

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

A	C		E	N	E	R	G	Y		A	N	D		I	N	F	R	A	S	T	R	U	C	T	U	R	E		
C	O	R	P	O	R	A	T	I	O	N		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S		

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

3	5	T	H		F	L	O	O	R	,		A	Y	A	L	A		T	R	I	A	N	G	L	E			
G	A	R	D	E	N	S		T	O	W	E	R		2	,		P	A	S	E	O		D	E				
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M	A	K	A	T	I		C	I	T	Y		1	2	2	6													

Form Type

A	A	C	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If
Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

corporatesecretarialservices@ayala.com

Company's Telephone Number

7908-3321

Mobile Number

0905-465-4259

No. of Stockholders

6

Annual Meeting (Month / Day)

Any date in April of each year

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Ma. Cecilia T. Cruzabra

Email Address

cecile.cruzabra@acenrenewables.com

Telephone Number/s

(632) 7730-6300

Mobile Number

—

CONTACT PERSON'S ADDRESS

35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City 1226

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

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



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS**

The management of **AC Energy and Infrastructure Corporation and Subsidiaries**, (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at December 31, 2025 and 2024, and for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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



JAIME AUGUSTO ZOBEL DE AYALA
Chairperson



JOHN ERIC T. FRANCIA
Chief Executive Officer & President



ESTELITO C. BIACORA
Treasurer & Chief Finance Officer

Signed this 1st of April 2026

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
AC Energy and Infrastructure Corporation
35th Floor, Ayala Triangle Gardens Tower 2,
Paseo de Roxas corner Makati Avenue,
Makati City 1226

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of AC Energy and Infrastructure Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and consolidated its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard (PFRS) Accounting Standards.

Basis for Opinion

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

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

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

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



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

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

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

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

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



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

SYCIP GORRES VELAYO & CO.

Maria Veronica Andresa R. Pore

Maria Veronica Andresa R. Pore

Partner

CPA Certificate No. 90349

Tax Identification No. 164-533-282

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

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

Valid to cover audit of 2022 to 2026 financial statements

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

Valid to cover audit of 2021 to 2025 financial statements

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

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

April 1, 2026



AC ENERGY AND INFRASTRUCTURE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

		December 31	
	Notes	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	4, 21	₱20,121,348	₱27,773,320
Short-term investments		161,673	161,966
Current portion of:			
Receivables	5, 19	24,679,965	22,975,488
Input value-added taxes (VAT)		2,518,015	2,812,571
Creditable withholding tax		354,876	360,841
Investment in:			
Financial assets at fair value through profit or loss (FVTPL)	21	1,417,092	5,705,248
Other current assets	11	3,482,734	2,584,779
Total Current Assets		52,735,703	62,374,213
Noncurrent Assets			
Investments in:			
Associates and joint ventures	6	63,917,463	58,917,152
Redeemable preferred shares and convertible loans	7, 21	20,050,761	17,828,524
Financial assets at fair value through other comprehensive income (FVOCI)	21	13,885,906	12,673,914
Financial assets at FVTPL	21	744,873	921,787
Property, plant and equipment	8	147,949,687	120,177,653
Right-of-use assets	9	8,716,293	8,793,175
Investment property		415,854	415,854
Noncurrent portion of:			
Receivables	5, 19	69,082,147	62,843,538
Input VAT		3,389,211	3,044,816
Creditable withholding tax		5,160,637	4,412,442
Intangible assets:	10		
Goodwill		24,662,424	24,311,216
Other intangible assets		2,834,199	2,211,735
Deferred income tax assets - net	18	3,274,084	3,418,171
Other noncurrent assets	11	16,699,544	12,395,450
Total Noncurrent Assets		380,783,083	332,365,427
TOTAL ASSETS		₱433,518,786	₱394,739,640

(Forward)



		December 31	
	Notes	2025	2024
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	12, 21	₱12,697,783	₱13,617,081
Short-term loans	13, 21	14,361,425	5,600,000
Current portion of:			
Loans payable	13, 21	1,653,460	7,583,997
Lease liabilities	9, 21	1,692,927	1,896,328
Other current liabilities	14, 21	2,090,715	1,671,591
Total Current Liabilities		32,496,310	30,368,997
Noncurrent Liabilities			
Noncurrent portion of:			
Notes payable	13, 21	57,546,689	56,724,038
Loans payable	13, 21	128,539,457	101,650,769
Lease liabilities	9, 21	12,853,245	12,645,561
Deferred income tax liabilities - net	18	1,661,319	2,194,665
Other noncurrent liabilities	15, 21	10,275,390	7,925,772
Total Noncurrent Liabilities		210,876,100	181,140,805
Total Liabilities		243,372,410	211,509,802
Equity			
Paid-in capital	16	33,537,221	33,537,221
Equity reserves	16	10,971,511	10,517,409
Remeasurement loss on defined benefit plan - net of tax		(106,704)	(102,776)
Unrealized fair value loss on equity instruments at FVOCI		(2,518,380)	(2,986,100)
Unrealized fair value loss on derivative instruments designated as hedges - net of tax	21	(315,721)	(661,565)
Cumulative translation adjustments		10,404,686	7,325,046
Retained earnings	16	57,504,021	51,852,154
Treasury shares	16	(9,184,284)	(9,184,284)
Total equity attributable to equity holders of the Parent Company		100,292,350	90,297,105
Non-controlling interests	2, 16	89,854,026	92,932,733
Total Equity		190,146,376	183,229,838
TOTAL LIABILITIES AND EQUITY		₱433,518,786	₱394,739,640

See accompanying Notes to Consolidated Financial Statements.



AC ENERGY AND INFRASTRUCTURE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

		Years Ended December 31	
	Notes	2025	2024
REVENUE			
Rendering of services	17	₱31,820,068	₱36,671,202
Equity in net earnings of associates and joint ventures	6	4,935,920	4,622,839
Rental income		190,177	189,905
Others		856,743	917,663
		37,802,908	42,401,609
COST AND EXPENSES			
Cost of power operations	17	24,114,709	27,379,262
Provisions for impairment losses	5, 7, 8	8,616,332	1,149,723
Salaries, wages and employee benefits		1,278,263	2,087,318
Taxes and licenses		975,247	689,947
Depreciation and amortization	8, 9, 10	846,711	635,206
Professional fees		553,383	909,833
Contracted services		269,158	215,456
Insurance		99,552	143,679
Repairs and maintenance		95,013	38,778
Retirement and other benefits expense		81,475	119,932
Transportation and travel		79,293	117,140
Supplies		26,129	22,771
Management fee		25,570	82,064
Postal and communication		15,881	22,069
Entertainment, amusement and recreation		11,434	21,521
Others		900,531	871,651
		37,988,681	34,506,350
OTHER INCOME (EXPENSES) - net			
Interest income	4, 5, 7, 19	14,860,912	10,751,652
Interest expense and other financing charges	9, 13	(7,314,603)	(5,386,629)
Foreign exchange gain - net		406,167	909,686
Disposal of investment - net	2	86,571	1,603,713
Mark-to-market (loss) gain - net		(121,489)	114,670
Other income	5, 17	869,681	1,646,871
		8,787,239	9,639,963
INCOME BEFORE INCOME TAX		8,601,466	17,535,222
PROVISION FOR INCOME TAX	18	84,448	1,109,260
NET INCOME		₱8,517,018	₱16,425,962
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company		₱6,982,964	₱12,515,788
Non-controlling interests		1,534,054	3,910,174
		₱8,517,018	₱16,425,962



	Years Ended December 31		
	Notes	2025	2024
NET INCOME		₱8,517,018	₱16,425,962
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Cumulative translation adjustments		3,154,884	2,657,855
Unrealized fair value gain (loss) on derivative instruments designated as hedges - net of tax		360,833	(1,289,611)
		3,515,717	1,368,244
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Net changes in the fair market value of financial assets at FVOCI		467,720	(2,810,164)
Remeasurement gain (loss) on defined benefit plan - net of tax		762	(71,012)
		468,482	(2,881,176)
		3,984,199	(1,512,932)
SHARE IN OTHER COMPREHENSIVE INCOME (LOSS) OF ASSOCIATES AND JOINT VENTURES	6		
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Cumulative translation adjustments		(88,427)	(144,836)
Unrealized fair value (loss) gain on derivative instruments designated as hedges - net of tax		(14,989)	66,916
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Remeasurement (loss) gain on defined benefit plan - net of tax		(4,690)	17,904
		(108,106)	(60,016)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		₱3,876,093	(₱1,572,948)
TOTAL COMPREHENSIVE INCOME		₱12,393,111	₱14,853,014
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company		₱10,872,240	₱10,938,330
Non-controlling interests		1,520,871	3,914,684
		₱12,393,111	₱14,853,014

See accompanying Notes to Consolidated Financial Statements.



AC ENERGY AND INFRASTRUCTURE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Attributable to Equity Holders of the Parent Company											
	Common Shares (Note 16)	Redeemable Preferred Shares (Note 16)	Equity Reserves (Note 16)	Remeasurement (Loss) Gain on Defined Benefit plan - net of tax	Fair Value Loss (Gain) on Equity Instruments at FVOCI	Unrealized Fair Value Gain (Loss) on Derivative Instruments Designated as Hedges - net of tax	Cumulative Translation Adjustments	Retained Earnings (Note 16)	Treasury Shares (Note 16)		Non-controlling Interests (Note 16)	Total
BALANCES AT JANUARY 1, 2025	₱15,986,599	₱17,550,622	₱10,517,409	(₱102,776)	(₱2,986,100)	(₱661,565)	₱7,325,046	₱51,852,154	(₱9,184,284)	₱90,297,105	₱92,932,733	₱183,229,838
Net income	—	—	—	—	—	—	—	6,982,964	—	6,982,964	1,534,054	8,517,018
Other comprehensive income (loss)	—	—	—	762	467,720	360,833	3,168,067	—	—	3,997,382	(13,183)	3,984,199
Share in other comprehensive loss of associates and joint ventures (Note 6)	—	—	—	(4,690)	—	(14,989)	(88,427)	—	—	(108,106)	—	(108,106)
Total comprehensive income (loss)	—	—	—	(3,928)	467,720	345,844	3,079,640	6,982,964	—	10,872,240	1,520,871	12,393,111
Dividends (Note 16)	—	—	—	—	—	—	—	(1,331,097)	—	(1,331,097)	(3,430,897)	(4,761,994)
Capital infusion of non-controlling interest in a subsidiary	—	—	—	—	—	—	—	—	—	—	548,922	548,922
Capital redemption of non-controlling interest in a subsidiary	—	—	—	—	—	—	—	—	—	—	(488,733)	(488,733)
Change due to loss of control (Note 2)	—	—	—	—	—	—	—	—	—	—	43,892	43,892
Acquisition of non-controlling interest in a subsidiary (Note 16)	—	—	454,102	—	—	—	—	—	—	454,102	(1,272,762)	(818,660)
	—	—	454,102	—	—	—	—	(1,331,097)	—	(876,995)	(4,599,578)	(5,476,573)
BALANCES AT DECEMBER 31, 2025	₱15,986,599	₱17,550,622	₱10,971,511	(₱106,704)	(₱2,518,380)	(₱315,721)	₱10,404,686	₱57,504,021	(₱9,184,284)	₱100,292,350	₱89,854,026	₱190,146,376

(Forward)



	Attributable to Equity Holders of the Parent Company										Non-controlling Interests (Note 16)	Total
	Common Shares (Note 16)	Redeemable Preferred Shares (Note 16)	Equity Reserves (Note 16)	Remeasurement (Loss) Gain on Defined Benefit plan - net of tax	Fair Value Loss (Gain) on Equity Instruments at FVOCI	Unrealized Fair Value Gain (Loss) on Derivative Instruments Designated as Hedges - net of tax	Cumulative Translation Adjustments	Retained Earnings (Note 16)	Treasury Shares (Note 16)	Total		
BALANCES AT JANUARY 1, 2024	₱15,986,599	₱17,550,622	₱10,517,409	(₱106,741)	(₱95,745)	₱561,130	₱4,816,537	₱41,393,439	(₱9,184,284)	₱81,438,966	₱92,260,382	₱173,699,348
Net income	—	—	—	—	—	—	—	12,515,788	—	12,515,788	3,910,174	16,425,962
Other comprehensive income (loss)	—	—	—	(71,012)	(2,810,164)	(1,289,611)	2,653,345	—	—	(1,517,442)	4,510	(1,512,932)
Share in other comprehensive income (loss) of associates and joint ventures (Note 6)	—	—	—	17,904	—	66,916	(144,836)	—	—	(60,016)	—	(60,016)
Total comprehensive income (loss)	—	—	—	(53,108)	(2,810,164)	(1,222,695)	2,508,509	12,515,788	—	10,938,330	3,914,684	14,853,014
Dividends (Note 16)	—	—	—	—	—	—	—	(2,000,000)	—	(2,000,000)	(2,761,995)	(4,761,995)
Transfer of remeasurement loss on defined benefit plan (Note 16)	—	—	—	57,073	—	—	—	(57,073)	—	—	—	—
Redemption of financial assets at FVOCI (Note 2)	—	—	—	—	(80,191)	—	—	—	—	(80,191)	—	(80,191)
Capital redemption of non-controlling interest in a subsidiary	—	—	—	—	—	—	—	—	—	—	(320,441)	(320,441)
Capital infusion of non-controlling interest in a subsidiary (Note 16)	—	—	—	—	—	—	—	—	—	—	20,428	20,428
Acquisition of non-controlling interest in a subsidiary (Notes 2 and 16)	—	—	—	—	—	—	—	—	—	—	(180,325)	(180,325)
	—	—	—	57,073	(80,191)	—	—	(2,057,073)	—	(2,080,191)	(3,242,333)	(5,322,524)
BALANCES AT DECEMBER 31, 2024	₱15,986,599	₱17,550,622	₱10,517,409	(₱102,776)	(₱2,986,100)	(₱661,565)	₱7,325,046	₱51,852,154	(₱9,184,284)	₱90,297,105	₱92,932,733	₱183,229,838



AC ENERGY AND INFRASTRUCTURE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

		Years Ended December 31	
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		₱8,601,466	₱17,535,222
Adjustments for:			
Interest income	4, 5, 7, 19	(14,860,912)	(10,751,652)
Interest expense and other financing charges	9, 13	7,314,603	5,386,629
Equity in net earnings of associates and joint ventures	6	(4,935,920)	(4,622,839)
Depreciation and amortization	8, 9, 10	3,957,931	2,658,265
Unrealized foreign exchange gain - net		(541,137)	(754,062)
Dividend income		(477,863)	(598,669)
Mark-to-market losses		(135,567)	(32,679)
Pension and other employee benefits		94,010	131,352
Expected credit losses		8,531,153	1,219,229
Impairment loss (recovery) on:			
Investment in joint venture	6	68,830	—
Property, plant and equipment	8	19,867	3,557
Advances to contractors		(3,519)	3,035
Redeemable preferred shares and convertible loans		—	(93,695)
Loss (gain) on:			
Fair value adjustment on financial assets at FVTPL		257,057	147,349
Change due to loss of control		(176,182)	(36,978)
Sale of financial assets at FVTPL		(163,418)	(61,603)
Disposal of investment - net	2	89,611	(1,177,553)
Discount on long-term receivables		36,886	31,146
Loan assignment	5	(27,186)	—
Sale of property, plant and equipment		11,784	(46,416)
Settlement of derivatives		2,339	(138,372)
Sale and leaseback	9	—	(1,035,334)
Early redemption of convertible loan		—	(389,182)
Operating income before working capital changes		7,663,833	7,376,750
Decrease (increase) in:			
Accounts receivables		(2,775,717)	5,894,609
Input VAT		(49,839)	(588,838)
Other assets		(512,318)	(535,915)
Increase (decrease) in:			
Accounts and other payables		775,879	(431,054)
Other liabilities		419,106	353,127
Cash generated from operating activities		5,520,944	12,068,679
Interest received		802,974	1,183,607
Income and withholding taxes paid		(802,378)	(1,218,688)
Net cash flows from operating activities		5,521,540	12,033,598
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment	8	(22,796,936)	(33,815,146)
Notes receivables	5, 19	(19,734,953)	(4,893,482)
Financial assets at FVTPL		(10,058,320)	(21,986,011)
Investments in associates and joint ventures	6	(2,575,160)	(11,835,030)
Advances for land acquisition	11	(2,544,080)	(767,568)
Investments in redeemable preferred shares	7	(996,133)	(1,665,068)
Subscription deposits	7	(904,236)	(228,144)
Other intangible asset	10	(798,225)	(298,342)
Financial assets at FVOCI		(457,691)	(1,108,163)
Short-term investments		(700,651)	(161,966)
Investments in subsidiaries, net of cash acquired	20	—	(569,802)

(Forward)



	Notes	Years Ended December 31	
		2025	2024
Proceeds from:			
Collection of notes receivables	5, 19	₱15,057,536	₱5,403,653
Sale of investments in financial assets at FVTPL		14,475,676	18,289,592
Return of capital from a joint venture	6	1,341,096	—
Short-term investments	11	700,944	—
Sale of property, plant and equipment		26,117	63,939
Redemption of financial assets at FVOCI		—	3,177,075
Redemption of redeemable preferred shares	7	—	1,389,659
Redemption of financial assets at FVTPL		—	587,989
Redemption of convertible loans	7	—	389,267
Change due to loss of control, net of cash surrender	2	—	208,727
Dividends received from investments in:			
Associates and joint ventures	6	3,008,352	4,061,253
Financial assets at FVOCI		471,889	598,669
Interest received		3,472,538	2,992,726
Increase in other noncurrent assets		(334,675)	(2,540,893)
Net cash used in investing activities		(23,346,912)	(42,707,066)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Availment of loans payable	13	41,295,668	47,870,871
Availment of short-term loans	13	30,360,855	26,100,000
Capital infusion of non-controlling interests in a subsidiary	2, 16	—	20,428
Payments of:			
Loans payable	13	(24,497,899)	(1,890,652)
Short-term loans	13	(21,599,430)	(17,800,000)
Interest on short-term and long-term loans	23	(9,026,661)	(9,776,230)
Dividends	16	(4,761,976)	(4,765,442)
Lease liabilities	9	(1,285,123)	(541,035)
Acquisition of non-controlling interest	2, 16	(818,660)	(180,325)
Capital redemption of non-controlling interest in a subsidiary		(488,733)	(320,441)
Interest on lease liabilities	9	(416,380)	(346,927)
Debt issuance cost	13	(59,640)	(622,934)
Share issuance costs	16	(2,735)	—
Notes payable	13	—	(20,824,200)
Increase (decrease) in other noncurrent liabilities		648,536	(28,796)
Net cash provided by financing activities		9,347,822	16,894,317
EFFECT OF FOREIGN EXCHANGE RATE CHANGES			
ON CASH AND CASH EQUIVALENTS		825,578	686,544
NET DECREASE IN CASH AND CASH EQUIVALENTS		(7,651,972)	(13,092,607)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		27,773,320	40,865,927
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	₱20,121,348	₱27,773,320

See accompanying Notes to Consolidated Financial Statements.



AC ENERGY AND INFRASTRUCTURE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except When Otherwise Indicated)

1. Corporate Information

AC Energy and Infrastructure Corporation. (ACEIC, the Parent Company) was incorporated on December 13, 2005, and is domiciled in the Philippines. The Parent Company and its subsidiaries (collectively, “the Group”) were organized primarily to engage in the business of generating electricity and supply of electricity, including the provision of related services.

The Parent Company is a wholly-owned subsidiary of Ayala Corporation (AC), a publicly-listed company which is 47.84% owned by Mermac, Inc. (ultimate Parent Company), and the rest by the public as of December 31, 2025. AC is incorporated in the Philippines.

The Parent Company’s registered address is at 35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City.

The consolidated financial statements of the Group as at and for the years ended December 31, 2025 and 2024 were approved and authorized for issuance by the BOD on April 1, 2026.

2. Summary of Material Accounting Policies

Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI), derivative asset and derivative liability which are all measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is the functional and presentation currency of the Group. All values are rounded to the nearest thousands (‘000), except par values, per share amounts, number of shares and when otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards;
- Philippine Accounting Standards (PAS); and,
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy and adopted by the Securities and Exchange Commission (SEC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using uniform accounting policies. When necessary, adjustments are made to the separate financial statements of the subsidiaries to bring its accounting policies in line with the Parent Company’s accounting policies.



Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and,
- the ability to use its power over the investee to affect its returns.

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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, NCI and other components of equity while any resulting gain or loss is recognized in the consolidated statement of income. Any investment retained is recognized at fair value.

NCI represents the interests in the subsidiaries not held by the Parent Company and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from equity attributable to holders of the Parent Company. NCI shares in losses even if the losses exceed the NCI in the subsidiary.

The consolidated financial statements comprise the Parent Company and the following subsidiaries of the Group:

Subsidiaries	Principal Activities	Percentage of Ownership (%)			
		2025		2024	
		Direct	Indirect	Direct	Indirect
ACEN CORPORATION (ACEN)	Power generation and trading	58.31	—	57.95	—
ACEN International, Inc. (ACEN International)	International investment holding	—	58.31	—	57.95
ACEN Renewables International Pte. Ltd. (ACRI) ^a	International investment holding	—	58.31	—	57.95
ACEN Cayman Limited (ACEN Cayman) ^b	International investment holding	—	58.31	—	57.95
ACEN Investments HK Limited (ACEN HK) ^c	International investment holding	—	58.31	—	57.95
UPC-AC Energy Australia (HK) Ltd. (UPC-AE Australia) ^c	Power generation	—	58.31	—	57.95
ACEN Finance Limited (ACEN Finance) ^b	Investment holding	—	58.31	—	57.95
Guimaras Wind Corporation (Guimaras Wind)	Wind power generation	—	58.31	—	57.95
One Subic Oil Distribution Corporation	Distribution of petroleum products	—	58.31	—	57.95
ENEX Energy Corp. (ENEX)	Oil, gas, and geothermal exploration	—	44.27	—	44.23
Palawan55 Exploration & Production Corporation (Palawan55)	Oil and gas exploration	—	48.74	—	48.43
Buendia Christiana Holdings Corp. (BCHC)	Investment holding	—	58.31	—	57.95

(Forward)



Subsidiaries	Principal Activities	Percentage of Ownership (%)			
		2025		2024	
		Direct	Indirect	Direct	Indirect
ACEN Shared Services, Inc. (ACES) (formerly ACE Shared Services, Inc.)	Shared services	—	58.31	—	57.95
Giga Ace 1, Inc. (Giga Ace 1)	Power generation	—	58.31	—	57.95
Giga Ace 2, Inc.	Power generation	—	58.31	—	57.95
Giga Ace 3, Inc. (Giga Ace 3)	Power generation	—	58.31	—	57.95
Alaminos BESS Inc. (formerly Giga Ace 4, Inc.)	Power generation	—	58.31	—	57.95
Giga Ace 5, Inc.	Power generation	—	58.31	—	57.95
Giga Ace 6, Inc.	Power generation	—	58.31	—	57.95
Giga Ace 7, Inc.	Power generation	—	58.31	—	57.95
Giga Ace 8, Inc. (Giga Ace 8)	Power generation	—	58.31	—	57.95
Giga Ace 9, Inc. (Giga Ace 9)	Power generation	—	58.31	—	57.95
Giga Ace 10, Inc.	Power generation	—	58.31	—	57.95
Giga Ace 11, Inc.	Power generation	—	58.31	—	57.95
Giga Ace 12, Inc.	Power generation	—	58.31	—	57.95
Giga Ace 14, Inc.	Power generation	—	58.31	—	57.95
Giga Ace 15, Inc.	Power generation	—	58.31	—	57.95
Negros Island Solar Power, Inc. (ISLASOL)	Solar power generation	—	58.31	—	34.77
San Carlos Solar Energy, Inc. (SACASOL)	Solar power generation	—	58.31	—	57.95
Monte Solar Energy, Inc. (MONTESOL)	Solar power generation	—	58.31	—	57.95
ACEN Global Development Group, Inc.(AGDGI)	Investment holding and management	—	58.31	—	57.95
Visayas Renewables Corp. (VRC)	Investment holding	—	58.31	—	57.95
San Julio Land Development Corporation	Leasing and land development	—	58.31	—	57.95
LCC Bulk Water Supply, Inc.	Water supply and distribution	—	58.31	—	57.95
MCV Bulk Water Supply Inc.	Water supply and distribution	—	58.31	—	57.95
SCC Bulk Water Supply Inc.	Water supply and distribution	—	58.31	—	57.95
HDP Bulk Water Supply Inc.	Water supply and distribution	—	58.31	—	57.95
Ingrid2 Power Corp.	Advisory/Consultancy	—	58.31	—	57.95
Ingrid3 Power Corp. (Ingrid3)	Advisory/Consultancy	—	58.31	—	57.95
Ingrid4 Power Corp.	Advisory/Consultancy	—	58.31	—	57.95
Ingrid5 Power Corp.	Advisory/Consultancy	—	58.31	—	57.95
Ingrid6 Power Corp.	Advisory/Consultancy	—	58.31	—	57.95
Solienda Inc.	Leasing and land development	—	58.31	—	57.95
Gigasol 1, Inc.	Power generation	—	58.31	—	57.95
Gigasol 2, Inc.	Power generation	—	58.31	—	57.95
Palauig Solar 1 Inc. (Gigasol 3) (formerly Gigasol 3, Inc.)	Power generation	—	58.31	—	57.95
Gigasol 4, Inc.	Power generation	—	58.31	—	57.95
Gigasol 5, Inc.	Power generation	—	58.31	—	57.95
Gigasol 6, Inc.	Power generation	—	58.31	—	57.95
Gigasol 7, Inc.	Power generation	—	58.31	—	57.95
Gigasol 8, Inc.	Power generation	—	58.31	—	57.95
Gigasol 9, Inc.	Power generation	—	58.31	—	57.95
Gigasol 10, Inc.	Power generation	—	58.31	—	57.95
GigaWind1 Inc.	Power generation	—	58.31	—	57.95
GigaWind2 Inc.	Power generation	—	58.31	—	57.95
GigaWind3 Inc.	Power generation	—	58.31	—	57.95
GigaWind4 Inc.	Power generation	—	58.31	—	57.95
GigaWind5 Inc.	Power generation	—	58.31	—	57.95
GigaWind6 Inc. ^e	Power generation	—	58.31	—	57.95
GigaWind7 Inc. ^f	Power generation	—	58.31	—	57.95
Alaminos Solar Inc. (formerly SolarAce1 Energy Corp.)	Power generation	—	58.31	—	57.95
SolarAce2 Energy Corp. (SolarAce2)	Power generation	—	58.31	—	57.95
SolarAce3 Energy Corp.	Power generation	—	58.31	—	57.95
SolarAce4 Energy Corp.	Power generation	—	58.31	—	57.95
AC Subic Solar, Inc.	Power generation	—	58.31	—	57.95
AC Laguna Solar, Inc.	Power generation	—	58.31	—	57.95
AC La Mesa Solar, Inc.	Power generation	—	58.31	—	57.95
ACEN Tech Hub Inc. (Bataan BESS) (formerly Bataan Solar Energy, Inc.)	Power generation	—	58.31	—	57.95
SanMar Solar Inc. (SanMar) (formerly Santa Cruz Solar Energy, Inc.)	Power generation	—	58.31	—	57.95
Pagudpud Wind Power Corp. (PWPC)	Investment holding	—	58.31	—	57.95
Bayog Wind Power Corp. (BWPC)	Power generation	—	58.31	—	57.95

(Forward)



Subsidiaries	Principal Activities	Percentage of Ownership (%)			
		2025		2024	
		Direct	Indirect	Direct	Indirect
Manapla Sun Power Development Corporation (MSPDC)	Leasing and land development	—	58.31	—	57.95
ACE Renewables Philippines, Inc.	Investment holding	—	58.31	—	57.95
NorthWind Power Development Corporation (NorthWind)	Wind power generation	—	58.31	—	57.95
Viage Corporation	Investment holding	—	58.31	—	57.95
ACTA Power Corporation	Coal power generation	—	58.31	—	57.95
UAC Energy Holdings Pty Ltd	Investment holding	—	58.31	—	57.95
Buduan Wind Energy Co, Inc.	Power generation	—	58.31	—	57.95
Caraballo Mountains UPC Asia Corporation	Power generation	—	58.31	—	57.95
Pangasinan UPC Asia Corporation	Power generation	—	58.31	—	57.95
Sapat Highlands Wind Corporation	Power generation	—	58.31	—	57.95
UPC Mindanao Wind Power Corp.	Power generation	—	58.31	—	57.95
Itbayat Island UPC Asia Corporation	Power generation	—	58.31	—	57.95
Laguna Central Renewables, Inc.	Power generation	—	58.31	—	57.95
ACEN Technical Services, Inc. (Formerly Laguna West Renewables, Inc.)	Shared services	—	58.31	—	57.95
Suyo UPC Asia Corporation	Power generation	—	58.31	—	57.95
Cagayan North Solar Inc. (Cagayan North) (formerly Natures Renewable Energy Devt. Corporation)	Power generation	—	56.16	—	55.81
San Manuel Solar Inc. (San Manuel Solar) (formerly Sinocalan Solar Power Corp.)	Power generation	—	58.31	—	57.95
Adlao Energy Corporation	Power generation	—	58.31	—	57.95
Zephyrus Energy Corporation	Power generation	—	58.31	—	57.95
Aeolus Energy Corporation	Power generation	—	58.31	—	57.95
Agueo Energy Corporation	Power generation	—	58.31	—	57.95
Amman Energy Corporation	Power generation	—	58.31	—	57.95
Aryaman Energy Corporation	Power generation	—	58.31	—	57.95
Belenos Energy Corporation	Power generation	—	58.31	—	57.95
Laonsina Energy Corporation	Power generation	—	58.31	—	57.95
Electryone Energy Corporation	Power generation	—	58.31	—	57.95
Abagat Energy Corporation	Power generation	—	58.31	—	57.95
Alinaga Energy Corporation	Power generation	—	58.31	—	57.95
Amaterasu Energy Corporation	Power generation	—	58.31	—	57.95
Banawag Energy Corporation	Power generation	—	58.31	—	57.95
Liadlaw Energy Corporation	Power generation	—	58.31	—	57.95
Oxylus Energy Corporation	Power generation	—	58.31	—	57.95
ACEN Operational Services, Inc. (formerly Paddak Energy Corporation) ^h	Power generation	—	58.31	—	57.95
Paros Energy Corporation	Power generation	—	58.31	—	57.95
Silak Energy Corporation	Power generation	—	58.31	—	57.95
Vayu Energy Corporation	Power generation	—	58.31	—	57.95
YMP Telecom Power Inc	Industrial instrumentations	—	58.31	—	57.95
YMP Industrial Power Inc.	Industrial instrumentations	—	58.31	—	57.95
Real Wind Energy, Inc. (RWEL)	Power generation	—	58.31	—	57.95
Aventus Capital Corporation ^e	Power generation	—	58.31	—	57.95
Aventus Solar Farm Inc. ^e	Power generation	—	58.31	—	57.95
Aventus Wind Farm Inc. ^e	Power generation	—	58.31	—	57.95
Energies by Nature Inc. ^e	Power generation	—	58.31	—	57.95
Global 1.5C Energies Inc. ^e	Power generation	—	58.31	—	57.95
Paseo De Roxas Energy Corporation (PDREC) ^e	Power generation	—	58.31	—	57.95
ACE Thermal International Pte. Ltd. (ACETI) ^a	International investment holding	100.00	—	100.00	—
ACE Thermal International (BVI), Inc. (ACETI BVI) ^d	International investment holding	—	100.00	—	100.00
ACE (BVI) GP, Inc. (BVI GP) ^d	International investment holding	—	100.00	—	100.00
AC Energy Finance International (ACEFIL) ^b	International investment holding	100.00	—	100.00	—
ACEIC Cayman Limited, formerly ACEN Finance International Limited (ACEIC Cayman) ^b	International investment holding	100.00	—	100.00	—
AC Energy GP Corporation (AEGC)	Investment holding	100.00	—	100.00	—
ACE Dinginin GP Corporation (ADGC)	Investment holding	100.00	—	100.00	—
ACE Mariveles GP Corporation (AMGC)	Investment holding	100.00	—	100.00	—
Klima 1.5 Corp, (Klima) (formerly ACE Thermal, Inc.)	Investment holding	100.00	—	100.00	—
Pilipinas Thermal Inc. (PTI)	Investment holding	100.00	—	100.00	—

(Forward)



Subsidiaries	Principal Activities	Percentage of Ownership (%)			
		2025		2024	
		Direct	Indirect	Direct	Indirect
Bulacan Thermal Inc. (BTI) (formerly Bulacan Power Generation Corporation) *	Power generation	100.00	—	—	57.95
La Union Thermal Inc. (LTI) (formerly CIP II Power Corporation) *	Power generation	100.00	—	—	57.95
One Subic Power Generation Corporation (OSPGC) *	Power generation	100.00	—	—	57.95

*These are the Diesel Plants, previously direct subsidiaries of ACEN which were transferred to ACEIC via sale effective August 31, 2025

^a Incorporated in Singapore

^b Incorporated in Cayman Islands

^c Incorporated in Hong Kong

^d Incorporated in British Virgin Islands

^e Incorporated on October 24, 2024

Unless otherwise indicated, the principal place of business and country of incorporation of the Parent Company's investments in subsidiaries, associates and joint ventures is the Philippines.

In various dates during the year, the SEC approved the amendments to Articles of Incorporation for the change in corporate name of the following entities:

Old Corporate Name	New Corporate Name	Approval Date
Giga Ace 4, Inc.	Alaminos BESS Inc.	September 9, 2025
Bulacan Power Generation Corporation*	Bulacan Thermal Inc.	September 9, 2025
CIP II Power Corporation*	La Union Thermal Inc.	October 9, 2025
Solarace1 Energy Corp.	Alaminos Solar Inc.	October 10, 2025
Santa Cruz Solar Energy, Inc.	SanMar Solar Inc.	October 10, 2025
Natures Renewable Energy Development Corp.	Cagayan North Solar Inc.	October 10, 2025
Bataan Solar Energy Inc.	ACEN Tech Hub Inc.	October 14, 2025
Gigasol 3, Inc.	Palauig Solar 1 Inc.	October 15, 2025
Sinocalan Solar Power Corp.	San Manuel Solar Inc.	December 26, 2025

*No longer a subsidiary at the end of 2025

The following are the significant transactions of the Group in 2025:

ACEN's acquisition of shares of ISLASOL from Asian Energy Impact Trust Plc ("AEIT")

On March 6, 2025, ACEN executed a Share Purchase Agreement and Deed of Absolute Sale with AEIT, involving the sale by AEIT of 7,371 Redeemable Preferred Shares E ("RPS E") of ISLASOL in favor of ACEN with a total purchase price of ₱141.27 million. Upon the completion of the sale, subject to obtaining the requisite certificate authorizing registration (CAR) from the Bureau of Internal Revenue, ACEN will acquire full ownership of ISLASOL (see Note 16). Simultaneous with ACEN's acquisition of shares from AEIT, ISLASOL redeemed 15,906 RPS E shares held by AEIT in ISLASOL with a total redemption price amounting to ₱488.73 million.

The BIR subsequently issued the CAR on January 27, 2026.

Omnibus Loan and Security Agreement for Giga Ace 6, Inc.'s (GA06) 345MW Quezon North Onshore Wind Power Project

On March 29, 2025, ACEN together with its wholly owned subsidiaries, ACEN Global Development Group, Inc. ("AGDGI") and GA06 signed an Omnibus Loan and Security Agreement ("OLSA") with local banks for a senior secured green term loan facility of up to ₱34,410.00 million to partially finance GA06's 345MW Quezon North Onshore Wind Power Project located in the Municipalities of Mauban and Real, Quezon, Philippines and Municipalities of Paete and Kalayaan, Laguna, Philippines.



ACEN is the sponsor, share security grantor, guarantor and grantor. AGDGI is a sponsor, share security grantor, and grantor. GA06 is the borrower, mortgagor, and grantor.

As of December 31, 2025, there is no drawdown made from the facility.

ACEN Australia secures AU\$750.00 million financing

On April 10, 2025, ACEN Australia has completed a AU\$750.00 million portfolio debt financing to support its near-complete 520 MWdc (400 MWac) Stubbo Solar project in New South Wales (NSW) and to refinance New England Solar Farm 1 (NESF1) project finance and outstanding corporate facilities. The transaction was supported by a group of 11 leading Australian and international lenders.

As of December 31, 2025, the proceeds from the portfolio debt amounted to AU\$373.00 million (₱12,928.12 million), including upfront costs amounting to AU\$16.00 million (₱554.56 million), were used to refinance New England Solar Farm 1 (NESF1) project finance amounting to AU\$174.00 million (₱6,030.81 million), as well as two corporate loans amounting to AU\$140.00 million (₱4,852.38 million) and AU\$43.00 million (₱1,490.37 million), respectively. The amount drawn was partially hedged (80%) at an effective rate of 5.075% (see Note 13).

Stock Rights Offering (“SRO”)

On April 23, 2025, the BOD of ACEN approved the offer and issuance of primary common shares by way of a stock rights offer to eligible stockholders.

On May 30, 2025, ACEN submitted a request for confirmation of exempt transaction to the Securities and Exchange Commission and listing application to the Philippine Stock Exchange (PSE).

On July 7, 2025, ACEN received SEC's confirmation of exempt transaction for the SRO.

On August 8, 2025, the BOD of ACEN approved its postponement of its proposed Stock Rights Offering due to revised scheduling of the Group's capital expenditures in a number of its markets in South East Asia.

Investment in CI GMF II Camarines Sur Offshore Wind Energy Corporation (CI GMF)

On May 28, 2025, ACEN signed the definitive agreement with Copenhagen Infrastructure Partners' (“CIP”) Growth Markets Fund II to acquire a 25% minority stake in the latter's proposed offshore wind energy project located along the shores of San Miguel Bay in Camarines Sur and Camarines Norte (San Miguel Bay Project) with a potential installed capacity of up to 1 GW. This was executed through a Share Purchase and Loan Assignment Agreement with CI NMF PHILIPPINES C.V., as the seller, and CI GMF II COOPERATIEF U.A., as the loan assignor. The common shares representing 25% ownership will be purchased in two tranches of 29,500 and 200,000 shares, respectively.

On June 23, 2025, ACEN signed a Deed of Absolute Sale of Shares of Stock with CI NMF Philippines C.V. for the acquisition by ACEN of the tranche 1 shares of 29,500 Common Shares of stock of CI GMF, the holding Company of CI NMF I (PH) Corp (“CI NMF”), for a total consideration of ₱2.95 million (US\$0.05 million). ACEN also paid ₱89.04 million (US\$1.55 million) representing its installment for the tranche 2 shares (see Note 6).

On the same date, ACEN and CI GMF II COOPERATIEF U.A., executed a Deed of Assignment on the loan of CI NMF with principal and accrued interest amounting ₱406.55 million (US\$ 7.11 million) representing 25% of the total indebtedness for a total consideration of ₱374.20 million (US\$ 6.63 million). Other income earned from the loan assignment amounted to ₱27.19 million (US\$ 0.48 million).



On September 12, 2025, ACEN sold the 29,500 Common Shares of stock of CI GMF for a total consideration of ₱2.95 million (US\$0.05 million) to its wholly owned subsidiary, Paseo de Roxas Energy Corporation (PDREC).

The principal place of business and country of incorporation of CI GMF and CI NMF is in the Philippines. CI NMF is the special purpose vehicle for the development and operation of the San Miguel Bay Project.

As of December 31, 2025, the carrying value of the assigned loan and interest amounted to ₱388.29 million and ₱37.41 million, respectively, For the year ended December 31, 2025, interest income earned amounted to ₱19.15 million.

Exercise of Step-in Rights and Restructuring in NEFIN

On May 29, 2025, ACEN Renewables International Pte. Ltd. (“ACRI”) issued a formal notice to the shareholders of NEFIN Limited and NEFIN Asset Management Pte. Ltd. (NAM) (collectively referred as “NEFIN”) to exercise its Step-in Rights, following conditions that warranted intervention in accordance with the Shareholder’s Agreement.

The Step-in Rights allow ACRI to take certain actions, such as providing additional capital or operational expenditures, and making changes to NEFIN’s management team, to improve the performance of the existing projects.

On June 11, 2025, ACRI entered into a Share Purchase Agreement with Canis Majoris Holding Limited (CML) for the sale of ACRI’s 50% equity interest in NAM, a joint venture of the Group, for a total consideration of US\$1.

On June 30, 2025, the transaction was completed following the transfer of shares to CML and receipt of the total consideration.

The disposal resulted in a loss on sale of investment amounting to US\$1.59 million (₱89.61 million) and reported under disposal of investments.

Sale of ACEN Group’s diesel plant companies to ACEIC

On June 16, 2025, ACEN’s Executive Committee, acting on authority delegated by the Board, approved the sale to ACEIC, ACEN’s majority shareholder, of its 100% ownership interests in the following special purpose companies that own the Group’s diesel plants:

1. Bulacan Thermal Inc. (BTI) - 52MW diesel plant (Norzagaray, Bulacan)
2. One Subic Power Generation Corporation (OSPGC) - 116MW diesel plant (Subic Freeport)
3. Laguna Thermal Inc. (LTI) - 21MW diesel plant (Bacnotan, La Union)

On August 29, 2025, ACEN and ACEIC executed a share purchase agreement covering the sale of the Group’s outstanding common shares in the above entities for a total purchase price of ₱1,319.50 million. On the same date, the parties also executed Deeds of Absolute Sale for the following:

1. 6,000,000 common shares with a par value of ₱100.00 per share in BTI, representing 100% its issued and outstanding common shares;
2. 33,493,366 common shares with a par value of ₱1.00 per share in OSPGC, representing 17.13% of its issued and outstanding common shares;
3. 6,351,000 common shares with a par value of ₱50.00 per share in LTI, representing 100% of its issued and outstanding common shares.



BTI owns 162,006,628 common shares with a par value of P1.00 per share in OSPGC, representing 82.87% of OSPGC's issued and outstanding common shares. Accordingly, upon ACEN's sale of BTI, ACEIC became the 100% direct and indirect owner of OSPGC.

Effective August 31, 2025, ACEIC held the direct interest on the diesel plants and ACEN has fully divested its interest, thereby achieving its goal of reaching 100% renewable energy generation by the end of 2025.

Deconsolidation of Yindjibarndi Energy Corporation (YEC)

On August 31, 2025, the Group lost control over YEC following the dilution of its ownership interest from 75% to 50% as a result of the issuance of additional shares to the other shareholder.

Accordingly, YEC ceased to be a subsidiary through the ACRI Group and was deconsolidated effective that date.

Upon deconsolidation, the Group derecognized YEC's assets and liabilities, including related deferred tax assets and project development costs, and recognized its retained 50% interest as an equity-accounted investment in associate.

Any difference between the carrying amount of YEC's net assets derecognized and the fair value of the retained interest resulted in a gain on change due to loss of control amounting to US\$3.02 million (P176.18 million) and presented under disposal of investment in Other income (expense) – net, in the consolidated statements of comprehensive income.

Subsequent to deconsolidation, the retained investment in YEC was accounted for under the equity method. The Group recognized its share of YEC's losses up to the carrying amount of the investment, after which no further losses were recognized as the carrying value of the equity-accounted investments was reduced to nil.

The net assets of YEC as at August 31, 2025 and proceeds from change due to loss of control are as follows:

Assets	
Current Assets	
Cash and cash equivalents	P57,967
Other current assets	2,506
Total Current Assets	60,473
Noncurrent Assets	
Property, plant and equipment	684,632
Right-of-use assets	7,177
Deferred income tax assets - net	5,147
Other noncurrent assets	3
Total Noncurrent Assets	696,959
Total Assets	P757,432
Liabilities	
Accounts payable and other current liabilities	P969,047
Current portion of lease liabilities	7,576
Income and withholding taxes payable	854
Total Current Liabilities	P977,477
Total identifiable net assets	220,045
Less carrying value of NCI	43,892
Cumulative translation adjustments	(29)
Gain on change due to loss of control (Note 20)	P176,182



ACEN's Execution of an Omnibus Loan and Security Agreement in its capacity as Sponsor and Share Collateral Grantor

On December 11, 2025, an Omnibus Loan and Security Agreement (OLSA) was executed by Grencore Power Solutions 3, Inc. as the borrower ("GPS3" or the "Borrower"); ACEN, Citicore Solar Energy Corporation (CSEC) and ACEN Global Development Group, Inc., together as the sponsor and share collateral grantor (collectively, the "Sponsor and Share Collateral Grantors"); Development Bank of the Philippines as the lender ("DBP" or "Lender"); and DBP – Trust Banking Group as the project accounts agent for a loan, amounting to ₱2,587.20 million, granted by DBP to GPS3 (the Loan).

The Loan has a term of up to twelve (12) years from and after the initial drawdown date and shall be repaid in accordance with the amortization schedule agreed by the parties as set forth in the OLSA. The Loan will be used by GPS3, a joint venture company of ACEN and CSEC, to finance its general corporate requirements, such as but not limited to, refinancing shareholder loans which were used to fund the development and construction of the 116MW solar power plant (Phases 1 and 2) in Arayat-Mexico, Pampanga (the Project), and other transaction-related costs. As of December 31, 2025, the Loan has been fully drawn by GPS3.

The Loan is secured by various collaterals provided by the Borrower and the Sponsor and Share Collateral Grantors, as stipulated in the OLSA, including:

- a. Real estate mortgage over certain real properties of the Borrower;
- b. First-ranking and continuing security interests over the Borrower's
 - Present and future personal properties
 - Project accounts and all related cash balances
 - Project documents, including Project receivables
 - Assigned collateral, as defined in the OLSA
- c. First-ranking and continuing security interest over the collateral shares of the Share Collateral Grantors; and
- d. Properties now owned or hereafter acquired arising from the foregoing collaterals.

The OLSA also contains covenants and conditions with which the Borrower and the Sponsor and Share Collateral Grantors are required to comply.

The following were the significant transactions of the Group in 2024:

Completion of investments in Unlimited Renewables Holdings, B.V. (URH)

On January 2, 2024, the Group through its subsidiary, ACEN Renewables International Pte. Ltd. (ACRI) completed its investment in URH by infusing US\$50.00 for acquisition of 50 shares of URH from UPC India Pte. Ltd. (UPCI) and US\$2.69 million (₱151.02 million) for subscription for 2,674 ordinary shares of URH (see Note 6).

ACEN and Barito enter new partnership in Indonesia wind projects

On December 15, 2023, ACEN (through ACEN Investments HK Limited (ACEN HK), a subsidiary of ACRI) and Barito Renewables (through PT Barito Wind Energy (Barito Wind)) signed a Sale and Purchase Agreement (SPA) with UPC Renewables Asia Pacific Holdings for the acquisition of late-stage wind development assets in Indonesia.

On January 3, 2024, with all conditions having been satisfied under the SPA, transaction Closing was achieved by the parties and ACEN HK has completed the acquisition of shares in the three late-stage wind development assets, with a combined potential capacity of 320 Megawatt (MW), that are



located in South Sulawesi (Sidrap 2), Sukabumi and Lombok provinces in Indonesia, at an acquisition price that is less than 10% of the book value of ACEN (see Note 6).

Following the signing of the respective Share Transfer Deeds, Barito Wind will own 51% of the three development assets, while ACEN HK will own the remaining 49%. Total investment cost amounted to US\$5.82 million (P341.27 million) and accounted for as investment in associates (see Note 6) and development loans amounting to US\$12.02 million (P695.05 million) (see Note 19).

Issuance of Corporate Guarantee in support of ACEN Cayman

On January 12, 2024, ACEN as Guarantor to its subsidiary, ACEN Cayman, executed ACEN Guarantees in favor of ACEN Cayman's lenders: (a) Philippine National Bank for US\$140.00 million, and (b) Rizal Commercial Banking Corporation for US\$180.00 million. This loan obtained by ACEN Cayman shall be used to redeem the redeemable preferred shares held by AC Energy Finance International Limited (ACEFIL) in ACEN Cayman; the proceeds will in turn be used by ACEFIL to redeem its maturing green bonds.

Following redemption of the redeemable preferred shares held by ACEFIL using the proceeds from ACEN Cayman lenders, non-controlling interest will be reduced by US\$352.00 million (P20,129.24 million). The difference between redeemable preferred shares redeemed and proceeds from ACEN Cayman lenders of US\$32.00 million will be from cash on hand of ACRI.

Proceeds from ACEN Cayman lenders will be classified as liabilities in the consolidated statements of financial position.

Issuance of Corporate Guarantee in support of the Australia Projects

On February 26, 2024, ACEN, as the Guarantor to its subsidiary ACEN Australia Pty Ltd. (ACEN Australia), executed Facility Agreements with ACEN Australia, and each of Australia and New Zealand Banking Group Limited (ANZ), and Westpac Banking Corporation (WBC). Each bank is providing a green term loan facility with a limit of AUD 75 million. ANZ and WBC also entered into an Accession Letters to include ANZ and WBC as Lenders under the Common Provisions Agreement dated August 18, 2022, as amended through an Amending Deed on January 6, 2023 (with ACEN Australia, DBS Bank Ltd., Australia Branch, MUFG Bank, Ltd., Sydney Branch, Clean Energy Finance Corporation, Bank of China (Hong Kong) Limited, Bank of China (Hong Kong) Limited - Manila Branch, CTBC Bank Co., Ltd, Singapore Branch, CTBC Bank (Philippines) Corporation, Standard Chartered Bank, Australia Branch, and ACEN as Guarantor to ACEN Australia).

Investment in Yanara Philippines Corp. (Yanara Ph) (formerly BrightNight Philippines Corp. and Paivatar Energy Corporation)

On March 7, 2024, ACEN, and its wholly-owned subsidiary, Yanara Ph, signed a Shareholders' and Investment agreement with BrightNight APAC B.V (BrightNight APAC) for the ownership and management of Yanara Ph as the designated renewable energy platform for the development, construction, and operation of utility-scale renewable energy projects in the Philippines.

BrightNight APAC subscribed for 0.42 million common shares with P1.00 par value and 0.56 million redeemable preferred shares with P100.00 par value. Total subscription amounted to P56.39 million for 40% and 50% voting and economic interest, respectively. Further to the transaction, BrightNight Philippines B.V. (BrightNight PH), an affiliate of BrightNight APAC, assigned ownership investment in Jord Energy Corp and Renovable Earth Corp. in favor of Yanara Ph.

