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S. E. C. Registration Number

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P	O	W	E	R		H	O	L	D	I	N	G	S		C	O	R	P	.

(Company's Full Name)

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W	a	c	k	-	W	a	c	k		G	r	e	e	n	h	i	l	l	s
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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
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Month
Fiscal Year

3	1
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Day

SEC Form 17-Q (1st Quarter ended 31 March 2026)
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FORM TYPE

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Month
Annual Meeting

1 st	Tues
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Day

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings	
Domestic	Foreign

To be accomplished by SEC Personnel concerned

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File Number

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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, 2026**
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. **N/A**
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, 2026) (In Thousands)
Series C Fixed Rate Bonds issued in July 2016	P4,756,310
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 L-M Fixed Rate Bonds issued in July 2022	35,000,000
Total	P50,288,430

Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding
(as of March 31, 2026)

Common Shares	4,785,493,800
Consolidated Total Liabilities (in Thousands)	P469,079,105

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, 2026 (with comparative figures as of December 31, 2025 and for the period ended March 31, 2025) 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 11, 2026

Signature and Title 
RAMON U. AGAY
Comptroller/ Authorized Signatory

Date May 11, 2026

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2026 AND DECEMBER 31, 2025
(In Thousands)


	<i>Note</i>	2026 (Unaudited)	2025 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	7, 17, 18	P122,099,807	P101,498,370
Trade and other receivables - net	8, 11, 17, 18	93,748,297	90,816,430
Inventories	11	12,489,737	11,695,864
Prepaid expenses and other current assets	11, 17, 18	38,250,570	36,242,458
Total Current Assets		266,588,411	240,253,122
Noncurrent Assets			
Investments and advances - net	18	114,144,526	115,825,289
Property, plant and equipment - net	9	376,676,243	375,268,227
Right-of-use assets - net	6	46,913,217	47,278,979
Goodwill and other intangible assets - net		70,206,263	70,214,838
Deferred income tax assets		1,807,693	1,584,049
Other noncurrent assets	11, 17, 18	46,441,204	41,196,128
Total Noncurrent Assets		656,189,146	651,367,510
TOTAL ASSETS		P922,777,557	P891,620,632
LIABILITIES AND EQUITY			
Current Liabilities			
Loans payable	17, 18	P33,000,000	P33,000,000
Accounts payable and accrued expenses	11, 17, 18	97,628,431	101,070,416
Lease liabilities - current portion	6, 11, 17, 18	6,032,316	5,819,971
Income tax payable		207,192	139,824
Current maturities of long-term debt - net of debt issue costs	10, 17, 18	28,114,612	43,426,570
Total Current Liabilities		164,982,551	183,456,781
Noncurrent Liabilities			
Long-term debt - net of current maturities and debt issue costs	10, 17, 18	259,696,888	241,709,071
Deferred income tax liabilities		17,030,875	17,223,128
Lease liabilities - net of current portion	6, 11, 17, 18	22,554,677	23,880,904
Other noncurrent liabilities	17, 18	4,814,114	4,617,192
Total Noncurrent Liabilities		304,096,554	287,430,295
Total Liabilities		469,079,105	470,887,076

Forward

	Note	2026 (Unaudited)	2025 (Audited)
Equity			
Equity Attributable to Equity Holders of the Parent Company			
Capital stock		P4,785,494	P4,785,494
Additional paid-in capital		104,895,528	104,895,528
Senior perpetual capital securities		163,238,117	160,789,623
Redeemable perpetual capital securities		88,679,795	88,679,795
Equity reserves		(367,357)	929,003
Retained earnings		76,511,946	59,596,183
		437,743,523	419,675,626
Non-controlling Interests		15,954,929	1,057,930
Total Equity	12	453,698,452	420,733,556
TOTAL LIABILITIES AND EQUITY		P922,777,557	P891,620,632

*See accompanying Management's 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, 2026 AND 2025
(In Thousands, Except Per Share Data)

	<i>Note</i>	2026 (Unaudited)	2025 (Unaudited)
REVENUES	11, 13	P53,617,194	P42,496,775
COST OF POWER SOLD	11, 14	23,322,368	29,450,295
GROSS PROFIT		30,294,826	13,046,480
SELLING AND ADMINISTRATIVE EXPENSES	8, 9	2,186,111	2,358,244
INCOME FROM OPERATIONS		28,108,715	10,688,236
INTEREST EXPENSE AND OTHER FINANCING CHARGES	6, 10	(5,862,767)	(5,776,551)
INTEREST INCOME	7	1,068,011	808,262
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES - Net	6	3,080,905	1,562,586
OTHER INCOME (CHARGES) - Net	15	(1,952,517)	21,139,617
INCOME BEFORE INCOME TAX		24,442,347	28,422,150
INCOME TAX EXPENSE		563,177	2,036,477
NET INCOME		P23,879,170	P26,385,673
Attributable to			
Equity holders of the Parent Company		P23,832,171	P26,376,950
Non-controlling interests		46,999	8,723
		P23,879,170	P26,385,673
Earnings Per Common Share			
Attributable to Equity Holders of the Parent Company			
Basic/Diluted	16	P3.54	P6.76

See accompanying Management's 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, 2026 AND 2025
(In Thousands)

	<i>Note</i>	2026 (Unaudited)	2025 (Unaudited)
NET INCOME		P23,879,170	P26,385,673
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 net of tax	-	1,443,050	22,262,022
	6, 18		
Item that may be reclassified to profit or loss			
Gain (loss) on exchange differences on translation of foreign operations		15,668	(5,131)
OTHER COMPREHENSIVE INCOME			
- Net of tax		1,458,718	22,256,891
TOTAL COMPREHENSIVE INCOME		P25,337,888	P48,642,564
Attributable to:			
Equity holders of the Parent Company		P25,290,889	P48,633,841
Non-controlling interests		46,999	8,723
		P25,337,888	P48,642,564

See accompanying Management's 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, 2026 AND 2025
(In Thousands)

	Equity Attributable to Equity Holders of Parent Company											
	Note	Capital Stock	Additional Paid-in Capital	Senior Perpetual Capital Securities	Redeemable Perpetual Capital Securities	Equity Reserves			Retained Earnings	Total	Non-controlling Interests	Total Equity
						Equity Reserves	Translation Reserves	Reserve for Retirement Plan				
As at January 1, 2026 (Audited)		P4,785,494	P104,895,528	P160,789,623	P88,679,795	P128,996	P946,989	(P146,982)	P59,596,183	P419,675,626	P1,057,930	P420,733,556
Net income		-	-	-	-	-	-	-	23,832,171	23,832,171	46,999	23,879,170
Other comprehensive income - net of tax	18	-	-	-	-	1,443,050	15,668	-	-	1,458,718	-	1,458,718
Total comprehensive income		-	-	-	-	1,443,050	15,668	-	23,832,171	25,290,889	46,999	25,337,888
Issuance of senior perpetual capital securities	12, 19	-	-	17,555,065	-	-	-	-	-	17,555,065	-	17,555,065
Redemptions of senior perpetual capital securities	12, 19	-	-	(15,106,571)	-	(2,755,078)	-	-	-	(17,861,649)	-	(17,861,649)
Issuance of redeemable preferred shares of a subsidiary	12	-	-	-	-	-	-	-	-	-	14,850,000	14,850,000
Distributions to holders of:												
Senior perpetual capital securities	12	-	-	-	-	-	-	-	(5,573,181)	(5,573,181)	-	(5,573,181)
Redeemable perpetual capital securities	12	-	-	-	-	-	-	-	(1,343,227)	(1,343,227)	-	(1,343,227)
As at March 31, 2026 (Unaudited)		P4,785,494	P104,895,528	P163,238,117	P88,679,795	(P1,183,032)	P962,657	(P146,982)	P76,511,946	P437,743,523	P15,954,929	P453,698,452
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)	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		-	-	-	-	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	12, 19	-	-	5,749,775	-	-	-	-	-	5,749,775	-	5,749,775
Deconsolidation of subsidiaries	6	-	-	-	-	-	-	-	(295,529)	(295,529)	-	(295,529)
Share issuance costs		-	-	-	-	-	-	-	(9,507)	(9,507)	-	(9,507)
Transfer of net gain on financial assets at fair value through other comprehensive income	6	-	-	-	-	(22,262,022)	-	-	22,262,022	-	-	-
Distributions to holders of:												
Senior perpetual capital securities	12	-	-	-	-	-	-	-	(4,103,625)	(4,103,625)	-	(4,103,625)
Redeemable perpetual capital securities	12	-	-	-	-	-	-	-	(15,939,866)	(15,939,866)	-	(15,939,866)
As at March 31, 2025 (Unaudited)		P2,823,604	P48,081,781	P156,944,640	P145,979,113	(P17,253,511)	P930,577	(P67,096)	P54,677,760	P392,116,868	P952,123	P393,068,991

See accompanying Management's 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, 2026 AND 2025
(In Thousands)

	<i>Note</i>	2026 (Unaudited)	2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		P24,442,347	P28,422,150
Adjustments for:			
Interest expense and other financing charges	6, 10	5,862,767	5,776,551
Depreciation and amortization	9, 14	3,839,917	3,940,771
Unrealized foreign exchange losses - net		2,006,845	71,843
Gain on sale of machineries and equipment	9, 15	(206,801)	-
Retirement benefits costs		41,708	39,066
Gain on fair valuation of investments	6, 15	-	(21,933,046)
Dividend income	15	(776,858)	-
Interest income	7	(1,068,011)	(808,262)
Equity in net gains of associates and joint ventures - net		(3,080,905)	(1,562,586)
Operating income before working capital changes		31,061,009	13,946,487
Decrease (increase) in:			
Trade and other receivables - net		(3,115,696)	18,665,695
Inventories		(793,873)	(1,382,874)
Prepaid expenses and other current assets		(2,574,763)	(5,518,397)
Increase (decrease) in:			
Accounts payable and accrued expenses		235,691	(4,214,157)
Other noncurrent liabilities		181,524	(173,792)
Cash generated from operations		24,993,892	21,322,962
Interest income received		895,989	711,076
Income taxes paid		(346,341)	(912,698)
Interest expense and other financing charges paid		(5,653,615)	(5,229,477)
Net cash flows provided by operating activities		19,889,925	15,891,863
CASH FLOWS FROM INVESTING ACTIVITIES			
Returns on (additions to) investments and advances		5,170,400	(7,779,814)
Proceeds from sale of machineries and equipment	9	3,302,779	-
Proceeds from redemption of preferred shares	6	-	78,717,390
Proceeds from installment sale of properties	11	-	461,494
Cash of deconsolidated subsidiaries		-	(5,667,901)
Additions to investment properties		(373)	-
Additions to intangible assets		(9,803)	(1,620)
Increase in other noncurrent assets		(380,579)	(21,507,621)
Advances paid to suppliers and contractors		(3,636,236)	(291,915)
Additions to property, plant and equipment	9	(10,237,188)	(3,360,335)
Net cash flows provided by (used in) investing activities		(5,791,000)	40,569,678

Forward

	<i>Note</i>	2026 (Unaudited)	2025 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Long-term debts	10, 19	P19,850,000	P9,400,000
Short-term borrowings	19	15,000,000	19,500,000
Proceeds from the issuance of:			
Senior perpetual capital securities	12, 19	17,555,065	5,749,775
Redeemable preferred shares of a subsidiary	12	14,850,000	-
Payments of:			
Lease liabilities	6, 19	(1,633,624)	(7,224,539)
Short-term borrowings	19	(15,000,000)	(45,912,300)
Long-term debts	10, 19	(19,964,820)	(4,962,070)
Distributions paid to holders of:			
Redeemable perpetual capital securities	12	(1,343,227)	(15,939,866)
Senior perpetual capital securities	12	(5,573,181)	(4,103,625)
Redemption of senior perpetual capital securities	12, 19	(17,861,649)	-
Net cash flows provided by (used in) financing activities		5,878,564	(43,492,625)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		623,948	(681,785)
NET INCREASE IN CASH AND CASH EQUIVALENTS		20,601,437	12,287,131
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		101,498,370	67,867,411
CASH AND CASH EQUIVALENTS AT END OF PERIOD		7 P122,099,807	P80,154,542

See accompanying Management's 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

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 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 which took effect on February 23, 2019.

The accompanying interim 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. (PSE).

The Parent Company’s registered office address is located at No. 40 San Miguel Avenue, Wack-Wack Greenhills 1550, City of Mandaluyong, Second District, National Capital Region.

2. Basis of Preparation

The interim 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, 2025. 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 interim consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on May 11, 2026.

Basis of Measurement

The interim 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 at each reporting date:

<u>Items</u>	<u>Measurement Basis</u>
Financial assets at fair value through profit or loss (FVPL)	Fair value
Financial assets at fair value through other comprehensive income (FVOCI)	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 interim 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 interim consolidated financial statements include the financial statements of the Parent Company and its subsidiaries. The subsidiaries are incorporated in the Philippines and registered with the Philippine SEC. The major subsidiaries include the following:

	<u>Percentage of Ownership</u>	
	<u>2026</u>	<u>2025</u>
<i>Power Generation</i>		
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)	96	95
SMC Global Light and Power Corp. (SGLPC)	100	100
<i>Retail and Other Power-related Services</i>		
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 interim consolidated financial statements from the date when the Group obtains control and continue to be consolidated until the date when such control ceases.

If the Group loses control of a subsidiary, the Group, at the date when control is lost: (a) derecognizes the carrying amounts of assets and liabilities of the former subsidiary from the consolidated statement of financial position, (b) recognizes any investment retained in the former subsidiary at its remeasured fair value which shall be regarded as the fair value on initial recognition of a financial asset in accordance with PFRS 9, *Financial Instruments*, or the cost on initial recognition of an investment in associate or joint venture, if applicable, and (c) recognizes any resulting difference as a gain or loss associated with the loss of control attributable to the former controlling interest in the consolidated statement of income.

