SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
   - ○ Preliminary Information Statement
   - ◉ Definitive Information Statement

2. Name of Registrant as specified in its charter

   SP New Energy Corporation

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

   Metro Manila, Philippines

4. SEC Identification Number

   CS201627300

5. BIR Tax Identification Code

   009-468-103

6. Address of principal office

   Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City, Second District, National Capital Region, Philippines
   Postal Code
   1604

7. Registrant's telephone number, including area code

   0284641630

8. Date, time and place of the meeting of security holders

   25 May 2026, 4:30 PM; MERALCO Boardroom, 13th Floor, Lopez Building, MERALCO Center, Ortigas Avenue, Pasig City, Philippines; the annual meeting will also be conducted by remote communication

9. Approximate date on which the Information Statement is first to be sent or given to security holders

   May 3, 2026

10. In case of Proxy Solicitations:

    Name of Person Filing the Statement/Solicitor

    N.A.

    Address and Telephone No.

    N.A.

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	50,073,050,000

13. Are any or all of registrant's securities listed on a Stock Exchange?

◉ Yes ○ No

If yes, state the name of such stock exchange and the classes of securities listed therein:

Common shares; The Philippine Stock Exchange, Inc.

SP New Energy Corporation

SPNEC

PSE Disclosure Form 17-5 - Information Statement for Annual or Special Stockholders' Meeting

References: SRC Rule 20 and Section 17.10 of the Revised Disclosure Rules

Date of Stockholders' Meeting	May 25, 2026
Type (Annual or Special)	Annual
Time	4:30 PM
Venue	Via video conferencing
Record Date	May 5, 2026

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End date	N/A

Other Relevant Information
Please see attached SEC Form 20-ISA.

Filed on behalf by:

Name	Jo Marianni Ocampo-Jalbuena
Designation	Corporate Secretary

COVER SHEET

C S 2 0 1 6 2 7 3 0 0
S.E.C. Registration Number

SP NEW ENERGY CORPORATION
(formerly Solar Philippines
Nueva Ecija Corporation)

(Company's Full Name)

Rockwell Business Center,
Ortigas Avenue, Barangay
Ugong, Pasig City 1604

(Business Address of the Company)

Jo Marianni P. Ocampo-Jalbuena
Contact Person

0917-5607351
Company Telephone Number

12 Month | 31 Day
Fiscal Year

SEC Form 20-ISA
Form Type

1st Monday of May each year
Regular Meeting

Certificate of Permit to Offer Securities for Sale (Pursuant to SEC MSRD Order No. 87, Series of 2021)
Secondary License type, if applicable

MSRD/CMD/ICTD
Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total amount of Borrowings
Domestic | Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = Pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [x] Definitive Information Statement

2. Name of Issuer as specified in its charter: **SP NEW ENERGY CORPORATION**

3. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**

4. SEC Identification Number: **CS201627300**

5. BIR Tax Identification Code: **009-468-103-00000**

6. Address of principal office: **Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City, Philippines**

7. Postal Code: **1604**

8. Issuer's telephone number, including area code: **+63 2 8464 1630**

9. Date, time and place of the meeting of security holders: **25 May 2026, 4:30 PM; MERALCO Boardroom, 13th Floor, Lopez Building, MERALCO Center, Ortigas Avenue, Pasig City, Philippines; the annual meeting will also be conducted by remote communication**

10. Approximate date on which the information statement is first to be sent or given to security holders: **3 May 2025**

11. In case of proxy solicitation:

    Name of the person filing the statement/solicitor: **N.A.**

    Mailing address and telephone no.: **N.A.**

12. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code ("**SRC**") or Sections 4 and 8 of the Revised Securities Act (information on number of shares and amount of debt is applicable only to corporate issuers):[1]

Title of Each Class	Number of Voting Shares and Amount of Debt Outstanding
Common	**50,073,050,000[2] shares**

[1] As of 29 April 2026.
[2] Out of the 50,073,050,000 common shares of the Company, only 8,124,350,005 shares are registered with the Securities and Exchange Commission ("SEC"). The remaining common shares are not registered as at the time of their issuance they were exempt from the registration requirement under the SRC.

13. Are there securities of the Issuer listed on a stock exchange?[3]
Yes.

If yes, disclose the name of such stock exchange and the class of securities listed therein:
The common shares[4] of SP New Energy Corporation ("SPNEC," the "Company," or the "Issuer") are listed on The Philippine Stock Exchange, Inc. ("PSE").

[3] As of 29 April 2026.
[4] A total of 50,071,878,397 common shares are listed as of the date of this Information Statement. The remaining 1,171,603 common shares cannot be listed as they were not fully paid by their subscribers.

NOTICE OF 2026 ANNUAL STOCKHOLDERS' MEETING[5]

Notice is hereby given that the Annual Stockholders' Meeting (the "**Annual Meeting**") of **SP NEW ENERGY CORPORATION** (the "**Company**") will be presided over and called from the MERALCO Boardroom, 13th Floor, Lopez Building, MERALCO Center, Ortigas Avenue, Pasig City, Philippines and conducted by remote communication **on Monday, 25 May 2026 at 4:30 PM.** Below you will find the agenda for the Annual Meeting:

AGENDA

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of Minutes of the Previous Annual Stockholders' Meeting
4. Annual Report of the President and Chief Executive Officer
5. Approval of the Audited Financial Statements for the Year Ended 31 December 2025
6. Election of Directors
7. Appointment of External Auditor
8. Subject to the Approval of the Stockholders and the Securities and Exchange Commission ("**SEC**"), Amendment of Articles of Incorporation and/or By-Laws
   a. Change of Corporate Name and (i) Amendment of the First Article of the Articles of Incorporation and (ii) Corporate Name on the First Page and Article IX, Section 1 of the By-Laws
   b. Retirement of Class "B" Preferred Shares and Reclassification of Shares and Amendment of the Seventh Article of the Articles of Incorporation
9. Ratification of Acts, Resolutions, and Decisions of the Board of Directors and Management from 26 May 2025 up to 25 May 2026
10. Other Matters
11. Adjournment

Only stockholders of record **as of 5 May 2026** are entitled to attend and to vote in the Annual Meeting.

Stockholders may attend and/or vote in the meeting by appointing a proxy or via remote communication. Stockholders intending to participate by remote communication should notify the Company by registering online at https://conveneagm.com/ph/SPNEC2026ASM[6] **on or before 15 May 2026.** Please be informed that there will be an audio and visual recording of the Annual Meeting.

Further details on the procedures for participating in the meeting through remote communication will be set forth in the Information Statement. The Information Statement and other meeting materials will be downloadable from the Company's website at https://spnec.ph and the PSE Electronic Disclosure Generation Technology at https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=688.

Duly accomplished proxies together with a valid government-issued ID (for natural persons) or a notarized secretary's certificate (for juridical persons) should be submitted **on or before 5:00 PM, on 15 May 2026** to the Corporate Secretary, Atty. Jo Marianni P. Ocampo-Jalbuena, at the 14th Floor, Tower 2, Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City, Philippines. Soft copies of the proxies can be e-mailed in advance to MGENgrp_sec@meralcopowergen.com. Validation of proxies is set for **20 May 2026, starting at 9:00 AM.**

Management is neither asking you for a proxy nor requesting you to send a proxy in its favor.

In accordance with SEC Memorandum Circular ("**M.C.**") No. 14, series of 2020, shareholders of record who, as of 5 May 2026, hold at least five percent (5%) of the outstanding capital stock of the Company, shall have the right to propose items for inclusion in the agenda which must be submitted **on or before 20 May 2026.**

The Organizational Meeting of the new Board of Directors will be held immediately after the Annual Meeting.

Stockholders may e-mail questions or comments to MGENgrp_sec@meralcopowergen.com.

Pasig City, 3 and 4 May 2026.

JO MARIANNI P. OCAMPO-JALBUENA
Corporate Secretary

[5] In accordance with the rules of the SEC on publication as an alternative mode of distributing the information statement to stockholders entitled to notice and to participate in stockholders' meeting in 2026, the Company is publishing this Notice of Meeting containing information on the Company's 2026 Annual Stockholders' Meeting, including where the stockholders can access a copy of the Information Statement and other meeting materials, in two (2) newspapers of general circulation, in print and online format, on 3 and 4 May 2026.
[6] The registration/video conferencing link will become live on 4 May 2026.

EXPLANATION OF AGENDA ITEMS

I. CALL TO ORDER

The Chairman will formally open the meeting at approximately 4:30 PM.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary will certify that written notice of the meeting was sent to stockholders and that a quorum exists for the transaction of corporate business.

Pursuant to Sections 23 and 57 of the Revised Corporation Code ("**RCC**"), the Company will set up a designated online web address which may be accessed by the stockholders to register and to vote on matters presented and discussed at the meeting. A stockholder participating by remote communication shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting to be conducted in virtual format:

1. Stockholders may attend the meeting remotely through https://conveneagm.com/ph/SPNEC2026ASM.[7] Questions and comments on the agenda items may be sent to MGENgrp_sec@meralcopowergen.com or through https://conveneagm.com/ph/SPNEC2026ASM[8] and shall be limited to the items in the Agenda.

2. Stockholders must notify the Company of their intention to participate in the meeting by (i) registering themselves on the online platform for the meeting or (ii) sending an accomplished proxy form to the Corporate Secretary, both not later than 15 May 2026.

3. Stockholders participating by remote communication must register online at https://conveneagm.com/ph/SPNEC2026ASM.[9] Only stockholders who have registered online prior to the meeting may cast their votes electronically using the system.

4. Each of the proposed resolutions will be shown on the screen as the agenda items are taken up at the meeting.

5. To be approved, all the agenda items will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock of the Company present or represented at the meeting, unless the Revised Corporation Code or the Company's Articles of Incorporation or By-Laws require a different threshold, i.e., amendment of charter documents and election of officers.

6. The Company's accredited service provider will tabulate all the votes received per agenda item. The Corporate Secretary or Assistant Corporate Secretary will validate the results. The Corporate Secretary or Assistant Corporate Secretary will announce the voting results.

7. The proceedings will be recorded in audio and video format.

[7] The registration/video conferencing link will become live on 4 May 2026.
[8] The registration/video conferencing link will become live on 4 May 2026.
[9] The registration/video conferencing link will become live on 4 May 2026.

III. APPROVAL OF MINUTES OF THE PREVIOUS ANNUAL STOCKHOLDERS' MEETING

The document containing the minutes of the Special Stockholders' Meeting held on 26 May 2025 is attached hereto as **Annex "A."** Below is the text of the proposed resolution:

> "**RESOLVED,** as it is hereby resolved, to approve, as it is hereby **APPROVED,** the minutes of the Company's Annual Stockholders' Meeting held on 26 May 2025."

Majority vote or stockholders or proxies representing at least a majority of the outstanding capital stock in attendance are required for the approval of the minutes.

IV. ANNUAL REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

The President will report on the milestones and key achievements of the Company in 2025, and its plans moving forward.

V. APPROVAL OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Audited Financial Statements for the year ended 31 December 2025, as approved by the Board of Directors, will be presented to the stockholders for approval. Below are the proposed resolutions:

> "**RESOLVED,** that the Audited Financial Statements of **SP NEW ENERGY CORPORATION** (the '**Company**') for the year ended 31 December 2025, be, as they are hereby, **APPROVED;**
>
> "**RESOLVED, FURTHER,** that **MR. ROCHEL DONATO R. GLORIA,** the Chief Financial Officer and Treasurer, be, as he is hereby, **AUTHORIZED** to release the said Audited Financial Statements on behalf of the Company and to sign and execute certifications, statements, or such other documents and instruments that may be required or necessary in relation to the foregoing authority."

Majority vote or stockholders or proxies representing at least a majority of the outstanding capital stock in attendance are required for the approval of the Audited Financial Statements.

VI. ELECTION OF DIRECTORS

The stockholders shall elect the individuals who will compose the Company's Board of Directors for the ensuing year, to be chosen from the list of nominees approved by the Board of Directors. This year's nominees are as follows:

For Regular Director	1. Mr. Manuel V. Pangilinan 2. Mr. Lance Y. Gokongwei 3. Mr. Emmanuel V. Rubio 4. Mr. Lucky Jasper B. Virola 5. Mr. Ryan Jerome T. Chua 6. Ms. Hazel Iris L. Buencamino
For Independent Director	7. Dra. Lydia B. Echauz 8. Mr. Pedro O. Roxas 9. Dr. Benjamin I. Espiritu

A plurality of votes is required for election to the Board of Directors.

VII. APPOINTMENT OF EXTERNAL AUDITOR

The Board of Directors will endorse to the stockholders the appointment of SyCip Gorres Velayo & Co. as the Company's external auditor for the ensuing year. The external auditor of the Company conducts an independent verification of the financial statements and provides an objective assurance of their accuracy. The profile of the external auditor is found under Item 7 of the Information Statement. Below is the text of the proposed resolution:

> "**RESOLVED**, that **SYCIP GORRES VELAYO & CO.**, Certified Public Accountants, be, as they hereby are, **APPOINTED** as external auditors of the Company for the year 2026."

Majority vote or stockholders or proxies representing at least a majority of the outstanding capital stock in attendance are required for the appointment of an external auditor.

VIII. SUBJECT TO THE APPROVAL OF THE STOCKHOLDERS AND THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), CHANGE OF CORPORATE NAME AND AMENDMENT OF THE FIRST ARTICLE OF THE ARTICLES OF INCORPORATION AND CORPORATE NAME ON THE FIRST PAGE AND ARTICLE IX, SECTION 1 OF THE BY-LAWS

Stockholders' approval is being sought for the amendment of the First Article of the Articles of Incorporation and the corporate name appearing on the first page and Article IX, Section 1 of the By-Laws for the purpose of changing the corporate name of the Company.

It will be recalled that on 21 January 2026, the Board of Directors voted in favor of changing the Company's corporate name from "SP New Energy Corporation" to "MGEN Renewable Energy Holdings, Inc." However, after further internal discussions, Management proposed new corporate names to replace the current name. During the meeting of the Board of Directors on 26 March 2026, they voted in favor of substituting "MGEN Renewable Energy Holdings, Inc." with "MGEN Renewables Inc." as replacement for "SP New Energy Corporation." This approval superseded the previous board approval on the same matter.

Articles of Incorporation

Reference	From	To
First Article	The name of this corporation shall be: SP NEW ENERGY CORPORATION (the "Corporation").	The name of this corporation shall be: MGEN RENEWABLES INC. (the "Corporation").

By-Laws

Reference	From	To
First Page	AMENDED BY-LAWS OF SP NEW ENERGY CORPORATION (Formerly: Solar Philippines Nueva Ecija Corporation)	AMENDED BY-LAWS OF MGEN RENEWABLES INC. (Formerly: SP New Energy Corporation)
Article IX, Section 1	Section 1. Form and Inscriptions - The corporate seal shall be circular	Section 1. Form and Inscriptions - The corporate seal shall be circular

Reference	From	To
	in form, within which shall be inscribed: SP NEW ENERGY CORPORATION INCORPORATED 2016 PHILIPPINES	in form, within which shall be inscribed: MGEN RENEWABLES INC. INCORPORATED 2016 PHILIPPINES

The change in the Company's corporate name is subject to the approval of the Company's stockholders and the SEC.

Stockholders or proxies representing at least two-thirds (2/3) of the outstanding capital stock are required for the approval of the amendment of the Articles of Incorporation.

Majority vote or stockholders or proxies representing at least a majority of the outstanding capital stock are required for the amendment of the By-Laws.

IX. SUBJECT TO THE APPROVAL OF THE STOCKHOLDERS AND THE SEC, RETIREMENT OF CLASS "B" PREFERRED SHARES AND RECLASSIFICATION OF SHARES AND AMENDMENT OF THE SEVENTH ARTICLE OF THE ARTICLES OF INCORPORATION

Stockholders' approval is being sought for the amendment of the Seventh Article of the Articles of Incorporation for the purpose of (i) retiring the redeemed Class "B" Preferred Shares of the Company, (ii) increasing the par value of the Class "A" Preferred Shares from One Centavo (PhP0.01) to Ten Centavos (PhP0.10) per share, and (iii) creating Class "C" Preferred Shares (will be sourced from the unissued common shares).

On 14 January 2026, the Company redeemed all the Class "B" Preferred Shares owned by MGEN Renewable Energy, Inc. ("**MGEN Renewables**"), its parent company. The redemption was pursuant to Section 8.01(f) of the Exchangeable Note Facility Agreement executed between Solar Philippines Power Project Holdings, Inc. ("**SPPPHI**") and MGEN Renewables on 2 September 2024. Under the Company's Articles of Incorporation, the Class "B" Preferred Shares cannot be reissued, hence the need to retire them, which can only be accomplished by amending the Seventh Article of its Articles of Incorporation.

The reclassification of the existing shares is in preparation for a contemplated share swap transaction involving the Company.

Reference	From	To
Seventh Article, First Paragraph	That the Authorized Capital Stock of the Corporation is Seven Billion Seven Hundred Fifty Million Pesos (P7,750,000,000.00) in lawful money of the Philippines, divided into Seventy-Five Billion (75,000,000,000) Common Shares with par value of Ten Centavos (P0.10) per share and Twenty-Five Billion (25,000,000,000) Preferred Shares with a par value of One Centavo (P0.01) per share, divided into Five Billion Five Hundred	That the Authorized Capital Stock of the Corporation is Seven Billion Five Hundred Fifty-Five Million Nine Hundred Fifty-Seven Thousand Nine Hundred Seventy-Four Pesos and 48/100 (P7,555,957,974.48) in lawful money of the Philippines, divided into Sixty-Nine Billion (69,000,000,000) Common Shares with par value of Ten Centavos (P0.10) per share and Six Billion Five Hundred Fifty-Nine Million

Reference	From	To
	Ninety-Five Million Seven Hundred Ninety-Seven Thousand Four Hundred Forty-Eight (5,595,797,448) Class A Preferred Shares and Nineteen Billion Four Hundred Four Million Two Hundred Two Thousand Five Hundred Fifty-Two (19,404,202,552) Class B Preferred Shares.	Five Hundred Seventy-Nine Thousand Seven Hundred Forty-Four and 80/100 (6,559,579,744.80) Preferred Shares with a par value of Ten Centavos (P0.10) per share, divided into Five Hundred Fifty-Nine Million Five Hundred Seventy-Nine Thousand Seven Hundred Forty-Four and 80/100 (559,579,744.80) Class A Preferred Shares and Six Billion (6,000,000,000) Class C Preferred Shares. The Corporation shall not issue fractional shares and shall not have any outstanding fractional shares. Any resulting fractional share from any increase or decrease in par value or any other corporate action shall be purchased by the Corporation and paid for in cash by the Corporation.
Seventh Article, Second Paragraph	The Board of Directors of the Corporation shall determine: (a) the features of the Class A Preferred Shares (whether voting or non-voting) at each issuance of the Class A Preferred Shares, (b) the frequency of issuance of Class A Preferred Shares (which may be issued in one or more series) and (c) the preference as to redemption, dividends and other preferences for each issuance of Class A Preferred Shares. The Class A Preferred Shares shall not have any pre-emptive rights over other issuances or re-issuance of Preferred Shares or Common Shares.	The Class A Preferred Shares shall be (i) voting, (ii) entitled to the same dividend per share as Common Shares, (iii) convertible to Common Shares, and (iv) in the event of the liquidation, dissolution, or winding up of the Corporation (whether voluntary or involuntary), have preference over the Common Shares in respect of the assets of the Corporation available for distribution after payment of the liabilities of the Corporation.
Seventh Article, Third Paragraph	Class B Preferred Shares shall be (i) voting, (b) non-cumulative, (c) not entitled to any economic returns or dividends, (d) redeemable at the option of the Corporation, at issue price, and at such other terms and conditions as may be determined by the Board of Directors (and shall be immediately retireable upon redemption thereof) and (e) in the event of the liquidation, dissolution	The Class C Preferred Shares shall be (i) entitled to the same dividend per share as Common Shares, (ii) convertible to Common Shares, and (iii) in the event of the liquidation, dissolution, or winding up of the Corporation (whether voluntary or involuntary), have preference over the Common Shares in respect of the assets of the Corporation available for distribution after payment of the

Reference	From	To
	or winding up of the Corporation (whether voluntary or involuntary), have preference over the Common Shares in respect of the assets of the Corporation available for distribution after payment of the liabilities of the Corporation.	liabilities of the Corporation. The Board of Directors shall determine whether these shares are voting or non-voting.
Seventh Article, Fourth Paragraph	The holder of Common Shares shall not be entitled to pre-emptive rights to subscribe to any new issues of stock, nor dispositions of existing stocks, whether issued from its unissued capital or its treasury shares.	The holder of Common and Preferred Shares shall not be entitled to pre-emptive rights to subscribe to any new issues of stock, nor dispositions of existing stocks, whether issued from its unissued capital or its treasury shares.

The changes to the Seventh Article of the Company's Articles of Incorporation are subject to the approval of the stockholders and the SEC.

Stockholders or proxies representing at least two-thirds (2/3) of the outstanding capital stock are required for the approval of the amendment of the Articles of Incorporation.

X. RATIFICATION OF ACTS, RESOLUTIONS, AND DECISIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT FROM 26 MAY 2025 UP TO 25 MAY 2026

The acts, resolutions, and decisions of the Board of Directors and its Committees for ratification are those taken and adopted since the previous stockholders' meeting held on 26 May 2025 up to 25 May 2026. These include the approval of agreements, projects, investments, treasury-related matters, and other matters covered by disclosures to the SEC and the PSE. The acts, resolutions, and decisions of the Company's officers are those taken and adopted to implement the resolutions of the Board of Directors or its Committees and/or those made in the general conduct of business. Below is the text of the proposed resolution:

> "**RESOLVED**, that the stockholders hereby **APPROVE, CONFIRM, and RATIFY** all acts, resolutions, and decisions of the Board of Directors and Management, as well as all contracts and transactions entered into by the Company, since the Annual Stockholders' Meeting held on 26 May 2025 up to present."

Majority vote or stockholders or proxies representing at least a majority of the outstanding capital stock in attendance are required for the ratification of past corporate acts, decisions, contracts, and transactions.

XI. OTHER MATTERS

These include such other matters that may arise before or during the meeting. Stockholders may e-mail questions or comments to MGENgrp_sec@meralcopowergen.com. The taking up of matters raised after the distribution of the Information Statement to stockholders or during the meeting shall be subject to existing laws, rules, and regulations, and the Company's internal guidelines.

XII. ADJOURNMENT

After all agenda items have been considered and resolved, the Chairman will declare the meeting adjourned.

[Proxy form follows]

PROXY

The undersigned stockholder of **SP NEW ENERGY CORPORATION** (the "**Company**") hereby appoints the Chairman of the meeting as attorney-in-fact and proxy to represent and to vote all shares registered in the name of the undersigned at the Annual Stockholders' Meeting of the Company on 25 May 2026 and at any postponement or adjournment thereof for the purpose of acting on the following matters:

#	Agenda Item	Yes	No	Abstain
1	Approval of Minutes of the 2025 Annual Stockholders' Meeting			
2	Approval of the Audited Financial Statements for the Year Ended 31 December 2025			
3	Election of Directors: ***Note: Indicate the number of votes per nominee. The total number of votes that may be cast by a stockholder is computed as follows: <u>No. of Shares Held x Nine (9) Directors</u>. A stockholder may distribute his/her/its votes equally among all nominees, cumulate all the votes and give them to a nominee, or distribute them as he/she may see fit among the nominees.**			
	a. Mr. Manuel V. Pangilinan			
	b. Mr. Lance Y. Gokongwei			
	c. Mr. Emmanuel V. Rubio			
	d. Mr. Lucky Jasper B. Virola			
	e. Mr. Ryan Jerome T. Chua			
	f. Ms. Hazel Iris L. Buencamino			
	g. Dra. Lydia B. Echauz (for Independent Director)			
	h. Mr. Pedro O. Roxas (for Independent Director)			
	i. Mr. Benjamin I. Espiritu (for Independent Director)			
4	Appointment of SyCip Gorres Velayo & Co. as the Company's External Auditor for the Ensuing Calendar Year			
5	Amendment of the First Article of the Articles of Incorporation for the Purpose of Changing the Corporate Name to "MGEN Renewables Inc."			
6	Amendment of the Corporate Name on the First Page and Article IX, Section 1 of the By-Laws for the Purpose of Changing the Corporate Name to "MGEN Renewables Inc."			
7	Amendment of the Seventh Article of the Articles of Incorporation for the Purpose of (a) Retiring Class "B" Preferred Shares and (b) Reclassifying Shares			
8	Ratification of Acts, Resolutions, and Decisions of the Board of Directors and Management from 26 May 2025 up to 25 May 2026			

Place/Date : ______________________

Name of Shareholder : ______________________

Signature : ______________________

Number of Shares : ______________________

The duly accomplished and signed proxy form must be submitted **on or before 5:00 PM, on 15 May 2026** to the Corporate Secretary, Atty. Jo Marianni P. Ocampo-Jalbuena, at the 14th Floor, Tower 2, Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City, Philippines. A soft copy of the signed proxy can be e-mailed in advance to MGENgrp_sec@meralcopowergen.com. Validation of proxies is set for 20 May 2026, starting at 9:00 AM.

Stockholders who are natural persons must submit this proxy together with competent evidence of identity, e.g., passport, driver's license, and other valid government-issued ID. Proxies of corporate shareholders or juridical entities must be accompanied by a duly sworn secretary's certificate or equivalent document showing his/her authority to represent the corporation/entity.

The proxy, when properly executed, will be voted in the manner as directed therein by the stockholder. If no direction is made, the proxy will be voted for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by the Board of Directors or Management. A stockholder giving a proxy has the power to revoke such proxy in accordance with the Company's By-Laws. Except in the case of an irrevocable proxy, a proxy is also considered revoked if the stockholder who issued the same attends the meeting.

WE ARE NOT SOLICITING YOUR PROXY. STOCKHOLDERS WHO WILL NOT OR ARE UNABLE OR DO NOT EXPECT TO ATTEND THE MEETING BUT WOULD LIKE TO BE REPRESENTED THEREAT MAY CHOOSE TO EXECUTE AND SEND A PROXY TO THE OFFICE OF THE CORPORATE SECRETARY ON OR BEFORE 5:00 PM ON 15 MAY 2026. A SOFT COPY OF THE PROXY CAN BE E-MAILED IN ADVANCE TO MGENGRP_SEC@MERALCOPOWERGEN.COM.

A. GENERAL INFORMATION

Item 1. Date, Time, and Place of Meeting of Security Holders

The meeting of the stockholders of the Company will be held on **25 May 2026, at 4:30 PM**. It will be called and presided from the MERALCO Boardroom, 13th Floor, Lopez Building, MERALCO Center, Ortigas Avenue, Pasig City, Philippines, and conducted by remote communication via video conferencing.

a. Communications in connection with the 2026 Annual Stockholders' Meeting (the "**Annual Meeting**") may be sent to Atty. Jo Marianni P. Ocampo-Jalbuena at the 14th Floor, Tower 2, Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City, Philippines.
b. The approximate date on which this Information Statement, form of proxy, and other materials are first to be sent or given to security holders is on **3 May 2026**.

Item 2. Dissenters' Right of Appraisal

Under Section 80 of the Revised Corporation Code, any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his or her shares only in the following instances:

a. In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class or of extending or shortening the term of corporate existence;
b. In case of sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
c. In case of merger or consolidation; and
d. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

None of the matters to be acted upon at this annual meeting of the stockholders qualify under Section 80 of the Revised Corporation Code. As such, the right of appraisal will not be relevant to any shareholder in the said Annual Meeting.

In any event, the stockholder must have voted against the proposed corporate action in order for such stockholder to invoke the appraisal right provided under the law.

The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken; provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken excluding any appreciation or depreciation in anticipation of such corporate action.

If within sixty (60) days form the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made; provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment. Provided further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation.[10]

The costs and expenses of appraisal shall be borne by the corporation, unless the fair value ascertained by the appraisers is approximately the same as the price which the corporation may have offered to pay the stockholder, in which case they shall be borne by the latter. In the case of an action to recover such fair value, all costs and expenses shall be assessed against the corporation, unless the refusal of the stockholder to receive payment was unjustified.[11]

From the time of demand for payment of the fair value of a stockholder's shares until either the abandonment of the corporate action involved or the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and dividend rights, shall be suspended in accordance with the provisions of the Revised Corporation Code, except the right of such stockholder to receive payment of the fair value thereof; provided, that if the dissenting stockholder is not paid the value of the said shares within thirty (30) days after the award, the voting and dividend rights shall immediately be restored.[12]

No demand for payment of the fair value of a dissenting stockholder's shares may be withdrawn unless the corporation consents thereto. If, however, such demand for payment is withdrawn with the consent of the corporation, or if the proposed corporate action is abandoned or rescinded by the corporation or disapproved by the SEC where such approval is necessary, or if the SEC determines that such stockholder is not entitled to the appraisal right, then the right of the stockholder to be paid the fair value of the shares shall cease, the status of the stockholder shall be restored and all dividend distributions which would have accrued on the shares shall be paid to the stockholder.[13]

Within ten (10) days after demanding payment for shares held, a dissenting stockholder shall submit the certificates of stock representing the shares to the corporation for notation that such shares are dissenting shares. Failure to do so shall, at the option of the corporation, terminate the appraisal right of the dissenting stockholder. If shares represented by the certificates bearing such notation are transferred, and the certificates consequently cancelled, the rights of the transferor as a dissenting stockholder shall cease and the transferee shall have all the rights of a regular stockholder; and all dividend distributions which would have accrued on such shares shall be paid to the transferee.[14]

The Issuer's By-Laws have no special provisions different from or giving any stockholder any special appraisal or dissenter's rights.

The creation of Class "C" Preferred Shares will not adversely impact the rights of existing stockholders, hence there will be no occasion for dissenting stockholders to invoke their appraisal right under Section 80 of the Revised Corporation Code. After the retirement of the Class "B" Preferred Shares, only the Common Shares of the Company will remain. The Class "C" Preferred Shares shall be entitled to the same dividend per share as Common Shares. Although in the event of liquidation, dissolution, or winding up of the Company (whether voluntary or involuntary), the Class "C" Preferred Shares shall have preference over the Common Shares in respect of the assets of the Company available for distribution, this is a common trait of preferred shares. In fact, the existing Class "B" Preferred Shares which are in the process of retirement have the same feature. Therefore, this is not going to be a grant of a better right. The Class "C" Preferred Shares shall be convertible to Common Shares. In the event they are converted, the rights of holders of such converted shares are going to be the same as the rights of those already holding Common Shares of the Company. The determination of whether the Class "C"

[10] Revised Corporation Code, Section 81.
[11] Revised Corporation Code, Section 84.
[12] Revised Corporation Code, Section 82.
[13] Revised Corporation Code, Section 83.
[14] Revised Corporation Code, Section 85.

Preferred Shares are going to be voting or non-voting has been delegated to the Board of Directors. Even if the Board of Directors decides to make them voting shares, the Class "C" Preferred Shares will not be superior in this regard as Common Shares, by nature, are voting shares.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

None of the Company's Directors and Corporate Officers nor any of their associates have any substantial personal interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Annual Meeting.

Further, no Director has informed the Company of his/her opposition to any matter to be acted upon during the Annual Meeting to be held on 25 May 2026.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

a. As of 31 March 2026, the Company's issued and outstanding capital stock consists of 50,073,050,000 common shares. Each outstanding common share held as of the record date is entitled to one (1) vote.[15]

b. The record date with respect to the Annual Meeting is fixed at 5 May 2026. Only persons, natural and juridical, recorded in the books of the Company as stockholders as of 5 May 2026 shall be entitled to notice and allowed to vote at the Annual Meeting on 25 May 2026 or any adjournment thereof.

c. Security Ownership of Certain Record and Beneficial Owners and Management:

As of 29 April 2026, the following persons or groups own more than five percent (5%) of the Company's voting securities:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Total Voting Shares
Common	MGEN Renewable Energy, Inc. The Rockwell Business Center, Tower 1, Ortigas Avenue, Barangay Ugong, Pasig City, Philippines Parent Corporation	Same as record owner	Filipino	28,707,304,999	57.33%
Common	Solar Philippines Power Project Holdings, Inc. 20th Floor, AIA Tower, 8767 Paseo de Roxas, Barangay Bel-Air, Makati City 1226, Philippines Substantial Stockholder	Mr. Leandro Antonio L. Leviste owns 100% of SPPPHI's outstanding capital stock	Filipino	8,160,230,998[16]	16.30%
Common	Asia Pacific Institute for Green Development Inc. 48 Dunwoody Street, University Hills, Malabon City, Philippines	Same as record owner	Filipino	4,150,000,000	8.29%

[15] As of 29 April 2026.
[16] All lodged with the Philippine Depository and Trust Corporation, Inc. under the name PCD Nominee Corporation (Filipino).

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Total Voting Shares
	Stockholder				
Common	PCD Nominee Corporation (Filipino) 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City, Philippines Stockholder of record for shares lodged with the Philippine Depository and Trust Corporation, Inc. (**"PDTC"**)	PCD Nominee Corporation, a wholly owned subsidiary of the PDTC, is the registered owner of the shares in the books of the Company's Stock Transfer Agent. The beneficial owner of such shares entitled to vote the same are PDTC's participants who hold the shares either in their own behalf or on behalf of their clients.	Filipino	3,803,095,755[17]	7.59%

The following table shows the ownership of the following Directors and Corporate Officers in the Company's voting shares as of 29 April 2026:

Title of Class	Name of Beneficial Owner	Citizenship	Amount and Nature of Beneficial Ownership		Percent of Total Outstanding Shares
Common	Manuel V. Pangilinan	Filipino	1	Direct	0%
			0	Indirect	
Common	Lance Y. Gokongwei	Filipino	~~0~~	~~Direct~~	0%
			1	Indirect*	
Common	Emmanuel V. Rubio	Filipino	1	Direct*	0%
			2,000,000	Indirect	
Common	Ryan Jerome T. Chua	Filipino	0	Direct	0%
			1	Indirect*	
Common	Hazel Iris L. Buencamino	Filipino	0	Direct	0%
			5,360,001	Indirect**	
Common	Lydia B. Echauz	Filipino	50,000	Direct	0%
			250,000	Indirect***	
Common	Benjamin I. Espiritu	Filipino	1	Direct	0%
			0	Indirect	
Common	Rochel Donato R. Gloria	Filipino	1	Direct	0%
			0	Indirect	
N.A.	Dennis B. Jordan	Filipino	0	Direct	0%
			0	Indirect	
N.A.	Minette O. Co	Filipino	0	Direct	0%

[17] Excludes shares owned by SPPPHI.

Title of Class	Name of Beneficial Owner	Citizenship	Amount and Nature of Beneficial Ownership		Percent of Total Outstanding Shares
			0	Indirect	
Common	Mary Ann D. Ballesteros	Filipino	0	Direct	0%
			600,000	Indirect	
Common	Jo Marianni P. Ocampo-Jalbuena	Filipino	0	Direct	0%
			81,000	Indirect****	
N.A.	Doris S. Te	Filipino	0	Direct	0%
			0	Indirect	
Total			**8,341,007**		**0.02%**

*Holds a qualifying share from MGEN Renewables.
**Lodged with the PDTC under PCD Nominee Corporation (Filipino), including the qualifying share that she holds from SPPPHI.
***Lodged with the PDTC under PCD Nominee Corporation (Filipino).
****Owned by the spouse of Atty. Ocampo-Jalbuena. Under both the 2015 Implementing Rules and Regulations of the SRC, as amended, and the Consolidated Listing and Disclosure Rules, as revised, of the PSE, a person shall be deemed to have an indirect beneficial ownership in any security which is held by members of his/her immediate family sharing the same household. The shares are currently in scripless form.

The aggregate number of voting shares directly and indirectly owned by all Directors and Corporate Officers as a group as of 29 April 2026 is **8,341,007 shares or 0.02%** of the Company's total voting shares.

Voting Trust Holders of 5% or More

The Company is not aware of any person holding more than 5% of voting shares under a voting trust or similar agreement.

Changes in Control

MGEN Renewables, the renewable energy development arm of Meralco Powergen Corporation ("**MGEN**"), announced on 12 October 2023 that it has agreed with the Company and its then parent, SPPPHI, to invest PhP15.9 billion to subscribe to 15.7 billion common shares and 19.4 billion redeemable preferred voting shares in the Company. MGEN is a wholly owned subsidiary of the Manila Electric Company ("**MERALCO**"), the country's largest private sector electric distribution utility company. The transaction supported the expansion of the Company's project portfolio, including the development of a 3,500 MW solar photovoltaic power plant and 4,500 MWh battery energy storage system in Bulacan and Nueva Ecija.

The 15.7 billion common shares had a total subscription price of PhP15.7 billion. The 19,404,202,552 redeemable preferred voting shares had a total subscription price of PhP194,042,025.52.

Upon full payment of the subscription price, MGEN Renewables' nominees were elected as Directors and Corporate Officers of the Company. However, MGEN Renewables' shares and the corresponding share certificates were not issued until 19 January 2024, when the Company received from the SEC the approval of its application for increase of authorized capital stock.

Subsequently, on 26 January 2024, MGEN Renewables purchased an additional 2,173,913,000 common shares from SPPPHI for a total consideration of PhP2,499,999,950.00.

On 23 October 2025, pursuant to the Exchangeable Note Facility Agreements dated 2 September 2024 and 12 March 2025 executed between MGEN Renewables and SPPPHI, the former acquired an additional 10,833,392,000 common shares of the Company from the latter and/or Mr. Leviste.

To date, MGEN Renewables is the controlling stockholder of the Company, owning around 57.33% of the Company's issued and outstanding capital stock.

Item 5. Directors and Executive Officers

As of the date of this Information Statement, the following are the Directors and Corporate Officers of the Company:

Name	Position	Nationality	Age	Term of Office	Period Served
Manuel V. Pangilinan	Chairman	Filipino	79	< 3 years	2023 to present
Lance Y. Gokongwei	Director	Filipino	59	< 2 years	2024 to present
Emmanuel V. Rubio	Director and President/CEO	Filipino	61	< 2 years	2024 to present
Ryan Jerome T. Chua	Director	Filipino	39	< 2 years	2024 to present
Hazel Iris L. Buencamino	Director	Filipino	38	< 10 years	2016 to present
Lydia B. Echauz	Lead Independent Director	Filipino	78	< 2 years	2024 to present
Benjamin I. Espiritu	Independent Director	Filipino	72	< 5 years	2021 to present
Rochel Donato R. Gloria	Treasurer and Chief Financial Officer	Filipino	60	< 3 years	2023 to present
Dennis B. Jordan	Chief Operations Officer	Filipino	56	< 2 years	2024 to present
Minette O. Co	Head of Controllership	Filipino	46	< 2 years	2025 to present
Mary Ann D. Ballesteros	Chief Compliance Officer and Data Privacy Officer	Filipino	47	< 2 years	2025 to present
Jo Marianni P. Ocampo-Jalbuena	Corporate Secretary	Filipino	41	< 2 years	2024 to present
Doris S. Te	Assistant Corporate Secretary	Filipino	45	< 2 years	2024 to present

Background of Directors and Corporate Officers

The profiles and the business experiences of the foregoing directors and key officers for the last five (5) years are indicated below:

Manuel V. Pangilinan, 79, Filipino, Chairman of the Board of Directors

Mr. Manuel V. Pangilinan currently serves as a member of the Board of Directors and corporate officer of the following listed companies: PLDT Inc., as Chairman, President, and Chief Executive Officer ("**CEO**"); Philex Mining Corporation, as Chairman; PXP Energy Corporation, as Chairman; Roxas

Holdings, Inc., as Vice Chairman; SPNEC, as Chairman; and Axelum Resources Corporation, as Director.

