Analysis**	
In Millions	**2024**	2023	Amount	%	**2024**	2023
Revenues	**P44,123**	P41,124	P2,999	7%	**100%**	100%
Cost of power sold	**(33,541)**	(32,094)	1,447	5%	**(76%)**	(78%)
Gross profit	**10,582**	9,030	1,552	17%	**24%**	22%
Selling and administrative expenses	**(1,742)**	(1,455)	287	20%	**(4%)**	(4%)
Income from operations	**8,840**	7,575	1,265	17%	**20%**	18%
Interest expense and other financing charges	**(5,017)**	(4,398)	619	14%	**(11%)**	(10%)
Interest income	**221**	367	(146)	(40%)	**0%**	1%
Equity in net earnings (losses) of an associate and joint ventures - net	**(23)**	164	(187)	(114%)	**0%**	0%
Other income (charges) - net	**(1,329)**	3,316	(4,645)	(140%)	**(3%)**	8%
Income before income tax	**2,692**	7,024	(4,332)	(62%)	**6%**	17%
Income tax expense	**1,145**	1,679	(534)	(32%)	**3%**	4%
Net income	**P1,547**	P5,345	(P3,798)	(71%)	**3%**	13%

Revenues
The Group's consolidated revenues for the first quarter of 2024 amounted to P44,123 million, higher by 7% than the P41,124 million recognized for the same period in 2023. The increase was mainly driven by: (i) higher offtake volume as the Group was able to secure several EPSA from Meralco and other DUs that allowed the contracting of its available capacities, and (ii) the resumption of operations of the Ilijan Power Plant using commercial LNG on a fuel passthrough basis. Moreover, the Group recognized additional revenues from ancillary services rendered by 10 BESS facilities of SMGP BESS for NGCP, with a combined capacity of 330 MWh, of which 220 MWh commenced commercial operations in the second semester of 2023 while the other 110 MWh started in the first quarter of 2024.

Cost of Power Sold
Cost of power sold increased to P33,541 million for the first quarter of 2024, which is 5% higher than the P32,094 million incurred for the same period in 2023. The increase was mainly attributable to: (i) higher power purchases from the Philippine Wholesale Electricity Spot Market to supplement the Group's required generation output, and (ii) the resumption of Ilijan Power Plant's operations in June 2023. The increase in cost of power sold was partially mitigated by lower fuel costs as international coal prices went down - averaging only US$125.76/MT in the first quarter of 2024 compared to US$247.81/MT in 2022 for the same period, in terms of GC Newcastle indexed prices.

Selling and Administrative Expenses
Selling and administrative expenses increased by 20% or P287 million, from P1,455 million for the first quarter of 2023 to P1,742 million in 2024 for the same period. The increase was mainly due to higher: (i) contracted services incurred during the preventive maintenance of Masinloc Power Plant Unit 1 and outages of Sual Power Plant Unit 1, (ii) taxes and licenses representing documentary stamp taxes from various transactions of the Group, and local business taxes of MPCL, and (iii) personnel-related expenses of the Group driven by its continuing business expansion.

Income from Operations
As a result, consolidated income from operations of P8,840 million for the first quarter of 2024 was higher by 17% from the same period in 2023 owing to improved margins as the Group worked out a transition to fuel passthrough arrangements for most of its bilateral customers including the 810 MW EPSA of SPPC with Meralco, as well as the additional margins contributed by BESS through ancillary services.

Interest Expense and Other Financing Charges
Interest expense and other financing charges went up to P5,017 million for the first quarter of 2024. This is due to the pervasive increase in global and local interest rates which affected primarily the new and outstanding debts of the Group, but was partly mitigated by the declining principal balances of its finance lease liabilities owed to PSALM arising from the IPPA agreements, such as on the Sual Power Plant, which is nearing full settlement by October 2024.

Interest Income
Interest income amounted to P221 million for the first quarter of 2024. The lower number compared to the same period in 2023 was due primarily to shorter placement periods as funds were utilized to cover capital expenditures for ongoing construction projects.

Equity in Net Earnings (Losses) of an Associate and Joint Ventures - net
Equity in net losses of an associate and joint ventures registered at P23 million loss for the first quarter of 2024, down from the P164 million earnings for the same period in 2023, mainly due to the decline in the financial performance of AHC with unfavorable hydrological conditions seen during the period.