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 interim 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 GP Renewable Power Corp. (GP Renewable Power) and MPGC as at March 31, 2026 and December 31, 2025 (see Note 12).

3. Material Accounting Policy Information

The principal accounting policies adopted in the preparation of the interim 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, 2026.

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

Adoption of Amendments to Standards

The Group has adopted the following amendments to PFRS effective January 1, 2026 and accordingly, changed its accounting policies in the following areas:

- Disclosures about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on PFRS 7, *Financial Instruments: Disclosures*, PFRS 18, *Presentation and Disclosure in Financial Statements*, PAS 1, *Presentation of Financial Statements*, PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, PAS 36, *Impairment of Assets* and PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*). The amendments provide illustrative examples demonstrating how entities can apply PFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The examples use climate-related scenarios as practical illustrations, but the underlying principles apply more broadly to all uncertainties.

The illustrative examples are not an integral part of the PFRS Accounting Standards and do not have an effective date or transition requirements. Entities are expected to consider these examples in applying the disclosure requirements of the relevant standards on a timely basis.

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9 and PFRS 7). 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.

- 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.
- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to five standards, of which the following amendments are relevant to the Group:
 - 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 statement of income; 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 adoption of the amendments to standards did not have a material effect on the interim consolidated financial statements.

New and Amendments to Standards Not Yet Adopted

A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2026 and have not been applied in preparing the interim consolidated financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the interim consolidated financial statements.

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

- PFRS 18 replaces PAS 1. 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 (MPM) are disclosed in a single note to the financial statements; and
 - enhanced guidance is provided on how to group information in the financial statements.

Consequential amendments to PAS 7, *Statement of Cash Flows*, require the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

PFRS 18 also amends PAS 33, *Earnings per Share* to permit companies to disclose additional amounts per share using as numerator a required income and expenses total or subtotal, a common subtotal listed in PFRS 18 or an MPM disclosed by the entity.

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 2026 on the interim 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. Use of Judgments, Estimates and Assumptions

In preparing these interim 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, 2025.

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) 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:

Customer	For the Periods Ended March 31	
	2026 (Unaudited)	2025 (Unaudited)
Meralco	P28,132,360	P17,072,900
WESM	9,100,789	8,472,830

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	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Revenues										
External	P39,853,290	P32,916,805	P13,460,424	P9,398,591	P303,480	P181,379	P -	P -	P53,617,194	P42,496,775
Inter-segment	5,953,806	6,249,892	20,255	-	513,211	470,825	(6,487,272)	(6,720,717)	-	-
	45,807,096	39,166,697	13,480,679	9,398,591	816,691	652,204	(6,487,272)	(6,720,717)	53,617,194	42,496,775
Costs and Expenses										
Cost of power sold	22,340,151	29,600,983	6,534,630	5,716,946	716,809	547,968	(6,269,222)	(6,415,602)	23,322,368	29,450,295
Selling and administrative expenses	1,445,583	1,995,110	815,671	522,264	392,438	377,967	(467,581)	(537,097)	2,186,111	2,358,244
	23,785,734	31,596,093	7,350,301	6,239,210	1,109,247	925,935	(6,736,803)	(6,952,699)	25,508,479	31,808,539
Segment Result	P22,021,362	P7,570,604	P6,130,378	P3,159,381	(P292,556)	(P273,731)	P249,531	P231,982	P28,108,715	P10,688,236
Interest expense and other financing charges									(5,862,767)	(5,776,551)
Interest income									1,068,011	808,262
Equity in net earnings of associates and joint ventures - net									3,080,905	1,562,586
Other income (charges) - net									(1,952,517)	21,139,617
Income tax expense									(563,177)	(2,036,477)
Consolidated Net Income									P23,879,170	P26,385,673

	As at and For the Periods Ended									
	Power Generation		Retail and Other Power-related Services		Others		Eliminations		Consolidated	
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Other Information										
Segment assets	P556,234,000	P557,595,549	P105,181,154	P94,812,527	P291,657,237	P277,474,883	(P216,453,316)	(P225,886,503)	P736,619,075	P703,996,456
Investments and advances - net	7,702,101	7,470,084	285,219	262,400	352,880,535	352,670,128	(246,723,329)	(244,577,323)	114,144,526	115,825,289
Goodwill and other intangible assets - net									70,206,263	70,214,838
Deferred income tax assets									1,807,693	1,584,049
Consolidated Total Assets									P922,777,557	P891,620,632
Segment liabilities	P310,744,672	P326,146,503	P41,203,941	P37,805,499	P59,136,237	P58,599,785	(P247,055,312)	(P254,163,304)	P164,029,538	P168,388,483
Long-term debt - net									287,811,500	285,135,641
Income tax payable									207,192	139,824
Deferred income tax liabilities									17,030,875	17,223,128
Consolidated Total Liabilities									P469,079,105	P470,887,076
Capital expenditures	P5,349,679	P22,509,510	P1,121,438	P1,457,580	P8,932	P191,900	P -	(P59,256)	P6,480,049	P24,099,734
Coal, fuel oil and other consumables	9,193,292	45,257,355	2,202,090	8,476,894	-	-	-	-	11,395,382	53,734,249
Power purchases	8,644,333	35,157,765	2,394,062	9,789,144	-	-	(5,953,790)	(21,689,949)	5,084,605	23,256,960
Depreciation and amortization of property, plant and equipment, right-of-use assets and intangible assets	2,664,320	11,751,165	1,069,962	3,754,610	65,431	279,861	40,204	520,912	3,839,917	16,306,548
Noncash items other than depreciation and amortization*	(2,148,431)	(30,108,821)	93,593	1,984,202	1,022,486	(900,844)	-	-	(1,032,352)	(29,025,463)

* Noncash items other than depreciation and amortization include gain on fair valuation of investments, equity in net earnings of associates and joint ventures, impairment losses on trade receivables and property, plant and equipment, net unrealized foreign exchange losses, and retirement benefits costs.

6. Significant Agreements and Lease Commitments

Independent Power Producer (IPP) Administration (IPPA) Agreement

As a result of the bidding conducted by the Power Sector Assets and Liabilities Management Corporation (PSALM) for the Appointment of the IPP Administrator for the capacity of the 345 megawatts (MW) San Roque Hydroelectric Multi-purpose Power Plant (San Roque Hydroelectric Power Plant), located in San Roque, Pangasinan Province, SRHI was declared the winning bidder to act as IPP Administrator thereof effective on January 26, 2010.

South Premiere Power Corp. (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 upon the expiration of the Ilijan IPPA Agreement 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 San Roque IPPA Agreement includes, among others, the following 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. the obligation to maintain the performance bond in full force and effect with a qualified bank; and
- v. the obligation to pay PSALM the monthly payments and energy fees in respect of all electricity generated from the capacity, net of outages.

Pursuant to the IPPA Agreements, SRHI has to pay PSALM monthly payments for 18 years until April 26, 2028. Energy fees amounted to P272,065 and P294,837 for the periods ended March 31, 2026 and 2025, respectively (see Note 14). SRHI renewed its performance bond amounting to US\$20,305 which will expire on January 25, 2027.

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 Agreement and recognized as part of "Interest expense and other financing charges" account in the consolidated statements of income. Interest expense amounted to P171,741 and P216,849 for the periods ended March 31, 2026 and 2025, respectively.

The carrying amount of the San Roque Hydroelectric Power Plant under the IPPA lease arrangement with PSALM, presented under "Right-of-use assets - net" account in the consolidated statements of financial position, amounted to P27,185,972 and P27,436,920 as at March 31, 2026 and December 31, 2025, respectively.

The total cash outflows for IPPA lease agreement with PSALM amounted to P1,579,414 and P1,069,693 for the periods ended March 31, 2026 and 2025, respectively.

Maturity analysis of lease payments as at March 31, 2026 and December 31, 2025 are disclosed in Note 17.

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

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 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):

- (i) Investment by CGHI of 67% equity interests in: (i) SPPC, the owner/operator of the 1,278 MW Ilijan Power Plant; (ii) Excellent Energy Resources Inc. (EERI), the owner/operator of the 1,320 MW Batangas Combined Cycle 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 LNG Terminal are located.
- (ii) Acquisition by CGHI and the Parent Company of 67% and 32.98% equity interests, respectively, in Linseed Field Corp. (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, the Parent Company's equity interests in SPPC, EERI and IPIEC were diluted from 100% to 33%. Consequently, the Parent Company 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 P52,706,102 and P21,933,046, respectively (see Note 15).

Subsequently, SPPC, EERI, and IPIEC redeemed and paid their respective redeemable preferred shares issued to the Parent Company, in cash totaling to P78,717,390. Consequently, the Parent Company recognized a net gain on investments in equity instruments amounting to P22,262,022 (net of tax amounting to P688,117), presented under "Net gain on financial assets at fair value through other comprehensive income" account in the consolidated statement of comprehensive income and under the "Retained earnings" account in the consolidated statement of changes in equity for the period ended March 31, 2025.

The Group recognized share in net earnings of EERI, SPPC, IPIEC and LFC amounting to P2,773,300 and P1,137,537, presented under "Equity in net earnings of associates and joint ventures - net" account in the consolidated statements of income for the periods ended March 31, 2026 and 2025, respectively.

7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Note		
Cash in banks and on hand	P34,088,561	P42,747,132
Short-term investments	88,011,246	58,751,238
17, 18	P122,099,807	P101,498,370

Cash in banks earns interest at prevailing 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 P993,392 and P739,035 for the periods ended March 31, 2026 and 2025, respectively.

8. Trade and Other Receivables

Trade and other receivables consist of:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Note		
Trade	P81,947,089	P78,488,797
Non-trade	13,300,761	12,293,775
Amounts owed by related parties	4,866,811	6,400,222
	100,114,661	97,182,794
Less allowance for impairment losses	6,366,364	6,366,364
17, 18	P93,748,297	P90,816,430

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:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Note		
Balance at beginning of period	P6,366,364	P4,867,019
Impairment losses	-	1,904,091
Deconsolidation of subsidiaries and others	-	(404,746)
6	P6,366,364	P6,366,364

There were no impairment losses recognized in the consolidated statements of income for the periods ended March 31, 2026 and 2025.

9. Property, Plant and Equipment

Property, plant and equipment consist of:

March 31, 2026 and December 31, 2025

	Note	Power Plants	Land and Leasehold Improvements	Other Equipment	Building	Capital Projects in Progress (CPIP)	Total
Cost							
January 1, 2025 (Audited)		P328,466,082	P21,437,822	P9,570,280	P5,209,367	P142,099,671	P506,783,222
Additions		1,814,430	101,562	451,913	30,614	21,701,215	24,099,734
Deconsolidation of subsidiaries	6	(64,552,454)	(1,619,225)	(466,914)	(422,127)	(34,368,368)	(101,429,088)
Reclassifications, retirement and others		33,102,458	828,592	526,416	1,023,479	(32,174,276)	3,306,669
December 31, 2025 (Audited)		298,830,516	20,748,751	10,081,695	5,841,333	97,258,242	432,760,537
Additions		16,329	-	10,980	-	6,452,740	6,480,049
Disposal	15	-	-	-	-	(3,095,978)	(3,095,978)
Reclassifications and others		138,755	76	339,480	-	1,043,789	1,522,100
March 31, 2026 (Unaudited)		298,985,600	20,748,827	10,432,155	5,841,333	101,658,793	437,666,708
Accumulated Depreciation							
January 1, 2025 (Audited)		41,862,707	1,595,557	2,830,982	708,200	-	46,997,446
Depreciation		13,127,731	562,449	863,655	166,793	-	14,720,628
Deconsolidation of subsidiaries	6	(4,231,395)	(8,720)	(28,729)	(36,290)	-	(4,305,134)
Reclassifications, retirement and others		(233,543)	(247)	(593)	(1,185)	-	(235,568)
December 31, 2025 (Audited)		50,525,500	2,149,039	3,665,315	837,518	-	57,177,372
Depreciation		3,127,922	141,204	181,404	45,842	-	3,496,372
Reclassifications and others		-	76	1,707	-	-	1,783
March 31, 2026 (Unaudited)		53,653,422	2,290,319	3,848,426	883,360		60,675,527
Accumulated Impairment Losses							
January 1, 2025 (Audited)		-	-	279,947	-	-	279,947
Impairment		-	-	34,991	-	-	34,991
December 31, 2025 (Audited) and March 31, 2026 (Unaudited)		-	-	314,938	-	-	314,938
Carrying Amount							
December 31, 2025 (Audited)		P248,305,016	P18,599,712	P6,101,442	P5,003,815	P97,258,242	P375,268,227
March 31, 2026 (Unaudited)		P245,332,178	P18,458,508	P6,268,791	P4,957,973	P101,658,793	P376,676,243

March 31, 2025

	Note	Power Plants	Land and Leasehold Improvements	Other Equipment	Building	CPIP	Total
Cost							
January 1, 2025 (Audited)		P328,466,082	P21,437,822	P9,570,280	P5,209,367	P142,099,671	P506,783,222
Additions		1,632,862	25,319	122,462	-	6,471,937	8,252,580
Deconsolidation of subsidiaries	6	(64,552,454)	(1,619,225)	(466,914)	(422,127)	(34,364,015)	(101,424,735)
Reclassifications		5,315,368	(347,863)	346,980	1,184	(4,900,561)	415,108
March 31, 2025 (Unaudited)		270,861,858	19,496,053	9,572,808	4,788,424	109,307,032	414,026,175
Accumulated Depreciation							
January 1, 2025 (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	6	(4,231,395)	(8,720)	(28,729)	(36,290)	-	(4,305,134)
Reclassifications		(266,737)	(309)	(1,472)	(1,184)	-	(269,702)
March 31, 2025 (Unaudited)		40,624,116	1,713,267	2,983,027	708,614	-	46,029,024
Accumulated Impairment Losses							
January 1, 2025 (Audited) and March 31, 2025 (Unaudited)		-	-	279,947	-	-	279,947
Carrying Amount							
March 31, 2025 (Unaudited)		P230,237,742	P17,782,786	P6,309,834	P4,079,810	P109,307,032	P367,717,204

- a. Other equipment includes machinery and equipment, transportation equipment, office equipment and furniture and fixtures.
- b. CPIP pertains to the following:
 - i. Projects of MPCL for the construction of the Masinloc Power Plant Units 4 and 5, which are expected to be substantially completed in 2026.
 - ii. Projects of SMGP BESS for the construction of BESS facilities situated in various locations in the Philippines which are expected to be substantially completed in 2026.
 - iii. Various construction works relating to the solar and hydro power projects of SGLPC and SRHI, respectively.