Mr. Pangilinan also serves as a member of the Board of Directors/Trustees and corporate officer of the following non-listed companies: Associated Broadcasting Corporation (TV5), as Chairman; Beacon Electric Asset Holdings, Inc., as Chairman; First Pacific Company Limited, as CEO and Managing Director; GBPC, as Chairman; Kayana Solutions, Inc., as Chairman; Landco Pacific Corporation, as Chairman; Light Rail Manila Corporation, as Chairman; Maynilad Water Services, Inc., as Chairman; Mediaquest Holdings, Inc., as Chairman; Meralco Power Foundation, as Chairman; MGEN, as Chairman; METPower Ventures Partners, as Chairman; MetroPac Water Investments Corporation, as Chairman; Metro Pacific Agro Ventures, Inc., as Chairman; Metro Pacific Foundation, as Chairman; Metro Pacific Health Corporation, as Chairman; MPIC, as Chairman, President, and CEO; Metro Pacific Tollways Corporation, as Chairman; MVP Sports Foundation, Inc., as Chairman; NLEX Corporation, as Chairman; One Meralco Foundation, Inc., as Chairman; Philippine Business for Education; Philippine Business for Social Progress, as Chairman; Philippine Disaster Resilience Foundation, as Co-Chairman; PLDT Communications and Energy Ventures, Inc., as Chairman, President, and CEO; PLDT-Smart Foundation, Inc., as Chairman; PT Indofood Sukses Makmur Tbk (Indonesia), as President Commissioner; Samahang Basketbol ng Pilipinas, as Chairman Emeritus; San Beda College, as Chairman; Smart Communications, Inc., as Chairman; Stratbase Albert del Rosario Institute, as Co-Chairperson; TSPI, as Chairman; and US-Philippines Society, as Co-Chairman.

In recognition of Mr. Pangilinan's contributions to the country, the Philippine Air Force awarded him the rank of Lieutenant Colonel (Res) in a promotion list approved by the Philippine President in July 2021. In 2010, the Office of the President of the Philippines awarded Mr. Pangilinan the Order of Lakandula with the rank of Bayani.

Mr. Pangilinan was awarded the First Honorary Doctorate Degree in Management by the Asian Institute of Management in 2016, Honorary Doctorate in Science by Far Eastern University in 2010, in Humanities by Holy Angel University in 2008, by Xavier University in 2007, and by San Beda College in 2002 in the Philippines. He was formerly Chairman of the Board of Trustees of the Ateneo de Manila University and was a member of the Board of Overseers of the Wharton School.

Mr. Pangilinan earned his Bachelor of Arts degree in Economics from Ateneo de Manila University where he graduated cum laude. He pursued his Master's Degree in Business Administration ("**MBA**") in the Wharton School of Finance and Commerce as a Procter & Gamble Fellow.

Lance Y. Gokongwei, 59, Filipino, Director

Mr. Lance Y. Gokongwei is the President and CEO of JG Summit Holdings, Inc. He is the Chairman of Universal Robina Corporation, Robinsons Land Corporation, Cebu Air, Inc., JG Summit Olefins Corporation, and Gokongwei Brothers Foundation, Inc.

He is a member of the Board of Directors of Robinsons Retail Holdings, Inc., MERALCO, Oriental Petroleum and Minerals Corporation, Singapore Land Group Limited, Shakey's Asia Pizza Ventures, Inc., AB Capital and Investment Corporation, and SPNEC.

Mr. Gokongwei received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

Emmanuel V. Rubio, 61, Filipino, Director and President and Chief Executive Officer

Mr. Emmanuel V. Rubio is the President and CEO of MGEN, the power generation arm of MERALCO. In this capacity, he spearheads MGEN's mission to drive the country's energy transition to a low carbon future through its diversified power generation portfolio utilizing advanced, highly efficient, and sustainable technologies.

In addition to his leadership role at MGEN, Mr. Rubio also currently serves as the President and CEO of SPNEC, a leading renewable energy developer. SPNEC, through its wholly owned subsidiary Terra Solar Philippines Inc. ("**TSPI**"), is developing the world's largest integrated solar photovoltaic farm and battery storage facility—MTerra Solar—setting a global benchmark for renewable energy initiatives.

Mr. Rubio is a seasoned executive with a distinguished career spanning almost two (2) decades in the energy sector. In previous roles, he has led the transformation of companies toward sustainable energy by driving significant growth in renewable energy capacity and optimizing balanced power generation portfolio.

His academic and professional development reflects his commitment to excellence. Mr. Rubio completed advanced leadership and management programs at Columbia University, Nanyang Technological University, and Singapore Management University – Singapore Institute of Directors. He holds an MBA from the De La Salle University – Graduate School of Business and a Bachelor of Science degree in Industrial Management Engineering, with a minor in Mechanical Engineering, from De La Salle University – Manila.

Ryan Jerome T. Chua, 39, Filipino, Director

Mr. Ryan Jerome T. Chua has served as Vice President for Business Development for MPIC since November 2021. He has close to twenty (20) years of end-to-end experience in direct investments, with broad-based experience across the Asia Pacific consumer, industrials, and infrastructure sectors. His experience also includes post-investment initiatives, including post-merger integration, development plan and execution, and strategic planning.

Mr. Chua earned his Bachelor of Science degree in Management Engineering from Ateneo de Manila University where he graduated cum laude and obtained his MBA from INSEAD.

Hazel Iris L. Buencamino, 38, Filipino, Director

Ms. Hazel Iris L. Buencamino leads the project development, execution, and operations teams of Solar Philippines. With a background in both the private and public sectors, Ms. Buencamino brings over seventeen (17) years of experience in project development, management, land acquisition, permitting, and regulatory compliance. Prior to joining Solar Philippines, she worked at the Philippine Senate as a member of the Legislative Staff.

Ms. Buencamino graduated from the University of the Philippines with a degree in Social Sciences (Area Studies), cum laude. She is also a Certified Project Manager and a lifetime Pi Gamma Mu International Honor Society in Social Sciences member.

Lydia B. Echauz, 78, Filipino, Lead Independent Director

Dr. Lydia B. Echauz serves as an Independent Director of publicly listed companies MERALCO, D&L Industries, Inc., and Shell Pilipinas Corp.

She is also a Director of FERN Realty Corporation, Riverside College, Inc., and NBS Educational Services, Inc. and a Trustee of SM Foundation, Inc., Akademyang Filipino Association, Inc., Mano Amiga Academy, Inc., and Museo del Galeon Foundation, Inc. She is also the Executive Director of the Henry Sy Foundation, Inc.

She was President of publicly listed Far Eastern University and of its three (3) affiliate schools for ten (10) years and was Dean of the DLSU Graduate School of Business. She was a Trustee of the De La Salle College of St. Benilde and Immaculate Conception Academy. She was also a Director of the Manila Tytana College, MCO Foundation, Inc., and Executive Director of the Association of Deans of Southeast Asian Graduate Schools of Management and Philippine Council President of the Association of Deans of Southeast Asian Institutes of Higher Learning. She also served as Director of the Development Bank of the Philippines, DBP Brokerage Insurance, Inc., and DBP Data Center, Inc.; Executive Director of the Jaime V. Ongpin Institute of Business and Government; and consultant to SM Prime Holdings, Inc.

Dra. Echauz earned her Doctor of Business Administration from De La Salle University, MBA from the Ateneo de Manila University, and Bachelor's Degree in Economics and Mathematics from St. Theresa's College.

Benjamin I. Espiritu, 72, Filipino, Independent Director

Dr. Benjamin I. Espiritu is a Certified Public Accountant, President of Risks Opportunities Assessment and Management (ROAM) Inc., Chairman of Banco de Mindoro, Inc., President of EC Ventures Corporation, and heads several other private corporations and two (2) family foundations. He is also an Independent Director of other publicly listed corporations, Central Azucarera de Tarlac, Dizon Copper-Silver Mines, Inc., NiHao Mineral Resources International, Inc., Intrastrata Assurance Corporation, and Liberty Insurance Corporation. He is also the President of the Mindoro Chamber of Commerce and Industry, Inc. and Chairman of the Board of Advisers of the Philippine Marine Corps.

He served as a Provincial Governor of Oriental Mindoro and a Brigadier General (Res) of the Armed Forces of the Philippines and former Commander of the Seventh (7^{th}) Marine Brigade for three (3) consecutive years from 2013 to 2015 and Philippine Navy Reserve Unit of the Year for six (6) consecutive years from 2012 to 2017.

In the academe, he was the former Chairman of the Board of Regents of Pamantasan ng Lungsod ng Maynila, Concurrent Chairman of the Board of Trustees of Ospital ng Maynila Medical Center, President of Don Bosco Technical College – Mandaluyong, and Dean of Far Eastern University – Makati. He was also Chairman of the Accounting, Finance, Business, and Governance Departments of De La Salle University Graduate School of Business, Program Coordinator of the Doctor of Business Administration Program, and Course Director of the Corporate Governance and Risk Management Program.

He earned his Doctor of Philosophy degree in Public Administration from the University of Santo Tomas, Master in National Security Administration degree from the National Defense College of the Philippines, MBA degree from De La Salle University, Bachelor of Science degree in Commerce, major in Accounting from De La Salle University, and completed the Naval Command and General Staff Course at the Naval Command and Staff College.

Rochel Donato R. Gloria, 60, Filipino, Treasurer, Chief Financial Officer, and Chief Risk Officer

Mr. Rochel Donato R. Gloria serves as Senior Vice President and the Chief Financial Officer ("**CFO**") of MGEN Renewables. Prior to this, he was Senior Vice President, CFO, and Chief Risk Officer of Global Business Power Corporation ("**GBPC**"). He is a seasoned executive bringing in 37 years of leadership experience in corporate finance, business development, and marketing from various industries, including energy, telecommunications, private equity, among others. Prior to joining GBPC, he served as Vice President and Head of Business Development and Corporate Planning for First Philec, Inc. He also served as First Vice President and Head for Energy Trading and Sales for Aboitiz Power Corporation.

Mr. Gloria holds an MBA from the Ateneo de Manila University Graduate School of Business. He graduated with a Bachelor of Science degree in Industrial Management Engineering, with a minor in Mechanical Engineering, from De La Salle University.

Dennis B. Jordan, 56, Filipino, Chief Operations Officer

Mr. Dennis B. Jordan serves as the President of TSPI, a wholly owned subsidiary of SPNEC. Mr. Jordan is a seasoned energy and infrastructure executive with over two (2) decades of leadership experience in strategy, project management, and sales and marketing gained from Australia and the Philippines.

Prior to joining the Company, he was the President and CEO of GNPower Mariveles Energy Center Ltd. Co. and President and Chief Operations Officer of AP Renewables, Inc. Mr. Jordan also held key leadership roles in Hearing Australia, JG Summit Petrochemical Corporation, and the Linde Group, through BOC South Pacific.

Mr. Jordan holds an MBA from De La Salle University Graduate School of Business and earned his Bachelor of Arts degree in Philosophy from the University of the Philippines – Diliman.

Minette O. Co, 46, Filipino, Head of Controllership

Ms. Minette O. Co is an accomplished finance and accounting professional with over 20 years of experience in the power and fast-moving consumer goods industries. She has held key roles in both the Philippines and Singapore, gaining extensive expertise in management reporting, financial modeling and analysis, forecasting, general and cost accounting, and cash management. Additionally, she holds a certification in internal audit. Prior to joining the Company, she held key roles in finance and controllership in Aboitiz Power Corporation.

Ms. Co graduated magna cum laude from the Ateneo de Manila University, earning a double Bachelor's Degree in Mathematics and Management Engineering.

Mary Ann D. Ballesteros, 47, Filipino, Chief Compliance Officer and Data Privacy Officer

Atty. Mary Ann D. Ballesteros heads the Compliance Division of MGEN. In addition to her role, she serves as the Chief Legal Counsel of MGEN. Her role is key in providing strategic direction for the Company.

She is a seasoned and highly respected energy professional given her extensive experience in her profession and the industry. Prior to joining MGEN, Atty. Ballesteros led the legal teams for renewables in Prime Infrastructure Capital, Inc. ("**Prime**"), Aboitiz Power Corporation, and AC Energy, Inc. In these various roles, including her current role at MGEN, she provides direction and oversight on compliance matters from pre-development to operation stages of power projects. She also is tasked with MGEN's corporate governance, ensuring relationships with and accountability to various stakeholders are done with utmost transparency, fairness, and ethical conduct that is aimed at cultivating trust and mitigating risks while ensuring the company adopts responsible business practices.

Atty. Ballesteros earned her Bachelor of Arts degree in Philosophy and Bachelor of Laws degree from the University of the Philippines and began her career as a lawyer with De Borja Medialdea Bello Guevarra & Gerodias.

Jo Marianni P. Ocampo-Jalbuena, 41, Filipino, Corporate Secretary

Atty. Jo Marianni P. Ocampo-Jalbuena serves as Head of Commercial Transactions/Senior Legal Counsel of MGEN. She is a seasoned legal professional bringing in her expertise in legal advisory, due diligence, and transaction negotiation. She is highly adept in contract drafting and review, whether in the ordinary course of business or in relation to big-ticket projects covering mergers and acquisitions, loans, and project finance, among others.

Prior to joining MGEN in 2022, she was the Head of Legal for MetroPac Movers, Inc., the logistics arm of MPIC. Atty. Ocampo-Jalbuena received her primary legal practice training from SyCip Salazar Hernandez & Gatmaitan.

Atty. Ocampo-Jalbuena completed her Juris Doctor degree from the Ateneo de Manila University. She completed her Bachelor of Science degree in Business Administration at the University of the Philippines – Diliman.

Doris S. Te, 45, Filipino, Assistant Corporate Secretary

Atty. Doris S. Te serves as a Legal Counsel of MGEN. She has extensive experience in corporate governance and corporate housekeeping, having previously served as Assistant Corporate Secretary of Filinvest Land, Inc., Filinvest Development Corporation, United Coconut Planters Bank, and Landbank Securities, Inc. She was also previously the Corporate Secretary of Philippine National Bank and various entities affiliated with Vena Energy Shared Services Pte. Ltd. ROHQ.

Atty. Te obtained her Bachelor of Science degree in Management in 2001 and earned her Juris Doctor degree in 2005 from the Ateneo de Manila University.

On the other hand, below are the profiles and the business experiences for the last five (5) years of the new nominees for election to the Board of Directors:

Pedro O. Roxas, 70, Filipino, Nominee for Independent Director

Mr. Pedro O. Roxas is an experienced business leader and independent director since 25 May 2010, with extensive expertise in corporate governance, risk management, and strategic planning across the real estate, energy, and infrastructure sectors.

Mr. Roxas is Chairman of the Board of Directors of the Roxas and Company, Inc., Roxas Holdings, Inc., and Club Punta Fuego, Inc., where he leads strategic direction and governance. He also serves as Independent Director for GBPC, MGEN, LNGPH, and MERALCO, as Director for Roxaco Land Corporation, and as Independent Advisor for MPIC. Finally, he also serves as a member of the Board of Directors of Brightnote Assets Corporation.

He holds a Bachelor's Degree in Business Administration from the University of Notre Dame based in Indiana, United States of America.

Lucky Jasper B. Virola, 52, Filipino, Nominee for Regular Director

Mr. Lucky Jasper B. Virola is a Senior Vice President and the Chief Financial Officer of MGEN. He leads the company's capital strategy across conventional and renewable energy assets.

Further, he is a member of the Board of Directors of MGEN Renewables, MGEN Renewables International Limited, FPM Power Holdings, MPG Asia Limited, and Pacific Light entities, including their power, renewables, and energy divisions.

An alumnus of the University of the Philippines – Diliman and De La Salle Graduate School of Business, Mr. Virola brings extensive financial leadership experience and plays a key role in advancing MGEN's growth and energy transition strategy.

Jan Nicklaus S. Bunag, 39, Filipino, Nominee for Assistant Corporate Secretary

Atty. Jan Nicklaus S. Bunag currently serves as a Legal Counsel at MGEN where he is responsible for the corporate housekeeping, compliance, and governance requirements of the SPNEC Group. Prior to joining MGEN, he held similar roles/functions in Suntrust Resort Holdings, Inc., AgriNurture, Inc., and Greenergy Holdings Incorporated, all publicly listed corporations in the Philippines. He also has extensive experience in mergers and acquisitions, due diligence, and contract review.

Atty. Bunag obtained his Bachelor of Arts degree in Political Science, cum laude, in 2007 from the Ateneo de Manila University and his Juris Doctor degree in 2012 from the College of Law of the University of the Philippines.

Term of Office of Directors

The directors are elected by the stockholders entitled to vote. Each director holds office for a period of one (1) year and until the next annual election when his/her successor is duly elected and qualified, unless he/she resigns, dies, or is removed prior to said next annual election.

Nomination of Candidates for Election to the Board of Directors

Under the Corporation's Manual on Corporate Governance, any stockholder may nominate candidates for election to the Board of Directors, including independent directors, by sending a nomination letter to the Corporate Governance Committee stating therein, among other things, the nominee's name, age, principal occupation, number of shares of the Company owned, and interests in and positions held in other corporations. The Corporate Governance Committee shall then determine whether the nominees have all the qualifications and none of the disqualifications pursuant to relevant laws and regulations.

The nominees for election to the Board of Directors on 25 May 2026 are as follows:

1. Mr. Manuel V. Pangilinan
2. Mr. Lance Y. Gokongwei
3. Mr. Emmanuel V. Rubio
4. Mr. Lucky Jasper B. Virola
5. Mr. Ryan Jerome T. Chua
6. Ms. Hazel Iris L. Buencamino
7. Mr. Pedro O. Roxas (for Independent Director)
8. Dra. Lydia B. Echauz (for Independent Director)
9. Dr. Benjamin I. Espiritu (for Independent Director)

The profiles of the foregoing are provided in this Information Statement.

The nominees meet the qualifications and none of the disqualifications to serve as directors of the Company.

Attached as **Annex "B"** is the certification issued by the Corporate Secretary that none of the current members of the Board of Directors and Corporate Officers and none of the nominees for election to the Board of Directors are appointed/employed in any government agency.

Likewise attached hereto as **Annexes "C" to Annex "E"** are the certifications of the candidates for election as independent directors of the Company for the ensuing year pertaining to their compliance with SRC Rule 38 on the qualifications and disqualifications of independent directors.

Resignation of Directors

To date, no incumbent Director declined to stand for re-election due to a disagreement with the Company on any matter relating to the Company's operations, policies, or practices, and the required disclosures relevant to the existence thereof.

Attendance of Directors in Board and Committee Meetings

Below is the record of attendance of the Directors in 2025:

a. Attendance in Board Meetings

Name	Position	No. of Meetings Attended	Percentage
Manuel V. Pangilinan	Chairman	12 out of 13	92.31%
Leandro Antonio L. Leviste[18]	Vice Chairman	12 out of 13	92.31%
Lance Y. Gokongwei	Director	13 out of 13	100%
Emmanuel V. Rubio	Director	13 out of 13	100%
Hazel Iris L. Buencamino	Director	11 out of 13	84.61%
Ryan Jerome T. Chua	Director	13 out of 13	100%
Benjamin I. Espiritu	Independent Director	13 out of 13	100%
Lydia B. Echauz	Independent Director	13 out of 13	100%

b. Attendance in Committee Meetings

Name	Audit Committee	Corporate Governance Committee	Risk Oversight and Related Party Transactions Committee
Manuel V. Pangilinan	N.A.	N.A.	N.A.
Leandro Antonio L. Leviste[19]	6/7	3/4	3/3
Lance Y. Gokongwei	2/3[20]	N.A.	3/3
Emmanuel V. Rubio	N.A.	2/2[21]	N.A.
Hazel Iris L. Buencamino	N.A.	N.A.	N.A.
Ryan Jerome T. Chua	7/7	4/4	3/3
Benjamin I. Espiritu	7/7	4/4	3/3
Lydia B. Echauz	7/7	4/4	3/3

Significant Employees

The Company considers the collective efforts of all its employees as instrumental to the overall success of its performance. There is no employee who is not an executive officer who is expected to make, on his/her own, a significant contribution to the business.

[18] Resigned from the Board of Directors on 23 January 2026.
[19] Resigned from the Board of Directors, and effectively from all its Committees, on 23 January 2026.
[20] Elected to the Audit Committee only on 26 May 2025.
[21] Elected to the Corporate Governance Committee only on 26 May 2025.

Family Relationships

There are no known family relationships up to the fourth (4^{th}) civil degree either by consanguinity or affinity among the current members of the Board of Directors and key officers of the Company.

Involvement in Legal Proceedings

Except in the instance described below, to the best of the Company's knowledge, there has been no occurrence during the past five (5) years up to the date of this Information Statement of any of the following events that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, or executive officer:

- Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two (2) years prior to that time;
- Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- Being subject to any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting his/her involvement in any type of business, securities, commodities, or banking activities; and
- Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

As of the date of filing of this Information Statement, Mr. Pedro O. Roxas, a nominee for election as independent director of the Company for the ensuing year, is currently being investigated for Estafa and Other Deceits under the Revised Penal Code by the Office of the City Prosecutor of Makati City. Pacific Sugar Holdings, Inc. filed the complaint against the officers and employees of San Carlos Bioenergy, Inc., which included Mr. Roxas, for the alleged non-payment of purchased molasses. Mr. Roxas was not involved in the transaction, both during negotiations and the delivery of the goods.

Certain Relationships and Related Transactions

Pursuant to the Company's Material Related Party Transactions ("**RPT**") Policy, the RPT Committee shall review and consider the following factors for RPTs:

- The terms of the transaction;
- The aggregate value of the transaction;
- Whether the transaction is arm's length;
- Whether the transaction will benefit the Company or expose it to unwarranted risks or contingencies, taking into account the size of the transaction and the overall financial position of the related party;
- The extent of the related party's interest in the transaction;
- Whether the transaction is properly supported and documented through transfer pricing documentation; and
- Other factors the Related Party Transactions Committee deems relevant.

The RPT Committee is entitled to request for documentation and information it deems necessary to complete its review.

In the event of a favorable recommendation, the RPT Committee shall endorse the material RPT to the Board of Directors for approval. The Board of Directors should appoint an external independent party to evaluate the fairness of the terms of the material RPT. An external independent party may be an auditing/accounting firm, third-party consultant, or appraiser.

The Company has no other transactions with other parties (outside the definition of "related parties") that enable the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm's length basis.

Parties are considered to be related if, among others, 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, the parties are subject to common control, or the party is an associate or a joint venture. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Affiliates are related entities of the group by virtue of common ownership and representation to management where significant influence is apparent.

Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

a. Solar Philippines Power Project Holdings, Inc.

Management Services Agreement ("**MSA**") between SPNEC and SP Project Holdings

On April 30, 2021, the Parent Company entered into a MSA with SP Project Holdings to provide executive and leadership support and execute its strategic direction while managing its business operations for a period from May 1, 2021 to April 30, 2024, for a monthly fee of ₱2.0 million, subject to 5% annual escalation. The MSA was not renewed upon expiration.

The MSA covers all necessary administrative and advisory services on management, investment and technical matters involving the Parent Company's operations, including but not limited to human resources, legal, finance, and information technology.

The key administrative and finance functions are performed by SP Project Holdings through the MSA. Management fee recognized for the years ended December 31, 2024, 2023 and six-month period ended December 31, 2022 amounted to ₱11.0 million, ₱26.0 million and ₱12.8 million, respectively, presented as "Management fees" under "General and administrative expenses" in the consolidated statements of income. Total management fee recognized in the consolidated statements of income amounted to nil in 2025, ₱8.8 million in 2024, and ₱26.0 million in 2023.

Construction Support Services Agreement ("**CSSA**") with SP Project Holdings

On September 30, 2022, the Parent Company entered into a CSSA with SP Project Holdings wherein SP Project Holdings shall provide support services, including engineering, procurement and construction ("**EPC**"), logistics, warehousing and other contractor-related services during the construction of the Parent Company's Phase 1 Project.

Construction support services billed for the years ended December 31, 2024 and 2023 amounted to ₱12.0 million and ₱38.0 million, respectively, which were capitalized as part of Construction-in-Progress ("**CIP**").

Administrative Services Contract ("**ASC**") between SP Calatagan and SP Project Holdings

On May 27, 2020, SP Calatagan entered into an administrative service contract with Solar Philippines Commercial Rooftop Projects, Inc. ("**SPCRPI**"), an affiliate, to provide necessary and advisory services on management, investment and technical matters involving SP Calatagan's operations, including but not limited to human resources, legal, finance and information technology. Under the contract, SP Calatagan shall pay SPCRPI a monthly fee of ₱1.0 million for a period of ten (10) years from January 1, 2020. On January 22, 2021, SPCRPI executed a Deed of Assignment transferring all of its rights and obligations under the administrative service contract to SP Project Holdings. SP Calatagan recognized professional fees amounting to ₱9.0 million and ₱12 million in 2024 and 2023, respectively, which is presented as part of "Management fees" under "General and administrative expenses" in the consolidated statements of income. The contract is now for a period of ten (10) years until December 31, 2030 unless pre-terminated. Total administrative services fee recognized in the consolidated statements of income was 12.0 million for each of 2025, 2024, and 2023.

Intercompany Advance Agreement ("**IAA**") between SPNEC, SP Project Holdings, and Terra Nueva

In May 2023, the Board of Directors of the Parent Company approved the authority to enter in a loan arrangement with SP Project Holdings in which SP Project Holdings may lend to the Parent Company an amount up to the net proceeds of the Share Purchase Agreement with MPIC (net of taxes, costs, and fees), under the terms and conditions approved and recommended for board approval by the Related Party Transactions Committee of the Parent Company, and the proposed on-lending from the Parent Company to Terra Nueva of the proceeds of this loan.

In June 2023, the Parent Company executed an IAA with SP Project Holdings whereby SP Project Holdings extended a one (1) year loan to the Parent Company wherein the latter shall exclusively use the proceeds of the loan for on-lending to Terra Nueva. Per IAA, the Parent Company shall not directly or indirectly use the proceeds of the Loan for any other purpose without SP Project Holdings' prior written consent.

On the same date, SPNEC executed an IAA with Terra Nueva whereby the Parent Company extended a one (1) year loan to Terra Nueva which was used exclusively to acquire Project Lands, as defined in the IAA. Per IAA, Terra Nueva shall not directly or indirectly use the proceeds of the Loan for any other purpose without the Lender's prior written consent.

In 2023, the Parent Company received advances from SP Project Holdings amounting to ₱300.0 million which were then subsequently advanced to Terra Nueva. In 2024, the Parent Company fully settled these advances from SP Project Holdings.

Service Agreement with Terra Solar and SP Project Holdings

On April 19, 2024, Terra Solar and SP Project Holdings entered into a Service Agreement to assist in securing permits, licenses and clearances from relevant government agencies. Terra Solar paid ₱688.0 million which was capitalized as part of CIP.

On April 11, 2025, SP Project Holdings confirmed that the shareholder advances it made to SP Tarlac amounting to ₱322.4 million have been assigned to the Parent Company when it subscribed to 24.37 billion of SPNEC shares in exchange for assets, which included SP Project Holdings' shares in the Company in February 2022.

b. LHHC

MOA with LHHC

On April 19, 2021, the Parent Company entered into a MOA with LHHC to secure land covering a total area of 56.81 hectares for a total amount of ₱270.0 million. As of December 31, 2024 and 2023, title to the land has not been turned over to the Parent Company. Accordingly, ₱270.0 million continues to be presented as part of "Deposits for land acquisition" in the consolidated statements of financial position. As of April 21, 2026, title to the land has not been turned over to the Parent Company.

c. PIC

MOA with PIC

On February 20, 2021, the Parent Company entered into a MOA with PIC, which was later amended on March 3, 2021, to secure land covering a total area of 68.62 hectares for a total amount of ₱267.0 million. As of December 31, 2024 and 2023, title to the land has not been turned over to the Parent Company. Accordingly, ₱267.0 million continues to be presented as part of "Deposits for land acquisition" in the consolidated statement of financial position. As of April 21, 2026, Provincia has not turned-over the title to such property to SPNEC.

d. Solar Maintenance Services Corporation ("**SMSC**")

Support Services Agreement between the Parent Company and SMSC

On September 29, 2022, the Parent Company entered into a Support Services Agreement with SMSC, an affiliate of the Parent Company, wherein SMSC shall provide support services during the construction and development of the Parent Company's Phase 1 Project. Manpower services recognized for the years ended December 31, 2024 and 2023 amounted to ₱19.2 million and ₱43.6 million, respectively, which were capitalized in CIP.

Property Management Agreement between SP Calatagan and SMSC

SP Calatagan has annual property management agreement with SMSC to maintain and manage the solar power plant. In January 2022, SP Calatagan renewed its contract for a period of one year until December 31, 2022. The agreement was automatically renewed and extended for another period of one year, subject to standard escalation of service fee. In 2024 and 2023, SP Calatagan recognized outside services amounting to ₱20.7 million and ₱9.9 million, respectively, presented as part of "Costs of sales and services" in the consolidated statements of income.

Operation and Maintenance Agreement between SP Tarlac and SMSC

SP Tarlac entered into an Operation and Maintenance Agreement with SMSC for the latter to operate, maintain and manage SP Tarlac's solar power plant for 20 years. For the years ended December 31, 2024 and 2023, SP Tarlac recognized manpower services amounting to ₱23.5 million and ₱14.5 million, respectively, which is presented as part of "Costs of sales and services" in the consolidated statements of income. This was terminated on July 30, 2025. SP Tarlac recognized manpower services amounting to 13.8 million, 23.5 million and 23.0 million in 2025, 2024 and 2023, respectively, presented as part of "Costs of sale of electricity" in the consolidated statements of income.

e. Meralco Industrial Engineering Services Corporation ("**MIESCOR**")

Contract for Works with Terra Solar

On March 1, 2024, Terra Solar and MIESCOR executed the Contract for Works to conduct geotechnical investigations for the Terra Solar Project for a contract price of ₱62.4 million.

On August 20, 2024, the parties executed the Contract for Engineering, Design, Supply, Construction, Testing and Commissioning for the Connection Assets to carry out various works for the Terra Solar Project for a contract price of ₱7.8 billion and ₱6.7 billion (US$116.9 million) for onshore and offshore works, respectively. The construction of the connection assets is expected to be completed by October 2025.

In 2024, Terra Solar issued Limited Notices to Proceed to commence work on certain portions of the scope of works specified in the contracts.

As of December 31, 2025 and 2024, retention payable amounted to 198.3 million and 11.8 million, respectively.

Engineering, Procurement and Construction Contract for the Transmission Lines for SPNEC

In relation to the NE 2 Project, the Parent Company entered into an EPC contract with MIESCOR in July 2022, for the 11.4 km 230 kV transmission line necessary to connect the Parent Company's Power Plant to the NGCP Cabanatuan Substation, and provide the necessary services, equipment and materials. The project was terminated in July 2025. Service fees of ₱19.1 million and ₱181.4 million were capitalized to Construction in Progress in 2025 and 2024, respectively. As of December 31, 2025 and 2024, retentions payable amounted to ₱24.3 million and ₱21.5 million, respectively.

f. Global Business Power Corporation ("**GBPC**")

Service Agreement with Terra Solar

On July 29, 2024, Terra Solar entered into a Service Agreement with GBPC, a subsidiary of MGEN Renewables, to provide support services for project development and business operations until December 31, 2024. The service agreement was extended until June 30, 2025.

Service fees incurred from GBPC amounted to ₱27.2 million presented as part of "Management fees" under "General and administrative expenses."

Service fees incurred amounted to ₱8.2 million and ₱27.2 million in 2025 and 2024, respectively, and are recognized under "General and Administrative Expenses." There was no service fee incurred in 2023. The contract was terminated on June 30, 2025.

g. MGEN Renewables

Service Agreement with Terra Solar

On July 29, 2024, Terra Solar entered into a Service Agreement with MGEN Renewables, to provide support services for project development and business operations until December 31, 2024. Terra Solar paid a monthly fee based on actual cost of services plus 5.0% margin. In 2024, service fees incurred amounted to ₱110.7 million, of which ₱81.3 million was capitalized as part of construction in progress and ₱29.4 million was presented as part of "Management fees" under "General and administrative expenses". The service agreement is extended until June 30, 2025.

h. MNEC

Master Agreemnt between Terra Nueva and MNEC

In 2024, Terra Nueva executed a Master Agreement with MNEC to acquire rights, interests and title over parcels of land covering a total land area of 547.25 hectares from MNEC, subject to terms and conditions, for a total contract price of ₱922.4 million.

Upon execution of the agreement, Terra Nueva paid ₱445.6 million to MNEC. Of this amount, the Deed of Absolute Sale ("**DOAS**") and transfer of titles of the parcels of land amounting to ₱78.7 million have not yet been executed. Accordingly, Terra Nueva recognized a non-trade receivable from MNEC as of December 31, 2024.

As of December 31, 2025 and 2024, the DOAS and corresponding transfers of land titles amounting to ₱90.8 million and ₱78.7 million, respectively, had not yet been executed. Accordingly, the Company recognized these amounts as non-trade receivables from MNEC.

i. Individual Stockholder

MOA Individual Stockholder for SP Calatagan

On February 12, 2019, SP Calatagan entered into a MOA an Individual Stockholder to purchase 87.50 hectares of land for ₱421.6 million as part of land-related costs under "Deposits for land acquisition" account. As of December 31, 2024 and 2023, title to the land has not been turned over to SP Calatagan. Accordingly, ₱421.6 million continues to be presented as "Deposits for land acquisition" in the consolidated statement of financial position.

On June 28, 2019, the 87.50 hectares of land specified in the MOA were pledged as part of the securities to obtain a loan facility of SP Tarlac.

Following the prepayment of the loan in May 2025 by SP Tarlac, the mortgage on the property was cancelled. As of December 31, 2025, the amount paid to the shareholder is recorded under "Deposits for land acquisition" account, pending transfer of the title to SP Calatagan.

j. MGEN

Service Agreement between MGEN and Terra Solar

Terra Solar executed a MSA with MGEN to provide management service functions for annual consideration specified in the agreement from January 1, 2024 up to June 30, 2027.

In 2025, Terra Solar recognized management fees amounting to ₱184.9 million capitalized as part of CIP.

Except for the material related party transactions described in the Notes to the Audited Financial Statements of the Company and elsewhere in this Information Statement, there has been no material transaction during the last two (2) years to which the Company was or is a party, in which any director, executive officer, or employee, past or present, any nominee for election as director, stockholder of more than ten percent (10%) of the Company's voting shares, and any member of the immediate family (including spouse, parents, children, siblings, and in-laws) of any such director or officer or stockholder of more than ten percent (10%) of the Company's voting shares had or is to have a direct or indirect material interest.

Item 6. Compensation of Directors and Executive Officers

There are no matters or actions to be taken up in the meeting with regard to: (i) any bonus, profit sharing, or other compensation plan, contract, or arrangement in which any director, nominee for election as a director, or executive officer of the Company will participate, (iii) any pension or retirement plan in which any such person will participate, or (iii) the granting or extension to any such person of any option/s, warrant/s, or right/s to purchase any securities, other than warrants or rights issued to security holders as such, on a pro rata basis. Neither is a solicitation to be made on behalf of persons, including the Company.

The Company did not employ any personnel from 31 December 2017 to 30 April 2021. During this period, the Company's operations, business development, administrative, and finance functions were handled by its then parent corporation, SPPPHI. On 30 April 2021, the Company entered into an MSA with SPPPHI to provide executive and leadership support and execute its strategic direction while managing its business operations from 1 May 2021 to 30 April 2024 for a monthly fee of PhP2,000,000.00 or PhP24,000,000.00 per year. The MSA covered all necessary administrative and advisory services on management, investment, and technical matters involving the Company's operations, including, but not limited to, human resources, legal, finance, and information technology. The executive compensation of the Company's officers was part of the MSA and was paid to SPPPHI for its executive and leadership support.

With the management transition brought about by the entry of MGEN Renewables, the Company is in the process of structuring a new management services framework. This includes identifying the appropriate scope, service provider, and financial terms. The proposed arrangement—covering management support, including executive functions—is undergoing internal review and will be subject to endorsement by the RPT Committee and subsequent approval by the Board of Directors.

Regular Directors do not receive per diem or monthly compensation. Below are the fees received by the Company's Independent Directors:

	Year	**Fees**	**Bonus**	**Other Compensation**
Aggregate directors' fees for Independent Directors	Actual FY 30 June 2022	₱1.8 million	N.A.	N.A.
	Actual FY 31 December 2022 (6 months)	₱1.8 million		
	Actual FY 31 December 2023	₱3.6 million		
	Actual FY 31 December 2024	₱1.9 million[22]		
	Actual FY 31 December 2025	₱4.3 million		

Below is the breakdown of the aggregate per diems received by the Independent Directors in 2025:

[22] Booked and paid in 2025.

Name of Independent Director	Total Per Diems Received in 2025 (in PhP)
Pedro Emilio O. Roxas[23]	400,000.00[24]
Lydia B. Echauz	1,827,777.78
Benjamin I. Espiritu	2,027,777.78

Employment Contracts and Other Arrangements

As of the date of this Information Statement, the Company has no existing arrangements with members of the Board of Directors, executive officers, and employees other than the MSA. There are no special employment contracts between the Company and its executive officers. Further, there are no special retirement plans for executives. There is also no special compensation to be received from the Company.

Warrants and Options Outstanding

As of the date of this Information Statement, there are no outstanding warrants or options held by Directors and Corporate Officers nor are there any adjustments in the exercise price of said warrants or options.

Item 7. Independent Public Accountants

SyCip Gorres Velayo & Co. ("**SGV**") is a public accounting firm accredited by the SEC as a Group A auditing firm for public companies. Aside from the SEC, it is also accredited as an auditing firm by the Board of Accountancy, Bangko Sentral ng Pilipinas, Insurance Commission, and the Bureau of Internal Revenue. Globally, SGV is a member firm of Ernst & Young Global Limited.

SGV has acted as the Company's external auditor since its incorporation. The Audited Financial Statements of the Company have been audited by SGV. The Company has not had any material disagreements on accounting matters or financial disclosure matters with SGV.

There are no plans to change independent auditors for the succeeding years.

Pursuant to SRC Rule 68(3)(b)(iv), the appointment of a signing partner of an auditing firm shall not exceed seven (7) consecutive years. Mr. Leovina Mae V. Chu commenced as engagement partner of the Issuer in 2024. Hence, the engagement of SGV as the Issuer's external auditor complies with the requirement on rotation of external auditors under SRC Rule 68(3)(b)(iv).

Representatives of SGV are expected to be present at the Annual Stockholders' Meeting on 25 May 2026 at 4:30 PM to respond to appropriate questions and will be given the opportunity to make a statement if they desire to do so.

Changes in and Disagreements with Accountants on Accounting Policies and Financial Disclosure

There are no changes in or disagreements with accountants on accounting policies and financial disclosures.

Audit and Non-Audit Related Fees

The following table sets out the aggregate fees billed for each of the last three (3) calendar years for professional services rendered by SGV:

[23] Resigned from the Company on 10 June 2024.
[24] Only paid in 2025.

Amounts in Thousands of Philippine Pesos	**December 31, 2023**	**December 31, 2024**	**December 31, 2025**
Audit and Audit-Related Fees	4,238	2,364	2,659
Non-Audit Services	1,091	2,306	3,109
Total	**5,329**	**4,670**	**5,768**

The fees for professional services are those rendered for the audit of the Company's annual financial statements and services that are normally provided by the external auditor in connection with the Company's statutory and regulatory filings or engagements for 2025. Non-audit services rendered by the external auditor in 2025 involved engagements on quarterly review and agreed-upon procedures such as assistance in connection with the post clearance audit of the Bureau of Customs.