Other income (charges) - net
Other charges amounted to P1,329 million for the first quarter of 2024, a complete turnaround from the P3,316 million other income for the same period in 2023. This was mainly due to the net foreign exchange loss recognized on the revaluation of the Group's US Dollar-denominated net monetary liabilities, with the depreciation of the Philippine Peso against the US Dollar during the period, which is in stark contrast to the significant appreciation of the Philippine Peso against the US Dollar seen in the first quarter of 2023.

Income Tax Expense
Provision for income tax amounted to P1,145 million for the first quarter of 2024. The lower number compared to the same period in 2023 was due mainly to: (i) deferred tax benefit recognized by MPCL, SRHI, SPI on its unrealized foreign exchange loss, partly offset by (ii) higher income tax expense of LPI and MPI following the expiration of its income tax holiday in May and September 2023, respectively, and higher taxable income of MPCL.

Net Income
Consequently, the consolidated net income of the Group for the first quarter of 2024 decreased to P1,547 million, from P5,345 million net income reported for the same period in 2023, which was burdened with significant net foreign exchange losses. Without the impact of the net foreign exchange losses recognized in the first quarters of 2024 and 2023, the consolidated net income would have increased by 15% compared to 2023.

The following are the highlights of the performance of the individual operating subsidiaries per business segments:

1. **POWER GENERATION**

a. **SPI, owner of Sual Power Plant**

For the first quarter of 2024, net generation of 1,265 GWh, at 48% net capacity factor rate, was lower by 19% than in 2023 same period due mainly to the plant's longer outages. On the other hand, offtake volume was up by 8% as a result of higher spot sales volume.

Revenues of P11,825 million decreased by 34% compared to revenues reported in 2023 at P17,861 million due mainly to lower average realization price resulting from lower fuel tariff as global coal prices fell from an average of US$247.81/MT in the first quarter of 2023 to an average of just US$125.76/MT in 2024 same period.

As a result, operating income for the first quarter of 2024 decreased by 6% to P2,276 million from P2,412 million in 2023.

b. **SPPC, owner of Ilijan Power Plant**

The net generation of Ilijan Power Plant for the first quarter of 2024 significantly increased to 1,438 GWh, from 28 GWh registered in the first quarter of 2023, due primarily to the plant's resumption of operations in June 2023 following the successful supply of LNG from the Batangas LNG terminal.

Likewise, total offtake volume of 1,791 GWh for the first quarter of 2024 was higher compared to the same period in 2023 on account of the increase in Meralco nominations due to the full quarter impact of its EPSAs with Meralco. Said bilateral contracts have fuel pass-through arrangements that translated to a higher average realization rate. Consequently, revenues surged to P13,115 million for the first quarter of 2024 from the P2,337 million posted for the same period in 2023.

For the first quarter of 2024, SPPC recognized an operating income of P1,248 million due mainly to improved margins. This was a complete turnaround from the P932 million operating loss posted in 2023 same period.

c. **LPI, owner of Limay Greenfield Power Plant**

The net generation of the Limay Greenfield Power Plant of 940 GWh for the first quarter of 2024, at 80% net capacity factor rate, was slightly higher by 1% than same period in 2023 at 932 GWh. LPI dispatched 116 GWh of the plant's net generation to its power generation customers while the rest was dispatched to its RES customers.

For the first quarter of 2024, total offtake volume of 279 GWh went down from same period in 2023 by 40% due to the decrease in replacement power sales volume. Moreover, revenues decreased by 52% from P3,498 million in 2023 to P1,673 million in 2024 attributable to lower offtake volume and lower average realization price with the decline in fuel tariff passed-on to customers as a result of lower global coal prices.

Operating income registering at P632 million for the quarter of 2024 was 5% lower than the P663 million posted in 2023 mainly on account of lower offtake volume.

d. **MPI, owner of Davao Greenfield Power Plant**

For the first quarter of 2024, a total of 349 GWh was generated by the plant, at a capacity factor rate of 60%, higher compared to the same period in 2023 by 6% due to the increase in spot and bilateral nominations.

On the other hand, revenues at P2,059 million dropped by 39% compared to the same period in 2023 due to lower average realization price resulting from lower fuel tariff as global coal prices fell. As a result, operating income at P485 million fell by 54% compared to operating income reported in the first quarter of 2023.

e. **MPCL, owner of Masinloc Power Plant**

The Masinloc Power Plant's operating Units 1, 2, and 3 contributed a total net generation of 1,471 GWh for the first quarter of 2024 with 1,340 GWh or 91% supplied to power generation customers while the rest was discharged to RES customers. This was 38% higher, compared to the 1,064 GWh generated from the same period in 2023, as a result of lower outage days attributed to the scheduled preventive maintenance of Unit 1.