On January 8, 2026, the Department of Energy awarded SGLPC, as among the winning bidders under the fourth auction round of the Green Energy Auction Program (GEAP) (GEA-4) launched on March 29, 2025, covering its offered aggregate capacity of 2,225 megawatts alternating current (MWac) for solar power projects located in Luzon and Mindanao, with target completion between 2026 and 2029.

On June 9, 2025, the DOE awarded SRHI, as among the winning bidders under the third auction round of the GEAP (GEA-3) conducted in February 2025, covering its offered aggregate capacity of 1,850 MW pump storage hydropower projects located in Luzon and Visayas, with target completion between 2031 and 2035.

- c. In 2026, MPGC sold certain machinery and equipment parts to an external party for a total consideration of P3,302,779. As a result of the transaction, the Group recognized a P206,801 gain which is presented under “Other income (charges) - net” account in the consolidated statement of income for the period ended March 31, 2026 (see Note 15).
- d. Depreciation of property, plant and equipment are recognized in the consolidated statements of income as follows:

	<i>Note</i>	For the Periods Ended March 31	
		2026 (Unaudited)	2025 (Unaudited)
Cost of power sold	14	P3,295,216	P3,432,035
Selling and administrative expenses		201,156	174,379
		P3,496,372	P3,606,414

- e. Reclassifications in 2026 and 2025 mainly pertain to:
 - i. the 1,200 MW Sual Power Plant and related facilities, which were reclassified from the “Goodwill and other intangible assets - net” accounts following the full settlement of all obligations under the Settlement Agreement with Team (Philippines) Energy Corporation (TPEC) and Team Sual Corporation (TSC) in March 2025 and the full turnover of the power plant to SPI (see Note 6); and
 - ii. application of advances to contractors against progress billings for ongoing capital projects.

- f. As at March 31, 2026 and December 31, 2025, certain property, plant and equipment amounting to P286,910,030 and P281,944,512 respectively, are pledged as security for syndicated project finance loans (see Note 10).
- g. Certain fully depreciated property, plant and equipment with aggregate costs amounting to P9,977,402 and P9,605,871 as at March 31, 2026 and December 31, 2025, respectively, are still being used in the Group's operations.
- h. Additions to property, plant and equipment in 2026 and 2025 disclosed in this note, include noncash or unpaid portions. The additions to property, plant and equipment in the consolidated statements of cash flows reflects the actual cash flow of the Group during the period.

10. Long-term Debt

Long-term debt consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Bonds and Notes		
<i>Parent Company</i>		
Philippine Peso-denominated:		
Fixed interest rate of 6.7500%, 6.8750%, 7.0000% and 7.1250% maturing in 2028, 2030, 2032 and 2035, respectively	P10,104,658	P10,100,632
Fixed interest rate of 7.1051% and 8.0288% maturing in 2028 and 2032, respectively	34,755,520	34,736,923
Fixed interest rate of 7.6000% maturing in April 2026	6,922,011	6,917,950
Fixed interest rate of 6.6250% maturing in December 2027	3,600,150	3,598,968
Fixed interest rate of 5.1792% maturing in July 2026	4,754,403	4,752,743
	60,136,742	60,107,216
<i>Forward</i>		

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Term Loans		
<i>Parent Company</i>		
Philippine Peso-denominated and fixed interest rate:		
- with maturities up to 2029	P9,084,797	P9,204,688
- maturing in 2028	7,467,231	7,463,930
- maturing in 2033 (a)	19,850,000	-
Foreign currency-denominated and floating interest rate based on Secured Overnight Financing Rate (SOFR) plus margin:		
- maturing in 2030	5,988,706	5,788,478
- maturing in 2028	8,984,828	8,677,485
- maturing in 2027	18,001,216	17,377,476
- maturing in 2027	18,078,169	17,465,839
- settled in March 2026 (b)	-	17,619,636
<i>Subsidiaries</i>		
Philippine Peso-denominated:		
Fixed interest rate with maturities up to:		
- 2031 and 2034 (c)	41,377,994	41,333,704
- 2033 (d)	36,088,964	36,571,852
- 2030 (e)	11,838,629	12,158,688
- 2029 (f)	25,238,859	26,097,424
Floating interest rate based on Bloomberg Valuation (BVAL) plus margin, with maturities up to 2030 (g)	4,621,223	4,907,614
Foreign currency-denominated:		
Fixed interest rate with maturities up to 2030	15,840,735	15,319,688
Floating interest rate based on SOFR plus margin, with maturities up to 2030	5,213,407	5,041,923
	227,674,758	225,028,425
	17, 18	285,135,641
Less current maturities	28,114,612	43,426,570
	P259,696,888	P241,709,071

- a. On March 31, 2026, the Parent Company availed a P20,000,000 term loan with a local bank. The loan is subject to fixed interest rate and payable in March 2033.

Net proceeds of the loan shall be used to partially finance capital expenditures and for general corporate requirements pertaining to renewable energy projects awarded to the Group under the GEAP.

- b. On March 9, 2026, the Parent Company fully settled its US\$300,000 (equivalent to P17,850,000) term loan drawn in tranches in March 2021 and June 2021 from a foreign bank. The payment was funded by cash generated from operations.
- c. Term loan of MPGC which includes payable to Bank of Commerce (BOC), an associate of an entity under common control, amounting to P7,500,000 as at March 31, 2026 and December 31, 2025 (see Note 11).
- d. In 2026, 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 Omnibus Loan and Security Agreement (OLSA).

The loan includes payable to BOC amounting to P5,292,500 and P5,365,000 as at March 31, 2026 and December 31, 2025, respectively (see Note 11).

- e. In 2026, 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.

The loan includes payable to BOC amounting to P1,787,968 and P1,836,672 as at March 31, 2026 and December 31, 2025, respectively (see Note 11).

- f. In 2026, LPI made partial payments amounting to P874,500 of its P44,000,000, 12-year term loan, pursuant to the terms and conditions of its OLSA.

- g. In 2026, 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 P2,809,076 and P2,984,643 payable to BOC as at March 31, 2026 and December 31, 2025, respectively (see Note 11).

Unamortized debt issue costs amounted to P2,491,038 and P2,571,446 as at March 31, 2026 and December 31, 2025, respectively. Accrued interest amounted to P1,985,753 and P1,677,004 as at March 31, 2026 and December 31, 2025, respectively. Interest expense amounted to P4,772,095 and P4,934,479 for the periods ended March 31, 2026 and 2025, respectively.

The gross amount of long-term debt payable to BOC amounted to P17,389,544 and P17,686,315 as at March 31, 2026 and December 31, 2025, respectively (see Note 11).

On April 8, 2026, the Parent Company availed of a US\$400,000 term loan from a facility agreement executed on March 26, 2026. The net proceeds of the loan shall be used for financing and/or refinancing the design, development, construction, installation, and operation of renewable energy projects, including hydro, wind, and solar power plants awarded to the Group pursuant to the DOE's GEAP.

On April 24, 2026, the Parent Company redeemed its Series J Bonds, amounting to P6,923,100, upon its maturity, pursuant to the terms and conditions of the bonds. The Series J Bonds formed part of the P30,000,000 Series H-I-J fixed rate bonds issued in April 2019.

On April 29, 2026, MPCL made principal repayments amounting US\$17,063 pursuant to the terms and conditions of its Omnibus Expansion Facility Agreement (OEFA).

Valuation Technique for Peso-denominated Bonds and Notes

The market value was determined using the market comparison technique. The fair values are based on Philippine Dealing & Exchange Corp. (PDEX). The Bonds and Notes are traded in an active market and the quotes reflect the actual transactions in identical instruments.

The fair value of the Bonds and Notes, amounting to P61,734,402 and P62,014,330 as at March 31, 2026 and December 31, 2025, respectively, has been categorized as Level 1 in the fair value hierarchy based on the inputs used in the valuation techniques (see Note 18).

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, 2026 and December 31, 2025, 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, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	P2,571,446	P3,069,044
Additions	150,000	460,073
Amortization	(211,081)	(698,722)
Capitalized amount	(19,327)	(258,949)
Balance at end of period	P2,491,038	P2,571,446

Repayment Schedule

The annual maturities of the long-term debts as at March 31, 2026 are as follows:

Year	Gross Amount		Peso	Debt Issue Costs	Net
	US Dollar	Peso Equivalent of US Dollar			
April 1, 2026 to March 31, 2027	US\$34,913	P2,120,865	P26,404,897	P411,150	P28,114,612
April 1, 2027 to March 31, 2028	636,487	38,665,343	21,396,756	650,152	59,411,947
April 1, 2028 to March 31, 2029	188,168	11,430,799	55,208,111	561,057	66,077,853
April 1, 2029 to March 31, 2030	39,952	2,427,034	29,118,278	183,087	31,362,225
April 1, 2030 to March 31, 2031	299,290	18,181,269	22,703,936	243,695	40,641,510
April 1, 2031 and thereafter	-	-	62,645,250	441,897	62,203,353
	US\$1,198,810	P72,825,310	P217,477,228	P2,491,038	P287,811,500

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 17.

11. 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, 2026 (Unaudited) and December 31, 2025 (Audited):

	Note	Year	Revenues from Related Parties	Purchases from Related Parties	Amounts Owed by Related Parties	Amounts Owed to Related Parties	Terms	Conditions
SMC	13	2026 2025	P93,960 441,247	P1,120,563 4,520,380	P33,108 74,897	P9,787,837 9,084,981	On demand or 30 days; non-interest bearing	Unsecured; no impairment
Entities under Common Control	8, 13, 14	2026 2025	2,556,005 9,086,648	896,585 4,853,566	2,392,986 2,298,694	19,027,313 18,697,036	On demand or 30 days; non-interest bearing	Unsecured; no impairment
	8	2026 2025	- -	- -	2,071,277 2,071,277	- -	Installment basis up to 2026	Unsecured; no impairment
Associate	6, 8, 13	2026 2025	14,761 3,688,552	20,247 969	315,353 2,126,218	71,845 71,818	On demand or 30 days; non-interest bearing	Unsecured; no impairment
Joint Venture	8, 14	2026 2025	62,108 194,928	527,250 2,710,190	272,606 177,323	497,428 257,032	30 days; non-interest bearing	Unsecured; no impairment
	8	2026 2025	1,518 5,997	- -	189,189 183,022	- -	92 days; interest bearing	Unsecured; no impairment
	8	2026 2025	1,724 46,486	- -	159,559 157,629	- -	10.5 years interest bearing	Unsecured; no impairment
Associate and Joint Venture of Entities under Common Control	8	2026 2025	- -	- 73,023	322,245 8,195	47,191 79,291	30 days; non-interest bearing	Unsecured; no impairment
	10	2026 2025	- -	348,613 1,481,799	- -	17,501,761 17,810,727	7 to 12 years; interest bearing	Secured
		2026	P2,730,076	P2,913,258	P5,756,323	P46,933,375		
		2025	P13,463,858	P13,639,927	P7,097,255	P46,000,885		

- Amounts owed by related parties consist of trade and non-trade receivables, receivables pertaining to the sale of certain parcels of raw land and investments in 2022, included as part of "Trade and other receivables - net" account in the consolidated statements of financial position, prepayments for rent and insurance, and security deposits (see Note 8).
- Amounts owed to related parties consist of trade and non-trade payables including management fees, purchases of fuel and power, reimbursement of expenses, rent, insurance, services rendered, customers' deposits and subscriptions payable to Olongapo Electricity Distribution Company, Inc. As at March 31, 2026 and December 31, 2025, 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 P15,154,053 and P15,095,658, respectively.
- Amounts owed by associates mainly consist of advances granted to EERI, included as part of "Trade and other receivables - net" account in the consolidated statements of financial position (see Note 8).

- d. Amounts owed by a joint venture pertains to (i) interest bearing loans granted and management fees charged to Angat Hydropower Corporation by PVEI, and (ii) sublease fees charged by SGLPC to Lucanin Solar Inc., included as part of “Trade and other receivables - net” and “Other noncurrent assets” accounts in the consolidated statements of financial position as at March 31, 2026 and December 31, 2025 (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 P17,389,544 and P17,686,315, presented as part of “Long-term debt” account in the consolidated statements of financial position as at March 31, 2026 and December 31, 2025, respectively (see Note 10). These loans are secured by certain property, plant and equipment (see Note 9). The interest expense incurred on the loans amounted to P348,613 and P416,485 for the periods ended March 31, 2026 and 2025, respectively.
- f. The compensation of key management personnel of the Group, by benefit type, are as follows:

	March 31, 2025 (Unaudited)	December 31, 2025 (Audited)
Short-term employee benefits	P48,708	P197,576
Retirement benefits costs	3,110	10,053
	P51,818	P207,629

There were no known transactions with parties that fall outside the definition of “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.

12. Equity

Capital Stock

The details of the Parent Company’s authorized, subscribed, issued and outstanding capital stock as at March 31, 2026 and December 31, 2025 are as follows:

	March 31, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Number of Shares	Amount	Number of Shares	Amount
Authorized – par value of P1.00	7,800,000,000	P7,800,000	7,800,000,000	P7,800,000
Subscribed capital stock:				
Balance at beginning of period	4,785,493,800	P4,785,494	2,823,604,000	P2,823,604
Subscription	-	-	1,961,889,800	1,961,890
Issued and outstanding	4,785,493,800	P4,785,494	4,785,493,800	P4,785,494

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 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 Subscription Agreements covering the aforesaid subscriptions approved by the BOD.