Audit Committee

Under its Manual on Corporate Governance, as revised, the Company's Audit Committee assists the Board of Directors in the performance of its oversight responsibility for the financial reporting process, system of internal controls, audit process, and monitoring of compliance with applicable laws, rules, and regulations. It is responsible for, among others: (i) recommending the appointment of external auditors whose report they review, (ii) monitoring the system of internal controls and corporate compliance with laws, regulations, and codes of ethics, and (iii) serving as a direct channel of communications to the Board of Directors for the internal auditors. The Audit Committee also performs oversight functions over the Company's external auditors. It ensures that the internal and external auditors act independently of each other, and that both are given unrestricted access to all records, properties, and personnel to enable it to perform their respective audit functions. Further, prior to the commencement of the audit, the Audit Committee shall discuss with the external auditor the nature, scope, and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.

The Audit Committee is also responsible for evaluating and pre-approving the non-audit work, if any, of the external auditor, and reviewing periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with their duties as an external auditor or may pose a threat to their independence. The non-audit work, if allowed, should be disclosed in the Company's annual report.

The current members of the Issuer's Audit Committee are as follows:

Chairman	- Dr. Benjamin I. Espiritu
Member	- Dra. Lydia B. Echauz
Member	- Mr. Lance Y. Gokongwei
Member	- Mr. Leandro Antonio L. Leviste[25]
Member	- Mr. Ryan Jerome T. Chua

Item 8. Compensation Plans

No action will be taken during the Annual Meeting as regards any plan pursuant to which cash or non-cash compensation may be paid or distributed.

[25] Resigned from the Board of Directors, and effectively from all its Committees, on 23 January 2026.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other Than for Exchange

No action is to be taken with respect to the authorization or issuance of securities other than for exchange.

Item 10. Modification or Exchange of Securities

No action is to be taken with respect to the modification of outstanding securities or exchange of the Company's securities.

D. MANAGEMENT REPORT

Item 11. Financial and Other Information

The summary of financial information is based on the Consolidated Financial Statements as of 31 December 2025 and 2024, and for the twelve (12)-months period ended 31 December 2025, which were prepared in accordance with the Philippine Financial Reporting Standards (**"PFRS"**) and should be read in conjunction with the financial statements and notes contained in this report.

Description of General Nature and Scope of Business

SPNEC was incorporated and registered with the SEC on 23 November 2016, primarily to construct, erect, assemble, commission, operate, and maintain power-generating plants, installations, shops, laboratories, pipelines, repair shops, electrical works, powerhouses, warehouses, terminals, and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution; to promote and undertake research, development, utilization, manufacture, sale, marketing, distribution, and commercial application of new, renewable, non-conventional, and environment-friendly energy sources and systems, including, but not limited to, solar, wind, water, heat, steam, ocean, tidal, biomass, biogas, chemical, mechanical, electrical, synthetic, agricultural, and other natural, fossil or non-fossil fuel-based, artificial, organic, or otherwise, and of energy systems that use new, renewable, and any energy resource applying new and efficient energy conversion and/or utilization technologies for commercial application, and to perform other ancillary and incidental activities as may be provided by and under contract with the government of the Republic of the Philippines or any subdivision, instrumentality, or agency thereof, or any government-owned and controlled corporation, or other entity engaged in the development, supply, and distribution of renewable energy.

SPNEC holds 100% and, therefore, absolute controlling interest in Terra Nueva, Inc. (**"TNI"**). TNI was incorporated and registered with the SEC on 31 August 2022, primarily to purchase, or otherwise acquire the stocks, bonds, and other securities or evidence of indebtedness of any other corporation, association, firm or entity, domestic or foreign, and to issue in exchange therefor its own stocks, bonds, or other obligations or to pay therefor in cash, or otherwise; to hold or own, use, sell, issue, deal in, dispose of, and turn to account, any such stocks, warrants, options, bonds, or other securities, and while the owner or holder thereof, to exercise all the rights and powers of ownership including the right to vote thereon for any purpose; to acquire, take over, hold and control all or any part of the business, goodwill, property and other assets, and to assume or undertake the whole or any part of the liabilities and obligations of any person, firm, association, or corporation, whether domestic or foreign, and whether a going concern or not, engaging in or previously engaged in business which the corporation is or may become authorized to carry on or which may be appropriate or suitable for any and all of the purposes of the corporation or otherwise, and to pay for the same in cash or in stocks, bonds or securities of the corporation or otherwise, and to hold, manage, operate, conduct and dispose of, in any manner, the whole or part of any such acquisition, and to exercise all the powers necessary or convenient for the conduct and management thereof; provided that the corporation shall not act as dealer and broker of securities.

Material Events

<u>Acquisition and Buy-Back of Solar Philippines Assets</u>

In 2023, SPNEC executed several Deeds of Absolute Sale of Shares with certain affiliates for the following transactions:

Date	Counterparty	Asset Acquired	Consideration (in millions)
15 May 2023	SP Project Holdings	SPTC	₱2,241.7
		SP Rooftop	₱100.7
9 June 2023		Solar Philippines Assets[26]	₱80.0
29 June 2023		SPCC	₱502.8
20 November 2023	Leandro Antonio L. Leviste	SPCC	₱245.9

On 9 November 2023, SPNEC entered into a Deed of Donation and Acceptance with Countryside Investments Holdings Corporation ("**Countryside**"), whereby Countryside donated and conveyed all its rights and obligations in SP Holdings, Inc. ("**SP Holdings**") to SPNEC.

Pursuant to the Option Agreement dated 12 October 2024, executed by and among SPNEC, SP Project Holdings and MGEN Renewables (as assignee of MGEN under the Deed of Assignment and Assumption), SPNEC has the right and option to require SP Project Holdings to purchase certain assets comprising of shares in SPNEC subsidiaries, excluding SP Calatagan, SP Tarlac and Terra Solar (the "**Put Option**"). On 12 August 2024, the Board of Directors of SPNEC approved the exercise of the Put Option.

Pursuant to SPNEC's exercise of the Put Option as set out in its notice dated 28 August 2024, SPNEC and SP Project Holdings executed a Deed of Absolute Sale of Shares dated 2 September 2024, covering SPNEC's full equity interest in the following entities for a total consideration of ₱ 80.0 million:

- Solar Philippines Rooftop Corporation
- Solar Philippines Batangas Corporation
- Solar Philippines Batangas Baseload Corporation
- Solar Philippines Central Luzon Corporation
- Solar Philippines Central Visayas Corporation
- Solar Philippines Eastern Corporation
- Solar Philippines Retail Electricity, Inc.
- Solar Philippines Southern Mindanao Corporation
- Solar Philippines Southern Tagalog Corporation
- Solar Philippines South Luzon Corporation
- Solar Philippines Tarlac Baseload Corporation
- Solar Philippines Visayas Corporation
- Solar Philippines Western Corporation
- Laguna Rooftop Solar Corporation

(the "**Solar Philippines Assets**").

Mr. Leandro L. Leviste is the majority shareholder of SP Project Holdings and Countryside.

[26] Comprised of Solar Philippines Batangas Corporation, Solar Philippines Batangas Baseload Corporation, Solar Philippines Central Luzon Corporation, Solar Philippines Central Visayas Corporation, Solar Philippines Eastern Corporation, Solar Philippines Retail Electricity, Inc., Solar Philippines South Luzon Corporation, Solar Philippines Southern Mindanao Corporation, Solar Philippines Southern Tagalog Corporation, Solar Philippines Tarlac Baseload Corporation, Solar Philippines Visayas Corporation, Solar Philippines Western Corporation, Laguna Rooftop Solar Corporation and Terra Solar Philippines, Inc.

Investment of Metro Pacific Investments Corporation

On 27 March 2023, MPIC entered into a Share Purchase Agreement ("**SPA**") with SPPPHI to acquire its rights, title and interest in and to SPNEC for a total of 1,600.0 million common shares (Sale Shares) for a total consideration of ₱2,000.0 million.

On 5 May 2023, SPNEC entered into an Option Agreement with SPPPHI and MPIC, which grants the MPIC Group the option to acquire up to 17,400.0 million shares of the SPNEC, comprising up to 10,000.0 million primary shares for up to ₱12,500.0 million (Primary Option) and up to 7,400.0 million secondary shares for up to ₱9,250.0 million (Secondary Option), supported by the approval of SPNEC's increase in authorized capital stock from 10,000.0 million to 50,000.0 million shares. Together with the initial acquisition by MPIC from SPPPHI of the Sale Shares, a full exercise of these options may result in the MPIC Group investing a total of ₱23,750.0 million for 19,000.0 million shares and becoming the largest shareholder with approximately 42.82% ownership in SPNEC. The Option Agreement was terminated effective 12 October 2023.

Investment by MGEN Renewable Energy, Inc.

On 30 November 2023, SPNEC entered into a Subscription Agreement with MGEN Renewables, the renewable energy development arm of MGEN, to subscribe (i) 15.7 billion common shares with par value of ₱1.0 per share and (ii) 19.4 billion preferred shares with par value of ₱0.01 per share for a total subscription price of ₱15.9 billion. MGEN is a wholly owned subsidiary of the Manila Electric Company, the country's largest private sector electric distribution utility company. The transaction will support the expansion of the Company's project portfolio, including the development of a planned 3.5 GW solar power plant and 4.5 GWh of battery storage.

On the same date, SPNEC received partial cash subscription from MGEN Renewables amounting to ₱7.0 billion, and the balance amounting to ₱8.9 billion was received on 27 December 2023.

On 6 December 2023, SPNEC filed its application for an increase in authorized capital stock (the "**ACS Increase Application**") with the SEC. On 17 January 2024, the SEC approved SPNEC's ACS Increase Application, which approval was received by SPNEC on 19 January 2024. On the same day, SPNEC issued the subscription shares to MGEN Renewables, resulting in the latter owning 50.53% of the total outstanding capital stock of SPNEC.

Subsequently, on 26 January 2024, MGEN Renewables purchased 2,173,913,000 common shares held by SPPPHI for a total consideration of PhP2,499,999,950.00. With this, MGEN Renewables' resulting ownership in SPNEC is now at 53.66%.

Acquisition of Controlling Interest in Terra Solar Philippines, Inc. from Prime Infrastructure, Inc.

On 11 December 2023, SPNEC executed a DOAS to acquire 100% of the shares of Prime in TSPI for ₱6,000.0 million. Together with SPNEC's previously acquired shares in TSPI, SPNEC is now the legal and beneficial owner of 100% of TSPI.

Execution of Omnibus Loan and Security Agreement between Terra Solar Philippines, Inc. and Local Banks

In February 2025, TSPI signed a ₱150 billion, fifteen (15)-year term Omnibus Loan and Security Agreement ("**OLSA**") with six (6) local banks, namely: BDO Unibank Inc., Bank of the Philippine Islands, Philippine National Bank, Security Bank Corporation, China Banking Corporation, and Metropolitan Bank and Trust Company. The OLSA will fund the ongoing development of its integrated solar photovoltaic facility and Battery Energy Storage System.

Execution of Omnibus Loan and Security Agreement by Terra Nueva, Inc.

On 25 November 2025, TNI executed a fifteen (15)-year OLSA for an aggregate amount of PhP15.0 billion.

Investment of Actis Rubyred (Philippines) Holdings, Inc. in Terra Solar Philippines, Inc.

On 17 March 2025, Actis Rubyred (Singapore) Pte. Ltd., through its wholly owned subsidiary, Actis Rubyred (Philippines) Holdings, Inc. ("**Actis**"), completed its subscription of equivalent to forty percent (40%) equity of TSPI for a total subscription price of PhP29.9 billion. As part of this investment deal, Actis infused PhP17.8 billion in cash into TSPI. Consequently, unpaid subscription price amounting to PhP12.1 billion was recognized as subscription receivable.

Redemption of Shares in Solar Philippines Tarlac Corporation Owned by Prime Metro Power Holdings Corporation

On 5 May 2025, the Company's Board of Directors approved the redemption by Solar Philippines Tarlac Corporation ("**SPTC**") of all redeemable preferred shares totaling 1,500.0 million at a total redemption price of PhP1,800.0 million. On 14 May 2025, the Parent Company paid PhP1,800.0 million to Prime Metro Power Holdings Corporation ("**Prime Metro**"). Consequently, SPTC and Prime Metro no longer possess any right to bring a claim of any kind or nature against each other.

Acquisition of Additional Shares from Solar Philippines Power Project Holdings, Inc.

On 23 October 2025, pursuant to the Exchangeable Note Facility Agreements dated 2 September 2024 and 12 March 2025 executed between MGEN Renewables and SPPPHI, the former acquired an additional 10,833,392,000 common shares of the Company from the latter and/or Mr. Leviste.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Material Changes to the Consolidated Statements of Financial Position as of March 31, 2026, compared to the Consolidated Statements of Financial Position as of December 31, 2025

Horizontal and Vertical Analysis of Financial Position March 31, 2026 vs. December 31, 2025						
Amounts in ₱0.00	**Mar 31, 2026**	**December 31, 2025**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**March 31, 2026**	**December 31, 2025**
			Amount	***Percentage***		
Assets						
Cash and cash equivalents	6,991,267,199	7,645,663,636	(654,396,437)	-8.56%	3.24%	3.83%
Trade receivables	12,730,471,251	12,793,751,574	(63,280,323)	-0.49%	5.90%	6.41%
Due from related parties	340,068,481	337,390,219	2,678,262	0.79%	0.16%	0.17%
Derivative asset	1,478,326,569	524,163,244	954,163,325	182.04%	0.69%	0.26%
Other current assets	67,139,844	303,093,060	(235,953,216)	-77.85%	0.03%	0.15%
TOTAL CURRENT ASSETS	**21,607,273,344**	**21,604,061,733**	3,211,611	**0.01%**	**10.02%**	**10.82%**
Property, plant, and equipment			-			
At cost	103,552,678,191	89,855,352,383	13,697,325,808	15.24%	48.02%	45.01%
At revalued amount	62,542,889,390	62,542,331,390	558,000	0.00%	29.00%	31.33%
Deposits for land acquisition	4,783,547,754	3,536,444,174	1,247,103,580	35.26%	2.22%	1.77%

Horizontal and Vertical Analysis of Financial Position March 31, 2026 vs. December 31, 2025						
Amounts in ₱0.00	**Mar 31, 2026**	**December 31, 2025**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**March 31, 2026**	**December 31, 2025**
			Amount	***Percentage***		
Intangible assets	13,261,891,642	13,261,891,642	-	0.00%	6.15%	6.64%
Deferred tax asset	32,360,867	32,360,867	-	0.00%	0.02%	0.02%
Other noncurrent assets	9,855,967,849	8,812,540,955	1,043,426,894	11.84%	4.57%	4.41%
TOTAL NONCURRENT ASSETS	**194,029,335,693**	**178,040,921,411**	**15,988,414,282**	**8.98%**	**89.98%**	**89.18%**
TOTAL ASSETS	**215,636,609,037**	**199,644,983,145**	**15,991,625,892**	**8.01%**	**100.00%**	**100.00%**
Liabilities and Equity						
Trade and other payables	7,822,012,782	4,535,583,803	3,286,428,979	72.46%	3.63%	2.27%
Short term loans	7,237,343,963	9,588,250,000	(2,350,906,037)	-24.52%	3.36%	4.80%
Current portion of notes payable	77,933,437	218,379,744	(140,446,307)	-64.31%	0.04%	0.11%
Current portion of lease liabilities	68,241,394	22,428,480	45,812,914	204.26%	0.03%	0.01%
Income tax payable	203,079,003	132,227,842	70,851,161	53.58%	0.09%	0.07%
Provision for other liabilities	3,876,296,624	3,820,215,292	56,081,332	1.47%	1.80%	1.91%
TOTAL CURRENT LIABILITIES	**19,676,990,000**	**18,704,477,697**	**972,512,302**	**5.20%**	**9.13%**	**9.37%**
Notes payable - net of current portion	79,455,584,427	68,323,753,722	11,131,830,705	16.29%	36.85%	34.22%
Lease liabilities - net of current portion	377,917,370	376,067,318	1,850,052	0.49%	0.18%	0.19%
Deferred tax liabilities	15,031,891,457	14,960,168,928	71,722,529	0.48%	6.97%	7.49%
Other noncurrent liabilities	2,418,575	84,268,476	(81,849,901)	-97.13%	0.00%	0.04%
TOTAL NONCURRENT LIABILITIES	**94,867,811,829**	**83,744,258,444**	**11,123,553,385**	**13.28%**	**43.99%**	**41.95%**
TOTAL LIABILITIES	**114,544,801,829**	**102,448,736,141**	**12,096,065,688**	**11.81%**	**53.12%**	**51.32%**
Common stock	5,007,305,000	5,007,305,000	-	0.00%	2.32%	2.51%
Preferred stock	194,042,026	194,042,026	-	0.00%	0.09%	0.10%
Additional paid-in capital	19,794,017,013	-	19,794,017,013	100.00%	9.18%	0.00%
Equity reserve	20,053,030,447	19,794,017,013	259,013,434	1.31%	9.30%	9.91%
Cashflow hedge reserve	886,371,527	20,053,030,448	(19,166,658,921)	-95.58%	0.41%	10.04%
Treasury stock	(194,042,026)	40,557,960,538	(40,752,002,564)	-100.48%	-0.09%	20.32%
Revaluation surplus	40,557,960,538	270,949,651	40,287,010,887	14868.82%	18.81%	0.14%
Retained earnings	(197,434,355)	(154,356,588)	(43,077,767)	27.91%	-0.09%	-0.08%
TOTAL EQUITY	**86,101,250,170**	**85,722,948,088**	**378,302,082**	**0.44%**	**39.93%**	**42.94%**
Deposit for future stock subscription	3,003,997,318	-	3,003,997,318	100.00%		0.00%
Noncontrolling interest	11,986,559,720	11,473,298,916	513,260,804	4.47%	5.56%	5.75%
TOTAL LIABILITIES AND EQUITY	**215,636,609,037**	**199,644,983,145**	**15,991,625,892**	**8.01%**	**100.00%**	**100.00%**

Cash

As of March 31, 2026, the SPNEC Group held cash and cash equivalents totaling ₱6,991.3 million, a decrease of ₱654.4 million or 8.56% from December 31, 2025. The decrease was primarily driven by continued investment activities for the Terra Solar project. Net cash generated from operations was ₱3,808.8 million, while proceeds from long-term debt availments amounted to ₱10,991.4 million and a subsidiary's issuance of shares to a non-controlling interest totaled ₱3,000.0 million. These inflows were offset by significant cash outflows for additions to property, plant and equipment of ₱13,707.9 million and deposits for land acquisition of ₱1,247.1 million, as well as the settlement of short-term loans of ₱2,350.9 million.

Trade Receivables

Trade receivable arises from revenue from the sale of electricity, and sale of goods and services of the subsidiaries. These are either interest or non-interest bearing depending on the clause indicated in the contract and generally collectible within 40 to 60 days.

Outstanding trade receivables as of March 31, 2026, decreased slightly to ₱12,730.47 million from ₱12,793.75 million as of December 31, 2025, a decrease of ₱63.28 million or 0.49%. The decrease is mainly due to collections from various customers, including the National Transmission Corporation ("Transco") and MERALCO. The balance remains elevated primarily due to the subscription receivable of ₱12,119.64 million arising from the Actis investment in Terra Solar.

Subscription Receivable

The subscription receivable represents shares of stock subscribed to and issued by the Parent Company but payment from the shareholders has not yet been received.

As of March 31, 2026, no collections for subscription receivable were made.

Due from Related Parties

As of March 31, 2026, the balance of due from related parties increased slightly to ₱340.1 million from ₱337.4 million as of December 31, 2025.

Other Current Assets

This account consists mainly of prepayments in insurance, taxes, rent, and trust fees. As of March 31, 2026, the SPNEC group has ₱67.1 million in other current assets, a decrease of ₱237.3 million or 77.85% from December 31, 2025. The significant decrease is primarily due to the application or reclassification of prior prepayments.

Property, Plant, and Equipment

At Cost: During the period, the SPNEC group incurred a total amount of ₱13,707.9 million of capitalizable costs, bringing the net book value of assets at cost to ₱103,552.7 million as of March 31, 2026. The increase is related mainly to the ongoing construction and initial energization of the Terra Solar project, which successfully energized its first 250 megawatts of solar capacity in March 2026.

The total net book value of Right of Use Assets as of March 31, 2026, is ₱472.8 million.

At Fair Value: This pertains to the parcels of land currently owned by the Group, reported at their fair market value. As of March 31, 2026, the Group's land at revalued amount stood at ₱62,542.9 million, a marginal increase from ₱62,542.3 million as of December 31, 2025. The stable valuation indicates no material changes in fair value during the quarter.

As of March 31, 2026, the Group has a total of 3,294.59 hectares of land.

Deposits for Land Acquisition

For the three-month period ended March 31, 2026, the Group made deposits for various landowners and land acquisition costs amounting to ₱1,247.1 million, an increase from ₱702.2 million in the same period of the prior year, reflecting the continued land banking efforts primarily for the Terra Solar project.

Intangible Assets

The intangible assets recorded as of March 31, 2026, pertain to the PSA of TSPI that was existing at the time of the acquisition amounting to ₱13,261.9 million.

Other Noncurrent Assets

This account mainly consists of Input Value-Added Tax ("**VAT**") of ₱8,190.0 million, prepaid financing costs of ₱1,164.4 million, and long-term receivables of ₱407.6 million. The increase to ₱9,855.9 million from ₱8,812.5 million is mainly due to an increase in Input VAT from construction-related purchases for the Terra Solar project.

Trade and Other Payables

This account mainly consists of Input VAT of ₱8,190.0 million, prepaid financing costs of ₱1,164.4 million, and long-term receivables of ₱407.6 million. The increase to ₱9,855.9 million from ₱8,812.5 million is mainly due to an increase in Input VAT from construction-related purchases for the Terra Solar project.

Short Term Loans

As of March 31, 2026, short-term loans amounted to ₱7,237.3 million, a decrease of 24.52% from December 31, 2025, due to the settlement of the SP Tarlac short-term loan of ₱3.5 billion in January 2026. The remaining balance consists of loans from Terra Nueva of ₱6,200.0 million and SP Calatagan of ₱1,037.3 million.

Derivative Liability

The Group entered into foreign exchange futures contracts to hedge its exposure to fluctuations in foreign currency exchange rates. As of March 31, 2026, the Group recognized a derivative asset of ₱1,478.3 million, a significant increase from a derivative liability position in the prior year. This change reflects a gain from the mark-to-market valuation of outstanding contracts due to favorable exchange rate movements.

Due to Related Parties

As of March 31, 2026, due to related parties remained relatively stable at ₱392.1 million.

Income Tax Payable

Income tax payable increased to ₱203.1 million as of March 31, 2026, from ₱132.2 million as of December 31, 2025, primarily due to provisions for current income tax from the operations of Solar Philippines Calatagan Corporation ("**SPCC**"), SPTC, and TNI.

Lease Liabilities

As of March 31, 2026, the total outstanding lease liabilities, current and noncurrent, increased slightly to ₱446.2 million from ₱398.5 million, reflecting the addition of new lease agreements or the accretion of interest.

Notes Payable

As of March 31, 2026, the total outstanding lease liabilities, current and noncurrent, increased slightly to ₱446.2 million from ₱398.5 million, reflecting the addition of new lease agreements or the accretion of interest.

As of March 31, 2026, notes payable net of current portion increased to ₱79,455.6 million from ₱68,323.8 million. The increase is primarily attributable to additional drawdowns on the Terra Solar ₱150 billion Omnibus Loan and Security Agreement and the new ₱3.8 billion OLSA for SP Tarlac. In March 2026, Terra Solar successfully energized the first 250 MW of its capacity, marking a significant operational milestone.

- SPCC: Outstanding balance as of March 31, 2026, was ₱550.5 million.
- SPTC: Outstanding balance as of March 31, 2026, was ₱3,770.0 million following the drawdown on its new OLSA with PNB.
- TSPI: As of March 31, 2026, Terra Solar had an outstanding balance of ₱76,096.9 million.

Deferred Tax Liabilities

This account arises from the recognition of Right of Use Assets (the "**ROU Assets**"), lease liabilities, and fair value measurement of the Group's land. The balance increased slightly to ₱15,031.9 million as of March 31, 2026.

Other Noncurrent Liabilities

This account decreased significantly to ₱2.4 million from ₱84.3 million, primarily due to the settlement or reclassification of replacement energy costs payable by SPTC to MERALCO.

Capital Stock

On 15 May 2023, SPPPHI and the Parent Company entered into a Subscription Agreement, whereby SPPPHI agreed to subscribe to 24,373,050,000 common shares at par value of ₱0.10 per share from the Parent Company's increase in authorized capital stock upon its approval by the SEC.

On 31 May 2023, the Parent Company filed with the SEC its application for an increase of the authorized capital stock and the corresponding Amended Articles of Incorporation of SPNEC increasing the authorized capital stock from One Billion Pesos (₱1,000,000,000.00) divided into 10 billion common shares at par value of P0.10 per share to Five Billion Pesos (PhP5,000,000,000.00) divided into 50 billion common shares at par value of ₱0.10 per share.

On 1 June 2023, the SEC approved the Parent Company's application for an increase in its authorized capital stock.

On January 17, 2024, the SEC approved the Parent Company's application for increase in authorized capital stock from 50 billion common shares with par value of ₱0.10 per share to 75 billion common shares with par value of ₱0.10 per share and 25 billion preferred shares with par value of ₱0.01 per share, divided into Class A preferred shares and Class B preferred shares. As a result of the above transactions, the outstanding capital stock of SPNEC increased from ₱3,437.3 million as of December 31, 2023 to ₱5,201.3 million as of December 31, 2024.

As of March 31, 2026, the Parent Company's capital stock remained unchanged from December 31, 2025, consisting of common stock of ₱5,007.3 million and preferred stock of ₱194.0 million, for a total outstanding capital stock of ₱5,201.3 million.

Additional Paid-In Capital

On January 17, 2024, upon the SEC's approval of the application for an increase in authorized capital stock, the subscribed shares were issued to MGEN Renewables. Upon approval of the SEC of the Parent Company's application for increase in authorized capital stock, the Parent Company reclassified the "Deposits for future stock subscription" and issued 15.7 billion common shares with par value of ₱1.0 per share and 19.4 billion preferred shares with par value of ₱0.01 per share. The amount in excess of par value totaling to ₱14.1 billion is presented as additional paid-in capital, net of stock issuance costs amounting to ₱50.0 million.

There were no additional paid-in capital transactions during the three-month period ended March 31, 2026. As of March 31, 2026, the balance of Additional Paid-in Capital stood at ₱19,794.0 million, unchanged from December 31, 2025.

Equity Reserve

This represents the impact of the common control business combination as a result of the Parent Company's modified acquisition of 100% of the outstanding shares of SPPPHI in various entities (i.e., Solar Philippines Assets), as well as adjustments arising from transactions with non-controlling interests. As of March 31, 2026, the equity reserve balance remained at ₱20,053.0 million, unchanged from December 31, 2025.

Cashflow Hedge Reserve

The Group entered into foreign exchange futures contracts to hedge its foreign currency exposure. During the three-month period ended March 31, 2026, the Group recognized a total gain of ₱1,025.7 million in Other Comprehensive Income ("**OCI**"), consisting of a ₱1,025.7 million gain from the settlement of matured contracts designated as cash flow hedges. There was no mark-to-market loss on outstanding contracts during the period. As a result, the cash flow hedge reserve increased from ₱270.9 million as of December 31, 2025 to ₱886.4 million as of March 31, 2026.

Revaluation Surplus

The Group's land is comprised of parcels of land with a total land area of 3,294.59 hectares as of March 31, 2026, which was recorded at fair value. There was no change in the fair value of the land during the three-month period ended March 31, 2026. The revaluation surplus remained at ₱40,558.0 million, unchanged from December 31, 2025.

Retained Earnings

The Group's Retained Earnings decreased by ₱43.1 million during the three-month period ended March 31, 2026, from a deficit of ₱154.4 million as of December 31, 2025 to a deficit of ₱197.4 million as of March 31, 2026. This decrease was driven by a net loss attributable to equity holders of the Parent Company of ₱43.1 million for the period. No dividends on preferred shares were declared or paid during the first quarter of 2026.

<u>Material Changes to the Consolidated Statements of Comprehensive Income for the Three-months ended March 31, 2026, compared to the Statements of Comprehensive Income for the Three-months ended March 31, 2025</u>

Horizontal and Vertical Analysis of Comprehensive Income March 31, 2026 vs. March 31, 2025						
Amounts in ₱0.00	**Mar 31, 2026 (3 months) (Unaudited)**	**Mar 31, 2025 (3 months) (Unaudited)**	**Horizontal Analysis Increase/(Decrease)**		**Vertical Analysis**	
			Amount	***Percentage***	**Mar 31, 2026 (3 months) (Unaudited)**	**Mar 31, 2025 (3 months) (Unaudited)**
Revenue	427,626,129	335,604,683	92,021,446	27.42%	100.00%	100.00%
Cost of sales	(186,428,923)	(124,101,083)	(62,327,840)	50.22%	-43.60%	-36.98%
GROSS PROFIT	**241,197,206**	**211,503,600**	**29,693,606**	**14.04%**	**56.40%**	**63.02%**
General and administrative expenses	(168,506,051)	(120,145,667)	(48,360,384)	40.25%	-39.40%	-35.80%
Finance costs	(167,944,462)	(118,044,136)	(49,900,326)	42.27%	-39.27%	-35.17%
Interest income	25,375,230	24,713,011	662,219	2.68%	5.93%	7.36%
Other income (expense)	217,890,683	54,006,892	163,883,791	303.45%	50.95%	16.09%
INCOME (LOSS) BEFORE TAX	**148,012,606**	**52,033,700**	**95,978,906**	**184.46%**	**34.61%**	**15.50%**
Provisions for income tax	(88,110,818)	(64,426,555)	(23,684,263)	36.76%	-20.60%	-19.20%
NET INCOME (LOSS) AFTER TAX	**59,901,788**	**(12,392,855)**	**72,294,643**	**-583.36%**	**14.01%**	**-3.69%**

Revenue

For the three-month period ended March 31, 2026, the Group recorded a total of ₱427.6 million in revenue, a 27.42% increase compared to ₱335.6 million in the same period last year. This increase is primarily due to higher energy sales from SP Calatagan and SP Tarlac, coupled with initial revenue contributions from the first 250 MW of the Terra Solar project which was energized in March 2026.

Cost of Sales

Cost of Sales increased by 50.22% to ₱186.4 million for the three-month period ended March 31, 2026. The increase is due to higher depreciation and amortization, and the inclusion of "Purchased power" costs of ₱54.3 million as the Group began commercial activities. Other significant increases were seen in contracted services of ₱15.1 million, insurance of ₱14.0 million, and salaries and wages of ₱13.7 million.

Horizontal and Vertical Analysis of Comprehensive Income March 31, 2026 vs. March 31, 2025						
Amounts in ₱0.00	Mar 31, 2026 (3 months) (Unaudited)	Mar 31, 2025 (3 months) (Unaudited)	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		Mar 31, 2026 (3 months) (Unaudited)	Mar 31, 2025 (3 months) (Unaudited)
			Amount	*Percentage*		
Depreciation and amortization	76,738,712	76,517,659	221,053	0.29%	41.16%	61.66%
Purchased power	54,326,865	-	54,326,865	100.00%	29.14%	0.00%
Contracted services	15,136,455	6,523,803	8,612,652	132.02%	8.12%	5.26%
Insurance	13,955,441	11,869,493	2,085,948	17.57%	7.49%	9.56%
Salaries and wages	13,712,147	421,337	13,290,810	3154.44%	7.36%	0.34%
Consumables, parts, and repairs	1,363,779	7,167,846	(5,804,067)	-80.97%	0.73%	5.78%
Others	11,195,525	21,600,945	(10,405,420)	-48.17%	6.01%	17.41%
Cost of Sales	**186,428,923**	**124,101,083**	**62,327,840**	**50.22%**	**100.00%**	**100.00%**

General and Administrative Expenses

General and Administrative Expenses increased by 40.25% to ₱168.5 million for the three-month period ended March 31, 2026. The increase is driven by a provision for impairment loss on VAT amounting to ₱53.1 million and higher contracted services and professional fees associated with the expanded operations and project management of the Terra Solar project. These increases were partially offset by a decrease in taxes and licenses.

Horizontal and Vertical Analysis of Comprehensive Income March 31, 2026 vs. March 31, 2025						
Amounts in ₱0.00	Mar 31, 2026 (3 months) (Unaudited)	Mar 31, 2025 (3 months) (Unaudited)	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		Mar 31, 2026 (3 months) (Unaudited)	Mar 31, 2025 (3 months) (Unaudited)
			Amount	*Percentage*		
Provisions for impairment loss on VAT	53,081,332	-	53,081,332	100.00%	31.50%	0.00%
Taxes and licenses	36,052,965	73,710,861	(37,657,896)	-51.09%	21.40%	61.35%
Contracted services	35,968,644	4,140,000	31,828,644	768.81%	21.35%	3.45%
Professional fees	10,477,514	3,539,497	6,938,017	196.02%	6.22%	2.95%
Depreciation and amortization	4,984,073	2,325,127	2,658,946	114.36%	2.96%	1.94%
Transportation and travel	5,559,947	1,428,513	4,131,434	289.21%	3.30%	1.19%
Others	22,381,575	35,001,669	(12,620,094)	-36.06%	13.28%	29.13%
General and Administrative Expenses	**168,506,051**	**120,145,667**	**48,360,384**	**40.25%**	**100.00%**	**100.00%**

Other Income

During the period, the group recognized a net foreign exchange gain of ₱218.2 million, which comprised the majority of Other Income, compared to a gain of ₱54.0 million in the same period last year. The gain is due to favorable exchange rate movements on the Group's foreign currency-denominated payables and hedging activities.

Finance Costs

Finance costs increased by 42.27% to ₱167.9 million for the three-month period ended March 31, 2026. The increase is primarily due to higher interest expense from the substantial long-term debt availed for the Terra Solar project and short-term borrowings by Terra Nueva.

Interest Income

Interest income remained relatively stable at ₱25.4 million for the three-month period ended March 31, 2026, compared to ₱24.7 million in the prior year.

Net Income (Loss)

For the three-month period ending March 31, 2026, the Group reported a net income after tax of ₱59.9 million, a significant turnaround from a net loss of ₱12.4 million in the same period last year. The improvement is primarily driven by higher revenue, substantial foreign exchange gains, and initial income from the Terra Solar project.

Key Performance Indicators

The Group's key performance indicators for the three-month period ended March 31, 2026 show improvement compared to the full-year 2025 results, reflecting the commencement of initial operations and the positive net income achieved during the quarter. The current ratio decreased to 1.10 from 1.16 as of December 31, 2025, indicating a slightly tighter liquidity position due to continued investment activities. The debt-to-equity ratio increased to 1.33 from 1.05, reflecting additional debt drawdowns for the Terra Solar project. The return on equity and return on assets turned positive at 0.07% and 0.03%, respectively, as the Group achieved net income of ₱59.90 million for the quarter. The interest rate coverage ratio improved significantly to 1.88 from 0.34, indicating that earnings before interest and taxes are now sufficient to cover interest obligations. Significant further improvements are expected upon the full commercial operations of the Terra Solar project.

Financial Ratios	**Formula**	**March 2026**	**December 2025**
Current Ratio	Dividing total current assets over total current liabilities	1.10	1.16
Quick Ratio	Dividing total current assets less inventory over current liabilities	1.10	1.16
Solvency Ratio	Dividing net income excluding depreciation and non-cash provisions over debt obligations	0.00	0.05
Debt-to-Equity Ratio	Dividing total liabilities over stockholders' equity	1.33	1.05
Asset-to-Equity Ratio	Dividing total assets over total stockholders' equity	2.36	2.05
Interest Rate Coverage Ratio	Dividing earnings before interest and taxes of one period over interest of the same period	1.88	0.34
Net Debt-to-Equity Ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	0.91	0.94
Return on Equity	Dividing the net income (YTD) by total stockholder's equity (average)	0.07%	-5.03%

Financial Ratios	Formula	March 2026	December 2025
Return on Assets	Dividing the net income (YTD) by the total assets (average)	0.03%	-2.82%

Material Changes to the Consolidated Statements of Financial Position as of December 31, 2025, compared to the Consolidated Statements of Financial Position as of December 31, 2024

Horizontal and Vertical Analysis of Financial Position December 31, 2025 vs. December 31, 2024						
Amounts in ₱0.00	**December 31, 2025**	**December 31, 2024**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**December 31, 2025**	**December 31, 2024**
			Amount	***Percentage***		
Assets						
Cash and cash equivalents	7,645,663,636	5,539,532,868	2,106,130,768	38.02%	3.83%	6.06%
Trade receivables	12,793,751,574	291,360,509	12,502,391,065	4291.04%	6.41%	0.32%
Derivative asset	524,163,244	-	524,163,244	100.00%	0.26%	0.00%
Due from related parties	337,390,219	147,156,422	190,233,797	129.27%	0.17%	0.16%
Other current assets	303,093,060	664,373,801	(361,280,741)	-54.38%	0.15%	0.73%
TOTAL CURRENT ASSETS	**21,604,061,733**	**6,642,423,600**	14,961,638,133	**225.24%**	**10.82%**	**7.27%**
Property, plant, and equipment						
At cost	89,855,352,383	18,392,981,434	71,462,370,949	388.53%	45.01%	20.13%
At revalued amount	62,542,331,390	49,362,804,400	13,179,526,990	26.70%	31.33%	54.03%
Deposits for land acquisition	3,536,444,174	2,955,531,170	580,913,004	19.66%	1.77%	3.23%
Intangible assets	13,261,891,642	13,261,891,642	-	0.00%	6.64%	14.51%
Goodwill	-	9,954,384	(9,954,384)	-100.00%	0.00%	0.01%
Deferred tax asset	32,360,867	9,291,007	23,069,860	248.30%	0.02%	0.01%
Other noncurrent assets	8,812,540,955	732,280,144	8,080,260,811	1103.44%	4.41%	0.80%
TOTAL NONCURRENT ASSETS	**178,040,921,411**	**84,724,734,182**	**93,316,187,229**	**110.14%**	**89.18%**	**92.73%**
TOTAL ASSETS	**199,644,983,145**	**91,367,157,782**	**108,277,825,363**	**118.51%**	**100.00%**	**100.00%**
Liabilities and Equity						
Current portion of notes payable	218,379,744	235,889,777	(17,510,033)	-7.42%	0.11%	0.26%
Current portion of lease liabilities	22,428,480	25,399,496	(2,971,016)	-11.70%	0.01%	0.03%
Short term loans	9,588,250,000	7,200,000,000	2,388,250,000	33.17%	4.80%	7.88%
Trade and other payables	4,535,583,803	2,178,079,049	2,357,504,754	108.24%	2.27%	2.38%
Income tax payable	132,227,842	15,892,031	116,335,811	732.04%	0.07%	0.02%
Due to related parties	387,392,536	386,861,905	530,631	0.14%	0.19%	0.42%
Provision for other liabilities	3,820,215,292	-	3,820,215,292	100.00%	1.91%	0.00%
TOTAL CURRENT LIABILITIES	**18,704,477,697**	**10,042,122,258**	**8,662,355,439**	**86.26%**	**9.37%**	**10.99%**
Notes payable - net of current portion	68,323,753,722	2,493,789,567	65,829,964,155	2639.76%	34.22%	2.73%
Lease liabilities - net of current portion	376,067,318	365,048,472	11,018,846	3.02%	0.19%	0.40%

Horizontal and Vertical Analysis of Financial Position December 31, 2025 vs. December 31, 2024						
Amounts in ₱0.00	**December 31, 2025**	**December 31, 2024**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**December 31, 2025**	**December 31, 2024**
			Amount	***Percentage***		
Deferred tax liabilities	14,960,168,928	12,347,590,016	2,612,578,912	21.16%	7.49%	13.51%
Other noncurrent liabilities	84,268,476	97,824,505	(13,556,029)	-13.86%	0.04%	0.11%
TOTAL NONCURRENT LIABILITIES	**83,744,258,444**	**15,304,252,560**	**68,440,005,884**	**447.20%**	**41.95%**	**16.75%**
TOTAL LIABILITIES	**102,448,736,141**	**25,346,374,818**	**77,102,361,323**	**304.19%**	**51.32%**	**27.74%**
Common stock	5,007,305,000	5,007,305,000	-	0.00%	2.51%	5.48%
Preferred stock	194,042,026	194,042,026	-	0.00%	0.10%	0.21%
Treasury Stock	-	-	-	100.00%	0.00%	0.00%
Additional paid-in capital	19,794,017,013	19,794,017,013	-	0.00%	9.91%	21.66%
Equity reserve	20,053,030,448	688,902,760	19,364,127,688	2810.87%	10.04%	0.75%
Revaluation surplus	40,557,960,538	33,051,297,709	7,506,662,829	22.71%	20.32%	36.17%
Cashflow hedge reserve	270,949,651	-	270,949,651	100.00%	0.14%	0.00%
Retained earnings (deficit)	(154,356,588)	3,942,292,360	(4,096,648,948)	-103.92%	-0.08%	4.31%
TOTAL EQUITY	**85,722,948,088**	**62,677,856,868**	**23,045,091,220**	**36.77%**	**42.94%**	**68.60%**
Noncontrolling interest	11,473,298,916	3,342,926,097	8,130,372,819	243.21%	5.75%	3.66%
TOTAL LIABILITIES AND EQUITY	**199,644,983,145**	**91,367,157,782**	**108,277,825,363**	**118.51%**	**100.00%**	**100.00%**

Cash and Cash Equivalents

As of December 31, 2025, the Group held cash and cash equivalents totaling ₱7,645.66 million, an increase of ₱2,106.13 million or 38.02% from ₱5,539.53 million in the prior year. This increase was primarily driven by substantial financing activities, including long-term debt proceeds of ₱68,596.86 million and non-controlling interest subscriptions of ₱17,779.85 million, which funded the Group's aggressive investing activities for the Terra Solar project. Net cash flows from operating activities amounted to ₱852.89 million, primarily driven by operating income before working capital changes of ₱639.30 million and a decrease in other current assets of ₱343.30 million, partially offset by an increase in trade and other receivables of ₱396.13 million. Net cash flows used in investing activities totaled ₱77,097.68 million, primarily for additions to property, plant and equipment and deposits for land acquisition.