Total offtake volume of 1,479 GWh went up from the same period in 2023 resulting primarily from higher customer nominations. On the other hand, revenues and operating income decreased to P7,335 million and P1,632 million, respectively, on account of lower average realization price due to the decline in fuel tariff passed on to bilateral customers as global coal prices fell as well as the decline in spot prices for the period.

f. **SRHI, IPPA of San Roque Hydroelectric Power Plant**

The San Roque Power Plant's net generation of 145 GWh for the first quarter of 2024, at 19% net capacity factor rate, fell by 20% due to shorter operating hours attributable mainly to lower water reservoir level. Likewise, total offtake volume of 339 GWh decreased by 8% compared to the same period in 2023 resulting from lower generation.

Revenues of P1,601 million were down by 52% compared to the same period in 2023 at P3,330 million due mainly to the decrease in offtake volume and lower average realization price owing to the decline in the average spot price.

Operating income of P232 million for the first quarter of 2024 dropped by 79% compared to same period in 2023 due to lower margin, owing to the aforesaid decline in the average realization price and offtake volume.

2. **RETAIL AND OTHER POWER-RELATED SERVICES**

a. **LPI - RES**

For the first quarter of 2024, total offtake volume registered at 859 GWh. This increased by 69% compared to the same period in 2023 at 507 GWh due to new customers. Likewise, revenues increased by 11% from P4,553 million in 2023 to P5,055 million for the first quarter of 2024 due to higher offtake volume.

Consequently, operating income of P810 million for the quarter was registered, this is 19% higher compared to the P679 million posted for the same period in 2023.

b. **MPCL - RES and BESS**

For the first quarter of 2024, revenues, inclusive of ancillary revenues from the 10 MWh BESS, and operating income decreased to P1,241 million and P284 million, respectively, due to lower customer requirements and expiration of contracts in 2023.

c. **SMGP Kabankalan, owner of Kabankalan I BESS**

Revenues of P232 million for the first quarter of 2024 increased by 9% compared to same period in 2023. Likewise, operating income of P151 million was higher by 45% compared to the P104 million registered from the same period in 2023 on account of higher average realization price during the period.

d. **SMGP BESS, owner of various BESS Facilities**

For the first quarter of 2024, SMGP BESS reported revenues and operating income of P1,791 million and P1,251 million, respectively. Beginning July 2023, the ERC granted provisional authority for the implementation of Ancillary Service Procurement Agreements between NGCP and SMGP BESS with 7 BESS facilities commencing commercial operations on various dates during the second semester of 2023. Another 3 BESS facilities started commercial operations in the first quarter of 2024.

III. FINANCIAL POSITION

2025 vs. 2024

In Millions	**March 31, 2025**	December 31, 2024	Horizontal Analysis Increase (Decrease) Amount	%	Vertical Analysis **2025**	2024
Cash and cash equivalents	**P80,155**	P67,867	P12,288	18%	**10%**	8%
Trade and other receivables - net	**105,482**	115,884	(10,402)	(9%)	**13%**	13%
Inventories	**11,115**	14,326	(3,211)	(22%)	**1%**	2%
Prepaid expenses and other current assets	**36,243**	51,562	(15,319)	(30%)	**4%**	6%
Total Current Assets	**232,995**	249,639	(16,644)	(7%)	**28%**	29%
Investments and advances - net	**70,476**	19,896	50,580	254%	**9%**	2%
Property, plant and equipment - net	**367,717**	459,506	(91,789)	(20%)	**45%**	52%
Right-of-use assets - net	**41,389**	42,123	(734)	(2%)	**5%**	4%
Goodwill and other intangible assets - net	**70,070**	71,736	(1,666)	(2%)	**8%**	8%
Deferred tax assets	**1,279**	1,354	(75)	(6%)	**0%**	0%
Other noncurrent assets	**37,976**	37,619	357	1%	**5%**	4%
Total Noncurrent Assets	**588,907**	632,234	(43,327)	(7%)	**72%**	71%
Total Assets	**P821,902**	P881,873	(P59,971)	(7%)	**100%**	100%
Loans payable	**P10,000**	P41,350	(P31,350)	(76%)	**1%**	5%
Accounts payable and accrued expenses	**92,188**	144,102	(51,914)	(6%)	**11%**	16%
Lease liabilities - current portion	**4,164**	10,049	(5,885)	(59%)	**1%**	1%
Income tax payable	**112**	80	32	42%	**0%**	0%
Current maturities of long-term debt - net of debt issue costs	**42,678**	28,477	14,201	50%	**5%**	3%
Total Current Liabilities	**149,142**	224,058	(74,916)	(33%)	**18%**	25%
Long-term debt - net of current maturities and debt issue costs	**238,993**	249,461	(10,468)	(4%)	**29%**	28%
Deferred tax liabilities	**16,521**	23,978	(7,457)	(31%)	**2%**	3%
Lease liabilities - net of current portion	**19,890**	21,357	(1,467)	(7%)	**2%**	2%
Other noncurrent liabilities	**4,287**	3,994	293	7%	**1%**	1%
Total Noncurrent Liabilities	**279,691**	298,790	(19,099)	(6%)	**34%**	34%
Total Liabilities	**428,833**	522,848	(94,015)	(18%)	**52%**	59%