ACEN's 60% retained interest in Yanara Ph will be accounted for as a joint venture starting March 8, 2024 where both ACEN and Yanara Ph are equally represented in the Board and all matters shall be approved unanimously by both shareholders.



Yanara Ph accounts have been classified in the Group's consolidated financial statement as at September 30, 2024 as follows:

- a. Balance sheet accounts were deconsolidated
- b. Income statement accounts for the period January 1 to February 29, 2024 are included in the consolidated statement of income

The net assets of Yanara Ph as at March 7, 2024 and proceeds from divestment are as follow:

Assets	
Cash and cash equivalents	₱62,375
Accounts and notes receivable - net of current portion	32
Investment in joint ventures	77,090
Input VAT - net of current portion	4
	<u>139,501</u>
Liabilities	
Accounts payable and other current liabilities	1,013
Total identifiable net assets	138,488
Less BrightNight APAC investment	56,331
Net assets attributable to ACEN	82,157
Fair value of retained interest (see Note 6)	82,275
Gain on deconsolidation (see Note 17)	<u>₱118</u>

After BrightNight APAC's subscription, the Group has diluted its interest and partially divested in Yanara Ph. The deconsolidation resulted in a gain of ₱0.12 million which is recognized under disposal of investment in Other income (expense) – net, in the consolidated statements of comprehensive income.

Net cash outflow on deconsolidation is as follows:

Cash consideration	₱-
Less cash surrendered with the subsidiary ^(a)	62,375
Net cash outflow	<u>(₱62,375)</u>

^(a) Cash surrendered with the subsidiary is included in cash flows from investing activities.

Disposition of land by Buendia Christiana Holdings Corp. (BCHC) in exchange for shares of AREIT, Inc. (AREIT) via property-for-share swap and lease out to Giga Ace 8, Inc. (GA08)

On March 19, 2024, AREIT, Inc. (AREIT) and the Group executed a Deed of Exchange, for the subscription by the Group to 199,109,438 primary common shares of AREIT in exchange for the 2,759,135 square meters (sq.m.) located in Zambales, Philippines.

On September 25, 2024, the SEC issued the Certificate of Approval of Valuation of the Property. As a result of the Transaction, the Group acquired beneficial ownership over 6.20% of AREIT, subject to securing the Certificate of Authorizing Registration from the Bureau of Internal Revenue, compliance with the conditions of the SEC approval, including transfer of titles, and the additional listing of shares with the Philippine Stock Exchange (see Note 17).

Investment in Real Wind Energy, Inc. (RWEI)

On March 22, 2024, ACEN signed a Deed of Absolute Sale of Shares with Modern Energy Management Pte. Ltd. (MEM), as the seller, for the acquisition by ACEN of 4,000 secondary Common Shares representing 40% ownership in RWEI and Loan Assignment Agreements for the assignment of MEM's receivables from RWEI (see Note 20).



On August 1, 2024, ACEN signed a Deed of Absolute Sale of Shares with Maraj Energy and Development Corp. (Maraj), as the seller, for the acquisition by ACEN of 6,000 secondary Common Shares representing the remaining 60% ownership in RWEI (see Note 10).

Additional subscription by ACEN to shares in North Luzon Renewable Energy Corp (NLR) and Philippine Wind Holdings Corp. (PhilWind)

On March 25, 2024, ACEN signed a subscription contract with NLR for the additional subscription by ACEN to 49,540 Redeemable Preferred Shares C at par value of ₱10,000.00 per Preferred C of NLR, for a total subscription price of ₱495.40 million (see Note 6).

On March 25, 2024, ACEN signed a subscription contract with PhilWind for the additional subscription by ACEN to 50,446 Redeemable Preferred Shares A-3 (RPS A-3) at par value of ₱10,000.00 per RPS A-3 of PhilWind, for a total subscription price of ₱504.46 million (see Note 6).

Sale of shares indirectly owned by ACRI in PT UPC Sidrap Bayu Energi

On March 29, 2024, ACRI, together with its joint venture partners, signed a Share Purchase Agreement with PT Barito Wind Energy (BWE), for the sale of PT Sidrap Bayu Energi (SBE), through sale of ownership of UPC Renewables Asia III Limited (UPC Asia III), UPC Sidrap (HK) Limited (Sidrap (HK)) and Sunedison Sidrap B.V. (external party) in SBE.

On April 2, 2024, the sale transaction was completed upon receipt of total consideration of US\$101.90 million. Subsequently, on October 3, 2024, additional proceeds amounting to US\$6.4 million were received following the completion of the net working capital adjustments. Out of the total proceeds of US\$108.3 million, US\$59.31 million (₱3,474.50 million) is allocated to ACRI.

UPC Asia III and Sidrap (HK) upstreamed the proceeds of sales allocated to ACRI through shareholder loans amounting to US\$56.61 million and US\$2.69 million, respectively.

UPC Asia III and Sidrap (HK) recognized gain on sales of SBE shares amounting to US\$62.50 million and US\$18.33 million, respectively.

On June 29, 2024, the Board of Directors of UPC Asia III approved the redemption of Redeemable Class A Preferred Shares (RPS Class A), accounted as investment in redeemable preferred shares, through distributable profits and capital reduction. The redemption was offset against the existing shareholder loan of UPC Asia III to ACRI, together with outstanding interest receivable from investment in redeemable preferred shares. Any interest in RPS Class A ceased as of the date of the resolution (see Note 7). On December 13, 2024, the redemption of the RPS Class A was completed.

On December 27, 2024, Sidrap (HK) declared dividends to ACRI amounting to \$2.29 million. The dividends were offset against the existing shareholder loan of Sidrap (HK) to ACRI.

Management determined that the sale of the SBE shares resulted in a write-down of the investment in the joint venture (UPC Asia III) and investment in Sidrap (HK), accounted as financial assets at fair value through other comprehensive income, due to the absence of the underlying asset.



The series of transactions resulted in net gain of US\$26.31 million (₱1,543.47 million), through various forms as follows:

Transactions	In US\$	In PHP
<i>UPC Asia III's gain on sale of Sidrap shares</i>		
ACRI's share in divestment gain, accounted as part of equity in net income of joint venture	\$6,250	₱366,950
<i>Gain (loss) related to redemption of UPC Asia III's shares</i>		
Gain on redemption of investment in redeemable preferred shares (Note 7)	\$25,921	₱1,520,550
Loss on write-down from disposal of investment in joint venture (Note 6)	(8,324)	(488,677)
Gain on offsetting intercompany balances	2,464	144,642
Gain on disposal of investment – net	\$20,061	₱1,176,515
	<u>\$26,311</u>	<u>₱1,543,465</u>

As at December 31, 2024, ACRI's investments in Redeemable preferred shares (UPC Asia III) (see Note 7), interest in joint venture (UPC Asia III) and financial asset at FVOCI (Sidrap HK) are all nil. The remaining shareholder loans from UPC Asia III and from Sidrap HK are all settled.

Redemption of financial assets at FVOCI

On April 19, 2024, ACEIC redeemed in full, the investment in GNPowder Mariveles Energy Center Ltd. Co. (GMEC) Special Limited Partnership (SLIP) Interests equity investments accounted as financial assets at FVOCI amounting to \$5.94 million (₱339.17 million) with cumulative distributions of \$1.45 million (₱82.71 million) and recognized as "Dividend income". Unrealized fair value gain was derecognized amounting to ₱80.19 million.

In 2022, under the GMEC Limited Partnership Agreement, GMEC created an additional limited partner class of interest (issued by series) to raise additional equity capital in accordance with the Special Limited Partnership (SLIP) Interests Terms and Conditions. GMEC will offer a series of SLIP Interests to each of the limited partners pro-rated based on respective sharing percentages.

Subscription by ACEN to shares in ENEX Energy Corp.

On April 30, 2024, ACEN signed a subscription contract with its subsidiary, ENEX Energy Corp. (ENEX), for the subscription by ACEN to 30,000,000 non-voting Preferred Shares at par value of ₱1.00 per non-voting Preferred Share of ENEX, for a total subscription price of ₱30.00 million, to be issued out of the increase of ENEX's authorized capital stock (ACS) and creation of the non-voting Preferred Shares.

This will be used to fund the operational requirements of ENEX, and transaction costs for the creation and issuance of the Preferred Shares.

On June 26, 2024, ENEX signed a subscription agreement with ACEN for the subscription by ACEN to 177,544,011 non-voting Preferred Shares of ENEX at par value of ₱1.00, for a total subscription price of ₱177.54 million, to be paid out of the assignment of short-term loans and interest receivable from ENEX via the Deed of Assignment between ACEN and ENEX.



Acquisition of a 49% stake in BIM Energy Holding Corporation (BIMEH)

The Company's affiliate, ACEN Vietnam Investments Pte. Ltd. (ACEV) signed a share purchase agreement (SPA) with Huntington Renewable Investments Limited (HRIL) to acquire a 49% stake in BIMEH for a purchase price of US\$70.50 million.

The acquisition will allow ACEN to increase its pipeline projects in Vietnam. BIMEH currently has ownership interest in the following operating renewable energy assets: Ninh Thuan Solar (405MW) and Ninh Thuan Wind (88MW) (see Note 6).

Sale of ACEN Axedale Solar Farm Pty. Ltd.

On December 12, 2024, ACEN Australia Pty. Ltd completed the sale of 100% of the outstanding capital stock of ACEN Axedale Solar Farm Pty. Ltd. (Axedale) to FRV Solar Holdings B.V. ("FRV", a third party) for a purchase price of AU\$6 million (₱214.77 million) and a contingent consideration of up to AU\$6.35 million (₱227.30 million) payable upon financial close completion. As at December 31, 2024, the Group estimated the contingent consideration to be at AU\$1.5 million (₱53.25 million) and recorded as other receivables under current assets.

This transaction was accounted for as a loss of control transaction which resulted in the deconsolidation of the assets and liabilities of Axedale in the Group's consolidated financial statements as at the date of loss of control.

The net assets of Axedale as at December 12, 2024 and proceeds from divestment are as follow:

	In PHP	In AU\$
Assets		
Accounts and notes receivable	₱11,812	\$333
Right-of-use assets (see Note 9)	10,732	300
Property, plant and equipment	231,001	6,453
	253,545	7,086
Liabilities		
Accounts payable and other current liabilities	11,705	330
Current portion of lease liabilities (see Note 9)	9,550	266
	21,255	596
Cumulative translation adjustments	(1,133)	—
Total identifiable net assets	231,157	6,490
Less:		
Cash consideration received	214,771	6,000
Contingent consideration	53,245	1,488
Gain on deconsolidation (see Note 17)	₱36,859	\$998

The gain on deconsolidation is presented under disposal of investment in Other income (expense) – net, in the consolidated statements of comprehensive income.

The amount of the contingent consideration represents the Group's best estimate of the final capital expenditures that the buyer (or FRV) will incur upon completion of the financial close. The Group has taken into account assumptions that reflect uncertainties regarding the final agreed capital and other contractual clauses.



Net cash inflow on deconsolidation is as follows:

	In PHP	In AU\$
Cash consideration	₱214,771	\$6,000
Less cash surrendered with the subsidiary ^(a)	—	—
Net cash inflow	₱214,771	\$6,000

^(a) Cash surrendered with the subsidiary is included in cash flows from investing activities.

Material partly-owned subsidiaries with material economic ownership interest

Management determined material partly-owned subsidiaries as those with balance of NCI greater than 5% of the total NCI and those subsidiaries which type of activities engaged in are important to the Group as at the end of the year.

Information of subsidiary that have material non-controlling economic interests are provided below:

ACEN	2025	2024
Proportion of equity interests held by non-controlling interest	41.37%	42.05%
Voting rights held by non-controlling interest	41.37%	42.05%
Accumulated balances of non-controlling interest	₱92,141,772	₱91,984,814
Net income attributable to non-controlling interests	2,073,909	4,692,223
Total comprehensive income attributable to non-controlling interests	3,587,855	4,340,993

The summarized financial information of the subsidiary is provided below. This information is based on the amounts before intercompany eliminations.

ACEN (amounts in thousands)	2025	2024
Statements of financial position		
Current assets	₱49,481,570	₱59,132,109
Noncurrent assets	312,307,290	270,410,122
Current liabilities	27,742,966	29,670,253
Noncurrent liabilities	173,198,417	142,428,778
Statements of comprehensive income		
Revenue	32,022,049	37,300,402
Net income attributable to:		
Equity holders of the Parent Company	3,775,398	9,360,006
Non-controlling interests	503,635	752,471
Total comprehensive income attributable to:		
Equity holders of the Parent Company	7,477,225	7,984,778
Non-controlling interests	494,527	787,678
Statements of cash flows		
Operating activities	5,101,171	11,729,618
Investing activities	(23,596,362)	(45,998,267)
Financing activities	10,873,757	20,279,903
Effect of foreign exchange rate changes on cash and cash equivalents	821,510	(549,558)
Net increase in cash and cash equivalents	(6,799,924)	(14,538,304)



New Standards, Interpretation and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these amendments did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. The adoption of future accounting standards is not expected to have a material impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

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

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

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

The Group is currently assessing the impact of adopting PFRS 18
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

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

Summary of Material Accounting Policies

The accounting policies set below have been applied consistently to all periods presented in the Group's consolidated financial statements.



Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the Group elects to measure the NCI in the acquiree using the proportionate share of the acquiree's fair value of identifiable assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group report in the consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. However, the measurement period shall not exceed one year from the acquisition date.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in the consolidated statement of income. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for NCI, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.



Business Combination of Entities under Common Control

Combination of entities under common control are accounted for by applying the pooling-of-interests method. The pooling-of-interests method generally involved the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair value or recognize any new assets or liabilities at the date of combination. The only adjustments that are made are those adjustments to harmonize the accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the entity acquired is reflected within equity. The consolidated statement of income, comprehensive income and cash flows reflect the result of the combining entities in full, irrespective of when the combination takes place.
- Comparative financial information are presented as if the entities had always been combined, or on date the common control existed on the combining entities, whichever comes earlier.
- The effects of any intercompany transactions are eliminated to the extent possible.

Presentation of Consolidated Financial Statements

The Group has elected to present all items of recognized income and expense in two statements: a statement displaying components of profit or loss (consolidated statement of income) and a second statement beginning with profit or loss and displaying components of OCI (consolidated statement of comprehensive income).

Fair Value Measurement

The Group measures financial assets at FVTPL, FVOCI and derivative financial instruments at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortized cost)

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or,
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by 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 market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



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 in Note 21, based on the lowest level input that is significant to the fair value measurement as a whole.

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 reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

Financial Instruments – Classification and Measurement

Classification of Financial Assets

Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Group's business model for managing the financial assets. The Group classifies its financial assets into the following measurement categories:

- financial assets measured at amortized cost
- financial assets measured at FVTPL
- financial assets measured at FVOCI, where cumulative gains or losses previously recognized are reclassified to profit or loss
- financial assets measured at FVOCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss

Contractual Cash Flows Characteristics

If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Group assesses whether the cash flows from the financial asset represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.



Business Model

The Group's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument.

The Group's business model refers to how it manages its financial assets in order to generate cash flows. The Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Group in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

Financial Assets at Amortized Cost

A financial asset is measured at amortized cost if (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the EIR method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in "Other income-net" in the consolidated statement of income and is calculated by applying the EIR to the gross carrying amount of the financial asset, except for (i) purchased or originated credit-impaired financial assets and (ii) financial assets that have subsequently become credit-impaired, where, in both cases, the EIR is applied to the amortized cost of the financial asset. Losses arising from impairment are recognized in "Provision for impairment" in the consolidated statement of income.

As at December 31, 2025 and 2024, the Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments, accounts and other receivable, development loans, debt replacements, other loan and interest receivable under accounts and notes receivable, redeemable preferred shares and convertible loans and deposits under other noncurrent assets (see Notes 4, 5, 7, and 11).

Financial Assets at FVOCI

Debt instruments

A financial asset is measured at FVOCI if (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

As at December 31, 2025 and 2024, the Group does not have debt instruments at FVOCI.



Equity instruments

The Group may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. Amounts recognized in OCI are not subsequently transferred to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

Dividends are recognized in profit or loss only when:

- the Group's right to receive payment of the dividend is established
- it is probable that the economic benefits associated with the dividend will flow to the Group; and
- the amount of the dividend can be measured reliably.

As at December 31, 2025 and 2024, the Group's investments in quoted and unquoted equity securities and golf club shares are classified as financial asset at FVOCI.

Financial Assets at FVTPL

Financial assets at FVTPL are measured at fair value unless these are measured at amortized cost or at FVOCI. Included in this classification are debt instruments with contractual terms that do not represent solely payments of principal and interest (SPPI). Financial assets held at FVTPL are initially recognized at fair value, with transaction costs recognized in the consolidated statement of income as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in the consolidated statement of income.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, the Group may choose at initial recognition to designate the financial asset at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

Trading gains or losses are calculated based on the results arising from trading activities of the Group, including all gains and losses from changes in fair value for financial assets and financial liabilities at FVTPL, and the gains or losses from disposal of financial investments.

As at December 31, 2025 and 2024, the Group has Compulsorily Convertible Debentures, listed equity instrument and Unit Investment Trust Funds (UITFs) accounted as FVTPL.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, cross currency swaps, interest rate swaps, forward commodity contracts and commodity options, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment



- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognized in the consolidated statement of income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated statement of income.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in consolidated statement of income.

The Group entered into a commodity options derivative financial instrument, specifically, a 20-year Long-Term Energy Supply Agreement (“LTESA”) for its New England Solar and Stubbo Solar projects at the New South Wales Government’s first renewable energy and storage auction to manage its exposure from electricity spot prices (see Notes 3, 11 and 15). In 2025 and 2024, LTESA was classified as cash flow hedge wherein changes in the fair value were recognized in other comprehensive income.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the consolidated statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.



The Group uses cross currency swap and forward currency contracts for its exposures to volatility in exchange rates and interest rates. The ineffective portion relating to cash flow hedges is recognized as other expense.

The Group designates the entire forward currency contracts (including the forward element) as a hedging instrument. The Group uses a rollover strategy for the forward currency contracts.

The Group uses forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognized as other expense and the ineffective portion relating to commodity contracts is recognized in other operating income or expenses.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognized in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

The Group entered into fuel and coal swap contracts as well as LTESA cash flow hedge as a hedge of its exposure to price risk on its purchases (see Note 21).

Classification of Financial Liabilities

Financial liabilities are measured at amortized cost, except for the following:

- financial liabilities measured at FVTPL;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Group retains continuing involvement;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- if a host contract contains one or more embedded derivatives; or



- if a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at FVTPL, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

As at December 31, 2025 and 2024, the Group has not designated any financial liability at FVTPL. The Group's accounts and other payable and other current liabilities (excluding derivative liability and statutory payables), short-term loans, loans and notes payable, deposit payables and other noncurrent liabilities are classified as financial liabilities measured at amortized cost under PFRS 9 (see Notes 12, 13, 14, 15).

Derecognition of Financial Assets and Financial Liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or,
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Modification of Contractual Cash Flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset.



Financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

There are no offsetting of financial assets and financial liabilities or any similar arrangements that warrants disclosure in the Group's consolidated financial statements as at December 31, 2025 and 2024.

Impairment of Financial Assets

PFRS 9 introduces the single, forward-looking "expected loss" impairment model, replacing the "incurred loss" impairment model under PAS 39.

The Group recognizes ECL on debt instruments that are measured at amortized cost and FVOCI. No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets migrate through the following three (3) stages based on the change in credit quality since initial recognition:

Stage 1: 12-month ECL

For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the reporting date are recognized.

Stage 2: Lifetime ECL – not credit-impaired

For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.



Stage 3: Lifetime ECL – credit-impaired

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

Loss Allowance

For accounts and other receivable, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognized a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For cash and cash equivalents, the Group applies the low credit risk simplification. The investments are considered to be low credit risk investments as the counterparties have investment grade ratings. It is the Group's policy to measure ECLs on such instruments on a 12-month basis based on available probabilities of defaults and loss given defaults. The Group uses the ratings published by a reputable rating agency to determine if the counterparty has investment grade rating. If there are no available ratings, the Group determines the ratings by reference to a comparable bank.

For all debt financial assets other than accounts and other receivable, ECLs are recognized using general approach wherein the Group tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECLs at each reporting date.

Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the reporting date. A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Determining the Stage for Impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.



Write-off policy

The Group writes-off a financial asset and any previously recorded allowance, in whole or in part, when the asset is considered uncollectible, it has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Fuel and Spare Parts

Fuel and spare parts are stated at the lower of cost or net realizable value (NRV). Cost is determined using the moving average method. NRV is the current replacement cost of fuel and spare parts.

Property, Plant and Equipment

Property, plant and equipment, except land, is stated at cost, net of accumulated depreciation and impairment losses. Such cost includes the cost of replacing a part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of income as incurred.

Land is stated at cost, net of accumulated impairment losses, if any.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The depreciation of property and equipment, except land, begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases when the assets are fully depreciated or at the earlier of the date that the item is classified as held for sale (or included in the disposal group that is classified as held for sale) in accordance with PFRS 5, and the date the item is derecognized.

The estimated useful lives used in depreciating the Group's property, plant and equipment are as follows:

Category	In Years
Land improvements	40
Buildings and improvements	6-25
Machinery and equipment:	
Wind towers and equipment	25
Power plant	20
Others	10-40
Tools and other miscellaneous assets	5-10
Transportation equipment	3-5
Office furniture, equipment and others	3-10

The residual values, useful lives and depreciation method are reviewed periodically to ensure that the periods and methods of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment. These are adjusted prospectively, if appropriate.

Fully depreciated property, plant and equipment are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.



An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income when the asset is derecognized.

Construction in progress includes cost of construction and other direct costs and is stated at cost less any impairment in value. Construction in progress is not depreciated until such time as the relevant assets are completed and ready for operational use.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the remaining lease term. The lease payments include fixed payments (including in-substance fixed payments, as applicable) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group has elected to use the two exemptions proposed by the standard on the following contracts:

- a. Lease contracts for which the lease terms ends within 12 months from the date of initial application
- b. Lease contracts for which the underlying asset is of low value



Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option to renew the lease contract for an additional term subject to the mutual agreement with the lessors. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate used by the Group is the weighted average of the borrowing costs applicable to the borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

All other borrowing costs are expensed in the period in which these occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign Currency Translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the period.

The functional currency of certain subsidiaries are in US Dollar. As of reporting date, the assets and liabilities of these subsidiaries, with functional currencies other than the functional currency of the Parent Company, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and their respective income and expenses at the weighted average rates for the year. The exchange differences arising on the translation are recognized in OCI under "Cumulative translation adjustments". On disposal of a foreign operation, the component of OCI relating to that particular foreign operation shall be recognized in profit or loss.

Exchange differences arising from elimination of intragroup balances and intragroup transactions are recognized in profit or loss. As an exception, if the exchange differences arise from intragroup balances that, in substance, forms part of an entity's net investment in a foreign operation, the exchange differences are not to be recognized in profit or loss, but are recognized in OCI and accumulated in a separate component of equity until the disposal of the foreign operation. Where



circumstances have changed such that the entity decides that the monetary item is planned or is likely to be settled in the foreseeable future and ceases to form part of the net investment in a foreign operation, exchange differences that arise after that date are recognized in profit or loss.

Interests in Joint Arrangements

Joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share in the net assets of the associate or joint venture since the acquisition date.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is collectively assessed for impairment.

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share in profit or loss of the associate or the joint venture is shown in the consolidated statement of income outside operating profit and represents profit or loss after tax and NCI in the subsidiaries of the associate or joint venture.

If the Group's share in losses of an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share of further losses.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss in the consolidated statement of income.



Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

The consolidated financial statements include additional information about associates and joint ventures that are material to the Group (see Note 6). Management determined material associates and joint ventures as those associates and joint ventures where the Group's carrying amount of investments is greater than 5% of the total investments and advances in associates and joint ventures as at the end of the year.

Leasehold and water rights

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated statement of income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.

The useful lives of leasehold and water rights are assessed as finite. The amortization expense on leasehold and water rights are recognized as "Depreciation and amortization" under "Cost of sale of electricity" account in the consolidated statement of income.

Deferred Exploration Costs

The Group follows the full cost method of accounting for exploration costs determined based on each SC area. Under this method, all exploration costs relating to each SC are deferred pending the determination of whether the contract area contains oil and gas reserves in commercial quantities, net of any allowance for impairment losses.

Expenditures for mineral exploration and development work on mining properties are also deferred as incurred, net of any allowance for impairment losses. These expenditures are provided with an allowance when there are indications that the exploration results are negative. These are written-off against the allowance when the projects are abandoned or determined to be unproductive. When the exploration work results are positive, the net exploration costs, and subsequent development costs are capitalized and amortized from the start of commercial operations.



Development Costs

Development expenditures on an individual project are recognized as an asset when the Group can demonstrate:

- The technical feasibility of completing the asset to be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in expenses. During the period of development, the asset is tested for impairment annually. Development costs is presented under “Other noncurrent assets” in the consolidated statement of financial position.

Advances for Land Acquisitions

Advances for land acquisitions are carried at cost less impairment losses, if any and is classified as current or non current based on the actual realization of such advances based on the determined usage/realization of the asset to which it is intended for. Advances for land acquisition is presented under “Other noncurrent assets” in the consolidated statement of financial position.

Impairment of Non-financial Assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired in accordance with PAS 36. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover the entire life of the CGUs. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth (5th) year.

Impairment losses are recognized in the consolidated statement of income in the expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset’s or CGU’s recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to



determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income.

The following assets have specific characteristics for impairment testing:

Property, Plant and Equipment

For property, plant and equipment, the Group assesses for impairment based on impairment indicators such as evidence of internal obsolescence or physical damage.

Investments in Associates and Interest in a Joint Venture

The Group determines at the end of each reporting period whether there is any objective evidence that the investments in associates and interest in a joint venture are impaired. If this is the case, the amount of impairment is calculated as the difference between the recoverable amount of the investments in associates and interests in joint ventures, and their carrying amounts.

Goodwill

Goodwill is tested for impairment annually and more frequently when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relate. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Development Costs

Development costs are tested for impairment when circumstances indicate that the carrying value may be impaired.

Right-of-Use Assets and Leasehold and water rights

Right of use assets and leasehold and water rights with finite useful lives are tested for impairment when circumstances indicate that the carrying value may be impaired.

Deferred Exploration Costs

Deferred exploration costs are reassessed for impairment on a regular basis. An impairment review is performed, either individually or at the CGU level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the reporting period in which this is determined.

Facts and circumstances that would require an impairment assessment as set forth in PFRS 6,

Exploration for and Evaluation of Mineral Resources, are as follows:

- The period for which the Group has the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- When a service contract where the Group has participating interest in is permanently abandoned; and,



- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, impairment loss is measured, presented, and disclosed in accordance with PAS 36, *Impairment of Assets*.

Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liability is recognized as revenue when the Group performs under the contract.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of income, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as “Other income” in the consolidated statement of income.

Asset Retirement Obligation

The Group is legally required under a lease agreement to dismantle certain machinery and equipment and restore the leased site at the end of the lease contract term. The Group recognizes the fair value of the liability for this obligation and capitalizes the present value of these costs as part of the balance of the related property, plant and equipment accounts, which are being depreciated on a straight-line basis over the shorter of the useful life of the related asset or the lease term. The liability is subsequently carried at amortized cost using the EIR method with the related interest expense recognized in the consolidated statement of income.

Pensions and Other Post-employment Benefits

Defined Benefit Plan

ACEN Retirement Plan for Plants is a hybrid retirement plan which has funded defined benefit features and matching defined contribution features covering all regular and permanent employees. Benefits under the defined benefit features of the plan are based on the employee’s final plan salary and years of service. The defined benefit provisions of the ACEN Retirement Plan for Plants is patterned from the Phinma Jumbo Retirement Plan, which is the former retirement plan of the Group.

Effective January 1, 2020, the matching defined contribution features of the plan covers all regular and permanent employees. Starting on the date of membership of an employee in the Plan, the Group shall contribute to the retirement fund a percentage of the member’s salary as defined when a Member opts to contribute to the plan. Benefits are based on the percentage of the total amount of contributions and investment returns credited to the personal retirement account (PRA) of the



member at the time of separation. The Retirement Plan meets the minimum retirement benefit specified under Republic Act 7641.

The retirement fund is administered by a trustee bank under the supervision of the Retirement Committee of the plan. The Retirement Committee is responsible for investment strategy of the plan.

The hybrid retirement plan currently covers for participating entities: ACEN, BTI, LTI, Guimaras Wind, and any subsidiary and affiliate of ACEN that may subsequently adopt and participate in the Plan.

OSPGC, NorthWind, ACES, BWPC and ISLASOL currently operate their separate and distinct funded, noncontributory, defined benefit retirement plan with separately administered funds. Other entities are covered by Republic Act (R.A.) 7641, otherwise known as “The Philippine Retirement Law”, which provides for qualified employees to receive a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of R.A. 7641. The cost of providing benefits is determined using the projected unit credit method.

The Defined Benefit Obligation (DBO)/Actuarial Accrued Liability (AAL) is the actuarial present value of expected future payments required to settle the obligation resulting from employee service in current and prior periods. The calculation of the DBO/AAL assumes that the plan continues to be in effect and that estimated future events (including salary increases, turnover and mortality) occur. DBO differs from AAL only in the use of discount rate to compute the present value of expected future payments. The discount rate for DBO is based on the single weighted average discount rate which is based on the bootstrapped PHP-BVAL rates as mandated by PAS 19 at various tenors for intermediate durations were interpolated. The rates were then weighted by the expected benefits payments at those durations to arrive at the single weighted average discount rate while the expected rate of return on plan assets is used as the discount rate in computing AAL for funding.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which these occur. Remeasurements are not reclassified to the consolidated statement of income in subsequent periods.

Past service costs are recognized in the consolidated statement of income on the earlier of:

- the date of the plan amendment or curtailment; or,
- the date that the Group recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset at the beginning of the period, unless there is a plan amendment, curtailment or settlement during the reporting period. The calculation also takes into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. The Group recognizes the following changes in the net defined benefit obligation under “Cost of sale of electricity” and General and administrative expenses” accounts in the consolidated statement of income:

- service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- net interest expense or income



Employee Leave Entitlement

Employee entitlements to annual leave are recognized as a liability when these are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Other long-term benefits

Vacation and sick leaves are recognized as a liability when these are accrued to the employees. Unused vacation and sick leave credits shall be converted to cash upon separation of employee. Leave expected to be settled wholly before twelve months after the end of the annual reporting period is reclassified to short-term benefits.

Equity

Paid-in Capital

Capital stock represents the portion of the paid-in capital representing the total par value of the shares issued.

Capital stock is measured at par value for all shares issued. When the shares are sold at premium, the difference between the proceeds and the par value is recognized as additional paid-in capital. Direct costs incurred related to the equity issuance are deducted from equity, net of any related tax benefits. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Additional Paid-in Capital (APIC)

APIC represents the amount paid in excess of the par value of the shares issued. An entity typically incurs various costs in issuing or acquiring its own equity instruments. Those costs, net of tax, might include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. In accordance with PAS 32, *Financial Instruments: Presentation*, the transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Treasury Stock

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of income on the acquisition, reissuance or retirement of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in APIC. Share options exercised during the reporting period are satisfied with treasury shares.

Stock Options and Grants

Stock option and grants are accounted for in accordance with PFRS 2, *Share-based Payments*, that is, the cost of stock option awards is measured by reference to the fair value at the date on which they are granted. The fair value is determined using the binomial method. The cost of such awards is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award. The cumulative expense that is recognized at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of the period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.



Where the terms of the award are modified, the minimum expense recognized is the expense if the terms had not been modified. An additional expense is recognized for any modification, which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

Where the stock option is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the preceding paragraph.

Equity Reserves

Other equity reserves are made up of equity transactions other than capital contributions such as share in equity transactions of associates and joint ventures and difference between considerations paid or transferred and the net assets of the entity acquired through business combinations involving entities under common control.

Retained Earnings

Retained earnings include all current and prior period results of operations as reported in the consolidated statement of income, net of any dividend declaration and adjusted for the effects of changes in accounting policies as may be required by PFRS's transitional provisions.

Other Comprehensive Income (OCI)

OCI are items of income and expense that are not recognized in determining the profit or loss for the year in accordance with PFRS. OCI includes remeasurement gain (loss) on retirement plan, net of related taxes, unrealized fair value gain (loss) on equity instruments at FVOCI, unrealized fair value gain (loss) on derivative instruments

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded acting as principal in all its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Electricity

Sale of electricity is consummated whenever the electricity generated by the Group is transmitted through the transmission line designated by the buyer, for a consideration. Revenue from sale of electricity is based on sales price. Sales of electricity using bunker fuel are composed of generation fees from spot sales to the WESM and supply agreements with third parties and are recognized monthly based on the actual energy delivered.

Starting December 27, 2014, sales of electricity to the WESM using wind and solar are based on the Feed in Tariff (FIT) rate under the FIT System and are recognized monthly based on the actual energy delivered. Meanwhile, revenue from sale of electricity through ancillary services to National Grid Corporation of the Philippines (NGCP) is recognized monthly based on the capacity scheduled and/or dispatched and provided. Revenue from sale of electricity through Retail Supply Contract (RSC) is composed of generation charge from monthly energy supply with various contestable customers and is recognized monthly based on the actual energy delivered. The basic energy charges for each billing period are inclusive of generation charge and retail supply charge.



The Group identifies the sale of electricity (power generation, trading and ancillary services) where capacity and energy dispatched are separately identified, as its two obligations combined as one performance obligation since the customer can benefit from it in conjunction with other readily available resources and it is also distinct within the context of the contract. The performance obligation qualifies as a series of distinct services that are substantially the same and have the same pattern of transfer. The Group concluded that the revenue should be recognized overtime since the customer simultaneously receives and consumes the benefits as the Group supplies electricity.

Retail supply also qualifies as a series of distinct services which is accounted for as one performance obligation since the delivery of energy every month is a distinct service which is recognized over time and have the same measure of progress.

For power generation and trading and retail supply, the Group uses the actual kwh (kwh) dispatched which are also billed on a monthly basis.

For ancillary services, the Group determined that the output method is the best method in measuring progress since actual energy is supplied to customers. The Group recognizes revenue based on contracted and actual kilowatt hours (kwh) dispatched which are billed on a monthly basis.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of income due to its operating nature.

Dividend Income

Dividend income is recognized when the Group's right to receive the payment is established, which is generally when shareholders of the investees approve the dividend.

Other revenues

Other revenues include management fees and revenue from water distributions. Management fees are recognized for services rendered when earned. Revenue from water distributions arise from water supply contracts which include production and water fees and are recognized per cubic meter based on actual consumption.

Claims on business interruptions and property damage

Income is recognized when an acknowledgment for the proposed claims is received from insurers. The income arises from unplanned shutdown of an insured property which resulted to business interruptions and property damage.

Other Income

Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Group through an increase in asset or reduction in liability that can be measured reliably.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decreases of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Costs and expenses are recognized when incurred.



Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income.

Deferred Income Tax

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, including carryforward benefits of unused net operating loss carryover (NOLCO) and excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) which can be deducted against future RCIT due to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from unused NOLCO can be utilized, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred income tax asset to be recovered.



Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the consolidated statement of income.

Creditable Withholding Taxes (CWT)

CWTs are carried at the amount withheld by the customers for services provided by the Group. CWTs are recognized when payments are received from customers and the related withholding taxes were made. CWTs can be utilized as credits against the Group's income tax liability provided these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation and may also be reduced by impairment losses, if any. CWTs, which are expected to be utilized as payment for income taxes within 12 months are classified as current, otherwise, these are classified as noncurrent assets.

Value-added Tax (VAT)

Expenses and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and,
- When receivables and payables are stated with the amount of VAT included

The amount of VAT recoverable from the taxation authority is recognized as "Input VAT", while VAT payable to taxation authority is recognized as "Output VAT". Output VAT is recorded based on the amount of sale of electricity billed to third parties. Any amount of output VAT not yet collected as at reporting period are presented under "Accounts payable and other current liabilities" account in the consolidated statement of financial position.

Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants do not include government assistance whose value cannot be reasonably measured.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets require setting up the grant as deferred income.

Expiry at maturity is a form of settlement even though there is no additional exchange of consideration.



Segment Reporting

The Group's operating businesses are organized and managed separately according to its geographic areas of operations, with each segment representing a strategic business unit that serves different markets.

Previously, the operating businesses are organized and managed separately according to its related services. Financial information on operating segments and the restatement following a change in composition of reportable segments are presented in Note 22 to the consolidated financial statements.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. If it is probable that an outflow of resources embodying economic benefits will occur and the liability's value can be measured reliably, the liability and the related expense are recognized in the consolidated financial statements.

Contingent assets are not recognized in the consolidated financial statements but disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the consolidated financial statements. If it is virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the consolidated financial statements.

Events After the Reporting Period

Post year-end events that provide additional information about the Group's position as at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. Significant Accounting Judgments Estimates and Assumptions

The preparation of the accompanying consolidated financial statements in conformity with PFRS Accounting Standards requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Future events may occur which can cause the assumptions used in arriving at those estimates to change. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated taking into consideration the Group's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the consolidated financial statements:



Classification of notes receivable

The Group assessed the classification of its affiliated subordinated indebtedness (ASI) with GNPowder Kauswagan Ltd. Co. (GNPK), which is presented as notes receivables in the consolidated statements of financial position, and receivable from PPLC arising from the Group's divestment of KPHLC which will be collected on a deferred basis. Management assessed that these assets qualify as debt instruments. These are held by the Group within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset gives rise on specified dates to cash flows which are reflective of basic lending arrangements (see Note 5).

Determination of Transaction Price from Sale of Electricity for Feed-in-Tariff Plants

The Group exercised significant judgment in determining the appropriate Feed-in-Tariff (FIT) rates to be applied in recognizing revenue from its FIT-eligible renewable energy plants.

On November 26, 2025, the Energy Regulatory Commission (ERC) issued Resolution No. 28, Series of 2025, approving the adjusted FIT rates for the period 2021 to 2025 (the "2021–2025 Adjusted Approved Rates" or "2021–2025 AARs"). Subsequent to the issuance of this resolution, the National Transmission Corporation (TransCo) and various renewable energy industry associations formally requested clarification from the ERC due to identified inconsistencies in the computation methodology of the adjusted FIT rates, particularly the application of non-aligned Consumer Price Index (CPI) base years.

On February 27, 2026, the ERC issued an Advisory providing revisions and clarifications to Resolution No. 28, Series of 2025. The Advisory corrected the previously issued FIT rates by consistently applying the same CPI series for both the base year and the index, thereby addressing the identified computational inconsistencies and substantially resolving the uncertainties surrounding the 2021–2025 AARs.

In determining the appropriate transaction price in accordance with PFRS 15, *Revenue from Contracts with Customers*, management evaluated whether the revised and clarified 2021–2025 AARs represent consideration to which the Group is highly probable to be entitled, taking into account the risk of significant reversal of revenue. Following the issuance of the ERC Advisory dated February 27, 2026, management concluded that the revised FIT rates are internally consistent, largely aligned with TransCo's computed rates, and no longer subject to significant regulatory uncertainty.

The ERC Advisory was further assessed in accordance with PAS 10, *Events after the Reporting Period*, to determine whether it represents an adjusting or non-adjusting event. Management concluded that the Advisory constitutes an adjusting event after the reporting period as it provides additional evidence of conditions that existed as at December 31, 2025. The underlying condition giving rise to the uncertainty—the inconsistency in the computation methodology of the 2021–2025 AARs—was already present at the reporting date. The Advisory did not introduce new FIT rates nor a new regulatory framework, but rather revised and clarified the existing resolution by correcting computational errors and confirming the intended methodology.

Accordingly, the Group updated its revenue recognition to reflect the revised and clarified 2021–2025 AARs. The cumulative impact of the adjustment relating to prior periods was recognized as a one-time adjustment in profit or loss for the year ended December 31, 2025. Any future changes arising from subsequent ERC actions, if any, will be recognized in profit or loss in the period when the related uncertainty is resolved.



For the year ended December 31, 2025, the Group recognized ₱608.41 million net of tax one-time adjustment comprised of ₱329.33 million for FIT plants that are consolidated and ₱279.08 million FIT plants that are equity accounted (i.e., one-time adjustment is recorded under equity in net income of associates and joint ventures in the consolidated statements of income).

Measurement of Feed-in-Tariff Receivables and Estimation of Collection Period

The Feed-in-Tariff (FIT) receivables represent the differential between the Original Approved FIT Rates (OARs) and the 2020 AARs used for revenue recognition. The Group exercised judgment in assessing both the recoverability and timing of cash flows associated with these receivables.

These receivables are measured at amortized cost using the effective interest rate method in accordance with PFRS 9, Financial Instruments. In determining the expected timing of recovery, management considered historical FIT All collections, TransCo's petition filings, and the indicative impact of the pending ERC review of the 2021–2025 AARs. Based on the latest available information as of December 31, 2025, the Group revised its estimate of the collection period from 4.5 years to 5 years. This revision constitutes a change in accounting estimate, applied prospectively, and resulted in an adjustment to the carrying amount of the receivables and the related deferred tax assets.

The Group believes that the revised 5 year recovery period represents the best estimate of the timing of future cash flows as of the reporting date.

Vietnam Receivables

In March 2025, Vietnam Electricity (EVN) applied a reduced tariff to the January 2025 and subsequent invoices, despite previous invoices being based on the original Feed-in Tariff (FIT). No formal guidance or justification has been issued by the Ministry of Industry and Trade (MOIT), Prime Minister's Office, or other authorities regarding the application of the reduced tariff, other than meetings held by the Government of Vietnam with renewable energy (RE) investors where the matter of belated issuance of Completion Certificate Acceptance for RE projects was raised as an issue. In late June 2025, The Deputy Prime Minister tasked the MOIT to review FIT eligibility for each project, including legal and financial implications of EVN's temporary FIT payment and claw back options.

These developments have resulted in delays in collection of outstanding receivables for certain solar projects in which the Group holds equity interest.

In September 2025, EVN advised MOIT to base FIT eligibility on the original COD, treating missing CCAs as an administrative issue rather than grounds for reducing FIT. By December 2025, the government issued a draft resolution directing MOIT to resolve legal and procedural barriers for FIT-priced projects and negotiate with investors to avoid disputes. With an interim MOIT Minister and expected leadership changes after the elections, the CCA issue and restoration of full FIT payments may be settled in 2026.

As of December 31, 2025, the Group's management is in the position that the outcome of the current situation in Vietnam is expected to be resolved in a way that protects investor interests.

Impairment of UPC Wind Projects

In 2025, UPC Wind Projects, comprising of Lac Hoa (30MW) and Hoa Dong (30MW) wind farm projects, reached an agreement with EVN on the final tariff of the project amounting to VND1,579/kWh, which is higher than the provisional tariff of VND 793/kWh applied when operations commenced in the first quarter of 2024.



Both projects had missed the Feed-in Tariff (FIT) deadline in October 2021 due to pandemic-related delays and inspection issues, causing Commercial Operation Date (COD) recognition in December 2023 and operational start in early 2024 with a provisional Power Purchase Agreement (PPA).

In July 2025, both Lac Hoa and Hoa Dong projects signed their respective final PPA with a retroactive application of final tariff from the start of operations.

The Group identified impairment indicators for the UPC Wind Projects, including the lower final tariff relative to the investment case, operational delays, and updated assumptions such as increased maintenance and insurance costs.

As a result, for the year ended December 31, 2025, the Group recorded additional allowance for expected credit losses for its Vietnam Projects amounting to ₱3,950.45 million (US\$69.69 million) (see Note 5). As of December 31, 2025, total allowance for expected credit losses amounted to ₱7,414.23 million (US\$126.11 million). Post allowance, the carrying value of instruments related to UPC Wind Projects amounted to ₱4,685.52 million (US\$79.70 million).

Accounting for Long Term Energy Service Agreements (LTESA)

The Group, through ACEN Australia, entered into LTESA with the NSW Australian Government that gives the generator the right, but not the obligation, to enter into a strip of two-year electricity swap contracts (“Swaptions”).

In 2025 and 2024, the LTESA contract was designated as hedging instrument because of the following:

- a. It is previously assessed as derivative that is measured at fair value through profit or loss
- b. It was not a written option at the inception on the basis that the fair value of the LTESA contract at inception is in a significant asset position.

LTESA meet the definition of a derivative instrument as their value changes with reference to changes in the Australia’s National Electricity Market (NEM) spot price of energy, no upfront cost to enter into the contract and the value of the contracts will be settled in the future (see Notes 11 and 14).

The Group uses commodity options derivative financial instruments to hedge its commodity price risks. Potential sources of hedge ineffectiveness in the hedging relationship were as follows:

- a. Credit risk
- b. Fixed price CPI escalation
- c. Changes in generation forecast
- d. Annual payment cap
- e. Clawback mechanism

In the event the swaptions are not exercised, the net profit or loss impact will be a non-cash item given no exchange of cash occurred at inception and will occur over the life of the arrangement.

The Group also assessed the transaction is accounted as government grant since the LTESA was granted by the NSW Australian Government to support its initiative on promoting renewable energy and providing long-term revenue certainty for investors and developers of clean energy projects through the electricity swap contracts.



Assessment of Joint Control over Joint Ventures

The Group's investments in joint ventures are structured in separate incorporated entities (see Note 6) and are accounted for as such since the fundamental business and operational matters requires unanimous consent from all parties.

Even though the Group holds various percentage of ownership in interests on these arrangements, their respective joint arrangement agreement requires unanimous consent from all parties to the agreement for the relevant activities identified. In addition, the Group considers the number of its Board seats in its incorporated entity. Further, the Group and the parties to the agreement only have rights to the net assets of the joint venture through the term of the contractual agreements. Considering these factors, management assessed that it has joint control over these joint venture entities.

Classification as Financial Assets at Amortized Cost

Financial assets at amortized cost include redeemable preferred shares and convertible loans which the Group has assessed as debt instruments. These are held by the Group within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows which are reflective of basic lending arrangements (see Notes 5 and 7).

Recognition of Deferred Income Tax Liabilities on Taxable Temporary Differences Arising from Investments in Foreign Subsidiaries

The Group did not recognize deferred income tax liabilities on the temporary differences arising from undistributed earnings, cumulative translation adjustment, and OCI accounts of its foreign subsidiaries since management believes that the timing of the reversal of these taxable temporary differences can be controlled by the Group and the management does not expect reversal of these temporary differences in the foreseeable future.

Management's Use of Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next periods are discussed below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Valuation of ASI Loan and Receivables from PPLC

Subsequent to initial recognition, management revises its estimates of receipts of future cashflow from the ASI loan and receivables from PPLC based on the distributable proceeds from GNPK and GNPD which is based on the priority payment waterfall provision of the divestment agreement and the management prepared forecast of future cashflows. Management has also exercised judgments in estimating the maturity dates of these assets when full collection will be made based on the terms and conditions of the assets.

Fair Value Measurement of Receivables

In the determination of fair value of receivable from PPLC and the retained interest in KPHLC, management determined the appropriate techniques and inputs for fair value measurements. Management estimates the amount and timing of the future cash inflows based on the distributable proceeds that will be received by PPLC from its affiliates, namely GNPK and GNPD which is based on the priority payment waterfall provisions of the divestment agreement. A discount rate is applied to the cash flow projections to establish the net present value of the receivables and retained interests.



Likewise, in the determination of the effective interest rate of the ASI loan, management estimates the amount and timing of the future cash inflows based on the distributable proceeds of GNPK.

Fair Value Measurement of Commodity Options

In the estimation of fair value of the LTESA Swaptions, a commodity option hedge instrument, the Group used option pricing techniques which resulted in a Day 1 derivative asset, even if no premium was paid (see Notes 11 and 15).

Fair Value Measurement of Financial Assets at FVTPL and FVOCI

In the estimation of fair value of investments recorded as financial assets at FVTPL and FVOCI, management needs to determine the appropriate techniques and inputs for fair value measurements. The Group uses the discounted cash flow technique for unquoted instruments, published net asset value (NAV) for investments in Unit Investment Trust Funds (UITFs) and quoted prices for publicly traded shares in estimating the fair value of the financial assets at FVTPL and FVOCI.

Purchase Price Allocation and Goodwill Impairment Assessment

The Group made an acquisition in 2024 accounted for using the acquisition method which required extensive use of accounting estimates and judgments to allocate the purchase price to the fair market values of the acquiree's identifiable assets and liabilities at acquisition date. It also required the acquirer to recognize gain on bargain purchase or goodwill. The Group's acquisitions have resulted in goodwill.

On August 1, 2025, the Group finalized the accounting for the acquisition of Real Wind Energy, Inc. (RWEI). There is no change from the provisional to the final purchase price allocation. The fair values of assets and liabilities approximate their carrying values. Goodwill arising from the acquisition amounted to ₱1,375.05 million (see Notes 10 and 20 for the related balances).

The Group performs impairment testing annually and the Group estimates the recoverable amount as the higher of the fair value less costs to sell and value-in-use. This requires an estimation of the recoverable amount which is the fair value less costs to sell or value-in-use of the CGU to which the goodwill is allocated. Estimating the value-in-use requires management to make an estimate of the expected future cash flows for the CGU and to choose a suitable discount rate in order to calculate the present value of cash flows (see Note 10).

Measurement of Expected Credit Losses

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If in a subsequent period, asset quality improves and any previously assessed significant increase in credit risk also reverses since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

As at December 31, 2025 and 2024, the Group assessed that for its financial assets such as cash and cash equivalents, there has been no significant increase in credit risk since origination and is assessed as low credit risk based on published information of comparable entities. For accounts and other receivable, the Group used provision matrix in estimating its ECL. A broad range of forward-looking information were considered as economic inputs, such as GDP growth, inflation rates, unemployment rates, interest rates and Bangko Sentral ng Pilipinas (BSP) statistical indicators.



The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. While these model inputs including forward-looking information are revised, the ECL models, and definitions of default remain consistent with prior periods (see Notes 5 and 8).

Determination of Present Value of FIT Adjustment

The Group recognizes FIT receivables arising from the difference between the Original Approved Rates (OARs) and the Adjusted Approved Rates applied in prior periods. These receivables are measured at amortized cost and are discounted to present value based on the expected timing of future FIT-All collections administered by the National Transmission Corporation (TransCo). The determination of the present value of FIT adjustments requires significant management estimates, particularly in relation to the expected recovery period of the receivables.