Trade Receivables

Trade receivable arises from revenue from the sale of electricity, and sale of goods and services of the subsidiaries. These are either interest or non-interest bearing depending on the clause indicated in the contract and generally collectible within 40 to 60 days.

Trade receivables amounted to ₱12,793.75 million as of December 31, 2025, a significant increase of ₱12,502.39 million or 4,291.04% from the prior year. This increase was primarily driven by the recognition of subscription receivable of ₱12,109.32 million arising from the Actis investment in Terra Solar.

Due from Related Parties

As of December 31, 2025, due from related parties stood at ₱337.39 million, an increase of ₱190.23 million or 129.27% from the prior year. The balance primarily consists of advances to various affiliates, including MGEN Renewables of ₱194.04 million, SP Project Holdings of ₱85.71 million, SPCRPI of ₱31.40 million, and SP Rooftop of ₱14.47 million. These advances are due and demandable, non-interest bearing, and unsecured.

Derivative Asset

The Group recognized a derivative asset of ₱524.16 million as of December 31, 2025, representing mark-to-market gains on outstanding foreign exchange forward contracts designated as cash flow hedges. This reflects hedge prices that are lower than prevailing market rates at the reporting date.

Other Current Assets

Other current assets amounted to ₱303.09 million, a decrease of ₱361.28 million or 54.38% from the prior year. This decrease was primarily driven by a decline in short-term investments, which fell from ₱588.67 million to ₱244.86 million, and the absence of deferred transaction costs and bonds that were previously recorded in 2024.

Property, Plant, and Equipment

At Cost: Property, plant and equipment at cost amounted to ₱89,855.35 million as of December 31, 2025, an increase of ₱71,462.37 million or 388.53% from the prior year. This significant increase was mainly driven by the capitalization of costs related to the Terra Solar project, with additions to construction in progress totaling ₱71,813.03 million during the year, along with additions to transportation equipment of ₱32.63 million, office and warehouse equipment of ₱14.78 million, and furniture and fixtures of ₱0.49 million.

At Revalued Amount: Land held by the Group at revalued amount increased to ₱62,542.33 million as of December 31, 2025, an increase of ₱13,179.53 million or 26.70% from the prior year. The Group's total land area as of December 31, 2025, was 3,294.59 hectares, with the revaluation increment during the year of ₱10,008.88 million

Deposits for Land Acquisition

Deposits for land acquisition amounted to ₱3,536.44 million as of December 31, 2025, an increase of ₱580.91 million or 19.66% from the prior year. These deposits were made to various landowners, including PIC (₱267.00 million), LHHC (₱270.00 million), an individual stockholder (₱421.62 million), and various landowners (₱2,577.83 million).

Intangible Assets

Intangible assets remained at ₱13,261.89 million, representing the Power Supply Agreement (**"PSA"**) of Terra Solar that was in place at the time of acquisition.

Goodwill

Goodwill was fully written down to ₱0 as of December 31, 2025, with a provision for impairment of ₱9.95 million recognized during the year.

Other Noncurrent Assets

Other noncurrent assets increased significantly to ₱8,812.54 million as of December 31, 2025, an increase of ₱8,080.26 million or 1,103.44% from ₱732.28 million in the prior year. The increase was primarily attributable to Input VAT of ₱7,106.05 million, prepaid financing costs of ₱1,234.92 million, and long-term receivables of ₱407.61 million, partially offset by an allowance for impairment losses of ₱111.71 million.

Trade and Other Payables

Trade and other payables include accounts payable, retention payable, interest payable, and accrued expenses. As of December 31, 2025, outstanding payables amounted to ₱4,535.58 million, an increase of ₱2,357.50 million or 108.24% from the prior year, driven by retention payables of ₱1,675.74 million and accrued purchases of ₱1,115.76 million arising from construction activities for the Terra Solar project.

Provision for Other Liabilities

The Group recognized a provision for other liabilities amounting to ₱3,820.22 million as of December 31, 2025.

Short Term Loans

Short-term loans increased to ₱9,588.25 million as of December 31, 2025, an increase of ₱2,388.25 million or 33.17% from the prior year. This increase was primarily driven by new short-term borrowings from SPTC of ₱3,513.25 million and SPCC of ₱575.00 million, partially offset by the repayment of TSPI borrowings which were outstanding in the prior year.

Notes Payable

Notes payable – net of current portion amounted to ₱68,323.75 million, an increase of ₱65,829.96 million or 2,639.76% from the prior year, driven by long-term loan drawdowns for Terra Solar totaling ₱68,596.86 million. SPCC had an outstanding balance of ₱762.10 million, while SP Tarlac fully prepaid its prior year balance of ₱1,753.50 million in June 2025.

Deferred Tax Liabilities

Deferred tax liabilities increased to ₱14,960.17 million as of December 31, 2025, an increase of ₱2,612.58 million or 21.16% from the prior year. The increase was primarily due to deferred tax liabilities arising from the revaluation of land of ₱13,519.32 million and intangible assets of ₱1,326.19 million.

Other Noncurrent Liabilities

As of December 31, 2025, other noncurrent liabilities totaled ₱84.27 million, a decrease of ₱13.56 million or 13.86% from the prior year. The decrease is primarily attributable to retention payables related to the construction activities of SPNEC and other long-term obligations.

Capital Stock

On 15 May 2023, SPPPHI and the Parent Company entered into a Subscription Agreement, whereby SPPPHI agreed to subscribe to 24,373,050,000 common shares at par value of ₱ 0.10 per share from the Parent Company's increase in authorized capital stock upon its approval by the SEC.

On 31 May 2023, the Parent Company filed with the SEC its application for an increase of the authorized capital stock and the corresponding Amended Articles of Incorporation of SPNEC increasing the authorized capital stock from One Billion Pesos (₱1,000,000,000.00) divided into 10 billion common shares at par value of P0.10 per share to Five Billion Pesos (₱5,000,000,000.00) divided into 50 billion common shares at par value of ₱0.10 per share.

On 1 June 2023, the SEC approved the Parent Company's application for an increase in its authorized capital stock.

On January 17, 2024, the SEC approved the Parent Company's application for increase in authorized capital stock from 50 billion common shares with par value of P=0.10 per share to 75 billion common shares with par value of ₱0.10 per share and 25 billion preferred shares with par value of ₱0.01 per share, divided into Class A preferred shares and Class B preferred shares

As of December 31, 2025, the outstanding capital stock of SPNEC remained at ₱5,201.35 million, consisting of 50,073.05 million shares of common stock at ₱0.10 par value and 19,404.20 million shares of preferred stock at ₱0.01 par value. There was no change in common and preferred stock balances from the prior year.

Additional Paid-In Capital

As of December 31, 2025, Additional Paid-in Capital ("**APIC**") remained at ₱19,794.02 million, with no change from the prior year. APIC represents the amount in excess of par value from the issuance of shares, net of stock issuance costs.

Equity Reserve

As of December 31, 2025, the Equity Reserve balance increased significantly to ₱20,053.03 million, an increase of ₱19,364.13 million or 2,810.87% from the prior year. This increase was primarily due to the gain recognized from the Actis investment and other common control business combination adjustments.

Cashflow Hedge Reserve

During the year ended December 31, 2025, the Group entered into foreign exchange forward contracts to hedge its exposure to fluctuations in foreign currency exchange rates. For the period, the Group recognized a net gain of ₱451.58 million in OCI, representing the effective portion of the cash flow hedge reserve.

Revaluation Surplus

The Group's land is comprised of parcels of land with a total land area of 3,294.59 hectares as of December 31, 2025, which was recorded at fair value. The revaluation surplus increased by ₱7,506.66 million or 22.71% due to additional revaluation adjustments during the year.

Retained Earnings

As of December 31, 2025, the Group's Retained Earnings declined significantly by ₱4,096.65 million to a deficit of ₱154.36 million. The decrease was mainly attributable to the net loss from operations for the year of ₱4,103.42 million, partially offset by other comprehensive income items.

Non-Controlling Interest

As of December 31, 2025, Non-Controlling Interest ("**NCI**") increased by ₱8,130.37 million or 243.21% to ₱11,473.30 million. This increase reflects the recognition of NCI share of the new investor's capital infusion and the NCI share of the Group's net assets.

Material Changes to the Consolidated Statements of Comprehensive Income for the Twelve-Month Period Ended December 31, 2025, compared to the Statements of Comprehensive Income for the Twelve-Month Period Ended December 31, 2024

Horizontal and Vertical Analysis of Comprehensive Income December 31, 2025 vs. December 31, 2024						
Amounts in ₱0.00	**December 31, 2025**	**December 31, 2024**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**December 31, 2025**	**December 31, 2024**
			Amount	***Percentage***		
Revenue	1,562,959,252	1,200,134,185	362,825,066	30.23%	100.00%	100.00%
Cost of sales	(618,964,133)	(563,911,783)	(55,052,350)	9.76%	-39.60%	-46.99%
GROSS PROFIT	**943,995,119**	**636,222,402**	**307,772,717**	**48.38%**	**60.40%**	**53.01%**
General and administrative expenses	(737,800,701)	(1,734,976,491)	997,175,790	-57.47%	-47.21%	-144.57%
Finance costs	(594,472,365)	(282,199,197)	(312,273,168)	110.66%	-38.04%	-23.51%
Other income (expense)	(3,372,337,096)	287,435,733	(3,659,772,829)	-1273.25%	-215.77%	23.95%
INCOME (LOSS) BEFORE TAX	**(3,760,615,043)**	**(1,093,517,553)**	**(2,667,097,490)**	**243.90%**	**-240.61%**	**-91.12%**
Provisions for income tax	(342,805,596)	(73,641,155)	(269,164,441)	365.51%	-21.93%	-6.14%
NET INCOME (LOSS) AFTER TAX	**(4,103,420,639)**	**(1,167,158,708)**	**(2,936,261,931)**	**251.57%**	**-262.54%**	**-97.25%**
Other comprehensive income	7,959,818,010	24,783,206,466	(16,823,388,456)	-67.88%	509.28%	2065.04%
Revaluation surplus	7,506,662,829	24,783,206,466	(17,276,543,637)	-69.71%	480.29%	2065.04%
Cashflow hedge reserve	451,582,752	-	451,582,752	100.00%	28.89%	0.00%
Remeasurement gain (loss) on defined benefit plan	1,572,429	-	1,572,429	100.00%	0.10%	0.00%
TOTAL COMPREHENSIVE INCOME (LOSS)	**3,856,397,371**	**23,616,047,758**	**(19,759,650,387)**	**-83.67%**	**246.74%**	**1967.78%**

Revenue

For the twelve-month period ended December 31, 2025, the Group generated total revenues of ₱1,562.96 million, an increase of ₱362.83 million or 30.23% from the prior year. This growth was primarily driven by electricity sales from SPCC and SPTC, reflecting increased operational activity and higher energy demand.

Cost of Sales

Cost of Sales includes expenses directly attributable to the generation of revenues from solar energy. For 2025, the Group recorded cost of sales of ₱618.96 million, an increase of ₱55.05 million or 9.76% from the prior year, mainly comprised of depreciation and amortization of solar power plants and ROU assets, which accounted for 49% of total cost of sales. Other components include purchased power of

₱72.16 million, insurance of ₱60.07 million, salaries and wages of ₱44.73 million, and transmission charges of ₱41.03 million

Below is the detailed breakdown of the cost of sales for 2025 and 2024:

Horizontal and Vertical Analysis of Comprehensive Income December 31, 2025 vs. December 31, 2024						
Amounts in ₱0.00	**December 31, 2025**	**December 31, 2024**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**December 31, 2025**	**December 31, 2024**
			Amount	***Percentage***		
Depreciation and amortization	306,070,636	376,205,762	(70,135,126)	-18.64%	49.45%	66.71%
Purchased power	72,156,940	13,688,552	58,468,388	427.13%	11.66%	2.43%
Insurance	60,070,937	49,931,799	10,139,138	20.31%	9.71%	8.85%
Salaries and wages	44,729,638	19,738,077	24,991,562	126.62%	7.23%	3.50%
Transmission and ancillary charges	41,031,627	5,852,043	35,179,584	601.15%	6.63%	1.04%
Contracted services	29,324,069	26,571,148	2,752,920	10.36%	4.74%	4.71%
Consumables, parts, and repairs	26,328,841	3,773,119	22,555,722	597.80%	4.25%	0.67%
Manpower services	21,141,179	44,121,427	(22,980,248)	-52.08%	3.42%	7.82%
IEMOP market fees	1,506,956	5,781,339	(4,274,383)	-73.93%	0.24%	1.03%
Others	16,603,310	18,248,517	(1,645,207)	-9.02%	2.68%	3.24%
Cost of Sales	**618,964,133**	**563,911,783**	**55,052,350**	**9.76%**	**100.00%**	**100.00%**

Gross Profit

Gross profit increased by ₱307.77 million (48.38%) to ₱944.00 million, reflecting the growth in revenue being partially offset by the increase in cost of sales.

General and Administrative Expenses

General and Administrative Expenses decreased by ₱997.18 million or 57.47% to ₱737.80 million, primarily driven by lower professional fees, which declined by ₱1,050.03 million or 79.35% as the 2024 period included substantial one-time transaction costs related to the MGreen investment. This decrease was partially offset by provisions for impairment losses of ₱111.43 million and higher interest on undeclared dividends of ₱35.63 million or 146.11%.

The detailed breakdown of General and Administrative expenses for 2025 is as follows:

Horizontal and Vertical Analysis of Comprehensive Income December 31, 2025 vs. December 31, 2024						
Amounts in ₱0.00	**December 31, 2025**	**December 31, 2024**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**December 31, 2025**	**December 31, 2024**
			Amount	***Percentage***		
Professional fees	273,220,516	1,323,251,871	(1,050,031,354)	-79.35%	37.03%	76.27%
Taxes and licenses	177,858,122	196,329,393	(18,471,270)	-9.41%	24.11%	11.32%
Provision for impairment losses	111,429,861	-	111,429,861	100.00%	15.10%	0.00%
Interest on undeclared dividends	60,018,801	24,386,500	35,632,301	146.11%	8.13%	1.41%

Horizontal and Vertical Analysis of Comprehensive Income December 31, 2025 vs. December 31, 2024						
Amounts in ₱0.00	**December 31, 2025**	**December 31, 2024**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)			
			Amount	***Percentage***	**December 31, 2025**	**December 31, 2024**
Bank charges	19,218,123	43,151,121	(23,932,999)	-55.46%	2.60%	2.49%
Depreciation and amortization	14,929,919	3,530,910	11,399,010	322.83%	2.02%	0.20%
Management fees	8,280,000	76,680,607	(68,400,607)	-89.20%	1.12%	4.42%
Rental	7,558,677	1,881,144	5,677,533	301.81%	1.02%	0.11%
Bid-related costs	557,733	126,785	430,949	339.91%	0.08%	0.01%
Insurance	47,463	5,728,985	(5,681,522)	-99.17%	0.01%	0.33%
Provisions for (reversal of) expected credit loss	-	(3,653,777)	3,653,777	-100.00%	0.00%	-0.21%
Others	64,681,485	63,562,952	1,118,532	1.76%	8.77%	3.66%
General and Administrative Expenses	**737,800,701**	**1,734,976,491**	**(997,175,790)**	**-57.47%**	**100.00%**	**100.00%**

Other Income (Expense)

Other expense amounted to ₱3,372.34 million, a decrease of ₱3,659.77 million from other income of ₱287.44 million in the prior year, primarily due to recognition of provision for probable expenses of ₱3,489.66 million.

Finance Costs

Finance costs include interest accretion on lease liabilities, accruals of interest on loan facilities of the Group, and interest expense on short-term loans, among others. For the year ended December 31, 2025, finance costs increased by ₱312.27 million or 110.66% to ₱594.47 million. This increase was mainly attributable to the substantial long-term borrowings incurred to finance the Terra Solar project.

Interest Income

During the period, the Group recognized interest income amounting to ₱122.77 million, lower than the same period last year by ₱220.79 million or 64.26%, primarily due to reduced cash available for short-term placements.

Net Income (Loss)

For the year ended December 31, 2025, the Group reported a net loss after tax of ₱4,103.42 million, a significant decline from the net loss of ₱1,167.16 million in the prior year. The widening net loss was primarily attributable to the substantial increase in other expenses of ₱3,372.30 million and higher finance costs of ₱594.47 million, which offset the growth in gross profit.

Other Comprehensive Income

During the period, the Group recognized other comprehensive income of ₱7,959.82 million, compared to ₱24,783.21 million in the prior year. The prior year's OCI was significantly higher due to revaluation gains on landholdings. The current year's OCI consists of revaluation surplus on land of ₱7,506.66 million and cash flow hedge reserve of ₱451.58 million.

Total Comprehensive Income (Loss)

Total comprehensive income for the year amounted to ₱3,856.40 million, compared to ₱23,616.05 million in the prior year. The decrease was primarily driven by the net loss for the year of ₱4,103.42 million, partially offset by other comprehensive income of ₱7,959.82 million.

Key Performance Indicators

The Group's key performance indicators reflect the transitional nature of the year as the Group continues the development and construction of the massive Terra Solar project. Total assets increased by 105.26% to ₱199,644.98 million, while total liabilities increased by 304.19% to ₱102,448.74 million, reflecting the significant debt-financed capital expenditure program. The net loss after tax widened to ₱4,103.42 million, indicating the initial financial impact of the expansion strategy. Significant improvements in these indicators are expected upon the commencement of TSPI's commercial operations.

Financial Ratios	Formula	December 2025	December 2024
Current Ratio	Dividing total current assets over total current liabilities	1.16	0.66
Quick Ratio	Dividing total current assets less inventory over current liabilities	1.16	0.66
Solvency Ratio	Dividing net income excluding depreciation and non-cash provisions over debt obligations	0.05	-0.06
Debt-to-Equity Ratio	Dividing total liabilities over stockholders' equity	1.05	0.38
Asset-to-Equity Ratio	Dividing total assets over total stockholders' equity	2.05	1.38
Interest Rate Coverage Ratio	Dividing earnings before interest and taxes of one period over interest of the same period	0.34	-2.87
Net Debt-to-Equity Ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	0.94	0.07
Return on Equity	Dividing the net income (annual basis) by total stockholders' equity (average)	-5.03%	-2.15%
Return on Assets	Dividing the net income (annual basis) by the total assets (average)	-2.82%	-1.64%

Material Changes to the Consolidated Statements of Financial Position as of December 31, 2024, compared to the Consolidated Statements of Financial Position as of December 31, 2023

Horizontal and Vertical Analysis of Financial Position December 31, 2024 vs. December 31, 2023						
Amounts in ₱0.00	December 31, 2024	December 31, 2023	Horizontal Analysis		Vertical Analysis	
			Increase/(Decrease)		December 31, 2024	December 31, 2023
			Amount	*Percentage*		
Assets						
Cash and cash equivalents	5,539,532,868	10,040,424,627	(4,500,891,759)	-44.83%	6.06%	19.62%

Horizontal and Vertical Analysis of Financial Position December 31, 2024 vs. December 31, 2023						
Amounts in ₱0.00	**December 31, 2024**	**December 31, 2023**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**December 31, 2024**	**December 31, 2023**
			Amount	*Percentage*		
Trade receivables	290,041,454	286,288,062	3,753,392	1.31%	0.32%	0.56%
Subscription receivable	1,319,056	1,319,056	-	0.00%	0.00%	0.00%
Inventories	-	24,800,913	(24,800,913)	-100.00%	0.00%	0.05%
Due from related parties	147,156,423	126,920,310	20,236,113	15.94%	0.16%	0.25%
Other current assets	664,373,800	744,366,136	(79,992,336)	-10.75%	0.73%	1.45%
TOTAL CURRENT ASSETS	**6,642,423,601**	**11,224,119,104**	**(4,581,695,503)**	**-40.82%**	**7.27%**	**21.93%**
Property, plant, and equipment						
At cost	18,392,981,434	10,136,123,220	8,256,858,214	81.46%	20.13%	19.80%
At revalued amount	49,362,804,400	12,467,340,000	36,895,464,400	295.94%	54.03%	24.36%
Deposits for land acquisition	2,955,531,170	3,396,776,396	(441,245,226)	-12.99%	3.23%	6.64%
Intangible assets	13,261,891,642	13,261,891,642	-	0.00%	14.51%	25.91%
Goodwill	9,954,384	9,954,384	-	0.00%	0.01%	0.02%
Deferred tax asset	9,291,007	9,646,601	(355,594)	-3.69%	0.01%	0.02%
Other noncurrent assets	732,280,143	676,962,959	55,317,184	8.17%	0.80%	1.32%
TOTAL NONCURRENT ASSETS	**84,724,734,180**	**39,958,695,202**	**44,766,038,978**	**112.03%**	**92.73%**	**78.07%**
TOTAL ASSETS	**91,367,157,781**	**51,182,814,306**	**40,184,343,475**	**78.51%**	**100.00%**	**100.00%**
Liabilities and Equity						
Trade and other payables	9,393,971,077	482,626,040	8,911,345,037	1846.43%	10.28%	0.94%
Due to related parties	386,861,905	608,442,826	(221,580,921)	-36.42%	0.42%	1.19%
Current portion of lease liabilities	25,399,496	8,962,861	16,436,635	183.39%	0.03%	0.02%
Current portion of notes payable	235,889,777	366,847,748	(130,957,971)	-35.70%	0.26%	0.72%
TOTAL CURRENT LIABILITIES	**10,042,122,255**	**1,466,879,475**	**8,575,242,780**	**584.59%**	**10.99%**	**2.87%**
Lease liabilities - net of current portion	365,048,472	381,109,300	(16,060,828)	-4.21%	0.40%	0.74%
Notes payable - net of current portion	2,493,789,567	2,729,695,924	(235,906,357)	-8.64%	2.73%	5.33%
Deferred tax liabilities	12,347,590,016	4,086,521,200	8,261,068,816	202.15%	13.51%	7.98%
Other noncurrent liabilities	97,824,505	98,633,404	(808,899)	-0.82%	0.11%	0.19%
TOTAL NONCURRENT LIABILITIES	**15,304,252,560**	**7,295,959,828**	**8,008,292,732**	**109.76%**	**16.75%**	**14.25%**
TOTAL LIABILITIES	**25,346,374,815**	**8,762,839,303**	**16,583,535,512**	**189.25%**	**27.74%**	**17.12%**
Common stock	5,007,305,000	3,437,305,000	1,570,000,000	45.68%	5.48%	6.72%
Preferred stock	194,042,026	-	194,042,026	100.00%	0.21%	0.00%
Additional paid-in capital	19,794,017,013	5,713,764,409	14,080,252,604	246.43%	21.66%	11.16%
Deposit for future stock subscription	-	15,894,042,026	(15,894,042,026)	-100.00%		31.05%

Horizontal and Vertical Analysis of Financial Position December 31, 2024 vs. December 31, 2023						
Amounts in ₱0.00	**December 31, 2024**	**December 31, 2023**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**December 31, 2024**	**December 31, 2023**
			Amount	*Percentage*		
Equity reserve	688,902,762	525,755,142	163,147,620	31.03%	0.75%	1.03%
Revaluation surplus	33,051,297,709	8,268,091,263	24,783,206,446	299.75%	36.17%	16.15%
Retained earnings	3,942,292,359	5,546,151,067	(1,603,858,708)	-28.92%	4.31%	10.84%
TOTAL EQUITY	**62,677,856,869**	**39,385,108,907**	**23,292,747,962**	**59.14%**	**68.60%**	**76.95%**
Noncontrolling interest	3,342,926,097	3,034,866,096	308,060,001	10.15%	3.66%	5.93%
TOTAL LIABILITIES AND EQUITY	**91,367,157,781**	**51,182,814,306**	**40,184,343,475**	**78.51%**	**100.00%**	**100.00%**

Cash

As of December 31, 2024, the SPNEC Group held cash and cash equivalents totaling ₱5,539.5 million. During the year, net cash from operations amounted to ₱1,503.6 million and the Group obtained a short-term loan of ₱7,200.0 million. In addition to the beginning cash balance, these funds were primarily utilized for ₱8,794.5 million of construction-related expenditures and ₱3,183.3 million of deposits for land acquisitions.

Trade Receivables

Trade receivable arises from the revenue from the sale of electricity, and sale of goods and services of the subsidiaries. These are either interest or non-interest bearing depending on the clause indicated in the contract and generally collectible within 40 to 60 days.

Outstanding receivable as of December 31, 2024, pertains to receivable by SPCC from Transco amounting to ₱123.6 million, receivable by SPTC from MERALCO and Wholesale Electricity Spot Market amounting to ₱77.4 million.

Subscription Receivable

Subscription receivable represents shares of stock subscribed to and issued by the Parent Company but payment from the shareholders has not yet been received.

As of December 31, 2024, no collections for subscription receivable were made.

Inventories

As of December 31, 2024, SP Tarlac inventories of ₱51.1 million were transferred to noncurrent assets as plant construction materials. These are intended to be used in the construction of the Project.

Due from Related Parties

As of December 31, 2024, the balance of the Parent Company's advances to related parties is ₱52.1 million, while the subsidiaries' balance of advances to related parties amounted to ₱95.1 million.

Other Current Assets

This account mainly consists of short-term investments amounting to ₱588.7 million that are restricted interest-bearing accounts opened and established by SPCC and SPTC in accordance with certain loan and service agreements that will serve as a cash reserve or deposit for the principal and/or interest payments due on the loans. This also includes prepayments such as insurance, taxes, rent, and trust fees of ₱58.7 million, cash bond deposits of ₱15.0 million and creditable withholding taxes of ₱2.0 million.

Property, Plant, and Equipment (At Cost)

The substantial increase in this account is due to the addition of the Solar Power Plants of SPTC and SPCC totaling a net book value of ₱6,757.8 million as of December 31, 2024, and CIP of Terra Solar for its 3,500 MWp Solar Power Plant. During the period, the SPNEC group incurred a total amount of ₱8,794.5 million which was capitalized costs related mainly to the Terra Solar project.

The Parent Company's ROU Assets has a total land area of 352.42 hectares with a net book value of ₱243.2 million. Also, added to this account are the ROU Assets of SPTC comprising of 102.49 hectares of land with a net book value as of December 31, 2024 of ₱189.9 million.

As of December 31, 2024, the total land area under lease of the Group, including the Parent and SPTC is at 454.92 hectares.

Property, Plant, and Equipment (At Fair Value)

This pertains to the parcels of land currently owned by the Group, including SPNEC, TNI, SPCC and SPTC, which was reported at their fair market value as of December 31, 2024.

As of December 31, 2024, the Group has a total area of 2,689.59 hectares of land.

Deposits for Land Acquisition

For the twelve-month period ended December 31, 2024, the Group made deposits for land acquisition including land-related costs to various landowners amounting to ₱3,183.3 million. Some of which eventually became land assets for the Group.

Other Noncurrent Assets

This account mainly consists of long-term receivable by SPCC from Transco related to the FIT adjustments amounting to ₱319.0 million; input VAT of ₱279.6 million of SPNEC, TNI and SPTC; construction materials of ₱51.1 million; supplier advances of ₱46.0 million; Security Bonds of ₱20.3 million; long-term security deposits on leased properties of ₱6.7 million; Right-of-Way ("**ROW**") contracts of ₱6.3 million and prepaid rent noncurrent portion of ₱3.3 million.

Intangible Assets

The intangible assets recorded as of December 31, 2024, pertain to the fair values of the identifiable assets of TSPI, which is mainly attributable to the Power Supply Agreement of TSPI that existed at the time of the acquisition amounting to ₱13,261.9 million.

Goodwill

Goodwill arose in the acquisition of TSPI because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of expected synergies and future market growth. The total goodwill recognized as of December 31, 2024, amounted to ₱9.9 million which is the difference between fair value of the identifiable net assets and the total consideration.

Trade and Other Payables

Trade and other payables include (i) Accounts payable are non-interest bearing and are normally settled within one year (ii) withholding tax payable pertains to withholding taxes on professional fees and various payments to contractors for services rendered (iii) accrued expenses consist mainly of accrual for benefits to host communities, light and water, professional fees, and (iv) differential cost of replacement energy charged by MERALCO to SP Tarlac.

The third-party payables for the purchase of goods and services by the Group totaling ₱507.0 million, accrued expenses totaling ₱1,307.7 million, accrued interests for the loan facilities of SPTC and SPCC amounting to ₱147.9 million, short-term loans totaling ₱7,200.0 million, related party payables amounting to ₱138.4 million as a result of business combination, withholding taxes of ₱77.1 million, and income tax payable of ₱15.9 million.

Due to Related Parties

As of December 31, 2024, SPNEC's balance of advances from SPPPHI and Countryside are ₱348.2 million and ₱37.6 million, respectively. Also, as a result of the consolidation with MGEN Renewable, an amount of ₱1.0 million was added to this account.

Lease Liabilities

As of December 31, 2024, the total land area under lease of the Group, including the Parent and SPTC is at 454.92 hectares. The outstanding lease liabilities of the Parent and SPTC are ₱291.2 million and ₱99.3 million, respectively.

Notes Payable

This account pertains to the loans payable of SPTC and SPCC which was recorded in the Group's financial statements as of December 31, 2024 totaling ₱2,729.7 million.

SPCC – Omnibus Loan and Security Agreement (₱3,400.0 Million Loan)

On February 14, 2017, SPCC signed an OLSA with BDO, PBB and United Coconut Planters Bank (collectively referred to as the "**SPCC Lenders**") for a long-term loan facility of ₱3,400.0 million to finance the repayment of short-term loan facility, including accrued interests, and its Project advances from SPPPHI and SPCRPI, which were used to partially finance the construction of the Project. The long-term loan from the OLSA carries an interest rate of 6.85% per annum up to April 3, 2022, at which a fixed repricing of the rate has been made to 7.96% per annum for the remainder of the long-term loan. The principal repayment period shall be semi-annual from October 3, 2018 up to April 3, 2029.

As of December 31, 2024, the loan has an outstanding balance of ₱976.1 million.

SPTC – Omnibus Loan and Security Agreement (₱2,225.0 Million Loan)

On June 18, 2019, SP Tarlac signed an OLSA with BDO Unibank, Inc. ("**BDO**") for a long-term loan facility of ₱2,225.0 million to solely finance the construction of the Concepcion Solar Project.

The proceeds of the loan amounting ₱2,002.5 million and ₱222.5 million were received on July 3, 2019 and July 25, 2019, respectively. The principal repayment period shall be semi-annual beginning on January 3, 2021 up to July 25, 2031.

As of December 31, 2024, the loan has an outstanding balance of ₱1,753.5 million.

Deferred Tax Liabilities

This account arises from the recognition of ROU Assets, lease liabilities, and fair value measurement of the Group's land.

Other Noncurrent Liabilities

This account consists primarily of the noncurrent portion of replacement energy costs payable by SPTC to MERALCO of ₱89.1 million. The current portion of this replacement energy amounting to ₱8.0 million was presented as part of the trade and other payables.

Capital Stock

On 15 May 2023, SPPPHI and the Parent Company entered into a Subscription Agreement, whereby SPPPHI agreed to subscribe for 24,373,050,000 common shares at the par value of ₱0.10 per share out of the Parent Company's increase in authorized capital stock upon its approval by the SEC.

On 31 May 2023, the Parent Company filed with the SEC its application for an increase of the authorized capital stock and the corresponding Amended Articles of Incorporation of SPNEC increasing the authorized capital stock from One Billion Pesos (₱1,000,000,000.00) divided into 10 billion common shares at par value of P0.10 per share to Five Billion Pesos (₱5,000,000,000.00) divided into 50 billion common shares at par value of ₱0.10 per share.

On 1 June 2023, the SEC approved the Parent Company's application for an increase of its authorized capital stock.

On January 17, 2024, the SEC approved the Parent Company's application for increase in authorized capital stock from 50 billion common shares with par value of ₱0.10 per share to 75 billion common shares with par value of ₱0.10 per share and 25 billion preferred shares with par value of ₱0.01 per share, divided into Class A preferred shares and Class B preferred shares

As of December 31, 2024, with the abovementioned transactions during the period, the outstanding capital stock of SPNEC increased from ₱3,437.3 million to ₱5,201.3 million.

Additional Paid-In Capital

On January 17, 2024, upon the SEC's approval of the application for increase in authorized capital stock, the subscribed shares were issued to MGEN Renewables. Upon approval of the SEC of the Parent Company's application for increase in authorized capital stock, the Parent Company reclassified the "Deposits for future stock subscription" and issued 15.7 billion common shares with par value of ₱1.0 per share and 19.4 billion preferred shares with par value of ₱0.01 per share. The amount in excess of par value totaling to ₱14.1 billion is presented as additional paid-in capital, net of stock issuance costs amounting to ₱50.0 million.

Deposit for Future Stock Subscription

In 2024, the company issued shares after converting the existing ₱15.9 billion in Deposits for Future Stock Subscription.

As of December 31, 2024, there was no balance in Deposit for Future Stock Subscription.

Equity Reserves

This represents the impact of the common control business combination as a result of the Parent Company's modified acquisition of 100% of the outstanding shares of SPPPHI in various entities (i.e., Solar Philippines Assets.)

Revaluation Surplus

The Group's land is comprised of parcels of land with a total land area of 2,689.58 hectares as of December 31, 2024, which was recorded at fair value.

As of December 31, 2024, the fair value increment amounting to ₱24,783.2 million, net of deferred income tax, is recognized in other comprehensive income, and accumulated in equity under "Revaluation surplus" account amounting to ₱33,051.3 million, net of deferred income tax.

Retained Earnings

The Group's Retained Earnings decreased by ₱1,603.9 million driven by the net loss of ₱1,167.2 million for the twelve-month period ended December 31, 2024.

<u>Material Changes to the Consolidated Statements of Comprehensive Income for the Twelve (12)-months ended December 31, 2024, compared to the Statements of Comprehensive Income for the Six (6)-months ended December 31, 2023</u>

As of December 31, 2024, the Parent Company has subsidiaries that are in commercial operations.

Horizontal and Vertical Analysis of Comprehensive Income December 30, 2024 vs. December 30, 2023						
Amounts in ₱0.00	**December 31, 2024 (1 year) (Unaudited)**	**December 31, 2023 (1 year) (Audited)**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**December 2024**	**December 2023**
			Amount	***Percentage***		
Revenue	1,200,134,185	635,451,217	564,682,968	88.86%	5.08%	5.30%
Cost of sales	(563,911,783)	(327,103,277)	(236,808,506)	72.40%	-2.39%	-2.73%
GROSS PROFIT	**636,222,402**	**308,347,940**	**327,874,462**	**106.33%**	**2.69%**	**2.57%**
General and administrative expenses	(1,734,976,491)	(207,914,077)	(1,527,062,414)	734.47%	-7.35%	-1.73%
Other income (expense)	(56,123,910)	6,008,335,292	(6,064,459,202)	-100.93%	-0.24%	50.11%
Finance costs	(282,199,197)	(167,232,021)	(114,967,176)	68.75%	-1.19%	-1.39%
Interest income	343,559,643	29,993,447	313,566,196	1045.45%	1.45%	0.25%
LOSS BEFORE TAX	**(1,093,517,553)**	**5,971,530,581**	**(7,065,048,134)**	**-118.31%**	**-4.63%**	**49.81%**
Provisions for income tax	(73,641,155)	(23,949,830)	(49,691,325)	207.48%	-0.31%	-0.20%
NET LOSS AFTER TAX	**(1,167,158,708)**	**5,947,580,751**	**(7,114,739,459)**	**-119.62%**	**-4.94%**	**49.61%**
Other comprehensive income	24,783,206,446	6,041,693,185	**18,741,513,261**	**310.20%**	**104.94%**	**50.39%**
TOTAL COMPREHENSIVE INCOME (LOSS)	**23,616,047,738**	**11,989,273,936**	**11,626,773,802**	**96.98%**	**100.00%**	**100.00%**

Revenue

From the date of the acquisition of Solar Philippines Assets and up to December 31, 2024, the Group has recorded a total of ₱1,200.1 million revenue, mainly contributed by SPCC and SPTC from the sale of electricity.