Forward

In Millions	**March 31, 2025**	December 31, 2024	Horizontal Analysis Increase (Decrease) Amount	%	Vertical Analysis **2025**	2024
Equity Attributable to Equity Holders of the Parent Company						
Capital stock	**P2,824**	P2,824	P -	0%	**0%**	0%
Additional paid-in capital	**48,082**	48,082	-	0%	**6%**	5%
Senior perpetual capital securities	**156,945**	151,195	5,750	4%	**19%**	17%
Redeemable perpetual capital securities	**145,979**	145,979	-	0%	**18%**	17%
Equity reserves	**5,872**	(16,385)	22,257	136%	**1%**	(1%)
Retained earnings	**32,415**	26,387	6,028	23%	**4%**	3%
	392,117	358,082	34,035	10%	**48%**	41%
Non-controlling Interests	**952**	943	9	1%	**0%**	0%
Total Equity	**393,069**	359,025	34,044	9%	**48%**	41%
Total Liabilities and Equity	**P821,902**	P881,873	(P59,971)	(7%)	**100%**	100%

The Group's consolidated total assets as at March 31, 2025, amounted to P821,902 million, lower by 7% or P59,971 million than December 31, 2024 balance of P881,873 million. The decline was attributable to the following factors:

a. Decrease in property, plant and equipment by P91,789 million as a result of the deconsolidation of SPPC and EERI's property, plant and equipment, partly offset by additional capital expenditures for BESS and Masinloc Units 4 and 5 projects.

b. Decrease in prepaid expenses and other current assets by P15,319 million was mainly attributable to the deconsolidation of SPPC and EERI's prepaid taxes, input value-added tax and advance payments for LNG procurements. This was partially offset by additional restricted cash set aside for debt servicing requirements of the Group.

c. Decrease in trade and other receivables by P10,402 million was mainly attributable to deconsolidation of SPPC and EERI's receivables, partly offset by higher trade receivables of MPGC from revenues generated by its 4 units and higher revenues of SRHI and MPI during the relevant period.

d. Decrease in inventories by P3,211 million was mainly attributable to the deconsolidation of SPPC and EERI's LNG and spare parts. This was partly offset by higher coal inventories for Sual Power Plant and Mariveles and Limay Greenfield Power Plants.

e. Decrease in deferred tax assets by P75 million was due primarily to the application of net operating loss carryover benefit to taxable income during the period.

f. Increase in investment and advances by P50,580 million was attributable to the recognition of 33% equity interests retained in SPPC, EERI and IPIEC at fair value, the acquisition of the 33% equity interest in LFC and related costs, and the recognition of share in net earnings of the said entities during the period.

g. Increase in cash and cash equivalents by P12,288 million was due mainly to the (i) net proceeds from the redemption by the deconsolidated entities of its redeemable preferred shares issued to San Miguel Global Power in January 2025; (ii) net proceeds from the additional term loan drawn by MPGC from its OLSA in March 2025, (iii) net proceeds from the issuance of US$100 million SPCS in February 2025; and (iv) cash generated from operations; partly offset by (v) payments of maturing short/long-term loans of San Miguel Global Power, LPI, MPI, MPCL and SMGP BESS; (vi) capital expenditures for Masinloc Power Plant Units 4 and 5 and BESS sites and other power expansion projects; (vii) distributions paid to the holders of perpetual capital securities; and (viii) lease payments of SPI and SRHI to PSALM.