As of December 31, 2025, management reassessed the expected collection profile of FIT receivables based on historical collection patterns, TransCo's recovery mechanisms, and the regulatory status of pending FIT rate approvals. Based on this assessment, the estimated collection period was revised from 4.5 years to 5 years. This change in estimate was applied prospectively and resulted in a reduction in the carrying amount of FIT receivables due to the increased impact of discounting.

The Group determined the present value of the Tariff adjustments through discounted cash flow model using Bloomberg Valuation Service (BVAL) risk-free interest rates of 5-year tenor for government securities that are denominated in Philippine peso currency, being the rate that the Group would receive in a similar economic environment with similar terms, security and conditions. The valuation technique is validated and periodically reviewed by qualified personnel independent of the area that created them.

Recognition of Deferred Tax Assets

The Group reviewed its business and operations to take into consideration the estimated impact of the macroeconomic environment, the market outlook and the Group's operations. As such, the Group assessed its ability to generate sufficient taxable income in the future that will allow the realization of net deferred tax assets.

As a result, the carrying amount of deferred income tax assets is reduced to the extent that the related tax assets cannot be utilized due to insufficient taxable profit against which the deferred tax assets will be applied. The Group assessed that sufficient taxable profit will be generated to allow all or part of the deferred income tax assets to be utilized (see Note 18).

Assessment of Contingencies

The Group is currently involved in various legal proceedings and national taxes (see Note 24). The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The final settlement of these may result in material adverse impact on the Group's consolidated financial statements. The Group also invokes limited disclosures on certain matters due to their prejudicial nature.



4. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	₱7,035	₱5,986
Cash in banks	5,520,970	7,000,696
Cash equivalents	14,593,343	20,766,638
	₱20,121,348	₱27,773,320

Cash on hand pertains to petty cash fund used under an imprest fund system. Cash in banks earn interests at the prevailing bank deposit rates for its peso and dollar accounts.

Cash equivalents are made for varying periods between one day and three months depending on the immediate cash requirements of the Group and earn interests at the prevailing short-term deposit rates.

Interest income earned from cash in banks and cash equivalents in 2025 and 2024 amounted to ₱799.32 million and ₱1,076.07 million, respectively.

5. Receivables

This account consists of:

	2025	2024
Accounts receivable	₱12,437,932	₱10,523,140
Notes receivable (see Note 19):		
Bridge financing	9,256,940	13,766,411
Development loans	4,933,366	4,872,023
Other loans	49,989,294	40,516,336
Accrued interest receivable	28,211,824	18,669,490
	104,829,356	88,347,400
Less allowance for expected credit losses	11,067,244	2,528,374
	93,762,112	85,819,026
Less noncurrent portion	69,082,147	62,843,538
	₱24,679,965	₱22,975,488

Accounts receivable

This account consists of trade and other receivables from related parties and third parties:

	2025	2024
Trade receivables:		
Third parties:		
Independent Electricity Market Operator of the Philippines (IEMOP)	₱2,291,535	₱3,445,354
Retail Electricity Supplier (RES) buyers	1,724,852	1,477,713
National Transmission Corporation (TransCo)	2,342,247	1,758,707

(Forward)



	2025	2024
National Grid Corporation of the Philippines (NGCP)	₱199,648	₱413,361
Philippine Electricity Market Corporation (PEMC)	35,173	30,562
Others	351,893	122,489
Other receivables:		
Third parties	2,001,366	1,713,855
Related parties (see Note 19)	3,491,218	1,561,099
	12,437,932	10,523,140
Less allowance for expected credit losses	155,379	151,206
	12,282,553	10,371,934
Less noncurrent portion	3,329,798	3,495,435
	₱8,952,755	₱6,876,499

Trade Receivables

Trade receivables are uncollected portion of energy generated by the Group and delivered to the grid and energy sold to bilateral customers. These are the trade receivables from IEMOP, TransCo and RES buyer. This consists of interest-bearing and noninterest-bearing receivables and are generally collectible within thirty (30) to sixty (60) days.

a. Trade Receivables from IEMOP

The Group recognizes receivables from IEMOP participants in relation to the sales of electricity through the Wholesale Electricity Spot Market (WESM). These are non-interest bearing if collected on time, and are normally collectible within 30 days from the end of the billing period.

b. Trade receivables from TransCo

In 2020, the Group recognized receivables from TransCo arising from retroactive FIT adjustments approved by the ERC for the years 2016 to 2020. These receivables represent the difference between the original approved FIT rates (OARs) initially granted upon commercial operations of the Group's FIT-eligible plants and the adjusted approved FIT rates (AARs) subsequently approved by the ERC to reflect movements in inflation and foreign exchange. The receivables are recoverable through FIT-All collections over a period of up to five years.

In accordance with PFRS 9, *Financial Instruments*, the receivables are measured at amortized cost and discounted using Philippine peso (PHP) BVAL reference rates for government securities, with an imputed credit spread. The credit spread was determined based on the difference between the borrowing rates of comparable government-owned and controlled corporations and the corresponding risk-free rate.

In February 2021, the ERC issued a supplemental letter stating that, pending approval of the AARs for periods subsequent to 2020, generation billings shall continue to be based on the OARs. On November 26, 2025, the ERC issued Resolution No. 28, Series of 2025 approving the AARs for the years 2021 to 2025. Following the issuance of the resolution, TransCo and various renewable energy industry associations filed requests for clarification citing inconsistencies in the computation methodology of the adjusted FIT rates, particularly relating to the application of non-aligned Consumer Price Index (CPI) base years, and the ERC initiated a review process.



On February 27, 2026, the ERC issued an Advisory providing revisions and clarifications to Resolution No. 28, Series of 2025. The Advisory corrected the previously issued FIT rates by consistently applying the same CPI series for both the base year and the index, thereby addressing the identified computational inconsistencies and substantially resolving the uncertainties surrounding the 2021 to 2025 AARs.

The February 27, 2026 ERC Advisory was assessed in accordance with PAS 10, *Events after the Reporting Period*, and was determined to constitute an adjusting event as it provides additional evidence of conditions that existed as at December 31, 2025. Accordingly, the Group reassessed the recoverability and measurement of receivables arising from FIT adjustments for the 2021 to 2025 period.

Adjustments arising from changes in FIT rates constitute variable consideration under PFRS 15, *Revenue from Contracts with Customers*, and are recognized only when it is highly probable that no significant reversal will occur. Based on the revised and clarified FIT rates issued by the ERC on February 27, 2026, management concluded that the related receivables represent amounts to which the Group is entitled with no significant risk of reversal.

Accordingly, the Group recognized the cumulative impact of the revised and clarified 2021 to 2025 AARs as an adjustment to revenue and the corresponding receivable in the year ended December 31, 2025. Any future changes arising from subsequent ERC actions, if any, will be recognized in profit or loss in the period when the related uncertainty is resolved.

Total FIT revenue adjustments recognized by the Group amounted to ₱743.77 million and ₱269.26 million in 2025 and 2024, respectively.

As of December 31, 2025 and 2024, the noncurrent portion of receivables from TransCo amounted to ₱1,679.36 million and ₱949.32 million, respectively, while the current portion amounted to ₱662.89 million and ₱809.39 million, respectively. Interest accretion on receivables from TransCo amounted to ₱103.99 million and ₱46.23 million in 2025 and 2024, respectively.

Noncurrent trade receivables consist of FIT system adjustment that is expected to be realized beyond 12 months after the end of the reporting period.

c. *Trade Receivables from RES Buyers*

The Group recognizes receivables from Retail Electricity Supplier (RES) buyers arising from the sale of electricity under retail supply contracts. These receivables represent billed and unbilled amounts based on contracted energy rates and related charges. Receivables from RES buyers are generally collectible within 30-to-60 days in accordance with contractual payment terms.



d. *Trade Receivables from NGCP*

Receivables from NGCP are from Ancillary Services Procurement Agreements (ASPA), facilitating contingency and dispatchable reserves for the Luzon Grid. The Group has executed ASPAs with NGCP wherein power plant will provide contingency and dispatchable reserves to NGCP to ensure reliability in the operation of the transmission system and the electricity supply in the Luzon Grid for five (5) years upon the effectivity of the provisional or final approval issued by the ERC.

e. *Trade Receivables from PEMC Multilateral Agreements*

In December 2013, an outage of the Malampaya gasfield caused WESM prices to be elevated. As a result, ERC issued an Order imposing Administered/Regulated Pricing, which was lower than the WESM rates at the time. The receivables from PEMC Multilateral Agreements is the refundable amount from the PEMC arising from recalculation of November and December 2013 spot prices as directed by the ERC. In 2014, ACEN, PEMC, and other WESM participants signed a Multilateral Agreement pending the resolution of cases filed by WESM participants in the Supreme Court. On various dates in 2014 to 2016, ACEN Group recorded collections in relation to the Multilateral Agreement amounting to ₱1,123.51 million. Collections are presented as “Trade payables” under “Accounts and Other Payables”.

In 2022, the Supreme Court declared the administered regulated pricing void and upheld the December 2013 Manila Electric Company (MERALCO) hike for recovery costs. In October 2022, the Supreme Court denied all Motions for Reconsideration.

In 2022, the Group reversed its receivables amounting to ₱1,185.60 million and recorded additional cost of purchased power of equivalent amount. The unpaid cost of purchased power is presented as “Trade payables” under “Accounts and Other Payables”.

As of March 23, 2026, the ERC has not yet issued guidance on the method of implementation of these adjustments.

Other Receivables

Other receivables from third party mainly comprise of deposit receivables, unapplied collections and creditable withholding taxes that are still pending collections from customers.

Notes receivable

This account consists of development, bridge financing and other loans receivable:

	2025	2024
Bridge financing - related party (see Note 19)	₱9,256,940	₱13,766,411
Development loans:		
Third party	382,135	311,553
Related party (see Note 19)	4,551,231	4,560,470
Other loans:		
Third party	41,034,066	39,448,335
Related party (see Note 19)	8,955,228	1,068,001
	64,179,600	59,154,770
Less allowance for expected credit losses	7,673,294	880,574
	56,506,306	58,274,196
Less noncurrent portion	49,712,460	49,628,282
	₱6,793,846	₱8,645,914



The rollforward of this account follows:

	2025	2024
Balance at beginning of the period	₱59,154,770	₱59,154,770
Additions	19,734,953	4,893,482
Collections	(15,057,536)	(5,403,653)
Reclassification (to) from investments in associates and joint ventures (see Note 6)	(1,615,415)	891,755
Reclassification from redeemable preferred shares (see Note 7)	–	12,147
Foreign exchange adjustment	880,805	1,969,672
Others	1,082,023	(2,363,403)
Balance at end of period	₱64,179,600	₱59,154,770

Bridge financing (previously referred to as debt replacement)

Bridge financing facilities are provided to related parties to fund investment requirements for renewable power plants while under construction and undergoing implementation or release of project financing from financial institutions (see Note 19).

a. BIM Renewable Energy Joint Stock Company (BIMRE) (Associate)

On November 24, 2025, the Group and BIMRE entered into an interest-bearing facility with an aggregate principal of US\$51.90 million, to fund its capital needs for the purpose of prepaying its project finance loan. The loan is repayable on February 2026. This was fully collected in January 2026.

As at December 31, 2025, outstanding balance of the interest-bearing loan amounted to US\$51.60 million (₱3,033.56 million).

b. Asian Wind Power 1 HK (Asian Wind 1) (Joint Venture)

In 2020, the Group and Asian Wind 1 entered into an interest-bearing facility to provide bridge financing during the construction of Dai Phong Wind Project in Vietnam for an aggregate principal amount of US\$61.00 million. The loan is repayable on the earlier of 12 months from commissioning date or upon project financial close. The facility maturity date was amended multiple times in 2022 and 2023. On September 27, 2023, the facility maturity date was amended to September 29, 2035.

As at December 31, 2025 and 2024, outstanding balance of the interest-bearing loan amounted to US\$26.59 million (₱1,563.23 million) and US\$26.59 million (₱1,538.10 million), respectively.

c. Asian Wind Power 2 HK (Asian Wind 2) (Joint Venture)

In 2020, the Group entered into an interest-bearing Pref B Facility with Asian Wind 2 to provide bridge financing to fund the construction of a 42MW wind project in Vietnam, for an aggregate principal amount of US\$54.00 million. The loan is repayable on the earlier of project financial close, or 5 business days from the date from drawdown of Debt Replacement Facility, or the 25th anniversary from drawdown date.

As at December 31, 2025 and 2024, the outstanding balance of the interest-bearing loan amounted to US\$20.07 million (₱1,179.62 million), and US\$20.07 million (₱1,160.66 million), respectively.



d. Wind Power Hoa Dong (Hoa Dong) and Wind Power Lac Hoa (Lac Hoa) (Joint Venture)

In 2022, the Group entered into an interest-bearing loan facility with Hoa Dong and Lac Hoa to provide bridge financing and to partially fund the construction of the Soc Trang Wind projects. The interest-bearing loan has a total facility of US\$41.59 million for Hoa Dong and US\$47.41 million for Lac Hoa and bears an annual fixed interest rate. Principal is payable in full at the first calendar quarter of a year after July 1, 2024, in case of third-party financing or in tranches every first calendar quarter of the fourth period or every end of the calendar quarter, until full payment of the loan in case of no third-party refinancing.

As at December 31, 2025 and 2024, the outstanding balance of the interest-bearing loan receivables from Lac Hoa amounted to US\$20.16 million (P1,145.33 million) and US\$47.41 million (P2,742.49 million), respectively.

As at December 31, 2025 and 2024, the outstanding balance of the interest-bearing loan receivables from Hoa Dong amounted to US\$18.74 million (P1,065.00 million) and US\$41.59 million (P2,405.71 million), respectively.

e. NEFIN Limited (NEFIN) (Joint Venture)

On January 6, 2022, the Group and NEFIN Limited entered into an interest-bearing debt replacement facility to NEFIN Limited to provide bridge financing and partially fund the development and construction of NEFIN rooftop solar projects. The loan is repayable on the earlier of 24 months from first issuance date or upon securing project financing or debt financing of NEFIN Limited.

As at December 31, 2025 and 2024, the outstanding balance of the interest-bearing loan amounted to US\$16.67 million (P979.97 million) and US\$16.67 million (P964.22 million), respectively.

f. Vietnam Wind Energy Limited (Vietnam Wind) (Joint Venture)

In 2020, the Group and Vietnam Wind entered into an interest-bearing facility with an aggregate principal amount of US\$10.00 million, to provide bridge financing to fund the construction of a 60MW wind project in Vietnam. The loan is repayable 20 years from the relevant drawdown dates.

As at December 31, 2025 and 2024, the outstanding balance of the interest-bearing loan amounted to US\$ 5.12 million (P290.23 million) and US\$5.12 million (P296.15 million), respectively.

g. Greencore Power Solutions 3, Inc. (Greencore 3) (Joint Venture)

ACEN Global Development Group Inc. (AGDGI) and Greencore Power Solutions 3, Inc. entered into an interest-bearing Omnibus Agreement amounting to P2,680.00 million in order to finance a 50MW solar power plant in Mexico, Pampanga (Arayat Phase 1).

On February 9, 2022, the Omnibus Agreement was amended to increase the loan facility to P2,860.00 million and extended the maturity from March 1, 2023, to June 30, 2023.

On December 20, 2023, the Omnibus Agreement was amended to extend the maturity date from June 30, 2023 to June 30, 2024 and increase the fixed interest rate from 7.00% to 15.00% on all amounts outstanding after June 30, 2023, until all amounts are paid.



On various dates in 2025 and 2024, the Omnibus Agreement was amended to extend the maturity dates as follows:

Amendment Date	From	To
August 1, 2024	June 30, 2024	December 31, 2024
January 8, 2025	December 31, 2024	January 31, 2025
February 24, 2025	January 31, 2025	March 31, 2025
May 26, 2025	March 31, 2025	June 30, 2025
June 4, 2025 (ACEN Board of Directors approval date) July 16, 2025 (Greencore 3 Board of Directors approval date)	June 30, 2025	December 31, 2025

Promissory notes executed in relation to the facility agreement were made on:

Date	Amount (in thousands)
April 30, 2021	₱993,700
August 12, 2021	215,200
October 28, 2021	108,800
December 2, 2021	285,000
December 22, 2021	475,700
February 14, 2022	185,400
March 17, 2022	331,900
February 28, 2024	104,600
Total	₱2,700,300

On December 23, 2025, the bridge loan was fully settled. The outstanding bridge loan for Arayat 1 as of December 31, 2024, amounts to ₱2,700.30 million (nil as of December 31, 2025).

On May 25, 2022, the Parent Company, CSEC, AGDGI and Greencore 3 entered into an interest-bearing Omnibus Agreement amounting to ₱1,990.00 million in order to finance a 30MW solar power plant in Mexico, Pampanga (Arayat Phase 2). The maturity of the loan is on June 30, 2023.

On December 20, 2023, the Omnibus Agreement was amended to extend the maturity date from June 30, 2023 to June 30, 2024 and increase the fixed interest rate from 7.00% to 15% on all amounts outstanding after June 30, 2023, until all amounts are paid.

On various dates in 2025 and 2024, the Omnibus Agreement was amended to extend the maturity dates as follows:

Amendment Date	From	To
August 1, 2024	June 30, 2024	December 31, 2024
January 8, 2025	December 31, 2024	January 31, 2025
February 24, 2025	January 31, 2025	March 31, 2025
May 26, 2025	March 31, 2025	June 30, 2025
June 4, 2025 (ACEN Board of Directors approval date) July 16, 2025 (Greencore 3 Board of Directors approval date)	June 30, 2025	December 31, 2025



Promissory notes executed in relation to the facility agreement were made on:

Date	Amount (in thousands)
June 09, 2022	₱596,082
June 30, 2022	575,051
September 16, 2022	339,757
December 29, 2022	119,355
February 22, 2023	113,116
May 12, 2023	135,474
May 21, 2024	19,679
November 21, 2024	60,261
Total	₱1,958,775

On December 23, 2025, the bridge loan was fully settled. The outstanding bridge loan for Arayat 2 as of December 31, 2024, amounts to ₱1,958.78 million (nil as of December 31, 2025).

h. Ingrid Power Holdings, Inc. (Ingrid) (Joint venture)

On December 27, 2022, the Parent Company and Ingrid entered into a facility agreement amounting to ₱1,250.00 million in order to fund working capital requirements in relation to the operation of its 150MW Pililia diesel power plant in Pililia, Rizal. The loan bears an annual fixed interest rate and is payable upon maturity.

Promissory notes executed in relation to the facility agreement were made on:

Date	Amount (in Thousands)	Original Maturity Date	Extended Maturity Date
December 28, 2022	₱200,000	June 27, 2023	August 30, 2023
January 11, 2023	₱300,000	July 10, 2023	October 31, 2023
January 27, 2023	₱300,000	July 26, 2023	June 30, 2024

The bridge loan with Ingrid was fully settled in 2024. Principal payments amounting to ₱150.00 million and ₱150.00 million was made on October 31, 2024 and December 2, 2024, respectively.

Bridge financing loans bear interest ranging from 4% to 15% per annum for both years ended December 31, 2025 and 2024, respectively.

Development Loan

Development loan facilities are provided to related parties and third parties to fund the development of renewable power plant projects.

a. UPC Power Solutions LLC (UPC Power) (Joint Venture)

In 2023, the Group and UPC Power entered into an interest-bearing loan agreement with a facility amount of US\$120.00 million to fund the development of various wind electric energy generating projects in the United States. The loan is repayable on May 13, 2028.

As at December 31, 2025 and 2024, the outstanding receivable amounted to US\$34.82 million (₱2,047.29 million) and US\$23.82 million (₱1,378.10 million), respectively.



b. Yoma Strategic Investments (Yoma) (Affiliate)

In 2019, the Group and Yoma, signed a term sheet, which includes an interest-bearing loan for the development of Yoma Micro Power. The interest-bearing loan has a total facility of US\$25.00 million which bears an annual fixed interest and payable upon maturity. The loan is covered by a Guarantee Agreement between the Group (as “Lender”) and Yoma (as “Guarantor”). The Guarantee Agreement stands as security for the prompt and complete payment, where the Guarantor irrevocably and unconditionally undertakes that in case of default, the Guarantor shall pay the Lender the guaranteed obligations as if the Guarantor instead of the Borrower were expressed to be the principal obligor without any further proof or condition and without any investigation or enquiry. The loan is repayable upon maturity on June 30, 2023.

In February 2024, the loan was amended to extend its maturity date to 10 years, with a 5-year grace period. The outstanding interest prior to the amendment, amounting to US\$3.14 million (₱181.55 million), was capitalized as part of the principal.

As at December 31, 2025 and 2024, the receivable amounts to US\$27.20 million (₱1,599.38 million) and US\$27.16 million (₱1,570.82 million), respectively.

c. UPC-AC Energy Solar Limited (UPC-ACE Solar) (Joint Venture)

In 2019, the Group and UPC-ACE Solar entered into an interest-bearing loan agreement with an aggregate amount of US\$20.00 million to fund the development of projects across India, Taiwan, and South Korea. The loan is repayable 10 years from first utilization date.

As at December 31, 2025 and 2024, the accrued interest receivable from UPC-ACE Solar amounted to US\$10.51 million (₱584.30 million) and US\$8.05 million (₱442.67 million), respectively, and were both fully impaired.

As at December 31, 2025 and 2024, outstanding balance of the interest-bearing loan amounted to US\$14.82 million (₱859.04 million) and US\$14.78 million (₱856.87 million), respectively. These balances were fully impaired.

d. AMI Greenergy Investment Joint Stock Company (AMI Greenergy) (Third party)

On February 7, 2024, the Group and AMI Greenergy entered into an interest-bearing loan agreement with a facility amount of US\$6.50 million to fund the development of onshore wind farm in Savannakhet Province, Lao People’s Democratic Republic. The loan is repayable in December 2028.

The development loan is intended to finance project-related development activities and is secured by a share mortgage.

As at December 31, 2025 and 2024, the outstanding receivable amounted to US\$6.50 million (₱382.14 million) and US\$5.39 million (₱311.55 million), respectively.

e. PT Dewata ACEN Renewables Indonesia (PT Dewata) (Associate)

On September 22, 2023, the Group and PT Dewata entered into a term loan facility with a total facility amount of US\$0.75 million. The loan was intended to (a) on-lend funds to LandCo Kutai through a convertible loan agreement to secure Phase 1 and Phase 2 project land, (b) obtain Hak Guna Bangunan (“HGB”) certification for Phase 1 land, (c) finance project-related studies, and (d) fund approved development activities.



As at December 31, 2025 and 2024, the outstanding receivable amounted to US\$0.77 million (₹45.52 million) and US\$0.77 million (₹44.79 million), respectively.

f. PT UPC Sidrap Bayu Energi Tahap Dua (PT Sidrap 2) (Associate)

On January 3, 2024, the Group and PT Sidrap 2 entered into an interest-bearing loan agreement with a facility amounting to US\$8.00 million to fund the development of wind power project in Sidrap, South Sulawesi, Indonesia. The loan is payable within seven (7) business days after the date of a written notice from the Group demanding the repayment of the Loan.

As at December 31, 2024, the outstanding receivable amounted to US\$6.67 million (₹386.02 million).

On May 1, 2025, the Group converted its loan receivables from PT Sidrap 2, with a carrying value of US\$6.67 million, into 217,041 common shares. The Group's ownership structure remained unchanged following the conversion (see Note 6).

g. PT UPC Sukabumi Bayu Energi (PT Sukabumi) (Associate)

On January 3, 2024, the Group and PT Sukabumi entered into an interest-bearing loan agreement with a facility amounting to US\$5.00 million to fund the development of a wind power project in Sukabumi, West Java, Indonesia. The loan is payable within seven (7) business days after the date of a written notice from the Group demanding the repayment of the Loan.

As at December 31, 2024, the outstanding receivable amounted US\$4.36 million (₹252.21 million).

On May 1, 2025, the Group converted its loan receivables from PT Sukabumi, with a carrying value of US\$4.36 million, into 130,910 common shares. The Group's ownership structure remained unchanged following the conversion (see Note 6).

h. PT UPC Lombok Timur Bayu Energi (PT Lombok) (Associate)

In 2024, the Group and PT Lombok entered into an interest-bearing loan agreement with a facility amounting to US\$5.00 million to fund the development of a wind power project in East Lombok, Indonesia. The loan is payable within seven (7) business days after the date of a written notice from the Group demanding the repayment of the Loan.

As at December 31, 2024, the outstanding receivable amounted to US\$0.98 million (₹56.82 million).

On May 1, 2025, the Group converted its loan receivables from PT Lombok, with a carrying value of US\$0.98 million, into 31,672 common shares. The Group's ownership structure remained unchanged following the conversion (see Note 6).

i. ACEN-Silverwolf Pte. Ltd (ACEN-Silverwolf) (Joint Venture)

In 2023, the Group and ACEN-Silverwolf entered into an interest-bearing loan agreement with an aggregate amount of US\$2.00 million to fund renewable energy projects located in Taiwan and Malaysia.

As at December 31, 2024, the outstanding receivable amounted to US\$0.26 million (₹14.83 million). This was fully repaid in 2025.



j. Provincia Investments Corporation (Provincia) (Third Party)

In 2021, the Group and Provincia entered into an interest-bearing term loan facility to fund its various acquisitions of project sites for solar power projects. The interest-bearing loan has a total facility of ₱1,000.00 million which bears annual fixed interest rate and payable upon maturity. On July 2, 2021, Provincia made an initial drawdown amounting ₱150.00 million. The principal and interest of the loan are payable on July 2, 2026.

On January 25, 2023, the Group, Provincia and Solar Philippines Power Project Holdings, Inc. (Solar PH) entered into definitive agreements whereby ACEN received 500 million shares of SP New Energy Corporation (“SPNEC”), a listed company which is an affiliate of Solar PH (which SPNEC shares had a market value of approximately ₱660.00 million as of January 24, 2023) as (a) pre-payment for part of the development loan principal, (b) payment of interest, (c) consideration for the arrangement and security amendment by which the Group released its pledge over shares owned by Solar PH in SPNEC, and (d) allow further drawdown by Provincia from the existing ₱1,000.00 million loan facility.

As at December 31, 2023, Provincia drew additional ₱150.00 million from its development loan facility.

The Group recognized ₱515.00 million gain from the partial settlement of development loan in 2023 (see Note 20).

The SPNEC shares held by the Group for trading purposes amounted to ₱501.82 million and is classified as financial assets at FVTPL in the consolidated statements of financial position. In 2024, all SPNEC shares were sold. The Group recognized a (loss) gain on sale of SPNEC shares amounting to (₱50.38) million and ₱37.34 million for the years ended December 31, 2024 and 2023, respectively.

On September 9, 2024, Provincia prepaid the loan including the principal of ₱150.00 million and outstanding interest of ₱52.17 million.

Development loans bear interest ranging from 2.00% to 12.22% per annum and 4.00% to 15.00% per annum for the years ended December 31, 2025 and 2024, respectively.

Other loans

Other loans receivable from third parties include long term loan receivables for land acquisitions. These are interest bearing and mature 1-2 years after drawdown.

a. Yanara India, B.V. (formerly BrightNight India, B.V.) (Yanara) (Related party)

In 2023, the Group and Yanara entered into a shareholder loan agreement amounting to US\$173.70 million, with each drawdown to be converted to Indian Rupees (INR) at the prevailing exchange rate at the time of drawdown. The loan will mature in March 2043. It is intended to fund the development of renewable energy projects in India.

As at December 31, 2023, the total shareholder loan to Yanara amounted to INR469.03 million (₱310.54 million). On January 29, 2024, the loan was increased by INR291.02 million (₱197.43 million).



As at December 31, 2025 and 2024, the total outstanding shareholder loan amounted to INR4,168.55 million (₹2,730.82 million) and INR760.05 million (₹517.21 million), respectively, with interest receivable amounting to INR290.76 million (₹190.48 million) and INR138.34 million (₹94.14 million) and interest income amounting to INR152.43 million (₹100.47 million) and INR94.59 million (₹65.06 million), respectively.

b. Unlimited Renewables Holdings (URH) (Related party)

In 2024, the Group and URH entered into two separate facility agreements amounting to US\$7.33 million each, to fund renewable energy projects in India. One facility is unsecured, while the other is subject to the pledge and creation of a security interest by UPC Renewables Asia Pacific Holdings, Pte. Ltd. over all its rights, title, and interests in the Share Security to ensure the strict and faithful performance of the parties.

On April 8, 2025, the Company entered into a Construction Loan Facility Agreement with URH, whereby the Company agreed to make available a facility of up to US\$91.0 million to finance approved development and investment projects of the borrower. The facility bears interest at an agreed applicable rate and is subject to the terms and conditions set out in the agreement.

In 2025, the Group converted a portion of its loan receivable from URH amounting to US\$16.57 million (₹946.16 million), into 16,570 non-voting cumulative preferred shares (Class C) issued at US\$1,000 per share.

As at December 31, 2025 and 2024, the outstanding receivable amounted to US\$38.80 million (₹2,280.85 million) and US\$7.98 million (₹462.66 million), respectively.

c. BIM Group Joint Stock Company (BIM Group JSC) (Third Party)

On February 26, 2024, the Group and BIM Group JSC entered into an interest-bearing loan agreement with a facility amount of US\$35.00 million to fund the capital contributions to BIM Foods Joint Stock Company and other business activities relevant to its business plan. The loan is repayable in December 2029.

As at December 31, 2025 and 2024, the outstanding receivable amounted to US\$29.00 million (₹1,704.91 million) and US\$35.00 million (₹2,024.58 million), respectively.

d. Wind Power Lac Hoa (Lac Hoa) (Joint Venture)

In 2025, the Group (through its subsidiary ACEN Cayman) and Lac Hoa entered into an interest-bearing loan agreement providing facility of US\$27.20 million for the repayment of principal under the ACEN DRF Loan. This is payable quarterly starting 2026 up to 2040.

As at December 31, 2025, the outstanding receivable amounted to US\$27.20 million (₹1,599.09 million).

e. Wind Power Hoa Dong (Hoa Dong) (Joint Venture)

In 2025, the Group (through its subsidiary ACEN Cayman) and Hoa Dong entered into an interest-bearing loan agreement with facility of US\$22.80 million for the repayment of principal under the ACEN DRF Loan. This is payable quarterly starting 2026 up to 2040.

As at December 31, 2025, the outstanding receivable amounted to US\$22.80 million (₹1,340.41 million).



f. CI GMF II Camarines Sur Offshore Wind Energy Corporation (Associate)

On June 23, 2025, ACEN and CI GMF II COOPERATIEF U.A (CI GMF), executed a Deed of Assignment where the loan of CI NMF (PH) Corporation (CI NMF), with principal and accrued interest amounting to ₱388.29 million and ₱18.26 million (US\$7.11 million), respectively, and representing 25% of the total indebtedness of CI NMF to CI GMF, was assigned to ACEN for a for a total consideration of ₱374.20 million (US\$6.63 million).

On November 11, 2025, ACEN granted an interest-bearing loan to CI NMF amounting to ₱164.56 million (US\$2.80 million) with an interest rate of 8.30% per annum. The loan represents ACEN's 25% contribution to the development cost of the 1GW Camarines Offshore Wind Project for the periods of July and October 2025.

As of December 31, 2025, the carrying value of the loan and interest receivable amounted to ₱563.72 million and ₱37.41 million, respectively. For the year ended December 31, 2025, interest income earned amounted to ₱37.41 million.

g. Cleantech Renewable Energy 50 Corporation (Cleantech) (Third Party)

On July 14, 2022, the Group and Cleantech entered into an interest-bearing loan agreement amounting to ₱266.93 million with a fixed interest rate. Principal and interest of the loan is payable upon maturity on July 14, 2032.

As at December 31, 2025 and 2024, the outstanding receivable amounted to ₱266.93 million.

h. Amihan Renewables Energy Corporation (AREC) (Joint Venture)

On March 28, 2025, ACEN (as lender) entered into a facility agreement with AREC (as borrower) for a ₱350.00 million term loan facility to fund AREC's working capital requirements. The loan is interest bearing and has a maturity date of five years from initial drawdown.

AREC is a wholly-owned subsidiary of NLR. The ultimate parent of the AREC and NLR is PhilWind, which is a joint venture investment of the Group.

Promissory notes executed in relation to the facility agreement were made on:

Date	Amount (in thousands)
April 10, 2025	₱200,000
December 11, 2025	100,000

i. Solar NT Holdings Pte. Ltd. (Solar NT) (Associate)

In 2025, the Group and Solar NT entered into a shareholder loan agreement amounting to US\$1.00 million to support the working capital requirements of Thanh Long Phu Yen Solar Power Joint Stock Company in Phu Yen province, Vietnam. The loan is repayable on June 30, 2026.

As at December 31, 2025, the outstanding receivable amounted to US\$0.49 million (₱28.81 million).



j. Power Partners Ltd. Co (PPLC) (Third Party)

On March 5, 2021, ACEIC, PPLC and certain of their affiliated companies, signed a Divestment Agreement for the transfer of ACEIC's indirect ownership interest in GNPK in favor of PPLC and its affiliates. The transfer was implemented in tranches with the purchase price to be paid on a deferred basis.

In 2021, the first tranche sale of 100% interest in ACE B and 11.62% interest in ACE PHILCO to PPLC and subsidiaries, equivalent to 38.6% (45% of the 85.7%) interest in GNPK was completed.

In 2023, the second tranche sale of 100% interest in BVI D, ACE F and ACE T and 88.38% interest in ACE PHILCO to PPLC and subsidiaries, equivalent to 47.1% (55% of the 85.7%) interest in GNPK was completed.

As at transaction date, the receivables from PPLC and affiliates arising from the first tranche and second tranche of sale amounted to ₱9,638.55 million and ₱13,898.50 million, respectively. The receivable is subject to interest rate compounding semi-annually ranging from 5.00% to 12.50%. The maturity date of the loan is December 31, 2031. The amount and timing of collection is based on the priority payment waterfall provisions of the Divestment Agreement. Any unpaid interest shall accrue interest.

The Group received payment of accrued interest amounting to US\$11.41 million (₱664.23 million) and US\$20.25 million (₱1,134.44 million) on September 18, 2025 and September 19, 2024, respectively.

Interest income amounted to US\$113.28 million (₱6,598.10 million) and US\$51.38 million (₱2,950.36 million) were recognized in 2025 and 2024, respectively. As of December 31, 2025 and 2024, the outstanding interest receivable amounted to US\$179.28 million (₱10,539.74 million) and US\$97.66 million (₱5,648.95 million), respectively.

As of December 31, 2025 and 2024, receivables from PPLC amounted to US\$431.63 million (₱25,375.35 million) and US\$411.38 million (₱23,796.27 million), respectively.

k. GNPower Kauswagan Ltd. Co. (GNPK) (Third Party)

On December 22, 2020, the Parent Company signed the affiliated subordinated indebtedness (ASI) loan agreement with GNPK for a total amount of \$200.00 million (₱9,607.20 million) to enable GNPK to partially pre-pay its outstanding senior loans and pursuant to the Parent Company's BOD approval given on November 11, 2020. The ASI loan is subject to interest rate compounding semi-annually ranging from 5.00% to 12.50% which shall accrue starting January 1, 2021. The maturity date of the loan is the later of the (1) the final maturity date of the GNPK Senior Loans (due 2031); and (2) the full payment on and redemption of full interest of a partner in GNPK and in GNPK's Parent Company, KPHLC under the limited partnership agreements. GNPK's payment of the interest on the ASI loan and the principal shall follow the repayment waterfall stipulation in the ASI loan agreement. Any unpaid interest shall accrue interest.

Interest income from ASI loan amounted to ₱1,968.62 million and ₱1,375.41 million in 2025 and 2024, respectively, based on the effective interest rate. As of December 31, 2025 and 2024, the outstanding interest receivable amounted to ₱6,261.57 million and ₱4,248.09 million, respectively.



As of December 31, 2025 and 2024, the receivable from GNPK amounted to ₱11,761.00 million and ₱11,602.80 million, respectively.

Other loans carrying amount as at December 31, 2025 and 2024 amounted to ₱2,037.41 million and ₱1,845.89 million, respectively.

Accrued interest receivable:

This account consists of accrued interest receivable from related parties and third parties, and from redeemable preferred shares and convertible loans:

	2025	2024
Trade receivables:		
Third party	₱46,007	₱48,514
Related party (see Note 19)	863	2,010
Development loan:		
Third party	35,457	10,255
Related party (see Note 19)	967,515	532,003
Bridge financing - related party (see Note 19)	2,850,939	2,042,112
Redeemable preferred shares - related party (see Note 19)	5,078,223	4,733,771
Convertible loan - related party (see Note 19)	1,998,737	1,350,236
Other loan:		
Third party	16,771,657	9,821,057
Related party (see Note 19)	462,426	129,532
	28,211,824	18,669,490
Less allowance for expected credit loss	3,238,571	1,496,594
	24,973,253	17,172,896
Less noncurrent portion	16,039,889	9,719,821
	₱8,933,364	₱7,453,075

Interest income earned from these assets amounted to ₱11,496.34 million and ₱6,759.35 million in 2025 and 2024, respectively.

Allowance for expected credit loss

The following is the roll forward analysis of impaired receivables:

	2025	2024
Balances at the beginning of year	₱2,528,374	₱1,316,278
Provision	8,531,153	1,223,403
Write off	—	(7,134)
Reversal	—	(4,173)
CTA	7,717	—
Balances at the end of year	₱11,067,244	₱2,528,374

In determining the ECL, the Group has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of these debt instruments operate, in assessing if there is a significant increase in credit risk, as well as estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, and the loss upon default in each case.



For the year ended December 31, 2025, the Group recognized additional allowance for expected credit losses amounting to:

1. US\$75.60 million (P4,437.01 million) on receivables from PPLC;
2. US\$ \$0.04 million (P2.16 million) on principal from the development loan with UPC-AC Energy Solar Limited (UPC-ACE Solar);
3. US\$2.46 million (P141.62 million) on accrued interest receivable from the development loan with UPC-ACE Solar;
4. US\$7.91million (P449.00 million) on accrued interest receivable from the investment in convertible loan to Vietnam Wind Energy Limited (Vietnam Wind) (see Note 7);
5. US\$5.12 million (P290.23 million) on principal from the bridge financing with Vietnam Wind;
6. US\$10.24 million (P580.74 million) on accrued interest receivable from the bridge financing with Vietnam Wind;
7. US\$18.95 million (P1,074.03 million) on principal from the bridge financing with Lac Hoa;
8. US\$7.80 million (P441.94 million) on accrued interest receivable from the bridge financing with Lac Hoa;
9. US\$17.39 million (P985.84 million) on principal from the bridge financing with Hoa Dong;
10. US\$2.28 million (P128.69 million) on accrued interest from the bridge financing with Hoa Dong; and,
11. A P0.08 million reversal of allowance for ECL pertaining to other receivables.

For the year ended December 31, 2024, the Group recognized additional allowance for expected credit losses amounting to:

1. US\$1.00 million (P55.85 million) on principal from development loan with UPC-AC Energy Solar Limited (UPC-ACE Solar);
2. US\$1.81 million (P103.43 million) on accrued interest of development loan with UPC-ACE Solar;
3. US\$15.63 million (P1,053.92 million) on accrued interest receivable of investment in convertible loan to Vietnam Wind Energy Limited (Vietnam Wind) (see Note 6); and,
4. Net allowance provided to other receivables amounted to P6.03 million.



6. Investments in Associates and Joint Ventures

The Group's investments in associates and joint ventures and the corresponding effective percentages of ownership are shown below:

	Place of incorporation and operations	Principal activities	Note reference	Percentage of ownership		Carrying amount	
				2025	2024	2025	2024
Investments in associates:							
AA Thermal, Inc. (AATI)	Philippines	Financial holdings	a	40.00	40.00	₱18,099,738	₱17,188,390
BIM Energy Holding Corporation (BIMEH)	Vietnam	Financial holdings	b	28.73	28.40	5,858,398	5,551,931
Solar NT Holdings Pte. Ltd. (Solar NT)	Singapore	Financial holdings	c	28.73	28.40	2,322,148	2,387,257
BIM Renewable Energy Joint Stock Company (BIMRE)	Vietnam	Power generation	d	37.52	37.09	1,972,861	1,952,540
Maibarara Geothermal, Inc. (MGI)	Philippines	Power generation	e	14.66	14.49	1,036,846	981,295
PT UPC Sidrap Bayu Energi Tahap Dua (PT Sidrap 2)	Indonesia	Power generation	f				
				28.73	28.40	462,408	56,536
PT UPC Sukabumi Bayu Energi (PT Sukabumi)	Indonesia	Power generation	f	28.73	28.40	313,637	75,466
BIM Wind Power Joint Stock Company (BIM Wind)	Vietnam	Power generation	g	37.70	37.26	295,909	142,538
PT UPC Lombok Timur Bayu Energi (PT Lombok)	Indonesia	Power generation	f	28.73	28.40	229,881	171,332
PT Puri Prakarsa Batam (PPB)	Indonesia	Power generation	h	23.45	23.18	185,331	177,249
BIM Energy Joint Stock Company (BIME JSC)	Vietnam	Power generation	d	37.52	37.09	125,683	124,343
CI GMF II Camarines Offshore Wind Energy Corporation (CI GMF) (formerly CI GMF II San Miguel Holdings Corp.)	Philippines	Financial holdings	i	14.66	—	89,471	—
Others	Various	Various		various	various	52,030	50,504
						31,044,341	28,859,381
Interests in joint ventures:							
ACEHI Netherlands B.V. (ACEHI Netherlands)	Netherlands	Financial holdings	a	44.42	43.90	13,859,118	13,036,528
Philippine Wind Holdings Corporation (PhilWind)	Philippines	Financial holdings	b	40.93	40.45	6,070,016	5,697,785
North Luzon Renewable Energy Corp. (NLR)	Philippines	Power generation	b	19.52	19.30	3,560,001	3,198,595
Yanara India, B.V. (Yanara) (formerly BrightNight India B.V.)	Netherlands	Financial holdings	c	29.32	28.98	2,941,080	3,775,622
Unlimited Renewables Holdings, B.V. (URH)	Netherlands	Financial holdings	d	29.32	28.98	1,697,292	74,372
UPC Power Solutions LLC (UPC Power)	USA	Financial holdings	e	48.86	48.29	1,263,134	1,804,121
Ingrid Power Holdings, Inc. (Ingrid)	Philippines	Power generation	f	29.32	28.98	1,181,002	1,342,835
Greencore Power Solutions 3, Inc. (Greencore 3)	Philippines	Power generation	g	29.32	28.98	978,666	367,484
Yanara Philippines Corp. (Yanara Ph) (formerly BrightNight Philippines Corp. and Paivatar Energy Corporation)	Philippines	Financial holdings	h	29.32	28.98	666,262	232,807
Monsoon Wind B.V. (Monsoon Wind)	Netherlands	Financial holdings	i	29.32	28.98	402,796	296,498
NEFIN Limited (NEFIN)	Hong Kong	Financial holdings	j	51.59	28.98	206,732	118,815
Others	Various	Various		various	various	608,494	604,950
						33,434,593	30,550,412
						64,478,934	59,409,793
Less allowance for impairment						561,471	492,641
						₱63,917,463	₱58,917,152



This account consists of:

	2025	2024
Cost:		
Balance at beginning of year	₱46,403,342	₱32,601,537
Additions	2,575,160	12,403,749
Reclassification from (to) receivables (see Note 5)	1,615,415	(891,755)
Interest retained in a former subsidiary	29	82,275
Return of capital	(1,341,096)	—
Disposal / divestment	(7)	(77,174)
Conversion from subscription deposits and redeemable preferred shares (see Note 7)	—	1,695,449
Acquisition of control (see Note 20)	—	(568,719)
Cumulative translation adjustment	489,675	1,157,980
Balance at end of year	49,742,518	46,403,342
Accumulated equity in net earnings:		
Balance at beginning of year	13,110,543	12,548,957
Equity in net income of associates and joint ventures	4,935,920	4,622,839
Dividends received	(3,008,352)	(4,061,253)
Disposal	(89,497)	—
Balance at end of year	14,948,614	13,110,543
Accumulated share in other comprehensive income (loss):		
Balance at beginning of year	(104,092)	(44,076)
Cumulative translation adjustment	(88,427)	(144,836)
Interest rate swap	(14,989)	69,808
Remeasurement (loss) gain on defined benefit plan - net of tax	(4,690)	17,904
Unrealized fair value loss on derivative instruments designated as hedges - net of tax	—	(2,892)
Balance at end of year	(212,198)	(104,092)
Accumulated impairment losses:		
Balance at beginning and of year	(492,641)	(3,964)
Loss on write-down from disposal of investment in joint venture	(68,830)	(488,677)
Balance at end of year	(561,471)	(492,641)
Total investments	₱63,917,463	₱58,917,152



Capital call, Subscription deposit conversion and reclassification from (to) receivables

During the year ended December 31, 2025 and 2024, the Group made investments equivalent to its proportionate share in the following investee companies:

Investee Company	Domicile	Project	Project Location	Technology	Capacity (MW)	Amount in thousands	
						2025	2024
URH	Netherlands	–	India	Solar, Wind	TBD	₱751,129	₱151,018
Greencore 3	Philippines	Arayat	Philippines	Solar	–	859,900	–
Yanara Ph	Philippines	–	Philippines	–	TBD	452,919	225,628
PT Sidrap 2	Indonesia	Sidrap 2	Indonesia	Wind	34	11,846	530
UPC Power	USA	Stockyard & Chestnut Flats	USA	Wind	148	318,921	2,575,040
PT Sukabumi	Indonesia	Sukabumi	Indonesia	Wind	74	7,205	619
Monsoon Wind	Netherlands	Monsoon	Laos	Wind	146	82,271	82,963
PT Lombok	Indonesia	Lombok	Indonesia	Wind	39	841	1,240
BIMEH	Vietnam	BIM Wind, BIM RE, BIME JSC	Vietnam	Solar, Wind	TBD	–	4,177,731
Yanara	Netherlands	BN Maharashtra	India	Hybrid Solar-Wind	80	–	3,559,287
RWEI *	Philippines	Real Wind	Philippines	Wind	500	–	568,719
PhilWind	Philippines	Capa Wind 2	Philippines	Wind	70	–	504,460
NLR	Philippines	Capa Wind 2	Philippines	Wind	70	–	495,400
Others						90,128	61,114
Total						₱2,575,160	₱12,403,749

*RWEI was acquired as a subsidiary in 2024 (see Note 2)

Subscription deposit conversion and reclassification from (to) receivables

Investee Company	Domicile	Project	Project Location	Technology	Capacity (MW)	Amount in thousands	
						2025	2024
URH	Netherlands	–	India	Solar, Wind	TBD	₱946,164	₱–
PT Sidrap 2	Indonesia	Sidrap 2	Indonesia	Wind	34	373,563	75,221
PT Sukabumi	Indonesia	Sukabumi	Indonesia	Wind	74	240,928	87,841
PT Lombok	Indonesia	Lombok	Indonesia	Wind	39	54,760	175,822
YEC*	–	–	–	–	TBD	29	–
Yanara Ph*	Philippines	–	Philippines	–	TBD	–	82,275
BIMEH	Vietnam	BIM Wind, BIM RE, BIME JSC	Vietnam	Solar, Wind	TBD	–	1,356,565
UPC Power	USA	Stockyard & Chestnut Flats	USA	Wind	148	–	(891,755)
Total						₱1,615,444	₱885,969

*Interest retained from a subsidiary



Dividends

The Group received dividends amounting to:

	2025	2024
AATI	₱1,314,766	₱2,275,160
ACEHI Netherlands	624,150	1,399,303
PhilWind	393,323	284,334
BIMRE	143,342	73,466
Ingrid	251,834	–
URH	229,694	–
NLR	38,743	28,990
MGI	12,500	–
	₱3,008,352	₱4,061,253

Unless otherwise indicated, the principal place of business and country of incorporation of the Group's investments in associates and joint ventures is Philippines. Except as discussed in subsequent notes, the voting rights held by the Group in its investments in associates and joint ventures are in proportion to their ownership interest.

Interests in Associates

a. AA Thermal, Inc. (AATI)

AATI holds the Group's thermal platform in the Philippines. In 2019, the Group completed the sale of a 49% voting interest and 60% economic interest in AATI to Aboitiz Power Corporation (Aboitiz Power).

b. BIM Energy Holding Corporation (BIMEH)

On November 26, 2024, the Group acquired a 49% equity interest in BIMEH from Huntington Renewable Investments Limited ("HRIL") for a total consideration of US\$70.50 million, paid in tranches in November and December 2024. A reservation payment of US\$24.50 million, made in December 2023, formed part of the total consideration. The acquisition was completed on December 3, 2024 and resulted in notional goodwill of US\$1.60 million, based on the provisional fair values of BIMEH's net assets. BIMEH is a renewable energy holding company incorporated and operating in Vietnam, and holds 70% ownership interests in BIMRE, BIME, and BIM Wind Power Joint Stock Company. Following the acquisition, the Group's effective ownership interest in these underlying entities increased to 64.3%. Under the existing governance framework, control is not obtained as key decisions are subject to joint approval.

c. Solar NT Holding Pte. Ltd. (Solar NT)

On June 26, 2023, the Group entered into a Share Purchase Agreement with Super Energy Group for the acquisition of 43,063,650 ordinary shares, representing 49% of the issued and paid-up share capital of Solar NT Holdings Pte. Ltd. ("Solar NT"). Solar NT is the holding company for Super Energy Group's solar projects in Vietnam, with an aggregate capacity of 286.9 MW. The acquisition resulted in a notional goodwill of US\$0.60 million, based on the fair values of the underlying net assets of Solar NT.



d. BIM Renewable Energy Joint Stock Company (BIMRE) and BIM Energy JSC (BIME JSC)

The Group entered into a joint venture with BIM Group in April 2018 to develop solar power projects in Ninh Thuan Province, Vietnam, with an aggregate installed capacity of 330 MW, which achieved commercial operations in 2019, followed by a 75 MW solar expansion commissioned in 2020. Despite holding an effective ownership interest of 64.3% following the acquisition of BIMEH, management assessed that the Group does not control BIMRE and BIME, as key decisions require unanimous shareholder approval. Accordingly, these investments continue to be accounted for as investments in associates using the equity method.

e. Maibarara Geothermal, Inc. (MGI)

MGI was incorporated in 2010 and operates a 32MW geothermal power plant in Sto. Tomas, Batangas.

f. PT UPC Sidrap Bayu Energi Tahap Dua (PT Sidrap 2),
PT UPC Lombok Timur Bayu Energi (PT Lombok) and
PT UPC Sukabumi Bayu Energi (PT Sukabumi)

On December 15, 2023, the Group entered into share purchase agreements with UPC Renewables Asia Pacific Holdings Pte. Ltd. and PT Barito Wind Energy for the acquisition of equity interests in three wind power projects in Indonesia, with completion in January 2024. PT UPC Lombok Timur Bayu Energi is developing a 100 MW wind project in East Lombok, PT UPC Sidrap Bayu Energi Tahap Dua - a 70 MW wind project in Sidrap, South Sulawesi, and PT UPC Sukabumi Bayu Energi - a 150 MW wind project in Sukabumi, West Java.