On April 14, 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. The application for the ACS Increase was approved by the Philippine SEC on May 16, 2025.

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

Issuance of Senior Perpetual Capital Securities (SPCS)

On January 20, 2026, the Parent Company completed the issuance of US\$300,000 SPCS (equivalent to P17,555,065, net of directly attributable transaction costs amounting to P281,435) at an issue price of 100.00% of principal amount, with an initial rate of distribution of 8.375% per annum and step-up date of January 20, 2031.

The net proceeds were used for the redemption of all outstanding 5.70% SPCS issued in January 2020.

The US\$300,000 SPCS was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on January 21, 2026.

On February 19, 2025, the Parent Company completed the issuance of a US\$100,000 SPCS (equivalent to P5,749,775, net of directly attributable transaction costs amounting to P88,243), at an issue price of 100.503% of principal amount, plus an amount corresponding to accrued distribution from (and including) December 2, 2024 to (but excluding) February 19, 2025. The US\$100,000 SPCS was consolidated into and formed a single series with the US\$500,000 SPCS issued on December 2, 2024 (the “US\$500,000 SPCS”), 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 net proceeds from the issuance of the US\$100,000 SPCS were used for the redemption of the outstanding 7.00% SPCS issued in October and December 2020.

The US\$100,000 SPCS was listed on the SGX-ST on February 20, 2025.

Redemption of SPCS

On January 20, 2026, the Parent Company completed the redemption of the US\$300,423 remaining securities, with a carrying value of P15,106,571, out of the US\$600,000 SPCS issued in January 2020, pursuant to the terms and conditions of the securities. The redemption price is equal to the principal amount of the SPCS. Any accrued but unpaid distributions up to (but excluding) the redemption date were also settled.

The difference between the price paid and the carrying value amounted to P2,755,078 and was recognized as part of the “Equity reserves” account in the consolidated statements of financial position.

Distributions to SPCS Holders

The Parent Company paid P5,573,181 and P4,103,625 to the SPCS holders for the periods ended March 31, 2026 and 2025, respectively, as distributions in accordance with the terms and conditions of the relevant subscription agreements.

Distributions to Redeemable Perpetual Capital Securities (RPCS) Holders

For the periods ended March 31, 2026 and 2025, the Parent Company paid distributions amounting to P1,343,227 and P15,939,866 (including distributions in arrears of P14,617,039), respectively, to the RPCS holders.

In April 2026, the Parent Company paid distributions amounting to US\$17,000 to the US\$800,000 RPCS holder.

Issuance of Redeemable Preferred Shares by a Subsidiary

In March 2026, the BOD of GP Renewable Power approved the subscription by SPPC to its redeemable preferred shares for a total subscription amount of P14,850,000. The proceeds may be used for general corporate purposes.

The salient features of the redeemable preferred shares include, among others, the following: (a) non-voting, except in those cases expressly required under Section 6 of the Revised Corporation Code; (b) not convertible to any class or series of common shares or preferred shares; (c) redeemable at the option of issuer at any time upon determination by its BOD, at a redemption price equivalent to the issue price; (d) shall have no pre-emptive right to any issue or disposition of any share of any class of the issuer; and (e) in case of dissolution and liquidation, the holder of the redeemable preferred shares shall be entitled to be paid in full, or ratably to the extent that the remaining assets of the issuer will permit, the issue price, without being entitled to any preference over holders of common shares in the distribution of assets.

As at March 31, 2026, the redeemable preferred shares is presented under “Non-controlling interests” account in the consolidated statement of financial position.

13. Revenues

Revenues consist of:

	Note	For the Periods Ended March 31	
		2026 (Unaudited)	2025 (Unaudited)
Sale of power:			
Power generation and trading		P39,853,290	P32,916,805
Retail and other power-related services		13,460,424	9,398,591
Other services		303,480	181,379
	5, 11	P53,617,194	P42,496,775

Revenues from other services mainly pertain to operations and maintenance services provided to various customers, including entities under common control (see Note 11).

14. Cost of Power Sold

Cost of power sold consists of:

	Note	For the Periods Ended March 31	
		2026 (Unaudited)	2025 (Unaudited)
Coal, fuel oil and other consumables	11	P11,395,382	P17,538,528
Power purchases	11	5,084,605	6,430,139
Depreciation and amortization	9	3,573,097	3,695,429
Plant operations and maintenance, and other fees		2,997,219	1,491,362
Energy fees	6	272,065	294,837
	5	P23,322,368	P29,450,295

15. Other Income (Charges) - net

Other income (charges) consist of:

	Note	For the Periods Ended March 31	
		2026 (Unaudited)	2025 (Unaudited)
Gain on fair valuation of investments	6	P -	P21,933,046
Foreign exchange losses - net	17	(1,422,662)	(822,022)
Miscellaneous income (charges) - net		(529,855)	28,593
		(P1,952,517)	P21,139,617

Miscellaneous income (charges) - net mainly pertains to discount on receivables, dividend income, gain on sale of machinery and equipment, marked-to-market gains (losses) on derivatives, and insurance claims (see Notes 9, 18 and 19).

16. Basic and Diluted Earnings Per Share

Basic and diluted earnings per share are computed as follows:

	For the Periods Ended March 31	
	2026 (Unaudited)	2025 (Unaudited)
Net income attributable to equity holders of the Parent Company	P23,832,171	P26,376,950
Distributions for the period to:		
RPCS holders	(2,244,468)	(3,246,246)
SPCS holders	(4,657,959)	(4,047,689)
Net income attributable to common shareholders of the Parent Company (a)	16,929,744	19,083,015
Weighted average number of common shares issued and outstanding (in thousands) (b)	4,785,494	2,823,604
Basic/Diluted Earnings Per Share (a/b)	P3.54	P6.76

As at March 31, 2026 and 2025, the Parent Company has no dilutive debt or equity instruments.

17. 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.

Liquidity Risk

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, 2026 (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	P122,099,807	P122,099,807	P122,099,807	P -	P -	P -
Trade and other receivables - net*	90,315,149	90,315,149	90,315,149	-	-	-
Derivative assets not designated as cash flow hedge (included under "Prepaid expenses and other current assets" account)	30,330	30,330	30,330	-	-	-
Long-term receivables (including current portion)	8,203,174	8,203,174	3,242,266	4,492,885	-	468,023
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets" accounts)	18,068,605	18,068,605	12,194,364	4,144,515	1,729,706	20
Financial Liabilities						
Loans payable	33,000,000	33,186,364	33,186,364	-	-	-
Accounts payable and accrued expenses*	81,096,438	81,096,438	81,096,438	-	-	-
Long-term debt - net (including current maturities)	287,811,500	358,978,474	46,057,354	75,982,271	166,023,594	70,915,255
Lease liabilities (including current portion)	28,586,993	55,982,217	7,583,190	7,855,483	5,134,320	35,409,224
Other noncurrent liabilities	581,588	581,588	-	242,442	290,463	48,683

*Excluding statutory receivables and payables.

December 31, 2025 (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	P101,498,370	P101,498,370	P101,498,370	P -	P -	P -
Trade and other receivables - net*	87,689,285	87,689,285	87,689,285	-	-	-
Long-term receivables (including current portion)	5,503,179	5,503,179	2,931,936	1,485,031	622,543	463,669
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets" accounts)	15,324,737	15,324,737	9,875,103	3,753,772	1,695,837	25
Financial Liabilities						
Loans payable	33,000,000	33,128,533	33,128,533	-	-	-
Accounts payable and accrued expenses*	83,785,524	83,785,524	83,785,524	-	-	-
Long-term debt - net (including current maturities)	285,135,641	358,016,578	63,535,653	75,532,389	161,699,619	57,248,917
Lease liabilities (including current portion)	29,700,875	44,389,359	6,299,603	7,346,347	6,169,433	24,573,976
Other noncurrent liabilities	560,435	560,435	-	241,272	270,479	48,684

*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, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash and cash equivalents (excluding cash on hand)	7	P122,097,681	P101,496,244
Trade and other receivables - net*	8	90,315,149	87,689,285
Derivative assets not designated as cash flow hedge		30,330	-
Long-term receivables (including current portion)		8,203,174	5,503,179
Restricted cash		18,068,605	15,324,737
		P238,714,939	P210,013,445

*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.

March 31, 2026 (Unaudited)	Financial Assets at Amortized Cost			Financial Assets at FVPL	Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired		
Cash and cash equivalents (excluding cash on hand)	P122,097,681	P -	P -	P -	P122,097,681
Trade and other receivables	-	90,315,149	6,366,364	-	96,681,513
Derivative assets not designated as cash flow hedge	-	-	-	30,330	30,330
Long-term receivables (including current portion)	-	8,203,174	-	-	8,203,174
Restricted cash	18,068,605	-	-	-	18,068,605
	P140,166,286	P98,518,323	P6,366,364	P30,330	P245,081,303

December 31, 2025 (Audited)	Financial Assets at Amortized Cost			Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit Impaired	
Cash and cash equivalents (excluding cash on hand)	P101,496,244	P -	P -	P101,496,244
Trade and other receivables	-	87,689,285	6,366,364	94,055,649
Long-term receivables (including current portion)	-	5,503,179	-	5,503,179
Restricted cash	15,324,737	-	-	15,324,737
	P116,820,981	P93,192,464	P6,366,364	P216,379,809

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, 2026 (Unaudited)				December 31, 2025 (Audited)			
	Trade	Non-trade	Amounts Owed by Related Parties	Total	Trade	Non-trade	Amounts Owed by Related Parties	Total
Current	P56,631,741	P5,369,626	P1,456,004	P63,457,371	P51,579,651	P5,239,814	P3,148,216	P59,967,681
Past due:								
1 - 30 days	3,129,687	11,854	457,215	3,598,756	5,542,565	77,483	776,836	6,396,884
31 - 60 days	1,344,457	24,571	121,181	1,490,209	844,345	20,971	45,766	911,082
61 - 90 days	492,779	16,024	15,635	524,438	164,921	10,175	36,609	211,705
Over 90 days	20,163,047	6,703,744	743,948	27,610,739	20,165,951	6,080,828	321,518	26,568,297
	P81,761,711	P12,125,819	P2,793,983	P96,681,513	P78,297,433	P11,429,271	P4,328,945	P94,055,649

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.

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. Except for specific customer accounts for which impairment losses have been recognized based on their current financial condition as of each reporting date, there were no significant indicators of a significant change in the credit quality of the unimpaired accounts of other customers or counterparties as of each reporting date.

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 52% and 40% of the Group's total revenues for the periods ended March 31, 2026 and 2025, 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, 2026 (Unaudited)	< 1 Year	1-2 Years	>2-3 Years	>3-4 Years	>4-5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated Interest rate	P25,240,363 5.1792% to 8.6228%	P20,232,222 6.6250% to 8.6228%	P54,043,577 6.7500% to 8.6228%	P27,953,744 7.4017% to 8.6228%	P22,703,936 6.8750% to 8.5915%	P62,645,250 7.0000% to 8.2104%	P212,819,092
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	1,595,698 8.3310%	1,667,685 8.3310%	1,744,470 8.3310%	1,826,054 8.3310%	9,108,677 8.3310%	-	15,942,584
Floating Rate							
Philippine Peso-denominated Interest rate	1,164,534 BVAL + Margin	1,164,534 BVAL + Margin	1,164,534 BVAL + Margin	1,164,534 BVAL + Margin	-	-	4,658,136
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	525,167 SOFR + Margin	36,997,658 SOFR + Margin	9,686,329 SOFR + Margin	600,980 SOFR + Margin	9,072,592 SOFR + Margin	-	56,882,726
	P28,525,762	P60,062,099	P66,638,910	P31,545,312	P40,885,205	P62,645,250	P290,302,538
December 31, 2025 (Audited)	< 1 Year	1-2 Years	>2-3 Years	>3-4 Years	>4-5 Years	>5 Years	Total
Fixed Rate							
Philippine Peso-denominated Interest rate	P23,012,654 5.1792% to 8.6228%	P19,929,597 6.6250% to 8.6228%	P51,809,411 6.7500% to 8.6228%	P28,190,744 7.5758% to 8.6228%	P21,784,372 6.8750% to 8.5915%	P49,916,000 7.0000% to 8.2104%	P194,642,778
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	1,544,266 8.3310%	1,613,932 8.3310%	1,688,243 8.3310%	1,767,198 8.3310%	8,815,090 8.3310%	-	15,428,729
Floating Rate							
Philippine Peso-denominated Interest rate	1,164,534 BVAL + Margin	1,164,534 BVAL + Margin	1,164,534 BVAL + Margin	1,164,534 BVAL + Margin	291,134 BVAL + Margin	-	4,949,270
Foreign currency-denominated (expressed in Philippine Peso) Interest rate	18,145,240 SOFR + Margin	35,805,168 SOFR + Margin	9,374,124 SOFR + Margin	581,609 SOFR + Margin	8,780,169 SOFR + Margin	-	72,686,310
	P43,866,694	P58,513,231	P64,036,312	P31,704,085	P39,670,765	P49,916,000	P287,707,087

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 P153,852 and P776,356 for the period ended March 31, 2026 and for the year ended December 31, 2025, 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:

	Note	March 31, 2026 (Unaudited)		December 31, 2025 (Audited)	
		US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
Assets					
Cash and cash equivalents	7	US\$846,590	P51,428,675	US\$889,224	P52,277,472
Trade and other receivables	8	84,326	5,122,645	111,450	6,552,117
Long-term receivables		35,430	2,152,330	35,154	2,066,705
		966,346	58,703,650	1,035,828	60,896,294
Liabilities					
Accounts payable and accrued expenses		1,119,616	68,014,466	1,248,509	73,399,840
Long-term debt (including current maturities)	10	1,198,810	72,825,310	1,498,810	88,115,039
Lease liabilities (including current portion)		118,857	7,220,357	132,587	7,794,794
		2,437,283	148,060,133	2,879,906	169,309,673
Net Foreign Currency- denominated Monetary Liabilities		US\$1,470,937	P89,356,483	US\$1,844,078	P108,413,379

The Group reported net losses on foreign exchange amounting to P1,422,662 and P822,022 for the periods ended March 31, 2026 and 2025, respectively, with the translation of its foreign currency-denominated assets and liabilities (see Note 15).