Horizontal and Vertical Analysis of Comprehensive Income December 31, 2024 vs. December 31, 2023						
Amounts in ₱0.00	**December 31, 2024 (1 year) (Unaudited)**	**December 31, 2023 (1 year) (Audited)**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**December 2024**	**December 2023**
			Amount	*Percentage*		
Depreciation and amortization	376,205,762	210,672,075	165,533,687	78.57%	1.59%	1.76%
Insurance	49,931,799	26,389,038	23,542,761	89.21%	0.21%	0.22%
Contracted services	26,571,148	37,733,780	(11,162,632)	-29.58%	0.11%	0.31%
Salaries and wages	19,738,077	11,123,826	8,614,251	77.44%	0.08%	0.09%
Rentals	799,698	6,731,915	(5,932,217)	-88.12%	0.00%	0.06%
Inventories issued	3,158,135	8,714,838	(5,556,703)	-63.76%	0.01%	0.07%
Others	87,507,164	25,737,805	61,769,359	239.99%	0.37%	0.21%
Cost of Sales	**563,911,783**	**327,103,277**	**236,808,506**	**72.40%**	**2.39%**	**2.73%**

Cost of Sales

Cost of Sales of electricity includes expenses incurred by those directly attributable to the generation of revenues from solar energy. For the 12-month ended December 31, 2024, the Group has recorded a total cost of sales of ₱563.9 million. This account is mainly comprised of depreciation of the solar power plant and amortization of ROU Assets which accounted for 67% of the total Cost of Sales. Other components are plant insurance, plant maintenance, power plant preventive maintenance schedule, salaries and wages, utilities, and others.

General and Administrative Expenses

Horizontal and Vertical Analysis of Comprehensive Income December 31, 2024 vs. December 31, 2023						
Amounts in ₱0.00	**December 31, 2024 (1 year) (Unaudited)**	**December 31, 2023 (1 year) (Audited)**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**December 2024**	**December 2023**
			Amount	*Percentage*		
Contracted services	76,680,607	32,040,000	44,640,607	139.33%	0.32%	0.27%
Taxes and licenses	196,329,393	40,924,882	155,404,511	379.73%	0.83%	0.34%
Professional fees	1,323,251,871	67,000,766	1,256,251,105	1874.98%	5.60%	0.56%
Depreciation and amortization	3,530,910	5,560,646	(2,029,736)	-36.50%	0.01%	0.05%
Insurance	5,728,985	7,503,489	(1,774,504)	-23.65%	0.02%	0.06%
Rentals	1,881,144	8,252,107	(6,370,963)	-77.20%	0.01%	0.07%
Others	127,573,581	46,632,187	80,941,394	173.57%	0.54%	0.39%
General and Administrative Expenses	**1,734,976,491**	**207,914,077**	**1,527,062,414**	**734.47%**	**7.35%**	**1.73%**

General and Administrative Expenses include expenses that are not related to power generation activities. For the 12-month ended December 31, 2024, the Group recorded a total of cost of ₱1,735.0 million, an increase of ₱1,527.1 million versus the previous year. This significant increase pertains to legal fees incurred by TNI and TSPI and recorded under Professional Fees. Professional Fees account for 76% of the total General and Administrative Expenses. Other components include management fees, permits and licensing fees, bank charges, rent, and insurance not related to power generation activities.

Finance Costs

This account includes interest accretion on lease liabilities, accruals of interest on loan facilities of the Group, and others.

Other Income (Expense)

This account is mainly attributable to losses on the disposal of investments and exercise of put options amounting to ₱95.9 million, with foreign exchange gains also recognized during the period.

Net Income (Loss)

For the twelve-month period ended December 31, 2024, the Group's net loss of ₱1,167.1 million.

Other Comprehensive Income

For the twelve-month period ended December 31, 2024, the fair value increment amounting to ₱24,483.2 million, net of deferred income tax, pertains to the land of SPNEC, TNI, SPCC and SPTC.

Key Performance Indicators

Financial Ratios	Formula	December 2024	December 2023
Current Ratio	Dividing total current assets over total current liabilities	0.66	7.65
Quick Ratio	Dividing total current assets less inventory over current liabilities	0.66	7.63
Solvency Ratio	Dividing net income excluding depreciation and non-cash provisions over debt obligations	-0.06	0.70
Debt-to-Equity Ratio	Dividing total liabilities over stockholders' equity	0.38	0.21
Asset-to-Equity Ratio	Dividing total assets over total stockholders' equity	1.38	1.21
Interest Rate Coverage Ratio	Dividing earnings before interest and taxes of one period over interest of the same period	-2.87	36.71
Net Debt-to-Equity Ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	0.07	-0.16
Return on Equity	Dividing the net income (annual basis) by total stockholders' equity (average)	-2.15%	14.02%
Return on Assets	Dividing the net income (annual basis) by the total assets (average)	-1.64%	11.62%

The key factor influencing the change in the ratios is the Group's investment activities related to the TSPI project. The ratios are expected to improve upon commencement of TSPI's commercial operations.

Material Changes to the Consolidated Statements of Financial Position as of December 31, 2023, compared to the Consolidated Statements of Financial Position as of December 31, 2022

Horizontal and Vertical Analysis of Financial Position December 31, 2023 vs. December 31, 2022						
Amounts in ₱0.00	**December 31, 2023 (Audited)**	**December 31, 2022 (Audited)**	**Horizontal Analysis Increase/(Decrease)**		**Vertical Analysis**	
			Amount	***Percentage***	**December 2023**	**December 2022**
Assets						
Cash	10,040,424,627	37,232,084	10,003,192,543	26867.13%	19.62%	0.60%
Accounts receivable	286,288,062	-	286,288,062	100.00%	0.56%	0.00%
Subscription receivable	1,319,056	651,115,661	(649,796,605)	-99.80%	0.00%	10.50%
Inventories	24,800,913	-	24,800,913	100.00%	0.05%	0.00%
Due from related parties	126,920,310	821,388,320	(694,468,010)	-84.55%	0.25%	13.24%
Other current assets	744,366,136	18,638,843	725,727,293	3893.63%	1.45%	0.30%
TOTAL CURRENT ASSETS	**11,224,119,104**	**1,528,374,908**	**9,695,744,196**	**634.38%**	**21.93%**	**24.64%**
Property, plant, and equipment	10,136,123,220	1,671,233,624	8,464,889,596	506.51%	19.80%	26.94%
Land	12,467,340,000	-	12,467,340,000	100.00%	24.36%	0.00%
Investment property	-	312,626,010	(312,626,010)	-100.00%	0.00%	5.04%
Deposits for land acquisition	3,396,776,396	2,026,892,396	1,369,884,000	67.59%	6.64%	32.67%
Deferred tax asset	9,646,601	10,201,126	(554,525)	-5.44%	0.02%	0.16%
Other noncurrent assets	676,962,959	654,395,146	22,567,813	3.45%	1.32%	10.55%
Intangible assets	13,261,891,642	-	13,261,891,642	100.00%	25.91%	0.00%
Goodwill	9,954,384	-	9,954,384	100.00%	0.02%	0.00%
TOTAL NONCURRENT ASSETS	**39,958,695,202**	**4,675,348,302**	**35,283,346,900**	**754.67%**	**78.07%**	**75.36%**
TOTAL ASSETS	**51,182,814,306**	**6,203,723,210**	**44,979,091,096**	**725.03%**	**100.00%**	**100.00%**
Liabilities and Equity						
Accounts payable and accrued expenses	482,626,040	65,218,072	417,407,968	640.02%	0.94%	1.05%
Due to related parties	608,442,826	22,770,229	585,672,597	2572.10%	1.19%	0.37%
Current portion of notes payable	366,847,748	-	366,847,748	100.00%	0.72%	0.00%
Current portion of lease liabilities	8,962,861	4,538,676	4,424,185	97.48%	0.02%	0.07%
TOTAL CURRENT LIABILITIES	**1,466,879,475**	**92,526,977**	**1,374,352,498**	**1485.35%**	**2.87%**	**1.49%**
Lease liabilities - net of current portion	381,109,300	298,599,744	82,509,556	27.63%	0.74%	4.81%

Horizontal and Vertical Analysis of Financial Position December 31, 2023 vs. December 31, 2022						
Amounts in ₱0.00	**December 31, 2023 (Audited)**	**December 31, 2022 (Audited)**	**Horizontal Analysis Increase/(Decrease)**		**Vertical Analysis**	
			Amount	***Percentage***	**December 2023**	**December 2022**
Notes payable - net of current portion	2,729,695,924	-	2,729,695,924	100.00%	5.33%	0.00%
Deferred tax liabilities	4,086,521,200	-	4,086,521,200	100.00%	7.98%	0.00%
Other noncurrent liabilities	98,633,404	-	98,633,404	100.00%	0.19%	0.00%
TOTAL NONCURRENT LIABILITIES	**7,295,959,828**	**298,599,744**	**6,997,360,084**	**2343.39%**	**14.25%**	**4.81%**
TOTAL LIABILITIES	**8,762,839,303**	**391,126,721**	**8,371,712,582**	**2140.41%**	**17.12%**	**6.30%**
Capital stock	3,437,305,000	1,000,000,000	2,437,305,000	243.73%	6.72%	16.12%
Additional paid-in capital	5,713,764,409	4,938,722,430	775,041,979	15.69%	11.16%	79.61%
Deposit for future stock subscription	15,894,042,026	-	15,894,042,026	100.00%	31.05%	0.00%
Equity reserve	525,755,142	-	525,755,142	100.00%	1.03%	0.00%
Revaluation surplus	8,268,091,263	-	8,268,091,263	100.00%	16.15%	0.00%
Retained earnings (deficit)	5,546,151,067	(126,125,941)	5,672,277,008	-4497.31%	10.84%	-2.03%
Non-controlling interest	3,034,866,096	-	3,034,866,096	100.00%	5.93%	0.00%
TOTAL EQUITY	**42,419,975,003**	**5,812,596,489**	**36,607,378,514**	**629.79%**	**82.88%**	**93.70%**
TOTAL LIABILITIES AND EQUITY	**51,182,814,306**	**6,203,723,210**	**44,979,091,096**	**725.03%**	**100.00%**	**100.00%**

Cash

As of 31 December 2023, the Parent Company collected its subscription receivables amounting to ₱649.8 million and received a net advance from a related party of ₱163.3 million. These amounts were used for the payment of construction-related expenses of ₱468.0 million, and deposits for land acquisition amounting to ₱297.5 million.

On 10 May 2023, SPNEC received ₱2,437.3 million from SP Project Holdings for the subscription of 24,373.05 million common shares at ₱0.10 par value. Further, in 2023, SPNEC accepted a cash infusion from SP Project Holdings amounting to ₱776.9 million as additional paid-in capital to SP Project Holdings' existing subscription in SPNEC. The proceeds were used for the purchase of Solar Philippines Assets.

In November and December 2023, the Parent Company received the full subscription of MGEN Renewables amounting to ₱15,894.0 million, which was partially used to acquire 100% of the shares of Prime in TSPI for ₱6,000.0 million, and payment for the Parent Company's general and administrative expenses. The balance of the proceeds will be used for the development of the TSPI project.

During the period, the Parent Company's subsidiaries including SPCC, SPTC and SPRC received payments from customers amounting to ₱1,122.3 million, of which ₱339.3 million were used for its operating expenses. SPCC and SPTC made loan payments amounting to ₱328.4 million and ₱285.7 million, respectively. As of 31 December 2023, SPCC paid dividends to its shareholders amounting to ₱95.1 million and capital expenditures amounting to ₱47.5 million.

Trade Receivables

Trade receivable arises from the revenue from the sale of electricity, and sale of goods and services of the subsidiaries. These are either interest or non-interest bearing depending on the clause indicated in the contract and generally collectible within 40 to 60 days.

Outstanding receivable as of 31 December 2023, pertains to receivable by SPCC from Transco amounting to ₱178.7 million, receivable by SPTC from MERALCO amounting to ₱78.8 million and the balance is SPRC's transactions from its Power Purchase Agreement, and EPC services.

Subscription Receivable

Subscription receivable represents shares of stock subscribed to and issued by the Parent Company but payment from the shareholders has not yet been received.

As of 31 December 2023, the Parent Company made collections for subscription receivable amounting to ₱649.8 million.

Inventories

This account pertains to the inventories on hand of SPRC which are to be used for the construction of its contracted Projects amounting to ₱24.8 million.

Due from Related Parties

As of 31 December 2023, the balance of the Parent Company's advances to related parties is ₱29.9 million, while the subsidiaries' balance of advances to related parties amounted to ₱97.0 million.

Other Current Assets

This account mainly consists of short-term investments amounting to ₱575.8 million that are restricted interest-bearing accounts opened and established by SPCC and SPTC in accordance with certain loan and service agreements that will serve as a cash reserve or deposit for the principal and/or interest payments due on the loans. This also includes prepayments such as insurance, taxes, rent, and trust fees of ₱50.3 million, input VAT of ₱35.5 million, cash bond deposits of ₱20.3 million, advance payment to suppliers of ₱15.3 million, performance bond of ₱15.8 million, VAT Receivable of SPTC and SPCC of ₱16.5 million, creditable withholding taxes of ₱8.7 million and other non-trade receivables of ₱6.3 million.

Property, Plant, and Equipment (At Cost)

The substantial increase in this account is due to the addition of the Solar Power Plants of SPTC, SPCC and SPRC totaling a net book value of ₱7,037.6 million as of 31 December 2023, and CIP of SPTC for its 15 MW Solar Power Plant; SPRC and LRSC for its PPA Projects, totaling to ₱779.7 million. During the period, the Parent Company incurred a total amount of ₱468.0 million which was capitalized to CIP for the ongoing construction of its 50MW Solar Power Plant.

The Parent Company's ROU Assets have a total land area of 352.42 hectares with a net book value of ₱254.0 million. Also, added to this account are the ROU Assets of SPTC comprising of 102.49 hectares of land with a net book value as of 31 December 2023 of ₱200.1 million.

As of 31 December 2023, the total land area under lease of the Group, including the Parent and SPTC is at 454.26 hectares.

Property, Plant, and Equipment (At Fair Value)

This pertains to the parcels of land currently owned by the Group, including TNI, SPCC, and SPTC, which was reported at their fair market value as of 31 December 2023.

As of 31 December 2023, the Group has a total area of 670.43 hectares of land.

Deposits for Land Acquisition

For the twelve (12)-month period ended 31 December 2023, the Group made deposits for land acquisition including land-related costs to various landowners amounting to ₱887.3 million. The total amount of ₱434.2 million paid by SPTC and SPCC was added to this account.

Other Noncurrent Assets

This account mainly consists of long-term receivable by SPCC from Transco related to the FIT adjustments amounting to ₱319.0 million, input VAT of ₱216.5 million of SPNEC, TNI, and SPTC, TSPI project development cost of ₱75.1 million, construction materials of ₱50.6 million, long-term security deposits on leased properties of ₱9.4 million and ROW contracts of ₱6.3 million.

Intangible Assets

The intangible assets recorded as of 31 December 2023, pertain to the fair values of the identifiable assets of TSPI, which is mainly attributable to the Power Supply Agreement of TSPI that existed at the time of the acquisition amounting to ₱13,261.9 million.

Goodwill

Goodwill arose in the acquisition of TSPI because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of expected synergies and future market growth. The total goodwill recognized as of 31 December 2023, amounted to ₱9.9 million which is the difference between the fair value of the identifiable net assets and the total consideration.

Trade and Other Payables

Trade and other payables include (i) Accounts payable are non-interest bearing and are normally settled within one year (ii) withholding tax payable pertains to withholding taxes on professional fees and various payments to contractors for services rendered (iii) accrued expenses consist mainly of accrual for benefits to host communities, light and water, professional fees, and (iv) differential cost of replacement energy charged by MERALCO to SPTC.

The third-party payables for the purchase of goods and services by the Group totaling ₱50.0 million, accrued interests for the loan facilities of SPTC and SPCC amounting to ₱99.3 million, related party payables amounting to ₱185.1 million as a result of business combination, accrued expenses totaling

₱100.3 million, income tax payable of ₱21.7 million, withholding taxes of ₱13.0 million, deferred output VAT of ₱8.9 million, and statutory payables of ₱4.4 million.

Due to Related Parties

As of 3, December 2023, SPNEC's balance of the advances from SP Project Holdings amounted to ₱129.8 million. Also, as a result of the consolidation of Solar Philippines Assets, the amount of ₱478.4 million was also added to this account.

Lease Liabilities

As of 31 December 2023, the total land area under lease of the Group, including the Parent and SPTC is at 454.26 hectares. The outstanding lease liabilities of the Parent and SPTC are ₱291.0 million and ₱99.1 million, respectively.

Notes Payable

This account pertains to the loans payable of SPTC and SPCC which were recorded in the Group's financial statements as of 31 December 2023 totaling ₱3,096.5 million.

SPCC – Omnibus Loan and Security Agreement (₱3,400.0 Million Loan)

On 14 February 2017, SPCC signed an OLSA with the SPCC Lenders for a long-term loan facility of ₱3,400.0 million to finance the repayment of short-term loan facility, including accrued interests, and its Project advances from SP Project Holdings and SPCRPI, which were used to partially finance the construction of the Calatagan Solar Power Project.. The long-term loan from the OLSA carries an interest rate of 6.85% per annum up to 3 April 2022, at which a fixed repricing of the rate has been made to 7.96% per annum for the remainder of the long-term loan. An increase in the Gross Receipts Tax rate is expected on 3 April 2024. The principal repayment period shall be semi-annual from 3 October 2018 up to 3 April 2029.

As of 31 December 2023, the loan has an outstanding balance of ₱1,192.6 million.

SPTC – OLSA (₱2,225.0 Million Loan)

On 18 June 2019, SPTC signed an OLSA with BDO for a long-term loan facility of ₱2,225.0 million to solely finance the construction of the Concepcion Solar Project.

The proceeds of the loan amounting ₱2,002.5 million and ₱222.5 million were received on 3 July 2019 and 25 July 2019, respectively. The principal repayment period shall be semi-annual beginning on 3 January 2021 up to 25 July 2031.

As of 31 December 2023, the loan has an outstanding balance of ₱1,903.9 million.

Deferred Tax Liabilities

This account arises from the recognition of ROU Assets, lease liabilities, and fair value measurement of the Group's land.

Other Noncurrent Liabilities

This account consists of the noncurrent portion of replacement energy costs payable by SPTC to MERALCO of ₱95.4 million. The current portion of this replacement energy amounting to ₱12.1 million was presented as part of the trade and other payables.

Capital Stock

On 15 May 2023, SP Project Holdings and the Parent Company entered into a Subscription Agreement, whereby SP Project Holdings agreed to subscribe to 24,373,050,000 common shares at the par value of ₱0.10 per share out of the Parent Company's increase in authorized capital stock ("**ACS Increase**") upon its approval by the SEC.

On 31 May 2023, the Parent Company filed with the SEC its application for ACS Increase and the corresponding amendment of its Articles of Incorporation increasing the authorized capital stock from One Billion Pesos (₱1,000,000,000.00) divided into 10 billion common shares at par value of ₱0.10 per share to Five Billion Pesos (₱5,000,000,000.00) divided into 50 billion common shares at par value of ₱0.10 per share.

On 1 June 2023, the SEC approved the Parent Company's ACS Increase application.

As of 31 December 2023, with the abovementioned transactions during the period, the outstanding capital stock of SPNEC increased from ₱1,000.0 million to ₱3,437.3 million.

Additional Paid-In Capital

In 2023, SPNEC received a cash infusion from SP Project Holdings amounting to ₱776.9 million as additional paid-in capital to SP Project Holdings' existing subscription in SPNEC. This was recognized as additional paid-in capital under equity.

Deposit for Future Stock Subscription

On 30 November 2023, SPNEC entered into a Subscription Agreement with MGEN Renewables to subscribe to (i) 15.7 billion common shares with par value of ₱0.10 per share and (ii) 19.4 billion preferred shares with par value of ₱0.01 per share for a total subscription price of ₱15.9 billion. On the same date, SPNEC received partial cash subscription from MGEN Renewables amounting to ₱7.0 billion, and the balance amounting to ₱8.9 billion was received on 27 December 2023.

On 6 December 2023, SPNEC filed an application with the SEC an increase in authorized capital stock, from which proposed increase the subscription shares of MGEN Renewables will be issued. As of 31 December 2023, SPNEC presented the cash subscription amounting to ₱15.9 billion as "Deposits for future stock subscription" under Equity.

Equity Reserves

This represents the impact of the common control business combination as a result of the Parent Company's modified acquisition of 100% of the outstanding shares of SP Project Holdings in various entities (i.e., Solar Philippines Assets.)

Revaluation Surplus

The Group's land is comprised of parcels of land with a total land area of 670.43 hectares as of 31 December 2023, which was recorded at fair value.

As of 31 December 2023, the fair value increment amounting to ₱6,041.4 million, net of deferred income tax, is recognized in other comprehensive income, and accumulated in equity under "Revaluation surplus" account amounting to ₱8,268.1 million, net of deferred income tax.

Retained Earnings

The Group has gained a net income of ₱5,947.6 million and incurred ₱55.0 million in stock issuance costs which was charged against APIC for the twelve-month period ending 31 December 2023.

Material Changes to the Consolidated Statements of Comprehensive Income for the Twelve (12)-months ended 31 December 2023, compared to the Statements of Comprehensive Income for the Six (6)-months ended 31 December 2022

As of 31 December 2023, the Parent Company has subsidiaries that are in commercial operations.

Horizontal and Vertical Analysis of Comprehensive Income December 31, 2023 vs. December 31, 2022						
Amounts in ₱0.00	**December 31, 2023 (12 months)**	**December 31, 2022 (6 months)**	**Horizontal Analysis Increase/(Decrease)**		**Vertical Analysis**	
			Amount	***Percentage***	**December 2023**	**December 2022**
Revenue	635,451,217	-	635,451,217	100.00%	5.30%	0.00%
Cost of sales	(327,103,277)	-	(327,103,277)	100.00%	-2.73%	0.00%
GROSS PROFIT	**308,347,940**	**-**	**308,347,940**	**100.00%**	**2.57%**	**0.00%**
General and administrative expenses	(207,914,077)	(38,010,960)	(169,903,117)	446.98%	-1.73%	94.06%
Other income (expense)	6,008,335,292	-	6,008,335,292	100.00%	50.12%	0.00%
Finance costs	(167,232,021)	(4,532,695)	(162,699,326)	3589.46%	-1.39%	11.22%
Interest income	29,993,447	2,398,960	27,594,487	1150.27%	0.25%	-5.94%
INCOME (LOSS) BEFORE TAX	**5,971,530,581**	**(40,144,695)**	**6,011,675,276**	**-14975.02%**	**49.81%**	**99.34%**
Provision for income tax	23,949,830	265,138	23,684,692	8932.97%	0.20%	-0.66%
NET INCOME (LOSS) AFTER TAX	**5,947,580,751**	**(40,409,833)**	**5,987,990,584**	**-14818.15%**	**49.61%**	**100.00%**
Other comprehensive income	6,041,394,357	-	**6,041,394,357**	**100.00%**	**50.39%**	**0.00%**
TOTAL COMPREHENSIVE INCOME (LOSS)	**11,988,975,107**	**(40,409,833)**	**12,029,384,940**	**-29768.46%**	**100.00%**	**100.00%**

Revenue

From the date of the acquisition of Solar Philippines Assets and up to 31 December 2023, the Group has recorded a total of ₱635.5 million revenue, mainly contributed by SPCC, SPRC, and SPTC from the sale of electricity.

Cost of Sales

Horizontal and Vertical Analysis of Comprehensive Income December 31, 2023 vs. December 31, 2022						
Amounts in ₱0.00	**December 31, 2023 (12 months)**	**December 31, 2022 (6 months)**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**December 2023**	**December 2022**
			Amount	***Percentage***		
Depreciation and amortization	**210,672,075**	-	210,672,075	100.00%	1.76%	0.00%
Insurance	**26,389,038**	-	26,389,038	100.00%	0.22%	0.00%
Manpower services	**25,163,828**	-	25,163,828	100.00%	0.21%	0.00%
Security services	**12,569,952**	-	12,569,952	100.00%	0.10%	0.00%
Salaries and wages	**11,123,826**	-	11,123,826	100.00%	0.09%	0.00%
Inventories issued	**8,714,838**	-	8,714,838	100.00%	0.07%	0.00%
Rental	**6,731,915**	-	6,731,915	100.00%	0.06%	0.00%
Others	**25,737,805**	-	25,737,805	100.00%	0.21%	0.00%
Cost of Sales	**327,103,277**	-	**327,103,277**	**100.00%**	**2.73%**	**0.00%**

Costs of sale of electricity include expenses incurred by those directly attributable to the generation of revenues from solar energy. From the date of the acquisition of Solar Philippines Assets and up to 31 December 2023, the Group has recorded total cost of sales of ₱327.1 million. This account mainly comprised of depreciation of the solar power plant and amortization of ROU Assets which accounted for 64% of the total Cost of Sales. Other components are plant insurance, plant maintenance, power plant preventive maintenance schedule, salaries and wages, utilities, and others.

General and Administrative Expenses

Horizontal and Vertical Analysis of Comprehensive Income December 31, 2023 vs. December 31, 2022						
Amounts in ₱0.00	**December 31, 2023 (12 months)**	**December 31, 2022 (6 months)**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**December 2023**	**December 2022**
			Amount	***Percentage***		
Taxes and licenses	40,924,882	6,848,628	34,076,254	497.56%	0.34%	-16.95%
Management fees	32,040,000	12,800,000	19,240,000	150.31%	0.27%	-31.68%
Professional fees	67,000,766	6,401,289	60,599,477	946.68%	0.56%	-15.84%
Depreciation and amortization	5,560,646	2,584,193	2,978,453	115.26%	0.05%	-6.39%
Bid-related costs	7,499,277	-	7,499,277	100.00%	0.06%	0.00%
Penalties and surcharges	6,180,173	1,819,212	4,360,961	239.72%	0.05%	-4.50%
Insurance	7,503,489	-	7,503,489	100.00%	0.06%	0.00%
Trust fees	3,218,271	-	3,218,271	100.00%	0.03%	0.00%

Horizontal and Vertical Analysis of Comprehensive Income December 31, 2023 vs. December 31, 2022						
Amounts in ₱0.00	**December 31, 2023 (12 months)**	**December 31, 2022 (6 months)**	**Horizontal Analysis**		**Vertical Analysis**	
			Increase/(Decrease)		**December 2023**	**December 2022**
			Amount	***Percentage***		
Rental	8,252,107	-	8,252,107	100.00%	0.07%	0.00%
Government share	3,620,537	-	3,620,537	100.00%	0.03%	0.00%
Benefits to host communities	2,346,121	-	2,346,121	100.00%	0.02%	0.00%
Others	23,767,808	7,557,638	16,208,170	214.46%	0.20%	-18.70%
General and Administrative Expenses	**207,914,077**	**38,010,960**	**169,903,117**	**446.98%**	**1.73%**	**-94.06%**

Taxes and Licenses

This account consists of the Group's payments for corporate business permit renewal, insurance-related taxes, land-related payments such as real property taxes, certified true copies of titles, tax declarations, DAR filing fees, etc. This also includes PSE listing maintenance fees.

Management Fee

For the twelve (12)-month periods ended 31 December 2023, and 2022, the management fees recorded amounted to ₱32.0 million and ₱12.8 million, respectively. The increase pertains to the recorded management fee for SPCC.

Professional Fees

These are audit fees, appraisal fees on properties of the Group, directors' fees, legal, and other consultancy services incurred by the Group. The significant increase to this account pertains to the legal fees related to the TSPI project.

Depreciation and Amortization

For the twelve (12)-month period ended 31 December 2023, the Group recognized amortization of ROU assets amounting to ₱5.2 million and the balance for the depreciation of other fixed assets.

Penalties and Surcharges

This pertains to the Group's payment of interest on tax deficiencies, amendments of 2022 BIR returns and PSE penalties for late disclosures.

Trust Fees

These are fees for the maintenance of the Group's trust accounts, specifically for SPNEC, SPTC, and SPCC.

Rental

These are mostly vehicle rentals that the Group incurred in relation to the land acquisition for project development.

Government Share

The government share shall be equal to one percent (1%) of the gross income from the sale of electricity generated from solar energy operations. The amount recorded to this account pertains to SPCC and SPTC.

Benefits to Host Communities

Energy Regulations (E.R.) No. 1-94, grant financial benefits to the host communities/Local Government Units of the energy-generation company and/or energy sources. This requires all energy generation companies and/or energy resource developers to provide financial benefits equivalent to one centavo per kilowatt-hour (₱0.01/kWh) of the total electricity sales of the generation facility to the region, province, city or municipality and barangay that host the generation facility, as well as establishment of corresponding trust accounts and the administration thereof by the DOE. The amount recorded to this account pertains to SPCC and SPTC.

Bid Related Costs/Insurance

This account pertains to the amortization of performance/surety bond fees of the Group's various projects.

Others

This account consists of supplies, utilities, accommodations, repairs and maintenance, couriers and postages, and other operating expenses for plant operations of the Group. This also included provisions for impairment losses that the Group has recognized for the period.

Finance Costs

This account includes interest accretion on lease liabilities, accruals of interest on loan facilities of the Group, and others.

Other Income (Expense)

This account is mainly attributable to the remeasurement of its previously held interest in TSPI based on the provisional fair value which resulted in a remeasurement gain of ₱5,964.0 million.

Net Income

For the twelve-month period ended 31 December 2023, the Group has gained a net income of ₱5,947.6 million, which is basically due to the remeasurement gain of ₱5,964.0 million as discussed in the other income (expense) account.

Other Comprehensive Income

For the twelve (12)-month period ended 31 December 2023, the fair value increment amounting to ₱6,041.7.0 million, net of deferred income tax, pertains to the land of TNI, SPCC and SPTC.

Key Performance Indicators

Ratio	Formula	December 2023	December 2022
Current Ratio	Dividing total current assets over total current liabilities	7.65	16.52

Ratio	Formula	December 2023	December 2022
Quick Ratio	Dividing total current assets less inventory over total current liabilities	7.63	16.52
Solvency Ratio	Dividing net income excluding depreciation and non-cash provisions over total debt obligations	0.70	N/A
Debt-to-Equity Ratio	Dividing total liabilities over stockholders' equity	0.21	0.07
Asset-to-Equity Ratio	Dividing total assets over total stockholders' equity	1.21	1.07
Interest Rate Coverage Ratio	Dividing earnings before interest and taxes of one period over interest expense of the same period	36.70	N/A
Net Debt-to-Equity Ratio	Dividing total interest-bearing debts less cash and cash equivalents over total stockholders' equity	-0.16	N/A
Return on Equity	Dividing the net income (annual basis) by total stockholders' equity (average)	14.02%	N/A
Return on Assets	Dividing the net income (annual basis) by the total assets (average)	11.62%	N/A

Market for Issuer's Common Equity and Related Stockholder Matters

Securities

As of the date of this Information Statement, the Issuer has an authorized capital stock of ₱7,750,000,000.00 divided into 75,000,000,000 common shares with a par value ₱0.10 per share and 25,000,000,000 preferred shares with a par value of ₱0.01 per share divided into 5,595,797,448 Class A preferred shares and 19,404,202,552 Class B preferred shares.[27]

The total issued and subscribed capital stock of the Corporation is PhP5,007,305,000.00, divided into 50,073,050,000 common shares with a par value of PhP0.10 per share.

The Articles of Incorporation delegated to the Board of Directors of the Corporation the determination of the features of Class "A" Preferred Shares. Class "B" Preferred Shares, on the other hand, are (i) voting, (ii) non-cumulative, (iii) not entitled to any economic returns or dividends, (iv) redeemable at the option of the Company, at issue price, and at such other terms and conditions as may be determined by the Board of Directors (and shall be immediately retireable upon redemption thereof), and (v) in the event of the liquidation, dissolution, or winding up of the Company (whether voluntary or involuntary), have preference over the Common Shares in respect of the assets of the Company available for distribution after payment of the liabilities of the Company.

Common shares are not entitled to pre-emptive rights.

Except for those exempt from the registration requirement under the SRC, no sales of unregistered securities were made in the past three (3) years.

[27] All the Class "B" Preferred Shares were redeemed on 14 January 2026. Based on the Articles of Incorporation, the redeemed shares cannot be reissued. They are subject for retirement. The amendment of the Seventh Article of the Articles of Incorporation for the purpose of retiring the redeemed Class "B" Preferred Shares will be presented to the Company's stockholders during the Annual Meeting.

No debt securities were registered or contemplated to be registered.

Stock Rights Offering

On 28 March 2022, pursuant to the approval of its Board of Directors, SPNEC confirmed its plan to file the SRO based on its current unissued authorized capital stock of 1,875,649,995 shares, at an entitlement ratio of 1 share for every 1.28 shares held (from its current public float of 2,399,614,000 shares), at an offer price range that has been fixed at PhP1.60 to PhP1.76 per share, with the middle of this range being PhP1.68 per share.

On 8 April 2022, SPNEC filed with the SEC an application for Confirmation of Exempt Transaction covering the common shares to be issued relative to the SRO, pursuant to Section 10.1I (in respect of the Rights Offer) and 10.1(l) (in respect of the QB Take-Up) of the SRC under which the exemption is based. The SEC issued the Confirmation of Exempt Transaction on 19 July 2022.

On 18 August 2022, SPNEC notified the PSE of the final offer price of PhP1.50 per share, and offered the option to pay in installments, with a down payment of 25% and the balance of 75% within three months of the offer period.

On 15 September 2022, SPNEC completed its SRO and issued 1,875,649,995 new Common Shares for a total consideration of PhP2,813.5 million or at PhP1.50 par value. This resulted to an APIC of PhP2,591.4 million, net of transaction costs of PhP34.5 million.

On 1 December 2022, SPNEC extended the payment period for partially paid Right Shares for a period of three months, from 5 December 2022 to 5 March 2023.

As of 31 December 2023 and 2022, subscription receivables resulting from those that subscribed on installment payment amounted to PhP1.3 million and PhP651.1 million, respectively.

As of 31 March 2026, 1,171,603 Rights Shares remain partially paid. The Issuer deems the remaining partially paid shares as delinquent shares in accordance with the terms of the Final Prospectus for the Rights Offer and the Revised Corporation Code. Specifically, all delinquent shares will be sold at auction pursuant to law. In case there are no bidders at such auction, the Issuer may purchase the delinquent shares, in which case they will become its treasury shares. Downpayments made on delinquent shares shall be forfeited in favor of the Issuer.

As of 31 March 2026, 50,071,878,397 of the Issuer's Common Shares are listed with the PSE.

Market Information

The Company's shares are traded on the PSE. The high and low sales prices of SPNEC shares for each quarter for the last two (2) fiscal years and the first quarter of 2026 are as follows:

	2024		2025		2026	
	High	*Low*	*High*	*Low*	*High*	*Low*
Jan-Mar	1.40	1.02	1.30	1.02	1.39	1.06
Apr-Jun	1.16	0.89	1.28	1.03	-	-
Jul-Sep	1.39	0.91	1.63	1.23	-	-
Oct-Dec	1.25	0.99	1.33	1.10	-	-

The closing price of the Company's Common Shares as of 28 April 2026 is PhP1.54 per share.

Holders

As of 29 April 2026, the Company had 30 stockholders. Below is the list of the Company's top twenty (20) stockholders as of 29 April 2026:

#	Stockholder	No. of Shares Held	Ownership Percentage
1	MGEN Renewable Energy, Inc.	28,707,304,999	57.33%
2	Solar Philippines Power Project Holdings, Inc.	8,160,230,998[28]	16.30%
3	Asia Pacific Institute for Green Development Inc.	4,150,000,000	8.29%
4	PCD Nominee Corporation (Filipino)	3,803,095,755[29]	7.59%
5	PCD Nominee Corporation (Non-Filipino)	2,070,383,774[30]	4.13%
6	Metro Pacific Investments Corporation	1,600,000,000	3.19%
7	Pamulinawen Holdings Corporation	1,580,000,000	3.15%
8	Sheng Bi	850,000	0.00%
9	Myra P. Villanueva	210,125	0.00%
10	Jose Ivan T. Justiniano or Ma. Jema V. Justiniano	200,000	0.00%
11	Elvira M. Cruz or Bernardo A. Cruz	200,000	0.00%
12	Johanna Theresa A. Cid	100,000	0.00%
13	Mark Louie Apao	100,000	0.00%
14	Myrna P. Villanueva	89,062	0.00%
15	Milagros P. Villanueva	89,062	0.00%
16	Richard Y. Tan	50,000	0.00%
17	Marietta V. Cabreza	44,531	0.00%
18	Juan Carlos V. Cabreza	44,531	0.00%
19	Deme Rafael V. Abayon	28,156	0.00%
20	Arturo B. Pagdonsolan or Evelyn Basilia D. Pagdonsolan	15,000	0.00%

The public float of the Issuer as of 31 March 2026 is 20.005%.

Background of Shareholders Owning At Least Ten Percent (10%) of the Total Outstanding Stock

1. MGEN Renewable Energy, Inc.

MGEN Renewables is the renewable energy arm of MGEN, which is focused on investing in and developing energy projects that utilize clean and sustainable energy sources. MGEN Renewables plays a vital role in the attainment of MGEN's goal of building a balanced power generation portfolio.

Currently, MGEN Renewables has an RE portfolio that includes the PowerSource First Bulacan Solar Inc., a 55 MWac solar plant in San Miguel, Bulacan in partnership with PowerSource Energy Holdings Corporation; the Nuevo Solar Energy Corp., a 68 MWac solar farm in Currimao, Ilocos Norte with Vena Energy's Pasuquin Energy Holdings Inc.; and the PH Renewables, Inc., a 75 MWac solar farm in Baras, Rizal with Mitsui & Co.'s Mit-Renewables Philippine Corporation. The Company is also developing a 49 MWac solar power plant in Cordon, Isabela and an 18.75 MWac solar power plant in Bongabon, Nueva Ecija. MGEN Renewables also signed an Investment Agreement with Vena Energy

[28] All lodged with the PDTC under PCD Nominee Corporation (Filipino).
[29] Excludes the lodged shares of SPPPHI; as of 31 March 2026.
[30] As of 31 March 2026.

to jointly develop, construct, and operate the 450 MW Bugallon Solar Power Project in Bugallon, Pangasinan.

2. Solar Philippines Power Project Holdings, Inc.

SPPPHI is a domestic holding corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at 20th Floor, AIA Tower, 8767 Paseo de Roxas, Barangay Bel-Air, Makati City 1226, Philippines. Among others, it was primarily created to invest in, hold, purchase, acquire, lease, contract, or otherwise, within the limits allowed by law, any and all real and personal properties of every kind and description whatsoever which it may deem necessary or appropriate. However, SPPPHI shall not act as dealer and broker of securities.

3. PCD Nominee Corporation

PCD Nominee Corporation is a wholly owned subsidiary of the PDTC, a corporation established to improve operations in securities transactions and to provide a fast, safe, and highly efficient system for securities settlement in the Philippines. PCD Nominee Corporation acts as trustee-nominee for all shares lodged in the PDTC system, where trades effected on the PSE are finally settled with the PDTC.

PDTC is a private institution established in March 1995 to improve operations in securities transactions. Regulated by the SEC, PDTC is owned by major capital market players in the Philippines, namely the PSE, Bankers Association of the Philippines, Financial Executives Institute of the Philippines, Development Bank of the Philippines, Investment House Association of the Philippines, Social Security System, and Citibank N.A.

All PSE-member brokers are participants of the PDTC. Other participants include custodian banks, institutional investors, and other corporations or institutions that are active players in the Philippine equities market.

Dividends

The Issuer is authorized to distribute dividends out of its surplus profit, in cash, properties of the Issuer, shares of stock, and/or securities of other companies belonging to the Issuer. Dividends paid in the form of cash or property are subject to approval of the Board of Directors. Dividends paid in the form of additional shares are subject to the approval of the Board of Directors and stockholders that own at least two-thirds (2/3) of the outstanding capital stock of the Issuer. In case the stock dividends will be coming from an increase in authorized capital stock, such declaration shall be subject to SEC approval. Holders of outstanding common shares as of a dividend record date will be entitled to full dividends declared without regard to any subsequent transfer of such shares.