On May 1, 2025, shareholder loans and intercompany payables amounting to US\$6.70 million (₱373.56 million) in PT Sidrap 2, US\$0.98 million (₱54.76 million) in PT Lombok and US\$4.32 million (₱240.92 million) in PT Sukabumi were converted into equity investments (see Note 5).

g. BIM Wind Power Joint Stock Company (BIM Wind)

In June 2020, the Group entered into a joint venture to develop wind power projects in Ninh Thuan Province, Vietnam. The 88 MW wind farm achieved commercial operations in September 2022. Following the acquisition of BIMEH, the Group holds an effective ownership interest of 64.3% in BIM Wind. Management assessed that control was not obtained as key decisions require unanimous shareholder approval, and the investment continues to be accounted for as an investment in an associate using the equity method.

h. PT Puri Prakarsa Batam (PPB)

On August 20, 2023, the Group entered into a Shareholders' Agreement with PT Trisurya Mitra Bersama for the joint development of a 660 MW photovoltaic project, with potential expansion, in Pulau Luma Besar, Indonesia. In September 2024, the Group completed the first and second phase funding requirements corresponding to its 40% ownership interest in PT Puri Prakarsa Batam ("PPB").



i. CI GMF II Camarines Offshore Wind Energy Corporation (CI GMF)

On March 10, 2025, the Group entered into a Share Purchase and Loan Agreement with affiliates of Copenhagen Infrastructure Partners (CIP), followed by the execution of a Deed of Absolute Sale on June 23, 2025, to acquire 29,500 common shares, representing 25% of the issued and outstanding shares, in CI GMF II Camarines Offshore Wind Energy Corporation. CIP is currently developing an offshore wind energy project located in the provinces of Camarines Sur and Camarines Norte.

Interests in Joint Ventures

a. ACEHI Netherlands B.V. (ACEHI Netherlands)

On March 24, 2017, the Group invested in ACEHI Netherlands, which was initially accounted for as a subsidiary. ACEHI Netherlands holds a 19.8% interest in Star Energy Geothermal (Salak–Darajat) B.V. (“SEGSD”), which operates a 656 MW geothermal portfolio in Indonesia, comprising the Darajat facility and the Salak facility.

On July 3, 2023, the Group entered into a Share Purchase Agreement with Star Energy Oil & Gas Pte. Ltd. for the sale of a 24.24% equity interest in ACEHI Netherlands. Following the transaction, the governance structure was amended such that all significant decisions require unanimous shareholder approval, resulting in the loss of control. Accordingly, the investment was reclassified from a subsidiary to a joint venture.

Cash consideration of the transaction amounted to US\$69.81 million (₱3,949.56 million). The deconsolidation resulted in a gain amounting to US\$19.34 million (₱1,062.30 million) which is recognized under “Other income – net” account in the consolidated statements of income. The cash inflow amounted to US\$69.74 million (₱3,945.44 million), net of US\$0.07 million (₱4.12 million) cash surrendered with the subsidiary.

The Group remeasured its 75.76% retained interest in ACEHI Netherlands and recognized remeasurement gain recognized amounting to US\$60.46 million (₱3,433.33 million) (see Note 20).

Following deconsolidation of ACEHI Netherlands, the investment of the Group in Salak and Darajat previously presented under “Investments in associates” is reclassified to “Investment in joint ventures” through ACEHI Netherlands. The principal place of business and country of incorporation is in Indonesia.

b. Philippine Wind Holdings Corporation (PhilWind) and North Luzon Renewable Energy Corp. (NLR)

In 2013, ACEN signed an Investment Framework Agreement and Shareholder’s Agreement with UPC Philippines Wind Holdco I BV (UPC Philippines) and the Philippine Investment Alliance for Infrastructure fund (PINAI) to develop an 81MW wind power project in Ilocos North through NLR.

In 2020, the Group purchased all the shares held of PINAI in PhilWind for ₱2,573.30 million.

In 2022, the Group purchased all the shares held of UPC Philippines in NLR for ₱2,385.27 million.



PhilWind directly and indirectly owns 67.00% of NLR through its 38.00% direct interest and 28.70% indirect interest through its 100.00% owned subsidiary, Ilocos Wind Energy Holdings Co., Inc.

In 2024, ACEN signed a subscription contract with NLR and PhilWind for additional subscriptions of ₱495.40 million and ₱504.46 million, respectively.

The additional subscription in NLR and PhilWind will be used by NLR as additional funding for the construction and completion of the 70MW wind farm in Pagudpud, Ilocos Norte (wind project referred to as Capa Wind 2). Capa 2 is a wholly owned subsidiary of NLR.

c. Yanara India, B.V. (Yanara) (*formerly BrightNight India, B.V.*)

On March 10, 2023, the Group entered into a Shareholder's Agreement with BrightNight to develop, construct, and operate renewable energy projects in India, including a 153 MW hybrid wind-solar project in Maharashtra and round-the-clock renewable projects in Rajasthan comprising the 387 MW Sheo 1 and 297 MW Sheo 2 projects. On 24 March 2023, the Company acquired 100 Class A shares and 100 Class A1 shares in Yanara India B.V., representing a 50% voting interest, and the investment is accounted for as investment in a joint venture.

d. Unlimited Renewables Holdings, B.V. (URH)

On December 21, 2023, the Company entered into a joint venture agreement with UPC India Pte. Ltd. to acquire a 50% ownership interest in URH for the development of renewable energy and energy storage projects in India. URH's project portfolio in India includes the 405 MW Tejorupa project, and the 102 MW Bijapur project.

e. UPC Power Solutions LLC (UPC Power)

On May 13, 2022, the Group entered into a Limited Liability Company Agreement with UPC Solar & Wind Investments LLC and Pivot Power Management to pursue opportunities to acquire and operate wind projects in the United States, including extending asset life through preventive maintenance and repowering. UPC Power currently holds two operating wind projects in North America: Stockyard Wind with a net dependable capacity of 129 MW, and Chestnut Flats with a capacity of 38 MW.

f. Ingrid Power Holdings, Inc. (Ingrid)

In 2021, the Group executed a subscription agreement with Axia Power Holdings Philippines Corp. for a 50% interest in Ingrid to develop, construct, and operate a 150MW diesel power plant in Pililia, Rizal.

g. Grencore Power Solutions 3, Inc.(Grencore 3)

In 2022, the Group entered into a joint venture agreement with Citicore Renewable Energy Corporation for a 50% interest in Grencore 3 to develop, construct and operate an 80MW solar power plant in Arayat and Mexico Pampanga. The solar power plant is referred to as Arayat.



- h. Yanara Philippines Corp. (Yanara Ph) *(formerly BrightNight Philippines Corp. and Paivatar Energy Corporation)*

On March 7, 2024, ACEN signed a Shareholders' and Investment agreement with BrightNight APAC B.V (BrightNight APAC) for the ownership and management of Yanara Ph as the designated renewable energy platform for the development, construction, and operation of a utility-scale renewable energy projects in the Philippines. The transaction diluted ACEN's ownership of the then wholly-owned subsidiary (see Note 2).

- i. Monsoon Wind B.V. (Monsoon Wind)

On February 24, 2023, the Group entered into a Shareholder's Agreement with Mitsubishi Corporation for the development, construction, and operation of the Monsoon Wind Power Project in Southern Lao PDR. The project is a 600 MW wind power plant, the first cross-border wind project in Southeast Asia, which achieved commercial operations in October 2025. On March 14, 2023, the Company infused share capital and share premium into the joint venture entity, Monsoon Wind B.V., representing a 50% voting interest.

- j. ACEN C&I HK Limited and NEFIN Limited (NEFIN)

On March 20, 2025, the Group established ACEN C&I HK Limited to serve as the holding and management platform for its investments in NEFIN and related clean energy projects in ASEAN and Hong Kong. ACEN C&I HK Limited is a joint venture between ACEN Silverwolf and ACEN Investments HK Limited (ACENIHK), each holding a 50% equity interest.

NEFIN is held 50% directly by the Company and 50% by ACEN C&I HK Limited. Taking into account both direct and indirect interests, the Group has a total effective ownership interest of 87.50% in NEFIN. Through this structure, ACEN C&I HK Limited serves as the holding entity for NEFIN, which holds solar assets across Malaysia, Thailand, Singapore, Hong Kong, and China.

- k. Real Wind Energy Inc. (RWEI)

On March 22, 2024, the Group and Modern Energy Management Pte. Ltd. (MEM) signed an Asset and Share Purchase Agreement and Deed of Absolute Sale wherein the Group purchased from MEM 40% of issued and outstanding shares in RWEI, which is currently developing wind energy projects in Real, Quezon.

On August 1, 2024, ACEN acquired additional shares representing 60% ownership, thereby acquiring control over RWEI (see Note 20).



The summarized financial information of material associates and joint ventures of the Group, and the reconciliation with the carrying amount of the investments in the consolidated financial statements are shown below:

2025 (Amounts in millions, except otherwise stated)

	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	Solar NT	BIMEH	URH	UPC Power	AATI
Classification	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Associate	Associate	Joint Venture	Joint Venture	Joint Venture	Associate
Functional currency	PHP	PHP	PHP	VND	USD	PHP	PHP	USD	VND	USD	USD	PHP
Dividends received	₱393.32	₱38.74	₱251.83	₱64,139.38	\$10.78	₱-	₱12.50	\$-	₱-	\$3.94	\$-	₱1,314.77
Summarized Statements of Financial Position:												
Cash and cash equivalents	₱930.01	₱596.61	₱513.17	₱95,323.47	\$169.57	₱321.70	₱419.86	\$6.10	₱580,267.97	\$0.43	\$3.27	₱2.65
Other current assets	2,410.65	1,739.81	971.12	1,015,059.30	-	140.59	421.75	25.49	1,302,728.19	6.31	7.03	0.38
Noncurrent assets	20,211.24	10,029.69	841.04	4,547,877.58	-	4,445.03	4,895.60	177.07	7,923,382.85	65.20	83.94	16,775.94
Total assets	23,551.90	12,366.11	2,325.33	5,658,260.35	169.57	4,907.32	5,737.21	208.66	9,806,379.01	71.94	94.24	16,778.97
Accounts and other payables	1,172.07	430.20	432.78	17,948.61	-	240.46	314.30	4.96	46,296.07	0.02	6.34	0.61
Short-term loans	-	-	-	-	-	-	-	1.28	-	-	-	-
Lease liabilities - current portion	2.08	2.08	7.35	1,641,852.13	-	-	1.37	-	-	-	0.07	-
Long-term loan - current portion	704.80	486.42	-	-	-	212.45	322.80	25.45	1,644,197.34	24.21	62.71	-
Other current liabilities	136.19	76.02	68.17	2,230.77	0.05	59.95	-	0.53	23,281.45	10.69	4.24	0.04
Lease liabilities - net of current portion	35.87	35.87	-	-	-	-	-	-	-	-	-	-
Long-term loan - net of current portion	8,545.87	5,377.98	-	1,856,384.62	-	2,352.03	912.16	103.08	4,202,321.05	-	-	-
Other noncurrent liabilities	126.14	126.14	1.65	709,594.05	-	111.29	22.30	8.63	2,074,644.54	9.44	5.32	-
Total Liabilities	10,723.02	6,534.71	509.95	4,228,010.18	0.05	2,976.18	1,572.93	143.93	7,990,740.45	44.36	78.68	0.65
Equity	₱12,828.88	₱5,831.40	₱1,815.38	₱1,430,250.17	\$169.52	₱1,931.14	₱4,164.28	\$64.73	₱1,815,638.56	\$27.58	\$15.56	16,778.32
Share in equity	₱995.99	₱2,375.80	₱895.29	508,665.05	\$232.75	₱977.89	₱1,036.85	\$38.81	₱889,662.89	\$8.48	\$12.38	₱18,099.74
Notional goodwill	3,264.62	1,184.20	285.71	363,000.00	2.58	-	-	0.60	20,680.00	-	19.30	-
Carrying value of investments in functional currency	₱4,260.61	₱3,560.00	₱1,181.00	₱871,665.05	\$235.33	₱977.89	₱1,036.85	\$39.41	₱910,342.89	\$8.48	\$31.68	₱18,099.74
Carrying value of investments in Philippine Peso CTA	₱4,260.61	₱3,560.00	₱1,181.00	₱1,936.52	₱13,628.24	₱978.67	₱1,036.85	₱2,285.61	₱5,764.14	₱1,695.48	₱1,239.95	₱18,099.74
	-	-	-	36.34	230.88	-	-	36.54	94.26	1	23.18	-
Carrying value of investments in reporting currency	₱4,260.61	₱3,560.00	₱1,181.00	₱1,972.86	₱13,859.12	₱978.67	₱1,036.85	₱2,322.15	₱5,858.40	₱1,697.29	₱1,263.13	₱18,099.74



	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	Solar NT	BIMEH	URH	UPC Power	AATI
Classification	Joint	Joint	Joint	Joint	Joint	Joint	Associate	Associate	Joint	Joint	Joint	Associate
Functional currency	Venture	Venture	Venture	Venture	Venture	Venture	Associate	Associate	Venture	Venture	Venture	Associate
	PHP	PHP	PHP	VND	USD	PHP	PHP	USD	VND	USD	USD	PHP
Summarized Statements of Comprehensive Income:												
Revenue	₱553.04	₱2,864.98	₱4,185.33	₱1,235,028.08	\$390.98	₱461.02	₱1,071.14	\$34.33	₱—	\$6.94	\$10.62	(₱3,286.92)
Depreciation and amortization	—	403.53	144.46	—	55.45	160.03	—	15.81	269,370.11	—	4.68	—
Interest income	3.68	-124.79	20.97	22,706.71	—	0.55	16.64	0.02	151,451.81	2.96	0.20	—
Interest expense	0.01	422.75	15.73	597,783.34	45.86	673.13	108.18	12.08	—	2.78	3.32	—
Income tax expense	0.74	178.81	249.02	27,775.90	95.01	20.44	27.10	0.23	19.95	—	—	—
Other cost and expense	(571.75)	984.96	2,617.31	387,050.26	52.45	105.40	680.30	8.97	(315,134.16)	1.82	21.15	(8,853.34)
Net income (loss)	1,127.72	999.72	1,179.78	245,125.29	142.21	(497.43)	272.20	(2.74)	197,195.91	5.30	(18.33)	5,566.52
Other comprehensive (loss) income	—	(2.71)	(0.06)	—	—	—	(10.91)	(1.04)	—	—	—	—
Total comprehensive income (loss) at functional currency	₱1,127.72	₱997.01	₱1,179.72	₱245,125.29	\$142.21	(₱497.43)	₱261.29	(\$3.78)	₱197,195.91	\$5.30	(\$18.33)	₱5,566.52
Group's share in total comprehensive income (loss) at functional currency	₱765.56	₱400.15	₱590.00	₱73,537.59	\$21.25	(₱248.72)	₱68.05	(\$1.34)	₱96,625.99	\$2.65	(\$15.27)	₱2,226.61
Total comprehensive income (loss) in Philippine Peso	₱1,127.72	₱997.01	₱1,179.78	₱547.82	₱8,369.37	(₱497.43)	₱272.20	(₱161.26)	₱440.70	₱311.92	(₱1,078.76)	₱5,566.52
Group's share in total comprehensive income (loss) in Philippine Peso	₱765.56	₱400.15	₱590.00	₱127.32	₱1,215.86	(₱248.72)	₱68.05	(₱101.64)	₱212.21	₱153.51	(₱883.09)	₱2,226.61

2024 (Amounts in millions, except otherwise stated)

	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	Solar NT	BIMEH	BrightNight	UPC Power	AATI
Classification	Joint	Joint	Joint	Joint	Joint	Joint	Associate	Associate	Joint	Joint	Joint	Associate
Functional currency	Venture	Venture	Venture	Venture	Venture	Venture	Associate	Associate	Venture	Venture	Venture	Associate
	PHP	PHP	PHP	VND	USD	PHP	PHP	USD	VND	USD	USD	PHP
Dividends received	₱284.33	₱28.99	₱—	₱32,116.44	\$24.56	₱—	₱—	\$—	₱—	\$—	\$—	₱2,275.16
Summarized Statements of Financial Position:												
Cash and cash equivalents	₱382.43	₱360.50	₱829.07	₱119,068.84	\$ 74.46	₱1,090.60	₱392.71	₱14.71	₱669,258.46	\$36.35	\$8.70	₱3.86
Other current assets	2,182.06	1,461.77	1,136.38	956,796.67	225.96	122.71	372.84	11.68	1,164,395.59	2.80	18.25	0.29
Noncurrent assets	20,312.38	10,344.36	964.85	4,858,255.48	2,466.38	4,594.72	4,698.09	198.67	14,635,072.11	34.15	61.86	16,780.09
Total assets	22,876.87	12,166.63	2,930.30	5,934,121.0	2,766.80	5,808.03	5,463.64	225.06	16,468.73	73.30	88.81	16,784.24
Accounts and other payables	396.56	126.07	643.95	271,223.80	25.94	212.39	320.03	5.10	5,440.21	3.82	4.91	0.76
Short-term loans	—	—	62.50	—	—	—	—	—	—	—	—	—
Lease liabilities - current portion	1.04	1.04	6.69	—	1.25	—	1.39	—	—	—	—	—

(Forward)



	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	Solar NT	BIMEH	BrightNight	UPC Power	AATI
Long-term loan - current portion	₱600.68	₱486.13	₱	₱477,550.52	₱39.00	₱4,659.08	₱438.77	₱27.00	₱659,435.32	₱	₱24.17	₱
Other current liabilities	343.39	147.82	46.04	6,315.56	16.44	118.58	—	0.49	35,234.65	2.60	7.23	—
Lease liabilities - net of current portion	38.63	38.63	14.87	—	3.42	—	—	0.06	—	5.51	22.06	—
Long-term loan - net of current portion	8,953.60	5,863.88	—	3,378,915.85	952.24	—	739.10	115.91	5,848,372.86	0.06	—	—
Other noncurrent liabilities	2,112.10	1,368.54	2.16	629,033.34	646.13	103.66	22.26	9.06	3,015,009.13	6.01	1.06	—
Total Liabilities	12,446.00	8,032.11	776.21	4,763,039.07	1,684.42	5,093.71	1,521.55	157.62	9,563,492.17	18.00	59.43	0.76
Equity	₱10,430.87	₱4,134.52	₱2,154.09	₱1,171,081.93	\$1,082.38	₱714.32	₱3,942.09	\$67.44	₱6,905,233.99	\$55.30	\$29.38	₱16,783.48
Share in equity	₱2,433.16	₱2,014.40	₱1,057.13	₱497,238.36	\$222.79	₱367.48	₱981.29	\$40.67	₱3,383,564.66	\$27.65	\$24.48	₱17,188.39
Notional goodwill	3,264.62	1,184.20	285.71	363,000.00	2.58	—	—	0.60	20,680.26	—	19.30	—
Carrying value of investments in functional currency	₱5,697.78	₱3,198.60	₱1,342.84	₱860,238.36	\$225.37	₱367.48	₱981.29	\$41.27	₱3,404,244.92	27.65	43.78	₱17,188.39
Carrying value of investments in Philippine Peso CTA	₱5,697.78	₱3,198.60	₱1,342.84	₱1,967.10	₱12,472.93	₱367.48	₱981.29	₱2,337.42	₱5,490.88	₱3,781.62	₱1,626.16	₱17,188.39
	—	—	—	(14.56)	563.60	—	—	49.84	61.05	(6.00)	177.96	—
Carrying value of investments in reporting currency	₱5,697.78	₱3,198.60	₱1,342.84	₱1,952.54	₱13,036.53	₱367.48	₱981.29	₱2,387.26	₱5,551.93	₱3,775.62	₱1,804.12	₱17,188.39

	PhilWind	NLR	Ingrid	BIMRE	ACEHI Netherlands	Greencore 3	MGI	Solar NT	BIMEH	BrightNight	UPC Power	AATI
Classification	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Associate	Associate	Joint Venture	Joint Venture	Joint Venture	Associate
Functional currency	PHP	PHP	PHP	VND	USD	PHP	PHP	USD	VND	USD	USD	PHP
Summarized Statements of Comprehensive Income:												
Revenue	₱2,767.41	₱2,084.44	₱3,651.78	₱1,235,030.44	\$338.14	₱785.96	₱1,128.41	\$36.24	₱151,820.00	\$0.69	\$9.14	₱8,579.68
Depreciation and amortization	365.63	365.48	143.15	282,378.93	39.92	145.62	311.68	15.74	36,930.00	0.32	3.37	—
Interest income	102.29	87.89	6.71	22,706.71	7.78	0.31	22.20	0.02	—	—	—	0.07
Interest expense	389.75	389.75	44.03	590,803.31	43.44	651.68	102.78	14.36	50,810.00	3.11	1.56	—
Income tax expense	149.81	103.29	103.23	23,297.44	83.87	20.44	22.77	(0.35)	220.00	—	—	0.16
Other cost and expense	649.11	560.52	2,565.37	99,368.26	40.57	105.54	412.67	12.81	294,430.00	5.40	17.09	(0.09)
Net income (loss)	1,315.40	753.29	802.71	261,889.21	138.12	(137.01)	300.71	(6.30)	(55,090.00)	(8.14)	(12.88)	8,579.68
Other comprehensive (loss) income	(0.74)	(0.74)	(0.08)	(5,779.25)	2.59	—	(13.58)	(2.22)	—	—	—	—
Total comprehensive income (loss) at functional currency	₱1,314.66	₱752.55	₱802.63	₱256,109.96	\$140.71	(₱137.01)	₱287.13	(₱8.52)	(₱55,090.00)	(₱8.14)	(₱12.88)	8,579.68
Group's share in total comprehensive income (loss) at functional currency	₱506.62	₱239.78	₱374.34	₱78,566.76	\$20.64	(₱67.45)	₱75.00	(₱4.18)	(₱16,530.00)	(₱4.07)	(₱10.73)	₱3,431.87
Total comprehensive income (loss) in Philippine Peso	₱1,314.66	₱752.55	₱802.63	₱244.09	₱8,211.29	(₱137.01)	₱287.13	(₱576.49)	(₱133.31)	(₱56.78)	(₱743.93)	₱8,579.68
Group's share in total comprehensive income (loss) in Philippine Peso	₱506.62	₱239.78	₱374.34	₱74.88	₱1,204.47	(₱67.45)	₱75.00	(₱282.83)	(₱40.00)	(₱28.39)	(₱619.75)	₱3,431.87



7. Investments in Redeemable preferred shares and convertible loans

The Group's investment in redeemable preferred shares and convertible loans are shown below:

	Payment Terms	Interest	2025	2024
<i>Redeemable preferred shares</i>				
AMI AC Renewables Corporation (AAR)	Redeemable at the issuer's option	Fixed base rate	₹7,372,524	₹7,254,017
Impact Wind Investments Limited (Impact Wind)	Redeemable until March 31, 2043	Fixed, cumulative and compounding rate	3,785,805	2,734,487
BIM Wind Power Joint Stock Company (BIM Wind)	Redeemable at the issuer's option	Fixed, cumulative and compounding rate	2,365,822	2,327,794
NEFIN Limited (NEFIN)	Redeemable at the issuer's option	Fixed, cumulative and compounding rate	2,040,013	2,007,222
BIM Renewable Energy Joint Stock Company (BIMRE)	Redeemable at the issuer's option	Fixed, cumulative and compounding rate	1,433,692	1,410,647
BIM Energy Joint Stock Company (BIME JSC)	Redeemable at the issuer's option	Fixed, cumulative and compounding rate	250,163	246,140
			17,248,019	15,980,307
<i>Subscription deposits</i>				
ACEN C&I HK Limited	--	--	515,447	—
ACEN Australia Holdings Pty Ltd	--	--	355,860	—
PT Nefin Solar Asset	--	--	38,970	—
PT Sidrap Bayu Energi Tahap Dua	--	--	14,054	—
			924,331	—
<i>Convertible loans</i>				
Vietnam Wind Energy Limited (Vietnam Wind)	Redeemable no later than 20 years from drawdown date	Fixed, cumulative and compounding rate	2,112,850	2,112,850
Asian Wind Power 1 HK Ltd (Asian Wind 1)	Redeemable until July 31, 2040	Fixed, cumulative and compounding rate	956,172	940,803
Asian Wind Power 2 HK Ltd (Asian Wind 2)	Redeemable until October 31, 2041	Fixed, cumulative and compounding rate	922,239	907,414
			3,991,261	3,961,067
			22,163,611	19,941,374
Allowance for expected credit losses			(2,112,850)	(2,112,850)
Balance at end of year			₹20,050,761	₹17,828,524



Investment in redeemable preferred shares and subscription deposits

The rollforward analysis of this account follows:

2025			
	Redeemable Preferred Shares	Subscription Deposit	Total
Balances at beginning of year	₱15,980,307	₱—	₱15,980,307
Additions	996,133	904,236	1,900,369
Cumulative translation adjustment	271,579	20,095	291,674
	17,248,019	924,331	18,172,350
Allowance for impairment	—	—	—
Balances at end of year	₱17,248,019	₱924,331	₱18,172,350

2024			
	Redeemable Preferred Shares	Subscription Deposit	Total
Balances at beginning of year	₱19,429,156	₱1,467,305	₱20,896,461
Additions	1,665,068	228,144	1,893,212
Redemption	(1,389,659)	—	(1,389,659)
Reclassification to:			
Financial asset at FVOCI	(3,861,101)	—	(3,861,101)
Investment in associate	—	(1,695,449)	(1,695,449)
Receivables	(12,147)	—	(12,147)
Cumulative translation adjustment	148,990	—	148,990
	15,980,307	—	15,980,307
Allowance for impairment	—	—	—
Balances at end of year	₱15,980,307	₱—	₱15,980,307

Investments in redeemable preferred shares

Details of the Group's investments in redeemable preferred shares follows:

a. AMI AC Renewables Corporation (AAR)

Redeemable Class A and Class B preference shares in AAR are entitled to dividends at fixed base rate annually, commencing from January 22, 2018. The shares are redeemable only by cash at the issuer's option on a "first in first out" basis but no earlier than the 5th year from subscription date. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected to be in 20 years from commercial operations.

AAR owns a combined 80 MW of Solar Farm in Khan Hoa and Dak Lak Province, Vietnam.

As at December 31, 2025 and 2024, the carrying amount of the investment is US\$125.40 million (₱7,372.52 million) and US\$125.40 million (₱7,254.02 million), respectively.



b. Impact Wind Investments Limited (Impact Wind)

In February 2023, the Group entered into a Party B Financing Bond Subscription Agreement with Mitsubishi Corporation, and Monsoon Wind B.V. to subscribe to Party B Financing to fund the construction of 600MW Monsoon Wind Project. The financing has an aggregate total amount of US\$80.40 million of which, US\$65.00 million is allocated to the Group. The Party B Financing has a fixed interest rate and is payable on March 31, 2043.

In 2025 and 2024, total subscriptions amounted to US\$17.12 million (₱996.13 million) and US\$21.64 million (₱1,235.74 million), respectively, with redemption amounted to nil and US\$1.38 million (₱74.75 million), respectively.

As at December 31, 2025 and 2024, the carrying amount is US\$64.40 million (₱3,785.80 million) and US\$47.27 million (₱2,734.49 million), respectively.

c. BIM Wind Power Joint Stock Company (BIM Wind)

On December 21, 2021, the Group converted deposit for future equity in BIM Wind into 300,000 redeemable preference shares. The redeemable preference shares are non-voting shares entitled to dividends at a fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on a "first in first out" basis no later than the end of the operations of the project which is expected to be 20 years from commercial operations.

BIM Wind owns and operates an 88MW wind project in Ninh Thuan Province, Vietnam. In 2023, the Group converted its subscription deposits to redeemable preferred shares for a total of \$3.14 million (₱176.22 million).

As at December 31, 2025 and 2024, the carrying amount of the investment is US\$40.24 million (₱2,365.82 million) and US\$40.24 million (₱2,327.79 million), respectively.

d. NEFIN Limited (NEFIN)

In 2022, the Group entered into a Shareholder's Agreement with NEFIN Limited to subscribe to the latter's Construction Equity Redeemable Preference Shares which are non-voting shares entitled to a fixed, cumulative compounding dividend annually and are not entitled to any additional dividends. The shares are redeemable only by cash at the issuer's option.

NEFIN installs utility-scale rooftop solar projects, commercial and industrial renewable energy systems.

In 2024, US\$3.50 million (₱202.46 million) was collected while US\$0.26 million (₱12.15 million) was reclassified to receivables. The total subscriptions amounted to US\$7.47 million (₱433.48 million) in 2024 (nil in 2025).

As at December 31, 2025 and 2024, the carrying amount of the investment is US\$34.70 million (₱2,040.01 million) and US\$34.70 million (₱2,007.22 million), respectively.



e. BIM Renewable Energy Joint Stock Company (BIMRE)

On November 4, 2019, the Group converted its deposit for future equity in BIMRE into 3,437,000 redeemable Class A preference shares and 3,437,000 redeemable Class B preference shares. The redeemable Class A and Class B preference shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on a "first in first out" basis but no earlier than the 13th year (for Class A) and 7th year (for Class B) from subscription date and no later than the end of the operations of the project which is expected to be 20 years from commercial operations. In 2020, the Group converted its subscription deposit to 928,093 Redeemable Class A and 928,093 Redeemable Class B shares.

BIMRE owns 300 MW of Solar Farm in Ninh Thuan Province, Vietnam.

As at December 31, 2025 and 2024, the carrying amount of the investment is US\$24.39 million (P1,433.70 million), and US\$23.39 million (P1,410.65 million), respectively.

f. BIM Energy Joint Stock Company (BIME JSC)

On November 4, 2019, the Group converted its deposit for future equity in BIME into 343,700 redeemable Class A preference shares and 343,700 redeemable Class B preference shares. The redeemable Class A and Class B preference shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on a "first in first out" basis but no earlier than the 13th year (for Class A) and 7th year (for Class B) from subscription date. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected to be 20 years from commercial operations.

BIME owns 30 MW of Solar Farm in Ninh Thuan Province, Vietnam.

As at December 31, 2025 and 2024, the carrying amount of the investment is US\$4.26 million (P250.16 million), and US\$4.26 million (P246.14 million), respectively.

g. UPC-ACE Energy Solar Limited (UPC-ACE Solar)

During the years ended December 31, 2020 up to 2024, the Group entered into a different Share Subscription Agreements with UPC Solar to subscribe to the latter's Class A redeemable preferred shares. The Class A redeemable preferred shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on a "first in, first out" basis. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected to be 25 years from commercial operations.

On August 8, 2024, the Board of Directors' of UPC Solar approved the change in UPC Solar's business model, which included amendments to the features of its Class A preferred shares. The instrument was amended with the following features: (a) no fixed coupon, (b) dividends payment payable upon discretion of the board and (c) no fixed redemption date. The amendment resulted to the investment in UPC-ACE Solar's Redeemable Preference Share Class A (classified as investment in redeemable preferred shares and convertible loans) with a net carrying amount of US\$59.46 million (P2,922.27 million) to be reclassified to investments in financial assets at FVOCI due to the change in business model. Prior to reclassification, the investment has an allowance for ECL amounting to US\$16.54 million



(P938.83 million), of which US\$1.05 million (P59.71 million) was recognized in the consolidated statements of income.

As at December 31, 2024, the fair value of the investments in UPC-ACE Solar's Redeemable Preference Share Class A and B, using a discount rate of 10.9%, was US\$59.99 million (P3,469.88 million). The unrealized fair value loss on financial assets at FVOCI for the year ended December 31, 2024, amounting to US\$43.04 million (P1,864.41 million), was recognized in the consolidated statements of comprehensive income.

In 2024, the Group provided an allowance for ECL amounting US\$1.05 million (P59.71 million) (nil in 2025).

As at December 31, 2025 and 2024, the carrying amount of the investment is nil.

h. UPC Renewable Asia III Ltd. (UPC Asia III)

Redeemable Class A preference shares in UPC Asia III are non-voting shares and are redeemable at the holder's option within 30 days from the earlier of July 15, 2035 or the date as soon as funds are realized by UPC Asia III or its subsidiaries. The shares are entitled to dividends at fixed, cumulative and compounding rate annually, commencing on January 11, 2017.

UPC Asia III owns a 75 MW Wind Farm in South Sulawesi, Indonesia.

On June 29, 2024, the Group redeemed RPS Class A from UPC Asia III, through distributable profits and capital reduction. The redemption was offset against the existing shareholder loan of UPC Asia III to ACRI, together with the outstanding interest receivable from investment in redeemable preferred shares. Interest in RPS Class A ceased as of date of the resolution. The redemption resulted to a gain of US\$25.92 million (P1,520.55 million).

As at December 31, 2025 and 2024, the carrying amount of the investment is nil.

Subscription deposits

a. ACEN C&I HK Limited

On March 20, 2025, the Group acquired 50% of ACEN C&I HK Limited. As part of the acquisition, the Group provided subscription deposits amounting to US\$8.77 million (P495.45 million) on various dates in 2025.

As at December 31, 2025, the carrying amount of the subscription deposit is US\$8.77 million (P515.47 million).

b. ACEN Australia Holdings Pty Ltd

In 2025, the Group made subscription deposits to ACEN Australia Holdings Pty Ltd amounting to US\$6.05 million (P355.76 million), as part of the restructuring and funding requirements of Yindjibarndi Energy Corporation Pty Ltd.



As at December 31, 2025, the carrying amount of the subscription deposit is US\$6.05 million (₹355.86 million).

c. PT Nefin Solar Asset

On October 1, 2025, the Group acquired 49% of PT NEFIN Solar Asset, a foreign capital investment company in Indonesia. As part of the transaction, the Group provided a subscription deposit amounting to US\$0.66 million (₹39.01 million) on October 25, 2025.

As at December 31, 2025, the carrying amount of the subscription deposit is US\$0.66 million (₹38.97 million).

d. PT Sidrap Bayu Energi Tahap Dua (PT Sidrap 2)

On December 13, 2023, the Group entered into an agreement with UPC Renewables Asia Pacific Holdings Pte Ltd, for the acquisition of 49% of PT Lombok, PT Sukabumi and PT Sidrap 2 (the “DevCos”), late-stage development projects in Indonesia, with a combined capacity of 320MW. On November 4, 2025, the Group made subscription deposit to PT Sidrap Bayu Energi Tahap Dua amounting to US\$0.24 million (₹14.02 million), for the purpose of carrying out met mast activities in Indonesia.

As at December 31, 2025, the carrying amount of the subscription deposit is US\$0.24 million (₹14.05 million).

e. Beacon Capital Holdings Limited

On December 18, 2023, the Group entered into a Reservation Agreement with Beacon Capital Holdings Limited and Huntington, to acquire a 49% equity stake in BIM Energy Holdings, BIM Group’s holding company for renewable projects in Vietnam. The transaction is subject to condition precedents, including regulatory approval in Vietnam. As part of the transaction, the Group provided a reservation deposit amounting to US\$24.50 million (₹1,356.57 million).

In November 2024, the reservation deposit was reclassified as part of investment in BIMEH, an associate (see Note 6).

f. UPC Renewables Asia Pacific Holdings Pte. Limited (UPCAPH)

On December 13, 2023, the Group entered into an agreement with UPCAPH, for the acquisition of 49% interest in 3 late-stage development projects in Indonesia, with a combined potential capacity of 320MW. The projects are located in South Sulawesi, Sukabumi, and Lombok. As part of the transaction, the Group provided a subscription deposit amounting to \$2.00 million.

In 2024, the total subscription deposits amounted to US\$3.78 million (₹228.14 million).

In 2024, the subscription deposits to UPCAPH amounting to US\$5.78 million (₹338.88 million) was reclassified as subscription deposits to PT Lombok, PT Sidrap 2 and PT Sukabumi, accounted as investment in associates and joint ventures (see Note 6).



Convertible loans

The rollforward analysis of this account follows:

	2025	2024
Balance at beginning of year	₱3,961,067	₱3,882,716
Cumulative translation adjustment	30,194	78,351
	3,991,261	3,961,067
Less Allowance for impairment	(2,112,850)	(2,112,850)
Balance at end of year	₱1,878,411	₱1,848,217

a. Vietnam Wind Energy Limited (Vietnam Wind)

On April 17, 2020, the Group entered into an agreement with Vietnam Wind, to make available a convertible term loan facility in an aggregate amount of US\$38.00 million (₱1,841.67 million). The Group, from time to time until maturity date, has an irrevocable right to convert all or part of the conversion amount into redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, redeemable preferred shares with no voting rights. The redeemable preferred shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends, redeemable at the issuer's option. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected to be 20 years from the drawdown date.

Vietnam Wind is the holding company of a 60 MW wind project in Vietnam.

As at December 31, 2025 and 2024, the outstanding convertible loan amounted to US\$38.00 million (₱2,112.85 million) for both years ended, and were fully impaired.

b. Asian Wind Power 1 HK Ltd (Asian Wind 1)

On April 12, 2019, AC Energy Vietnam Investments 2 Pte. Ltd. entered into an agreement with Asian Wind 1 to make available a convertible term loan facility in aggregate principal amount not exceeding US\$26.00 million (₱1,260.09 million). The Group, from time to time until the 25th anniversary of the drawdown date, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected to be 25 years from drawdown date.

On September 29, 2023, Asian Wind 1 repaid the outstanding convertible loan amounting to US\$26.00 million (₱1,318.77 million).

On September 27, 2023, ACEN Vietnam Investments Pte. Ltd., and Asian Wind Power 1 HK Ltd, entered into an agreement to make available a Convertible Preferred C facility in the aggregate principal amount of US\$16.26 million (₱920.15 million), payable on July 31, 2040. The Group has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights.



Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected to be 20 years from the project's commissioning date.

As at December 31, 2025 and 2024, the outstanding balance of convertible loan amounted to US\$16.26 million (P956.17 million) and US\$16.26 million (P940.80 million), respectively.

c. Asian Wind Power 2 HK Ltd (Asian Wind 2)

On March 25, 2020, the Group entered into an agreement with Asian Wind 2, to make available a convertible term loan facility in an aggregate amount not exceeding US\$23,000,000. The Group, from time to time until the 25th anniversary of the drawdown date, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A redeemable preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected to be 25 years from drawdown date.

On September 27, 2023, ACEN Vietnam Investments Pte. Ltd., and Asian Wind Power 2 HK Ltd, entered into an agreement to make available a Convertible Preferred C facility in the aggregate principal amount of US\$15.69 million (P887.49 million), payable on October 31, 2041. The Group, from time to time, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at \$1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected to be 20 years from the project's commissioning date.

On September 29, 2023, Asian Wind 2 repaid the outstanding convertible loan amounting to US\$21.29 million (P1,023.00 million).

Asian Wind 2 is the holding company of Hong Phong 1 Wind JSC, which operates the 40 MW Hong Phong 1 Wind Project in Vietnam.

As at December 31, 2025 and 2024, the outstanding balance of the convertible loan amounted to US\$15.69 million (P922.24 million) and US\$15.69 million (P907.41 million), respectively.

Allowance for ECL

In determining ECL, the Group has taken into account the historical default experience and, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of these debt instruments operate, in assessing if there is a significant increase in credit risk, as well as estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, and the loss upon default in each case.

For the year ended December 31, 2024, the Group recognized allowance for impairment loss amounting to US\$1.06 million (P60.40 million), in its redeemable preferred shares in UPC-ACE Solar (nil in 2025)



For the year ended December 31, 2024, the Group recognized a reversal of allowance for impairment loss amounting to US\$2.77 million (P154.10 million), in its convertible loan granted to Vietnam Wind (nil in 2025).

Investments in redeemable preferred shares and convertible loans granted bear interests with rates ranging from 8.80% to 14.00% per annum for both years ended December 31, 2025 and 2024.

Interest income

Interest income earned from redeemable preferred shares amounted to P1,919.39 million and P2,335.85 million in 2025 and 2024, respectively.

Interest income earned from convertible loans amounted to P645.86 million and P580.38 million in 2025 and 2024, respectively.



8. Property, Plant and Equipment

2025

	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Tools and Other Miscellaneous Assets	Office Furniture, Equipment and Others	Construction in Progress	Total
Cost:								
Balance at beginning of year	₱1,594,535	₱2,754,489	₱53,750,092	₱384,381	₱7,211,346	₱485,187	₱62,645,566	₱128,825,596
Additions	971,358	915,524	12,076,818	109,197	389,561	235,730	8,590,032	23,288,220
Capitalization of lease cost (Note 9)	—	—	—	—	—	—	1,344,796	1,344,796
Capitalization of borrowing cost	—	—	2,400,867	—	—	—	—	2,400,867
Changes due to loss of control	—	—	(33,185)	—	—	(5,321)	(657,786)	(696,292)
Disposals and retirement	—	(42,475)	(40,229)	(60,194)	—	(22,827)	(4,990)	(170,715)
Translation and foreign exchange adjustments	1,169	303	2,841,343	3,626	5,506	3,014	2,096,852	4,951,813
Reclassification	(18,460)	33,895	28,678,746	34,488	(1,403,281)	17,258	(27,342,646)	—
Balance at end of year	2,548,602	3,661,736	99,674,452	471,498	6,203,132	713,041	46,671,824	159,944,285
Accumulated depreciation:								
Balance at beginning of year	61,807	305,628	7,048,922	211,282	235,779	302,496	—	8,165,914
Depreciation	25,184	206,013	2,916,921	81,679	33,544	95,947	—	3,359,288
Translation and foreign exchange adjustments	—	70	108,017	2,034	—	1,851	—	111,972
Changes due to loss of control	—	—	(10,879)	—	—	(779)	—	(11,658)
Disposals and retirement	—	(42,475)	(13,997)	(53,778)	—	(22,564)	—	(132,814)
Reclassifications	—	—	9,405	—	(9,405)	—	—	—
Balance at end of year	86,991	469,236	10,058,389	241,217	259,918	376,951	—	11,492,702
Accumulated impairment loss:								
Balance at beginning of year	—	—	112,934	—	—	—	369,095	482,029
Reclassifications	—	—	256,532	—	—	—	(256,532)	—
Provision for impairment loss	—	—	—	—	—	—	19,867	19,867
Balance at end of year	—	—	369,466	—	—	—	132,430	501,896
Net Book Value	₱2,461,611	₱3,192,500	₱89,246,597	₱230,281	₱5,943,214	₱336,090	₱46,539,394	₱147,949,687



2024

	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Tools and Other Miscellaneous Assets	Office Furniture, Equipment and Others	Construction in Progress	Total
Cost:								
Balance at beginning of year	₱2,050,210	₱814,699	₱17,773,289	₱328,769	₱2,118,754	₱377,762	₱73,387,852	₱96,851,335
Additions	1,568	283,793	645,657	76,667	58,451	98,951	32,942,795	34,107,882
Capitalization of lease cost (Note 9)							714,195	714,195
Capitalization of borrowing cost	—	—	2,634,809	—	—	—	—	2,634,809
Acquisition from business combination	—	—	—	—	10,118	—	—	10,118
Transfer to advances to suppliers and contractors	—	—	—	—	—	—	(1,868,438)	(1,868,438)
Transfer from advances for land acquisition	45,761	—	—	—	—	—	—	45,761
Disposals and retirement	(500,761)	—	(4,963)	(25,071)	—	(773)	(243,801)	(775,369)
Translation and foreign exchange adjustments	(636)	(31)	(2,072,183)	(1,704)	(3,714)	(2,229)	(814,200)	(2,894,697)
Reclassification	(1,607)	1,656,028	34,773,483	5,720	5,027,737	11,476	(41,472,837)	—
Balance at end of year	1,594,535	2,754,489	53,750,092	384,381	7,211,346	485,187	62,645,566	128,825,596
Accumulated depreciation:								
Balance at beginning of year	50,386	203,053	5,067,616	168,910	372,525	214,268	—	6,076,758
Depreciation	11,421	102,602	1,762,268	65,297	117,613	91,556	—	2,150,757
Translation and foreign exchange adjustments	—	(27)	(45,107)	131	12,206	(2,718)	—	(35,515)
Disposals and retirement	—	—	(2,564)	(23,056)	—	(466)	—	(26,086)
Reclassifications	—	—	266,709	—	(266,565)	(144)	—	—
Balance at end of year	61,807	305,628	7,048,922	211,282	235,779	302,496	—	8,165,914
Accumulated impairment loss:								
Balance at beginning of year	—	—	112,749	—	—	—	365,723	478,472
Provision for impairment loss	—	—	185	—	—	—	3,372	3,557
Balance at end of year	—	—	112,934	—	—	—	369,095	482,029
Net Book Value	₱ 1,532,728	₱ 2,448,861	₱46,588,236	₱ 173,099	₱ 6,975,567	₱ 182,691	₱62,276,471	₱120,177,653



Significant Additions During the Year

In 2025 and 2024, the Group invested significant capital expenditure related to the following projects:

Project	Capacity (MW)	Location	% Completion	
			2025	2024
San Manuel Solar	60	Pangasinan, Philippines	100%	99.5%
Palauig 2 Solar	300	Zambales, Philippines	97%*	84%*
Quezon North Wind (Phase 1)	553	Real and Mauban, Quezon, Philippines	17%	–
San Marcelino Solar (Phase 3)	200	Zambales, Philippines	13%	5%
Stubbo Solar	520	Central Western Tablelands, New South Wales, Australia	100%	91%
New England BESS	200	Uralla, New South Wales, Australia	74%	8%

*Excluding transmission line with 67.45% and 55% as of December 31, 2025 and 2024, respectively.

On March 19, 2024, AREIT and BCHC, among other parties, executed a Deed of Exchange, for the subscription by BCHC to AREIT shares in exchange for a 276-hectare parcel of land located in Zambales property. Total cost of land disposed during the transaction amounted to ₱500.76 million.

Unpaid Property, Plant and Equipment

As at December 31, 2025 and 2024, unpaid balance of property, plant and equipment acquisitions amounted to ₱1,581.06 million and ₱1,006.93 million, respectively (see Note 23).

Borrowing Cost Capitalized

Borrowing cost capitalized to property, plant, and equipment amounted to ₱2,400.87 million and ₱2,634.81 million for the years ended December 31, 2025 and 2024, respectively. The capitalization rate used to determine the borrowing cost eligible for capitalization is 4.91% and 6.28% in 2025 and 2024, respectively.

Mortgaged Property, Plant and Equipment

NorthWind's Land, Wind Turbine Generator, Building and Machinery with a carrying value of ₱2,124.05 million and ₱1,702.64 million as at December 31, 2025 and 2024, respectively, included under "Machinery and Equipment" account, is mortgaged as security for a long-term loan (see Note 13).

Guimaras Wind's wind farm with a carrying value of ₱3,216.43 million and ₱3,402.92 million as at December 31, 2025 and 2024, respectively, included under "Machinery and Equipment" account is mortgaged as security for a long-term loan (see Note 13).

MONTESOL's solar power plant with a carrying value of ₱746.49 million and ₱803.50 million as at December 31, 2025 and 2024, respectively, included under "Buildings and Improvements" and "Machinery and Equipment" accounts is mortgaged as security for a long-term loan (see Note 13).

Contractual commitments

The Group has commitments for property, plant and equipment, which are contracted but not provided for in the consolidated financial statements amounting to ₱53,427.10 million and ₱76,755.59 million as of December 31, 2025 and 2024, respectively.



Disposals

As at December 31, 2025 and 2024, the Group sold equipment with a total net carrying amount of ₱37.90 million and ₱13.63 million, respectively, for cash consideration of 26.12 million and ₱20.05 million, respectively.

Depreciation

Total depreciation charged “cost of power operations” account in consolidated statements of income amounted to ₱2,816.14 million and ₱1,751.38 million in 2025 and 2024, respectively. The amount charged to “Depreciation and amortization” account in the consolidated statements of income amounted to ₱542.89 million and ₱399.37 million in 2025 and 2024, respectively.

Provision for Impairment loss

As at December 31, 2025 and 2024, the Group recognized provision for impairment loss on property, plant and equipment amounting to ₱19.87 million and ₱3.56 million, respectively.

Others

The Group has no significant property, plant and equipment which are temporarily idle as at December 31, 2025 and 2024.

9. Right-of-use Assets and Lease Liabilities

Right-of-use Assets

The rollforward analysis of this account is as follows:

2025

	Land and Easement Rights	Land and Power Plants	Office Space and Parking Slots	Leasehold Rights	Lease Vehicle	Total
As at January 1, 2025	₱2,141,107	₱1,165,459	₱2,613,636	₱2,836,961	₱36,012	₱8,793,175
New lease agreements	12,473	—	365,882	8,689	160,022	547,066
Amortization expense	(22,710)	(62,813)	(266,083)	(51,212)	(20,063)	(422,881)
Remeasurements	(75,197)	(96,022)	(15,849)	(68,803)	(5,540)	(261,411)
Capitalized amortization	(203,216)	(967)	(101,551)	(1,263)	(11,634)	(318,631)
Loss of control (see Note 2)	—	—	(7,177)	—	—	(7,177)
Translation and foreign exchange adjustments	—	—	386,152	—	—	386,152
Reclassifications	(181,414)	805,957	(985,351)	360,808	—	—
As at December 31, 2025	₱1,671,043	₱1,811,614	₱1,989,659	₱3,085,180	₱158,797	₱8,716,293

2024

	Land and Easement Rights	Land and Power Plants	Office Space and Parking Slots	Leasehold Rights	Lease Vehicle	Total
As at January 1, 2024	₱1,676,018	₱1,335,251	₱2,580,847	₱2,976,078	₱—	₱8,568,194
New lease agreements	547,629	—	114,817	102	41,270	703,818
Amortization expense	(10,704)	(77,262)	(195,827)	(59,556)	(1,891)	(345,240)
Remeasurements	(5,223)	(62,109)	345,832	(48,174)	—	230,326
Capitalized amortization	(66,613)	(30,421)	(157,224)	(1,780)	(3,367)	(259,405)
Loss of control (see Note 2)	—	—	(10,732)	—	—	(10,732)
Translation and foreign exchange adjustments	—	—	(93,786)	—	—	(93,786)
Reclassifications	—	—	29,709	(29,709)	—	—
As at December 31, 2024	₱2,141,107	₱1,165,459	₱2,613,636	₱2,836,961	₱36,012	₱8,793,175



The Group's total cash outflows for leases amounted to ₱1,672.98 million and ₱881.20 million in 2025 and 2024, respectively. In 2025, the Group had non-cash additions to its right-of-use assets and lease liabilities of ₱547.07 million and ₱321.40 million, respectively. In 2024, the Group had non-cash additions to its right-of-use assets and lease liabilities of ₱697.58 million and ₱6,507.08 million, respectively.