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, 2026	P60.748
December 31, 2025	58.790
March 31, 2025	57.210
December 31, 2024	57.845

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 income 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):

March 31, 2026 (Unaudited)	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
Cash and cash equivalents	(P839,141)	(P636,805)	P839,141	P636,805
Trade and other receivables	(84,326)	(63,245)	84,326	63,245
Long-term receivables	(35,430)	(26,573)	35,430	26,573
	(958,897)	(726,623)	958,897	726,623
Accounts payable and accrued expenses	1,119,486	839,745	(1,119,486)	(839,745)
Long-term debt (including current maturities)	1,198,810	899,108	(1,198,810)	(899,108)
Lease liabilities (including current portion)	118,857	89,143	(118,857)	(89,143)
	2,437,153	1,827,996	(2,437,153)	(1,827,996)
	P1,478,256	P1,101,373	(P1,478,256)	(P1,101,373)

December 31, 2025 (Audited)	P1 Decrease in the US Dollar Exchange Rate		P1 Increase in the US Dollar Exchange Rate	
	Effect on Income before Income Tax	Effect on Equity	Effect on Income before Income Tax	Effect on Equity
Cash and cash equivalents	(P881,746)	(P668,787)	P881,746	P668,787
Trade and other receivables	(111,450)	(83,587)	111,450	83,587
Long-term receivables	(35,154)	(26,366)	35,154	26,366
	(1,028,350)	(778,740)	1,028,350	778,740
Accounts payable and accrued expenses	1,248,375	936,415	(1,248,375)	(936,415)
Long-term debt (including current maturities)	1,498,810	1,124,108	(1,498,810)	(1,124,108)
Lease liabilities (including current portion)	132,587	99,440	(132,587)	(99,440)
	2,879,772	2,159,963	(2,879,772)	(2,159,963)
	P1,851,422	P1,381,223	(P1,851,422)	(P1,381,223)

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.

Other Market Price Risk

The Group's market price risk arises from its investments carried at fair value (financial assets at FVOCI). The Group manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

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 10 and 12).

The Group defines capital as capital stock, additional paid-in capital, SPCS, 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.

18. 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, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	P122,099,807	P122,099,807	P101,498,370	P101,498,370
Trade and other receivables - net*	90,315,149	90,315,149	87,689,285	87,689,285
Derivative asset not designated as cash flow hedge (included under "Prepaid expenses and other current assets")	30,330	30,330	-	-
Financial assets at FVOCI (included under "Investments and advances" account)	28,201,940	28,201,940	26,757,446	26,757,446
Long-term receivables (including current portion)	8,203,174	8,203,174	5,503,179	5,503,179
Restricted cash (included under "Prepaid expenses and other current assets" and "Other noncurrent assets" accounts)	18,068,605	18,068,605	15,324,737	15,324,737
	P266,919,005	P266,919,005	P236,773,017	P236,773,017
Financial Liabilities				
Loans payable	P33,000,000	P33,000,000	P33,000,000	P33,000,000
Accounts payable and accrued expenses	81,096,438	81,096,438	83,785,524	83,785,524
Long-term debt - net (including current maturities)	287,811,500	300,408,225	285,135,641	301,593,484
Lease liabilities (including current portion)	28,586,993	28,586,993	29,700,875	29,700,875
Other noncurrent liabilities	581,588	581,588	560,435	560,435
	P431,076,519	P443,673,244	P432,182,475	P448,640,318

*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.

Financial Assets at FVOCI. The fair values of publicly traded instruments and similar investments are based on quoted market prices in an active market. For equity instruments with no quoted market prices, the carrying amounts approximate their fair values, since the effect of discounting is not considered material.

As at March 31, 2026 and December 31, 2025, the Parent Company owns 46,596,596 common shares of Meralco which were revalued at the fair market value of P605.00 per share and P574.00 per share or for a total of P28,190,940 and P26,746,446, respectively, included in the "Investments and advances - net" account in the consolidated statements of financial position. The Parent Company recognized a revaluation gain of P1,443,050 (net of tax), presented 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, 2026.

Derivatives. The fair values of forward exchange contracts are calculated by reference to current forward exchange rates. In the case of freestanding currency, the fair values are determined based on quoted prices obtained from an active market. 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). 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 4.61% to 6.92% and 4.64% to 8.56% as at March 31, 2026 and December 31, 2025, respectively. Discount rates used for foreign currency-denominated loans range from 3.66% to 3.91% and 3.44% to 3.73% as at March 31, 2026 and December 31, 2025, 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 derivative contracts to manage its exposure on foreign currency 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

As at March 31, 2026, the Group has outstanding short-term foreign currency forward contracts with an aggregate notional amount of US\$10,000 and positive fair value amounting to P30,330, included under "Prepaid expenses and other current assets" account.

The Group recognized marked-to-market gains (losses) from freestanding derivatives amounting to P112,020 and (P34,375) for the periods ended March 31, 2026 and 2025, respectively (see Note 15).

Fair Value Changes on Derivatives

The net movements in fair value of all derivative instruments are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	P -	(P13,725)
Net change in fair value of derivatives not designated as accounting hedge	112,020	(54,210)
	112,020	(67,935)
Less fair value of settled instruments	81,690	(67,935)
Balance at end of period	P30,330	P -

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.

19. 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. Petition to Stop the Imposition of the Increase in Generation Charge

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 Temporary Restraining Order (TRO), originally for a period of 60

days, 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.

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" below), 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 Decision 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 Judgment 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, 2026. SPPC, MPCL and SPI have aggregate outstanding receivables from Meralco estimated at P1,275,985 included under "Trade and other receivables - net" account in the consolidated statements of financial position as at March 31, 2026 and December 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 price (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 ERC 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, and 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 were subsequently issued by the SC.

The ERC and Meralco also filed separate Petitions for Review appealing the above orders, which nullified and set aside the 2014 ERC Orders, declaring the WESM prices for November and December 2013 void. The SC directed the consolidation of the separate petitions to the 3rd Division of the SC.

The SC has not yet promulgated a decision as at December 31, 2025. However, on August 3, 2021, a Decision was rendered by the SC En Banc in a separate case (as discussed under "*Petition to Stop the Imposition of the Increase in Generation Charge*") 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 Independent Electricity Market Operator of the Philippines the current operator of the WESM, in favor of the relevant subsidiaries of the Group.

iii. Ilijan IPPA Agreement Dispute

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 (see Note 6).

On September 8, 2015, SPPC filed a Complaint with the RTC of Mandaluyong City 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, and a Preliminary Injunction was later on granted maintaining status quo while the main case is pending.

Despite the pendency of the proceedings, the Ilijan Power Plant was turned over by PSALM to SPPC pursuant to the Ilijan IPPA Agreement and the Deed of Sale executed between PSALM and SPPC on June 3, 2022 (see Note 6).

Trial on the merits proceeded until the RTC rendered a decision in favor of SPPC on June 13, 2025 (the "June 13, 2025 RTC Decision"), which was received by SPPC on October 7, 2025. The June 13, 2025 RTC Decision stated that PSALM's termination of the Ilijan IPPA Agreement, drawing of the Performance Bond, and issuance of the Cessation Notice were unauthorized and without factual and legal basis, ordered PSALM to among others return to SPPC the amount of the Performance Bond drawn by PSALM, with interests, and dismissed PSALM's counterclaim for lack of merit.

On October 22, 2025, PSALM filed a Motion for Reconsideration of the June 13, 2025 RTC Decision. SPPC filed its Opposition to the Motion for Reconsideration on October 28, 2025.

On January 16, 2026, the RTC issued an order denying PSALM's Motion for Reconsideration of the June 13, 2025 RTC Decision (the "January 16, 2026 RTC Order").

On March 5, 2026, SPPC through its external counsel received the Notice of Appeal dated February 24, 2026, filed by PSALM where it notified the RTC that it is appealing the June 13, 2025 RTC Decision and the January 16, 2026 RTC Order. In an Order dated March 2, 2026, the RTC gave due course to PSALM's appeal and directed that the entire records of the case be elevated to the CA immediately

iv. Complaint against PSALM, TPEC and TSC

On October 21, 2015, SPI filed a criminal complaint for Plunder and violation of Sections 3(e) and 3(f) of Republic Act No. 3019, otherwise known as the "Anti-Graft and Corrupt Practices Act" ("RA 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 have respectively appealed said July 29, 2016 DOJ Resolution, through the filing of a Petition for Review with the Secretary of Justice while 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. SPI Consignation Case

On June 17, 2016, SPI filed with the RTC of Pasig City (the "RTC Pasig") a civil complaint for consignation against PSALM arising from PSALM's refusal to accept SPI's remittances corresponding to the proceeds from the sale to the WESM of 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 from the Sale of the Excess Capacity and that the consigned amount should belong to TPEC as it is rightfully entitled to the 200 MW excess capacity of the Sual Power Plant (the "Excess Capacity") (see Notes 8).

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. Subsequently, SPI continuously consigned additional proceeds from the Sale of the Excess Capacity for succeeding billing periods, with the RTC Pasig.

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. SPI filed its Motion for Reconsideration (MR) to this Order.

After the case was re-raffled, the RTC Pasig Branch 268, in an Order dated September 30, 2021, (a) granted SPI's Motion for Reconsideration and Supplemental Motion for Reconsideration of the Order dated 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.

On October 5, 2022, SPI and PSALM filed an Omnibus Motion to Dismiss and Release Deposited Monies, whereby PSALM, agreed to the release of the said amounts to TPEC. Relying on PSALM's representation and acknowledgment, SPI did not object to the release of the consigned amounts to TPEC, which was later granted by the RTC Pasig Branch 268.

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 issues on the Excess Capacity, which 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 March 31, 2026, 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*

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. The SPPC PSA and SPI PSA were awarded by Meralco to each of SPPC and SPI after they emerged as the winning bidders in the competitive selection process (“CSP”) 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 (CIC) (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 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”). The CA issued a TRO on December 2, 2022, and a writ of preliminary injunction 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 June 27, 2023 CA Decision); and (iii) made permanent the writ of preliminary injunction issued in favor of SPPC. The Motions for Reconsideration filed by NASECORE and the ERC were also subsequently denied.

The June 27, 2023 CA Decision was later on confirmed by the SC in its resolutions dated April 3, 2024 and July 10, 2024. An Entry of Judgment has already been issued for this case.

Pursuant thereto, SPPC filed with the ERC a Motion for Issuance of Writ of Execution to enforce the June 27, 2023 CA Decision on October 10, 2024 and a Motion to Resolve (re: Motion for Issuance of Writ of Execution) on February 6, 2025.

The ERC issued its Order on August 22, 2025, which granted SPPC’s Motions for Issuance of Writ of Execution (Re: June 27, 2023 CA Decision). The order allowed SPPC to recover from Meralco the price adjustments prayed for in its motions and authorized Meralco to collect the adjustments from its customers over a period of 6 months from the September 2025 customer billing period. As at February 25, 2026, Meralco has fully remitted its payment of the price adjustments to the Parent Company.

Related thereto, pursuant to the June 27, 2023 CA Decision, SPPC filed on November 21, 2024, 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 (the “2nd SPPC CIC Claim”), with its claims anchored on essentially the same legal bases established or ruled on by the CA in its June 27, 2023 CA Decision and confirmed by the SC with finality.

On January 27, 2026, SPPC received a copy of the ERC’s Order dated January 26, 2026 which granted the 2nd SPPC CIC Claim.

SPI 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”).

On January 13, 2023, the CA (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.

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 June 27, 2023 CA 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.

The June 27, 2023 CA Decision was later on confirmed by the SC in its Resolution dated April 3, 2024 and July 10, 2024. An Entry of Judgment has already been issued for this case.

Pursuant thereto, SPI filed with the ERC a Motion for Issuance of Writ of Execution to enforce the June 27, 2023 CA Decision on October 10, 2024 and a Motion to Resolve (re: Motion for Issuance of writ of Execution) on February 6, 2025.

The ERC issued its Order on August 22, 2025, which granted SPI’s Motions for Issuance of Writ of Execution (Re: June 27, 2023 CA Decision). The order allowed SPI to recover from Meralco the price adjustments prayed for in its motions and authorized Meralco to collect the adjustments from its customers over a period of 6 months from the September 2025 customer billing period. As at February 25, 2026, Meralco has fully remitted its payment of the price adjustments to SPI.

Related thereto, pursuant to the June 27, 2023 CA Decision, SPI filed a Motion for Price Adjustment with the ERC on November 21, 2024, for its CIC claim for the period June 2022 to July 2023 pursuant to the SPI PSA (the “2nd SPI CIC Claim”), with its claims anchored on essentially the same legal bases established or ruled on by the CA in its June 27, 2023 CA Decision and confirmed by the SC with finality.

On January 27, 2026, SPI received a copy of the ERC’s Order dated January 26, 2026 which granted the 2nd SPI CIC Claim.

In view of the dilution of the Parent Company's equity interest in SPPC from 100% to 33%, following the Chromite Transaction in January 2025 but prior to the final resolution of these cases by the relevant court and/or the ERC, the parties to the Chromite Transaction acknowledged and agreed that the Parent Company shall be entitled, pursuant to the relevant Chromite Transaction documents and forming part of the agreed consideration thereunder, to the economic benefits, rights of recovery, and corresponding potential equivalent exposure arising from the aforesaid cases and claims involving SPPC.

b. Impact of the United States of America-Israel-Iran Conflict

The escalation of geopolitical tensions in the Middle East, following the joint attack of the United States of America (US) and Israel on Iran on February 28, 2026, has resulted in significant volatility in global oil and gas markets. This market instability has been driven primarily by concerns over potential supply chain disruptions arising from the closure of the Strait of Hormuz - a critical transit route through which a substantial portion of the world's oil and gas supply passes. In light of these developments, management continues to closely monitor the situation and assess its potential and unmitigated implications, if any, on the Group's operations and financial position.