The Group's consolidated total liabilities as at March 31, 2025, amounted to P428,833 million, 18% or P94,015 million lower than the December 31, 2024 balance of P522,848 million. The major items accounting for the decrease are as follows:

a. Decrease in accounts payable and accrued expenses by P51,914 million was mainly attributable to the deconsolidation of SPPC and EERI; partly offset by net additional payables to contractors relating to the Group's ongoing construction projects.

b. Decrease in loans payable by P31,350 million was due to settlements by San Miguel Global Power and MPGC during the period and the deconsolidation of SPPC 's P5,000 million short-term loan.

c. Decrease in deferred tax liability by P7,457 million was mainly attributable to deconsolidation of SPPC, partly offset by additional deferred tax expense recognized on temporary differences relating to lease liabilities and net unrealized foreign exchange gain on foreign currency-denominated borrowings during the period.

d. Decrease in lease liabilities (including current and noncurrent portions) by P7,352 million was mainly on account of lease payments to PSALM by SPI, pursuant to its land lease agreement executed in October 2024, and by SRHI, pursuant to its IPPA Agreement.

e. Increase in long-term debt - net of debt issue costs (including current and noncurrent portions) by P3,733 million was attributable to the: (i) P9,400 million drawn by MPGC from its credit facility executed in December 2024, (ii) amortization of debt issue costs during the period, partly offset by (iii) payments of maturing long-term loans of San Miguel Global Power, LPI, MPI, MPCL and SMGP BESS, and (iv) unrealized foreign exchange gain recognized on the revaluation of US Dollar-denominated loans.

f. Increase in other noncurrent liabilities by P293 million was mainly attributable to additional customer deposits received by MPCL for new RES customers and additional advance payments received in relation to the disposal of certain real estate properties.

g. Increase in income tax payable by P32 million was mainly attributable to the additional payable arising from income tax due recognized for the first quarter of 2025.

The Group's consolidated total equity as at March 31, 2025 amounted to P393,069 million, higher by 9% or P34,044 million than the December 31, 2024 balance of P359,025 million. The increase is accounted for as follows:

a. Increase in equity reserves by P22,257 million was mainly attributable to the gain (net of tax) recognized by San Miguel Global Power from its investments in the preferred shares issued by SPPC, EERI and IPIEC and redeemed by the latter in January 2025.

b. Increase in retained earnings by P6,028 million was mainly attributable to the net income for the first quarters of 2025 and partly offset by the distributions to perpetual capital security holders.

c. Increase in SPCS by P5,750 million was mainly attributable to the issuance of US$100 million SPCS by San Miguel Global Power in February 2025.

2024 vs. 2023

In Millions	**March 31, 2024**	December 31, 2023	Horizontal Analysis Increase (Decrease) Amount	%	Vertical Analysis **2024**	2023
Cash and cash equivalents	**P35,579**	P31,659	P3,920	12%	**4%**	4%
Trade and other receivables - net	**117,165**	116,976	189	0%	**15%**	15%
Inventories	**12,316**	16,841	(4,525)	(27%)	**2%**	2%
Prepaid expenses and other current assets	**50,004**	48,522	1,482	3%	**6%**	6%
Total Current Assets	**215,064**	213,998	1,066	0%	**27%**	27%
Investments and advances - net	**12,062**	10,953	1,109	10%	**1%**	1%
Property, plant and equipment - net	**355,428**	339,225	16,203	5%	**44%**	44%
Right-of-use assets - net	**104,114**	104,975	(861)	1%	**13%**	13%
Goodwill and other intangible assets - net	**71,684**	71,712	(28)	0%	**9%**	9%
Deferred tax assets	**1,063**	974	89	9%	**0%**	0%
Other noncurrent assets	**44,642**	43,098	1,544	4%	**6%**	6%
Total Noncurrent Assets	**588,993**	570,937	18,056	3%	**73%**	73%
Total Assets	**P804,057**	P784,935	P19,122	2%	**100%**	100%
Loans payable	**P13,736**	P13,736	P -	0%	**2%**	2%
Accounts payable and accrued expenses	**108,394**	97,633	10,761	11%	**13%**	12%
Lease liabilities - current portion	**13,623**	17,645	(4,022)	(23%)	**2%**	2%
Income tax payable	**345**	222	123	55%	**0%**	0%
Current maturities of long-term debt - net of debt issue costs	**55,346**	54,125	1,221	2%	**7%**	7%
Total Current Liabilities	**191,444**	183,361	8,083	4%	**24%**	23%
Long-term debt - net of current maturities and debt issue costs	**215,522**	204,644	10,878	5%	**26%**	26%
Deferred tax liabilities	**21,849**	21,285	564	3%	**3%**	3%
Lease liabilities - net of current portion	**24,525**	25,142	(617)	(2%)	**3%**	3%
Other noncurrent liabilities	**6,952**	7,030	(78)	(1%)	**1%**	1%
Total Noncurrent Liabilities	**268,848**	258,101	10,747	4%	**33%**	33%
Total Liabilities	**460,292**	441,462	18,830	4%	**57%**	56%