The following are the amounts recognized in the consolidated statements of income:

	2025	2024
Amortization expense of right-of-use assets	₱422,881	₱345,240
Interest expense on lease liabilities	416,380	346,927
Expense relating to short-term leases	118,979	149,627
	₱958,240	₱841,794

There were no indicators of impairment on the right-of-use assets of the Group as of December 31, 2025 and 2024.

Lease liabilities

The rollforward analysis of this account follows:

	2025	2024
Balance at beginning of year	₱14,541,889	₱8,398,604
New lease agreements	321,403	6,513,223
Capitalized interest expense	1,026,166	454,790
Interest expense	416,380	346,927
Payments	(1,701,503)	(887,962)
Loss of control (see Note 2)	(7,576)	(9,550)
Remeasurements	(407,965)	(112,129)
Translation and foreign exchange adjustments	357,378	(162,014)
	14,546,172	14,541,889
Less current portion	1,692,927	1,896,328
Noncurrent portion	₱12,853,245	₱12,645,561

Lease with Laguna Lake Development Authority (LLDA)

On August 8, 2023, the Group signed a Renewable Energy Contract Area Utilization (RECAU) agreement with Laguna Lake Development Authority (LLDA) to lease 800 hectares of Renewable Energy Areas (REAs) in Laguna, Philippines for a floating solar project with 800 MW capacity.

The term of the lease shall be 25 years commencing from the signing of the contract and may be renewed for a maximum of 25 years subject to terms and conditions as mutually agreed by the Lessor and the Group. Upon the signing of the contract, the Group was required to pay an initial bid fee, to be settled based on the scheduled payment tranches until 2025. Upon payment of the initial bid fee, the Group was given the exclusive right to use the lake to build and, construct projects for renewable energy within the area. Upon commercial operation, the Group is also required to pay an annual user's fixed fee until the expiration of the lease agreement, subject to compounded increase of 2% per year.

New England Solar Farm Stage 2

Between February and November 2023, the Group entered into several lease agreements totalling 2,331 acres of land located in Uralla, New South Wales as site for the construction and operation of the proposed 416MW solar power plant project.



The term of the leases is for a period of 30 years, with a fixed annual rental payment per acre of leased area per annum, exclusive of GST. The rental fee is subject to annual adjustment of whichever is higher between 3% per annum and CPI. The period of lease may be extended, under the same terms and conditions, at the sole discretion of the Group for up to another 20 years. It is a requirement that the Group returns the leased area to the landholder in substantially the same condition it was in at the lease commencement date.

Stubbo Solar

Between February and August 2023, the Group entered into several lease agreements totalling 4,077 acres of land located in Stubbo, New South Wales as the site for the construction and operation of the proposed 520MW solar power plant project.

The term of the lease is for a period of 30 years, with a fixed annual rental payment per acre of leased area per annum, exclusive of GST. The rental fee is subject to an annual adjustment of CPI. The period of lease may be extended, under the same terms and conditions, at the sole discretion of the Group for up to another 20 years. It is a requirement that the Group returns the leased area to the landholder in substantially the same condition it was in at the lease commencement date.

San Carlos Solar 1A and 1B

On March 7, 2014, the Group entered into a lease agreement with a third party for the lease of 35 hectares of land located in Barangay Punao, San Carlos City, Negros Occidental as site for the construction and operations of the Phase 1A and Phase 1B solar power plant projects. Upon execution of the agreement, the Group holds the land area delineated for Phase 1A for a period of 25 years. The area delineated for Phase 1B is held for the remaining term of the agreement upon the receipt of notice by the Group.

On June 18, 2020, the Group had its lease modified with the lessor. The modification amends the timing of payment and the basis of the annual escalation rate, which is now every 10th day of January, and is based on the average of the available and published inflation rates of the CPI for the immediately preceding twelve-month period, respectively. The lease modification did not result in a separate lease.

San Carlos 1C and 1D

On October 21, 2014, the Group entered into a lease agreement with a third party for the lease of 32.4214 hectares of land located in Barangay Punao, San Carlos City, Negros Occidental as the site for the construction and operations of Phases 1C and 1D solar power plant projects. Upon the execution of the agreement, SACASOL holds the land area for a period of 25 years.

On June 18, 2020, the Group had its lease modified with lessor. The modification amends the timing of payment and the basis of the annual escalation rate, which is now every 10th day of January, and is based on the average of the available and published inflation rates of the CPI for the immediately preceding twelve-month period. The lease modification did not result in a separate lease.

La Carlota 2A and 2B

On June 5, 2014, the Group entered into a lease agreement for the lease of 24.4258 hectares of land located at La Carlota City, Negros Occidental as the site for the construction and operations of Phases 2A and 2B solar power plant projects of the Group. The Group holds the land area delineated for a period of 25 years. The lease may be subjected to re-negotiation upon written notice served upon the lessor by the lessee not earlier than one (1) year but not later than six (6) months before the expiration of the original period of lease. The extension of lease shall be in writing executed by both parties three (3) months before the expiration of the original period of lease.



On May 6, 2015, the Group entered into another lease agreement for the lease of approximately 180,331.76 sq.m. of land located at La Carlota City, Negros Occidental. The Group holds the land area delineated for a period of 25 years. The lease may be subjected to re-negotiation upon written notice served upon the Lessor by the lessee not earlier than 1 year but not later than 6 months before the expiration of the original period of lease. The extension of lease shall be in writing executed by both parties 3 months before the expiration of the original period of lease.

Alaminos Solar Plant

On September 30, 2019, the Group entered into a lease agreement with a related party Ayala Land, Inc., Crimson Field Enterprises Inc., and Red Creek Properties Inc., for 106.59 hectares of land located in Barangay San Andres, Alaminos, Laguna as the site for the construction and operation of a solar power facility.

The term of the lease is for a period of 21 years, with a fixed monthly rental payment of per square meter, exclusive of VAT. The rental fee is subject to annual adjustment of whichever is higher between 3% per annum and the rate of increase of real property tax where the property is located. The period of lease may be extended, under the same terms and conditions, at the sole discretion of the Group for up to another 21 years.

Bataan BESS

On April 22, 2020, the Group entered into a lease agreement with a third party for 13.95 hectares of land located in Batangas II, Mariveles, Bataan. The property is used to develop, operate and maintain a 5MW RE Laboratory facility. The term of the sublease is for a period of 25 years, with a fixed monthly rental payment per square meter, exclusive of VAT. The period of lease may be extended, under the same terms and conditions at the sole discretion of the Group for up to another 25 years.

Palauig 2 Solar

On September 26, 2024, the Group executed a lease contract over the property of the Group's 300MW solar power plant project in Palauig, Zambales. The lease term is from the rent commencement date on July 1, 2024 (referred to as "Rent Commencement Date") to June 30, 2049, renewable for another twenty-five years at the option of the lessee, upon the written agreement of the lessor and lessee under such terms and conditions as may acceptable to them. The initial rent is based on a fixed rate per sq.m per annum, exclusive of VAT, with annual escalation of 1.50% commencing on July 1, 2025. Lease payment commencing from July 1, 2025 shall be done in advance on a quarterly basis. This lease is part of the sale and leaseback transaction of the Group and its affiliate, AREIT, Inc.

Remeasurements

On August 8, 2023, the Group entered into Renewable Energy Contract Area Utilization Agreements (RECA) with the Laguna Lake Development Authority (LLDA) for the development of floating solar projects.

On May 28, 2025, the Group requested and was granted approval by the LLDA Board to defer lease related payments without penalty due to delays in the procurement timeline under the Department of Energy's Green Energy Auction Program Round 4 (GEAP-4).

As of December 31, 2025, the Group has remeasured the lease liability and right-of-use asset amounting to ₱146.55 million to reflect the revised payment schedule and the deferral of the settlement of the 2nd tranche and final tranche of the possessory rights to 1st quarter of 2026 and August 8, 2026, respectively. No gain nor loss was recognized.



Depreciation and amortization

Total amortization charged to operations as at December 31, 2025 and 2024, amounted to ₱135.10 million and ₱111.96 million, respectively.

The amount charged to “Depreciation and amortization” account as at December 31, 2025, and 2024, amounted to ₱287.78 million and ₱233.28 million respectively.

10. Intangible Assets

Goodwill

The rollforward of this account follows:

	2025	2024
Balance at beginning of year	₱24,311,216	₱22,016,334
Acquisition of subsidiaries (see Note 20)	—	1,375,051
Translation and foreign exchange adjustments	351,208	919,831
Balance at end of year	₱24,662,424	₱24,311,216

In 2024, additions to goodwill are from acquisition of controlling interest in Real Wind Energy, Inc. amounting to ₱1,375.05 million (see Note 20).

Impairment Testing of Goodwill

The Group performs its impairment test annually and when circumstances indicate that the carrying value may be impaired. This requires an estimation of the value in use of the related CGU. The value in use calculation requires the Group to make an estimate of the expected future cash flows from the CGU and to choose a suitable discount rate in order to calculate the present value of those cash flows.

The CGU of the Group is comprised of:

- Philippines:
 - a. Operating plants - ISLASOL and OSPGC
 - b. Development - San Manuel Solar , YMP Telecom Power, Inc.
 - c. Pre-Development - Real Wind Energy, Inc. and various UPC Philippines entities namely
 - i. Buduan Wind Energy Co., Inc.;
 - ii. Caraballo Mountains UPC Asia Corporation;
 - iii. Pangasinan UPC Asia Corporation;
 - iv. Sapat Highlands Wind Corporation;
 - v. UPC Mindanao Wind Power Corp.;
 - vi. Itbayat Island UPC Asia Corporation;
 - vii. Laguna Central Renewables, Inc.;
 - viii. ACEN Technical Services, Inc.
 - ix. Suyo UPC Asia Corporation; and,
 - x. SolarAce 4 Energy Corp. (“SolarAce 4”).
- International - UPC-ACE Australia



The goodwill arising from the acquisitions in San Manuel Solar , YMP, UPC-ACE Australia and UPC Philippines are from the established capabilities of its assembled workforce which include:

- Pre-development and development - involving site acquisition, permitting and studies to get the project to a shovel ready state;
- Construction - including sourcing of investors as well as managing the construction of power plants; and,
- Operations - covering management of power plants in lieu of the hiring third party operators and management

Further, the above acquisition included projects in its pipeline with a view of development projects (new and from the pipeline) for the Group. Through this acquisition, the Group is able to have the capability to develop projects end-to-end from permits and feasibility studies, all the way to construction and operations.

Currently, the assembled workforce oversees the pre-development and development of several potential sites for its projects are within the Philippines and Australia.

Key assumptions used in the value-in-use calculations

The recoverable amount is based on the value in use calculations using cash flow projections from the financial budget approved by management covering the period the CGU is expected to be operational. Based on management's assessment, there is no impairment loss to be recognized on goodwill as of December 31, 2025 and 2024 despite the reduction in forecasted tariff prices for contracted and merchant renewable power plants. The pre-tax discount rate used is the weighted average cost of capital of comparable entities. The value-in-use computation is most sensitive to the discount rate and growth rate applied to the cash flow projections.

- Philippines
 - Operating plants
 - Forecasted revenue growth (2025: 1%-2%;2024: 4%-24%)
 - EBITDA margin (2025: 38%-68%;2024: 13%-43%)
 - Discount rate (2025: 9.7%;2024: 10.17%)
 - Development
 - Forecasted revenue growth (2025: 1%-2%; 2024: 1%-3%)
 - EBITDA margin (2025: 62%-75%; 2024: 69%-71%)
 - Discount rate (2025: 10.34%; 2024: 10.17%)
- International – UPC-ACE Australia
 - Forecasted revenue growth (2025: 1%-6%; 2024: 2%-7%)
 - EBITDA margin (2025: 67%-84%; 2024: 63%-82%)
 - Discount rates (2025: 7.60%- 8.50%; 2024: 7.59%- 9.06%)

The pre-tax discount rate used in the updated analysis range from 10.17% to 14.52% for Philippines and 7.59% to 8.52% for International which is based on weighted average cost of capital of comparable entities. The growth rate ranges from (2.24%) to 9.97%. The value-in-use computation is most sensitive to the discount rate and growth rate applied to the cash flow projections.

- Forecasted revenue growth - revenue forecasts are management's best estimates considering factors such as historical/industry trend, tariffs, target market analysis, government regulations and other economic factors.



- EBITDA margin - It is a measure of a firm's profit that includes all expenses except interest, depreciation and income tax expenses. It is the difference between operating revenues and operating expenses. EBITDA was adjusted for tax, depreciation, interest expenses and changes in net working capital and maintenance capital expenditures in arriving at the free cash flow.
- Discount rates - represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Based on management's assessment, recoverable amount exceeded the carrying amount of the CGU. No impairment loss was recognized on goodwill as of December 31, 2025 and 2024.

Intangible assets other than goodwill

The rollforward of this account follows:

	2025	2024
Balance at beginning of year	₱2,211,735	₱2,075,660
Additions	798,225	298,342
Amortization during the year	(175,761)	(162,267)
Balance at end of year	₱2,834,199	₱2,211,735

Intangible assets amounting to ₱2,191.81 million arising from an identifiable FIT contract with remaining life of 13 years was recognized from the acquisition of SACASOL in 2020. This is amortized in a straight-line basis over its remaining life from 2020. The carrying amount as at December 31, 2025 and 2024 amounted to ₱1,320.14 million and ₱1,471.90 million, respectively.



11. Other Assets

This account consists of:

	2025	2024
Current:		
Inventories	₱1,016,138	₱974,526
Prepaid expenses	1,182,475	722,264
Bill deposits	570,062	394,995
Advances to suppliers and contractors	227,045	335,226
Derivative assets (see Note 21)	409,057	157,662
Other current assets	77,957	106
	₱3,482,734	₱2,584,779
Noncurrent:		
Derivative assets (see Note 21)	₱5,520,869	₱4,394,107
Advances to suppliers and contractors	6,280,021	5,651,193
Advances for land acquisition	4,559,372	2,015,292
Bill deposits	197,089	192,698
Others	142,193	142,160
	₱16,699,544	₱12,395,450

Inventories consists of:

	2025	2024
Fuel	₱591,713	₱535,932
Spare parts	424,425	438,594
	₱1,016,138	₱974,526

Prepaid expenses

Prepaid expenses largely pertain to software subscription, maintenance, prepaid taxes and other prepaid services. This also includes loan upfront fees to be amortized upon loan drawdown.

Bill deposits

Bill deposits pertain to the deposit with Meralco equivalent to the RES customer's average billing in the immediately preceding twelve (12) months or in case of a newly connected RES's customer, based on projected demand and/or energy of such customer. The bill deposit may be applied by Meralco to any outstanding bill, billing adjustment or differential billing upon termination of the contract. Noncurrent bill deposits also include noncurrent portion of deposits to distribution utilities and noncurrent portion of the refundable security deposit with Subic Bay Metropolitan Authority (SBMA).

Advances to suppliers and contractors

Advances to suppliers and contractors represent payments made to suppliers and contractors for goods and services that have not yet been received or completed. These advances are typically made to ensure the timely delivery of materials and services necessary for projects under construction.



Advances for land acquisition

Advances for land acquisition pertain to partial payments to landowners and service providers related to the acquisition of various property for future renewable projects. For the years ended December 31, 2025 and 2024, additions to advances for land acquisition amounted to ₱2,544.08 million and ₱767.57 million, respectively. Total cash paid in 2025 and 2024 amounted to ₱2,510.92 million and ₱767.57 million, respectively.

Derivative assets

ACEN Australia has secured 20-year Long Term Energy Supply Agreements (LTESA) for its solar projects in New South Wales (NSW) through the government's first renewable energy and storage auction. These agreements cover the 720 MW New England Solar Project (NESF 1 and NESF 2) and the 400 MW Stubbo Solar Project. The LTESA grants the generator the option to engage in a two-year electricity swap contracts from July 1, 2026, to June 30, 2047, known as "Swaptions." If exercised, the swap settles based on the difference between the LTESA fixed price and the National Electricity Market (NEM) spot rate for each MWh of energy produced.

The contract includes ten consecutive Swaptions, each providing a two-year swap if exercised. Swaptions must be activated within a 6-12 month window before the swap's effective date. If not exercised, no cash exchanges occur, and a clawback mechanism initiates if the Scheme Financial Vehicle (SFV) has been the net payer under LTESA and the dispatch-weighted average price exceeds its threshold. NESF or Stubbo must repay SFV an amount capped at sums previously received during the Swaption period. LTESA maturity dates are June 30, 2046, for NESF, and June 30, 2047, for Stubbo.

12. Accounts and Other Payables

This account consists of:

	2025	2024
Trade payables	₱2,899,271	₱2,659,138
Nontrade payables	2,253,805	2,893,459
Payable to contractors	2,013,150	2,093,107
Accrued expenses	1,934,413	2,676,820
Interest payable	1,895,465	1,843,811
Taxes payable	1,674,124	1,443,058
Other payables	27,555	7,688
	₱12,697,783	₱13,617,081

Accounts and other payables are noninterest-bearing and are normally settled on thirty (30) to sixty (60)-day terms. Other current liabilities are non-interest bearing and are normally settled within one year.

Nontrade payables

Nontrade payables consist of obligations to third party vendors arising from transactions other than in the regular course of business and are noninterest-bearing and are normally settled within the next year. It also includes those owed to employees, and refundable deposits.

Trade payables include billings of goods and services from various suppliers and are normally settled within 30 days.



Accrued expenses includes the following:

	2025	2024
Compensation and benefits	₱907,852	₱1,381,582
Professional fees	85,618	68,244
Taxes and licenses	23,993	138,328
Insurance	14,501	3,386
Rent	7,138	212,816
Repairs and maintenance	3,491	1,451
Other provisions for expenses	891,820	871,013
	₱1,934,413	₱2,676,820

Other provisions for expenses include unbilled operating expenses, construction costs from suppliers, including equipment charges, materials, labor, overhead, and repair provisions.

Taxes payable include output tax, deferred output tax, withholding and income tax payable. As of December 31, 2025 and 2024, income tax payable amounted to ₱112.36 million and ₱62.58 million, respectively.

13. Short-term Loans, Loans Payable, and Notes Payable

Short-term Loans

The rollforward of this account follows:

	2025	2024
Balances at beginning of year	₱5,600,000	₱1,500,000
Availments	30,360,855	26,100,000
Payments	(21,599,430)	(17,800,000)
Refinance to long-term loans	—	(4,200,000)
Balances at end of year	₱14,361,425	₱5,600,000

Interest rates of short-term loans from local banks ranges from 4.60% to 5.75% and 5.40% to 6.38% in 2025 and 2024, respectively.

Total interest expense and other financing charges recognized on short-term loans for the years ended December 31, 2025 and 2024 amounted to ₱498.34 million and ₱239.17 million, respectively.

ACEN

Cross-currency swap

On October 13, 2023, ACEN signed a ₱5,000.00 million term loan agreement with a local bank. An amendment was made on August 5, 2024 to allow for the facility to be drawn in US Dollars, Sterling and Euros. Further, a second amendment was made on October 28, 2024 to extend the availability period of the loan to the earliest of (i) March 31, 2025, (ii) date the commitment is fully drawn, or (iii) date the commitment is terminated.

On August 1, 2024, ACEN entered into a forward-starting cross-currency swap which has an effective date of August 6, 2024 to hedge the USD loan exposure. Under the cross-currency swap, ACEN pays a notional amount of ₱3,200.00 million at a fixed PHP interest rate.



On August 6, 2024, ACEN drew an equivalent of ₱3,200.00 million with USD notional value of US\$54.86 million. Maturity date is on July 24, 2029. This was used to refinance the ₱3,200.00 million short-term loan that matured on August 6, 2024.

On December 16, 2024, ACEN entered into a forward-starting cross-currency swap which has an effective date of December 18, 2024 to hedge the USD loan exposure. Under the cross-currency swap, ACEN pays notional amount of ₱1,000.00 million at a fixed PHP interest rate.

On December 18, 2024, the ACEN drew an equivalent of ₱1,000.00 million with USD notional value of US\$17.05 million. Maturity date is on April 24, 2030. This was used to refinance the ₱1,000.00 million short-term loan that matured on December 18, 2024.

ACEIC

On May 29, 2024, the Parent Company entered into a short-term loan agreement with the foreign amounting to ₱500.00 million with an interest rate of 6.10% per annum. Lump sum of principal and interest was fully settled on its maturity on August 27, 2024.

On August 26, 2025, the Parent Company entered into a short-term loan agreement with the local bank amounting to ₱700.00 million with an interest rate of 5.75% per annum. Lump sum of principal and interest was fully settled on its maturity on September 25, 2025.

On September 24, 2025, the Parent Company entered into a short-term loan agreement with the local bank amounting to ₱700.00 million with an interest rate of 5.40% per annum. Lump sum of principal and interest was fully settled on its maturity on October 24, 2025.

On December 19 and 23, 2025, the Parent Company entered into a short-term loan agreement with a local bank amounting to ₱2,142.75 million (US\$36.56 million) and ₱909.60 million (US\$15.50 million), respectively, with an interest rate of 4.75% per annum and the tenor of the loan agreement is 90 days.

ACRI

On December 4, 2025, ACRI utilized its short-term loan facilities with various lenders amounting to ₱5,349.90 million (US\$108.00 million), which were fully settled in January 2026.



Loans Payable

Facility	Loan Avalied	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
ACEIC								
₱10,000.00 million or US\$ equivalent Loan	\$62.50 million	November 23, 2020	12 years, November 22, 2032	5.9461% per annum	Interest payable semi- annually	Net debt to equity ratio not exceeding 3.0x Based on the ACEIC year-end balances. Tested semi-annual	₱3,713,403	₱5,883,006
	\$37.50 million ⁽⁷⁾	December 22, 2020	12 years, December 21, 2032	4.0267% per annum	0.5% of the principal payable semi-annually starting on the 5 th interest payment date; 1.0% of the principal payable at the interest payment date before maturity; remaining 90% of the principal lump sum at maturity			
₱3,500.00 million Loan	₱3.50 billion	October 19, 2022	10 years, October 21, 2032	5.6443% per annum subject to quarterly repricing	Interest payable quarterly 0.5% of the principal payable semi-annually starting in October 2027; remaining 95% of the principal lump sum at maturity	Net debt to equity ratio not exceeding 3.0x Based on the ACEIC year-end balances. Tested semi-annual	3,500,000	3,500,000
US\$60.00 million Loan	US\$60.00 million	December 22, 2020	12 years, December 22, 2032	5.8671% per annum; subject to repricing on the 10 th anniversary	Interest payable quarterly 0.5% of the principal payable quarterly starting on the 8 th interest payment date; remaining 80% of the principal lump sum at maturity	Net debt to equity ratio not exceeding 3.0x Based on the ACEIC year-end balances. Tested semi-annual	3,481,537	3,467,505
₱1,000.00 million Loan	₱1,000.00 million	February 23, 2017	10 years, February 23, 2027	6.0000% per annum	Principal lump sum at maturity and interest payable semi-annual	Maximum DE ratio of 2.33x Based on the ACEIC year-end balances. Tested semi-annual	1,000,000	1,000,000



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
ACEF								
US\$10.00 million Loan	US\$10.00 million	January 23, 2024	3 years, January 22, 2027	5.3980% per annum	Interest payable quarterly and lump sum principal at maturity	Net debt to equity ratio not exceeding 3.0x Based on the ACEIC year-end balances. Tested semi-annual	587,900	578,450
ACEN								
₱1,500.00 million Loan A	₱1,175.00 million	January 11, 2017	July 11, 2029	6.50%	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	₱420,342	₱515,827
₱5,000.00 million Loan B	₱5,000.00 million	November 15, 2019	November 14, 2029	<i>For the period of:</i> November 15, 2019 to November 14, 2024 - 5.0505% November 14, 2024 to November 14, 2029 - 7.1314% Fixed at 5.0505% for the first 5 years; repricing on the succeeding five (5) years based on the average of the 5-year BVAL, three (3) days prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	4,684,211	4,736,842
₱7,000.00 million Loan C	₱500.00 million	July 15, 2020	July 15, 2030	5.00%	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x	6,739,000	6,823,000



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	₱1,000.00 million	August 24, 2020	July 15, 2030	5.00%		Based on ACEN consolidated balances.		
	₱1,000.00 million	June 10, 2022	July 15, 2030	<i>For the period of:</i> June 10, 2022 to July 15, 2024 – 5.066% July 15, 2024 to July 15, 2027 – 6.9273% Repricing on the 4th and 7th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin		Tested semi-annually		
	₱2,000.00 million	November 15, 2022	July 15, 2030	<i>For the period of:</i> November 15, 2022 to July 15, 2023 – 5.8096% July 15, 2023 to July 15, 2026 – 7.1720% Repricing on the 3rd and 6th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				
	₱2,500.00 million	January 13, 2023	July 15, 2030	<i>For the period of:</i>				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
				July 15, 2023 to July 15, 2024 - 6.458% July 15, 2024 to July 15, 2027 - 6.9273% Repricing on the 4th and 7th anniversaries of the initial drawdown based on the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin				
₱4,500.00 million Loan D	₱805.00 million ₱2,000.00 million ₱1,695.00 million	March 30, 2021 February 28, 2022 April 11, 2022	March 30, 2031 March 30, 2031 March 30, 2031	<i>Applicable rates for all availments for the period of:</i> September 30, 2023 to March 30, 2024 – 7.00% March 30, 2024 to September 30, 2024 - 7.25% September 30, 2024 to March 30, 2025 – 7.00% March 30, 2025 to September 30, 2025 – 6.2444% September 30, 2025 to March 31, 2026 – 5.8122%	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	4,387,500	4,432,500



Facility	Loan Avalled	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
				Floating interest rate repriced on every succeeding semi- annual period.				
₱10,000.00 million Loan E	₱3,000.00 million	December 13, 2022	December 13, 2032	<i>For the period of:</i> December 13, 2023 to June 13, 2024 – 6.2481%	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	6,000,000	6,000,000
	₱3,000.00 million	January 27, 2023	December 13, 2032	July 27, 2023 to January 27, 2024 – 6.9129% January 27, 2024 to June 13, 2024 – 6.5826% <i>Applicable rates for all availments for the period of:</i> June 13, 2024 to December 13, 2024 – 6.9698% December 13, 2024 to June 13, 2025 – 6.9359% June 13, 2025 to December 13, 2025 – 6.5270% December 13, 2025 to June 13, 2026 – 5.6963%				



Facility	Loan Avalied	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
				Floating interest rate repriced on every succeeding semi- annual period.				
₱10,000.00 million Loan F	₱250.00 million	August 17, 2023	August 17, 2033	<i>For the period of:</i> August 17, 2023 to August 17, 2025 – 7.0891% August 17, 2025 to August 17, 2027 – 6.3162% Repricing for the 2nd, 4th, 6th, and 8th anniversaries is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	239,500	244,750
₱5,000.00 million Loan G	₱500.00 million	October 24, 2023	October 24, 2033	<i>For the period of:</i> October 24, 2023 to January 24, 2024 – 6.6102% January 24, 2024 to April 24, 2024 – 6.500% April 24, 2024 to July 24, 2024 – 6.5130% July 24, 2024 to October 24, 2024 – 6.500% October 24, 2024 to	Principal and interest payable quarterly Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	4,727,664	4,670,797



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
				January 24, 2025 - 6.00% January 24, 2025 to April 24, 2025 – 5.9539% April 24, 2025 to July 24, 2025 – 6.0829% July 24, 2025 to October 24, 2025 – 6.0749% October 24, 2025 to January 24, 2026 – 5.5819% Floating interest rate repriced on every succeeding quarterly period. Can be converted to fixed up to 12 months from initial drawdown. 5.1280% per annum (6.370% cross-currency swap rate) 5.3310% per annum (6.130% cross-currency swap rate)	Principal and interest payable quarterly			
	\$54.86 million (P3,200.00 million) \$17.04 million (P1,000.00 million)	August 6, 2024 December 18, 2024	July 24, 2029 April 30, 2030					
P2,500.00 million Loan H	P500.00 million	December 22, 2023	December 22, 2033	For the period of: December 22, 2023 to March 22, 2024 – 6.500%	Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances.	2,500,000	2,500,000



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
				March 22, 2024 to June 22, 2024 – 6.5023% June 22, 2024 to September 22, 2024 – 6.4984% September 22, 2024 to December 22, 2024 – 6.3859% December 22, 2024 to March 22, 2025 – 6.5947% March 22, 2025 to June 22, 2025 – 5.8269% June 22, 2025 to September 22, 2025 – 6.1214% September 22, 2025 to December 22, 2025 – 5.5958% December 22, 2025 to March 22, 2026 – 5.4996% <i>For the period of:</i> September 11, 2024 to September 22, 2024 – 6.5139%		Tested semi-annually		
	₱500.00 million	September 11, 2024	December 22, 2033					



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	₹1,500.00 million	December 18, 2024	December 22, 2033	September 22, 2024 to December 22, 2024 – 6.3859% December 22, 2024 to March 22, 2025 – 6.5947% March 22, 2025 to June 22, 2025 – 5.8269% June 22,2025 to September 22, 2025 – 6.1214% September 22,2025 to December 22,2025 – 5.5958% December 22, 2025 to March 22, 2026 – 5.4996% <i>For the period of:</i> December 18, 2024 to December 22,2024 – 6.5295% December 22, 2024 to March 22, 2025 – 6.5947% March 22, 2025 to June 22,2025 – 5.8269% June 22, 2025 to				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
				September 22, 2025 – 6.1214% September 22, 2025 to December 22, 2025 – 5.5958% December 22, 2025 to March 22, 2026 – 5.4996% Floating repriced every succeeding quarterly period. Option to convert floating interest to fixed up to 12 months from initial drawdown already expired. On 5 December 2024, there is a one-time option to convert floating interest to fixed, or vice versa, subject to at least one (1) banking day prior written notice.				
₱5,500.00 million Loan I	₱509.09 million ₱2,290.91 million	October 24, 2024 October 24, 2024	October 24, 2034 October 24, 2034	6.0733% 6.7233% Repricing on the 5th anniversary of financial close. Optional second and final repricing on the 7th or 8th anniversaries	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually ₱509.09 million guaranteed by third party	2,800,000	2,800,000



Facility	Loan Aailed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
				of the financial close is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin.				
₱5,500.00 million Loan J	₱2,800.00 million	October 24, 2024	October 24, 2034	5.8900% Repricing on the 5th anniversary of financial close. Optional second and final repricing on the 7th or 8th anniversaries of the financial close is an agreed base rate, one (1) banking day prior to repricing date, plus an agreed margin	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	2,800,000	2,800,000
₱8,000.00 million Loan K	₱2,000 million	November 11, 2025	November 9, 2035	<i>For the period of:</i> November 11,2025 to February 11,2026 - 5.5847% Floating interest rate repriced on every succeeding quarterly period. One-time option to convert floating interest to fixed at least one (1) day before the intended conversion date (any interest payment date).	Principal and interest payable quarterly	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually	2,000,000	—
NorthWind								



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
₱2,300.00 million Loan	₱2,300.00 million	May 29, 2020	May 29, 2032	Fixed at a rate of 5.1250% for ten (10) years to be repriced after the 10 th anniversary at a rate equivalent to (a) the 2-year base fixed rate plus an agreed spread	Principal and interest payable semi-annually	Minimum historical DSCR of 1.05 times Based on the stand-alone balances of the borrower. Tested semi-annually Secured by property, plant and equipment (see Note 8)	1,426,920	1,607,010
Guimaras Wind								
₱4,300.00 million Loan	Loan A ₱2,150.00 million Loan B ₱310.00 million ₱550.00 million	February 14, 2014	February 14, 2029	<i>For the period of:</i> August 14, 2023 to February 14, 2024 - 6.3131% February 14, 2024 to February 14, 2029 – 8.1665% <i>For the period of:</i> August 14, 2023 to February 14, 2024 – 6.7437% February 14, 2024 to February 14, 2029 – 7.0277% August 14, 2023 to February 14, 2024 – 6.5657% February 14, 2024 to February 14, 2029 – 6.8421%	Principal and interest payable semi-annually	Minimum DSCR of 1.2x, a maximum Debt to equity ratio of 70:30. Based on the stand-alone balances of the borrower. Tested semi-annually Secured by property, plant and equipment (see Note 8)	644,580	820,392



Facility	Loan Avalued	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	P550.00 million P500.00 million P240.00 million			August 14, 2023 to February 14, 2024 – 6.5657% February 14, 2024 to February 14, 2029 – 6.8421% August 14, 2023 to February 14, 2024 – 6.5810% February 14, 2024 to February 14, 2029 – 6.8581% August 14, 2023 to February 14, 2024 – 6.5657% February 14, 2024 to February 14, 2029 – 6.8421%				
MONTESOL								
P600.00 million Loan	P600.00 million	September 20, 2023	September 20, 2035	<i>For the period of:</i> September 20, 2023 to September 20, 2025 - 7.1542% September 20, 2025 - September 20, 2035 - 6.7588% Repricing one business day prior to the 2 nd and 7 th	Principal and interest payable semi-annually	Minimum historical DSCR of 1.05 times Distribution DSCR of 1.2 times. Based on the standalone balances of the Borrower. Tested semi-annually Secured by property, plant and equipment (see Note 8)	499,992	549,996



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
				anniversary of the initial drawdown date at a rate equivalent to (a) the 5-year Base Rate-Fixed plus an agreed spread, divided by the Interest Premium Factor, or (b) five hundred seventy-five basis points (5.50%), divided by the Interest Premium Factor, whichever is higher.				
San Carlos Solar Energy Inc. (SACASOL)								
₱1,400.00 million Loan	₱1,400.00 million Loan	May 22, 2024	May 22, 2034	For the period of: May 22, 2024 to August 22, 2024 – 7.3232% August 22, 2024 to November 22, 2024 – 7.0707% November 22, 2024 to February 22, 2025 – 6.8182% February 22, 2025 to May 22, 2025 – 6.5657% May 22, 2025 to May 22, 2027 – 6.7636% Repricing at a rate based on simple	Principal and interest payable quarterly	- On each calculation date, maintain a Debt Service Coverage Ratio of at least 1.10x - From initial borrowing date, maintain a Net Debt to Equity Ratio of a maximum of 70:30 - From initial borrowing date, maintain a Dividend DSCR of at least 1.20x, based on standalone balances of the borrower. Tested semi-annually Guaranteed by ACEN	1,190,000	1,330,000



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
				average of the PHP BVAL reference rate with a tenor of four (4) years, for three (3) banking days immediately preceding and ending on the banking day prior to the repricing date divided by the Interest Premium Factor.				
ACEN International, Inc. (ACEN International)								
₱7,000.00 million Loan	₱198.00 million	January 22, 2024	January 31, 2031	7.1386%	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN International consolidated balance sheet. Tested semi-annually Guaranteed by ACRI	4,833,074	4,166,274
	₱285.00 million	February 16, 2024	January 31, 2031	7.2891%				
	₱164.47 million	April 24, 2024	January 31, 2031	7.777%				
	₱1,209.00 million	June 21, 2024	January 31, 2031	7.5699%				
	₱22.00 million	July 19, 2024	January 31, 2031	7.3244%				
	₱187.80 million	September 17, 2024	January 31, 2031	7.2229%				
				6.8864%				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	₱2,100.00 million	November 06, 2024	January 31, 2031					
	₱103.50 million	January 13, 2025	January 31, 2031	7.2359%				
	₱118.70 million	January 20, 2025	January 31, 2031	7.2572%				
	₱444.60 million	March 11, 2025	January 31, 2031	7.1085%				
				Repricing on the 36th month at a rate of whichever is higher of (i) moving average of the 4-year BVAL plus margin divided by 0.95; and (ii) 3.25% per annum divided by 0.95.				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
EUR50.00 million	EUR10.00 million (₱625.9 million)	May 27, 2025	May 27, 2030	3.2400% (6.198% cross- currency swap rate)	Principal Repayment upon maturity. Interest is payable on a quarterly basis.	Maximum net DE ratio of 3.0x Based on ACEN International's consolidated balance sheet Tested semi-annually Guaranteed by ACRI	3,462,730	—
	EUR10.00 million (₱636.5 million)	June 16, 2025	May 27, 2030	3.1413% (6.198% cross- currency swap rate)				
	EUR5.00 million (₱315.0 million)	June 16, 2025	May 27, 2030	3.1413% (6.2225% cross- currency swap rate)				
	EUR20.00 million (₱1,260.0 million)	July 15, 2025	May 27, 2030	3.1375% (6.2125% cross- currency swap rate)				
	EUR5.00 million (₱318.25 million)	July 15, 2025	May 27, 2030	3.1375% (6.1950% cross- currency swap rate)				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
US\$100.00 million	US\$25.00 million (₱1,474.50 million) US\$10.00 million (₱592.50 million)	November 28, 2025 December 15, 2025	August 11, 2032 August 11, 2032	5.2400% (6.434% cross- currency swap rate) 5.3990% (6.4299% cross- currency swap rate)	Principal Repayment upon maturity. Interest is payable on a semi- annual basis.	Maximum net DE ratio of 3.0x Based on ACEN International's consolidated balance sheet Tested semi-annually Guaranteed by ACRI	2,058,175	—
ACEN Renewables International Pte. Ltd (ACRI)								
AU\$75.00 million	AU\$12.00 million	April 17, 2024	December 7, 2028	For the period of: April 17, 2024 to July 17, 2024 - 5.8091% July 17, 2024 to October 17, 2024 – 5.8961% October 17, 2024 to January 17, 2025 - 5.8217% January 17, 2025 to April 17, 2025 – 5.7808%	Interest is payable quarterly from date of availment; Principal is bullet payment on maturity date	Net DE Ratio of 3.00:1.00. Based on ACRI consolidated Net debt and Total Equity expressed in Singaporean Dollars. Tested quarterly together with the financial statements.	2,951,993	2,684,638



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$34.00 million	June 18, 2024	December 7, 2028	April 17, 2025 to July 17, 2025 - 5.4584% July 17, 2025 to October 17, 2025 – 5.1600% October 17, 2025 to January 19, 2029 – 4.9475% June 18, 2024 to September 18, 2024 – 5.8214% September 18, 2024 to December 18, 2024 – 5.8731% December 18, 2024 to March 18, 2025 – 5.9180% March 18, 2025 to June 18, 2025 – 5.5625% June 18, 2025 to September 18, 2025 – 5.1494% September 18, 2025 to December 18, 2025 – 5.0089% December 18, 2025 to March 18, 2026 – 5.1720%				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$21.50 million	September 16, 2024	December 7, 2028	September 16, 2024 to December 16, 2024 - 5.8661% December 16, 2024 to March 17, 2025 – 5.909% March 17, 2025 to June 17, 2025 – 5.5637% June 17, 2025 to September 17, 2025 – 5.1619% September 17, 2025 to December 17, 2025 – 5.0075% December 17, 2025 to March 17, 2026 – 5.1775%				
	AU\$7.50 million	November 11, 2024	December 7, 2028	November 11, 2024 to February 11, 2025 – 5.8631% February 11, 2025 to May 13, 2025 – 5.6444% May 13, 2025 to August 13, 2025 - 5.2494% August 13, 2025 to November 13, 2025 – 5.0834%				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
				November 13, 2025 to February 13, 2026 – 5.0922%				
US\$150.00 million	US\$25.00 million	September 16, 2024	April 16, 2029	<i>For the period of:</i> September 16, 2024 to October 15, 2024 – 6.5266% October 15, 2024 to January 15, 2025 – 6.2359% January 15, 2025 to April 15, 2025 – 5.8820% April 15, 2025 to July 15, 2025 – 5.8361% July 15, 2025 to October 15, 2025 – 5.8976% October 15, 2025 to January 15, 2026 – 5.4845% With Interest Rate Swap (“IRS”) fixed at 5.074% (weighted average of multiple IRS placements) until maturity	Interest is payable quarterly from date of availment; Principal amortization is payable every 6 months after the grace period.	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity expressed in Singapore dollars. Tested semi-annually together with the financial statements.	5,794,342	2,239,346
	US\$10.00 million	October 15, 2024	April 16, 2029					



Facility	Loan Avalied	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$6.00 million (US\$3.94 million)	November 18, 2024	April 16, 2029	October 15, 2024 to January 15, 2025 – 6.2359% January 15, 2025 to April 15, 2025 – 5.8820% April 15, 2025 to July 15, 2025 – 5.8361% July 15, 2025 to October 15, 2025 – 5.8976% October 15, 2025 to January 15, 2026 – 5.4845% With Interest Rate Swap (“IRS”) fixed at 4.81% November 18, 2024 to January 15, 2025 – 6.0018% January 15, 2025 to April 15, 2025 – 5.9697% April 15, 2025 to July 15, 2025 – 5.7149% July 15, 2025 to October 15, 2025 – 5.3550%				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AUS\$20.00 million (US\$12.65 million)	March 17, 2025	April 16, 2029	October 15, 2025 to January 15, 2026 – 5.1933% With Interest Rate Swap (“IRS”) fixed at 5.43% effective from April 15, 2025 up to maturity March 17, 2025 to April 15, 2025 – 5.7175% April 15, 2025 to July 15, 2025 – 5.7149% July 15, 2025 to October 15, 2025 – 5.3550% October 15, 2025 to January 15, 2026 – 5.1933% With Interest Rate Swap (“IRS”) fixed at 5.445%				
	AUS\$27.00 million (US\$17.10 million)	March 20, 2025	April 16, 2029	March 20, 2025 to April 15, 2025 – 5.7175% April 15, 2025 to July 15, 2025 – 5.7149% July 15, 2025 to October 15, 2025 – 5.3550%				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	US\$10.00 million	May 29, 2025	April 16, 2029	October 15, 2025 to January 15, 2026 – 5.1933% May 29, 2025 to July 15, 2025 - 5.9085% July 15, 2025 to October 15, 2025 – 5.8976% October 15, 2025 to January 15, 2026 – 5.4845%				
	A\$27.00 million (US\$ 17.64 million)	December 16, 2025	April 16, 2029	December 16, 2025 to January 15, 2026 - 5.1175%				
US\$100.00 million	US\$20.00 million	September 23, 2024	December 07, 2028	<i>For the period of:</i> September 23, 2024 to December 9, 2024 – 6.4915% December 9, 2024 to March 10, 2025 – 6.1284% March 10, 2025 to June 10, 2025 – 5.9948% June 10, 2025 to September 10, 2025 – 6.0075%	Interest is payable quarterly from date of availment; Principal is bullet payment on maturity date	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity expressed in Singapore dollars. Tested quarterly together with the financial statements.	4,468,040	1,156,900



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	US\$10.00 million	September 16, 2025	December 07, 2028	September 10, 2025 to December 10, 2025 – 5.7699% December 10, 2025 to March 10, 2026 – 5.4722% With Interest Rate Swap (“IRS”) fixed at 5.75% until maturity September 16, 2025 to December 07,2025 – 5.7331% December 07, 2025 to March 10, 2026 – 5.4722%				
	US\$12.00 million	October 16, 2025	December 07, 2028	With Interest Rate Swap (“IRS”) fixed at 5.04% until maturity October 16, 2025 to December 10, 2025 – 5.6789% December 10, 2025 – March 10, 2026 – 5.4722% With Interest Rate Swap (“IRS”) fixed at 5.04% until maturity				
	US\$10.00 million	November 18, 2025	December 07, 2028	November 18, 2025 to December 10, 2025 – 5.6674%				



Facility	Loan Avalied	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	US\$24.00 million	November 26, 2025	December 07, 2028	December 10, 2025 to March 10, 2026 – 5.4722% With Interest Rate Swap (“IRS”) fixed at 5.04% on the US\$3.00 million portion, and 5.098% on the US\$7.00 million portion until maturity November 26, 2025 to December 10, 2025 – 5.6200% December 10, 2025 to March 10, 2026 – 5.4722% With Interest Rate Swap (“IRS”) fixed at 5.098% on the US\$18.00 million portion				
US\$150.00 million	US\$5.00 million	October 4, 2024	July 4, 2029	<i>For the period of:</i> October 4, 2024 to January 6, 2025 – 6.2482% January 6, 2025 to April 7, 2025 – 5.9461%	Interest is payable quarterly from date of availment; Principal amortization is payable in 2028 and 2029 after the grace period.	Net Debt to Total Equity does not exceed 3.00:1.00. Based on ACRI consolidated Net Debt to Total Equity. Tested semi-annually together with financial statements	293,950	289,225



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
				April 7, 2025 to July 7, 2025 5.9347% July 7, 2025 to October 7, 2025 – 5.9358% October 7, 2025 to January 7, 2026 – 5.5855%				
ACEN Cayman Limited								
\$140.00 million Loan	\$140.00 million	January 23, 2024	January 23, 2027	5.3980%	Principal payable on maturity date; interest payable quarterly	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually Guaranteed by ACEN	8,230,600	8,098,300
\$180.00 million Loan	\$180.00 million	January 19, 2024	January 19, 2029	5.3060%	Principal and interest payable semi-annually	Maximum net DE ratio of 3.0x Based on ACEN consolidated balances. Tested semi-annually Guaranteed by ACEN	10,264,734	10,307,979
ACEN Australia								
AU\$277.00 million Loan ⁽¹⁾	AU\$2.64 million AU\$70.00 million	January 11, 2023 February 3, 2023	July 11, 2023 May 03, 2023	5.5217% 5.0350%	Principal Repayment on Termination Date. Interest periods may be selected from one, 3 or 6 months. Or any other period	Net DE Ratio of 3.0x. Based on the ACEN CORPORATION consolidated year-end balances. Tangible Net worth of AU\$150 million at ACEN Australia level.	10,902,694	9,915,263



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$70.86 million	May 3, 2023	August 03, 2023	5.5740%	greater than one month as agreed.	Tested semi annually together with the financial statements. Guaranteed by ACEN		
	AU\$10.00 million	June 20, 2023	August 03, 2023	5.8601%				
	AU\$2.63 million	July 11, 2023	August 03, 2023	5.7943%				
	AU\$83.49 million	August 3, 2024	November 03, 2023	5.8800%				
	AU\$20.00 million	October 26, 2023	January 29, 2024	6.0326%				
	AU\$83.49 million	November 3, 2023	February 05, 2024	6.0538%				
	AU\$25.67 million	December 20, 2023	March 20, 2024	6.0653%				
	AU\$4.33 million	December 21, 2023	March 20, 2024	6.0633%				
	AU\$20.00 million	January 29, 2024	April 29, 2024	6.0326%				
	AU\$83.49 million	February 5, 2024	April 29, 2024	6.0415%				
	AU\$30.00 million	March 20, 2024	April 29, 2024	6.0040%				
	AU\$23.00 million	March 20, 2024	April 29, 2024	6.0040%				
	AU\$156.49 million	April 29, 2024	September 30, 2024	6.3025%				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$29.50 million	June 20, 2024	September 30, 2024	6.1184%				
	AU\$10.00 million	July 15, 2024	September 30, 2024	6.1167%				
	AU\$13.00 million	August 19, 2024	September 30, 2024	6.0054%				
	AU\$11.13 million	September 16, 2024	January 31, 2025	6.1932%				
	AU\$208.99 million	September 30, 2024	January 31, 2025	6.1975%				
	AU\$16.13 million	October 17, 2024	February 28, 2025	6.1740%				
	AU\$16.40 million	November 18, 2024	February 28, 2025	6.1527%				
	AU\$20.83 million	December 18, 2024	February 28, 2025	6.1356%				
	AU\$3.52 million	December 19, 2024	February 28, 2025	6.1332%				
	AU\$220.12 million	January 31, 2025	April 30, 2025	5.9496%				
	AU\$56.88 million	February 28, 2025	April 15, 2025	5.7975%				
	AU\$56.88 million	April 15, 2025	July 31, 2025	5.7266%				
	AU\$220.12 million	April 30, 2025	July 31, 2025	5.5745%				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$277.00 million	July 31, 2025	October 15, 2025	5.3789%				
	AU\$277.00 million	October 15, 2025	November 28, 2025	5.2165%				
	AU\$277.00 million	November 28, 2025	February 27, 2026	5.3625%				
AU\$373.00 million Loan	AU\$373.00 million Loan	April 10, 2025	April 10, 2030	80% of the drawdown is hedged with Interest Rate Swap ("IRS") fixed at 5.0750% until maturity; 20% of the drawdown amount is floating for the period of: April 10, 2025 to June 23, 2025 – 5.6652% June 23, 2025 to September 22, 2025 – 5.2139% September 22, 2025 to December 22, 2025 – 5.0968% December 22, 2025 to March 22, 2026 – 5.2775%	Principal Repayment based on agreed schedule. Interest and principal are payable on a quarterly basis	DSCR not less than 1.10:1.00 Secured by Property Tested quarterly	14,615,315	–
AU\$204.54 million Loan (2)	AU\$157.78 million	February 11, 2021	December 22, 2025	2.903% per annum	Principal Repayment based on agreed schedule. Interest	Default DSCR Ratio of 1.15x, 12 months backward and forward looking.	–	6,481,930



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$6.125 million	January 23, 2023	December 22, 2025		payments 3 or 6 months or any such shorter period agreed.	Secured by Property Based on ACEN consolidated balances. Tested quarterly after conversion to operation term facility.		
	AU\$0.699 million	February 22, 2023	December 22, 2025					
	AU\$6.00 million	March 16, 2023	December 22, 2025					
	AU\$0.610 million	March 22, 2023	December 22, 2025					
	AU\$18.00 million	April 24, 2023	December 22, 2025					
	AU\$2.50 million	May 18, 2023	December 22, 2025					
	AU\$2.406 million	June 22, 2023	December 22, 2025					
	AU\$5.00 million	September 4, 2023	December 22, 2025					
	AU\$2.844 million	September 22, 2023	December 22, 2025					
	AU\$0.953 million	October 23, 2023	December 22, 2025					
	AU\$0.931 million	November 22, 2023	December 22, 2025					
AU\$140 million Loan (3)	AU\$1.26 million	September 16, 2022	December 16, 2022	4.5023%	Principal Repayment on Termination Date. Interest payments 3 or 6 months, or any other period greater than 1 month agreed with Lender.	Net DE Ratio of 3.0x. Based on ACEN consolidated balances. Tangible Net worth of AU\$150 million at ACEN Australia level.	-	5,011,324
	AU\$10.00 million	October 21, 2022	December 16, 2022	4.5840%				
				4.5811%				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$5.00 million	November 21, 2022	December 16, 2022	4.8884%		Tested semi-annually together with the financial statements.		
	AU\$16.26 million	December 16, 2022	March 16, 2023	4.8884%		Guaranteed by ACEN		
	AU\$12.00 million	December 16, 2022	March 16, 2023	4.8884%				
	AU\$ 0.1 million	December 16, 2022	March 16, 2023	4.8683%				
	AU\$11.00 million	January 23, 2023	March 16, 2023	5.3615%				
	AU\$14.00 million	March 16, 2023	June 16, 2023	5.3615%				
	AU\$39.36 million	March 16, 2023	June 16, 2023	5.3615%				
	AU\$0.42 million	March 16, 2023	June 16, 2023	5.5114%				
	AU\$5.00 million	May 18, 2023	June 16, 2023	5.9924%				
	AU\$58.78 million	June 16, 2023	September 15, 2023	6.0016%				
	AU\$2.00 million	June 20, 2023	September 15, 2023	5.7845%				
	AU\$15.00 million	September 4, 2023	September 15, 2023	5.8273%				
	AU\$75.78 million	September 15, 2023	December 15, 2023	6.0500%				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$75.78 million	December 15, 2023	March 15, 2024	6.0326%				
	AU\$23.00 million	February 21, 2024	May 21, 2024	6.0245%				
	AU\$75.78 million	March 15, 2024	May 21, 2024	6.0012%				
	AU\$ 18.20 million	April 18, 2024	May 21, 2024	6.0688%				
	AU\$21.50 million	May 20, 2024	August 30, 2024	6.0704%				
	AU\$116.98 million	May 21, 2024	August 30, 2024	6.0387%				
	AU\$1.52 million	July 15, 2024	August 30, 2024	6.0937%				
	AU\$140.00 million	August 24, 2024	November 29, 2024	6.2285%				
	AU\$140.00 million	November 29, 2024	March 31, 2025	5.7950%				
	AU\$140.00 million	March 31, 2025	April 15, 2025					
AU\$100 million Loan (4)	AU\$0.50 million	August 19, 2022	November 21, 2022	4.0786%	3 or 6 months with automatic rollover but not to exceed the maturity date	Net DE Ratio of 3.0x.	1,952,707	2,412,293
	AU\$10.00 million	October 21, 2022	November 21, 2022	4.5062%		Based on ACEN consolidated balances.		
	AU\$10.04 million	November 21, 2022	February 21, 2023	4.8201%		Tangible Net worth of AU\$150 million at ACEN Australia level.		
				4.8201%		Tested semi-annually together with the financial statements.		