As of date, the Group's power generation costs from its coal and hydroelectric power plants remain largely unaffected by the surge in global oil and gas prices. This resilience is attributable to the Group's diversified fuel sourcing strategy, with coal procured from Indonesian as well as local suppliers of indigenous coal resources, mostly under long-term contracts that provide supply and price security. More importantly, most of the Group's PSAs include fuel price and foreign exchange movement passthrough provisions, which further mitigate exposure to market volatility on a physical basis. The Group also engages in short-term plain vanilla derivatives such as non-deliverable forwards to hedge a significant portion of its foreign exchange exposure for supplier payments denominated in US Dollars.

SPPC and EERI, which operates power plants that run primarily on LNG, have PSAs for a total of 2,400 MW in contracted capacities with Meralco that contain similar provisions that hedge the exposure of these companies from adverse movements in LNG prices and foreign exchange rates, as well as take-or-pay provisions in case of derations in their nominated capacities below contemplated load factors.

In view of the foregoing, the Group, with its diversified portfolio and fuel sourcing, believes that the ongoing US-Israel-Iran conflict has no adverse net financial impact to its financial condition and results of operations. It shall nevertheless continue to monitor ensuing developments in the global commodity and financial markets and shall evaluate and take corrective action as necessary.

c. Events After the Reporting Date

i. *Issuance of Fixed Rate Bonds Series N-O-P by the Parent Company*

On April 17, 2026, the Parent Company issued and listed with the PDEX a total of P30,000,000 fixed rate bonds, approved by the Philippine Securities and Exchange Commission on March 17, 2026.

The bonds are comprised of P14,607,420 Series N Bonds due 2031, P5,504,890 Series O Bonds due 2033 and P9,887,690 Series P Bonds due 2036, with interest rates per annum of 7.6264%, 7.8682% and 8.1761%, respectively.

The proceeds from the issuance of the bonds will be used: (i) for refinancing debt obligations; and (ii) partial funding of renewable energy projects.

ii. *Issuance of RPCS by SGLPC*

On April 20, 2026, SGLPC issued a US\$500,000 RPCS, with a prescribed initial distribution rate per annum, payable pursuant to the terms of the agreement.

d. Supplemental Cash Flows Information

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
Balance as at January 1, 2026 (Audited)	P33,000,000	P285,135,641	P29,700,875	P160,789,623	P508,626,139
Changes from Financing Activities					
Proceeds from:					
Borrowings	15,000,000	19,850,000	-	-	34,850,000
Issuance of SPCS	-	-	-	17,555,065	17,555,065
Payments of:					
Borrowings	(15,000,000)	(19,964,820)	-	-	(34,964,820)
Lease liabilities	-	-	(1,633,624)	-	(1,633,624)
Redemption of SPCS	-	-	-	(17,861,649)	(17,861,649)
Total Changes from Financing Activities	-	(114,820)	(1,633,624)	(306,584)	(2,055,028)
Effect of changes in foreign exchange rates	-	2,560,271	234,748	-	2,795,019
Other changes	-	230,408	284,994	2,755,078	3,270,480
Balance as at March 31, 2026 (Unaudited)	P33,000,000	P287,811,500	P28,586,993	P163,238,117	P512,636,610
	Loans Payable	Long-term Debt	Lease Liabilities	SPCS	Total
Balance 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
Issuance of SPCS	-	-	-	5,749,775	5,749,775
Payments of:					
Borrowings	(45,912,300)	(4,962,070)	-	-	(50,874,370)
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

Other changes pertain to deconsolidated loans payable of SPPC in 2025 (see Note 6) and additions for new lease agreements, amortizations of lease liabilities and debt-issue costs of long-term debt and the net effect of issuance and redemption of perpetual capital securities in 2026 and 2025.

e. Commitments

The outstanding purchase commitments of the Group amounted to P92,050,679 and P69,417,939 as at March 31, 2026 and December 31, 2025, 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 plant and equipment 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.

- f. 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's Discussion and Analysis of Financial Position and Financial Performance.
- g. There were no material changes in the estimates of amounts reported in prior financial year.
- h. Certain accounts in prior years have been reclassified for consistency with the current period presentation to provide more reliable and relevant information and better referencing to other information in the notes to the consolidated financial statements. These reclassifications had no effect on the reported financial performance for any period.

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. and Subsidiaries (the "Group") use. Analyses are employed by comparisons and measurements based on the financial data as at March 31, 2026 and December 31, 2025 for liquidity, solvency and profitability ratios and for the periods ended March 31, 2026 and 2025 for operating efficiency ratios.

LIQUIDITY RATIO

Current Ratio	=		$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
<i>(in Millions Peso)</i>			March 31, 2026 December 31, 2025
(A) Current Assets			266,589 240,253
(B) Current Liabilities			164,983 183,457
Current Ratio (A) / (B)			1.62 1.31

SOLVENCY RATIO

Net Debt-to-Equity* Ratio	=		$\frac{\text{Net Debt}}{\text{Total Equity}}$
<i>Per relevant Loan Covenants of San Miguel Global Power</i>			
<i>(in Millions Peso)</i>			March 31, 2026 December 31, 2025
(A) Net Debt ⁽¹⁾			130,434 142,739
(B) Total Equity ⁽²⁾			428,494 401,744
Net Debt-to-Equity Ratio (A) / (B)			0.30 0.36

**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			
		Conventional		Adjusted⁽³⁾	
<i>(in Millions Peso)</i>		March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025
(A) Total Assets		922,778	891,621	895,592	864,184
(B) Total Equity		453,698	420,734	453,698	420,734
Asset-to-Equity Ratio (A) / (B)		2.03	2.12	1.97	2.05

⁽³⁾ Net carrying amount of the IPPA power plant, in relation to the IPPA Agreement of San Roque Hydropower Inc. with PSALM, was omitted in total assets as this power plant asset was capitalized with corresponding lease liabilities. As at March 31, 2026 and December 31, 2025, the net carrying amount of the IPPA power plant asset amounted to P27,186 million and P27,437 million, respectively.

PROFITABILITY RATIO

Return on Equity	=	Net Income	
		Total Equity	
<i>(in Millions Peso)</i>		March 31, 2026	December 31, 2025
(A) Net Income⁽⁴⁾		45,800	48,306
(B) Total Equity		453,698	420,734
Return on Equity (A) / (B)		10.1%	11.5%

⁽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			
<i>(in Millions Peso)</i>		March 31, 2026	December 31, 2025
(A) EBITDA⁽⁵⁾		53,907	39,229
(B) Interest Expense⁽⁶⁾		15,282	15,232
Interest Coverage Ratio (A) / (B)		3.53	2.58

⁽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

Volume Decline	=	$\frac{\text{Current Period Offtake Volume}}{\text{Prior Period Offtake Volume}} - 1$
		Periods Ended March 31
<i>(in GWh)</i>		2026 2025
(A) Current Period Offtake Volume		6,513 7,496
(B) Prior Period Offtake Volume		7,496 7,956
Volume Decline [(A / B) – 1]		(13.1%) (5.8%)

Revenue Growth (Decline)	=	$\frac{\text{Current Period Revenue}}{\text{Prior Period Revenue}} - 1$
		Periods Ended March 31
<i>(in Millions Peso)</i>		2026 2025
(A) Current Period Revenue		53,617 42,497
(B) Prior Period Revenue		42,497 44,123
Revenue Growth (Decline) [(A / B) – 1]		26.2% (3.7%)

Operating Margin	=	$\frac{\text{Income from Operations}}{\text{Revenues}}$
		Periods Ended March 31
<i>(in Millions Peso)</i>		2026 2025
(A) Income from Operations		28,109 10,688
(B) Revenues		53,617 42,497
Operating Margin (A) / (B)		52.4% 25.2%



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”) and its subsidiaries (collectively referred to as the “Group”) as at and for the period ended March 31, 2026 (with comparative figures as at December 31, 2025 and for the period ended March 31, 2025). 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, 2026, 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. 2026 SIGNIFICANT TRANSACTIONS AND MAJOR DEVELOPMENTS

SAN MIGUEL GLOBAL POWER

- ISSUANCE AND REDEMPTION OF SENIOR PERPETUAL CAPITAL SECURITIES (SPCS)

On January 20, 2026, San Miguel Global Power completed the issuance of US\$300 million SPCS, at an issue price of 100.00% of principal amount, with an initial rate of distribution of 8.375% per annum and step-up date of January 20, 2031.

The US\$300 million SPCS was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on January 21, 2026.

The net proceeds were used for the redemption of the remaining securities out of the US\$600 million SPCS issued in January 2020, amounting to US\$300.42 million, pursuant to the terms and conditions of the securities. The redemption price is equal to the principal amount of the SPCS. Any accrued but unpaid distributions up to (but excluding) the redemption date were also settled.

- AVAILMENT OF LONG-TERM DEBT

On March 31, 2026, San Miguel Global Power availed a P20,000 million term loan with a local bank. The loan is subject to fixed interest rate and payable in March 2033.

Net proceeds of the loan shall be used to partially finance capital expenditures and for general corporate requirements pertaining to renewable energy projects awarded to the Group under the Department of Energy’s Green Energy Auction Program (GEAP).

- SETTLEMENT OF US\$300 MILLION TERM LOAN

On March 9, 2026, San Miguel Global Power fully settled its US\$300 million term loan drawn in tranches in March 2021 and June 2021 from a foreign bank. The payment was funded by cash generated from operations.

PAYMENT OF MATURING LONG-TERM DEBTS

In the first quarter of 2026, Limay Power Inc. (LPI), SMGP BESS Power Inc. (SMGP BESS), Malita Power Inc. (MPI), Masinloc Power Co. Ltd. (MPCL), and San Miguel Global Power paid a total of P2,115 million of their scheduled long-term debt principal amortizations pursuant to the terms and conditions of their respective facility agreements. The payments were funded by cash generated from operations.

UPDATE ON CLAIMS FOR CONTRACT PRICE ADJUSTMENTS ON CERTAIN “FIXED PRICE” POWER SALES AGREEMENTS (PSAs)

On January 27, 2026, South Premiere Power Corp. (SPPC) and Sual Power Inc. (SPI) received copies of the Energy Regulatory Commission (ERC) Orders dated January 26, 2026, which granted their respective 2nd Change in Circumstance (CIC) Claims, allowing SPPC and SPI to recover from Manila Electric Company (Meralco) the aggregate amount of P15,850 million and P13,362 million, respectively, over a period of 36 months commencing from the March 2026 billing period.

As at February 25, 2026, Meralco has completed the remittances of its payments of the 1st CIC Claims to SPI and to San Miguel Global Power for SPPC’s claim in accordance with the ERC Orders promulgated on August 22, 2025.

In view of the dilution of San Miguel Global Power’s equity interest in SPPC from 100% to 33%, following the Chromite transaction in January 2025 but prior to the final resolution of the pertinent case by the Supreme Court and the ERC, the parties to the Chromite Transaction acknowledged and agreed that San Miguel Global Power shall be entitled, pursuant to relevant Chromite transaction documents and forming part of the agreed consideration thereunder, to the economic benefits, rights of recovery, and corresponding potential equivalent exposure arising from the above claims for price adjustments from Meralco.

To consolidate all receivables arising from such changes in circumstances, SPI also assigned in favor of San Miguel Global Power all its rights and interests in the aforesaid claims in March 2026.

EVENTS AFTER REPORTING DATE

▪ Issuance of Fixed Rate Bonds Series N-O-P

On April 17, 2026, San Miguel Global Power issued and listed with the Philippine Dealing & Exchange Corp. a total of P30,000 million fixed rate bonds, approved by the Philippine Securities and Exchange Commission on March 17, 2026.

The bonds are comprised of P14,607 million Series N Bonds due 2031, P5,505 million Series O Bonds due 2033 and P9,888 million Series P Bonds due 2036, with interest rates per annum of 7.6264%, 7.8682% and 8.1761%, respectively.

The proceeds from the issuance of the bonds will be used: (i) for refinancing debt obligations; and (ii) partial funding of the pipeline of renewable energy projects.

- Availment of Term Loan
On April 8, 2026, San Miguel Global Power availed of a US\$400 million term loan from a facility agreement executed on March 26, 2026. The proceeds of the loan shall be used for financing and/or refinancing the design, development, construction, installation, and operation of renewable energy projects, including hydro, wind, and solar power plants awarded to the Group pursuant to the GEAP.
- Redemption of Series J Bonds
On April 24, 2026, San Miguel Global Power redeemed its Series J Bonds, amounting to P6,923 million, upon its maturity, pursuant to the terms and conditions of the bonds. The Series J Bonds formed part of the P30,000 million Series H-I-J fixed rate bonds issued in April 2019.
- Issuance of Redeemable Perpetual Capital Securities (RPCS) by SMC Global Light and Power Corp. (SGLPC)
On April 20, 2026, SGLPC issued a US\$500 million RPCS, with a prescribed initial distribution rate per annum, payable pursuant to the terms of the agreement.