On 6 September 2021, the Board of Directors approved its Dividend Policy that gave the Board of Directors the discretion to declare dividends as they see fit after considering the funding requirements for future projects subject to the requirements of applicable laws and regulations, capital expenditure requirements, compliance with the Issuer's covenants, if any, and other circumstances that may restrict the payment of dividends. There can be no guarantee that the Issuer will pay any dividends in the future. Dividends may be declared only from the Issuer's unrestricted retained earnings.

The Issuer has not declared any kind of dividend to its shareholders since its incorporation.

Exempt Transactions

On 19 July 2022, the Corporation received a letter from the SEC confirming that its planned SRO as previously described is a transaction exempt from the registration requirements of the SRC.

The shares offered for subscription exclusively to existing eligible shareholders in proportion to their percentage of shares being held as of the record date set (the "**Rights Offer**"), provided that no commission or other renumeration shall be paid or given directly or indirectly in connection with the said subscription, is an exempt transaction under Section 10.1 (e) of the SRC. Further, the subscription of shares not subscribed to after the mandatory second round of the Rights Offer by the Institutional Investors is likewise an exempt transaction under Section 10.1 (l) of the SRC. The SEC's confirmation of exemption was made subject to certain conditions and requirements under the implementing rules and regulations of the SRC.

On 30 November 2023, the Corporation entered into a Subscription Agreement with MGEN Renewables for the latter to subscribe to 15,700,000,000 common shares of stock at a subscription price of One Peso (Php1.00) per share and 19,404,202,552 preferred shares at a subscription price of One Centavo (Php0.01) per share, subject to the approval of the Corporation's increase in authorized capital stock by the SEC which was obtained on 19 January 2024. This is an exempt transaction under Sections 10.1 (i) and (k) of the Securities Regulation Code as an issuance to support an increase in authorized capital stock and issuance of securities to fewer than 20 persons in the Philippines during any twelve-month period, respectively.

Item 12. Legal Proceedings

To the best of the Company's knowledge, it is not involved in any material legal proceedings.

Its affiliates are involved in a few routine criminal cases for complaints of theft or pilferage of company property. The group does not consider any of these as material as these legal proceedings will not affect the daily operations of its business, nor will they have a material effect on the present financial position of the group.

The Company and another subsidiary, SPTC, have filed applications for rate approval before the Energy Regulatory Commission ("**ERC**") which are required in the ordinary course of business for a company engaged in the business of renewable energy development, operation, and production. The Company and SPTC have been issued interim reliefs by the ERC for its power supply agreements with load customers.

The Company's subsidiary, TSPI, has a pending application with the ERC for the approval of a dedicated point-to-point limited transmission facilities, but it does not consider this material as the filing of such applications is done in the ordinary course of business.

Item 13. Mergers, Consolidations, Acquisitions, and Similar Matters

There is no action or matter to be taken up in the Annual Meeting with respect to merger, consolidation, acquisition, sale, liquidation, dissolution, and similar matters.

Item 14. Acquisition or Disposition of Property

There is no action or matter to be taken up in the Annual Meeting with respect to the acquisition or disposition that constitutes all or substantially all the assets or property of the Company.

Item 15. Restatement of Accounts

There is no action or matter to be taken up with respect to the restatement of any asset, capital, or surplus account of the Company.

E. CORPORATE GOVERNANCE

As a leading player in the renewable energy sector, the Company strives to operate with a strong commitment to corporate governance principles to ensure transparency, accountability and ethical conduct across all its operations.

Board of Directors

The Company's Board of Directors is responsible for providing strategic guidance, overseeing management, and safeguarding the interests of stakeholders. Comprising seasoned professionals with diverse expertise in energy, finance, legal, and environmental sectors, the Board operates with the highest standards of integrity and independence.

The key functions of the Board of Directors include:

- Strategic Oversight: The Board actively participates in the formulation and review of corporate strategy, ensuring alignment with the company's long-term goals and interests of stakeholders.
- Risk Management: Through regular risk assessments and mitigation strategies, the Board identifies and addresses potential risks to the company's operations, financial performance, and reputation.
- Compliance and Ethics: The Board oversees compliance efforts and promotes a culture of ethics and integrity throughout the organization.

The Board of Directors approved the Board Performance Self-Assessment Form in 2025. Each Director is expected to rate his/her individual performance and the performance of the Board of Directors as a whole on a five (5)-point scale (with "5" being the highest) across the following categories: (i) board composition, (ii) board meetings, (iii) individual performance, (iv) board committees, and (v) key officers. They intend to start yearly self-evaluation of their performance individually and as a group in 2026.

Executive Management

The Company's Executive Management team is responsible for day-to-day operations and implementing the strategic directives set by the Board of Directors.

The key responsibilities of Management include:

- Operational Excellence: The management team focuses on optimizing operational efficiency and maximizing the performance of the Company's solar power projects, ensuring reliable and sustainable energy generation.
- Financial Stewardship: Through prudent financial management and strategic investments, the management team aims to drive revenue growth, profitability, and long-term value creation for shareholders.
- Stakeholder Engagement: Management maintains open communication channels with stakeholders, including investors, employees, customers, and communities, to address concerns, gather feedback, and foster trust and collaboration.
- Sustainability and Innovation: The Company's is committed to driving innovation in renewable energy technologies and practices. Management seeks initiatives to enhance environmental sustainability, minimize carbon footprint, and contribute to the transition to a low-carbon economy.

Corporate Governance Policies and Practices

The Company is dedicated to upholding the highest standards of corporate governance to safeguard the interests of its stakeholders and drive sustainable growth in the renewable energy sector. Through effective oversight, transparent practices, and ethical leadership, the Company remains committed to achieving its mission of advancing clean energy solutions for a greener future.

The Company upholds robust corporate governance policies and practices to ensure transparency, accountability, and ethical behavior at all levels of the organization. In line with this, the Company adopted its Manual on Corporate Governance which embodies the guiding principles for the Board of Directors, its Committees, and Management. The Audit, Corporate Governance, and Risk Oversight and Related Party Transactions Committees were created to oversee specific areas of corporate governance and provide informed recommendations to the Board of Directors.

In 2025, the following were approved and adopted by the Board of Directors:

1. Amendments to the charters of the (i) Audit Committee and (ii) Internal Audit Department;
2. Proposed charters of the (i) Corporate Governance Committee and (ii) Risk Oversight and Related Party Transactions Committee;
3. Changes to the Manual on Corporate Governance;
4. Board Diversity Policy; and
5. Insider Trading Policy.

The Company maintains open and transparent communication with stakeholders by regularly disclosing relevant information through financial reports, press releases, and corporate filings, in accordance with regulatory requirements.

Deviations from the Manual on Corporate Governance

The Board of Directors approved the Board Performance Self-Assessment Form in 2025. They intend to start yearly self-evaluation of their performance individually and as a group in 2026.

The Directors and Corporate Officers have not made any disclosures on self-dealing and related party transactions other than those discussed under the section on RPTs.

Plans to Improve Corporate Governance

The following will be considered for adoption this year: (i) amendments to the Anti-Bribery and Corruption Policy, (ii) amendments to the Code of Business Conduct and Ethics, (iii) Code of Business Conduct and Ethics for Vendors, (iv) Conflict of Interest Policy (v) Gifts Policy, and (vi) amendments to the Whistleblowing Policy.

Continuous training is also being undertaken by members of the Board of Directors and Management for better understanding and appreciation of the corporate governance principles and best practices. For the year 2025, the following Directors and Corporate Officers have submitted their corporate governance training certificates to the SEC and the PSE:

1. Mr. Manuel V. Pangilinan
2. Mr. Emmanuel V. Rubio
3. Mr. Lance Y. Gokongwei
4. Mr. Ryan Jerome T. Chua
5. Dra. Lydia B. Echauz
6. Dr. Benjamin I. Espiritu

7. Mr. Dennis B. Jordan
8. Mr. Rochel Donato R. Gloria
9. Atty. Mary Ann D. Ballesteros
10. Atty. Jo Marianni P. Ocampo-Jalbuena
11. Atty. Doris S. Te
12. Ms. Minette O. Co
13. Mr. Anthony Vergel B. Velasco[31]
14. Ms. Hazel Iris L. Buencamino

[31] Resigned from the Company on 30 January 2026.

F. OTHER MATTERS

Item 16. Action with Respect to Reports

The following reports will be presented to the stockholders present or represented at the meeting for them to take note of and/or approve:

1. Minutes of the Annual Meeting of the Stockholders held on 25 May 2026,
2. Annual Report of the President and CEO, and
3. Audited Financial Statements for the year ended 31 December 2025.

A copy of (1) is attached hereto as **Annex "A,"** while a copy of (3) is attached hereto as **Annex "E."**[32]

The following matters approved by the Board of Directors will be presented to the stockholders for approval:

1. Appointment of SGV as the Company's external auditor for the ensuing year;
2. Subject to the approval of the stockholders and the SEC, amendment of Articles of Incorporation and/or By-Laws: (i) change of corporate name by amending the First Article of the Articles of Incorporation and the corporate name on the First Page and Article IX, Section 1 of the By-Laws, and (ii) retirement of Class "B" Preferred Shares and reclassification of shares by amending the Seventh Article of the Articles of Incorporation; and
3. Ratification of acts, resolutions, and decisions of the Board of Directors and Management from 26 May 2025 up to 25 May 2026.

Disclosures Required Under Section 49 of the Revised Corporation Code

#	Requirement	Compliance
1	The minutes of the most recent regular meeting which shall include, among others: a. Description of the voting and the vote tabulation procedures used in the previous meetings b. A description of the opportunity given to stockholders or members to ask questions and record of the questions asked and answers given c. The matters discussed and resolutions reached d. A record of the voting results for each agenda item e. A list of the director or trustees, officers and stockholders or members who attended the meeting f. Such other items that the SEC may require in the interest of good corporate governance and protection of minority stockholders	See Annex "A" of this Information Statement

[32] Will be attached to the Definitive Information Statement.

#	Requirement	Compliance
2	A members' list for non-stock corporations and, for stock corporations, material information on the current stockholders and their voting rights	See Item 4(c) on pages 15 to 17 of this Information Statement
3	A detailed, descriptive, balanced, and comprehensible assessment of the corporation's performance, which shall include information on any material change in the corporation's business strategy and other affairs	See the Management Report attached to this Information Statement
4	A financial report for the preceding year, which shall include financial statements duly signed and certified in accordance with the Revised Corporation Code and the rules and the SEC may prescribe, a statement on the adequacy of the corporation's internal controls or risk management systems, and a statement of all external audit and non-audit fees	See Annexes "F" and "G" of this Information Statement
5	An explanation of the dividend policy and the fact of payment of dividends or the reasons for non-payment thereof	The Issuer is authorized to distribute dividends out of its surplus profit, in cash, properties of the Issuer, shares of stock, and/or securities of other companies belonging to the Issuer. Dividends paid in the form of cash or property are subject to approval of the Board of Directors. Dividends paid in the form of additional shares are subject to the approval of the Board of Directors and stockholders that own at least two-thirds (2/3) of the outstanding capital stock of the Issuer. In case the stock dividends will be coming from an increase in authorized capital stock, such declaration shall be subject to SEC approval. Holders of outstanding common shares as of a dividend record date will be entitled to full dividends declared without regard to any subsequent transfer of such shares. On 6 September 2021, the Board of Directors approved its Dividend Policy that gave the Board of Directors the discretion to declare dividends as they see fit after considering the funding requirements for future projects subject to the requirements of applicable laws and regulations, capital expenditure requirements, compliance with the Issuer's covenants, if any, and other circumstances that may restrict the payment of dividends. There can be no guarantee that the Issuer will pay any dividends in the future. Dividends

#	Requirement	Compliance
		may be declared only from the Issuer's unrestricted retained earnings. The Issuer has not declared any kind of dividend to its shareholders since its incorporation.
6	Director or trustee profiles which shall include, among others, their qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and their board representation in other corporations	See Item 5 on pages 19 to 25 of this Information Statement
7	A director or trustee attendance report, indicating the attendance of each of the meetings of the board and its committees and in regular or special stockholder meetings	See Item 5 on page 26 of this Information Statement
8	Appraisals and performance reports for the board and the criteria and procedure for assessment	See page 82 of this Information Statement
9	A director or trustee compensation report prepared in accordance with the Revised Corporation Code and the rules the SEC may prescribe	See Item 6 on page 33 of this Information Statement
10	Director disclosures on self-dealings and related party transactions	See Item 5 on pages 27 to 33 of this Information Statement
11	The profiles of directors nominated or seeking election or re-election	See Item 5 on pages 19 to 25 of this Information Statement

Item 17. Amendment of Charter, By-Laws, or Other Documents

Change of Corporate Name

Stockholders' approval is being sought for the amendment of the First Article of the Articles of Incorporation and the corporate name appearing on the first page and Article IX, Section 1 of the By-Laws for the purpose of changing the corporate name of the Company:

Articles of Incorporation

Reference	From	To	Reason/s
First Article	The name of this corporation shall be: SP NEW ENERGY CORPORATION (the "Corporation").	The name of this corporation shall be: MGEN RENEWABLES INC. (the "Corporation").	This is part and parcel of the gradual rollout and implementation of the overall branding strategy of the MGEN Group.

By-Laws

Reference	From	To	Reason/s
First Page	AMENDED BY-LAWS OF SP NEW ENERGY CORPORATION	AMENDED BY-LAWS OF MGEN RENEWABLES INC.	This is part and parcel of the gradual rollout and implementation of the

Reference	From	To	Reason/s
	(Formerly: Solar Philippines Nueva Ecija Corporation)	(Formerly: SP New Energy Corporation)	overall branding strategy of the Meralco PowerGen Corporation Group.
Article IX, Section 1	Section 1. Form and Inscriptions - The corporate seal shall be circular in form, within which shall be inscribed: SP NEW ENERGY CORPORATION INCORPORATED 2016 PHILIPPINES	Section 1. Form and Inscriptions - The corporate seal shall be circular in form, within which shall be inscribed: MGEN RENEWABLES INC. INCORPORATED 2016 PHILIPPINES	

Retirement and Reclassification of Shares

Stockholders' approval is being sought for the amendment of the Seventh Article of the Articles of Incorporation for the purpose of (i) retiring the redeemed Class "B" Preferred Shares of the Company, (ii) increasing the par value of the Class "A" Preferred Shares from One Centavo (PhP0.01) to Ten Centavos (PhP0.10) per share, and (iii) creating Class "C" Preferred Shares (will be sourced from the unissued common shares):

Reference	From	To	Reason/s
Seventh Article, First Paragraph	That the Authorized Capital Stock of the Corporation is Seven Billion Seven Hundred Fifty Million Pesos (P7,750,000,000.00) in lawful money of the Philippines, divided into Seventy-Five Billion (75,000,000,000) Common Shares with par value of Ten Centavos (P0.10) per share and Twenty-Five Billion (25,000,000,000) Preferred Shares with a par value of One Centavo (P0.01) per share, divided into Five Billion Five Hundred Ninety-Five Million Seven Hundred Ninety-Seven Thousand Four Hundred Forty-Eight (5,595,797,448) Class A Preferred Shares and Nineteen Billion Four Hundred Four Million Two Hundred Two Thousand Five Hundred	That the Authorized Capital Stock of the Corporation is Seven Billion Five Hundred Fifty-Five Million Nine Hundred Fifty-Seven Thousand Nine Hundred Seventy-Four Pesos and 48/100 (P7,555,957,974.48) in lawful money of the Philippines, divided into Sixty-Nine Billion (69,000,000,000) Common Shares with par value of Ten Centavos (P0.10) per share and Six Billion Five Hundred Fifty-Nine Million Five Hundred Seventy-Nine Thousand Seven Hundred Forty-Four and 80/100 (6,559,579,744.80) Preferred Shares with a par value of Ten Centavos (P0.10) per share, divided into Five Hundred Fifty-Nine Million Five Hundred Seventy-Nine	The Company is reclassifying its shares in preparation for a contemplated transaction. The Company will disclose the details of the contemplated transaction in due course. On the other hand, the retirement of the Class "B" Preferred Shares is pursuant to Section 8.01(f) of the Exchangeable Note Facility Agreement executed between SPPPHI and MGEN Renewables dated 2 September 2024, which provides that "[a]s soon as practicable x x x, the Parties shall cause the Company [SP New Energy Corporation] to redeem all of the preferred shares in the capital of the company held by the Lender." The

Reference	From	To	Reason/s
	Fifty-Two (19,404,202,552) Class B Preferred Shares.	Thousand Seven Hundred Forty-Four and 80/100 (559,579,744.80) Class A Preferred Shares and Six Billion (6,000,000,000) Class C Preferred Shares. The Corporation shall not issue fractional shares and shall not have any outstanding fractional shares. Any resulting fractional share from any increase or decrease in par value or any other corporate action shall be purchased by the Corporation and paid for in cash by the Corporation.	"Lender" here is MGEN Renewables. The Company redeemed all the Class "B" Preferred Shares from MGEN Renewables on 14 January 2026. The Company's Class "B" Preferred Shares must be retired after redemption (see Seventh Article of the Articles of Incorporation).
Seventh Article, Second Paragraph	The Board of Directors of the Corporation shall determine: (a) the features of the Class A Preferred Shares (whether voting or non-voting) at each issuance of the Class A Preferred Shares, (b) the frequency of issuance of Class A Preferred Shares (which may be issued in one or more series) and (c) the preference as to redemption, dividends and other preferences for each issuance of Class A Preferred Shares. The Class A Preferred Shares shall not have any pre-emptive rights over other issuances or re-issuance of Preferred Shares or Common Shares.	The Class A Preferred Shares shall be (i) voting, (ii) entitled to the same dividend per share as Common Shares, (iii) convertible to Common Shares, and (iv) in the event of the liquidation, dissolution, or winding up of the Corporation (whether voluntary or involuntary), have preference over the Common Shares in respect of the assets of the Corporation available for distribution after payment of the liabilities of the Corporation.	
Seventh Article, Third Paragraph	Class B Preferred Shares shall be (i) voting, (b) non-cumulative, (c) not entitled to any economic returns or dividends, (d) redeemable at the option of the Corporation, at issue price, and at such	The Class C Preferred Shares shall be (i) entitled to the same dividend per share as Common Shares, (ii) convertible to Common Shares, and (iii) in the event of the liquidation, dissolution,	

Reference	From	To	Reason/s
	other terms and conditions as may be determined by the Board of Directors (and shall be immediately retireable upon redemption thereof) and (e) in the event of the liquidation, dissolution or winding up of the Corporation (whether voluntary or involuntary), have preference over the Common Shares in respect of the assets of the Corporation available for distribution after payment of the liabilities of the Corporation.	or winding up of the Corporation (whether voluntary or involuntary), have preference over the Common Shares in respect of the assets of the Corporation available for distribution after payment of the liabilities of the Corporation. The Board of Directors shall determine whether these shares are voting or non-voting.	
Seventh Article, Fourth Paragraph	The holder of Common Shares shall not be entitled to pre-emptive rights to subscribe to any new issues of stock, nor dispositions of existing stocks, whether issued from its unissued capital or its treasury shares.	The holder of Common and Preferred Shares shall not be entitled to pre-emptive rights to subscribe to any new issues of stock, nor dispositions of existing stocks, whether issued from its unissued capital or its treasury shares.	

Item 18. Other Proposed Action

1. Election of the members of the Board of Directors, including the independent directors, for the ensuing year,
2. Appointment of SGV as external auditor of the Company for the ensuing year, and
3. Ratification of acts, resolutions, and decisions of the Board of Directors and Management beginning 26 May 2025 up to 25 May 2026

Item 19. Voting Procedures

The following are the rules of conduct and procedures for the meeting to be conducted in virtual format:

1. All stockholders of record as of 5 May 2026 are entitled to participate and vote in the Annual Meeting. Questions and comments may be sent to MGENgrp_sec@meralcopowergen.com not later than 20 May 2026 and shall be limited to the items in the Agenda.
2. Stockholders entitled to participate and vote in the Annual Meeting may vote in person, by proxy, or by remote communication or *in absentia* as provided in this Information Statement, subject to validation procedures. The URL for the online voting platform is https://conveneagm.com/ph/SPNEC2026ASM.[33] A stockholder voting via remote communication or *in absentia* shall be deemed present for purposes of quorum.

[33] The registration/video conferencing link will become live on 4 May 2026.

3. Each of the proposed resolutions will be posted on the online voting platform for those voting *in absentia*. For those voting during the meeting, each proposed resolution will be shown on the screen as the same is taken up.
4. Election of directors shall be by plurality of votes and every stockholder entitled to vote has the option to cumulate his/her votes. Specifically, a stockholder may vote such number of shares registered in his/her name as of the record date for as many persons as there are directors to be elected or he/she may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his/her shares shall equal, or he/she may distribute them on the same principle among as many candidates as he/she may see fit; provided, that the total number of votes cast by him/her shall not exceed the number of shares owned by him/her as shown in the books of the Company and records of its Stock Transfer Agent multiplied by the whole number of directors to be elected (Revised Corporation Code, Section 23). There are no stated conditions precedent to the exercise of cumulative rights. Each outstanding share of stock shall be counted as one (1) vote. The total number of votes that may be cast by a stockholder of the Company is computed as follows: No. of Shares Held on Record as of Record Date x No. of Directors to be Elected. The nominees receiving the highest number of votes will be declared elected.
5. For motions on the amendment of the Articles of Incorporation, each stockholder entitled to vote shall be entitled to one (1) vote per share. Pursuant to the Revised Corporation Code, a vote comprising two-thirds (2/3) of the Company's issued and outstanding capital stock shall be required to approve a motion to amend the Company's Articles of Incorporation.
6. For the remaining agenda items, majority vote of shares present or represented at the Annual Meeting shall be sufficient for approval.
7. The Company's accredited service provider will tabulate all votes received and the Stock Transfer Agent and the Corporate Secretary or Assistant Corporate Secretary will validate the results. The Corporate Secretary or Assistant Corporate Secretary will report the results of the voting during the meeting.

Votes Required for the Amendment of By-Laws

Approval by the stockholders representing at least a majority of the outstanding capital stock will be required for the above subject.

Votes Required for Other Items on the Agenda

Approval by the stockholders representing at least a majority of the outstanding capital stock present or represented at the meeting will be required for other items on the agenda.

UPON WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH SAID STOCKHOLDER WITH A PRINTED COPY OF THIS INFORMATION STATEMENT AND THE COMPANY'S ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 FREE OF CHARGE, EXCEPT FOR EXHIBITS ATTACHED HERETO AND THERETO WHICH SHALL BE CHARGED AT COST. ANY WRITTEN REQUEST FOR A COPY OF THIS INFORMATION STATEMENT AND THE ANNUAL REPORT SHALL BE ADDRESSED TO THE COMPANY'S CORPORATE SECRETARY, ATTY. JO MARIANNI P. OCAMPO-JALBUENA, AND E-MAILED AT MGENGRP_SEC@MERALCOPOWERGEN.COM.

[Signature page follows]

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Information Statement is true, complete, and correct.

Pasig City, Philippines, 29 April 2026.

SP NEW ENERGY CORPORATION

By:

JO MARIANNI P. OCAMPO-JALBUENA
Corporate Secretary

ANNEXES

1. ANNEX A – Minutes of the Annual Stockholders' Meeting Held on 26 May 2025
2. ANNEX B – Corporate Secretary's Certification
3. ANNEX C – Independent Director's Certification
4. ANNEX D – Independent Director's Certification
5. ANNEX E – Independent Director's Certification
6. ANNEX F – Consolidated Audited Financial Statements for the Year Ended 31 December 2025
7. ANNEX G – Unaudited Interim Financial Statements for the Quarter Ended 31 March 2026

ANNEX "A"

Minutes of the Annual Meeting of the Stockholders
dated 26 May 2025

[Attached]

MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS OF
SP NEW ENERGY CORPORATION[1]

Held via remote communication (Convene)
on 26 May 2025 at 04:00 in the afternoon

ATTENDANCE:

Total Number of Shares Present:	38,527,128,643 common shares 19,404,202,552 preferred shares
Total Number of Outstanding Voting Shares:	50,073,050,000 common shares 19,404,202,552 preferred shares
Percentage of Shares Present:	83.38%

Directors Present:

Manuel V. Pangilinan	- Chairman
Leandro Antonio L. Leviste	- Vice Chairman
Emmanuel V. Rubio	- Director, President and CEO
Hazel Iris P. Lafuente-Buencamino (via Convene)	- Director
Ryan Jerome T. Chua	- Director
Lydia B. Echauz	- Lead Independent Director
Benjamin I. Espiritu	- Independent Director

Also Present:

Jo Marianni P. Ocampo-Jalbuena	- Corporate Secretary
Doris S. Te	- Assistant Corporate Secretary
Dennis B. Jordan	- Chief Operations Officer
Rochel Donato R. Gloria	- Treasurer and Chief Financial Officer
Minette O. Co	- Head of Controllership
Mary Ann D. Ballesteros	- Chief Compliance Officer and Data Privacy Officer
Representatives from the Trust Banking Group-Fiduciary Services Division of the Philippine National Bank (via Convene)	- Stock Transfer Agent
Representatives from SyCip Gorres Velayo & Co. (via Convene)	- External Auditor

[1] Subject to the approval of stockholders in the next stockholders' meeting.

Representatives from Azeus (via Convene) - Platform and virtual solutions provider

I. CALL TO ORDER

Mr. Manuel V. Pangilinan, the Chairman, called the meeting to order and presided over the same. Atty. Jo Marianni P. Ocampo-Jalbuena, the Corporate Secretary, acted as secretary of the meeting and recorded the minutes thereof. The Chairman welcomed the attendees to the meeting and acknowledged the presence of the board of directors and corporate officers, as well as the representatives of Trust Banking Group-Fiduciary Services Division of the Philippine National Bank, the stock transfer agent; SyCip Gorres Velayo & Co., the external auditor; and Azeus, the platform and virtual solutions provider for the meeting. He also informed those present that the proceedings were being digitally recorded.

II. CERTIFICATION OF NOTICE AND QUORUM

The Chairman asked the Corporate Secretary if notices were duly sent to the stockholders of record as of the record date and if there was a quorum present in the meeting.

The Corporate Secretary explained that, in accordance with the Corporation's by-laws and the relevant rules of the Securities and Exchange Commission (SEC), written notice of the meeting was published in the business sections of Manila Times and Business Mirror, both in print and online format, on May 4 and 5, 2024, respectively. The supporting Affidavits of Publication were submitted for the record. She added that the notice with agenda, together with a copy of the Definitive Information Statement and the Audited Financial Statements, was posted on the company's website and disclosed through the Philippine Stock Exchange (PSE) EDGE. Thereafter, the Corporate Secretary certified that the notice of meeting was duly provided to all stockholders of record as of 6 May 2025, the record date fixed by the board of directors.

Further, the Corporate Secretary reported that based on the tally of those who successfully registered for the meeting and the validated proxies, a majority of the Corporation's total outstanding capital stock was present and/or represented at the meeting. Thus, she certified that a quorum existed for the valid transaction of business.

The mode of attendance of the stockholders present and the respective percentages of the outstanding shares are set forth below:

Mode of Attendance	Number of Shares	% of Total Outstanding Shares
Via Proxy	57,922,357,549	83.369%
Remote communication/ voting *in absentia*	6,223,640	0.009%
In person	2,750,006	0.004%
TOTAL	57,931,331,195	83.382%

III. APPROVAL OF THE MINUTES OF THE PREVIOUS SPECIAL STOCKHOLDERS' MEETING ON 23 JANUARY 2025

The next item on the agenda was the approval of the minutes of the previous Special Stockholders' Meeting held on 23 January 2025. The Corporate Secretary confirmed that a copy of the minutes was made available on the website of the Corporation and attached to the Information Statement which was also posted on the website, as well as on PSE EDGE.

The Chairman inquired if there were any questions from the stockholders on this item. There being none, he informed the stockholders who have yet to cast their votes that they may vote through the online portal, with the results to be reported prior to adjournment.

IV. ANNUAL REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER AND APPROVAL OF THE AUDITED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2024

The President and Chief Executive Officer gave his message to the stockholders as follows:

Good afternoon, everyone.

The past year for our Company has been marked by opportunities and growth. It is with confidence and gratitude that I share the significant strides we have made—ranging from partnerships that strengthen our capabilities to key milestones that highlight our steadfast commitment in advancing the nation's renewable energy landscape.

Allow me to begin with safety—which we take as our top priority —at the end of 2024, I am proud to say that we have reached more than a million (1,062,746) safe man-hours across our operational and developmental sites. This milestone serves as a testament to our dedication to the well-being of each of our employees.

Likewise, our commitment to operational efficiency which resulted to steady plant availability enabled our flagship solar farms—SP Calatagan and SP Tarlac—to delivered 17.4 gigawatt-hour of energy in 2024.

Beyond our operating plants is our most transformative development in our current portfolio—the "MTerra Solar Project"— poised to be one of the world's largest integrated solar and battery energy storage facility.

The project, which broke ground last November 2024, will cover approximately 3,500 hectares of land across Nueva Ecija and Bulacan. Designed to generate 3,500 megawatts of solar power, complemented by a 4,500-megawatt-hour battery energy storage system.

Once operational, the MTerra Solar Project is expected to supply clean energy to around 2.4 million households, significantly reducing the country's carbon footprint by displacing approximately 4.3 million tons of CO2 annually.

Recognizing the importance of this landmark project, the Department of Energy (DOE) certified the MTerra Solar Project as an Energy Project of National Significance. While the Board of Investments (BOI) awarded the project a Green Lane Certification. These underscores the project's critical role in the country's energy infrastructure and its alignment with national development goals.

After garnering global attention, we announced a strategic partnership with Actis, leading global investor in sustainable infrastructure. The collaboration with Actis is a significant milestone, reinforcing our commitment to delivering world-class renewable energy projects.

Significant progress continues to be made in the execution of the MTerra Solar Project, with 43% of the work now successfully accomplished as of end-April 2025. This puts us on track to achieve the scheduled commercial operations date for the first phase by first quarter of 2026.

Looking ahead, SPNEC remains steadfast in its commitment to expanding its renewable energy portfolio. We are exploring additional projects and partnerships that align with our strategic objectives and the nation's energy needs.

Our focus will continue to be on innovation, operational excellence, and sustainable growth, ensuring that we deliver value to our shareholders while contributing to the country's energy security and environmental sustainability.

Before I close, I wish to extend my deepest gratitude to our shareholders, partners, employees, and stakeholders for your unwavering support and trust in SPNEC. Together, we have achieved remarkable milestones, and together, we will continue to lead the charge towards a sustainable and prosperous energy future for the Philippines.

Thank you and may we all continue to work together towards a brighter, greener tomorrow.

After thanking the President, the Chairman then called on Mr. Rochel Donato R. Gloria, the Treasurer, to present the financial statements of the Company and its subsidiaries as a group as of and for the year ended 31 December 2024. He reported the financial highlights as follows:

Major Stock Movements

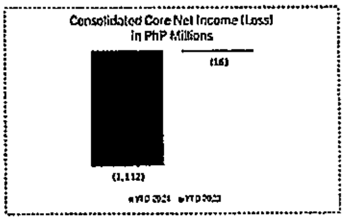
- Increase in Authorized Capital Stock: On January 17, 2024, the SEC approved the Parent Company's application for increase in authorized capital stock from 50 billion common shares to 75 billion common shares with same par value of P0.10/share and 25 billion preferred shares with par value of P0.01/share, divided into Class A preferred shares and Class B preferred shares.
- MGreen Share from 50.5% to 53.66%: On January 26, 2024, MGreen purchased additional 2,173,913,000 common shares held by SPPPHI for a total consideration of P2.5 billion. Consequently, MGreen is considered as the controlling shareholder of the Parent Company with a total voting interest of 53.66%.
- On September 2024, ACTIS and TSPI signed a Share Subscription Agreement, granting ACTIS up to 40% equity stake in TSPI subject to certain conditions

FY2024 Financial Highlights

SPNEC's Core Net Income of (-PhP 1.1B) is significantly lower versus last year's (-PhP 16M) driven by the one-time fee of Php 1.2B in securing external investor Actis.

In PhP Millions	YTD 2024	YTD 2023	Variance Y-o-Y
FINANCIAL HIGHLIGHTS			
Revenue	1,200	635	565
Gross Profit	1,071	308	763
Core EBITDA	(720)	361	(1,081)
Core Net Income (Loss)	(1,112)	(16)	(1,096)
Reported Net Income (Loss)	(1,167)	5,948	(7,115)
OPERATING HIGHLIGHTS			
SP Tarlac Corporation			
Net Generation, in GWh	139.97	129.91	10.06
SP Cuyapo			
Net Generation, in GWh	83.29	73.10	10.19

Notes
- SPNEC started consolidating SP Tarlac and SP Cuyapo on May 16 and July 1, 2023 only, upon acquisition from SPPPHI.
- SPTC generated a total of 139.97 GWh in 2024 (2023: 129.91 GWh) with revenues amounting to PhP469.11 Mn (2023: PhP430.57 Mn). Recorded Net Income (Loss) of Php0.63 Mn and (PhP29.30) Mn in 2024 and 2023, respectively.
- SPCC generated a total of 83.29 GWh in 2024 and 73.10 GWh in 2023, with revenues reaching Php 669.84 Mn in 2024 (Php 692.28 Mn in 2023). Recorded Net Income of Php 305.12 Mn and Php 316.88 Mn in 2024 and 2023, respectively.

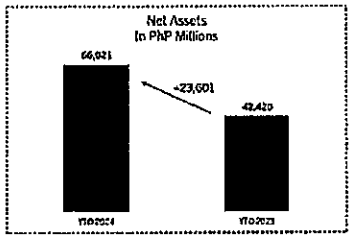


Key Drivers
- Revenue was mainly driven by the contributions of SPCC and SPTC from the plants' sale of electricity in full year versus half year in 2023.
- In 2023 SPNEC posted a reported net income of PhP5.95 billion with the take-up of PhP5.98 billion remeasurement gain of its investment in Terra Solar Philippines Inc. that was based on the provisional fair value.
- In 2024 SPNEC recognized Loss on the exercise of put option amounting to Php36.00 million and US$ fees of Php1.2 billion

FY2024 Financial Highlights

Net asset increased by Php24B driven by revaluation for 2,689.58 hectares of land.

In PhP Millions	YTD 2024	YTD 2023
Current Assets	7,043	11,224
Noncurrent Assets	84,325	39,959
TOTAL ASSETS	91,367	51,183
Current Liabilities	10,137	1,467
Noncurrent Liabilities	15,210	7,296
TOTAL LIABILITIES	25,346	8,763
NET ASSET	66,021	42,420
Capital Stock	5,201	3,437
APIC and DFFS	19,704	21,608
Equity Reserve	680	526
Revaluation surplus	33,051	8,268
Retained earnings	3,942	5,546
Non-controlling interest	3,343	3,035
TOTAL SHAREHOLDERS EQUITY	66,021	42,420
TOTAL LIABILITIES AND SHE	91,367	51,183



After the presentation, the Chairman inquired if there were any questions from the stockholders on the reports presented. There being none, he informed the stockholders who have yet to cast their votes that they may vote through the online portal, with the results to be reported prior to adjournment.

V. ELECTION OF DIRECTORS

The Chairman stated that the next item on the agenda was the election of the members of the Board of Directors. He explained that the directors will hold office for a period of one (1) year and until their successors are duly elected and qualified.

Dr. Lydia B. Echauz, Lead Independent Director, informed the stockholders that, upon the recommendation of the Corporate Governance Committee, the following individuals were nominated for re-election:

1. Mr. Manuel V. Pangilinan
2. Mr. Leandro Antonio L. Leviste
3. Mr. Lance Y. Gokongwei
4. Mr. Emmanuel V. Rubio
5. Ms. Hazel Iris P. Lafuente-Buencamino
6. Mr. Ryan Jerome T. Chua
7. Dr. Benjamin I. Espiritu (as Independent Director)
8. Dr. Lydia B. Echauz (as Independent Director)

The Chairman inquired if there were any questions from the stockholders on the election of the directors as presented or pertaining to a specific nominee. There being none, he informed the stockholders who have yet to cast their votes that they may vote through the online portal, with the results to be reported prior to adjournment.

VI. APPOINTMENT OF EXTERNAL AUDITOR

The next item on the agenda was the appointment of the Corporation's external auditor. The Chairman explained that the Audit and Risk Management Committee endorsed the re-appointment of Sycip Gorres Velayo & Co. (SGV), whose profile could be found in the Information Statement, as external auditor of SPNEC for the ensuing fiscal year.

He asked if there were any questions from the stockholders on the matter. There being none, he informed the stockholders who have yet to cast their votes that they may vote through the online portal, with the results to be reported prior to adjournment.

VII. AMENDMENT OF ARTICLE I [MEETINGS OF STOCKHOLDERS], SECTION 1 [REGULAR MEETINGS] OF THE CORPORATION'S BY-LAWS

The Chairman asked the Corporate Secretary to discuss the proposed amendment of the Corporation's By-Laws.

The Corporate Secretary stated that the amendment pertains to Article I, Section 1 of the By-Laws, wherein the date of the annual stockholders' meeting of the corporation would be changed from every first Monday of May to every fourth Monday of May. She explained that the amendment was being proposed to give the Corporation sufficient time to prepare the reportorial requirements needed in relation to the holding of annual stockholders' meetings and to align the schedule with the other companies in the conglomerate.

The Chairman inquired if there were any questions from the stockholders on the proposed amendment. There being none, he informed the stockholders who have yet to cast their votes that they may vote through the online portal, with the results to be reported prior to adjournment.

VIII. RATIFICATION OF ACTS, RESOLUTIONS AND DECISIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT BEGINNING 23 JANUARY 2025

The Chairman next discussed the ratification of acts, resolutions and decisions of the Board of Directors and Management since the last stockholders' meeting. These actions were taken in the general conduct of business, which include the approval of agreements, projects, investments, and treasury-related and other matters covered by disclosures to the SEC and PSE. The acts, resolutions, and decisions of the Company's Management were those taken and adopted to implement the resolutions of the Board of Directors or its Committees and/or those made in the general conduct of business.

Consistent with standard corporate practice, the Board of Directors and Management requested for the ratification of their acts, resolutions, and decisions, as well as all contracts and transactions entered into by the Corporation since the Special Stockholders' Meeting held on 23 January 2025.

The Chairman inquired if there were any questions from the stockholders on the ratification of the acts, resolutions and decisions of the Board and Management. There being none, he informed the stockholders who have yet to cast their votes that they may vote through the online portal, with the results to be reported prior to adjournment.

IX. OTHER MATTERS

The Chairman inquired if there were any questions from the stockholders, who were given time to send in their questions and comments in the online platform's chatbox. The Corporate Secretary reported that there was none.

After counting and validating the votes, the Chairman asked the Corporate Secretary to announce the results of the voting.

Voting Results

(1) APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING

The Corporate Secretary stated that for the approval of the minutes of the previous Special Stockholders' Meeting held on 23 January 2025, which required majority vote of shares present or represented at the meeting, 48,777,904,854 shares or 84.20% of the Corporation's outstanding capital stock present or represented at the meeting voted to approve.

Total Shares Present	Total Votes Cast	Votes in Favor	Votes Against	Abstention	% of Total Shares Present
57,931,331,195	48,777,904,854	48,777,904,854	0	0	84.20

Since only a majority vote of those present was necessary to carry the motion, the following resolutions were thus approved:

> "**RESOLVED,** as it is hereby resolved, to approve, as it is hereby APPROVED, the minutes of the Company's Special Stockholders' Meeting held on January 23, 2025."