Forward

In Millions	**March 31, 2024**	December 31, 2023	Horizontal Analysis Increase (Decrease) Amount	%	Vertical Analysis **2024**	2023
Equity Attributable to Equity Holders of the Parent Company						
Capital stock	**P2,824**	P2,824	P -	0%	**0%**	0%
Additional paid-in capital	**48,082**	48,082	-	0%	**6%**	6%
Senior perpetual capital securities	**161,768**	161,768	-	0%	**20%**	21%
Redeemable perpetual securities	**102,547**	102,547	-	0%	**13%**	13%
Equity reserves	**(3,014)**	(3,020)	6	0%	**0%**	0%
Retained earnings	**30,658**	30,367	291	1%	**4%**	4%
	342,865	342,568	297	0%	**43%**	44%
Non-controlling Interests	**900**	905	(5)	(1%)	**0%**	0%
Total Equity	**343,765**	343,473	292	0%	**43%**	44%
Total Liabilities and Equity	**P804,057**	P784,935	P19,122	2%	**100%**	100%

The Group's consolidated total assets as at March 31, 2024, amounted to P804,057 million, higher by 2% or P19,122 million than December 31, 2023 balance of P784,935 million. The increase was attributable to the following factors:

a. Increase in property, plant and equipment by P16,203 million as a result of the ongoing construction of the Masinloc Power Plant Units 4 and 5, BESS projects, Mariveles Greenfield Power Plant, rehabilitation of the Ilijan Power Plant, BCCPP project, and additional construction works for Limay and Davao Greenfield Power Plants.

b. Increase in cash and cash equivalents by P3,920 million was due mainly to the net proceeds from the P12,000 million loan drawn by SMGP BESS in March 2024 from its OLSA. This was partly offset by the (i) capital expenditures for Masinloc Power Plant Units 4 and 5, BESS projects, Mariveles Greenfield Power Plant, Ilijan Power Plant and BCCPP; (ii) lease payments of SPI and SRHI to PSALM; (iii) payments of maturing long-term loans of MPI, LPI and MPCL, and (iv) distributions paid to the holders of capital securities.

c. Increase in other noncurrent assets by P1,544 million was mainly attributable to (i) net increase in advances to suppliers/contractors for ongoing projects, and (ii) additional restricted cash set aside by MPCL and LPI for its debt servicing requirements.

d. Increase in prepaid expenses and other current assets by P1,482 million was mainly attributable to the (i) additional advances paid for procurement of coal and LNG, and (ii) input VAT recognized on purchases made for the Group's construction projects.

e. Increase in investment and advances by P1,109 million was mainly attributable to the additional deposits made by San Miguel Global Power to landholding companies, net of share in net losses of AHC.

f. Increase in deferred tax assets by P89 million was due primarily to the deferred income tax benefit recognized by the Group on unrealized foreign exchange losses from the revaluation of its US Dollar-denominated net monetary liabilities.

g. Decrease in inventories by P4,525 million was attributable primarily to overall LNG, spare parts and coal consumption which exceeded purchases during the period, coupled with lower average cost of coal.