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$0.51 million	November 21, 2022	February 21, 2023			Guaranteed by ACEN		
	AU\$5.00 million	November 21, 2022	February 21, 2023	4.8201%				
	AU\$10.00 million	December 16, 2022	February 21, 2023	4.8494%				
	AU\$9.00 million	December 16, 2022	February 21, 2023	4.8522%				
	AU\$0.344 million	February 21, 2023	May 22, 2023	5.2494%				
	AU\$34.54 million	February 21, 2023	August 18, 2027	5.6667%				
	AU\$9.00 million	April 12, 2023	August 18, 2027	5.8920%				
	AU\$0.504 million	May 22, 2023	August 18, 2027	6.1158%				
	AU\$43.89 million	May 22, 2023	August 18, 2027	6.1158%				
	AU\$44.39 million	August 22, 2023	August 18, 2027	6.0725%				
	AU\$44.39 million	November 22, 2023	August 18, 2027	6.1418%				
	AU\$23.00 million	January 22, 2024	August 18, 2027	6.2375%				
	AU\$44.39 million	February 22, 2024	August 18, 2027	6.2103%				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$67.39 million	April 22,2024	August 18, 2027	5.8474%				
	AU\$67.39 million	July 31, 2024	August 18, 2027	5.8387%				
	AU\$67.39 million	October 30, 2024	August 18, 2027	5.7619%				
	AU\$67.39 million	February 28, 2025	August 18, 2027	5.5576%				
	AU\$1.5 million	March 17, 2025	April 15, 2025	5.8387%				
	AU\$25.89 million	April 15, 2025	June 30, 2025	5.7619%				
	AU\$4.15 million	May 19, 2025	August 29, 2025	5.5576%				
	AU\$1.20 million	June 20, 2025	August 29, 2025	5.4557%				
	AU\$25.89 million	June 30, 2025	October 31, 2025	5.4094%				
	AU\$5.30 million	July 17, 2025	November 28, 2025	5.4891%				
	AU\$5.35 million	August 29, 2025	October 31, 2025	5.3319%				
	AU\$3.19 million	September 16, 2025	October 31, 2025	5.2996%				
	AU\$1.79 million	October 16, 2025	November 28, 205	5.2700%				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$34.43 million	October 31, 2025	December 15, 2025	5.3246%				
	AU\$6.72 million	November 17, 2025	January 30, 2026	5.3699%				
	AU\$7.09 million	November 28, 2025	February 27, 2026	5.4125%				
	AU\$34.43 million	December 15, 2025	February 27, 2026	5.4107%				
	AU\$1.37 million	December 15, 2025	February 27, 2026	5.4107%				
AU\$75.00 million Loan (5)	AU\$0.38 million	October 27, 2022	April 27, 2023	6.4275%	Principal Repayment on Termination Date. Interest payments 6 months, or any other period greater than 1 month as agreed with Lender.	Net DE Ratio of 3.0x.	2,636,130	2,397,382
	AU\$0.38 million	April 27, 2023	October 27, 2023			Based on ACEN consolidated year-end balances.		
	AU\$0.38 million	October 27, 2022	April 26, 2024			Tangible Net worth of AU\$150 million at ACEN Australia level.		
	AU\$5.00 million	May 18, 2023	November 20, 2023			Tested semi-annually together with the financial statements.		
	AU\$7.00 million	August 24, 2023	February 26, 2024			Guaranteed by ACEN		
	AU\$15.00 million	September 19, 2023	March 19, 2024					
	AU\$0.38 million	October 27, 2023	April 26, 2024					
	AU\$5.00 million	November 20, 2023	May 20, 2024					



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$15.00 million	November 20, 2023	May 20, 2024					
	AU\$7.00 million	February 26, 2024	August 26, 2024					
	AU\$15.00 million	March 19, 2024	August 26, 2024					
	AU\$24.60 million	April 18, 2024	August 26, 2024					
	AU\$0.38 million	April 26, 2024	August 26, 2024					
	AU\$20.00 million	May 20, 2024	August 26, 2024					
	AU\$66.98 million	August 26, 2024	November 29, 2024					
	AU\$66.98 million	November 24, 2024	May 30, 2025					
	AU\$66.98 million	May 30, 2025	November 28, 2025					
	AU\$66.98 million	November 28, 2025	February 27, 2026					
AU\$75.00 million ⁽⁶⁾	AU\$0.30 million	February 26, 2024	September 02, 2024	6.1849%	Borrower shall repay loan in full on the termination date. Interest periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on ACEN consolidated balances. Tangible Net worth of AU\$150 million at ACEN Australia level.	2,483,807	243,407
	AU\$5.0 million	April 03, 2024	September 02, 2024	6.1680%				
	AU\$1.5 million	June 20, 2024	September 02, 2024	6.0525%				



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$6.8 million	September 2, 2024	December 02, 2024	6.0966%		Tested semi-annually together with the financial statements.		
	AU\$6.8 million	December 2, 2024	March 31, 2025	6.2150%		Guaranteed by ACEN		
	AU\$3.85 million	March 18, 2025	June 30, 2025	5.8305%				
	AU\$6.8 million	March 31, 2025	July 31, 2025	5.8950%				
	AU\$7.05 million	May 19, 2025	July 31, 2025	5.4912%				
	AU\$5.75 million	June 20, 2025	September 30, 2025	5.4076%				
	AU\$3.85 million	June 30, 2025	September 30, 2025	5.3037%				
	AU\$3.50 million	July 17, 2025	September 30, 2025	5.4158%				
	AU\$13.85 million	July 31, 2025	September 30, 2025	5.3764%				
	AU\$8.00 million	September 16, 2025	December 15, 2025	5.2601%				
	AU\$26.95 million	September 30, 2025	December 15, 2025	5.2764%				
	AU\$4.51 million	October 16, 2025	January 30, 2026	5.3060%				
	AU\$9.93 million	November 17, 2025	January 30, 2026	5.3193%				
			March 31, 2026					



Facility	Loan Availed	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$34.95 million	December 15, 2025	March 31, 2026	5.4723%				
	AU\$ 13.73 million	December 15, 2025		5.4723%				
AU\$75.00 million ⁽⁶⁾	AU\$0.45 million	March 1, 2024	August 29, 2024	6.1849%	Borrower shall repay loan in full on the termination date. Interest periods may be selected from one, 3 or 6 months. Or any other period greater than one month as agreed.	Net DE Ratio of 3.0x. Based on ACEN consolidated balances. Tangible Net worth of AU\$150 million at ACEN Australia level. Tested semi-annually together with the financial statements. Guaranteed by ACEN	2,480,658	248,776
	AU\$5.0 million	April 03, 2024	August 29, 2024	6.1597%				
	AU\$1.5 million	June 20, 2024	August 29, 2024	6.0463%				
	AU\$6.95 million	August 29,2024	November 29, 2024	6.0865%				
	AU\$6.95 million	November 29, 2024	March 31, 2025	6.2285%				
	AU\$3.85 million	March 18, 2025	June 30, 2025	5.8305%				
	AU\$6.95 million	March 31, 2025	July 31, 2025	5.8950%				
	AU\$7.05 million	May 19, 2025	July 31, 2025	5.4912%				
	AU\$5.75 million	June 20, 2025	September 30, 2025	5.4076%				
	AU\$3.85 million	June 30, 2025	September 30, 2025	5.3037%				
	AU\$3.50 million	July 17, 2025	September 30, 2025	5.4158%				



Facility	Loan Avalied	Date of Availment	Maturity	Interest Rate	Payment Terms	Covenants / Collateral	2025	2024
	AU\$14.00 million	July 31, 2025	September 30, 2025	5.3764%				
	AU\$8.00 million	September 16, 2025	December 15, 2025	5.2600%				
	AU\$27.1 million	September 30, 2025	December 15, 2025	5.2635%				
	AU\$ 4.51 million	October 16, 2025	January 30, 2026	5.3059%				
	AU\$ 9.93 million	November 17, 2025	January 30, 2026	5.3199%				
	AU\$ 35.10 million	December 15, 2025	March 31, 2026	5.4723%				
	AU\$ 13.50 million	December 15, 2025	March 31, 2026	5.4723%				



PT Dewata ACEN Renewables Indonesia								
US\$0.77 million	US\$0.44 million	November 6, 2023	November 6, 2027	10.59%	Borrower shall pay 24 months after the first drawdown, then extend for another 24 months.	Convertible Loan Agreement	17,529	—
	US\$0.07 million	November 8, 2023	November 6, 2027	10.5%				
	US\$0.05 million	December 18, 2023	November 6, 2027	9.93%				
	US\$0.04 million	December 18, 2023	November 6, 2027	9.93%				
	US\$0.04 million	January 16, 2024	November 6, 2027	9.93%				
	US\$0.04 million	February 5, 2024	November 6, 2027	10.12%				
	US\$0.04 million	March 5, 2024	November 6, 2027	10.14%				
	US\$0.01 million	March 6, 2024	November 6, 2027	10.12%				
	US\$0.01 million	April 5, 2024	November 6, 2027	10.39%				
	US\$0.01 million	April 8, 2024	November 6, 2027	10.43%				
	US\$0.02 million	September 18, 2024	November 6, 2027	9.48%				
							₱130,789,028	₱109,913,113
Less unamortized debt issue cost							596,111	678,347
							130,192,917	109,234,766
Less current portion							1,653,460	7,583,997
Loans payable, net of current portion							₱128,539,457	₱101,650,769



- (1) Maturity of the facility is on January 6, 2028;*
- (2) Initial drawdown on the facility was on February 11, 2021. The loan was fully repaid on April 10, 2025 (see Note 2);*
- (3) Facility was cancelled after full repayment on April 15, 2025 (see Note 2);*
- (4) Maturity of the facility is on August 18, 2027;*
- (5) Maturity of the facility is on October 27, 2027;*
- (6) Maturity of the facility is on February 29, 2028; and*
- (7) The loan was fully repaid on December 19, 2025*



The rollforward of this account is as follows:

	2025	2024
Balances at beginning of year	₱109,234,766	₱59,295,912
Availment	41,398,646	47,870,871
Refinance to long-term loans	—	4,200,000
Assumed through business combination	—	55,427
Amortization of debt issue cost	131,255	165,780
Accrued interest	—	100,628
Payments	(24,603,721)	(1,890,652)
Loan reassignment	—	(24,639)
Translation and foreign exchange adjustments	4,091,611	84,373
Additional debt issue cost	(59,640)	(622,934)
Balance at end of year	130,192,917	109,234,766
Less current portion	1,653,460	7,583,997
Noncurrent portion	₱128,539,457	₱101,650,769

Movements in debt issue costs related to loans payable are as follow:

	2025	2024
Balance at beginning of year	₱678,343	₱221,193
Additions	59,640	622,934
Translation and foreign exchange adjustments	(10,617)	—
Amortization of debt issue cost	(131,255)	(165,780)
Balance at end of year	₱596,111	₱678,347

ACEIC

The Parent Company entered into several Term Loan Agreements to finance its investments in energy-related projects and for general corporate needs.

On February 20, 2017, the Parent Company entered into an unsecured loan agreement with an Insurance Company amounting to ₱1,000.00 million, payable in 10 years from the date of drawdown. The loan shall be paid in one lump sum at the maturity date.

On June 22, 2017, the Parent Company entered into unsecured loan agreement with a local bank amounting to ₱5,000.00 million. Principal payments has a grace period of up to three (3) years, reckoned from the initial drawdown. Interest rate is fixed on the outstanding principal amount of the loan for all drawdowns made from June 2017 to June 2018. For all drawdowns beyond June 2018, the interest rate shall be based on the relevant Peso Benchmark Rate PDST-R2 rate, plus credit spread, the fixed interest rate shall have a floor rate of 5.00%. This loan has been fully settled as of December 31, 2024 after the principal repayments of Php85.00 million in 2024.

On September 25, 2020, the Parent Company secured a 12-year term loan facility from a local bank with maximum loanable amount of ₱10,000.00 million or its US dollar equivalent. Interest repricing will be based on the higher of the 7-year U.S. Treasury Rate plus an agreed margin, with the sum divided by an interest premium factor, or the existing rate, on the 5th anniversary from the drawdown date.



On November 27, 2020, the Parent Company secured a 12-year term loan facility from a local bank with maximum loanable amount of US\$60.00 million. Interest repricing shall be based on the higher of the relevant U.S. Dollar-denominated ROP Bond yield plus an agreed spread, or the floor rate of 2.70% on the 5th and 10th anniversary from the drawdown date.

On October 19, 2022, the Parent Company entered into unsecured loan agreement with a local bank amounting to ₱3,500.00 million. Interest rate is equivalent to a floating interest rate based on the 3-Month PHP BVAL Reference Rate.

The loans require the Parent Company to have a maximum debt to equity ratio of 2.33 to 1.00 and net debt to total equity ratio of 3.00 to 1.00. These were complied with by the Parent Company as of December 31, 2025 and 2024.

As of December 31, 2025, the Parent Company has available short-term credit facilities up to ₱29,571.00 million available in pesos and dollar from local and foreign partner banks.

ACEF

On January 12, 2024, ACEIC as Guarantor to its subsidiary, ACEFIL, entered a loan agreement with a lender for US\$10.0 million. This loan obtained by ACEFIL shall be used to redeem its maturing green bonds in January 2024.

ACEN

The long-term loans ACEN also contain prepayment provisions as follows:

Description	Prepayment Provision
Loan A	Prepayment is at the option of the issuer exercisable on an interest payment date. The amount payable to the bank shall consist of accrued interest or other charges on the loan up to prepayment date, plus the principal amount of the loan, and applicable break-funding cost. Transaction cost is minimal.
Loan B	ACEN has the option to prepay the loan, wholly or partially at any time during the term, starting twenty-four (24) months from drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan C	The loan facility contains a prepayment provision which allows the Parent Company to make an optional prepayment, wholly or partially, starting the fifth (5th) anniversary of the initial drawdown date and on every interest payment date thereafter. The amount payable to the bank shall consist of the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any increase in applicable gross receipts tax ("GRT") as a result of such prepayment, and any applicable prepayment premium as indicated in the loan agreement.
Loan D	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan, starting on the 4th interest payment date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.



Description	Prepayment Provision
Loan E	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan starting twenty-four (24) months from the drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan F	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan on or after the third (3rd) anniversary of the drawdown date. The amount payable to the bank shall consist of the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any increase in applicable gross receipts tax ("GRT") as a result of such prepayment, and any applicable prepayment premium as indicated in the loan agreement.
Loan G	ACEN has the option to prepay the loan, wholly or partially, on any interest payment date during the term of the loan, beginning on the first (1st) anniversary from the initial drawdown date. The amount payable to the bank shall consist of any accrued interest on the outstanding principal amounts, the outstanding principal amount being redeemed, and any applicable prepayment premium as indicated in the loan agreement.
Loan H	ACEN has the option to prepay the loan, wholly or partially at any time during the term, starting twenty-four (24) months from the initial drawdown date. If prepayment is made in a non-interest payment date, it shall be subject to payment of accrued interest thereon and a 2% prepayment penalty of the relevant principal amount prepaid.
Loan I	ACEN has the option to prepay the loan, wholly or partially at any time after thirty-six (36) months from the signing date. The amount payable to the lender shall consist of accrued interest thereon, fees, costs (if any), and other amounts accrued or outstanding.
Loan J	ACEN has the option to prepay the loan, wholly or partially at any time after thirty-six (36) months from the signing date. The amount payable to the lender shall consist of accrued interest thereon, fees, costs (if any), and other amounts accrued or outstanding.
Loan K	ACEN has the option to prepay the loan, wholly or partially at any time during the term, starting twenty-four (24) months from the initial drawdown date. If prepayment is made in a non-interest payment date, it shall be subject to payment of accrued interest thereon and a 2% prepayment penalty of the relevant principal amount prepaid.

The prepayment option on all long-term loans were assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

ACEN Corporation

On October 23, 2025, the loan agreement with Loan H, originally executed on November 29, 2023 and subsequently amended on December 5, 2024, was further amended to reduce the facility amount from the original loan amount of ₱20,000.00 million to ₱2,500.00 million.



On the same day, the ₱17,500.00 million reduction was made to facilitate the reallocation of the unavailed portion of the original loan amount to other credit facilities, namely: (i) a loan agreement for long-term loans of up to ₱8,000.00 million (Loan K), and (ii) a credit facility agreement for short-term loans and stand-by letters of credit of up to of ₱9,500.00 million. On the same day, the ₱17,500.00 million reduction was made to facilitate the reallocation of the unavailed portion of the original loan amount to other credit facilities, namely: (i) a loan agreement for long-term loans of up to ₱8,000.00 million (Loan K), and (ii) a credit facility agreement for short-term loans and stand-by letters of credit of up to of ₱9,500.00 million.

On December 19, 2025, ACEN signed loan agreements covering an omnibus credit line for long-term and short-term green facilities of up to ₱15,000.00 million with Metropolitan Bank and Trust Company.

NorthWind

On May 29, 2020, NorthWind entered into an Omnibus Loan and Security Agreement with a local bank for a long-term loan facility amounting to ₱2,300.00 million. The proceeds of the loan were used to fully repay its senior loan. The loan shall be repaid in 24 sculpted semi-annual amortizations as set forth in the agreement. The interest rate is fixed for the initial period of ten (10) years to be repriced after the 10th anniversary at a rate equivalent to (a) the 2-year base fixed rate plus a spread per annum.

The loan facility contains a prepayment provision which allows NorthWind to make optional prepayment, wholly or partially, any time during the term of the loan. The amount payable to the local bank shall be the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any additional taxes, including additional GRT, as a result of such prepayment, and prepayment penalty as indicated in the loan agreement. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

The loan facility is secured by NorthWind's land, wind turbine generator, building and machinery and equipment (see Note 8).

Loan Covenants

The loan covenants require NorthWind that the debt service coverage ratio (DSCR) should not fall below 1.05. The NorthWind complied with this covenant as of December 31, 2025 and 2024.

Guimaras Wind

On December 18, 2013, Guimaras Wind entered into a ₱4,300.00 million Term Loan Facility with local banks. The proceeds were used to partially finance the 54 MW San Lorenzo Wind Farm. The loan facility is divided into two tranches amounting to ₱2,150.00 million each Tranche A and Tranche B.

Both tranches have a term of 15 years with semi-annual interest payments starting on the date on when the loan was made. The Tranche A's interest is to be fixed at the higher of 10-year PDS Treasury Fixing (PDST-F) plus a spread or a minimum interest rate of 6.25% for the first 10 years, to be repriced at higher of existing rate or 5-year PDST-F plus a spread for the last 5 years. The Tranche B will be fixed at higher of interpolated 15-year PDST-F plus a spread or a minimum interest rate of 6.50%. The interest rate floor on the loan is an embedded derivative that is required to be bifurcated. The Group did not recognize any derivative liability arising from the bifurcated interest floor rate since the fair value is not significant.



The loan facility also contains a prepayment provision which allows Guimaras Wind to make optional prepayment for both Tranche A and Tranche B in the amount calculated by the facility agent as accrued interest and other charges on the loan up to the prepayment date plus, the higher of (a) the principal amount of the loan being prepaid, or (b) the amount calculated as the present value of the remaining principal amortizations and interest payments on the loan being prepaid, discounted at the comparable benchmark tenor. In addition, Guimaras Wind is allowed to prepay the Tranche A loan, without penalty or breakfunding cost, on the interest re-pricing date. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

Under the loan facility agreement, Guimaras Wind must maintain a debt service account into which will be paid the maximum interest forecasted to be due and payable for the next two following payment dates that will fall within the construction period and the amount of debt service after the construction period. The funds in the debt service reserves can be used by Guimaras Wind provided that 30 days prior to payment, the fund is replenished. Debt service reserves are included under "Cash and cash equivalents" account in the consolidated statements of financial position (see Note 4).

The loan facility is secured by Guimaras Wind's wind farm (see Note 8).

In addition, as a security for the timely payment, discharge, observance and performance of the obligations, ACEN entered into a Pledge Agreement covering the subscriptions of stocks of ACEN and its nominees.

Loan Covenants

Guimaras Wind has complied with the loan covenants as at December 31, 2025 and 2024. The compliance with the debt covenants is assessed semi-annually. Guimaras Wind shall maintain minimum DSCR of 1.2x and maximum debt to equity ratio of 70:30.

MONTESOL

On August 17, 2023, the MONTESOL entered into an Omnibus Loan and Security Agreement ("OLSA") with a local bank for a long-term loan facility amounting to ₱600.00 million. The proceeds of the loan shall be used to partially finance MONTESOL's permanent working capital requirements and for other general corporate purposes. The loan shall be repaid in twenty-four (24) straight-line semi-annual amortizations. The interest rate is fixed for the initial two (2) years, to be repriced one business day prior to the 2nd and 7th anniversary of the initial drawdown date at a rate equivalent to (a) the 5-year Base Rate-Fixed plus a spread of ninety basis points (0.90%), or (b) five hundred seventy-five basis points (5.75%), whichever is higher.

The Omnibus Loan and Security Agreement includes a prepayment clause that allows MONTESOL to make voluntary prepayments, whether in full or in part, at any point during the term of loan. The amount payable in respect of any prepayment of the loan shall be comprised of: (i) any accrued interest on the principal amount of the loan to be prepaid; (ii) the principal amount of the loan to be prepaid; (iii) prepayment penalty as set forth in the OLSA; and (iv) any additional taxes, including additional GRT, resulting from such prepayment. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

On December 4, 2023, the repricing floor rate was amended from five hundred seventy-five basis points (5.75%) to five hundred fifty basis points (5.50%).



SACASOL

On May 17, 2024, SACASOL entered into an Omnibus Loan and Security Agreement (“OLSA”) with a local bank for a long-term loan facility of up to ₱1,400.00 million. The proceeds of the loan shall be used for (i) general corporate funding requirements and (ii) for upstreaming to SACASOL’s shareholders through payment of dividends, advances, and/or preferred share redemption. The loan shall be repaid in 40 straight-line quarterly amortizations. The interest rate is floating at a rate of 7.3232% for three (3) months to be repriced one banking day prior to the first day of each interest period at a rate equivalent to (a) the three (3)-day average of the three (3)-month PHP BVAL Reference Rate plus Margin, or (b) the BSP Overnight Lending Facility per annum plus twenty-five basis points (0.25%) per annum, in each case divided by the Interest Premium Factor, whichever is higher.

The Omnibus Loan and Security Agreement includes a prepayment clause that allows SACASOL to make voluntary prepayments, whether in full or in part, commencing at the end of the second (2nd) year from initial advance date (May 22, 2024) and on any interest payment date thereafter, together with accrued interest thereon up to and including the date immediately preceding the date of prepayment, subject to the payment of applicable prepayment penalty, at least 30 days prior written notice to the lender, and in multiples of ₱50.00 million.

The long-term loan facility is guaranteed by ACEN.

ACEN International, Inc

On May 9, 2025, ACEN International signed a term loan facility worth EUR 50.00 million with a foreign bank, to be used to finance and/or refinance investment in and/or advances to existing and future renewable energy projects through its subsidiaries and joint ventures, and for general corporate purposes.

As of December 31, 2025, ₱3,155.65 million (EUR 50.00 million) has been drawn from the facility.

On August 11, 2025, ACEN International signed a term loan facility worth US\$100.00 million with a foreign bank to be used to finance and/or refinance investment in and/or advances to existing and future renewable energy projects through its subsidiaries and joint ventures, and for general corporate purposes.

As of December 31, 2025, US\$35.00 million has been drawn from the facility.

ACEN Australia

As of December 31, 2025 and December 31, 2024, ACEN Australia loans drawn from revolving longterm facilities are required to be rolled over as the interest period of each loan mature. Rollover process is expected to continue until the maturity of the facility agreement. Each drawdown is considered a “new loan” under the facility. Based on the facility agreements, roll-over period may range from three to six months or any other period greater than one month as agreed between the Borrower and the Agent or Lender.

To determine the date of rollover for each maturing loan, ACEN Australia targets to 1) align the rollover dates to other maturing loans within the same facility; 2) stagger the maturing dates across the facilities to manage liquidity and timing of interest payments; and 3) ensure that the rollover complies with the facility agreements Interest Periods requirements.



ACRI

Total unamortized debt issue costs from the ACRI loan facilities amounted to US\$2.66 million (P156.67 million) as of December 31, 2025. The corporate and syndicated loan facilities prices off an interest ranging from 5.01% to 6.25% per annum (2024:5.81% to 6.53%).

Loan covenants

ACRI has complied with all its loan covenants as at December 31, 2025, and 2024.

Interest expense

Total interest expense and other financing charges recognized on loans payable amounted to P4,117.92 million and P3,191.78 million for the years ended December 31, 2025 and 2024, respectively.

Notes Payable

The rollforward of this account is as follows:

	2025	2024
Principal		
Balance at beginning of year	P56,842,792	P74,771,837
Payment	–	(20,824,200)
Amortization of premium	24,599	37,235
Translation and foreign exchange adjustments	743,304	2,857,920
Balance at end of year	57,610,695	56,842,792
Debt issue cost		
Balance at beginning of year	118,754	203,911
Amortization	(54,789)	(49,598)
Translation and foreign exchange adjustments	41	(35,559)
Balance at end of year	64,006	118,754
Noncurrent portion	P57,546,689	P56,724,038

Interest expense

Total interest and other financing charges recognized on notes payable amounted to P2,739.83 million and P2,842.19 million for the years ended December 31, 2025 and 2024, respectively.

ACEN Finance's Medium Term Note (MTN) Programme

On August 31, 2021, ACEN Finance established its MTN Programme with an aggregate amount of US\$1,500.00 million. The proceeds from each issue under the MTN Programme will be used for general corporate purposes, including but not limited to, working capital, funding investment activities, development of projects, refinancing and/or repayment of indebtedness and on-lending activities within the Group. Notes to be issued out of the MTN Programme designated as Green Bonds may be allocated towards the financing and/or refinancing of Eligible Green Projects in accordance with certain prescribed eligibility criteria described under ACEN's Green Bond Framework.

The Notes to be issued by ACEN Finance under its medium-term note Programme may be distributed by way of private or public placement and will be listed on the Singapore Exchange Securities Trading platform (SGX-ST).



Senior guaranteed undated fixed-for-life notes under the MTN Programme

On September 8, 2021, ACEN Finance issued US\$400.00 million (₱20,383.60 million) senior undated fixed-for-life (non-deferrable) notes guaranteed by ACEN with a fixed coupon of 4.00% for life, with no step-up and no reset, priced at par. An amount equal to the net proceeds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework.

On September 9, 2021, the Notes were listed with the Singapore Exchange Securities Trading platform (SGX-ST).

The net proceeds from the bonds will be used to finance or refinance, in whole or in part, new or existing Eligible Green Projects, in accordance with ACEN's Green Bond Framework (GBF), which sets out well-defined guidelines for the use of proceeds for renewable energy (RE) projects, with comprehensive monitoring and reporting commitments. These RE developments can be located in the Philippines and offshore.

For the years ended December 31, 2025 and 2024, total interest expense and other financing charges recognized amounted to ₱920.14 million (US\$16.00 million) and ₱954.64 million (US\$16.66 million), respectively.

Redemption at the option of the issuer

Subject to applicable law, ACEN Finance may redeem the Notes (in whole but not in part) on the First Redemption Date as specified in the applicable Pricing Supplement; or any Interest Payment Date falling after the First Redemption Date, by giving notice, at redemption price equal to the principal amount of the Notes plus any accrued but unpaid interest.

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants

For as long as the senior guaranteed undated fixed-for-life notes remain outstanding, ACEN Finance Limited and ACEN are required to comply with certain covenants including the creation and permission to subsist only the liens created in respect of the limited recourse project financing of any project company and maintain a maximum net debt to equity ratio of 2.5 to 1.0 based on ACEN consolidated financials. These were complied as of December 31, 2025 and 2024.

ACEN Fixed-Rate ASEAN Green Bonds due 2027

On September 22, 2022, ACEN (the Issuer) used an unsecured-fixed rate Peso Green Bonds with an aggregate principal amounting to ₱10,000.00 million. The proceeds of the issuance will be used to finance investments in various solar power plants. The issue cost amounted to ₱126.28 million. This was capitalized as debt issue cost and amortized over the life of the liability and was offset to the carrying value of the liability.

The offer is comprised of 5-year Peso Green Bonds due on September 22, 2027 with interest rate of 6.0526% per annum. This is the first tranche offered out of the shelf registration of Peso Green Bonds in the aggregate principal amount of up to ₱20,000.00 million to be offered within a period of three (3) years. Interest on the Peso Green Bonds is payable quarterly on March 22, June 22, September 22 and December 22.

For the years ended December 31, 2025 and 2024, the total interest expense recognized on the Peso Green Bonds amounted to ₱605.26 million and ₱605.43 million, respectively.



Redemption at the option of the Issuer

The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding Peso Green Bonds before the relevant Maturity on any one of the following Interest Payment Dates indicated below, or the immediately succeeding Business Day if such date is not a Business Day, in accordance with the following schedule:

1. 12th to 15th Interest Payment Date at Call Option Price of 101.00%
2. 16th to 19th Interest Payment Date at Call Option Price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

Covenants

The Peso Green Bonds provide for the Issuer to comply with covenants including incurrence or guarantee of additional indebtedness; prepayment or redemption of subordinate debt and equity; making certain investments and capital expenditures; effecting any consolidation or merger with other entities where ACEN is not the surviving corporation in such merger or consolidation; and certain other covenants. The Peso Green Bonds requires the Issuer to maintain, for as long as any of the Peso Green Bonds remain outstanding, a Net Debt to Total Equity Ratio of not more than 3.0:1.0. These were complied with for the years ended December 31, 2025 and 2024.

ACEFIL's MTN Programme

On January 16, 2019, ACEFIL established its MTN Programme with an aggregate amount of US\$1,000.00 million (₱48,470.0 million). The proceeds from each issue under the MTN Programme will be used for general corporate purposes, including eligible green projects and other use of proceeds under ACEFIL's green bond framework.

On November 17, 2020, ACEFIL amended the MTN Programme to increase the aggregate amount to US\$2,000.0 million (₱94,960.0 million) and allow the issuance of senior undated guaranteed notes under the MTN Programme.

On January 25, 2024, ACEFIL redeemed \$360.0 million of the Senior guaranteed notes under the MTN Programme. Remaining outstanding guaranteed notes amounted to \$410.0 million.

As of December 31, 2025 and 2024, ACEFIL has outstanding US\$410.0 million (₱24,078.81 million) and US\$410.0million (₱23,130.19 million) notes under the MTN Programme, respectively.

For the years ended December 31, 2025 and 2024, total interest expense recognized amounted ₱879.78 million (US\$15.3 million) and ₱875.61 million (US\$15.3 million), respectively.

Senior guaranteed notes due 2024 and 2029 and Senior undated guaranteed notes under the MTN Programme

On January 29, 2019, ACEFIL issued US\$225.0 million (₱11,417.4 million) senior guaranteed notes priced at US\$99.45 due 2024 guaranteed by the Parent Company with a fixed coupon of 4.75%.

On the July 9, 2020, ACEFIL issued US\$60.00 million (₱2,908.2 million) senior guaranteed notes priced at US\$104.75 due 2029 guaranteed by the Parent Company with a fixed coupon of 4.75%.

On November 25, 2020, ACEFIL issued US\$300.0 million (₱14,541.0 million) senior undated guaranteed notes priced at par with a fixed coupon of 5.10% for life. The new issue was used to



finance the successful tender of US\$186.9 million (₱9,058. 5 million) of the US\$400.0 million (₱19,388.0 million) 5.65% senior undated guaranteed notes at a tender price of US\$104.6 million.

For the years ended December 31, 2025 and 2024, total interest expense recognized amounted ₱334.66 million (US\$5.82 million) and ₱406.52 million (US\$7.10 million), respectively.

Redemption at the option of the issuer

At any time, ACEFIL may on any one or more occasions redeem all or part of the “notes under the MTN Programme”, by giving notice, at redemption price equal to 100% of the principal amount of the “notes under the MTN Programme” redeemed, plus the applicable premium (as defined in the respective pricing supplements) as of date, and accrued and unpaid interest, if any, to the date of redemption, subject to the rights of the person in whose name the “notes under the MTN Programme” is registered on the relevant record date to receive interest due on the relevant interest payment date.

Covenants

The unsecured US dollar-denominated senior Green Bonds requires the Group to comply with certain covenants including among others, limitations on the incurrence or guarantee of additional indebtedness, creation or incurrence of certain liens, creation or permission of any restrictions on the payment of dividends to the Group by certain of the Group’s subsidiaries, entering into unrelated businesses or engagement in certain activities, and limitations on the consolidation, merging or selling of all or substantially all of the Group’s properties and assets with other entities if the Parent Company is not the surviving entity. The incurrence test for additional debt requires the Group to maintain a Net Debt to Total Equity ratio not exceeding 2.5 to 1.0. These were complied with by the Group as of December 31, 2025 and 2024.

14. Other Current Liabilities

This account consists of:

	2025	2024
Due to related party	₱960,960	₱342,764
Retention payable	525,883	480,814
Accrued construction cost	363,608	550,602
Dividends payable	13,156	13,138
Derivative liabilities	4,774	40,308
Others	222,334	243,965
	₱2,090,715	₱1,671,591

15. Other Noncurrent Liabilities

This account consists of:

	2025	2024
Unearned revenues	₱6,067,874	₱5,154,390
Asset retirement obligation	2,554,980	1,110,866
Pension and other employee benefits	366,756	329,025
Derivative liabilities	177,484	251,356

(Forward)



	2025	2024
Bill deposits	₱6,045	₱42,850
Retention payable	72,282	41,745
Others (see Note 20)	1,029,969	995,540
	₱10,275,390	₱7,925,772

Asset retirement obligations (ARO) are from ISLASOL, SACASOL and MONTESOL and include restoration provision for the New England solar farm.

Other payables pertain to earnout consideration for Maraj for the acquisition by ACEN of 6,000 secondary Common Shares representing the remaining 60% ownership in RWEI. The earnout remains unpaid and is payable upon achievement of certain milestones which is beyond 12 months from December 31, 2025.

16. Equity

Capital Stock

This account consists of the following:

	Number of Stocks		
	Common	Redeemable Preferred	Total
Authorized shares	227,400,000	191,625,000	419,025,000
Par value	₱100	₱100	
Issued as at December 31, 2025 and 2024	159,865,993	175,506,216	335,372,209
Treasury stocks	—	(91,842,840)	(91,842,840)
Outstanding as at December 31, 2025 and 2024	159,865,993	83,663,376	243,529,369

	Amounts		
	Common	Redeemable Preferred	Total
Issued as at December 31, 2025 and 2024	₱15,986,599	₱17,550,622	₱33,537,221
Treasury stocks	—	(9,184,284)	(9,184,284)
Outstanding as at December 31, 2025 and 2024	₱15,986,599	₱8,366,338	₱24,352,937

Redeemable Preferred Stock

The Parent Company's redeemable preferred shares have the following features: (a) voting; (b) redeemable anytime at the option of the Parent Company; (c) dividend rate to be determined by the BOD upon issuance; (d) with pre-emptive rights only in respect of any issue of preferred shares; (e) cumulative in payment of current dividends as well as any unpaid back dividends; and (f) preference over holders of common stock in the distribution of corporate assets in the event of dissolution and of the Parent Company and in the payment of the dividend at the rate specified at the time of issuance.

Retained Earnings

On March 7, 2022, the Parent Company's BOD approved the appropriation of the amount of ₱50,000.00 million from the unrestricted retained earnings as of December 31, 2021, to be used to fund and finance investments and acquisitions (directly or through its subsidiaries) of operating and development power companies in the Philippines and abroad which is expected to be completed in 3 years. On April 1, 2026, the BOD approved an extension of the appropriation period up to 5 years due to the revised timeline for the completion of investments and acquisition activities.



On December 19, 2025, the Parent Company declared \$22.71 million (₱1,331.10 million) cash dividends to AC at a rate of ₱8.33 per share. The record date is December 22, 2025, and paid within 2025.

On September 26, 2024, the Parent Company declared ₱1,000.00 million and US\$17.83 million (₱1,000.00 million) cash dividends to AC at a rate of ₱12.51 per share. The record date is September 26, 2024, and paid within 2024.

Retained earnings include the accumulated equity in undistributed net earnings of consolidated subsidiaries and associates and joint ventures accounted for under the equity method amounting to ₱59,680.64 million and ₱58,586.30 million as of December 31, 2025 and 2024, respectively, which are not available for dividend declaration by the Parent Company until these are declared by the investee companies.

The Parent Company's retained earnings available for dividend declaration as of December 31, 2025 and 2024 amounted to ₱12,627.12 million and ₱10,605.36 million, respectively.

As at December 31, 2025 and 2024, deferred tax liabilities have not been recognized on undistributed earnings of, and cumulative translation adjustment of, foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group.

Management does not expect the reversal of the temporary differences in the foreseeable future. The undistributed earnings and cumulative translation adjustment amounted to US\$1,124.72 million (₱62,857.61 million) and US\$869.63 million (₱46,524.67 million) as at December 31, 2025 and 2024, respectively.

Non-controlling Interest (NCI)

The roll forward of this account follows:

	2025	2024
Balance at beginning of year	₱92,932,733	₱92,260,382
Net income attributable to NCI	1,534,054	3,910,174
Dividends	(3,430,897)	(2,761,995)
Acquisition of NCI in a subsidiary	(1,272,762)	(180,325)
Capital infusion of NCI in a subsidiary	548,922	20,428
Capital redemption of NCI in a subsidiary	(488,733)	(320,441)
Change due to loss of control (Note 2)	43,892	—
Cumulative translation adjustments	(13,183)	4,510
	₱89,854,026	₱92,932,733

Dividends:

Declaration of Cash Dividends by ACEN

On various dates in 2025 and 2024, the BOD of ACEN declared dividends to the shareholder of its redeemable preferred shares for a total of ₱1,927.68 million for each year, which was paid during the year of declaration.

On June 4, 2025, the BOD of ACEN approved cash dividends of ₱0.05 per common share. ₱834.32 million was due to NCI. The dividends were paid on July 3, 2025.



On June 26, 2024, the BOD of ACEN approved cash dividends of ₱0.05 per common share. ₱834.32 million was due to NCI. The dividends were paid on July 25, 2024.

Declaration of Cash Dividends by ACE Thermal International Pte. Ltd. (ACETI)

On December 19, 2025, the Directors of ACETI declared US\$11.42 million (₱668.90 million) cash dividends to AC International Finance Limited, as holder of ACETI's Class A RPS. The dividends were paid upon declaration.

Acquisition of NCI in a Subsidiary:

ACEIC's acquisition of ACEN shares

On August 19, 2025, ACEIC purchased 306,512,716 ACEN shares in the secondary market. Total cost of purchase of shares amounted to ₱677.39 million.

On April 29 and 30, 2024, ACEIC purchased 30,000,000 ACEN shares at ₱3.92 per share and 15,354,000 ACEN shares at ₱4.10 per share, respectively, via block purchase. Total cost of purchase of shares amounted to ₱180.32 million.

Acquisition and redemption of non-controlling interest in ISLASOL

On March 6, 2025, ACEN executed a Share Purchase Agreement and Deed of Absolute Sale with AEIT, involving the sale by AEIT of 7,371 Redeemable Preferred Shares E ("RPS E") of ISLASOL in favor of ACEN with a total purchase price of ₱141.27 million. The sale is subject to obtaining the requisite certificate authorizing registration from the Bureau of Internal Revenue.

Simultaneously with ACEN's acquisition of shares from AEIT, ISLASOL redeemed 15,906 RPS E shares held by AEIT in ISLASOL with a total redemption price amounting to ₱488.73 million and was paid in cash.

	Amount
Carrying amount of NCI	₱1,084,102
Total consideration for acquisition of 40% interest:	
Sale of 7,371 RPS E shares at discount	141,267
Redemption of 15,906 RPS E shares at par	488,733
	630,000
Excess of carrying amount	₱454,102

As at December 31, 2025, the remaining unpaid sale purchase price amounted to ₱15.63 million.

On February 4, 2026, the remaining balance of sale purchase price was fully settled.

The acquisition of 40% ownership interest resulted to 100% interest in ISLASOL. The excess of the carrying amount of the non-controlling interest over the consideration paid is recognized under equity reserves.

The BIR subsequently issued the CAR on January 27, 2026.

On December 27, 2024, ISLASOL redeemed 10,414 RPS E shares held by AEIT in ISLASOL with a total redemption price amounting to ₱320.44 million and was paid in cash



Capital infusion of NCI in a Subsidiary:

ACEN issuance of shares through Employee Stock Ownership Plan (ESOWN)

On May 19, 2025, the ACEN informed qualified officers of their entitlement to a total of 56,679,615 common shares under the ESOWN at a subscription price of ₱2.60 per share. Subscription agreements were executed on July 7, 2025 and were issued on September 23, 2025 and were listed on the Philippine Stock Exchange on October 7, 2025. Total unpaid subscription to ACEN amounted to ₱146.26 million. Documentary stamp taxes amounted to ₱1.11 million was paid during the year.

On December 1, 2025, ACEN issued 217,360,676 common shares to various employees of ACEN through the ESOWN. Total unpaid subscription to ACEN amounted to ₱402.66 million. Documentary stamp taxes amounted to ₱1.63 million was paid during the year.

17. Rendering of Services, Cost of Power Operations and Other Income

Revenue from Rendering of Services

The Group's revenue from its rendering of services consists of:

	2025	2024
Energy sales	₱31,554,147	₱36,158,234
Management fees (see Note 19)	263,791	507,484
Bulk water sales	2,130	5,484
	₱31,820,068	₱36,671,202

Power Supply Agreement with MERALCO

On September 9, 2019, ACEN won the bid to supply MERALCO a baseload demand of 200MW from December 26, 2019 until December 25, 2029 subject to the approval by the ERC. Provisional ERC approval was secured on January 31, 2020 and the final approval was secured on May 13, 2020.

On September 11, 2019, ACEN won the bid to supply MERALCO a mid-merit demand of 110MW from December 26, 2019 until December 25, 2024 subject to the approval by the ERC. Provision ERC approval was secured on January 31, 2020 and the final approval was secured on June 1, 2020.

On November 2, 2024, ACEN terminated its 200MW baseload and 110MW mid-merit power supply agreements ("PSA") with MERALCO. The termination was premised on the occurrence of Change in Circumstances ("CIC") resulting in losses and the Parties having failed, despite earnest efforts and good faith negotiations, to agree on a satisfactory solution to amend the PSA to ACEN commercial position prior to the CIC.

No fee was paid in relation to the termination of the PSAs with MERALCO.

Power Supply Agreement with Retail Customers

ACEN, through ACEN Renewable Energy Solutions (ACEN RES), entered into electricity supply agreements with various contestable customers under the Retail Competition and Open Access (RCOA) and the Green Energy Option Program (GEOP). These arrangements cover the supply and delivery of electricity based on the customers' contracted or actual energy requirements.



Contract prices are structured either at fixed rates or variable rates indexed to relevant market or regulatory benchmarks.

Gigasol 3 Mid-Merit PSA

On July 17, 2024, Gigasol 3 Inc. (“Gigasol 3”) won the bid to supply MERALCO a mid-merit renewable energy supply of 139 MW from February 26, 2025 to February 25, 2036 subject to the approval by the ERC.

On September 23, 2024, Gigasol 3 and ACEN filed with the ERC a joint application for the approval of the PSA. Under the PSA, Gigasol 3 will supply, at a fixed rate, 139 MW mid-merit renewable energy capacity to MERALCO for ten (10) years from the issuance by the ERC of a provisional approval. Gigasol 3 shall supply 10 MW to MERALCO beginning February 26, 2025, which will increase to 139MW beginning February 26, 2026.

On April 25, 2025, Gigasol 3 received a copy of the ERC’s Order dated December 3, 2024 resolving, among others, to grant MERALCO and Gigasol 3 provisional authority to implement the PSA at ₱5.1908/kWh.

On May 5, 2025, Gigasol 3 and MERALCO implemented the PSA, without prejudice to Gigasol 3’s non-acceptance of the ERC Order and filing of a Motion for Reconsideration.

On May 13, 2025, Gigasol 3 filed a Motion for Reconsideration and Urgent Re-Evaluation of the Provisionally Approved Rate with Motion for Confidential Treatment of Information.

On September 9, 2025, the ERC granted final authority for MERALCO and Gigasol 3 to implement their PSA at the applicable rate of ₱8.9600/kWh for Energy within Minimum Energy Offtake (MEOT) and ₱1.1791/kWh for Energy in excess of MEOT (an effective rate of ₱8.1819/kWh).

Ancillary Services Procurement Agreements (“ASPA”) with NGCP

OSPGC

OSPGC participated in NGCP’s Competitive Selection Process for the procurement of ancillary services. On June 19, 2023, OSPGC and NGCP filed an application for the approval of the Ancillary Services Procurement Agreement (ASPA) with the ERC. Under the ASPA, OSPGC shall provide, on a firm arrangement, dispatchable reserve (DR) services for a period of five (5) years.

On August 22, 2023, OSPGC received ERC’s Notice of Resolution (NOR) dated August 15, 2023 granting provisional authority to implement the ASPA. Considering that only the NOR was issued by ERC and in anticipation of the issuance of the formal Order, OSPGC filed a Motion for Reconsideration on September 6, 2023, as a precautionary measure to preserve its right to seek a re-evaluation of the resolution by the ERC.

Given the urgent need of the grid for DR services, on 24 November 2023, OSPGC and NGCP executed the Implementing Guidelines for the ASPA. In an Urgent Motion for Resolution dated March 21, 2024, OSPGC moved for the resolution of the MR to allow the parties to continuously implement the rates indicated in the firm ASPA.

BTI

BTI participated in NGCP’s Competitive Selection process for the procurement of ancillary services. On June 13, 2023, BTI and the National Grid Corporation of the Philippines (NGCP) filed an



application for the approval of the ASPA, with the ERC. Under the ASPA, BTI shall provide, on a firm arrangement, dispatchable reserve (“DR”) services for a period of five (5) years.

On August 22, 2023, BTI received a Notice of Resolution (“NOR”) from ERC granting provisional authority to implement the ASPA. Considering that only the NOR was issued by ERC and in anticipation of the issuance of the formal Order, BTI filed a Motion for Reconsideration (“MR”) on September 6, 2023, as a precautionary measure to preserve its right to seek a re-evaluation of the resolution by the ERC.

Given the urgent need of the grid for DR services, on 24 November 2023, BTI and NGCP executed the Implementing Guidelines for the ASPA. In an Urgent Motion for Resolution dated March 21, 2024, BTI moved for the resolution of the MR to allow the parties to continuously implement the rates indicated in the firm ASPA.

LTI

On April 19, 2023, LTI received a Notice of Award to provide Ancillary Services to the Luzon Grid for specific hourly intervals for five (5) years. On May 2, 2023, NGCP and LTI executed an ASPA and submitted the same to ERC on June 20, 2023 for approval with prayer for the issuance of provisional authority.

On September 17, 2024, LTI submitted to ERC its Compliance showing the VOM Breakdown for 2022-2023.