(2) APPROVAL OF THE AUDITED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2024

For the approval of the audited financial statements, which required majority vote of shares present or represented at the meeting, 48,777,904,854 shares or 84.20% of the Corporation's outstanding capital stock present or represented at the meeting voted to approve.

Total Shares Present	Total Votes Cast	Votes in Favor	Votes Against	Abstention	% of Total Shares Present
57,931,331,195	48,777,904,854	48,777,904,854	0	0	84.20

Since only a majority vote of those present was necessary to carry the motion, the following resolutions were thus approved:

> "**RESOLVED,** that the Audited Consolidated Financial Statements of SP NEW ENERGY CORPORATION (the 'Company') for the year ended 31 December 2024, be, as they are hereby, APPROVED;
>
> "**RESOLVED, FURTHER,** that the Audited Parent Company Financial Statements of the Company for the year ended 31 December 2024, be, as they are hereby, APPROVED."

(3) ELECTION OF DIRECTORS

For the election of directors, the nominees received votes as follows:

Nominees	Votes Received
Manuel V. Pangilinan	48,778,204,854
Leandro Antonio L. Leviste	48,773,691,854
Lance Y. Gokongwei	48,774,491,854
Emmanuel V. Rubio	48,778,204,854
Hazel Iris P. Lafuente	48,773,691,854
Ryan Jerome T. Chua	48,773,691,854
Benjamin I. Espiritu	48,778,204,854
Lydia B. Echauz	48,778,204,854

Since only a majority vote of those present was necessary to carry the motion, the following resolutions were thus approved:

> "**RESOLVED**, that the following persons are hereby elected as members of the Board of Directors of SP New Energy Corporation for a period of one (1) year and until their successions shall have been duly elected and qualified:

Mr. Manuel V. Pangilinan,
Mr. Leandro Antonio L. Leviste,
Mr. Lance Y. Gokongwei,
Mr. Emmanuel V. Rubio,

Ms. Hazel Iris P. Lafuente-Buencamino,
Mr. Ryan Jerome T. Chua,
Dr. Benjamin I. Espiritu (Independent Director), and
Dr. Lydia B. Echauz (Independent Director)."

(4) **APPOINTMENT OF EXTERNAL AUDITOR**

The Corporate Secretary stated that for the appointment of the external auditor, which required majority vote of shares present or represented at the meeting, 48,777,904,854 shares or 84.20% of the Corporation's outstanding capital stock present or represented at the meeting voted to approve.

(5)

Total Shares Present	Total Votes Cast	Votes in Favor	Votes Against	Abstention	% of Total Shares Present
57,931,331,195	48,777,904,854	48,777,904,854	0	0	84.20

Since only a majority vote of those present was necessary to carry the motion, the following resolutions were thus approved:

"**RESOLVED**, that SyCip Gorres Velayo & Co., Certified Public Accountants, be, as they hereby are, re-appointed as external auditors of the Corporation for the year 2025."

(6) **AMENDMENT OF ARTICLE I [MEETINGS OF STOCKHOLDERS], SECTION 1 [REGULAR MEETINGS] OF THE BY-LAWS FOR THE PURPOSE OF CHANGING THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING**

The Corporate Secretary stated that for the approval of the amendment of the by-laws of the Corporation, which required majority vote of Corporation's total outstanding capital stock, 48,777,904,854 shares or 70.21% of the Corporation's total outstanding capital stock voted to approve.

Total Shares Present	Total Votes Cast	Votes in Favor	Votes Against	Abstention	% of Total Outstanding Capital Stock
57,931,331,195	48,777,904,854	48,777,904,854	0	0	70.21

Since only a majority vote of the total outstanding capital stock was necessary to carry the motion, the following resolutions were thus approved:

> "**RESOLVED**, as it is hereby resolved, to approve, as it is hereby APPROVED, the amendment of Article I [Meetings of Stockholders], Section I [Regular Meetings] of the By-Laws for the purpose of changing the date of the Company's annual stockholders' meeting from every first Monday of May every year to every fourth Monday of May every year, such that Article I, Section 1 of the By-Laws shall now read as follows:
>
> 'ARTICLE I
>
> MEETINGS OF STOCKHOLDERS
>
> Section 1. Regular Meetings – The annual meeting of stockholders, for the purpose of electing directors and for the transaction of such businesses which may properly come before the meeting, shall be held on every fourth Monday of May every year, if not a holiday, and if a holiday, then on the day following. The Board of Directors may provide, however, that the regular meeting shall be held at such other date and time as shall be specified in the notice of the meeting.'"

(7) RATIFICATION OF ACTS, RESOLUTIONS, AND DECISIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT FROM 23 JANUARY 2025 UP TO 26 MAY 2025

Lastly, for the ratification of the acts of the Board of Directors and Management, which required a majority vote of shares present or represented at the meeting, 48,777,904,854 shares or 84.20% of the Corporation's outstanding capital stock present or represented at this meeting voted to approve.

Total Shares Present	Total Votes Cast	Votes in Favor	Votes Against	Abstention	% of Total Shares Present
57,931,331,195	48,777,904,854	48,777,904,854	0	0	84.20

Since only a majority vote of those present was necessary to carry the motion, the following resolutions were thus approved:

> "**RESOLVED**, that the stockholders hereby APPROVE, CONFIRM, and RATIFY all acts, resolutions, and decisions of the Board of Directors and Management, as well as all contracts and transactions entered into by the Company, since the Special Stockholders' Meeting held on 23 January 2025

up to present."

X. **ADJOURNMENT**

There being no other matters to discuss, upon motion duly made, seconded and unanimously carried, the meeting was adjourned. The Chairman, on behalf of the Board and Management, thanked the stockholders for attending the meeting and for their continued trust and confidence in the Corporation and its management.

[signature page follows]

Prepared by:

JO MARIANNI P. OCAMPO-JALBUENA
Corporate Secretary/Secretary of the Meeting

Attested by:

MANUEL V. PANGILINAN
Chairman

ANNEX "B"

Corporate Secretary's Certification

[Attached]

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

CERTIFICATION

I, **JO MARIANNI P. OCAMPO-JALBUENA**, of legal age, Filipino, with office address at the 14th Floor, Tower 2, Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City 1604, Philippines, after having been duly sworn in accordance with the law do hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of **SP NEW ENERGY CORPORATION** (the "**Company**"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City 1604, Philippines.

2. As Corporate Secretary, I have access to the corporate records of the Company.

3. Based on available corporate records, I certify that none of the members of the Board of Directors, including the Independent Directors and officers of the Company, are appointed/employees in any government agency as of the date of this Certification. I further certify that none of the nominees to the Board of Directors in the 2026 Annual Stockholders' Meeting, including the Independent Directors and officers of the Company, are appointed to or are employees in any government agency as of the date of this Certification.

4. This Certification is being issued in compliance with the directives of the Markets and Securities Regulation Department of the Securities and Exchange Commission.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of April 2026 in Pasig City, Philippines.

JO MARIANNI P. OCAMPO-JALBUENA
Corporate Secretary

SUBSCRIBED AND SWORN TO before me on this 17th day of April 2026 in Pasig City, Philippines, affiant appeared and exhibited to me her competent evidence of identity bearing her photograph and signature, Passport No. P2112853C, issued by the Department of Foreign Affairs in the City of Manila, valid until 20 October 2032.

Doc. No. 300;
Page No. 57;
Book No. 13;
Series of 2026.

ATTY. ANTONIO B. BETITO
Notary for Pasig City
Commission No. 168 (2025 - 2026)
709 Mega Plaza, ADB Ave., Pasig City
Attorney's Roll No. 27614
IBP No. 577320/12/30/25/Rizal
PTR No. 3986451/1/08/26/Pasig City
MCLE Compliance No. VIII-0037828 April 14, 2028

ANNEX "C"

Certification of Independent Director

[Attached]

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **LYDIA B. ECHAUZ,** Filipino, of legal age, and with residence address at 836 Torres Street, Barangay Addition Hills, Mandaluyong City, Philippines, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **SP NEW ENERGY CORPORATION** (the **"Corporation"**), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City, Philippines, and have been its independent director since 10 May 2024.

2. I am and was affiliated with the following companies or organizations:

Company/Organization	Position/ Relationship	Period of Service
Manila Electric Company	Independent Director	25 May 2021 to present
Shell Pilipinas Corporation	Independent Director	16 May 2017 to present
D&L Industries, Inc.	Independent Director	2017 to present
FERN Realty Corporation	Director	2002 to present
Riverside College, Inc.	Director	2015 to present
NBS Educational Services, Inc.	Director	2017 to present
SM Foundation, Inc.	Trustee	1992 to present
Akademyang Filipino Association, Inc.	Trustee	2017 to present
Mano Amiga Academy, Inc.	Trustee	2016 to present
Museo del Galeon Foundation, Inc.	Trustee	2016 to present
Henry Sy Foundation, Inc.	Executive Director	2014 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code (**"SRC"**), its Implementing Rules and Regulations (**"IRR"**), and other issuances of the Securities and Exchange Commission (**"SEC"**).

4. To the best of my knowledge, I am not related in any capacity or degree to any director, officer, or substantial shareholder of the Corporation, any of its related companies, or any of its substantial shareholders.

5. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service nor affiliated with a government agency or government-owned and controlled corporation.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the SRC and its IRR, the Code of Corporate Governance for Publicly Listed Companies, and other issuances of the SEC.

8. I shall inform the Corporate Secretary of the Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

[Signature page follows]

APR 17 2026

IN WITNESS WHEREOF, I have hereunto signed this Certification this ___ day of ______________ in Pasig City, Philippines.

LYDIA B. ECHAUZ

SUBSCRIBED AND SWORN to before me this ___ day of APR 17 2026 in Pasig City, Philippines, affiant exhibited to me her competent evidence of identity bearing her photograph and signature, Philippine Passport No. P5609490A, issued by the Department of Foreign Affairs NCR East, valid until 14 January 2028.

Doc. No. 219;
Page No. 57;
Book No. 73;
Series of 2026.

ATTY. ANTONIO B. BETITO
Notary for Pasig City
Commission No. 168 (2025 - 2026)
700 Mega Plaza, ADB Ave., Pasig City
Attorney's Roll No. 27614
IBP No. 577320/12/30/25/Rizal
PTR No. 3986451/1/08/26/Pasig City
MCLE Compliance No. VIII-0037828 April 14, 2028

ANNEX "D"

Certification of Independent Director

[Attached]

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **PEDRO EMILIO O. ROXAS**, Filipino, of legal age, and with residence address at 6 Ipil Road, South Forbes Park, Makati City, Philippines, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of **SP NEW ENERGY CORPORATION** (the "**Corporation**"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City, Philippines. I previously served as an Independent Director of the Corporation until my resignation on 10 June 2024 due to personal reasons.

2. I am and was affiliated with the following companies or organizations:

Company/Organization	Position/ Relationship	Period of Service
Roxas Holdings, Inc.	Chairman	1982–Present
Roxas and Company, Inc.	Chairman	1995–Present
Roxaco Land Corporation	Director	1995–Present
Club Punta Fuego, Inc.	Chairman	1995–Present
Manila Electric Company	Independent Director	May 2, 2010–Present
Global Business Power Corporation	Independent Director	June 2022–Present
Metro Pacific Investments Corporation	Independent Advisor	2021–2023
Meralco PowerGen Corporation	Independent Director	January 2024–June 2024
LNGPH (Excellent Energy Resources Inc., Linseed Field Power Corporation, and South Premiere Power Corp.)	Independent Director	2025-Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code ("**SRC**"), its Implementing Rules and Regulations ("**IRR**"), and other issuances of the Securities and Exchange Commission ("**SEC**").

4. To the best of my knowledge, I am not related in any capacity or degree to any director, officer, or substantial shareholder of the Corporation, any of its related companies, or any of its substantial shareholders.

5. I am currently being investigated for Estafa and Other Deceits under the Revised Penal Code by the Office of the City Prosecutor of Makati City. Pacific Sugar Holdings, Inc. filed the complaint against the officers and employees of San Carlos Bioenergy, Inc., which include me, for the alleged non-payment of purchased molasses. I was not involved in the said transaction, both during negotiations and the delivery of the goods.

6. I am not in government service nor affiliated with a government agency or government-owned and controlled corporation.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the SRC and its IRR, the Code of Corporate Governance for Publicly Listed Companies, and other issuances of the SEC.

8. I shall inform the Corporate Secretary of the Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

[Signature page follows]

APR 17 2026

IN WITNESS WHEREOF, I have hereunto signed this Certification this ____ day of __________, 2026 in Pasig City.

PEDRO EMILIO O. ROXAS
Affiant

APR 17 2026

SUBSCRIBED AND SWORN to before me this ____ day of __________, 2026 in Pasig City, Philippines, affiant exhibiting to me his Philippine Passport No. P0388893B issued by DFA Manila on 24 January 2019.

Doc. No. 303;
Page No. 62;
Book No. 13;
Series of 2026.

ATTY. ANTONIO B. BETITO
Notary for Pasig City
Commission No. 168 (2025 – 2026)
709 Mega Plaza, ADB Ave., Pasig City
Attorney's Roll No. 27614
IBP No. 577320/12/30/25/Rizal
PTR No. 3986451/1/08/26/Pasig City
MCLE Compliance No. VIII-0037828 April 14, 2028

ANNEX "E"

Certification of Independent Director

[Attached]

REPUBLIC OF THE PHILIPPINES)
PASIC CITY) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **BENJAMIN I. ESPIRITU,** Filipino, of legal age, and with residence address at 277 Cuenca St., Ayala Alabang, Muntinlupa City, Philippines, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of SP New Energy Corporation (formerly Solar Philippines Nueva Ecija Corporation) (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Rockwell Business Center Ortigas Avenue, Barangay Ugong, Pasig City 1604, Philippines, and have been its independent director since 02 July 2021.

2. I am and was, to the best of my knowledge and recollection, affiliated with the following major companies or organizations:

COMPANY/ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
Change Management International, Inc.	President and Chief Executive Officer	1998 to Present
Banco de Mindoro, Inc.	Chairman	2005 to Present
Risks, Opportunities, Assessment & Management (ROAM), Inc.	President	2014 to Present
Central Azucarera de Tarlac, Inc.	Independent Director	2013 to 2025
Ormin Realty Corporation	Chairman and President	2000 to Present
Konstruktura Development Resources Corp.	Chairman and President	2015 to Present
Intrastrata Assurance Corporation	Independent Director	2015 to Present
The Laudibus League Holdings, Inc.	Chairman	2014 to Present
B5 Group Corporation	Chairman and President	2006 to Present
EC Ventures Corporation	President	2006 to Present
A&A Realty Development Enterprises, Inc.	Managing Director	2005 to Present
Gov. Arturo Arce Ignacio, Sr. Foundation, Inc.	Chairman and President	2006 to Present
Doña Lilia San Agustin Foundation, Inc.	Chairman and President	2006 to Present
Dizon Copper Silver Mines, Inc.	Independent Director; Director	2014 to Present
Mindoro Chamber of Commerce & Industry, Inc.	President	2018 to 2025
Philippine Marine Corps Board of Advisers	Chairman	2017 to Present

National Defense College of the Philippines Alumni Association, Inc.	President	2017 to 2023
Philippine Marine Corps Foundation, Inc.	Trustee	2018 to Present
NiHao Mineral Resources International, Inc.	Independent Director	2019 to Present
Liberty Insurance Corporation	Independent Director	2026

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other issuances of the Securities and Exchange Commission ("**SEC**").

4. To the best of my knowledge, I am not related in any capacity or degree to any director, officer, or substantial shareholder of the Corporation, any of its related companies, or any of its substantial shareholders.

5. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service nor affiliated with a government agency or government-owned and controlled corporation.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance for Publicly Listed Companies, and other issuances of the SEC.

8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

(signature page follows)

APR 2 2 2026

IN WITNESS WHEREOF, I have hereunto signed this Certification this ____ day of __________, 2026 in Pasig City.

BENJAMIN I. ESPIRITU
Affiant

APR 2 2 2026

SUBSCRIBED AND SWORN to before me this ____ day of __________, 2026 in Pasig City, Philippines, affiant exhibiting to me his Philippine Passport No. P7362258A issued by DFA NCR Central, valid until 28 May 2028.

Doc. No. 422;
Page No. 90;
Book No. 15;
Series of 2026.

ATTY. ANTONIO B. BETITO
Notary for Pasig City
Commission No. 168 (2025 – 2026)
709 Mega Plaza, ADB Ave., Pasig City
Attorney's Roll No. 27614
IBP No. 577320/12/30/25/Rizal
PTR No. 3986451/1/08/26/Pasig City
MCLE Compliance No. VIII-0037828 April 14, 2028

ANNEX "F"

Consolidated Audited Financial Statements
for the Year Ended 31 December 2025

[Attached]

MERALCO GEN

MGEN Renewable Energy, Inc. (MGreen)
14th Floor, Rockwell Business Center Tower 2,
Ortigas Avenue, Barangay Ugong,
1604 Pasig City, Philippines
(+632) 8464 1600

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **SP New Energy Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

Sycip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

SP NEW ENERGY CORPORATION

MANNY V. PANGILINAN
Chairman

EMMANUEL V. RUBIO
President and CEO

ROCHEL DONATO R. GLORIA
Treasurer and Chief Finance Officer

SP New Energy Corporation

Parent Company Financial Statements
December 31, 2025 and 2024

and

Independent Auditor's Report

SGV

Building a better working world

A member firm of Ernst & Young Global Limited

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
SP New Energy Corporation

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the accompanying parent company financial statements of SP New Energy Corporation (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2025 and 2024, and the parent company statements of income, parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including material accounting policy information.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (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 Parent Company Financial Statements* section of our report. We are independent of the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (the Code of Ethics), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of the financial statements of public interest entities in the Philippines. We have also 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 Parent Company Financial Statements

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

In preparing the parent company financial statements, management is responsible for assessing the Parent Company'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 Parent Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company 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 parent company 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 parent company 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 Parent Company'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 Parent Company'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 parent company 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 Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 23 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic parent company financial statements. Such information is the responsibility of the management of SP New Energy Corporation. The information has been subjected to the auditing procedures applied in our audit of the parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the parent company financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Leovina Mae V. Chu.

SYCIP GORRES VELAYO & CO.

Leovina Mae V. Chu

Leovina Mae V. Chu
Partner
CPA Certificate No. 99910
Tax Identification No. 209-316-911
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 99910-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-096-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10765028, January 2, 2026, Makati City

April 21, 2026

SP NEW ENERGY CORPORATION

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 18)	**₱1,314,848,341**	₱3,151,631,849
Trade and other receivables (Note 18)	**13,278,442**	6,549,646
Due from related parties (Notes 12 and 18)	**523,278,229**	4,534,974,123
Other current assets (Notes 5 and 18)	**1,428,151**	54,050,114
Total Current Assets	**1,852,833,163**	7,747,205,732
Noncurrent Assets		
Property, plant and equipment (Note 6)	**2,466,714,049**	2,386,541,448
Investment properties (Note 8)	**519,931,657**	524,771,431
Deposits for land acquisition (Note 7)	**943,533,475**	942,419,396
Deferred tax asset - net (Note 16)	**9,291,007**	9,291,007
Investments and deposits (Note 9)	**18,853,289,783**	13,576,932,149
Other noncurrent assets (Note 10)	**169,761,631**	169,097,637
Total Noncurrent Assets	**22,962,521,602**	17,609,053,068
TOTAL ASSETS	**₱24,815,354,765**	₱25,356,258,800
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other liabilities (Notes 11, 12 and 18)	**₱444,662,968**	₱1,294,164,530
Due to related parties (Notes 12 and 18)	**22,566,685**	25,493,114
Current portion of lease liabilities (Notes 17, 18 and 21)	**15,799,992**	16,545,230
Provisions (Note 3)	**3,106,858,000**	–
Total Current Liabilities	**3,589,887,645**	1,336,202,874
Noncurrent Liability		
Lease liabilities - net of current portion (Notes 17, 18 and 21)	**285,369,730**	274,650,094
Total Liabilities	**3,875,257,375**	1,610,852,968
Equity		
Common stock	**5,007,305,000**	5,007,305,000
Preferred stock	**194,042,026**	194,042,026
Additional paid-in capital	**19,794,017,013**	19,794,017,013
Deficit	**(4,055,266,649)**	(1,249,958,207)
Total Equity	**20,940,097,390**	23,745,405,832
TOTAL LIABILITIES AND EQUITY	**₱24,815,354,765**	₱25,356,258,800

See accompanying Notes to Parent Company Financial Statements.

SP NEW ENERGY CORPORATION
PARENT COMPANY STATEMENTS OF INCOME

	Years Ended December 31	
	2025	2024
REVENUE FROM SALE OF ELECTRICITY (Notes 3 and 22)	**₱29,010,052**	₱–
COST AND EXPENSES (Note 14)	**65,404,189**	1,176,289,165
OTHER CHARGES (INCOME) (Note 15)	**2,768,914,305**	(187,934,512)
LOSS BEFORE INCOME TAX	**2,805,308,442**	988,354,653
PROVISION FOR INCOME TAX (Note 16)	–	–
NET LOSS	**₱2,805,308,442**	₱988,354,653
Basic/Diluted Loss Per Share (Note 19)	**₱0.0560**	₱0.0197

See accompanying Notes to Parent Company Financial Statements.

SP NEW ENERGY CORPORATION

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2025	2024
NET LOSS	**₱2,805,308,442**	₱988,354,653
OTHER COMPREHENSIVE INCOME (LOSS)	–	–
TOTAL COMPREHENSIVE LOSS	**₱2,805,308,442**	₱988,354,653

See accompanying Notes to Financial Statements.

SP NEW ENERGY CORPORATION

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Common Stock	Preferred Stock	Additional Paid-in Capital	Deposit for Future Stock Subscription	Deficit	Total
Balances at January 1, 2025	**₱5,007,305,000**	**₱194,042,026**	**₱19,794,017,013**	**₱–**	**(₱1,249,958,207)**	**₱23,745,405,832**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**(2,805,308,442)**	**(2,805,308,442)**
Balances at December 31, 2025	**₱5,007,305,000**	**₱194,042,026**	**₱19,794,017,013**	**₱–**	**(₱4,055,266,649)**	**₱20,940,097,390**
Balances at January 1, 2024	₱3,437,305,000	₱–	₱5,713,764,409	₱15,894,042,026	(₱261,603,554)	₱24,783,507,881
Issuance of shares of stock (Note 13)	1,570,000,000	194,042,026	14,130,000,000	(15,894,042,026)	–	–
Stock issuance costs (Note 13)	–	–	(49,747,396)	–	–	(49,747,396)
Total comprehensive loss for the year	–	–	–	–	(988,354,653)	(988,354,653)
Balances at December 31, 2024	₱5,007,305,000	₱194,042,026	₱19,794,017,013	₱–	(₱1,249,958,207)	₱23,745,405,832

See accompanying Notes to Parent Company Financial Statements.

SP NEW ENERGY CORPORATION
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	**(₱2,805,308,442)**	(₱988,354,653)
Adjustments for:		
Provisions for probable expenses (Note 15)	**2,776,300,000**	–
Interest income (Note 15)	**(42,917,417)**	(299,627,656)
Other transaction cost (Notes 5 and 15)	**18,137,305**	–
Interest accretion of lease liabilities (Notes 15 and 17)	**9,240,959**	9,501,770
Depreciation and amortization (Notes 6 and 14)	**5,209,905**	5,209,905
Unrealized foreign exchange loss (gain)	**(4,723,967)**	10,399
Loss on sale of equity investments (Notes 9 and 15)	**–**	101,265,374
Loss before changes in working capital	**(44,061,657)**	(1,171,994,861)
Decrease (increase) in:		
Trade and other receivables	**(9,582,640)**	–
Other current assets (Note 5)	**33,932,620**	(16,041,658)
Increase (decrease) in accounts payable and other liabilities (Notes 11 and 12)	**(518,943,562)**	1,243,766,072
Net cash used in operations	**(538,655,239)**	55,729,553
Interest received (Note 4)	**45,771,261**	294,557,453
Net cash flows from (used in) operating activities	**(492,883,978)**	350,287,006
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investments and deposits (Note 9)	**(5,276,357,634)**	(4,553,398,411)
Decrease (increase) in amounts due from related parties (Notes 8 and 12)	**4,016,535,668**	(2,166,757,309)
Additions to:		
Property, plant, and equipment (Note 6)	**(59,593,507)**	(268,990,317)
Deposits for land acquisition (Note 7)	**(12,779,831)**	(170,215,778)
Other noncurrent assets	**(111,956)**	(16,333,485)
Proceeds from:		
Transfer of deposit for land acquisition (Note 7)	**11,665,752**	253,314,277
Sale of equity investments (Note 15)	**–**	80,000,000
Net cash flows used in investing activities	**(1,320,641,508)**	(6,842,381,023)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in amounts due to related parties (Note 12)	**(2,926,429)**	(104,340,187)
Payments of:		
Lease liabilities (Notes 17 and 21)	**(25,055,560)**	(19,346,845)
Deferred stock issuance costs (Note 5)	**–**	(18,137,305)
Stock issuance costs (Note 13)	**–**	(17,640,421)
Net cash flows used in financing activities	**(27,981,989)**	(159,464,758)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**4,723,967**	(10,399)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(1,836,783,508)**	(6,651,569,174)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**3,151,631,849**	9,803,201,023
CASH AND CASH EQUIVALENTS AT END OF YEAR (Notes 4 and 18)	**₱1,314,848,341**	₱3,151,631,849

See accompanying Notes to Parent Company Financial Statements

SP NEW ENERGY CORPORATION
NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

(a) Organization

SP New Energy Corporation (the "Parent Company" or "SPNEC") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 23, 2016, primarily to engage in the construction, operation and maintenance of all types of renewable energy plants and related services.

The common shares of the Parent Company are listed on the Philippine Stock Exchange ("PSE") beginning December 17, 2021 and traded under the ticker, "SPNEC".

As of December 31, 2025, MGen Renewables Energy, Inc. ("MGreen") has a 69.25% voting interest in SPNEC. Subsequently, on January 14, 2026, SPNEC redeemed the 19.4 billion shares at total issue price of ₱194.0 million. Thereafter, MGreen's holding in SPNEC is 57.33%. The remainder of the shares are held by the public and another shareholder group.

MGreen is a wholly-owned subsidiary of Meralco PowerGen Corporation ("MGen"), which in turn is a wholly-owned subsidiary of Manila Electric Company ("Meralco"). Meralco, MGen and MGreen are registered with the Philippine SEC. The shares of Meralco are listed in the PSE under the ticker, "MER".

On March 26, 2026, the Board of Directors (BOD) further approved the change of corporate name to "MGEN Renewables Inc." from "MGEN Renewable Energy Holdings, Inc.", which had been previously approved on January 21, 2026. The foregoing is pending approval by the Securities Exchange Commission (SEC). In the meantime, the Parent Company has also filed for a change in its ticker to "MGENR".

(b) Sta. Rosa Nueva Ecija 2 Solar Power Project ("NE 2 Project")

The Parent Company is developing a 500 MW_{dc} solar power plant located in Nueva Ecija (see Note 22).

(c) Principal Office Address

The registered and principal place of the Parent Company is at Rockwell Business Center, Ortigas Avenue, Brgy. Ugong, 1604 Pasig City, Philippines.

(d) Authorization for the Issuance of the Parent Company Financial Statements

The parent company financial statements as of December 31, 2025 and 2024 and for the years then ended were authorized for issue by the BOD on April 21, 2026.

2. Basis of Preparation, Statement of Compliance and Summary of Material Accounting Policy Information

Basis of Preparation
The parent company financial statements have been prepared using the historical cost basis and are presented in Philippine Peso (₱), which is also the Parent Company's functional currency. All amounts are rounded to the nearest ₱, unless otherwise indicated.

The Parent Company issues consolidated financial statements which are prepared for the same period in compliance with Philippine Financial Reporting Standards ("PFRS") Accounting Standards. These may be obtained from the office of the Parent Company at Rockwell Business Center, Ortigas Avenue, Brgy. Ugong, Pasig City, Second District, National Capital Region, Philippines 1604.

Statement of Compliance
The parent company financial statements are prepared in compliance with PFRS Accounting Standards as issued by the Philippine Financial Sustainability and Reporting Standards Council ("FSRSC") and adopted by the Philippine SEC.

New Standards, Interpretations and Amendments
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of Amendments to PAS 21, *Lack of exchangeability* amendments. 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 adoption of these amendments to existing standard did not have an impact on the financial statements of the Parent Company.

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

New Standards and Interpretations Issued and Effective after December 31, 2025
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Parent Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Parent Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

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

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

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

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

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

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

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

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

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

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

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

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

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

- Annual Improvements to PFRS Accounting Standards - Volume 11

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

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

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

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

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

- Amendments to PFRS 9

  a) Lessee Derecognition of Lease Liabilities

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

  b) Transaction Price

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

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

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

b. Amendments to PAS 7, *Cost Method*

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

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

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

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

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

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

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

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

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

  The Parent Company will continue to evaluate and review the requirements of the standard in the presentation of the financial statements upon its effectivity.

- PFRS 19, *Subsidiaries without Public Accountability*

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

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

  The application of the standard is optional for eligible entities.

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

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

Deferred effectivity

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

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

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

Presentation of Parent Company Financial Statements
The Parent Company has elected to present all items of recognized income and expense in two statements: a statement displaying components of profit or loss (parent company statements of income) and a second statement beginning with profit or loss and displaying components of OCI (parent company statements of comprehensive income).

Current versus Noncurrent Classification
The Parent Company presents assets and liabilities in the parent company statements of financial position based on the current/noncurrent classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- expected to be realized within twelve months after the reporting period;
- held primarily for the purpose of trading; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity do not affect its classification.

All other liabilities are classified as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

<u>Cash and Cash Equivalents</u>
Cash and cash equivalents comprise of cash on hand and in banks and short-term deposits with original maturities of three (3) months or less from dates of acquisition and that are subject to insignificant risk of changes in value.

<u>Short-term Investments</u>
Short-term investments are short-term placements with maturities of more than three (3) months but less than one (1) year from the date of acquisition. These earn interest at the respective short-term investment rates.

<u>Financial Instruments</u>
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

<u>*Financial assets*</u>
Initial recognition and measurement
Financial assets are classified, at initial recognition, as financial assets at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVPL"). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Parent Company's business model for managing them. The Parent Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest ("SPPI")" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Parent Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Parent Company commits to purchase or sell the asset.

Subsequent Measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

Financial assets at amortized cost (debt instruments)
The Parent Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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 that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognized in the parent company statements of income when the asset is derecognized, modified or impaired.
The Parent Company's financial assets at amortized cost include cash and cash equivalents (excluding cash on hand), trade and interest receivables, subscription receivable, due from related parties, bonds and short-term investments as of December 31, 2025 and 2024 (see Notes 4, 5, 12 and 18).

The Parent Company has no financial assets at FVOCI and FVPL.

Financial liabilities
Loans and borrowings
Financial liabilities are classified in this category if these are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings.

Loans and borrowings are initially recognized at fair value of the consideration received, less directly attributable transaction costs. After initial recognition, such loans and borrowings are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any related issue costs, discount or premium. Gains and losses are recognized in the parent company statements of income when the liabilities are derecognized, as well as through the amortization process.

The Parent Company's loans and borrowings include accounts payable and other liabilities (excluding payable to government agencies), due to related parties and lease liabilities as of December 31, 2025 and 2024 (see Notes 11, 12, 17 and 18).

As of December 31, 2025 and 2024, the Parent Company has no financial liabilities at FVPL.

Derecognition of Financial Assets and Liabilities

Financial asset
A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired; or
- the Parent Company retains the right to receive cash flows from the asset, but has assumed obligation to pay them in full without material delay to a third party under a "pass-through" arrangement and either (a) the Parent Company has transferred substantially all the risks and rewards of the asset, or (b) the Parent Company has neither transferred nor retained the risks and rewards of the asset but has transferred the control of the asset.

Where the Parent Company has transferred its right to receive cash flows from an asset or has entered into a "pass-through" arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Parent Company's continuing involvement in the asset.

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

Financial liability
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where 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 exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the parent company statements of income.

Impairment of Financial Assets
The Parent Company recognizes an allowance for expected credit losses ("ECLs") for all financial assets except debt instruments held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Parent Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the parent company statements of financial position, if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Parent Company 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 Parent Company and all of the counterparties.

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

A fair value measurement of a nonfinancial 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 Parent Company 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 parent company financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the parent company financial statements on a recurring basis, the Parent Company determines whether transfers have occurred between levels in the hierarchy by re-assessing 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 Parent Company 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 as explained above.

Property, Plant and Equipment
Property, plant and equipment is stated at cost less accumulated depreciation, amortization and impairment in value, if any. The initial cost of property, plant and equipment consist of the purchase price including import duties, borrowing costs (during construction period) and other costs directly attributable to bringing the assets to its working condition and location for its intended use. Cost also includes the cost of replacing part of the property, plant and equipment, and the borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Parent Company recognizes such parts as individual assets with specific useful lives, depreciation and amortization. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. 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 and amortization of an item of property, plant and equipment begin 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 and amortization cease at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized. Leasehold improvements are amortized over the lease term or the economic life of the related asset, whichever is shorter.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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 profit or loss in the year the asset is derecognized.

The useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted, prospectively, if appropriate.

Construction in progress ("CIP")
CIP represents structures under construction and is stated at cost, net of accumulated impairment losses, if any. This includes costs of construction and other direct costs. Costs also include interest on lease liability and amortization of right-of-use assets incurred during the construction period. Construction in progress is not depreciated until such time that the assets are put into operational use.

Right-of-use ("ROU") assets
ROU assets are included as part of property, plant and equipment. The Parent Company recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Parent Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. ROU assets are subject to impairment (refer to Impairment of Nonfinancial Assets policy).

Value-Added Tax ("VAT")
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.
When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the parent company statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the parent company statement of financial position to the extent of the recoverable amount.

Investments in Subsidiaries
The Parent Company's investments in subsidiaries is accounted for using the cost method of accounting. A subsidiary is an entity in which the Parent Company has control. Control is achieved when the Parent Company is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. An associate is an entity in which the Parent Company has significant influence. Significant influence is the power to participate in the financial and operating decision of the investee but is not in control or in joint control of those policies.

Investments in subsidiaries are carried in the parent company statements of financial position at cost less any impairment in value. The Parent Company recognizes income from its investments when its right to receive dividends is established. An assessment of the carrying value of investments is performed when there is an indication that the investments have been impaired.

Deposits for Land Acquisition

Deposits for land acquisition pertain to payments made in relation to the acquisition of parcels of land that are intended for future expansion and are stated at the amount paid less any impairment in value. Upon successful transfer of title to the Parent Company, the deposits for land acquisition shall be reclassified to land as part of either investment property or property, plant and equipment.

Investment Properties

Investment properties include parcels of land held by the Parent Company for capital appreciation and are carried at cost including transaction costs.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income in the year of retirement or disposal.

Transfers are made to (or from) investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or inventories, the cost of property for subsequent accounting is its carrying value at the date of change in use. If the property occupied by the Parent Company as an owner-occupied property becomes an investment property, the Parent Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Impairment of Nonfinancial Assets

The Parent Company assesses at each reporting date whether there is an indication that these nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Parent Company estimates these nonfinancial assets' recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and 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. Where 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 discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is charged to profit or loss in the period in which it arises. In the case of input VAT, an allowance is provided for any portion of the input VAT that cannot be claimed against output VAT or recovered as tax credit against future income tax liability.

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Parent Company makes an estimate of recoverable amount. Any previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in the Parent Company statement of income.

Common and Preferred Stock
Common and preferred stock is measured at par value and is classified as equity for all shares of stocks issued.

Additional Paid-in Capital ("APIC")
When the shares of stock are sold at premium, the difference between the proceeds and the par value is credited to the APIC account.
Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are reduction to the APIC. If APIC is not sufficient, the excess is charged against the "Deficit" account.

Subscription Receivable
Subscription receivable represents unpaid portion of subscription, under a binding subscription contract, and is presented as current assets when it is expected to be collected within 12 months after the financial reporting date. Otherwise, this is presented as reduction from equity.

Deposit for Future Stock Subscription
Deposit for future stock subscription represents funds received as payment for additional issuance of shares.

The Parent Company classifies a contract to deliver its additional equity instruments as a "Deposit for future stock subscription" if and only if, all of the following elements are present as of the reporting period:

a. the unissued authorized capital stock of the Parent Company is insufficient to cover the amount of shares indicated in the contract;
b. there is BOD's approval on the proposed increase in authorized capital stock;
c. there is stockholders' approval of the said proposed increase; and
d. the application for the approval of the proposed increase was presented for filing or has been filed with the SEC.

Retained earnings (Deficit)
Retained earnings (deficit) represent the cumulative balance of periodic net income or loss, prior period adjustments, effect of changes in accounting policy and other capital adjustments. When the retained earnings account has a debit balance, it is called "deficit". A deficit is not an asset but a deduction from equity.

Leases
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.
The Parent Company assesses at contract inception all arrangements to determine whether it 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.

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

i) ROU assets
Refer to ROU assets policy.

ii) *Lease liabilities*
At the commencement date of the lease, the Parent Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, 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 Parent Company and payments of penalties for terminating a lease, if the lease term reflects the Parent Company exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Parent Company 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.

Short-term leases
The Parent Company applies the short-term lease recognition exemption to its short-term leases of vehicle (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Interest Income
Interest income is recognized as interest accrues, using the EIR method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

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

Provisions
Provisions are recognized when the Parent Company 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.

Where the Parent Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision are presented in profit or loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are made by discounting the expected future cash flows at a pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Income 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 Parent Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the income tax returns with respect to situations in which applicable income tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Income Tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits and unused tax losses 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 profit 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 profits 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 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 other comprehensive income ("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 tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Earnings (Loss) Per Share ("EPS")

Basic EPS is computed by dividing net income for the year attributable to common shareholders of the Parent Company with the weighted average number of common shares outstanding during the year, after giving retroactive effect to any stock dividends or stock splits, if any, declared during the year.

Diluted EPS is computed in the same manner, with the net income for the year attributable to common shareholders of the Parent Company and the weighted average number of common shares outstanding during the year, adjusted for the effect of all dilutive potential common shares. As of December 31, 2025 and 2024, the Parent Company does not have any dilutive potential common shares. Hence, diluted EPS is the same as basic EPS.

Operating Segment
The Parent Company has no operating segments as it has not yet commenced its commercial operations as of December 31, 2025 and 2024.

Contingencies
Contingent liabilities are not recognized in the parent company financial statements. These are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the parent company financial statements but are disclosed in the notes when an inflow of economic benefits is probable.

Events After the Financial Reporting Date
Events after the financial reporting date that provide additional information about the Parent Company's position at the balance sheet date (adjusting events) are reflected in the parent company financial statements. Events after the financial reporting date that are not adjusting events are disclosed in the notes to Parent Company financial statements when material.

3. Significant Accounting Judgements, Estimates and Assumptions

The parent company financial statements prepared in accordance with PFRS Accounting Standards require management to make judgments and estimates that affect amounts reported in the parent company financial statements and related notes. The judgments and estimates used in the parent company financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the parent company financial statements. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items are those matters which the Parent Company assess to have significant risks arising from estimation uncertainties:

Judgments
In the process of applying the Parent Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the parent company financial statements. This judgment is based upon management's evaluation of relevant facts and circumstances as of the date of the parent company financial statements.