II. FINANCIAL PERFORMANCE

2026 vs. 2025

<i>In Millions</i>	For the Periods Ended		Horizontal Analysis		Vertical Analysis	
	March 31		Increase (Decrease)			
	2026	2025	Amount	%	2026	2025
Revenues	P53,617	P42,497	P11,120	26%	100%	100%
Cost of power sold	23,322	29,451	(6,129)	(21%)	43%	69%
Gross profit	30,295	13,046	17,249	132%	57%	31%
Selling and administrative expenses	2,186	2,358	(172)	(7%)	4%	6%
Income from operations	28,109	10,688	17,421	163%	53%	25%
Interest expense and other financing charges	(5,863)	(5,777)	86	1%	(11%)	(14%)
Interest income	1,068	808	260	32%	2%	2%
Equity in net earnings of associates and joint ventures - net	3,081	1,563	1,518	97%	6%	4%
Other income (charges) - net	(1,953)	21,140	(23,093)	(109%)	(4%)	50%
Income before income tax	24,442	28,422	(3,980)	(14%)	46%	67%
Income tax expense	563	2,036	(1,473)	(72%)	1%	5%
Net income	P23,879	P26,386	(P2,507)	(10%)	45%	62%

Revenues

The Group's consolidated revenues for the first quarter of 2026 amounted to P53,617 million, higher by 26% from same period in 2025. The increase in revenues primarily represents the following: (i) full-quarter contributions from new PSAs with a combined contracted capacity of 1,140 megawatts (MW) of Mariveles, Masinloc and San Roque Hydroelectric Power Plants that took effect in June, August and September 2025, respectively; (ii) full-quarter revenues from sales to the reserve market of its 5 battery energy storage system (BESS) facilities which commenced operations in 2025; and (iii) previously unrecognized revenues for the recovery of incremental power supply costs incurred in 2022. This was partially offset by lower revenues from spot sales and from the Ilijan and Batangas Power Plants which contributed a month's worth of revenues in 2025 prior to its deconsolidation in January 2025.

Costs of Power Sold

Costs of power sold decreased to P23,322 million for the first quarter of 2026, which is 21% lower compared to the same period in 2025. This reduction was attributable to the following: (i) deconsolidation of SPPC and Excellent Energy Resources Inc. (EERI), owners of the gas power plants, which contributed a combined net decrease in cost of power sold by P5,333 million; and (ii) lower volume of power purchases resulting mainly from the improved net generation of the Sual, Malita and Limay Power Plants.

Selling and Administrative Expenses

Selling and administrative expenses decreased by 7% or P172 million, from P2,358 million for the first quarter of 2025 to P2,186 million in 2026 for the same period. The decrease was primarily due the deconsolidation of SPPC and EERI on January 27, 2025, partly offset by higher selling and administrative expenses from the full-quarter operations of 5 additional BESS facilities of the Group.

Income from Operations

Consolidated income from operations of P28,109 million for the first quarter of 2026 increased by 163% from the same period in 2025, driven by improved margins on contracted capacities, higher contributions from BESS facilities mainly through sales in the reserve market, as well as the revenues from the aforesaid recoveries of previously incurred power supply costs.

Interest Income

Interest income amounted to P1,068 million for the first quarter of 2026. 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 of Associates and Joint Ventures - net

Equity in net earnings of associates and joint ventures reached P3,081 million in the first quarter of 2026 from the P1,563 million recorded in the same period in 2025. This improvement was mainly due to the full-quarter share in the net earnings of SPPC and EERI following the dilution of the Group's equity interests thereon from 100% to 33% on January 27, 2025.

Other Income (Charges) - net

Other charges - net amounted to P1,953 million for the first quarter of 2026, a significant turnaround from the P21,140 million other income - net registered for the same in 2025. The turnaround was mainly attributable to the P21,933 million revaluation gain recognized in January 2025 on account of the fair valuation of the 33% equity interest retained in SPPC, EERI, and Ilijan Primeline Industrial Estate Corp. (IPIEC), as well as higher foreign exchange losses recognized during the quarter from the revaluation of the Group's US Dollar-denominated net monetary liabilities due to the continued depreciation of the Philippine Peso against the US Dollar in 2026.

Income Tax Expense

Income tax expense amounted to P563 million for the first quarter of 2026. The lower number was primarily due to the recognition of higher deferred tax benefits on unrealized foreign exchange losses during the period.

Net Income

Consequently, the consolidated net income of the Group for the first quarter of 2026 decreased to P23,879 million or by 10%, from P26,386 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 2026, Sual Power Plant recorded net generation of 1,149 gigawatt hours (GWh), corresponding to a 48% net capacity factor, which was 11% higher than the same period in 2025. The increase was primarily driven by improved plant availability.

Despite higher generation output, revenues decreased by 8% to P8,272 million from P9,018 million in the first quarter of 2025. The decrease was mainly attributable to the expiration of the 200 MW emergency power supply agreement (EPSA) with Meralco in January 2026, lower spot sales volume and reduced average spot selling prices.

However, improved plant availability led to lower power purchases, resulting in improved margins. Consequently, operating income increased to P1,469 million in the first quarter of 2026 from P1,015 million in the same period in 2025.

b. LPI, owner of Limay Greenfield Power Plant

For the first quarter of 2026, the Limay Greenfield Power plant recorded net generation of 761 GWh, at 66% net capacity factor, representing an 8% increase from the 707 GWh generated during the same period in 2025. The improvement was primarily due to the plant's lower combined scheduled and forced outages. Of the total net generation, 217 GWh was dispatched to LPI's power generation customers, while the remaining output was allocated to its retail electricity supply (RES) business serving its contestable customers.

On the other hand, total offtake volume was down to 342 GWh, a 65% decrease from same period in 2025. The was mainly attributable to the expiration of its EPSA with Meralco and lower spot sales volume. As a result, revenues decreased from P4,868 million in the first quarter of 2025 to P1,979 million in the corresponding period in 2026.

Consequently, operating income of P420 million for the first quarter of 2026 was 38% below the P679 million posted in the same period in 2025.

c. MPI, owner of Davao Greenfield Power Plant

For the first quarter of 2026, Davao Greenfield Power plant's net generation registered at 412 GWh, at net capacity factor of 71%. This was 6% higher compared to the same period in 2025. The improvement was driven by enhanced load limit and higher overall customer nominations. Consequently, total offtake volume increased by 6% to 431 GWh.

Likewise, revenues grew by 14% to P2,666 million from the same period in 2025, mainly due to higher offtake volumes and increased in average realization price. As a result, operating income rose by 25% to P675 million.

d. MPCL, owner of Masinloc Power Plant

For the first quarter of 2026, the Masinloc Power Plant's operating Units 1, 2, and 3 contributed a total net generation of 1,303 GWh. Of this output, 1,265 GWh or 97% was supplied to power generation customers while the rest was discharged to contestable customers and for its BESS requirements. Total net generation was 3% lower than the 1,349 GWh generated during the same period in 2025.

Total offtake volume, however, went up to 1,719 GWh, primarily driven by higher customer nominations. As a result, revenues increased to P8,662 million, while operating income declined by 49% to P957 million for the first quarter of 2026 compared to the same period in 2025. The decrease in operating income was mainly due to higher power purchases required to supply both existing and newly contracted customers.

e. Mariveles Power Generation Corporation (MPGC), owner of Mariveles Greenfield Power Plant

For the first quarter of 2026, the Mariveles Greenfield Power Plant registered net generation of 876 GWh, equivalent to a 75% net capacity factor. This was 2% lower than the same period in 2025, primarily due to higher outages and preventive maintenance activities. Total offtake volume likewise declined by 2% to 891 GWh, reflecting lower net generation available for dispatch to the spot market, affiliate generators, and bilateral customers, including Meralco under the 300 MW PSA which took effect on June 2, 2025.

Despite the lower volumes, revenues increased by 10% to P5,288 million from P4,807 million in the same period in 2025, while operating income rose to P1,703 million from P985 million posted in 2025 for the same period.

f. San Roque Hydropower Inc. (SRHI), Independent Power Producer Administrator of San Roque Hydroelectric Power Plant

For the first quarter of 2026, the San Roque Hydroelectric Power Plant's net generation of 209 GWh, at 28% net capacity factor, decreased by 8% from the same period in 2025. The decline was primarily due to shorter operating hours resulting from lower water reservoir levels. Despite lower generation output, total offtake volume increased by 25% to 523 GWh compared to the same period in 2025. The increase was mainly driven by the implementation of the 340 MW Meralco contract that commenced in September 2025.

As a result, revenues rose to P3,091 million from P2,116 million for the same period in 2025, on account of higher sales volume and improved average realization price. Consequently, operating income increased to P914 million from P534 million recorded in the first quarter of 2025.

2. RETAIL AND OTHER POWER-RELATED SERVICES

a. LPI - RES

For the first quarter of 2026, total offtake volume declined by 7% to 579 GWh, from 620 GWh recorded in the same period in 2025, mainly due to lower customer demands. Consequently, revenues decreased by 3% to P3,829 million from P3,952 million in the first quarter of 2025, primarily due to lower offtake volumes.

Despite the decline in revenues, operating income rose by 13% to P464 million from P411 million reported in the same period in 2025. The increase was driven by improved margins resulting from lower cost to supply.

b. **MPI - RES**

For the first quarter of 2026, MPI's RES segment, following ERC's approval of its RES license in August 2025, recorded total offtake volume of 124 megawatt hours (MWh), revenues of P0.56 million and an operating loss of P0.26. The operating loss was primarily due to high operating expenses.

c. **MPCL - RES and BESS**

For the first quarter of 2026, revenues (consisting of revenues from RES contracts and revenues earned from ancillary services contracts and reserves market sales generated from the 30 MWh Masinloc BESS) reached P3,023 million. This represents a 33% increase from the same period in 2025, primarily driven by higher offtake volumes. Despite the increase in revenues, operating income declined by 15% from the previous period to P424 million, as a result of higher operating expenses.

d. **SMGP Kabankalan Power Co. Ltd. (SMGP Kabankalan, owner of Kabankalan BESS Phase I and II)**

For the first quarter of 2026, revenues and operating income both recorded significant growth, increasing by 143% and 156% to P354 million and P242 million, respectively, compared to the same period in 2025. The improvement was primarily driven by the commencement of operations of the 10 MWh Kabankalan BESS Phase II in 2025 that was offered to the reserve market during the period.

e. **SMGP BESS, owner of 13 BESS Facilities with combined installed capacity of 440 MWh**

For the first quarter of 2026, SMGP BESS generated revenues of P6,274 million, reflecting a 107% increase compared to the same period in 2025. This growth was primarily driven by higher realization prices. Operating income also rose to P5,083 million, up from P2,157 million in 2025 for the same period.

2025 vs. 2024

<i>In Millions</i>	For the Periods Ended		Horizontal Analysis		Vertical Analysis	
	March 31		Increase (Decrease)			
	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 in 2024. The decline was due primarily to the deconsolidation of SPPC, owner of the 1,278 MW Ilijan Power Plant, following the completion of the Chromite Transaction on January 27, 2025. 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 in 2025. The effect of the deconsolidation was compensated by the revenue contributions from: (a) Units 1 and 2 of EERI's new gas power plant (with a net capacity of 425 MW each) 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 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 EPSA of Limay Power Plant with Meralco which took effect in 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, 12% lower than the P33,541 million incurred for the same period in 2024. This reduction was on account of 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 in 2024. This is despite the additional cost of power sold from the full-quarter operations of the 600 MW Mariveles Greenfield Power Plant, 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 from the: (i) full-quarter operations of the 600 MW Mariveles Greenfield Power Plant and from the additional 3 BESS facilities; and (ii) 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 in 2024. 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 the National Grid Corporation of the Philippines 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 increase was partially mitigated by lower interest expense on the declining principal balances of the Group's finance lease liabilities owed to the Power Sector Assets and Liabilities Management Corporation (PSALM), with only the Independent Power Producer Administration (IPPA) Agreement of 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 during the period.

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 in 2024. 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 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 in 2024. This surge was mainly attributable to the P21,933 million revaluation gain recognized in January 2025 on account of the fair valuation of the 33% equity interest retained in SPPC, EERI, and IPIEC following the completion of the Chromite Transaction.

Income Tax Expense

Income tax expense amounted to P2,036 million for the first quarter of 2025, 78% higher compared to the same period in 2024. The increase was 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 in 2024.

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 GWh, at 40% net capacity factor, 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 volumes as contracts with certain distribution utilities expired in December 2024 but was partly replaced by new contracts that took effect only in February 2025 and new contracts that are still awaiting regulatory approvals. 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 in 2025, 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. 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, 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 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 EPSA 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 volumes.

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 in 2024.

c. 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 2024 due to higher offtake volumes. As a result, operating income for the first quarter of 2025 increased to P540 million from the P485 million posted for the same period in 2024.

d. MPCL, owner of Masinloc Power Plant

For the first quarter of 2025, the Masinloc Power Plant contributed a net generation of 1,349 GWh, 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 volumes and improved average realization prices under new and renewed bilateral contracts.

e. 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. 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 revenues reported in 2024 of P1,523 million and a turnaround from the P28 million operating loss posted in 2024.

f. SRHI, IPPA of San Roque Hydroelectric Power Plant

For the first quarter of 2025, the net generation of the San Roque Hydroelectric Power Plant registered at 227 GWh, at 30% net capacity factor, 57% higher compared to same period in 2024. The increase was due to longer operating hours attributable mainly to higher water reservoir levels. Likewise, total offtake volume 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 the increase in offtake volumes and higher average realization prices.

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 prices.

g. SPPC, owner of Ilijan Power Plant

Upon completion of the Chromite Transaction on January 27, 2025, San Miguel Global Power'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 San Miguel Global Power 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), 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.

h. 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 on December 29, 2024 and January 7, 2025, respectively.

As a result of the completion of the Chromite Transaction on January 27, 2025, San Miguel Global Power'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 San Miguel Global Power 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), 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.

2. RETAIL AND OTHER POWER-RELATED SERVICES

a. LPI - RES

For the first quarter of 2025, total offtake volumes 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 volumes.

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, revenues (inclusive of revenues from RES 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 the 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 BESS Phase I)

For the first quarter of 2025, revenues and operating income decreased by 37% to P146 million and P95 million, respectively, compared to the same period in 2024, mainly 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 in 2024 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.