The Group's consolidated total liabilities as at March 31, 2024, amounted to P460,292 million, 4% or P18,830 million higher than the December 31, 2023 balance of P441,462 million. The major items accounting for the increase are as follows:

a. Increase in long-term debt - net of debt issue costs (including current and noncurrent portions) by P12,099 million was attributable to the: (i) second drawdown of P12,000 million by SMGP BESS from its P40,000 million credit facility in March 2024, (ii) unrealized foreign exchange loss recognized on the revaluation of US Dollar-denominated loans, and (iii) amortization of debt issue costs, which were partly offset by settlements of maturing long-term debts of MPI, LPI and MPCL.

b. Increase in accounts payable and accrued expenses by P10,761 million was mainly attributable to additional payables to contractors relating to the Group's ongoing construction projects, and higher trade-related payables mainly for the acquisition of LNG and fuel supplies.

c. Increase in income tax payable by P123 million was mainly attributable to higher income tax due of LPI and MPI, following the expiration of its income tax holiday incentive in May and September 2023, respectively, and additional income tax due on the taxable income for the period of MPCL.

d. Decrease in lease liabilities (including current and noncurrent portions) by P4,639 million was mainly on account of (i) lease payments made by the IPPA entities to PSALM, partly offset by the (ii) the foreign exchange loss recognized for the period on the revaluation of US Dollar-denominated lease liabilities.

The Group's consolidated total equity as at March 31, 2024 amounted to P343,765 million, at par with the December 31, 2023 balance of P343,473 million. The slight movement of P292 million increase is accounted for as follows:

a. Increase in retained earnings by P291 million was mainly attributable to the net income for the first quarter of 2024, partly offset by the distributions to capital securities holders during the period.

IV. CASH FLOW

SOURCES AND USES OF CASH

A brief summary of cash flow movements is shown below:

(in Millions)	March 31	
	2025	2024
Net cash flows provided by operating activities	**P15,892**	P19,226
Net cash flows provided by (used in) investing activities	**40,570**	(19,625)
Net cash flows provided by (used in) financing activities	**(43,493)**	4,293

Net cash flows from operations basically consists of income for the period and changes in certain liabilities and others.

Net cash flows provided by (used in) investing activities are as follows:

(in Millions)	March 31	
	2025	2024
Proceeds from redemption of preferred shares	**P78,717**	P -
Additions to intangible assets	**(1)**	(1)
Advances paid to suppliers and contractors	**(292)**	(1,186)
Additions to property, plant and equipment	**(3,360)**	(17,357)
Cash of deconsolidated subsidiaries	**(5,668)**	-
Additions to investments and advances, net	**(7,780)**	(1,131)
Decrease (increase) in other noncurrent assets	**(21,046)**	50

Net cash flows provided by (used in) financing activities are as follows:

(in Millions)	March 31	
	2025	2024
Proceeds from short-term borrowings	**P19,500**	P29,172
Proceeds from the issuance of SPCS	**5,750**	-
Proceeds from long-term debts	**9,400**	12,000
Distributions paid to SPCS holders	**(4,104)**	(1,262)
Payments of long-term debts	**(4,962)**	(1,375)
Payments of lease liabilities	**(7,225)**	(5,070)
Distributions paid to RPCS holders	**(15,940)**	-
Payments of short-term borrowings	**(45,912)**	(29,172)

The effect of exchange rate changes on cash and cash equivalents amounted to (P681) and P26 million on March 31, 2025 and 2024, respectively.

V. KEY PERFORMANCE INDICATORS

The following are the major performance measures that the Group uses. Analyses are employed by comparisons and measurements based on the financial data of the current period against the same period of previous year. Please refer to Item II "Financial Performance" and Item III "Financial Position" for the discussion of certain Key Performance Indicators.

LIQUIDITY RATIO

$$\textbf{Current Ratio} = \frac{\textbf{Current Assets}}{\textbf{Current Liabilities}}$$

(in Millions Peso)	**March 2025**	December 2024
(A) Current Assets	**232,995**	249,639
(B) Current Liabilities	**149,142**	224,058
Current Ratio (A) / (B)	**1.56**	1.11

SOLVENCY RATIO

$$\textbf{Net Debt-to-Equity* Ratio} = \frac{\textbf{Net Debt}}{\textbf{Total Equity}}$$

Per relevant Loan Covenants of San Miguel Global Power

(in Millions Peso)	**March 2025**	December 2024
(A) Net Debt *(1)*	**130,897**	219,596
(B) Total Equity *(2)*	**386,203**	354,566
Net Debt-to-Equity Ratio (A) / (B)	**0.34**	0.62

**All items are net of amounts attributable to ring-fenced subsidiaries*

(1) Consolidated net total debt plus total PSALM lease liabilities.
(2) Consolidated total equity.