On October 22, 2024, LTI received the Order of ERC in the instant case which was promulgated on May 22, 2024. ERC granted NGCP and LTI with Interim Relief to implement the ASPA, subject to the interim rates and conditions, and without prejudice to the evaluation of the compliance of NGCP with the AS-CSP, pursuant to DOE’s Circular No. DC2021-10-0031. On November 7, 2024, LTI filed with ERC a Motion For Reconsideration With Very Urgent Motion for Re-Evaluation of Interim Approved Rates.

On December 19, 2024, LTI filed a Manifestation on Material Adverse Change with Urgent Motion for Resolution of the MR, to inform ERC that on December 2, 2024, NGCP and LTI already commenced good faith negotiations pursuant to the ASPA to address the Material Adverse Change. LTI also urged ERC to urgently resolve LTI's MR, approve the Capacity Payment Rate as applied, and allow the indexation of the VOM rate to ensure that the LTI Plant may viably and sustainably operate to provide DR services to NGCP.

On January 31, 2025, LTI sent to NGCP a Notice of Termination of the ASPA effective upon NGCP's receipt of the Notice. The decision to terminate is based on Sec. 13.3 of the ASPA which allows LTI to terminate the ASPA in case of a Material Adverse Change ("MAC") that includes changes which result or may result in diminution of the rate under Schedule 3, including the effect of the ERC approval for the ASPA. In its letter dated February 3, 2025, NGCP acknowledged receipt of the Notice.

Feed-in-Tariff (“FIT”)

San Lorenzo Wind

On June 10, 2015, the San Lorenzo Wind Project (“SLWP”) under Guimaras Wind Corporation (“Guimaras Wind”) was issued a Certificate of Endorsement (“COE”) for FIT Eligibility by the Department of Energy (“DOE”).



On December 1, 2015, Guimaras Wind received its Certificate of Compliance (“COC”) from the ERC which entitles Guimaras Wind to recognize its FIT at an approved rate of ₱7.40, with a retroactive application beginning December 27, 2014, for a guaranteed period of twenty (20) years until December 26, 2034.

On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the SLWP’s FIT Rate starting 2020 shall be ₱8.59/kWh.

MONTESOL

On June 13, 2016, the DOE, through its issuance of the COE, certified MONTESOL’s Solar Farm Project as an eligible project under the FIT system.

On December 28, 2016, MONTESOL received another provisional authority to operate by the ERC dated December 8, 2016. This allowed MONTESOL to be entitled to a FIT rate of ₱8.69 for a period of twenty (20) years from March 11, 2016.

On February 6, 2017, MONTESOL received the COC from ERC and accordingly, measured its revenue from energy sales using the FIT rate.

On May 26, 2020, ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, series of 2020. FIT adjustments used 2014 as the base period calendar year for the CPI and foreign exchange variations through DCF Model per Renewable Energy technology, covering the years 2016, 2017, 2018, 2019 and 2020. MONTESOL accrued the retroactive net revenue adjustment based on the adjusted FIT rates for the years 2016 (₱8.69/kWh), 2017 (₱8.71/kWh), 2018 (₱9.04/kWh), 2019 (₱9.41/kWh) and 2020 (₱9.82/kWh).

SACASOL

On January 7, 2014, the BOI approved SACASOL’s registration as an RE developer of 22MW solar power plants (Phases 1A & 1B) under the Renewable Energy Act of 2008 (the Act).

On December 20, 2014, the BOI approved SACASOL’s registration as an RE developer of 23MW solar power plants (Phases 1C & 1D) under the Act.

Pursuant to Section 7 of the RE Act and Section 5 of its IRR, the ERC adopts and promulgates the FIT Rules. All RE plants shall be deemed eligible upon issuance by the ERC of a COC authorizing them to operate as FIT-eligible RE plants. Eligible RE plants shall be entitled to the appropriate FITs as established.

On June 4, 2014, the DOE issued the COE for FIT eligibility to endorse the 13MW Phase 1A solar power plant of SACASOL as an eligible project under the FIT system pursuant to the provisions of the RE Act.

On February 9, 2015, the ERC granted the COC to Phase 1A solar power plant with a capacity of 13MW, which entitles SACASOL to the FIT rate of ₱9.68/kWh from May 15, 2014 until May 14, 2034. On the same date, ERC granted the COC to Phase 1B solar power plant with a capacity of 9MW, which entitles SACASOL to the FIT rate of ₱9.68/kWh from August 16, 2014 to August 15, 2034.

On September 11, 2015, the DOE issued the COE for FIT eligibility to endorse the 23MW Phases 1C and 1D solar power plants of SACASOL as an eligible project under the FIT system pursuant to the provisions of the Act.



On May 4, 2016, ERC granted the COC to Phases 1C and 1D solar power plants with a capacity of 23MW, which entitles SACASOL to the FIT rate of ₱8.69/kWh from September 6, 2015 to September 5, 2035.

On May 26, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, SACASOL's FIT Rate starting 2020 shall be ₱11.28/kWh for Phases 1A and 1B and ₱10.12/kWh for Phase 1C and 1D solar power plants.

NorthWind

On July 31, 2007, NorthWind and the DOE entered into Negotiated Commercial Contract ("NCC") covering the contract area located in Bangui, Ilocos Norte. As a holder of a valid and existing NCC, NorthWind is deemed provisionally registered as an RE Developer under RA 9513. The provisional authority shall subsist until the issuance by the DOE of a Certificate of Registration ("COR").

On February 26, 2013, the DOE granted NorthWind a COR under Wind Energy Service Contract No. 2012-07-058. The COR served as the basis for its application with the BOI for the grant of incentives under RA 9513. The approval granted an income tax holiday ("ITH") incentive of seven (7) years starting September 2014.

On October 10, 2014, the DOE granted NorthWind a COE for FIT Eligibility (COE-FIT No. 2014-10-001) for its Phase III expansion project. The endorsement was the basis for the ERC to issue a FIT COC on April 13, 2015.

The tariff on the generation of the original twenty (20) turbines (Phases I & II) was a FIT rate specific to NorthWind of ₱5.76/kWh, as approved by the ERC in its decision dated June 30, 2014. In an Order dated November 7, 2017, the ERC granted NorthWind an increase of ₱0.20/kWh, in connection with a Motion for Partial Reconsideration of the Decision dated June 30, 2014, in ERC Case No. 2011-060RC filed by NorthWind on December 5, 2014, thereby increasing the FIT rate specific to Phases I & II from ₱5.76/kWh to ₱5.96/kWh.

The FIT rate specific to NorthWind's Phase I & II is lower than the national FIT rate and is valid for twenty (20) years, less the actual years of operation as provided for under the FIT Rules.

The tariff on the six (6) turbines (Phase III) is at ₱8.53/kWh, subject to adjustments as may be approved by the ERC under the FIT rules. The FIT period on the six (6) turbines is from October 10, 2014 to October 8, 2034.

On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, NorthWind's rate starting 2020 was ₱6.52/kWh and ₱8.90/kWh for Phases I & II and Phase III, respectively.

Feed-in-Tariff (FIT) adjustment

On May 26, 2020, the Energy Regulatory Commission (ERC) approved adjustments to the FIT rates of renewable energy producers through Resolution No. 06, Series of 2020. The adjustments were computed using calendar year 2014 as the base period for the Consumer Price Index (CPI) and foreign exchange variations, applying a Discounted Cash Flow (DCF) model per renewable energy technology, and covering generation years 2016 to 2020. The resolution was published in a newspaper of general circulation on November 17, 2020.



Renewable energy subsidiaries under the FIT system—namely Guimaras Wind, MONTESOL, SACASOL, and NorthWind—recognized retroactive net revenue adjustments amounting to ₱791.48 million, which are recoverable over a period of five (5) years.

On February 19, 2021, the ERC issued a clarificatory letter to the National Transmission Corporation (TransCo), the FIT system administrator, specifying the timing and manner of billing and recovery of the FIT adjustments. Billing for the January 2016 generation period commenced in December 2020, with collections starting in January 2021 over the five-year recovery period. Pending approval of the 2021 FIT-All rate and further FIT adjustments, the originally approved FIT rates continued to apply to generation billing for 2021, 2022, and 2023. Accordingly, revenues recognized for 2021 to 2024 were based on the 2020 approved FIT rates in the absence of approved rates for the succeeding years. There is currently a moratorium on interest on delayed payments. Any adjusted FIT rates applicable for 2021 are expected to be collected in arrears upon ERC approval.

On November 26, 2025, the ERC issued Resolution No. 28, Series of 2025, approving the adjusted FIT rates for the periods 2021 to 2025 (the “2021–2025 Adjusted Approved Rates” or “2021–2025 AARs”). Subsequent to the issuance of this resolution, TransCo and various renewable energy industry associations formally requested clarification from the ERC due to identified inconsistencies in the computation methodology for the adjusted FIT rates, particularly the application of non-aligned Consumer Price Index (CPI) base years.

On February 27, 2026, the ERC issued an Advisory providing revisions and clarifications to Resolution No. 28, Series of 2025. The Advisory corrected the previously issued FIT rates by consistently applying the same CPI series for both the base year and the index, thereby addressing the identified computational inconsistencies and substantially resolving the uncertainties surrounding the 2021–2025 AARs.

Accordingly, the Group updated its revenue recognition to reflect the revised and clarified 2021–2025 AARs. The cumulative impact of the adjustment relating to prior periods was recognized as a one-time adjustment in profit or loss for the year ended December 31, 2025. Any future changes arising from subsequent ERC actions, if any, will be recognized in profit or loss in the period when the related uncertainty is resolved.

For the year ended December 31, 2025, the Group recognized ₱608.41 million net of tax one-time adjustment, comprised of ₱6329.33 million for FIT plants that are consolidated and ₱6279.08 million FIT plant that is equity accounted (i.e., one-time adjustment is recorded under equity in net income of associates and joint ventures in the consolidated statement of income).

Cost of Power Operations

The Group’s cost of power operations consists of:

	2025	2024
Cost of sale of electricity	₱18,386,146	₱23,285,289
Depreciation and amortization (Notes 8, 9 and 10)	3,111,220	2,023,059
Repairs and maintenance	770,413	693,732
Taxes and licenses	697,551	576,557
Compensation and benefits	564,468	342,925
Insurance	308,359	153,372
Others	276,552	304,328
	₱24,114,709	₱27,379,262



Other Income

The Group's other income consists of:

	2025	2024
Guarantee fee income	₱431,955	₱210,573
Liquidated damages	363,109	26,853
Tolling fee	295,051	—
Sale and leaseback	—	1,035,334
Others	(220,434)	374,111
	₱869,681	₱1,646,871

Guarantee fee income

ACEIC

The transactions with GNPD and GNPK, pertains to 2% and 2.5% per annum, respectively, of the face value of the standby letter of credit (SBLC) for reimbursement support (or act as guarantor) as guarantee fee charged by the Parent Company for the debt service account obligations.

ACRI

ACRI serves as a guarantor for the following borrowings entered into by its related parties which ACRI unconditionally and irrevocably guaranteed. Fees are charged for these guarantee agreements. ACRI assessed that there are no expected credit loss from its guaranteed obligation of the related parties.

For the years ended December 31, 2025 and 2024, the Group has entered into various guarantee agreements with banks for a total of US\$56.9 million and US\$307.0 million, respectively, for projects in India, USA and Australia, of which US\$309.3 million and US\$303.5 million are outstanding as of December 31, 2025 and 2024. The purpose of the guarantee is to secure various Standby Letter of Credit (SBLC) and guarantee agreements of the projects.

For the years ended December 31, 2025 and 2024, ACRI recognized corresponding guarantee income amounting to US\$3.24 million (₱186.32 million) and to US\$2.85 million (₱163.82 million), respectively.

ACEN

ACEN entered into a guarantee fee agreement with an affiliate, Amihan Renewable Energy Corp. (AREC), in relation to the issuance of a standby letter of credit supporting the Debt Service Reserve Account (DSRA) requirements of AREC's project financing. In consideration for making its credit facility available, ACEN charged AREC a guarantee fee computed based on the secured obligation amount, at an agreed annual rate.

Liquidated damages

Liquidated damages mainly pertain to payments received by SanMar on the delay in the mechanical completion of the San Marcelino Solar Project (Phase 1 and 2).

Tolling Fee

Tolling fee pertains to payment by a third party for economic benefit of the capacity of the battery facility.



Gain on disposal of assets - Sale and leaseback

On March 19, 2024, shares of AREIT in exchange for the 2,759,135 square meters (sq.m.) located in Zambales, Philippines (referred to as the “Property”) valued at ₱6,769.72 million (referred to as “Transaction”) at ₱34.00 per share (referred to as the “Transaction Price”). The valuation of the Property subject of the Transaction required the approval of the Philippine’s SEC. Under the Deed of Exchange, all rights and obligations over the Property and the AREIT shares accrues to each of AREIT and the Group, respectively, from the first day of the quarter of the SEC approval. AREIT is a subsidiary of Ayala Land, Inc., an affiliate of the Group.

On September 25, 2024, the SEC issued the Certificate of Approval of Valuation of the Property. As a result of the Transaction, the Group acquired beneficial ownership over 6.20% of AREIT, subject to securing the Certificate of Authorizing Registration from the BIR, compliance with the conditions of the SEC approval, including transfer of titles, and the additional listing of shares with the PSE. Beginning July 1, 2024, dividends declared by AREIT accrue to the Group. Following AREIT’s declaration of ₱0.56 regular cash dividends per common share on July 12, 2024, the Group recognized other income amounting to ₱111.50 million presented under “Other income” in the consolidated statement of comprehensive income.

The investment in AREIT are equity shares that are not held for trading by the Group. This is classified at fair value through other comprehensive income and presented under “Financial assets at FVOCI” in the consolidated statements of financial position.

The closing price of AREIT shares was ₱37.50 on September 25, 2024. The cost of the Property amounted to ₱500.76 million (see Note 8) resulting in a gain from the Transaction of ₱6,965.84 million which was recognized in BCHC’s financial statements.

On September 26, 2024, Giga Ace 8, Inc. (a wholly owned subsidiary of ACEN) and AREIT executed a contract of lease over the Property for the Group’s 300MW solar power plant project in Palauig, Zambales. The lease term is from the rent commencement date on July 1, 2024 (referred to as “Rent Commencement Date”) to June 30, 2049, renewable for another twenty-five years at the option of the lessee, upon the written agreement of the lessor and the lessee under such terms and conditions as may be acceptable to them. The initial rent is ₱173.54 per sq.m per annum, exclusive of VAT, with annual escalation of 1.50% commencing on July 1, 2025. Lease payments commencing from July 1, 2025 are done in advance on a quarterly basis (see Note 8).

The rent payment for the period beginning on the Rent Commencement Date to June 30, 2025 is ₱478.82 million, exclusive of VAT.

The right-of-use asset and lease liability amounted to ₱6,356.84 million, which is equivalent to 85% of the total fair value of the AREIT shares received from the transaction.

The Transaction is classified as a sale and leaseback transaction; the gain recognized from the sale and leaseback transaction represents only the amount relating to the rights in the underlying assets that were transferred to the buyer-lessor after considering the lease liabilities recognized from the leaseback. For the year ended December 31, 2024, the Group recognized ₱1,035.33 million as “Other Income” in the consolidated statement of comprehensive income.



18. Income Taxes

Provision for (benefit from) income tax consists of:

	2025	2024
Current:		
Regular corporate income tax	₱417,094	₱809,599
Minimum corporate income tax	286,974	111,287
Deferred	(619,620)	188,374
	₱84,448	₱1,109,260

The reconciliation of statutory income tax to the provision for income tax follows:

	2025	2024
Income tax at statutory income tax rates	₱2,150,367	₱4,383,806
Additions to (reduction in) income tax resulting from:		
Income under income tax holiday and nontaxable income	(1,570,342)	(3,523,517)
Changes in unrecognized deferred income tax assets and others	(623,456)	1,371,159
Nontaxable share in net earnings of associates and joint ventures	(132,689)	(1,288,399)
Nondeductible expenses	460,399	435,228
Interest income already subject to final tax	(199,831)	(269,017)
	₱84,448	₱1,109,260

The components of the Group's net deferred income tax assets recognized in the consolidated statement of financial position follow:

	2025	2024
Deferred income taxes recognized in profit or loss:		
<i>Deferred income tax assets</i>		
NOLCO	₱2,329,538	₱2,440,577
Lease liability	2,683,283	2,329,853
Accrued expenses	563,606	383,556
MCIT	352,883	124,181
Allowance for expected credit losses	28,739	28,739
Decommissioning liability	18,449	36,572
Others	751,566	494,953
	6,728,064	5,838,431
<i>Deferred income tax liabilities</i>		
Right-of-use assets	2,112,139	1,646,542
Excess of fair value over cost of power plant	1,143,826	750,598
Unrealized foreign exchange gain	74,126	35,545
Long-term payable	23,947	86,969
Others	17,153	16,912
	3,371,191	2,536,566
	3,356,873	3,301,865

(Forward)



	2025	2024
Deferred income taxes recognized in other comprehensive income:		
<i>Deferred income tax assets</i>		
Remeasurement effect on defined benefit plan	₱18,556	₱12,660
Unrealized fair value losses on derivative	1,484	—
Unrealized loss from financial asset at FVOCI	—	30
Derivative liability on hedging	—	103,616
	20,040	116,306
<i>Deferred tax liability</i>		
Derivative asset on hedging	4,883	—
Remeasurement effect on defined benefit plan	2,377	—
Derivative liability on hedging - OCI	95,569	—
	102,829	116,306
	(82,789)	116,306
Total deferred income tax assets – net	₱3,274,084	₱3,418,171

The components of the Group's net deferred income tax liabilities recognized in the consolidated statement of financial position follow:

	2025	2024
Deferred income taxes recognized in profit or loss:		
<i>Deferred income tax assets:</i>		
Lease liability	₱565,234	₱26,961
NOLCO	75,512	—
Unrealized foreign exchange loss	267	598,040
Others	(13,060)	4,096
	627,953	629,097
<i>Deferred income tax liabilities</i>		
Accrued interest receivable	700,762	455,160
Unamortized capitalized borrowing costs	687,200	688,122
Excess of fair value over cost of power plant	311,548	255,015
Straight-lining of rent	178,232	163,028
Right-of-use assets	110,654	445,415
Long term payable	91,163	79,747
Unrealized foreign exchange gains	77,679	555,768
Others	64,017	144,756
	2,221,255	2,787,011
	1,593,302	2,157,914
Deferred income taxes recognized in other comprehensive income:		
<i>Deferred income tax asset</i>		
Derivative liability on hedging	154,065	—
Remeasurement effect on defined benefit obligation	26,006	26,006
Unrealized fair value gains on financial asset at FVOCI	—	6,392
	180,071	32,398

(Forward)



	2025	2024
<i>Deferred tax liability</i>		
Unrealized fair value gains on FVOCI	₱142,328	₱–
Derivative Asset on hedging - OCI	105,760	–
Derivative asset on hedging	–	69,149
	248,088	69,149
	68,017	36,751
Total deferred income tax liabilities - net	₱1,661,319	₱2,194,665

No deferred income tax assets have been recognized on the following as it is probable that no sufficient taxable income will be available to allow the benefit of deferred income tax assets to be utilized:

	2025	2024
NOLCO	₱5,490,353	₱9,989,654
Allowance for credit losses	4,476,533	39,527
MCIT	161,552	103,280
Allowance for probable losses	40,575	40,575
Accrued expenses	50,937	47,749
Unrealized foreign exchange loss	4,111	3,696

NOLCO

The Group has incurred NOLCO which can be claimed as deduction from regular taxable income as follows:

Year Incurred	Beginning	Additions	Application	Expiration	Ending	Expiry Date
2020 ^(a)	2,947,920	1,231,415	(2,589,582)	(470,941)	1,118,812	2025
2021 ^(a)	1,118,812	528,379	–	(354,237)	1,292,954	2026
2022	1,292,954	4,788,262	–	(431,961)	5,649,255	2025
2023	5,649,255	3,094,186	–	(116,550)	8,626,891	2026
2024	8,626,891	1,564,192	(201,429)	–	9,989,654	2027
2025	9,989,654	1,318,948	(4,594,746)	(1,223,503)	5,490,353	2028

(a) RR-15-20 Bayanihan Act 2: NOLCO incurred for the taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five(5) consecutive years

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(b) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

MCIT

The Group has excess MCIT that can be claimed as deduction from regular income tax liability as follows:

Year Incurred	Beginning	Additions	Application	Expiration	Ending	Expiry Date
2021	20,134	36,836	–	(9,629)	47,341	2024
2022	47,341	10,873	–	(17,080)	41,134	2025
2023	41,134	15,145	–	(12,458)	43,821	2026
2024	43,821	111,281	–	–	155,102	2027
2025	155,102	287,444	–	(10,873)	431,673	2028



Base Erosion and Profit Shifting (BEPS)

The Organisation for Economic Co-operation and Development (“OECD”) has published the Global Anti-Base Erosion (“GloBE”) Model Rules (“Pillar Two Rules”), which include a minimum 15% tax rate per jurisdiction on multinational companies with an annual consolidated group revenue of EUR750 million or more for 2 out of the 4 immediately preceding fiscal years.

Pillar Two legislation has been implemented in some of the jurisdictions in which ACEN and its subsidiaries (the “Group”) operate. The earliest legislation applicable to the Group is effective on January 1, 2024. Given this, the Group has assessed the applicable tax legislation in all the countries in which subsidiaries of the Group operate to determine if a Pillar Two ‘top-up’ tax liability needs to be recognized.

The relevant set of rules also provides for a transition period in which the in-scope multinational groups may avoid undergoing the complex effective tax rate calculation required in the Pillar Two legislation. In particular, it provides for a transitional safe harbor (“TSH”) that applies for the first three fiscal years beginning FY2024 through FY2026, extended recently to include FY2027, following the entry into force of the relevant regulation.

The TSH relies on simplified calculations (mainly based on data extracted from the qualified Country-by-Country Reporting) under BEPS Action 13 and three kinds of alternative tests. Where at least one of the TSH tests is met for a jurisdiction in which the Group operates, the top-up tax due for such jurisdiction will be deemed to be zero. A test is met for a jurisdiction where:

- Revenue and profit before tax are below, respectively, €10 million and €1 million (the de minimis test);
- The Effective Tax Rate (ETR) equals or exceeds an agreed rate (the ETR test, 16% for FY 2025); or
- The profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (the routine profits test).

The Group forms part of the constituent entities of the Ayala Group of companies (Ayala Group) subject to the BEPS Pillar Two Global Anti-Base Erosion (GloBE) rules. In accordance with the Pillar Two Guidelines, the GloBE outcomes for all constituent entities operating within the same jurisdiction are aggregated. Based on the assessment, the majority of jurisdictions where the Ayala Group operates qualify for the TSH provisions. Under the Guidelines, jurisdictions that satisfy any of the TSH criteria are exempt from detailed Pillar Two computations for the transition period, and the associated top up tax is deemed to be zero.

The Group has operations in the following jurisdictions covered under the Ayala Group’s Pillar Two evaluation: Australia, Cayman Islands, Hong Kong, Indonesia, Netherlands, Philippines, Singapore, and Vietnam. In 2024, all jurisdictions where the Group operates passed the TSH tests, except Singapore. Nevertheless, no top-up tax liability is recognized as there was no effective legislation that authorized collection.

For the year 2025, all jurisdictions passed the TSH tests. However, for Singapore, the Group opted to directly conduct GloBE top-up tax calculations under the full Pillar Two rules. Based on the results of the calculations, there is no top-up tax liability for recognition in 2025.



19. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individual or corporate entities.

Except as otherwise stated, outstanding balances are unsecured, to be settled in cash throughout the financial year and there have been no guarantees provided or received.

The assessment of collectability of receivables from related parties is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

In the ordinary course of business, the Group transacts with associates, affiliates, jointly controlled entities and other related parties on advances, loans, reimbursement of expenses, office space rentals, management service agreements and electricity supply.

The composition of due to/from related parties are as follows:

a. Notes Receivables (see Note 5)

Related Party	Amount/ Volume		Outstanding Balance		Terms / Conditions
	2025	2024	2025	2024	
Development loans					
<i>Associates</i>					
PT Sidrap 2	P—	P386,018	P—	P386,018	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT Sukabumi	—	252,208	—	252,209	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT Lombok	—	56,823	—	56,823	Payable at the option of the lender; interest bearing; unsecured; no impairment
<i>Joint Ventures</i>					
UPC Power	646,676	486,346	2,047,291	1,378,101	Payable in 2028; interest bearing; unsecured; no impairment
UPC-ACE Solar	2,205	—	859,036	856,874	Due in 2029; interest bearing; unsecured; with impairment
PT Dewata	—	10,094	45,524	44,792	Due in 2025 but extended to 2027; interest bearing; no impairment. The loan is secured with a share charge by the Sponsor (PT Dewata Megaenergi) in favor of ACEN Indonesia over 100% of its Common Shares in LandCo Kutai
ACEN-Silverwolf	4,702	9,175	—	14,832	Due in 2028; interest bearing; unsecured; no impairment
<i>Affiliate</i>					
Yoma	—	181,328	1,599,380	1,570,821	Due in 2033; interest bearing; guaranteed by Yoma Strategic Holdings Ltd; no impairment
	P653,583	P1,381,992	P4,551,231	P4,560,470	



Bridge Financing

Associates

BIMRE	₱7,795,554	₱—	₱3,033,564	₱—	Due in 2026 along with principal
<i>Joint Ventures</i>					
Asian Wind 1	—	—	1,563,226	1,538,099	Due in 2035; interest bearing; unsecured; no impairment
Asian Wind 2	—	—	1,179,621	1,160,660	Due 2035 interest bearing; unsecured; no impairment
Lac Hoa	120,399	—	1,145,332	2,742,492	Due in 2031; interest bearing; with impairment. The loan is secured by an Equity Interest Mortgage Agreement.
Hoa Dong	120,399	—	1,064,996	2,405,713	Due in 2031; interest bearing; with impairment. The loan is secured by an Equity Interest Mortgage Agreement.
NEFIN	—	183,022	979,971	964,218	Due and demandable; interest bearing; unsecured; no impairment
Vietnam Wind	—	—	290,230	296,154	Due in 2042; interest bearing; unsecured; with impairment
Greencore 3	—	184,539	—	4,659,075	Due in 2025; interest bearing; unsecured; no impairment
	₱8,036,352	₱367,561	₱9,256,940	₱13,766,411	

Other Loans

Associates

CI GMF	563,720	—	563,720	—	Payable at the option of the lender; interest bearing; unsecured; no impairment
Solar NT	28,807	—	28,807	—	Due in 2026 along with principal
<i>Joint Venture</i>					
Yanara	₱2,238,371	₱197,432	₱2,730,820	₱517,213	Due in 20 years; interest bearing; unsecured; no impairment
URH	2,703,950	454,927	2,280,855	462,662	Due in 2025; interest bearing; unsecured; no impairment
Lac Hoa	1,599,088	—	1,599,088	—	Due in 2040; interest bearing; unsecured; no impairment
Hoa Dong	1,340,412	—	1,340,412	—	Due in 2040; interest bearing; unsecured; no impairment
AREC	300,000	—	300,000	—	Payable in installments until 2030; interest bearing; unsecured; no impairment
Infineum 4	23,400	10,300	111,526	88,126	Due in 2026; interest bearing; unsecured; no impairment
	₱8,797,748	₱662,659	₱8,955,228	₱1,068,001	

Except for the discussion above, the movement in the notes receivable from related parties are revaluation of US\$ denominated notes receivable to Philippine peso from December 31, 2024, to December 31, 2025.

b. Interest Income and Receivable

The Group maintains current and savings account and other short-term investments with Bank of the Philippine Islands (BPI) broken down as follows:

	2025	2024
Cash in banks	₱25,829	₱35,003
Cash equivalents	151,992	318,954
	₱177,821	₱353,957



Accrued interest income relates primarily to the dividend yields from the Group's investments in the redeemable preference shares and interest from loans extended to its related parties.

Related Party	Amount / Volume		Outstanding Balance		Terms
	2025	2024	2025	2024	
Redeemable preferred share	₱1,919,387	₱2,335,852	₱5,078,223	₱4,733,771	various dates
Convertible loans	645,864	580,381	1,998,737	1,350,236	various dates
	₱2,565,251	₱2,916,233	₱7,076,960	₱6,084,007	
Development Loans (Note 5)					
<i>Joint Ventures</i>					
UPC-ACE Solar	₱141,667	₱106,179	₱584,297	₱442,677	various dates
UPC Power	190,344	84,500	240,340	—	various dates
ACEN-Silverwolf	868	1,115	—	1,338	various dates
UPC-ACE Australia	—	—	—	—	various dates
<i>Associates</i>					
PT Dewata	5,134	4,424	10,277	4,946	various dates
PT Sidrap 2	—	11,071	—	11,125	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT Sukabumi	—	7,044	—	7,033	Payable at the option of the lender; interest bearing; unsecured; no impairment
PT Lombok	—	886	—	842	Payable at the option of the lender; interest bearing; unsecured; no impairment
<i>Affiliate</i>					
Yoma	70,437	66,204	132,601	64,042	various dates
	₱408,450	₱281,423	₱967,515	₱532,003	
Bridge Financing (Note 5)					
<i>Associates</i>					
BIMRE	51,245	—	22,440	—	various dates
<i>Joint Ventures</i>					
Lac Hoa	₱412,017	₱262,956	₱976,181	₱723,817	various dates
Hoa Dong	361,211	230,826	802,444	637,054	various dates
Vietnam Wind	57,532	50,076	583,440	537,426	various dates
Asian Wind 1	152,910	152,817	288,541	134,143	various dates
NEFIN	3,068	78,142	157,686	—	various dates
Asian Wind 2	115,387	118,041	20,207	9,672	various dates
Greencore 3	666,938	698,588	—	—	30-day, non-interest bearing
Ingrid	—	35,063	—	—	30-day, non-interest bearing
	₱1,820,308	₱1,626,509	₱2,850,939	₱2,042,112	
Other Loans					
<i>Associate</i>					
CI GMF	19,150	—	37,409	—	various dates
Solar NT	71	—	71	—	various dates
<i>Joint Ventures</i>					
Yanara	100,470	65,064	190,479	94,138	30-day, non-interest bearing
URH	160,477	23,118	186,122	—	30-day, non-interest bearing
Infineum 4	10,954	9,359	25,243	35,394	30-day, non-interest bearing
AREC	13,438	—	13,438	—	various dates
Lac Hoa	4,411	—	5,257	—	various dates
Hoa Dong	5,263	—	4,407	—	various dates
	₱314,234	₱97,541	₱462,426	₱129,532	
Trade Receivables					
<i>Affiliates</i>					
	₱3,516	₱—	₱863	₱2,010	30-day, non-interest bearing



c. Loans Payable (see Note 13)

Related Party	Interest Expense		Outstanding Balance		Terms and conditions
	2025	2024	2025	2024	
BPI:					
Amortization of Debt Issue Cost					
/ Interest payable	₱45,216	₱42,836	₱39,951	₱58,010	30 days unsecured
Short term Loans	8,934	51,677	3,061,535	–	63 days interest bearing
Long-term loans	405,435	266,386	8,144,128	8,351,576	30 days; 12 years interest bearing
PT Dewata:					
Long-term loans	437	–	17,529	–	2 years, interest bearing

d. Financial assets at FVTPL

The Group holds investments in a Unit Investment Trust Fund (UITF) with BPI Wealth - A Trust Corporation (BPI Wealth).

Related Party	Amount/Volume		Outstanding Balance		Terms
	2025	2024	2025	2024	
BPI Wealth					
Peso	₱5,112,844	₱17,702,350	₱1,176,980	₱3,977,816	Redeemable (On Demand)
Foreign	4,945,476	4,283,662	240,112	1,727,432	Redeemable (On Demand)
Masaya Solar					
Foreign	–	587,989	744,873	921,787	28 years from allotment date
	₱10,058,320	₱22,574,001	₱2,161,965	₱6,627,035	

e. Leases (see Note 9)

The Group entered into lease agreements with Ayala Land, Inc. (ALI) for the use of its office units and parking spaces. In 2024, the Group entered into lease agreements with AREIT for the use of land and easement rights and BPI Tokyo Century Rental Corporation (BPI TCR) for the use of vehicles.

Related Party	Amortization/Interest Expense		Outstanding Balance		Terms and conditions
	2025	2024	2025	2024	
ALI:					
Right-of-use Assets	₱174,059	₱143,028	₱966,129	₱1,211,227	10 years unsecured
Lease Liabilities	88,894	83,760	1,176,253	1,464,231	10 years unsecured
AREIT:					
Right-of-use Assets	₱–	₱–	₱398,555	₱535,118	25 years unsecured
Lease Liabilities	–	–	6,320,112	6,472,722	25 years unsecured
BPI TCR:					
Right-of-use Assets	₱1,011	₱421	₱2,611	₱3,621	2 years, unsecured
Lease Liabilities	229	114	2,836	3,769	2 years, unsecured

f. Other Related Party Transactions

	Amount / Volume		Outstanding Balance		Terms and conditions
	2025	2024	2025	2024	
Management fees income	₱222,962	₱466,219	₱525,056	₱368,326	30-days unsecured
Dividend Income (FVOCI)	477,863	115,483	–	–	Non-interest bearing; due and demandable
Rental income:					30-days unsecured
Ingrid	17,337	17,337	1,676	2,530	
Management fees expense	51,834	51,834	(1,098)	(48,703)	30-days unsecured
Revenue from power supply contracts	1,672,932	594,945	–	–	30-days, unsecured
Cost of sale of electricity	(1,067,655)	(1,115,485)	(195,826)	(105,187)	30-days unsecured
Due from related parties	–	–	2,284,678	889,987	On demand unsecured
Due to related parties	–	–	(1,835,313)	(2,363,950)	On demand unsecured



Management fees income pertains to service fees billed by the Group to its related parties under common control and joint ventures and associates for providing a full range of business process outsourcing services, such as, but not limited to, financial and general accounting/ bookkeeping services, human resources management, manpower related services and other related functions.

Rental income pertains to revenue from lease agreements with Ingrid.
Management fees expense represent recoveries of AC for seconded key management personnel to the Parent Company.

The Group purchases the entire net electricity output of MGI.

The amount due from a related company pertains mostly from advances including those for project development or reimbursement of expenses. These are non-trade, interest-free, repayable on demand and to be settled in cash.

The amount due to a related parties pertains to advances, including those for development cost, utilities expense, professional services and other miscellaneous expenses. These are non-trade, interest-free, repayable on demand and to be settled in cash

AREIT's Declaration of Cash Dividends

On February 19, 2025, AREIT, Inc. ("AREIT") declared regular cash dividends of ₱0.58 per common share for shareholders of record as of March 5, 2025, paid on March 21, 2025.

On May 13, 2025, AREIT declared regular cash dividends of ₱0.58 per common share for shareholders of record as of May 27, 2025, paid on June 11, 2025.

On August 13, 2025, AREIT declared regular cash dividends of ₱0.59 per common share for shareholders of record as of August 29, 2025, paid on September 12, 2025.

As at December 31, 2025, the Group recognized dividend income amounting to ₱477.86 million.

g. Receivables from Employees and Officers

Receivables from officers and employees amounting to ₱679.81 million in 2025 and ₱300.25 million in 2024 pertain to housing, car, salary and other loans granted to Group's officers and employees.

h. Compensation of key management personnel

Key management personnel who are employees of the Group received the following short-term employee benefits and post-employment benefits:

	2025	2024
Short-term employee benefits	₱66,441	₱76,443
Post-employment benefits	30,740	8,164
	₱97,181	₱84,607



20. Business Combination and Asset Acquisitions

2024 Business Combinations

Investment in Real Wind Energy, Inc. (RWEI)

On March 22, 2024, ACEN signed a Deed of Absolute Sale of Shares with Modern Energy Management Pte. Ltd. (“MEM”), as the seller, for the acquisition by ACEN of 4,000 secondary Common Shares representing 40% ownership in RWEI and Loan Assignment Agreements for the assignment of MEM’s receivables from RWEI. The total cost of the transaction is ₱568.72 million (US\$10.00 million) which is comprised of the acquisition cost for the shares amounting to US\$8.76 million and assigned receivables of US\$1.24 million. This is classified as an investment in joint venture since the fundamental business and operational matters require unanimous consent from all parties.

On August 1, 2024, ACEN signed a Deed of Absolute Sale of Shares with Maraj Energy and Development Corp. (“Maraj”), as the seller, for the acquisition by ACEN of 6,000 secondary Common Shares representing the remaining 60% ownership in RWEI. The total transaction cost is ₱741.98 million which is comprised of the acquisition cost for the shares amounting to ₱31.98 million (of which ₱30.00 million remains unpaid as of September 30, 2024) and ₱710.00 million earnout.

As a result, the Group acquired control over RWEI.

The fair value of the identifiable assets and liabilities, net of eliminations, at August 1, 2024 acquisition date were:

Assets	
Cash and cash equivalents	₱901
Input value added tax (VAT)	2,362
Other current assets	1
Property, plant and equipment (see Note 8)	10,118
Right-of-use assets	102
Accounts and notes receivable - net of current portion	60
Deferred income tax assets – net	3,830
Other noncurrent assets	10,686
	<u>28,060</u>
Liabilities	
Accounts payable and other current liabilities	₱31,314
Income and withholding taxes payable	5,447
Noncurrent portion of long-term loans (see Note 15)	55,428
Other noncurrent liabilities	219
	<u>92,408</u>
Total identifiable net liabilities	(64,348)
Less cost of acquisition	741,984
Fair value of previously held interest (see Note 6)	568,719
Goodwill arising on acquisition (see Note 10)	<u>₱1,375,051</u>

RWEI is a special purpose vehicle for the development and operation of a 500MW wind energy project located in Real, Quezon. The RWEI project is strategically located close to another ACEN



wind project spanning Laguna and Quezon. This new acquisition presents opportunities for synergies through the joint use of logistical routes, transmission lines, and substation infrastructure.

The cost of the business combination is made up as follows:

Cash consideration	₱31,984
Earnout consideration (see Note 15)	710,000
Fair value of equity interest in RWEI before business combination	568,719
Total consideration	₱1,310,703

The earnout remains unpaid and is payable upon achievement of certain milestones which is beyond 12 months from December 31, 2024 (this is presented under “Other noncurrent liabilities” in the consolidated statements of financial position).

Net cash outflow on acquisition is as follows:

Total cash consideration paid in cash	₱570,703
Less cash acquired with the subsidiary ^(a)	901
Net cash outflow	₱569,802

^(a) Cash acquired with the subsidiary is included in cash flows from investing activities.

If the acquisition had taken place at the beginning of 2024, revenue reduction for the year ended December 31, 2024, would have been nil and the additional contribution to the net loss attributable to ACEN would have amounted to ₱33.53 million.

On August 1, 2025, the Group finalized the accounting for the acquisition of RWEI. There is no change from the provisional to the final purchase price allocation. The fair values of assets and liabilities approximate their carrying values. Goodwill arising from the acquisition amounted to ₱1,375.05 million.

21. Financial Instruments and Risk Management

Fair Values

The following table presents the carrying values and fair values of the Group’s financial assets and financial liabilities:

	December 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and cash equivalents	₱20,121,348	₱20,121,348	₱27,773,320	₱27,773,320
Short-term investments	161,673	161,673	161,966	161,966
Receivables	93,762,112	93,932,386	85,819,026	85,684,207
Financial assets at FVTPL	2,161,965	2,161,965	6,627,035	6,627,035
Financial assets at FVOCI	13,885,906	13,885,906	12,673,914	12,673,914
Derivative assets	5,929,926	5,929,926	4,551,769	4,551,769
Investments in redeemable preferred shares and convertible loans	20,050,761	20,698,029	17,828,524	18,579,456
Deposits	767,151	774,175	587,693	590,595
Total financial assets	₱156,840,842	₱157,665,408	₱156,023,247	₱156,642,262

(Forward)



	December 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities				
Accounts and other payables*	₱10,049,003	₱10,049,003	₱11,249,360	₱11,249,360
Short-term loans	14,361,425	14,361,425	5,600,000	5,600,000
Loans payables	130,192,917	134,429,686	109,234,766	104,236,141
Notes payables	57,546,689	57,652,502	56,724,038	58,424,869
Lease liabilities	14,546,172	14,818,920	14,541,889	16,806,110
Derivative liability	182,258	182,258	291,664	291,664
Other current liabilities	2,085,941	2,085,941	1,631,283	1,631,283
Bill deposits	980,701	985,363	967,513	967,513
Other noncurrent liabilities	1,102,251	1,102,251	1,037,285	1,037,285
Total financial liabilities	₱231,047,357	₱235,667,349	₱201,277,798	₱200,244,225

*Excluding taxes payable

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and cash equivalents, short-term investments, deposits, accounts and other payables, short-term loans, bill deposits and other current liabilities: Due to the short-term nature of the accounts, the fair value approximate the carrying amounts in the consolidated statements of financial position.

Receivables: The fair value of receivables due within one year approximates its fair value. Noncurrent portion of receivable is discounted using the applicable discount rate for similar type of instruments. The discount rates used range from 5.70% to 6.66% and 6.09% to 6.61% for the years ended December 31, 2025 and 2024, respectively, using the remaining terms of maturity. This is a Level 3 valuation technique.

Derivative assets and liability: The fair value of the derivative assets and liability is determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for risks existing at the end of each reporting period. The following table gives information about how the fair values of derivative asset are determined (in particular, the valuation technique(s) and inputs used).

Derivative asset	Valuation technique
Long-term Energy Supply Agreement	Discounted cash flow. Valuation requires the use of long dated energy valuation volumes and long dated energy and LGC price curves
Interest rate swaps	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparts

Financial Asset at FVTPL and FVOCI

Quoted financial assets at FVOCI and FVTPL, specifically for publicly traded shares held by the Group, were measured using market prices and classified as Level 1.

In 2024, the Group acquired equity shares of AREIT via property-for share swap. The AREIT shares are accounted as financial asset at FVOCI and classified as Level 1. The carrying amount of AREIT shares amounted to ₱8,661.26 million and ₱7,556.20 as at December 31, 2025 and 2024, respectively.

Other quoted financial assets at FVTPL held by the Group consist of investments in unit investment trust funds (UITFs) were measured using the funds' net asset value (NAV) and classified as Level 2.



The carrying amount of the Group's UITF amounted to ₱1,417.09 million and ₱5,705.25 million as at December 31, 2025 and 2024, respectively.

Unquoted financial assets at FVTPL and FVOCI, specifically debt and equity instruments held by the Group were measured using the DCF technique in estimating the fair value of the financial instruments. Based on the financial performance and financial position of the investee entity which is a related party investment company, management estimates the amount and timing of the future cash inflow arising from redemption of preferred shares.

Financial assets at FVTPL classified as Level 3 consists of Compulsorily Convertible Debentures of Masaya Solar Energy Private Limited. The carrying amount of financial assets at FVTPL amounted to ₱744.87 million and ₱921.79 million as at December 31, 2025 and 2024, respectively.

Financial assets at FVOCI classified as Level 2 consists of investments in Redeemable Preference Share in UPC-ACE Solar, BrightNight and PT Puri Prakarsa Batam and IBV ACEN Renewables Asia Pte. The carrying amount of financial assets at FVOCI amounted to ₱5,223.48 million and ₱4,560.13 million as at December 31, 2025 and 2024, respectively.

Investment in redeemable preferred shares and convertible loans

The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread.

This is a Level 3 valuation technique

Lease Liabilities: The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows ranged from 4.35% to 8.15% and 6.00% to 8.14% as at December 31, 2025 and 2024, respectively. This is a Level 3 valuation technique.

Loans and Notes payable: The estimated fair value is based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread. Interest rates used in discounting cash flows ranged from 2.83% to 8.14 % and 3.02% to 8.52 % as at December 31, 2025 and 2024, respectively. This is a Level 3 valuation technique.

In 2025 and 2024, there were no transfers between levels for fair value measurements.

Significant increase (decrease) in discount rate would result in significant lower (higher) fair value of receivables, financial assets at amortized cost, equity instruments at FVOCI, FVTPL, derivative asset, derivative liability, notes and loans payable, lease liabilities and other noncurrent liabilities.

Description of significant unobservable inputs to valuation follows:

Account	Valuation Technique	Significant Unobservable Inputs
Receivables	Discounted cash flow analysis	Discount rate
Financial assets at FVTPL	Discounted cash flow analysis	Discount rate
Financial assets at FVOCI	Discounted cash flow analysis	Discount rate
Derivative assets	Discounted cash flow analysis	Discount rate and volatility
Investment in redeemable preferred shares and convertible loans	Discounted cash flow analysis	Discount rate
Deposits	Discounted cash flow analysis	Discount rate
Loans payable	Discounted cash flow analysis	Discount rate
Notes payable	Discounted cash flow analysis	Discount rate
Lease liabilities	Discounted cash flow analysis	Discount rate
Other noncurrent liabilities	Discounted cash flow analysis	Discount rate



Financial Risk Management Objectives and Investment Policies

The funds of the entities are held directly by the Group and are managed by the Corporate Finance and Treasury Group (CFT).

All cash investments of the Group are carried and governed by the following principles, stated in order of importance:

- Preservation of invested cash
- Liquidity of invested cash; and,
- Yield on invested cash. Under no circumstance will yield to trump the absolute requirement that the principal amount of investment be preserved and placed in liquid instruments

The CFT manages the funds of the Group and invests them in highly liquid instruments such as short-term deposits and marketable instruments. It is responsible for the sound and prudent management of the Group's financial assets that finance the Group's operations and investments in enterprises.

CFT focuses on the following major risks that may affect its transactions:

- Foreign exchange risk
- Credit or counterparty risk
- Liquidity risk
- Interest rate risk

Corporate Planning and Investor Relations (CPIR) focuses on the following major risks that may affect its transactions:

- Market risk
- Equity price risk

Commercial Operations focuses on commodity price risk.

Professional competence, prudence, clear and strong separation of office functions, due diligence and use of risk management tools are exercised at all times in the handling of the funds of the Group.

Risk Management Process

The Group's principal financial liabilities comprise of accounts and other payables, short-term loans, loans payable, notes payable, lease liabilities, derivative liability and other current and noncurrent liabilities. The main purpose of the Group's financial liabilities is to raise financing for the Group's operations and investing activities.

The Group has various financial assets such as cash and cash equivalents, receivables, short-term investments, derivative assets, deposit, financial asset at FVOCI and FVTPL and other financial assets at amortized cost (redeemable preferred shares and convertible loans), which arise directly from its operations and investing activities. The main risk arising from the use of financial instruments are interest rate risk, liquidity risk, credit risk, foreign currency risk and commodity price risk.

The BOD reviews and approves the policies for managing each of these risks. The Group monitors market price risk arising from all financial instruments and regularly reports financial management activities and the results of these activities to the BOD.



The Group's risk management policies are summarized below. The exposure to risk and how they arise, as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk did not change from prior periods.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of December 31, 2025 and 2024, the Group has fixed rate financial instruments measured at fair value.

The Group's exposure to interest rate risk relates primarily to long-term debt obligations that bear floating interest rate. The Group generally mitigates risk of changes in market interest rates by constantly monitoring fluctuations of interest rates and maintaining a mix of fixed and floating interest-bearing loans.

Liquidity Risk

The Group monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash deemed sufficient to finance its cash requirements. Operating expenses and working capital requirements are sufficiently funded through cash collections. The Group's loan maturity profile is regularly reviewed to ensure availability of funding through adequate credit facilities with banks and other financial institutions.

The extent and nature of exposures to liquidity risk and how they arise as well as the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk are the same for 2025 and 2024.

Maturity Profile Financial Liabilities

The tables below summarize the maturity profile of the Group's financial liabilities based on undiscounted contractual payments, including interest payable.

2025

	On Demand	Less than 1 Year	1 to 5 years	More than 5 Years	Total
Accounts and other payables	₱3,529,381	₱7,494,278	₱—	₱—	₱11,023,659
Other current liabilities	—	2,085,941	—	—	2,085,941
Short-term loans	—	15,112,528	—	—	15,112,528
Loans payable*	—	22,495,817	43,785,482	86,161,058	152,442,357
Notes payable*	—	3,905,949	60,079,607	—	63,985,556
Lease liabilities*	—	2,534,257	4,023,315	24,120,948	30,678,520
Derivative liability	—	4,774	177,484	—	182,258
Other noncurrent liabilities	—	—	1,108,296	—	1,108,296
	₱3,529,381	₱53,633,544	₱109,174,184	₱110,282,006	₱276,619,115

**includes future interest payable*

2024

	On Demand	Less than 1 Year	1 to 5 years	More than 5 Years	Total
Accounts and other payables	₱7,997,420	₱4,176,603	₱—	₱—	₱12,174,023
Other current liabilities	1,631,283	—	—	—	1,631,283
Short-term loans	1,650,248	4,279,592	—	—	5,929,840
Loans payable*	—	11,198,675	73,478,354	46,980,725	131,657,754
Notes payable*	—	334,055	61,237,756	—	61,571,811
Lease liabilities*	—	2,019,851	2,848,373	14,999,761	19,867,985
Derivative liability	—	40,308	251,356	—	291,664
Other noncurrent liabilities	—	—	1,063,428	16,707	1,080,135
	₱11,278,951	₱22,049,084	₱138,879,267	₱61,997,193	₱234,204,495

**includes future interest payable*



Credit or Counter Party Risk

The Group defines credit or counterparty risk as the risk of sustaining a loss resulting from a counterparty's default to a transaction entered with the Group.

Credit or counterparty risk is managed through the following:

- Investments are coursed through or transacted with duly accredited domestic and foreign banks subject to investment limits per counterparty as approved by the BOD.
- Discussions are done on every major investment by the Group's Treasury team before it is executed subject to approval limits. Exposure limits are tracked for every transaction and Treasury Managers supervise major transaction executions.
- Market and portfolio reviews are done at least once a week and as often as necessary should market conditions require. Monthly reports are given to the CFO with updates in between these reports as needed.
- A custodian bank for Philippine peso instruments and foreign currency instruments has been appointed based on its track record on such service and the bank's financial competence.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, short-term deposits, due from related parties, receivable from other parties, financial asset at FVOCI and FVTPL, other financial assets at amortized cost (redeemable preferred shares and convertible loans) and deposits, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group's assessments of the credit quality of its financial assets are as follows:

- Cash and cash equivalents and short-terms deposits were assessed as high grade since these are deposited in or transacted with reputable banks, which have low probability of insolvency.
- Due from related parties, receivable from other parties (except for receivable from Sta. Clara), other receivables, derivative assets, equity instruments at FVOCI, FVTPL financial assets, investment in redeemable preferred shares and convertible loans and deposits were assessed as high grade since these are investments with no history of default or instruments that carry guaranty or collateral.