III. FINANCIAL POSITION

2026 vs. 2025

<i>In Millions</i>	March 31, 2026	December 31, 2025	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
			Amount	%	2026	2025
Cash and cash equivalents	P122,100	P101,498	P20,602	20%	13%	12%
Trade and other receivables - net	93,748	90,816	2,932	3%	10%	10%
Inventories	12,490	11,696	794	7%	2%	1%
Prepaid expenses and other current assets	38,251	36,243	2,008	6%	4%	4%
Total Current Assets	266,589	240,253	26,336	11%	29%	27%
Investments and advances - net	114,145	115,825	(1,680)	(1%)	12%	13%
Property, plant and equipment - net	376,676	375,268	1,408	0%	41%	42%
Right-of-use assets - net	46,913	47,279	(366)	(1%)	5%	5%
Goodwill and other intangible assets - net	70,206	70,215	(9)	0%	8%	8%
Deferred income tax assets	1,808	1,584	224	14%	0%	0%
Other noncurrent assets	46,441	41,197	5,244	13%	5%	5%
Total Noncurrent Assets	656,189	651,368	4,821	1%	71%	73%
Total Assets	P922,778	P891,621	P31,157	3%	100%	100%
Loans payable	P33,000	P33,000	P -	0%	4%	4%
Accounts payable and accrued expenses	97,629	101,070	(3,441)	(3%)	10%	11%
Lease liabilities - current portion	6,032	5,820	212	4%	1%	1%
Income tax payable	207	140	67	48%	0%	0%
Current maturities of long-term debt - net of debt issue costs	28,115	43,427	(15,312)	(35%)	3%	5%
Total Current Liabilities	164,983	183,457	(18,474)	(10%)	18%	21%
Long-term debt - net of current maturities and debt issue costs	259,697	241,709	17,988	7%	28%	27%
Deferred income tax liabilities	17,031	17,223	(192)	(1%)	2%	2%
Lease liabilities - net of current portion	22,555	23,881	(1,326)	(6%)	2%	2%
Other noncurrent liabilities	4,814	4,617	197	4%	1%	1%
Total Noncurrent Liabilities	304,097	287,430	16,667	6%	33%	32%
Total Liabilities	469,080	470,887	(1,807)	0%	51%	53%

Forward

<i>In Millions</i>	March 31, 2026	December 31, 2025	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
			Amount	%	2026	2025
Equity Attributable to Equity Holders of the Parent Company						
Capital stock	P4,785	P4,785	P -	0%	0%	0%
Additional paid-in capital	104,896	104,896	-	0%	12%	12%
Senior perpetual capital securities	163,238	160,790	2,448	2%	17%	18%
Redeemable perpetual capital securities	88,680	88,680	-	0%	10%	10%
Equity reserves	(368)	929	(1,297)	(140%)	0%	0%
Retained earnings	76,512	59,596	16,916	28%	8%	7%
	437,743	419,676	18,067	4%	47%	47%
Non-controlling Interests	15,955	1,058	14,897	1408%	2%	0%
Total Equity	453,698	420,734	32,964	8%	49%	47%
Total Liabilities and Equity	P922,778	P891,621	P31,157	3%	100%	100%

The Group's consolidated total assets as at March 31, 2026, amounted to P922,778 million, higher by 3% or P31,157 million than the December 31, 2025 balance of P891,621 million. The increase was attributable to the following factors:

- a. Increase in cash and cash equivalents by 20% or P20,602 million was mainly attributable to the (i) cash generated from operations; (ii) San Miguel Global Power's P20,000 million term loan drawn in March 2026; (iii) proceeds from issuance of redeemable preferred shares by GP Renewable Power Corp (GP Renewable, a wholly-owned subsidiary) in March 2026; (iv) cash received from Chromite entities for distributions and return of advances; and (v) proceeds from sale of machinery and equipment of MPGC. The increase was partially offset by: (i) San Miguel Global Power's full settlement of its US\$300 million term loan in March 2026 and principal repayments of LPI, SMGP BESS, MPI, MPCL and San Miguel Global Power during the period; (ii) capital expenditures mainly for the Masinloc Unit 4 and 5, solar, and BESS projects; (iii) distributions to SPCS and RPCS holders; and (iv) payments of lease liability to PSALM by SRHI.
- b. Increase in other noncurrent assets by P5,244 million was mainly attributable to additional advances to suppliers and contractors for ongoing construction projects and higher restricted cash for debt servicing requirements of the Group.
- c. Increase in prepaid expenses and other current assets by P2,008 million was mainly attributable to additional restricted cash set aside for debt servicing requirements mainly by SMGP BESS and MPGC, partly offset by the application of input value-added tax and prepaid income taxes to outstanding tax payables of the Group.
- d. Increase in inventories by P794 million was mainly attributable to (i) higher coal purchases during the period, coupled with higher average cost of coal; and (ii) higher fuel inventory levels in preparation for the commencement of operations of Unit 4 of the Masinloc Power Plant. The increase was partly offset by higher coal consumption during the period.
- e. Increase in deferred income tax assets by P224 million was mainly attributable to temporary differences arising from unrealized forex losses recognized on US Dollar-denominated borrowings.

The Group's consolidated total liabilities as at March 31, 2026, amounted to P469,080 million, P1,807 million lower than the December 31, 2025 balance of P470,887 million. The major items accounting for the decrease are as follows:

- a. Increase in long-term debt - net of debt issue costs (including current and noncurrent portions) by P2,676 million was attributable to the following: (i) additional P20,000 million term loan drawn in March 2026 by San Miguel Global Power; (ii) foreign exchange loss recognized on US Dollar-denominated loans; and (iii) amortization of debt issue costs. The increase was partially offset by the settlements of maturing long-term loans of LPI, SMGP BESS, MPI, MPCL and San Miguel Global Power during the period.
- b. Increase in income tax payable by P67 million was mainly attributable to additional payable arising from income tax due recognized for the first quarter of 2026.
- c. Decrease in lease liabilities (including current and noncurrent portions) by P1,114 million was mainly on account of lease payments to PSALM by SRHI, pursuant to its IPPA Agreement.

The Group's consolidated total equity as at March 31, 2026, amounted to P453,698 million, higher by 8% or P32,964 million than the December 31, 2025 balance of P420,734 million. The increase is accounted for as follows:

- a. Increase in non-controlling interests by P14,897 million mainly pertains to the issuance of redeemable preferred shares of GP Renewable to SPPC in March 2026.
- b. Increase in retained earnings by P16,916 million was mainly attributable to the net income for the first quarter of 2026, partially offset by the distributions to perpetual capital security holders.
- c. Decrease in equity reserves by P1,297 million was mainly attributable to the difference between the price paid and net carrying value of SPCS redeemed in January 2026, partially offset by the additional net gain on fair valuation of investments in equity instruments (Meralco shares) recognized during the period.

2025 vs. 2024

<i>In Millions</i>	March 31, 2025	December 31, 2024	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
			Amount	%	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%	5%
Goodwill and other intangible assets - net	70,070	71,736	(1,666)	(2%)	8%	8%
Deferred income 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)	(36%)	11%	16%
Lease liabilities - current portion	4,164	10,049	(5,885)	(59%)	1%	1%
Income tax payable	112	80	32	40%	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 income 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

<i>In Millions</i>	March 31, 2025	December 31, 2024	Horizontal Analysis Increase (Decrease)		Vertical Analysis	
			Amount	%	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	(16,390)	(16,385)	(5)	0%	(2%)	(1%)
Retained earnings	54,677	26,387	28,290	107%	7%	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 the 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, partially 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 the deconsolidation of SPPC and EERI's receivables, partially offset by higher trade receivables of MPGC from revenues generated by its 4 units and higher revenues of SRHI and MPI during the period.
- d. Decrease in inventories by P3,211 million was mainly attributable to the deconsolidation of SPPC and EERI's LNG and spare parts. The decrease was partially offset by higher coal inventories of Sual Power Plant and Mariveles and Limay Greenfield Power Plants.
- e. Decrease in deferred income 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 credit facility in March 2025, (iii) net proceeds from the issuance of US\$100 million SPCS in February 2025; and (iv) cash generated from operations. The increase was partially offset by: (i) payments of maturing short/long-term loans of San Miguel Global Power, LPI, MPI, MPCL and SMGP BESS; (ii) capital expenditures for Masinloc Power Plant's Units 4 and 5 and BESS sites and other power expansion projects; (iii) distributions paid to the holders of perpetual capital securities; and (iv) 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; partially 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 income tax liabilities by P7,457 million was mainly attributable to the deconsolidation of SPPC, partially offset by additional deferred income 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 term loan drawn by MPGC from its credit facility executed in December 2024, (ii) amortization of debt issue costs during the period, partially 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 retained earnings by P28,290 million was mainly attributable to the net income for the first quarters of 2025, and net gain from the redemptions by SPPC, EERI and IPIEC of their respective preferred shares issued to San Miguel Global Power. This was partially offset by distributions to perpetual capital security holders.

IV. CASH FLOW

SOURCES AND USES OF CASH

A brief summary of cash flow movements is shown below:

<i>(in Millions)</i>	For the Periods Ended March 31	
	2026	2025
Net cash flows provided by operating activities	P19,890	P15,892
Net cash flows provided by (used in) investing activities	(5,791)	40,570
Net cash flows provided by (used in) financing activities	5,879	(43,493)

Net cash flows provided by operating activities primarily consist of operating income before working capital changes, changes in current assets, certain current liabilities and others, including interest received and payments of interest, other financing charges and income taxes.

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

<i>(in Millions)</i>	For the Periods Ended March 31	
	2026	2025
Returns on (additions to) investments and advances	P5,170	(P7,780)
Proceeds from sale of machineries and equipment	3,303	-
Proceeds from redemption of preferred shares	-	78,717
Proceeds from installment sale of properties	-	462
Cash of deconsolidated subsidiaries	-	(5,668)
Additions to intangible assets	(10)	(1)
Increase in other noncurrent assets	(381)	(21,508)
Advances paid to suppliers and contractors	(3,636)	(292)
Additions to property, plant and equipment	(10,237)	(3,360)

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

<i>(in Millions)</i>	For the Periods Ended March 31	
	2026	2025
Proceeds from:		
Long-term debts	P19,850	P9,400
Short-term borrowings	15,000	19,500
Proceeds from issuance of:		
SPCS	17,555	5,750
Redeemable preferred shares of a subsidiary	14,850	-
Payments of:		
Lease liabilities	(1,633)	(7,225)
Short-term borrowings	(15,000)	(45,912)
Long-term debts	(19,965)	(4,962)
Distributions paid to holders of:		
RPCS	(1,343)	(15,940)
SPCS	(5,573)	(4,104)
Redemption of SPCS	(17,862)	-

The effect of exchange rate changes on cash and cash equivalents amounted to P624 million and (P681 million) on March 31, 2026 and 2025, 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

Current Ratio	=	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
<i>(in Millions Peso)</i>		March 31, 2026 December 31, 2025
(A) Current Assets		266,589 240,253
(B) Current Liabilities		164,983 183,457
Current Ratio (A) / (B)		1.62 1.31

SOLVENCY RATIO

Net Debt-to-Equity* Ratio	=	$\frac{\text{Net Debt}}{\text{Total Equity}}$
<i>Per relevant Loan Covenants of San Miguel Global Power</i>		
<i>(in Millions Peso)</i>		March 31, 2026 December 31, 2025
(A) Net Debt ⁽¹⁾		130,434 142,739
(B) Total Equity ⁽²⁾		428,494 401,744
Net Debt-to-Equity Ratio (A) / (B)		0.30 0.36

**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 = $\frac{\text{Total Assets}}{\text{Total Equity}}$			
	Conventional		Adjusted ⁽³⁾	
<i>(in Millions Peso)</i>	March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025
(A) Total Assets ⁽³⁾	922,778	891,621	895,592	864,184
(B) Total Equity	453,698	420,734	453,698	420,734
Asset-to-Equity Ratio (A) / (B)	2.03	2.12	1.97	2.05

⁽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, 2026 and December 31, 2025, the carrying amount of the IPPA power plant asset amounted to P27,186 million and P27,437 million, respectively.

PROFITABILITY RATIO

	Return on Equity = $\frac{\text{Net Income}}{\text{Total Equity}}$	
	March 31, 2026	December 31, 2025
<i>(in Millions Peso)</i>		
(A) Net Income ⁽⁴⁾	45,800	48,306
(B) Total Equity	453,698	420,734
Return on Equity (A) / (B)	10.1%	11.5%

⁽⁴⁾ Annualized for quarterly reporting.

	Interest Coverage Ratio = $\frac{\text{Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)}}{\text{Interest Expense}}$	
	March 31, 2026	December 31, 2025
Per relevant Loan Covenants of San Miguel Global Power		
<i>(in Millions Peso)</i>		
(A) EBITDA ⁽⁵⁾	53,907	39,229
(B) Interest Expense ⁽⁶⁾	15,282	15,232
Interest Coverage Ratio (A) / (B)	3.53	2.58

⁽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

Volume Decline	=	$\frac{\text{Current Period Offtake Volume}}{\text{Prior Period Offtake Volume}} - 1$
		Periods Ended March 31
<i>(in GWh)</i>		<u>2026</u> <u>2025</u>
(A) Current Period Offtake Volume		6,513 7,496
(B) Prior Period Offtake Volume		7,496 7,956
Volume Decline [(A / B) – 1]		(13.1%) (5.8%)

Revenue Growth (Decline)	=	$\frac{\text{Current Period Revenue}}{\text{Prior Period Revenue}} - 1$
		Periods Ended March 31
<i>(in Millions Peso)</i>		<u>2026</u> <u>2025</u>
(A) Current Period Revenue		53,617 42,497
(B) Prior Period Revenue		42,497 44,123
Revenue Growth (Decline) [(A / B) – 1]		26.2% (3.7%)

Operating Margin	=	$\frac{\text{Income from Operations}}{\text{Revenues}}$
		Periods Ended March 31
<i>(in Millions Peso)</i>		<u>2026</u> <u>2025</u>
(A) Income from Operations		28,109 10,688
(B) Revenues		53,617 42,497
Operating Margin (A) / (B)		52.4% 25.2%

VI. OTHER MATTERS

a. Commitments

The outstanding purchase commitments of the Group amounted to P92,051 million and P69,418 million as at March 31, 2026 and December 31, 2025, 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 plant and equipment 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 operations.
- 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 cyclicity 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.