Asset-to-Equity Ratio = **Total Assets** / **Total Equity**

(in Millions Peso)	*Conventional* March 2025	December 2024	*Adjusted* (3) March 2025	December 2024
(A) Total Assets	**821,902**	881,873	**793,712**	853,432
(B) Total Equity	**393,069**	359,025	**393,069**	359,025
Asset-to-Equity Ratio (A) / (B)	**2.09**	2.46	**2.02**	2.38

(3) Net carrying amount of the IPPA power plant, in relation to the IPPA Agreement of SRHI with PSALM, was omitted in total assets as this power plant asset was capitalized with corresponding lease liabilities. As at March 31, 2025 and December 31, 2024, the carrying amount of the IPPA power plant asset amounted to P28,190 million and P28,441 million, respectively.

PROFITABILITY RATIO

Return on Equity = **Net Income** / **Total Equity**

(in Millions Peso)	**March 2025**	December 2024
(A) Net Income (5)	**37,223**	12,384
(B) Total Equity	**393,069**	359,025
Return on Equity (A) / (B)	**9.5%**	3.4%

(4) Annualized for quarterly reporting.

Interest Coverage Ratio = **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)** / **Interest Expense**

Per relevant Loan Covenants of San Miguel Global Power

(in Millions Peso)	**March 2025**	December 2024
(A) EBITDA (6)	**39,370**	37,897
(B) Interest Expense (7)	**14,764**	14,761
Interest Coverage Ratio (A) / (B)	**2.67**	2.57

(5) Most recent four quarterly period consolidated EBITDA (gross of PSALM payments and excluding amounts attributable to ring-fenced subsidiaries).

(6) Most recent four quarterly period consolidated interest expense (excluding amounts attributable to ring-fenced subsidiaries).

OPERATING EFFICIENCY

$$\textbf{Volume Growth (Decline)} = \frac{\textbf{Current Period Offtake Volume}}{\textbf{Prior Period Offtake Volume}} - 1$$

(in GWh)	Periods Ended March 31 **2025**	 2024
(A) Current Period Offtake Volume	**7,496**	7,956
(B) Prior Period Offtake Volume	**7,956**	4,657
Volume Growth (Decline) [(A / B) – 1]	**(5.8%)**	70.8%

$$\textbf{Revenue Growth (Decline)} = \frac{\textbf{Current Period Revenue}}{\textbf{Prior Period Revenue}} - 1$$

(in Millions Peso)	Periods Ended March 31 **2025**	 2024
(A) Current Period Revenue	**42,497**	44,123
(B) Prior Period Revenue	**44,123**	41,124
Revenue Growth (Decline) [(A / B) – 1]	**(3.7%)**	7.3%

$$\textbf{Operating Margin} = \frac{\textbf{Income from Operations}}{\textbf{Revenues}}$$

(in Millions Peso)	Periods Ended March 31 **2025**	 2024
(A) Income from Operations	**10,688**	8,840
(B) Revenues	**42,497**	44,123
Operating Margin (A) / (B)	**25.2%**	20.0%

VI. OTHER MATTERS

a. Commitments
The outstanding purchase commitments of the Group amounted to P88,546 million and P109,085 million as at March 31, 2025 and December 31, 2024, respectively.

The Group's material commitments for capital expenditure consist mainly of construction of power plants, mostly utilizing high efficiency low emission technologies, in line with the Group's expansion projects, and acquisition, upgrade or repair of fixed assets needed for normal operations of the business. These will be funded by available cash and proceeds from short-term loans, long-term debt and issued capital securities.

b. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity. The Group does not anticipate within the next 12 months any cash flow or liquidity problems. The Group was not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring payments. There were no significant amounts of the Group's trade payables that have not been paid within the stated trade terms.

c. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favorable or unfavorable impact on net sales or revenues or income from continuing operation, except those stated in Item II, discussion of Financial Performance.

d. There were no known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation and there were no changes in the contingent liabilities and contingent assets since the last annual reporting date. No material contingencies and any other events or transactions exist that are material to an understanding of the current interim period.

e. There are no significant elements of income or loss that did not arise from continuing operations.

f. The effects of seasonality or cyclicality on the interim operations of the Group's businesses are not material.

g. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationship of the Group with unconsolidated entities or other persons created during the reporting period.