There are no significant concentrations of credit risk within the Group.

The Group's maximum exposure to credit risk are as follows:

Grade	2025				Total
	12-month Stage 1	Lifetime ECL		Simplified Approach	
		Stage 2	Stage 3		
High	₱163,011,757	₱-	₱-	₱-	₱163,011,757
Standard	-	-	-	7,009,179	7,009,179
Substandard	-	-	-	-	-
Default	-	-	-	-	-
Gross carrying amount	163,011,757	-	-	7,009,179	170,020,936
Less loss allowance	13,024,715	-	-	155,379	13,180,094
Carrying amount	₱149,987,042	₱-	₱-	₱6,853,800	₱156,840,842



Grade	2024				Total
	12-month Stage 1	Lifetime ECL		Simplified Approach	
		Stage 2	Stage 3		
High	₱153,560,237	₱–	₱–	₱–	₱159,607,102
Standard	–	–	–	7,257,023	7,257,023
Substandard	–	–	–	–	–
Default	–	–	–	–	–
Gross carrying amount	153,407,448	–	–	7,257,023	160,664,471
Less loss allowance	4,490,018	–	–	151,206	4,641,224
Carrying amount	₱148,917,430	₱–	₱–	₱7,105,817	156,023,247

The Group uses the following criteria to rate credit risk as to grade:

Grade	Description
High	Accounts with very low credit risk
Standard	Accounts with moderate credit risk
Substandard	Accounts with higher credit risk
Default	Accounts considered credit-impaired

Simplified Approach

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

2025

	Days Due					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0.55%	1.95%	3.81%	1.14%	2.96%	
Estimated total gross carrying amount at default	₱1,974,699	₱437,736	₱38,593	₱18,334	₱4,539,816	₱7,009,179
Expected credit loss	₱10,711	₱8,516	₱1,469	₱209	₱134,414	₱155,379

2024

	Days Due					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0.52%	1.61%	2.61%	4.49%	5.03%	
Estimated total gross carrying amount at default	₱4,050,731	₱732,185	₱185,229	₱280,475	₱2,008,403	₱7,257,023
Expected credit loss	₱20,923	₱11,775	₱4,843	₱12,583	₱101,082	₱151,206

Foreign Exchange Risk

The Group's foreign exchange risk is limited to certain foreign currency denominated cash and cash equivalents, receivables and payables, resulting primarily from the movements of the Philippines Peso against the US dollar. The Group's significant foreign currency-denominated financial assets and financial liabilities are as follows:



	2025	2024
	U.S. Dollar (US\$)	U.S. Dollar (US\$)
Financial Assets		
Cash and cash equivalents	\$31,561	\$107,465
Other financial asset	4,083	29,761
Other receivables	367,161	290,681
	402,805	427,907
Financial Liabilities		
Accounts payable and other		
current liabilities	(201)	(82)
Short-term Loans	(52,063)	—
Loans payable	(286,490)	(231,721)
	(338,754)	(231,803)
Net foreign currency-denominated assets (liabilities)	\$64,051	\$196,104
Peso equivalent	₱3,766,519	₱11,376,714

In translating foreign currency-denominated financial assets and financial liabilities into Philippine Peso amounts, the exchange rates used were ₱58.81 to US\$1.00 and ₱58.01 to US\$1.00 as at December 31, 2025 and 2024, respectively.

The following are the sensitivity rates used in the reporting of foreign currency risk internally to key management personnel. The sensitivity rates represent management's assessment of the reasonably possible change in foreign exchange rates.

Pertinent Period	Increase (Decrease) in Foreign Exchange Rate	Effect on income before income tax Increase (Decrease)
2025	(₱1.00)	(₱64,051)
	1.00	64,051
2024	(₱1.00)	(₱196,104)
	1.00	196,104

For subsidiaries with functional currency in US\$, financial assets and liabilities are translated into Philippine peso, the presentation currency of the Group, using closing exchange rate prevailing at the reporting date, and respective income and expenses at the average rate for the period. These include the assets and liabilities of ACRI and its subsidiaries composed of dollar denominated cash and cash equivalents, receivables from related parties, accrued interest receivable, financial assets at amortized cost, investments in financial assets at FVOCI, investments in associates and joint ventures, accounts and other payables, and notes payable with US\$ functional currency, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and the respective income and expenses at the average rate for the period. Assets and liabilities of ACEFIL, ACEIC Cayman, ACETI and subsidiaries, ACEC and ACEN Finance which are in US\$ functional currency were likewise translated to the Group's presentation currency. The exchange difference arising on the translation are recognized in OCI under "Cumulative Translation Adjustments" account in the consolidated statements of financial position.



	December 31, 2025	
	PHP	US\$
Financial assets:		
Cash and cash equivalents	₱8,227,645	\$139,950
Receivables	57,678,219	981,089
Other financial asset	5,362,002	91,206
	71,267,866	1,212,245
Financial liabilities:		
Accounts and other payables	12,255,683	208,465
Short-term Loans	5,349,890	91,000
Notes and loans payable	115,048,551	1,956,941
	132,654,124	2,256,406
Net foreign currency position	(₱61,386,258)	(\$1,044,161)

	December 31, 2024	
	PHP	US\$
Financial assets:		
Cash and cash equivalents	₱8,620,120	\$149,021
Receivables	52,729,535	911,566
Other financial assets	6,382,559	110,339
	67,732,214	1,170,926
Financial liabilities:		
Accounts and other payables	9,154,781	158,264
Notes and loans payable	98,557,757	1,703,825
	107,712,538	1,862,089
Net foreign currency position	(₱39,980,324)	(\$691,163)

The Philippine Peso - US Dollar exchange rate as of December 31, 2025 and 2024 used were ₱58.79 to US\$1.00 and ₱57.84 to US\$1.00.

The following are the sensitivity rates used in reporting foreign currency risk internally to key management personnel. The sensitivity rates represent management's assessment of the reasonably possible change in foreign exchange rates.

		Increase (decrease) in Peso per foreign currency	Effect on other comprehensive income
2025	USD	+1.00	(₱1,044,161)
		-1.00	1,044,161
2024	USD	+1.00	(₱691,163)
		-1.00	691,163

Cash flow hedges

The Group defines Commodity Price Risk as the risk of realizing reduced profit margins and/or increasing the volatility of future earnings that are affected by the pricing variability and uncertainty in coal and fuel supply and any associated foreign exchange risk. The risk is measured based on potential downside impact of market volatility to target earnings.



To manage Commodity Price Risk, the Group develops a Coal and Fuel Hedging Strategy aimed to:

- Manage the risk associated with unexpected increase in coal and fuel prices which affect the target Profit and Loss of the Group
- Determine the Hedge Item and appropriate Hedging Instrument to use, including but not limited to price, amount and tenor of the hedge to reduce the risk to an acceptable level
- Reduce Mark-to-Market impact of hedges by qualifying the hedging transaction for Hedge Accounting

Only the Group's Chief Executive Officer and Chief Finance Officer are authorized to make coal and bunker fuel oil hedging decisions for the Group. All executed hedges go through a stringent approval process to justify the tenor, price and volume of the hedge to be undertaken.

Monitoring and assessment of the hedge effectiveness of the Coal and Fuel Hedging Strategy are reviewed quarterly during the Group's Finance Committee (FINCOM). Continuation, addition, reduction and termination of existing hedges are decided by the FINCOM and any material change in permissible hedging instrument, counterparties and limits are elevated to the Board for approval.

The Group purchases coal and bunker fuel oil on an ongoing basis for its operating activities in the thermal energy power generators, composed of SLTEC and other diesel power plants (CIPP, One Subic Power, Bulacan Power). The increased volatility in coal and fuel oil price over time led to entering in commodity swap contracts. The forecasted volumes are determined based on each plant's projected operating capacity, plant availability, required monthly consumption and storage capacity.

These contracts are expected to reduce the volatility attributable to price fluctuations. Hedging the price volatility of forecast coal and bunker fuel oil purchases is in accordance with the risk management strategy outlined by the Board.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity swap contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity swap contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments



The Group is holding the following foreign exchange and commodity swap contracts:

	Maturity						
	< 1 month	1-3 months	4-6 months	7-9 months	10-12 months	>12 months	Total
As at December 31, 2025							
Foreign exchange forward contracts							
Notional amount (\$000)	\$—	\$29,301	\$—	\$—	\$—	\$—	\$29,301
Average forward rate (\$/₱)	—	59.12	—	—	—	—	
As at December 31, 2024							
Foreign exchange forward contracts							
Notional amount (\$000)	\$10,000	\$19,301	\$—	\$—	\$—	\$—	\$29,301
Average forward rate (\$/₱)	56.36	58.39	—	—	—	—	
Coal							
Notional amount (in Metric Tons)	1,200	—	—	—	—	—	1,200
Notional amount (in \$000)	(\$17)	\$—	\$—	\$—	\$—	\$—	(\$17)
Average hedged rate (\$ per Metric ton)	\$104.76	\$—	\$—	\$—	\$—	\$—	

The impact of the hedging instruments on the consolidated statements of financial position is as follows:

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
As at December 31, 2025				
Foreign exchange forward contracts	\$29,301	269,567	Other current assets	269,567
Foreign exchange forward contracts	\$—	—	Accounts payable and other current liabilities	(4,968)
Commodity swap contracts – Coal	\$—	—	Other noncurrent liabilities	—
As at December 31, 2024				
Foreign exchange forward contracts	\$17,147	15,089	Other current assets	15,089
	\$12,154	(7,974)	Accounts payable and other current liabilities	(7,974)
Commodity swap contracts – Coal	\$1,200	(925)	Other noncurrent liabilities	(925)

The impact of hedged items on the consolidated statements of financial position is as follows (amounts in thousands):

	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
As at December 31, 2025			
Highly probable forecast purchases	(₱3,103)	₱—	₱—
Highly probable forecast purchases	(1,865)	—	—
Coal purchase	—	—	—
As at December 31, 2024			
Highly probable forecast purchases	₱15,089	₱—	₱—
Highly probable forecast purchases	(7,974)	—	—
Coal purchase	(925)	—	—



The effect of the cash flow hedge in the consolidated statements of comprehensive income are as follows (amounts in thousands):

	Total hedging gain (loss) recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in consolidated statements of comprehensive income	Cost of hedging recognized in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
As of December 31, 2025						
Foreign exchange forward contracts	(P23,647)	P–	P–	P–	P–	P–
Foreign exchange forward contracts	P2,061	–	–	–	–	–
As of December 31, 2024						
Foreign exchange forward contracts	P66,166	P–	P–	P–	P–	P–
Foreign exchange forward contracts	24,664	–	–	–	–	–
Commodity swap contracts - Coal	(694)	–	–	–	–	–

Monitoring of Risk Management Process

Risk management is regarded as a core competency, thus review of processes and approval processes including periodic audit are practiced and observed as follows:

- Enterprise risk assessments are refreshed on an annual basis. Risk assessments at the plant level are also conducted for operational risks. Insurance coverage is also reviewed annually by the Insurance Committee.
- Monthly Treasury meetings are scheduled where approved strategies, limits, mixes are challenged and rechallenged based on current and forecasted developments on the financial and political events.
- Monthly management reports are submitted to the Operations Management Committee that includes updates from the various business and functional units, including market updates. This includes updates on financials, leverage, operations, health and safety, human resources, sustainability, and other risk areas.
- Annual planning sessions are conducted to set the targets for the Group, and these are revisited at midyear to review the progress and risks related to the accomplishment of these targets.
- Annual teambuilding sessions are organized as a venue for the review of personal goals, corporate goals and professional development.
- One on one coaching sessions are scheduled to assist, train and advise personnel.
- Periodic review of Treasury risk profile and control procedures.
- Periodic specialized audit is performed to ensure active risk oversight.

Capital Management

The primary objective of the Group's capital management policy is to ensure that it maintains sufficient funds and equity capital in order to support its business and maximize shareholder value.

The Group manages its capital structure and adjust it, in light of changes in economic conditions. No changes were made in the objectives, policies, or processes for the years ended December 31, 2025 and 2024. The Group considers its total equity as its core capital.

The loan agreements on long-term debt of the Parent Company and some subsidiaries provide for certain restrictions and requirements with respect to, among others, payment of dividends, incurrence of additional liabilities, investment and guarantees, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the Group as of December 31, 2025 and 2024.



22. Operating Segment Information

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

For management purposes, the Group is organized into the following operating segments:

Philippines

The Philippines segment represents the Group's domestic operations and includes the generation of electricity, and supply for retail electricity supply business, as well as other related and support activities conducted in the Philippines. This segment comprises the following business activities:

1. Retail Electricity Supply (RES) and Commercial Operations (CO)
2. Renewable energy operations, including generation, transmission, distribution, and supply of electricity using renewable sources such as solar, wind, and geothermal
3. Thermal energy operations, including generation, transmission, distribution, and supply of electricity using conventional energy sources
4. Project development activities
5. Leasing activities
6. Bulk water supply arising from legacy biomass projects
7. Petroleum and exploration activities, pursued through the Group's 75.92%-owned subsidiary, ENEX Energy Corp.

Australia

The Australia segment represents the Group's renewable energy operations and development activities in Australia. This includes operating and under-construction renewable energy assets, energy storage projects, and project development activities, as well as related financing and overhead costs directly attributable to the Australian business. The segment reflects Australia as one of the Group's core markets with full operational accountability.

ACEN Investments

The ACEN Investments segment represents the Group's investment platform focused on renewable energy projects and platforms in emerging and strategic markets. This segment includes the Group's equity investments through partnerships in renewable energy projects across selected markets where the Group is present, including Vietnam, India, Indonesia, and the United States, as well as other approved geographies in Asia and the Pacific. Activities under this segment primarily consist of highly contracted renewable energy assets, platform- and project-level investments, asset rotation activities, as well as related project development, financing activities, and overhead expenses. The objective of this segment is to provide stable earnings and risk-adjusted returns while developing future core markets for the Group.

Corporate

The Corporate segment represents the operations of the Parent Company and other entities that are not directly attributable to the Philippines, Australia, or ACEN Investments segments. This includes corporate management, treasury, financing entities (such as ACEN Finance Limited and ACEN Cayman Ltd.), centralized support functions, and other corporate-level activities. Corporate expenses primarily relate to general and administrative costs, strategic management, and financing activities that are not allocated to the operating segments.



Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. The chief operating decision-maker (CODM) has been identified as the chief executive officer. The CODM reviews the Group's internal reports in order to assess performance of the Group.

Revenue earned from a single external customer amounted to ₱1,814.66 million and ₱9,298.26 million in 2025 and 2024, respectively, arise from sales in the Philippine Segment.

Intersegment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, segment expense and segment results are shown net of transfers between operating segments. Those transfers are eliminated in consolidation.

The following tables regarding operating segments present revenue and income information for the year ended December 31, 2025 and 2024 and assets and liabilities as of December 31, 2025 and 2024:

December 31, 2025

	Corporate	Philippines	Australia	ACEN Investment	Consolidated
Revenue:					
Energy and bulk water sales	₱–	₱28,890,226	₱2,666,051	₱–	₱31,556,277
Equity in net income	–	3,807,694	–	1,128,226	4,935,920
Management fees	–	195,492	–	68,299	263,791
Rental income	119,579	70,598	–	–	190,177
Other revenues	136,817	719,926	–	–	856,743
	256,396	33,683,936	2,666,051	1,196,525	37,802,908
Cost and expenses:					
Costs of services	–	23,212,735	901,974	–	24,114,709
General and administrative	4,746,046	2,204,827	2,131,082	4,792,017	13,873,972
	4,746,046	25,417,562	3,033,056	4,792,017	37,988,681
Other income (charges):					
Foreign exchange gain	₱232,925	₱120,614	₱–	₱52,628	₱406,167
Interest income	8,835,681	1,154,664	113,553	4,757,014	14,860,912
Gains on acquisition and disposal of Investments	–	–	–	86,571	86,571
Mark-to-market losses - net	127,154	125,520	–	(374,163)	(121,489)
Interest and other financing charges	(6,061,841)	(477,053)	(775,709)	–	(7,314,603)
Other income	393,833	259,113	(44,534)	261,269	869,681
	3,527,752	1,182,858	(706,690)	4,783,319	8,787,239
Net income before income tax	(961,899)	9,449,231	(1,073,694)	1,187,828	8,601,466
Provision for income tax	(158,508)	(283,331)	315,715	41,676	(84,448)
Net income	(₱1,120,407)	₱9,165,900	(₱757,979)	₱1,229,504	₱8,517,018
Other information:					
Segment assets	₱100,626,052	₱61,989,091	₱80,414,215	₱126,571,965	₱369,601,323
Investments in associates and joint ventures	–	31,421,767	–	32,216,617	63,638,384
Total assets	₱100,626,052	₱93,689,937	₱80,414,215	₱158,788,582	₱433,518,786
Segment liabilities	₱170,513,412	₱43,007,395	₱28,190,284	₱–	₱241,711,091
Deferred income tax liabilities	1,384,731	214,411	62,177	–	1,661,319
Total Liabilities	₱171,898,143	₱43,221,806	₱28,252,461	₱–	₱243,372,410



December 31, 2024

	Corporate	Philippines	Australia	ACEN Investment	Consolidated
Revenue:					
Energy and bulk water sales	P—	P33,910,510	P2,253,208	P—	P36,163,718
Equity in net income	3,431,874	1,014,047	—	176,918	4,622,839
Management fees	439,185	—	—	68,299	507,484
Rental income	—	189,905	—	—	189,905
Other revenues	207,079	310,106	—	400,478	917,663
	4,078,138	35,424,568	2,253,208	645,695	42,401,609
Cost and expenses:					
Costs of services	—	26,766,059	613,203	—	27,379,262
General and administrative	2,221,563	1,364,195	1,853,268	1,688,062	7,127,088
	2,221,563	28,130,254	2,466,471	1,688,062	34,506,350
Other income (charges):					
Foreign exchange gain (loss)	824,959	58,643	—	26,083	909,686
Interest income	4,700,339	1,299,645	98,608	4,653,060	10,751,652
Gains on acquisition and disposal of Investments	—	—	—	1,603,715	1,603,715
Mark-to-market losses - net	10,110	258,134	—	(153,575)	114,670
Interest and other financing charges	(3,833,837)	(483,589)	(485,079)	(584,125)	(5,386,629)
Other income	401,590	1,123,143	53,201	68,935	1,646,869
	2,103,161	2,255,976	(333,270)	5,614,093	9,639,963
Net income before income tax	3,959,736	9,550,290	(546,533)	4,571,726	17,535,222
Provision for income tax	(819,163)	(682,591)	385,998	6,496	(1,109,260)
Net income (loss)	P3,140,573	P8,867,699	(P160,535)	P4,578,222	P16,425,962
Other information:					
Segment assets	P157,370,869	P57,021,391	P66,169,380	P55,260,848	P335,822,488
Investments in associates and joint ventures	—	29,069,248	—	29,847,904	58,917,152
Total assets	P223,540,249	P86,090,639	P66,169,380	P85,108,752	P394,739,640
Segment liabilities	P165,554,604	P26,171,404	P17,589,129	P—	P209,315,137
Deferred income tax liabilities	772,640	1,364,148	57,877	—	2,194,665
Total Liabilities	P166,327,243	P27,535,552	P17,647,006	P—	P211,509,802

23. Notes to Consolidated Statements of Cash Flows

Changes in liabilities arising from financing activities are as follows:

2025

	Short-term Loans	Notes Payable	Loans Payable	Interest Payable	Lease Liabilities	Dividends Payable	Total liabilities from financing activities
Balance at January 1	P5,600,000	P56,724,038	P109,234,766	P1,843,811	P14,541,889	P13,138	P187,957,642
Cash inflows	30,360,855	—	41,398,646	—	—	—	71,759,501
Cash outflow	(21,599,430)	—	(24,603,721)	(9,026,661)	(1,701,503)	(4,761,976)	(61,693,291)
Non-cash changes:							
Interest expense	—	—	—	6,677,448	416,380	—	7,093,828
Dividends declared	—	—	—	—	—	4,761,994	4,761,994
Capitalized interest expense	—	—	—	2,400,867	1,026,166	—	3,427,033
New lease agreement	—	—	—	—	321,403	—	321,403
Amortization of debt issue cost	—	54,789	131,255	—	—	—	186,044
Amortization of premium	—	24,599	—	—	—	—	24,599
Remeasurements	—	—	—	—	(407,965)	—	(407,965)
Additional debt issue cost	—	—	(59,640)	—	—	—	(59,640)
Disposal	—	—	—	—	(7,576)	—	(7,576)
Cumulative translation adjustment	—	743,263	4,091,611	—	357,378	—	5,192,252
Balance at December 31	P14,361,425	P57,546,689	P130,192,917	P1,895,465	P14,546,172	P13,156	P218,555,824



2024

	Short-term Loans	Notes Payable	Loans Payable	Interest Payable	Lease Liabilities	Dividends Payable	Total liabilities from financing activities
Balance at January 1	₱1,500,000	₱74,567,926	₱59,295,912	₱1,526,178	₱8,398,604	₱16,585	₱145,305,205
Cash inflows	26,100,000	—	47,870,871	—	—	—	73,970,871
Cash outflow	(17,800,000)	(20,824,200)	(1,890,652)	(9,776,230)	(887,962)	(4,765,442)	(55,944,486)
Non-cash changes:							
Interest expense	—	—	—	7,459,054	346,927	—	7,805,981
New lease agreement	—	—	—	—	6,513,223	—	6,513,223
Dividends declared	—	—	—	—	—	4,761,995	4,761,995
Capitalized interest expense	—	—	—	2,634,809	454,790	—	3,089,599
Accrued interest payable	—	—	100,628	—	—	—	100,628
Acquired from business combination	—	—	55,427	—	—	—	55,427
Amortization of premium	—	49,598	—	—	—	—	49,598
Additional debt issue cost	—	—	(622,934)	—	—	—	(622,934)
Remeasurements	—	—	—	—	(112,129)	—	(112,129)
Amortization of debt issue cost	—	37,235	165,784	—	—	—	203,019
Loan reassignment	—	—	(24,639)	—	—	—	(24,639)
Disposal	—	—	—	—	(9,550)	—	(9,550)
Transfers	(4,200,000)	—	4,200,000	—	—	—	—
Cumulative translation adjustment	—	2,893,479	84,369	—	(162,014)	—	2,815,834
Balance at December 31	₱5,600,000	₱56,724,038	₱109,234,766	₱1,843,811	₱14,541,889	₱13,138	₱187,957,642

The Group's noncash investing and financing activities are as follow:

2025

- Unpaid acquisition of property, plant, and equipment amounting to ₱1,581.06 million.
- Additions to right-of-use assets and lease liabilities amounting to ₱547.07 million and ₱321.40 million, respectively.
- Remeasurement of right-of-use assets and lease liabilities amounting to (₱261.41 million) and (₱407.96 million), respectively.

2024

- Unpaid acquisition of property, plant, and equipment amounting to ₱1,006.93 million.
- Additions to right-of-use assets and lease liabilities amounting to ₱703.72 million and ₱6,513.22 million, respectively.
- Remeasurement of lease liability due to modification amounting to (₱165.28 million) and (₱112.13 million), respectively.

24. Provisions and Contingencies

Tax assessments

- On February 19, 2024, the Parent Company received a Letter of Authority from the BIR covering taxable year 2021. On December 3, 2024, the Parent Company received Preliminary Assessment Notice ("PAN") related to the same taxable period. Subsequently, on February 7, 2025, the Parent Company received the Final Assessment Notice (FAN) issued by the BIR for taxable year 2021.
- On October 22, 2014, ACEN received a Formal Letter of Demand (FLD) from the BIR assessing ACEN for a total donor's tax due of ₱157.75 million, inclusive of penalties and interests up to September 30, 2014. The FLD is in relation to the distribution by ACEN on August 20, 2014 of cash and property dividends in the form of shares in ENEX after securing SEC's approval of the



registration and receipt of Certificate Authorizing Registration (CAR) from the BIR.

On November 21, 2014, ACEN and its independent legal counsel filed an administrative protest in response to the FLD, on the following grounds:

1. The dividend distribution is a distribution of profits by ACEN to its stockholders and not a “disposition” as contemplated under Revenue Regulations Nos. 6-2008 and 6-2013 which would result in the realization of any capital gain of ACEN;
2. ACEN did not realize any gain or increase its wealth as a result of the dividend distribution; and,
3. There was no donative intent on the part of ACEN.

On May 27, 2015, ACEN received from the BIR a Final Decision on Disputed Assessment (“FDDA”) denying the protest.

On June 25, 2015, ACEN filed with the Court of Tax Appeals (“CTA”) a Petition for Review seeking a review of the FDDA and requesting the cancellation of the assessment.

In its decision dated September 28, 2018, the CTA Third Division granted ACEN’s petition and ordered the cancellation and withdrawal of the FLD (the “CTA Third Division Decision”). On January 18, 2019, the CTA denied the Commissioner of Internal Revenue’s (“CIR”) motion for reconsideration (“CTA Resolution”). On February 22, 2019, the CIR filed a petition for review with the CTA en banc seeking the reversal of the CTA Third Division’s Decision and CTA Resolution. On July 21, 2020, the CTA en banc upheld the CTA Third Division Decision and denied the CIR’s petition. The CIR filed a motion for reconsideration dated August 26, 2020. In response, ACEN filed its Comment/ Opposition. On October 13, 2021, CTA en banc issued a resolution stating that the Motion for Reconsideration and Motion to Release Surety Bond are now submitted for resolution. As at [Date], the CIR’s motion for reconsideration has not been resolved by the CTA en banc.

On May 15, 2023, ACEN received a Letter of Authority (LOA) from the BIR covering the audit of all internal revenue taxes for the taxable year 2021. The related tax assessments were settled on February 13, 2025.

On September 18, 2024, ACEN received a LOA from the BIR for the audit of all internal revenue taxes for the taxable year 2023. As of December 31, 2025, the Parent Company is in the process of completing and submitting the documentary requirements.

- c. NorthWind Power Development Corporation v. Commissioner of Internal Revenue (Final Decision on Disputed Assessment - CTA Case No. 12171)

This is a Petition for Review filed NorthWind Power Development Corporation (NorthWind) with the Court of Tax Appeals (“CTA”) in accordance with Section 228 of the National Internal Revenue Code of 1997, as amended, in relation to Section 7 of Republic Act No. 1125, as amended, to cancel and set aside the Final Decision on Disputed Assessment (“FDDA”) dated 2 September 2025, issued by the Commissioner of Internal Revenue (“CIR”), imposing upon the NorthWind alleged deficiency of ₱15,858,533.51, which comprises the following: (1) Value Added Tax (“VAT”) – ₱15,833,533.51, and (2) a Compromise Penalty – ₱25,000.00.

The Petition for Review was filed with the CTA on October 2, 2025.

On October 17, 2025, while the case is still pending before the CTA, the NorthWind received a copy of a Warrant of Dstraint and/or Levy with Warrant No. 121-2025-162, dated 09 October



(the “WDL”), whereby the CIR is enforcing the collection of a sum of ₱15,833,533.51 from the NorthWind. The said WDL likewise authorizes the Chief of Large Taxpayers Collection Enforcement to distrain the goods, chattels or effects, and other personal property, and to levy upon the real property and interest in/or rights to real property of the NorthWind.

On October 24, 2025, the Company filed with the CTA an Urgent Motion to Quash Warrant of Distrainment and/or Levy, Suspend the Collection of Tax, and Dispense with Payment of Bond. The hearing on the Urgent Motion scheduled on January 21, 2026 was cancelled due to CTA reorganization. New schedule of hearing will be on February 19, 2026.

d. **Guimaras Wind Corporation versus Commissioner of Internal Revenue**
(Final Decision on Disputed Assessment – CTA Case No. 12151)

This is a Petition for Review filed by Guimaras Wind Corporation (Guimaras Wind) with the CTA in accordance with Section 228 of the National Internal Revenue Code of 1997, as amended, in relation to Section 7 of Republic Act No. 1125, as amended, to cancel and set aside the FDDA dated August 13, 2025, issued by the CIR, imposing upon Guimaras Wind alleged deficiency value-added tax, including interests, and compromise penalty for taxable year 2022, in the total amount of ₱13,031,212.28.

The Petition for Review was filed with the CTA on September 12, 2025.

On October 17, 2025, while the case is still pending before the CTA, Guimaras Wind received a copy of a Warrant of Distrainment and/or Levy with Warrant No. 121-2025-146 dated October 2, 2025 (the “WDL”), involving Guimaras Wind’s alleged deficiency VAT for taxable year 2022 in the total amount of ₱13,031,212.28, inclusive of interests and compromise penalty.

On October 24, 2025, Guimaras Wind filed with the CTA an Urgent Motion to Quash Warrant of Distrainment and/or Levy, Suspend the Collection of Tax, and Dispense with Payment of Bond.

The hearing on the Urgent Motion which was scheduled on January 22, 2026 was cancelled due to CTA’s reorganization. As at the report date, Guimaras Wind is awaiting for the new hearing schedule.

Claims for tax refund

- a. On May 19, 2022, Guimaras Wind Corporation (“Guimaras Wind”) received a copy of the Decision of the CTA En Banc dated May 17, 2022 denying Guimaras Wind’s Petition for Review for lack of merit. The CTA En Banc affirmed the decision dated January 3, 2020 and Resolutions dated July 1, 2020 and September 23, 2020, both rendered by the CTA Third Division, which partially granted Guimaras Wind’s claim for the refund of or the issuance of a tax credit certificate in the reduced amount of ₱16,149,514, out of the total amount claimed of ₱335,759,253, representing Guimaras Wind’s excess and unutilized input value-added tax for Q3 and Q4 of 2014 and Q1 and Q2 of 2015. Guimaras Wind filed its Motion for Reconsideration (MR) to the CTA En Banc on June 3, 2022.

On June 27, 2022, Guimaras Wind received a Resolution from the CTA En Banc directing Guimaras Wind to file its Comment to the MR filed by the CIR within five (5) days from receipt of the said Resolution. Consequently, Guimaras Wind complied with the Resolution and filed its Comment to the CTA En Banc on July 4, 2022.



On January 17, 2023, the CTA En Banc issued a Resolution reiterating its Decision dated May 17, 2022, which in turn affirmed the CTA Third Division's Decision limiting Guimaras Wind's entitlement to refund to a reduced amount of ₱16,149,514.

The CTA En Banc held that the Certificate of Endorsement (COE) from the DOE and the Certificate of Compliance (COC) from the Energy Regulatory Commission (ERC) are both required in order for Guimaras Wind to properly avail of VAT zero-rating incentives. The CTA En Banc also rejected Guimaras Wind's position that its application for COC should be deemed "provisionally approved" six months from the filing of its application for a COC with the ERC.

On February 3, 2023, Guimaras Wind filed a Motion for Extension of Time ("MOTEX") to File Petition for Review on Certiorari with the Supreme Court (SC). On March 6, 2023, Guimaras Wind filed the Petition.

On January 24, 2024, the SC Third Division issued a Resolution requiring Guimaras Wind to file a Comment to the Petition for Review filed by the Commissioner of Internal Revenue ("CIR") within ten (10) days from receipt of the notice. Guimaras Wind filed the Comment on February 10, 2024.

On April 16, 2024, Guimaras Wind received the CIR's MOTEX to file their Comment dated April 3, 2024. On December 19, 2024, Guimaras Wind received a copy of the SC Third Division's Notice which notifies Guimaras Wind and CIR that it issued a Resolution dated August 7, 2024, requiring Guimaras Wind to file a Reply to the Comment within ten (10) days from notice, or until January 2, 2025. Guimaras Wind filed the Reply on said date.

As at December 31, 2025, Guimaras Wind has not received any decision or resolution from the SC's Third Division relating to the case.

- b. On April 12, 2017, San Carlos Solar Energy Inc. ("SACASOL") filed a Petition for Review with the CTA regarding the disallowed claim of 2015 input VAT amounting to ₱40.62 million. On February 3, 2021, the CTA denied SACASOL's Petition for Review on the ground that SACASOL failed to establish that its sales qualify for VAT zero-rating because SACASOL did not present any proof that it was issued a DOE Certificate of Endorsement ("COE"), on a per transaction basis. On February 26, 2021, SACASOL filed a Motion for Reconsideration ("MR"), on the basis that there is no legal requirement for the COE to be on a per transaction basis for the VAT zero-rating of SACASOL's sales, and the VAT zero-rated sales were never disputed considering the partial grant by the BIR of SACASOL's claim for unutilized input VAT attributable to VAT zero-rated sales.

On May 6 and 20, 2021, SACASOL filed Supplemental Motions to admit additional evidence which included a DOE letter and certification confirming that a COR on a per transaction basis is not required for purposes of VAT zero-rating of RE Sales of RE Developers and such document is not actually being issued by the DOE. On September 22, 2021, CTA Third Division issued a resolution denying the Motion for Reconsideration.

On February 2, 2023, SACASOL filed a Petition for Review before the CTA En Banc.

On April 27, 2023 CTA En Banc denied SACASOL Petition for Review on the basis of jurisdictional grounds. The CTA En Banc denied the Petition on the ground that the CTA Third Division purportedly has no jurisdiction to entertain the judicial claim for refund for being filed beyond the 120+30 day mandatory and jurisdictional period. The CTA En Banc counted the 120-



day period from November 3, 2016 - the date when SACASOL filed its administrative claim for refund, and noted that the BIR only had until March 3, 2017 to decide the said claim. The CTA En Banc then held that since SACASOL did not receive an adverse decision from the BIR by March 3, 2017, the law considers the administrative claim as denied. According to the Decision, SACASOL had 30 days from March 3, 2017 or until April 3, 2017 to seek judicial redress. Since the Petition was only filed on April 12, 2017, the CTA is deprived of jurisdiction to hear the case.

On May 19, 2023, SACASOL filed its MR on the ground that (i) Sec 112(c) does not require that the BIR acts and the taxpayer receives the decision within the 120 days; and (ii) SACASOL should be able to file the judicial claim within 30 days from receipt of the decision, as long as the decision was made within the 120-day period.

On January 12, 2024, SACASOL received CTA EN Banc Resolution denying the MR and reiterated its earlier ruling that CTA has no jurisdiction for failure of SACASOL to file its judicial claim for refund within the 120+30 days period from the filing of its administrative claim. The CTA En Banc ruled that the issues in the MR were already addressed, discussed and found wanting in its earlier Decision.

On March 4, 2024, SACASOL filed its Petition for Review with the Supreme Court. On February 5, 2025, BIR filed its Comment with the Supreme Court. On August 18, 2025, SACASOL submitted its reply to the Supreme Court.

As of December 31, 2025, SACASOL has not received any orders from the Supreme Court relating to the case.

c. NorthWind Power Development Corporation v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11637)

On October 7, 2024, NorthWind Power Development Corporation (NorthWind) timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱14,726,369.99.

On December 26, 2024, NorthWind received the CIR's Answer. The Commissioner's hearing was held on 26 June 2025 while the presentation of the Company's witness and Independent Certified Public Accountant's ("ICPA") Commissioning was held on 11 September 2025 at CTA Quezon City. Commissioner's Hearings for the Company and CIR were held on September 18, 2025 and October 21, 2025, respectively. The presentation of ICPA Report was held on November 5, 2025.

As at the report date, no decision was issued by the CIR.

d. North Luzon Renewable Energy Corp. ("NLR") v. Bureau of Internal Revenue

On October 7, 2024, NLR timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the CTA, for a total claimed amount of ₱21,607,808.75.

On December 26, 2024, NLR received the CIR's Answer. On March 6, 2025, the CTA Division conducted Pre-Trial Conference. On August 28, 2025, the Commissioner's Hearing was conducted.

On October 2, 2025, NLR filed the Judicial Affidavit (JA) of the Independent Certified Public Accountant and the Motion to Substitute Witness and JA of Mr. Ronald Edward Tan, NLR's



Head of Finance. The hearing was held on January 22, 2026. As at the report date, no decision was issued.

- e. Guimaras Wind Corporation v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11638)

, Guimaras Wind timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the CTA, for a total claimed amount of ₱12,192,129.28.

On December 5, 2024, Summons were issued by the CTA 2nd Division. On June 24, 2025 and July 8, 2025, the Commissioner's hearings were held where marking of exhibits was completed. The presentation of ICPA Report was held on November 20, 2025 while the filing of Formal Offer of Evidence was completed on December 22, 2025. As at the report date, no decision was issued.

- f. Monte Solar Energy Inc. v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11632)

On October 7, 2024, Monte Solar Energy Inc. (MONTESOL) timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the CTA, for a total claimed amount of ₱6,371,207.40.

On December 27, 2024, Summons were issued by the CTA 1st Division. On March 27, 2025, Parties attended the Pre-Trial Conference. On April 15, 2025, MONTESOL and BIR filed a Joint Stipulation of Facts and Issues. MONTESOL also filed a Motion to Avail of the Provisions of Rule 13 of the Revised Rules of the CTA (Trial by Commissioner). On May 20, 2025, a Commissioner's hearing was conducted on May 20, 2025. On July 2, 2025, MONTESOL presented its witness. On August 20, 2025, the Independent Certified Public Accountant presented his report. On September 2, 2025, MONTESOL's Formal Offer of Evidence was filed.

- g. Negros Island Solar Power Inc. v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11633)

On October 7, 2024, Negros Island Solar Power Inc. ("ISLASOL") timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱5,976,370.76.

On March 20, 2025, Summons were issued by the CTA Division and Pre-Trial Conference was held on June 25, 2025. As at the report date, ISLASOL is awaiting the hearing schedule for the presentation of its witness.

- h. Monte Solar Energy Inc. v. Commissioner of Internal Revenue (Claim for 2018 Input VAT Refund - CTA Case No. 10434)

On December 28, 2020, Monte Solar Energy Inc. ("MONTESOL") filed a Petition for Review before the CTA for a refund claim for unutilized input VAT in the amount of ₱4,600,672.57 attributable to zero-rated sales of power generated from RE sources for the four (4) quarters of 2018. BIR filed its Answer on March 15, 2021 and the Pre-Trial Conference proceeded on July 15, 2021.

On January 18, 2024, the CTA issued its Decision partially allowing the refund claim for MONTESOL and ordering the REFUND or ISSUANCE OF TAX CREDIT CERTIFICATE



amounting to ₱4,128,580.59, representing MONTESOL's unutilized input VAT attributable to its zero-rated sales for all quarters of CY 2018, with a ₱472,091.98 variance from the claim that was filed. Management has decided not to appeal the disallowed claim.

On February 21, 2024, Montesol received CIR's Motion for Partial Reconsideration arguing that Montesol is not the property party to seek the tax refund. The CIR further argued that MONTESOL failed to prove that the same remained unutilized and were not carried over to the succeeding periods and that Montesol's input tax is creditable and directly attributable to its zero-rated sales.

On May 7, 2024, MONTESOL received a copy of the CTA Division's Resolution promulgated on May 2, 2024 which denied the CIR's Motion for Partial Reconsideration. The CTA held that the issues raised by the CIR in its MR were already ruled upon by the Court. The CTA also held that the grant of refund of valid input VAT is proper irrespective of whether the input taxes claimed as refund is directly attributable to its zero-rated sales.

On June 5, 2024, the CIR filed his Petition for Review before the CTA En Banc praying for the reversal of the Decision and Resolution. On July 8, 2024, MONTESOL filed its Comment Re: CIR's Petition for Review.

On July 26, 2024, Montesol received a copy of the CTA En Banc's resolution submitting the Petition for decision.

On April 15, 2025, CTA En Banc promulgated its Decision dismissing CIR's Petition for Review.

On April 25, 2025, CIR filed its Motion for Reconsideration. On June 19, 2025, MONTESOL filed its Comment via counsel. On July 28, 2025, CTA En Banc noted the comment and submitted the Motion for Reconsideration for resolution.

On November 5, 2025, the CTA denied CIR's Motion for Reconsideration.

On December 9, 2025, CIR filed a Motion for Extension of Time to File Petition for Review on Certiorari and the Solicitor General filed its Entry of Appearance.

On January 8, 2026, CIR filed a Petition for Review on Certiorari before the Supreme Court.

- i. San Carlos Solar Energy Inc. v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11636)

On October 7, 2024, San Carlos Solar Energy Inc. ("SACASOL") timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱11,764,786.11.

On December 13, 2024, Summons were issued by the CTA 1st Division.

On February 19, 2025, CIR filed its Answer.

On June 4, 2025, Pre-trial Conference was held.

On July 28, 2025, Commissioner's Hearing was held.



On October 22, 2025, the ICPA Commissioning and Presentation of SACASOL's witness was held.

On December 10, 2025, the ICPA report was submitted. Subsequently, SACASOL filed a Motion to Admit an Amended ICPA Report on December 22, 2025.

SACASOL is currently waiting for the schedule for the presentation of the ICPA.

- j. Gigasol 3, Inc. v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11635)

On October 7, 2024, Gigasol 3 Inc. ("Gigasol 3") timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱1,034,207.30.

On December 21, 2024, GIGASOL3 received the CIR's Answer.

On March 19, 2025, the Pre-Trial Conference was held. On April 15, 2025, Gigasol 3 filed a motion to avail of the provisions of Rule 13 of the Rules of the Court of Tax Appeals to avail of the services of an Independent CPA who will conduct the audit, examination, and verification of the voluminous documents supporting the petition.

On December 18, 2025, the CTA issued a Minute Resolution, the initial presentation of evidence for Gigasol 3, for the testimony of its witness and the commissioning of the ICPA, Rose Angeli S. Bernaldo is set on April 8, 2026.

- k. Alaminos Solar Inc. (formerly SolarAce1 Energy Corp.) v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11639)

On October 7, 2024, Alaminos Solar Inc. ("Alaminos Solar") timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱1,829,304.74.

On January 3, 2025, Alaminos Solar received the Answer filed by the CIR. The CTA Division set the case for CAM on March 17, 2025, and subsequently, for Pre-Trial Conference on June 10, 2025. The ICPA commissioning and Presentation of witness was held on August 28, 2025.

ICPA report and Supplemental ICPA Report were filed on September 29, 2025 and October 6, 2025, respectively. ICPA was presented and Commissioner's Hearing for some documents was held on October 9, 2025. The Formal Offer of Evidence was filed on October 29, 2025. As at the report date, the CTA has yet to schedule the hearing for presentation of CIR's witness.

- l. ACEN Tech Hub Inc. (Bataan BESS) (formerly Bataan Solar Energy, Inc.) v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11540)

On June 26, 2024, Bataan BESS timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the CTA, for a total claimed amount of ₱18,582,442.30.

On October 16, 2024, Bataan BESS received a copy of the Court's Order setting the case for Pre-Trial Conference on February 12, 2025, with Pre-Trial set on February 9, 2025. Bataan BESS engaged Reyes Tacandong & Co. as its ICPA.



On April 30, 2025, Bataan BESS presented its witness.

On July 2, 2025, the ICPA was presented. On August 1, 2025, Bataan BESS filed its Formal Offer of Evidence, to which BIR filed a comment/opposition on August 17, 2025. The BIR was set to present its witness on October 15, 2025, but the hearing was cancelled until further notice because of the CTA reorganization.

m. Monte Solar Energy Inc. (“MONTESOL”) v. Commissioner of Internal Revenue (VAT Final Decision on Disputed Assessment - CTA Case No. 12198)

On October 20, 2025, MONTESOL filed a Petition for Review with the CTA, praying to cancel and set aside the Final Decision on Disputed Assessment dated July 11, 2025 issued by the BIR, imposing alleged deficiency income taxes, VAT, miscellaneous taxes, and compromise penalty for taxable year 2021, in the total amount of ₱13,657,920.18, inclusive of interest.

As at the report date, MONTESOL is awaiting for issuance of further orders by the CTA.

Provisions and Contingencies

NorthWind Power Development Corporation (“NorthWind”) is a party to several cases involving the assessment and collection by the Provincial Treasurer of Ilocos Norte of real property tax (“RPT”) on the wind turbine generators, civil works, equipment, machinery, and transmission lines of NorthWind located in the Municipality of Bangui. NorthWind was assessed RPT at a rate of two percent (2%) or an aggregate amount of ₱147.23 million for years 2017 to 2021. NorthWind paid under protest the RPT thereon and filed a protest questioning the imposition of 2% tax rate on its Renewable Energy (“RE”) facilities. Under Republic Act 9513 or the RE Law, realty and other taxes on civil works, equipment, machinery, and other improvements of a Registered RE Developer actually and exclusively used for RE facilities shall not exceed 1.5% of their original cost less accumulated normal depreciation or net book values.

As at December 31, 2025, the 2017 to 2025 RPT protest is pending decision with the Local Board of Assessment Appeals of Ilocos Norte.

25. Vietnam Portfolio – Regulatory and Operational Environment

The Group has renewable energy investments in Vietnam that operate under long-term Power Purchase Agreements (PPAs) with Vietnam Electricity (EVN), with tariffs established under the Vietnam government’s feed-in tariff (FIT) framework. The operating and regulatory environment for renewable energy projects in Vietnam continues to evolve, and certain aspects of the regulatory process remain subject to interpretation and administrative implementation.

During 2025, EVN applied revised payment practices to certain projects, including the use of Completion Certificate Acceptance (CCA) as part of its administrative review of Commercial Operation Date (COD) recognition. Historically, CCAs were not required as a condition for COD, and projects were able to commence operations, bill and collect under the FIT. The application of these revised payment practices has resulted in timing differences in collections for certain projects while administrative matters are being addressed.

As of December 31, 2025, the Group’s Vietnam portfolio includes investments in solar and wind projects with an aggregate carrying value of US\$221.1 million (₱12,998.45 million) that remains exposed to regulatory processes, administrative approvals and payment mechanics customary in the



local operating environment. The projects are (1) AMI Solar, (2) BIM Solar, (3) Super Solar, (4) Dai Phong Wind and (5) Hong Pong Wind.

Further, Dai Phong Wind with investment carrying value of US\$52.6 million (P3,092.31) is subject to customary land-related and permitting processes, including the issuance of land use rights certificates by local authorities. These processes may be affected by changes in administrative structures and government procedures, which can influence the timing of approvals.

The Group continues to engage with EVN, Vietnam's Ministry of Industry and Trade and other relevant government agencies, together with other renewable energy investors, to monitor developments and support the timely resolution of administrative matters. As at the reporting date, discussions remain ongoing and no final regulatory guidance has been issued.

26. Events After the Reporting Period

Below are the events after the reporting period which are treated as non-adjusting events as at December 31, 2025:

Power Supply Agreement with MERALCO Price Adjustment

Subsequent to December 31, 2025, the ERC issued decisions dated January 26, 2026 approving the Joint Urgent Motions for Price Adjustment filed by MERALCO and ACEN covering the baseload and mid-merit Power Supply Agreements (PSAs).

The ERC ruled that the extraordinary increase in coal prices during 2022 to 2023, arising from events including the Indonesia coal export ban and the Russia-Ukraine war, constituted a "Change in Circumstances" under the PSAs and approved the corresponding price adjustments. The total approved price adjustment amounts to P1,748,991,563, which ACEN is allowed to recover through MERALCO's generation charges over a twelve-month recovery period commencing March 2026. The ERC decisions also noted that the baseload and mid-merit PSAs were terminated effective November 2024.

The ERC approvals were issued after the reporting date and resulted in the establishment of ACEN's enforceable right to recover the approved amounts. Accordingly, the related income and receivable will be recognized in 2026.

Declaration of Cash Dividends on Outstanding Series A Preferred Shares (ACENA) and Series B Preferred Shares (ACENB)

On February 2, 2026, the BOD of ACEN approved the declaration of the first quarter of 2025 cash dividends on ACEN's outstanding ACENA and ACENB:

	ACENA	ACENB
Dividend Rate	$\frac{1}{4}$ of 7.1330% per annum	$\frac{1}{4}$ of 8.0000% per annum
Dividend Per Share	P17.8325 per share	P20.0000 per share
Dividends	P148,750	P333,170

The total dividends amounting to P481.92 million were paid on February 27, 2026.



ACRI

Acquisition of Additional Interest in URH

On February 4, 2026, the Company acquired an additional 50% interest in URH from UPC Asia Pacific Holdings Pte. Ltd. for a cash consideration of US\$20.0 million with earn-out of up to US\$20.0 million payable based on the development of qualifying renewable energy and battery storage projects in India through to December 31, 2032.

Prior to this acquisition, the Company held a 50% voting interest in URH, which was accounted for as an investment in joint venture using the equity method.

As a result of this transaction, the Company increased its ownership from 50% to 100%, obtaining control of URH. Consequently, URH became a subsidiary of the Company, and the results of its operations will be consolidated from the acquisition date and onwards. This acquisition is expected to strengthen the Group's presence in India and supports its broader ambition to scale renewables across key growth markets in Asia-Pacific.

As the acquisition occurred after the reporting date, it does not affect the amounts recognized in the Group's consolidated financial statements for the year ended December 31, 2025.

Additional Drawdowns from Existing Loan Facilities from Related Parties

On January 2, 2026, the Company made additional drawdowns under its existing Facility Agreement with ACEN Vietnam Investments Pte Ltd amounting to US\$27.00 million and US\$51.60 million.

Additional Drawdowns from Existing Loan Facilities to Related Parties

On January 5, 2026, ACEN-Silverwolf made additional loan drawdown under existing term loan amounting to US\$0.1 million.

On January 27, 2026, IBV ACEN made additional subscriptions to Rate 2 Preference Shares amounting to \$1.9 million.

Subscription Deposit to Related Parties

On January 2, 2026, the Group made subscription deposit to ACEN Australia Holdings Pty Ltd amounting to US\$4.7 million.

On January 27, 2026, the Group made subscription deposit to ACEN Australia amounting to US\$4.1 million.

On January 28, 2026, the Group made subscription deposit to ACEN Pilbara amounting to US\$0.98 million.

Collection of Loans to Related Parties

On January 5, 2026, BIMRE repaid the principal and interests of its shareholder loan to ACEN Vietnam Investments Pte Ltd amounting to US\$52.05 million.

Dividends

On January 2, 2026, ACEV declared dividends to the Company amounting to US\$30 million.

Transfer of Shares to ACEN C&I Asia HK Limited

On January 12, 2026, the Company transferred 10,000,000 ordinary shares to ACEN C&I Asia HK Limited amounting to US\$1.