Determination of Control Over an Investee Company
Control is presumed to exist when an investor 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. The Parent Company has established that it has the ability to control its subsidiaries by virtue of 100% or a majority of the voting interest in the investee company.

Distinction between Investment Properties and Property and Equipment
The Parent Company determines whether a property qualifies as investment property. In making its judgment, the Parent Company considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used for administrative purposes. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for administrative purposes. If these portions cannot be sold separately at the reporting date, the property is accounted for as investment property only if an insignificant portion is held for administrative purposes.

Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Parent Company considers each property separately in making its judgment.

Investment properties amounted to ₱519.9 million and ₱524.8 million as of December 31, 2025 and 2024, respectively (see Note 8). Property and equipment amounted to ₱2,466.7 million and ₱2,386.5 million as of December 31, 2025 and 2024, respectively (see Note 6).

Contingencies
There are possible claims from or obligation to other parties from past events and whose existence may only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within its control. Management has determined that the present obligations with respect to contingent liabilities do not meet the recognition criteria, and therefore has not recorded any such amounts.

Determination of lease term of contracts with renewal and termination options - Company as a lessee
The Parent Company's lease contract includes extension and termination options. The Parent Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Parent Company 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 or to terminate.

Estimates
Recoverability of Deposits for Land Acquisition
The Parent Company assesses at each financial reporting date whether there is indication that the Deposits for land acquisition may be impaired. Management's assessment of impairment considers information from various sources, including those from the land acquisition process and the related requirements, the current status of land acquisition, the timeline of activities and factors that may affect the timing of completion of the transaction.

As of December 31, 2025 and 2024, management has assessed that there are no indicators that the deposits for land acquisition may be impaired. The carrying value of deposits for land acquisition amounted to ₱943.5 million and ₱942.4 million as of December 31, 2025 and 2024, respectively (see Note 7).

Estimating Useful Lives of ROU Assets
The Parent Company estimates the useful lives of ROU assets based on the period over which each asset is expected to be available for use and on the collective assessment of industry practices, internal evaluation and experience with similar arrangements. The estimated useful life is revisited at the end of each financial reporting period and updated if expectations differ materially from previous estimates.

The carrying amount of ROU assets amounted to ₱232.4 million and ₱243.2 million as of December 31, 2025 and 2024, respectively (see Notes 6 and 17).

Estimating Impairment of Financial Assets
The measurement of impairment losses under PFRS 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows, including collectability, collateral values and other credit enhancements, when determining impairment losses. Increases or decreases to the allowance balance are recorded as general and administrative expenses in the parent company statements of income.

Under PFRS 9, *Financial Instruments,* additional judgments are also made in assessing a significant increase in credit risk in the case of financial assets measured using the general approach. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Parent Company's impairment calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the impairment models that are considered accounting judgments and estimates include:

- The Parent Company's criteria for defining default and for assessing if there has been a significant increase in credit risk;
- The segmentation of financial and contract assets when impairment is assessed on a collective basis;
- The choice of inputs and the various formulas used in the impairment calculation;
- Determination of relationships between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and,
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the impairment models.

It has been the Parent Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Measurement of ECL
ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Parent Company in accordance with the contract and the cash flows that the Parent Company expects to receive.

- *Financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

The Parent Company leverages existing risk management indicators (e.g., internal credit risk classification and restructuring triggers), credit risk rating changes and reasonable and supportable information which allows the Parent Company to identify whether the credit risk of financial assets has significantly increased.

No provision for ECL was recognized by the Parent Company for the years ended December 31, 2025 and 2024. The aggregate carrying values of cash and cash equivalents (excluding cash on hand), trade and interest receivables, subscription receivable, due from related parties, bonds and short-term investments amounted to ₱1,851.6 million and ₱7,722.1 million as of December 31, 2025 and 2024, respectively (see Notes 4, 5, 12 and 13).

Estimating Impairment of Investments and Deposits
The Parent Company performs an impairment review on its investments and deposits whenever an impairment indicator exists. This requires an estimation of the value in use of the investments.

Estimating the value in use requires the Parent Company to make an estimate of the expected future cash flows of the investments and to make use of a suitable discount rate to calculate the present value of those future cash flows. Management has determined that there are no events or circumstances that may indicate that the carrying amounts of the investments and deposits are not recoverable. Thus, no impairment loss was recognized in 2025 and 2024. The carrying amount of investments and deposits amounted to ₱18,853.3 million and ₱13,576.9 million as of December 31, 2025 and 2024, respectively (see Note 9).

Estimating Impairment of Nonfinancial Assets, other than Investments and Deposits
The Parent Company assesses impairment of nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Parent Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The estimated recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of assets in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For impairment loss on specific assets, the recoverable amount represents the fair value less costs to sell.

The carrying amounts of assets that are subject to impairment testing when impairment indicators are present (such as obsolescence, physical damage, significant changes to the manner in which the asset is used, worse than expected economic performance, or other external indicators) are as follows:

	2025	2024
Other current assets[1] (Note 5)	**₱1,428,151**	₱23,498,076
Property, plant and equipment (Note 6)	**2,466,714,049**	2,386,541,448
Deposits for land acquisition (Note 7)	**943,533,475**	942,419,396
Investment properties (Note 8)	**519,931,657**	524,771,431
Other noncurrent assets[2] (Note 10)	**169,209,593**	169,097,637
	₱4,100,816,925	₱4,046,327,988

[1]*Excluding bonds and short-term investment*
[2]*Excluding bonds*

The Parent Company did not recognize any provision for impairment loss on nonfinancial assets in 2025 and 2024. As of December 31, 2025 and 2024, allowance for impairment of input VAT amounted to ₱128,168 (see Note 10).

Estimating the Realizability of Deferred Income Tax Assets
Deferred income tax asset is recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable income will be available in the future against which the deductible temporary differences can be utilized. Significant management estimate is required to determine the amount of deferred income tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies. The carrying value of deferred income tax assets amounted to ₱28.0 million as of December 31, 2025 and 2024 (see Note 16).

The Parent Company did not recognize deferred income tax assets on the carryforward benefits of unused net operating loss carryover ("NOLCO") and other deductible temporary differences amounting to ₱4,046.2 million and ₱1,289.4 million as of December 31, 2025 and 2024, respectively, as management believes that there is no sufficient future taxable income to allow all or part of the deductible temporary difference to be utilized (see Note 16).

Estimating Provisions
The Parent Company determines whether it has a present obligation to recognize a provision arising from the difference in interpretation of regulatory provisions (including contested local/national tax claims/assessments) and contractual obligations. Management exercises judgement in determining whether it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. On the basis of the evaluation, management determines that provisions are recognized in accordance with the criteria of PAS 37, *Provisions, Contingent Liabilities, and Contingent Assets*.

In 2025, the Parent Company recognized provisions amounting to ₱3,106.9 million in relation to contractual obligations, local/national tax claims/assessments and other probable expenses which remain unresolved and are being contested (see Notes 15 and 22). Limited disclosure is provided as allowed in PFRS Accounting Standards.

The provision for other liabilities and expenses is established based on the Parent Company's best estimate of the amount necessary to settle future or existing obligations, taking into account the risks and uncertainties surrounding the obligation. Management assesses at each reporting date the estimates used in computing for the provisions.

4. Cash and Cash Equivalents

	2025	2024
Cash on hand	**₱100,000**	₱100,000
Cash in banks (Note 18)	**349,912,396**	138,906,849
Cash equivalents (Note 18)	**964,835,945**	3,012,625,000
	₱1,314,848,341	₱3,151,631,849

Cash equivalents include short-term deposits which are made for varying periods of up to three (3) months and earn interest at the prevailing short-term deposit interest rates.

Cash and cash equivalents earn interest at the respective bank deposit rates. Total interest earned on cash in banks, net of final tax, amounted to ₱42.9 million and ₱299.6 million for the years ended December 31, 2025 and 2024, respectively (see Note 15).

5. Other Current Assets

	2025	2024
Prepaid real property taxes	**₱797,381**	₱–
Creditable withholding tax	**427,106**	–
Bonds (Notes 10, 18 and 22)	–	15,552,038
Short-term investment (Note 18)	–	15,000,000
Deferred stock issuance costs (Notes 13 and 15)	–	18,137,305
Advances to suppliers	–	5,167,701
Others	**203,664**	193,070
	₱1,428,151	₱54,050,114

Bonds pertain to (a) cash bond deposits with the Department of Agrarian Reform (DAR) for conversion of land from agricultural to industrial use. The total amount of cash bond deposit is refundable upon compliance with the conditions set forth in the DAR Conversion Order (see Note 10); and (b) the Parent Company's performance bond with Angeles Electric Corporation ("AEC") in relation to the 15 MW_p solar power project. The performance bond was the 15 MW_p Power Supply Agreement to be served from the SPNEC NE2 Project. The performance bond is valid until November 26, 2025 (see Note 22).

6. Property, Plant and Equipment

	2025			
	Transportation Equipment	**Construction in progress** (Note 1)	**ROU Assets** (Note 17)	**Total**
Cost:				
Balances at beginning of year	**₱207,600**	**₱2,143,238,932**	**₱285,220,956**	**₱2,428,667,488**
Additions (Note 17)	**–**	**91,054,862**	**–**	**91,054,862**
Balances at end of the year	**207,600**	**2,234,293,794**	**285,220,956**	**2,519,722,350**
Accumulated depreciation and amortization:				
Balance at beginning of the year	**96,880**	**–**	**42,029,160**	**42,126,040**
Depreciation and amortization (Note 14)	**41,520**	**–**	**5,168,385**	**5,209,905**
Amortization capitalized to CIP	**–**	**–**	**5,672,356**	**5,672,356**
Balances at end of year	**138,400**	**–**	**52,869,901**	**53,008,301**
Net book value	**₱69,200**	**₱2,234,293,794**	**₱232,351,055**	**₱2,466,714,049**

	2024			
	Transportation Equipment	Construction in progress (Note 1)	ROU Assets (Note 17)	Total
Cost:				
Balances at beginning of year	₱207,600	₱1,858,545,810	₱285,220,956	₱2,143,974,366
Additions (Note 17)	–	284,693,122	–	284,693,122
Balances at end of the year	207,600	2,143,238,932	285,220,956	2,428,667,488
Accumulated depreciation and amortization:				
Balance at beginning of the year	55,360	–	31,188,420	31,243,780
Depreciation and amortization (Note 14)	41,520	–	5,168,385	5,209,905
Amortization capitalized to CIP	–	–	5,672,355	5,672,355
Balances at end of year	96,880	–	42,029,160	42,126,040
Net book value	₱110,720	₱2,143,238,932	₱243,191,796	₱2,386,541,448

7. Deposits for Land Acquisition

Following is a summary of the deposits for land acquisition of the Parent Company:

	2025		2024	
Entity	**Land Area (in hectares)**	**Amount**	Land Area (in hectares)	Amount
Lupang Hinirang Holdings Corporation ("Lupang Hinirang Holdings") (Note 12)	**56.81**	**₱270,000,000**	56.81	₱270,000,000
Provincia Investments Corporation ("Provincia") (Note 12)	**68.62**	**267,000,000**	68.62	267,000,000
Various landowners*	**564.89**	**406,533,475**	610.18	405,419,396
Balances at end of the year	**690.32**	**₱943,533,475**	735.61	₱942,419,396

**Includes land acquisition-related costs*

Following are the movements in the Parent Company's deposits for land acquisition with various landowners:

	2025	2024
Balances at beginning of year	**₱405,419,396**	₱1,013,289,326
Additions	**12,779,831**	170,215,778
Transfers to Terra Nueva Inc. (Terra Nueva) (Note 12)	**(11,665,752)**	(253,314,277)
Reclassifications to investment properties (Note 8)	–	(524,771,431)
Balances at end of year	**₱406,533,475**	₱405,419,396

In 2025 and 2024, certain contracts have been transferred to Terra Nueva. Deposits for these contracts amounting to ₱11.7 million and ₱253.3 million have been reimbursed by Terra Nueva to the Parent Company.

As of December 31, 2025 and 2024, the remaining balance of deposits for land acquisition amounting to ₱556.8 million and ₱552.8 million, respectively, will be payable when the conditions under the contracts to sell are satisfied.

8. Investment Properties

Investment properties pertain to parcels of land located in Nueva Ecija, Bulacan, Tarlac and Zambales with a total area of 491.8 hectares and 493.5 hectares, as of December 31, 2025 and 2024, respectively. These properties were obtained by the Parent Company from various landowners through various Deeds of Absolute Sale Agreements executed in 2024. As of December 31, 2025 and 2024, the total cost of the investment properties, including land-related costs amounted to ₱519.9 million and ₱524.8 million (see Note 7), respectively. In 2023, these investment properties are recorded under "Deposits for Land Acquisitions" account in the parent company statements of financial position.

In 2025, the Parent Company transferred 1.7 hectares of land to Terra Nueva amounting to ₱4.84 million.

The Parent Company did not recognize any rental income and direct operating expenses arising from the investment properties in 2025.

The aggregate fair value of the Parent Company's investment properties as at December 31, 2025 and 2024 amounts to ₱10,236.4 million and ₱10,290.5 million, respectively. An independent firm of appraiser conducts asset revaluation of the investment property as of December 31, 2025 and 2024. The valuation undertaken uses the market value approach to determine the fair value which represents the price that would be received to sell the property in an orderly transaction between market participants at the measurement date.

The fair value of investment properties is categorized under Level 3 of the fair value hierarchy. Significant increases (decreases) in estimated price per square meter would result in a significantly higher (lower) fair value.

The Parent Company has no restriction on the realizability of its investment properties and no obligation to either purchase, construct or develop or for repairs, maintenance, and enhancement.

9. Investments and Deposits

The following is a summary of the Parent Company's investments and deposits:

	Percentage of Ownership		Amount invested	
Investee	**2025**	2024	**2025**	2024
Existing Active Investments				
Terra Solar Philippines, Inc. (Terra Solar)[1]	**60**	100	**₱12,059,760,374**	₱7,677,402,740
Terra Nueva[2]	**100**	100	**2,902,100,000**	2,902,100,000
Solar Philippines Tarlac Corporation (SP Tarlac)	**100**	100	**3,135,687,500[3]**	2,241,687,500
Solar Philippines Calatagan Corporation (SP Calatagan)[4]	**62**	62	**752,766,909**	752,766,909
SP Holdings, Inc. (SP Holdings)[2]	**100**	100	**2,975,000**	2,975,000
			₱18,853,289,783	₱13,576,932,149

[1]Not started operations as of December 31, 2025
[2]Investment holding entities
[3]Includes deposits for future stock subscription amounting to ₱894.0 million
[4]Economic interest is 100% after dividends to preferred stock

SP Calatagan

SP Calatagan operates a 63.359 megawatt (MW_{dc}) solar PV facility situated in the Municipality of Calatagan, Province of Batangas, occupying a project land area of 105.8 hectares (the Project Lands) comprising over 200,000 solar panels and 828 inverters. SP Calatagan began commercial operations on March 11, 2016.

SP Tarlac

The Project involves the development and operation of a 100-megawatt ("MW") solar PV facility situated in Barangay Sta. Rosa, Concepcion, Tarlac ("Tarlac 1A") occupying a total project land area of 90.39 hectares. SP Tarlac began commercial operations on December 6, 2017. SP Tarlac has a PSA with Meralco for 85 MW_{ac}, has secured 90.39 hectares of land, and currently has 100 MW operating and 50 MW under construction.

In January 2025, SP Tarlac completed the construction of a 15 MW expansion PV facility. The output from this expansion is likewise sold to Meralco to fully satisfy the of the 85 MW_{ac} PSA.

SP Tarlac is a wholly owned subsidiary of SPNEC after the redemption by SP Tarlac of the preferred shares held by an unrelated party.

In December 2025, SP Tarlac and the Parent Company executed a Subscription Agreement to subscribe, out of the proposed increase in authorized capital stock, to eight hundred ninety-four thousand (894,000) preferred shares at an issue price of ₱1,000.0 per share or an aggregate subscription price of ₱894.0 million. The parties then executed a Deed of Assignment wherein the Parent Company assigned to SP Tarlac all its rights, title and interest therein in relation to the ₱894.0 million deposit. As of April 21, 2026, SP Tarlac's application for increase in authorized capital stock is still pending SEC approval.

On May 5, 2025, the BOD approved the redemption by SP Tarlac's redeemable preferred shares held by Prime Metro with total consideration of ₱1,800.0 million. Consequently, Prime Metro is no longer a stockholder of SP Tarlac as of December 31, 2025.

Terra Solar

Terra Solar is developing a 3500 MWp solar project consisting of 2500 MW_{ac} solar PV plant and 1125 MW of battery energy storage system (BESS).

On October 16, 2024, Terra Solar executed a Subscription Agreement with the Parent Company to subscribe, out of the increase in authorized capital stock, (i) 6,075,000 common shares with par value of one peso (₱1.00) per share at a subscription price of ten peso (₱10.00) per share; and (ii) 597,300,000 preferred shares with par value of one peso (₱1.00) per share at a subscription price of ten peso (₱10.00) per share ("Subscribed Shares").

On the same date, the Terra Solar executed a Deed of Assignment of Advances with the Parent Company whereby the latter assigned in favor of Terra Solar all its rights and interests in the Parent Company's advances amounting to ₱1.6 billion as partial payment for the Subscribed Shares.

In 2025, the balance amounting to ₱4.3 billion was applied as payment for the Subscribed Shares.

On March 17, 2025, Actis Rubyred (Singapore) Pte. Ltd. ("Actis Singapore"), through its wholly-owned subsidiary, Actis Rubyred (Philippines) Holdings, Inc. ("Actis"), completed its subscription equivalent to 40% equity in Terra Solar for a total subscription of ₱29,889.2 million. As part of this investment deal, Actis infused ₱17,779.9 million in cash into Terra Solar.

In March 2026, Terra Solar started exporting energy to the grid at 85MW and ramped this up to 250MW, as limited by National Grid Corporation of the Philippines (NGCP). In addition, 450 MWh of BESS capacity has been energized.

Terra Nueva
Terra Nueva was incorporated on August 31, 2022 primarily to invest in, purchase, or otherwise acquire, own, and hold on assets purely for investment purposes.

On December 12, 2024, the Parent Company subscribed to 290.2 million preferred shares of Terra Nueva for ₱2.9 billion.

SP Holdings
SP Holdings was incorporated and registered with the SEC on June 9, 2021 and registered with the BIR on July 9, 2021, primarily to invest in, hold, use, sell, transfer, mortgage, pledge, exchange, or otherwise dispose of assets. SP Holdings was formed to carry on and manage the general business of any company, except as a stockbroker or dealer in securities.

10. **Other Noncurrent Assets**

	2025	2024
Input VAT	**₱151,466,314**	₱150,569,771
Advances to suppliers	**1,536,248**	–
Deferred input VAT	**603,359**	2,924,194
Bonds (Notes 5 and 18)	**552,038**	–
Others (Note 17)	**15,731,840**	15,731,840
	169,889,799	169,225,805
Less allowance for impairment of input VAT	**(128,168)**	(128,168)
	₱169,761,631	₱169,097,637

11. **Accounts Payable and Other Liabilities**

	2025	2024
Accounts payable:		
Third parties	**₱141,379,040**	₱161,201,802
Related parties (Note 12)	**37,355,521**	33,347,239
Withholding tax payable	**705,636**	27,480,099
Retention payable (Note 12)	**24,284,341**	21,518,431
Regulatory fees	**446,646**	270,438
Accrued purchases (Note 12)	**35,057,406**	5,328,736
Accrued expenses:		
Security services	**10,891,158**	3,165,267
Legal and other professional fees	**14,074,779**	10,177,100
Financial advisor fee (Note 14)	**167,750,794**	1,019,848,000
Other payables	**12,717,647**	11,827,418
	₱444,662,968	₱1,294,164,530

Accounts payable are non-interest bearing and are normally settled within one (1) year. Withholding tax payable pertains to withholding taxes on professional fees.

Retention payable pertains to amounts owed to subcontractors arising from the construction of power plant and are normally settled after project completion.

12. Related Party Transactions

Parties are considered to be related if, among others, 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, the parties are subject to common control, or the party is an associate or a joint venture. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Affiliates are related entities of the Parent Company by virtue of common ownership and representation to management where significant influence is apparent.

Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

Following are the Parent Company's related party transactions and the related outstanding balances as of and for the years ended December 31, 2025 and 2024:

		Transactions during the year		Outstanding balance			
		2025	2024	**2025**	2024	Terms	Conditions
Deposit for land acquisition (Note 7)							
Owned by Individual Stockholder of SPNEC							
Lupang Hinirang Holdings	d	**₱–**	₱–	**₱270,000,000**	₱270,000,000	Deposits; non-interest bearing	Unsecured; Not impaired
Provincia	e	**–**	–	**267,000,000**	267,000,000	-do-	-do-
				₱537,000,000	₱537,000,000		
Retention Payable (Note 11)							
Subsidiary of Meralco							
Meralco Industrial Engineering Services Corporation (MIESCOR)	c	**₱2,765,910**	₱21,518,431	**₱24,284,341**	₱21,518,431	Will be settled thru performance of services	Unsecured
Due from related parties							
Intermediate Parent Company							
MGreen	g	**₱194,042,026**	₱3,283,000	**₱194,042,026**	₱3,283,000	Various terms not longer than one year; non-interest bearing	Unsecured
Subsidiaries							
Terra Nueva (Notes 7 and 8)	h	**16,681,649**	–	**3,758,644**	256,244,861	Due and demandable; non-interest bearing	Unsecured; Not impaired
Terra Solar	f	**–**	3,950,000,000	**–**	3,950,000,000	-do-	-do-
SP Tarlac	h	**19,675**	56,499,430	**56,519,105**	56,499,430	-do-	-do-
SP Holdings	h	**1,122**	112,000	**220,163,122**	220,162,000	-do-	-do-
				280,440,871	4,482,906,291		

(Forward)

		Transactions during the year		Outstanding balance			
		2025	2024	**2025**	2024	Terms	Conditions
Owned by Individual Stockholder of SPNEC							
SP Project Holdings and Subsidiaries	h	**₱–**	₱2,747,533	**₱27,586,512**	₱27,586,512	Due and demandable; non-interest bearing	Unsecured; Not impaired
Solar Philippines Commercial Rooftop Projects, Inc. (SPCRPI)	h	**–**	–	**21,198,320**	21,198,320	-do-	-do-
Subsidiary of Meralco							
Powersource First Bulacan	h	**10,500**	–	**10,500**	–	-do-	-do-
				48,795,332	48,784,832		
				₱523,278,229	₱4,534,974,123		
Due to related parties							
Subsidiaries of Meralco							
MGEN	h	**₱28,168**	₱–	**₱5,456**	₱–	Due and demandable; non-interest bearing	Unsecured
MGreen	h	**56,415**	–	**22,415**	–	-do-	-do-
Global Business Power Corporation	h	**–**	21,844	**–**	21,844	-do-	-do-
Owned by Individual Stockholder of SPNEC							
SP Project Holdings	a	**–**	–	**22,447,901**	22,447,901	-do-	-do-
Provincia	h	**–**	90,913	**90,913**	90,913	-do-	-do-
Subsidiary							
Terra Nueva	h	**–**	2,932,456	**–**	2,932,456	-do-	-do-
				₱22,566,685	₱25,493,114		
Accounts payable and accrued expenses (Note 11)							
Subsidiary							
SPTC (Note 22)	i	**₱31,440,069**	₱–	**₱31,440,069**	₱–	Various terms not longer than one year; non-interest bearing	Unsecured
Owned by Individual Stockholder of SPNEC							
Solar Maintenance Services Corporation (Solar Maintenance)	b	**–**	14,667,150	**20,299,539**	20,299,539	-do-	-do-
SP Project Holdings	i	**–**	8,820,000	**6,702,283**	13,047,700	-do-	-do-

(Forward)

		Transactions during the year		Outstanding balance			
		2025	2024	**2025**	2024	Terms	Conditions
Subsidiaries of Meralco							
MGEN	i	**₱–**	₱4,563,348	**₱4,563,348**	₱4,563,348	-do-	-do-
Greentech Solar Energy, Inc. (Note 22)	i	**14,320,289**	–	**–**	–		
MIESCOR	c	**42,796,936**	287,909,220	**5,790,351**	–	Upon issuance of the Provisional Acceptance Certificate	-do-
Joint venture of Meralco							
M Pioneer Insurance Inc.	i	**₱3,913,505**	₱–	**₱–**	₱–	Various terms not longer than one year; non-interest bearing	Unsecured
				₱68,795,590	₱37,910,587		

a. *Management Services Agreement ("MSA") with SP Project Holdings*
The Parent Company had a MSA with SP Project Holdings up to April 30, 2024. The MSA was no longer renewed upon termination.

Total management fee recognized in the parent company statements of income amounted to nil in 2025 and ₱8.8 million in 2024 (see Note 14).

b. *Support Services Agreement with Solar Maintenance*
SPNEC has a Support Services Agreement with Solar Maintenance for its NE2 Project. In 2024, ₱14.6 million was billed by Solar Maintenance and such amount was recognized in Construction in progress (see Note 6). There were no billings in 2025.

c. *Engineering, Procurement and Construction Contract (EPC) for the Transmission Lines between the Parent Company and Meralco Industrial Engineering Services Corporation ("MIESCOR")*
The EPC contract is in relation to the NE 2 Project consisting of 11.4 km 230 kV transmission line to connect the NE2 power plant to the NGCP Cabanatuan Substation. The project was terminated in July 2025. Service fees of ₱19.1 million and ₱181.4 million were capitalized to construction in progress in 2025 and 2024, respectively (see Note 6).

As of December 31, 2025 and 2024, retention payable amounted to ₱24.3 million and ₱21.5 million, respectively (see Note 11).

d. *MOA with Lupang Hinirang Holdings*
Lupang Hinirang Holdings signed a MOA to secure 56.81 hectares of land totaling ₱270.0 million for the Parent Company. This amount is classified under "Deposits for land acquisition" in the parent company statements of financial position (see Note 7). As of April 21, 2026, title to the land has not been turned over to the Parent Company.

e. *MOA with Provincia*
Provincia and the Parent Company executed a MOA for Provincia to secure 68.62 hectares of land for a total of ₱267.0 million. The amount paid by the Parent Company to Provincia is included among "Deposits for Land Acquisition" in the parent company statements of financial position (see Note 7). As of April 21, 2026, Provincia has not turned-over the title to such property to SPNEC.

f. *Terra Solar*
In 2024, the Parent Company made cash advances to Terra Solar to fund its payables amounting to ₱3,950.0 million. This was subsequently collected in 2025.

g. *MGreen*
The outstanding balance from MGreen was discharged pursuant to the redemption of MGreen's preferred shares in the Parent Company on January 2026 (see Note 13).

h. *Other Due from / Due to transactions*
Other related party transactions consist of cost reimbursements and expense-sharing arrangements made in the ordinary course of business. These transactions are settled at cost, without mark-up, interest, or financing component, and are payable on demand or within a short-term period consistent with standard trade practices. Outstanding balances at reporting date represent unpaid reimbursements for actual expenses incurred on behalf of related parties.

i. *Other Accounts receivable and payable transactions*
The Group enters into transactions with related parties in the normal course of business. These transactions arise from contracts for sale of goods / rendering of services / procurement, which are undertaken on terms and conditions comparable to those available to unrelated third parties.

j. *Compensation of key management personnel*
The Parent Company did not employ any key management personnel as of December 31, 2025 and 2024. In 2024, key administrative and finance functions are covered in the MSA with SP Project Holdings. In 2025, the administrative and finance functions of the Parent Company are being handled by MGreen.

13. Equity

Capital Stock and Additional Paid-in Capital

The details of the Parent Company's capital stock as of December 31, 2025 and 2024 are as follows:

	2025				2024			
	Common stock (₱0.1 par value)		Preferred stock (₱0.01 par value)		Common stock (₱0.1 par value)		Preferred stock (₱0.01 par value)	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Authorized:								
Balances at beginning of year	75,000,000,000	₱7,500,000,000	25,000,000,000	₱250,000,000	50,000,000,000	₱5,000,000,000	–	₱–
Increase in authorized capital stock	–	–	–	–	25,000,000,000	2,500,000,000	25,000,000,000	250,000,000
Balances at end of year	75,000,000,000	₱7,500,000,000	25,000,000,000	₱250,000,000	75,000,000,000	₱7,500,000,000	25,000,000,000	₱250,000,000
Issued and outstanding:								
Balances at beginning of year	50,073,050,000	₱5,007,305,000	19,404,202,552	₱194,042,026	34,373,050,000	₱3,437,305,000	–	₱–
Issuance of shares	–	–	–	–	15,700,000,000	1,570,000,000	19,404,202,552	194,042,026
Balances at end of year	50,073,050,000	₱5,007,305,000	19,404,202,552	₱194,042,026	50,073,050,000	₱5,007,305,000	19,404,202,552	₱194,042,026

	2025	2024
Additional paid-in capital		
Balances at beginning of year	₱19,794,017,013	₱5,713,764,409
From issuance during the year	–	14,080,252,604
Balances at end of year	₱19,794,017,013	₱19,794,017,013

IPO
On December 17, 2021, the common shares of the Company consisting of 8,124,350,005 shares, inclusive of the primary offering of 2,700,000,000 common shares and the issued and outstanding shares of 5,424,350,005 common shares, were listed on the Main Board of the PSE, at ₱1.0 per share. The said listing was approved by the SEC and the PSE on November 19, 2021.

SRO
On September 15, 2022, the Parent Company completed its SRO and issued 1,875,649,995 new common shares for a total consideration of ₱2,813.5 million or at ₱1.50 par value. The outstanding balance of subscription of a shareholder to the Stock Rights Offering conducted in 2022 of ₱1.3 million as of December 31, 2025 is included under "Trade and other receivables" in the parent company statement of financial position.

Other Capital Stock Movements
On June 1, 2023, the SEC approved the Parent Company's application for increase in authorized capital stock from ₱1.0 billion divided into 10.0 billion common shares at ₱0.10 per share, to ₱5.0 billion divided into 50.0 billion common shares at ₱0.10 per share.

In 2023, the Parent Company received a total cash infusion from SP Project Holdings amounting to ₱3,212.3 million for the subscription of 24,373.05 million common shares. This resulted in an additional paid-in capital of ₱775.0 million and recognition of transaction costs of ₱34.9 million as direct charge against "Deficit" account in the parent company statement of financial statement.

On January 17, 2024, the SEC approved the Parent Company's increase in authorized capital stock from 50 billion common shares with par value of ₱0.10 per share to 75 billion common shares with par value of ₱0.10 per share and 25 billion preferred shares with par value of ₱0.01 per share, divided into Class A preferred shares and Class B preferred shares. Subsequently, the Parent Company issued 15.7 million common shares at a subscription price of ₱1.0 per share and 19.4 billion preferred shares with subscription price of ₱0.01 per share to MGreen pursuant to an Option Agreement entered into by the Parent Company and SP Project Holdings and MGen and the Deed of Assignment and Assumption entered into by MGen and MGreen in 2023. Deposits for future stock subscription amounting to ₱15.9 billion as of December 31, 2023 was reclassified to capital stock in 2024 upon issuance of the shares. The amount in excess of par value totaling to ₱14.1 billion is presented as additional paid-in capital, net of stock issuance costs amounting to ₱50.0 million.

On June 10, 2024, the BOD of the Parent Company approved the filing of its listing applications with the PSE covering a total of 40,073.1 million common shares, which the PSE issued a notice of approval for the listing application on October 23, 2024. The shares were listed on March 6, 2025. Pursuant to Article V, Part A, Section 8 of the PSE Consolidated Listing and Disclosure Rules, as amended and shall be locked up and, therefore, not available for trading for 180 days or until September 2, 2025.

On October 28, 2025, pursuant to the Exchangeable Note Facility Agreement between SP Project Holdings and MGreen, the total number of exchangeable shares of 10,833.4 million common shares were transferred to MGreen via special block sale, resulting to 69.25% ownership in the Parent Company.

On January 14, 2026, the equity of SPNEC was restructured whereby SPNEC redeemed 19.4 billion of its Class "B" preferred shares held by MGreen at par value of ₱194.0 million. Subsequently, on March 26, 2026, the BOD approved the retirement of 19.4 billion Class "B" preferred shares totaling ₱194.0 million and the creation of Class "C" preferred consisting of 6.0 billion shares with par value of ₱0.10 per share. Further, the par value of Class "A" preferred shares was increased from ₱0.01 a share to ₱0.10 a share resulting in the decrease in the number of Class "A" preferred shares to 559,579,745 shares from 5,595,797,448 shares. The foregoing is subject to the approval of the stockholders and the SEC.

As of December 31, 2025 and 2024, the Parent Company has 28 and 31 common stockholders, respectively.

14. Cost and Expenses

	2025	2024
Purchased power (Note 22)	**₱31,440,069**	₱–
Professional fees	**15,185,647**	1,111,109,814
Taxes and licenses	**5,223,145**	10,274,052
Depreciation and amortization (Note 6)	**5,209,905**	5,209,905
Directors' fees	**4,255,556**	–
Utilities	**830,135**	1,486,772
Rentals (Note 17)	**34,000**	1,053,254
Supplies	**12,500**	199,209
Insurance	**1,122**	4,918,988
Management fees (Note 12)	**–**	8,820,000
Others	**3,212,110**	33,217,171
	₱65,404,189	₱1,176,289,165

In 2024, the Parent Company engaged a third party financial advisor in relation to the investment of Actis Singapore in Terra Solar. Total professional fees to the third party amounted to ₱1,019.8 million. As of December 31, 2025 and 2024, the outstanding balance amounted to ₱167.8 million and ₱1,019.8 million, respectively (see Note 11).

15. Other Charges (Income)

	2025	2024
Provision for probable expenses (Note 3)	**₱2,776,300,000**	₱–
Interest income (Note 4)	**(42,917,417)**	(299,627,656)
Interest accretion of lease liabilities (Note 17)	**9,240,959**	9,501,770
Realized foreign exchange gains	**(4,897,386)**	(537,370)
Losses on:		
Replacement power contract (Note 22)	**13,050,844**	1,765,377
Sale of equity investments	**–**	101,265,374
Others (Notes 5 and 13)	**18,137,305**	(302,007)
	₱2,768,914,305	(₱187,934,512)

In 2024, the Parent Company fully divested its interest in certain investees, acquired in 2023, which resulted in a loss amounting to ₱101.3 million.

16. Income Taxes

No provisions for current income tax were recognized for the years ended December 31, 2025 and 2024 because of the Parent Company's net taxable loss positions for regular corporate income tax purposes and there is no gross income subject to minimum corporate income tax.

The reconciliation of income tax benefit at the statutory income tax rates to the effective income tax rate are as follows:

	2025	2024
Income tax benefit at statutory tax rate	**(25.00%)**	(25.00%)
Adjustments for:		
Nondeductible expenses	**0.26**	11.24
Movements in unrecognized deferred income tax assets	**25.12**	21.34
Interest income subject to final tax	**(0.38)**	(7.58)
Effective income tax rate	**0%**	0%

The components of the Parent Company's deferred income tax assets and liabilities follow:

	2025	2024
Deferred income tax asset on lease liability	**₱28,039,910**	₱28,039,910
Deferred income tax liability on ROU asset	**(18,748,903)**	(18,748,903)
	₱9,291,007	₱9,291,007

The Parent Company did not recognize deferred income tax assets pertaining to carryforward benefits of unused NOLCO and other deductible temporary differences amounting to ₱4,046.2 million and ₱1,289.4 million as of December 31, 2025 and 2024, respectively, because management believes that it is not probable that future taxable profit will be available against which the deferred income tax assets will be utilized.

As of December 31, 2025, except for taxable years 2020 and 2021, the Parent Company has NOLCO which can be claimed as deduction against the regular taxable income for the next three (3) consecutive taxable years. NOLCO incurred in taxable years 2021 and 2020 can be claimed as deduction against the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover as One Act, as follows:

Year Incurred	Availment Period	As at January 1	Addition	Expired	Applied	As at December 31
2025	2026-2028	₱–	₱62,902,671	₱–	₱–	₱62,902,671
2024	2025-2027	843,753,299	–	–	–	843,753,299
2023	2024-2026	194,599,519	–	–	–	194,599,519
December 2022	2023-2025	64,803,534	–	(64,803,534)	–	–
June 2022	2023-2027	172,229,330	–	–	–	172,229,330
June 2021	2022-2026	6,762,211	–	–	–	6,762,211
2020	2021-2025	7,162,169	–	(7,162,169)	–	–
		₱1,289,310,062	₱62,902,671	(₱71,965,703)	₱–	₱1,280,247,030

17. Leases

The Parent Company has various lease agreements summarized as follows:

i. Parent Company has entered into land lease agreements with various landowners for the development of solar farm projects in Peñaranda, Nueva Ecija with lease terms ranging from twenty-five (25) to thirty (30) years. As of April 21, 2026, a total of 352.4 hectares is covered by DAR Orders, of which 169.9 hectares already have DAR Certificates of Finality Order.

Details of lease liabilities as of December 31, 2025 and 2024 are as follows:

	2025	2024
Balances at beginning of year	**₱291,195,324**	₱291,009,949
Interest expense capitalized to CIP*	**25,788,999**	10,030,450
Interest expense (Note 15)	**9,240,959**	9,501,770
Payments		
Principal	**(1,819,436)**	(2,176,796)
Interest	**(23,236,124)**	(17,170,049)
Total lease liabilities	**301,169,722**	291,195,324
Current portion of lease liabilities	**(15,799,992)**	(16,545,230)
Noncurrent portion of lease liabilities	**₱285,369,730**	₱274,650,094

**Incurred during the construction period (see Notes 1 and 6)*

The following are the amounts recognized for the years ended December 31, 2025 and 2024 in the parent company statements of income:

	2025	2024
Interest accretion of lease liabilities	**₱9,240,959**	₱9,501,770
Amortization of ROU assets (Note 6)	**5,168,385**	5,168,385
Expenses related to leases of low value assets (included in “Cost and Expenses”, Note 14)	**34,000**	1,053,254
Total amounts recognized in the parent company statements of income	**₱14,443,344**	₱15,723,409

Shown below is the maturity analysis of the undiscounted lease payments:

	2025	2024
Within one year	**₱30,513,003**	₱45,175,020
One to five years	**115,888,869**	98,898,746
More than five years	**477,297,375**	499,399,024
	₱623,699,247	₱643,472,790

18. Financial Instruments and Financial Risk Management

Financial Risk Management Objectives and Policies

The Parent Company’s principal financial instruments comprise of cash and cash equivalents, trade and interest receivables, short-term investments, bonds, subscription receivable, due from related parties, accounts payable and other liabilities, due to related parties and lease liabilities. The main purpose of these financial instruments is to finance the Parent Company’s operations.

The BOD has overall responsibility for the establishment and oversight of the Parent Company's risk management framework. The Parent Company's risk management policies are established to identify and manage the Parent Company's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Parent Company's activities.

The Parent Company has exposure to liquidity and credit risks from the uses of its financial instruments. The BOD reviews and approves the policies for managing this risk as summarized below:

Credit Risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

With respect to the credit risk arising from other financial assets of the Parent Company, which comprise cash in banks, cash equivalents, short-term investments, bonds, trade and interest receivables, subscription receivable, and due from related parties, the Parent Company's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments as of December 31, 2025 and 2024, are as follows:

	2025	2024
Cash in banks[1]	**₱349,912,396**	₱138,906,849
Cash equivalents[1]	**964,835,945**	3,012,625,000
Trade receivables[2]	**9,504,229**	–
Short-term investment[3]	–	15,000,000
Bonds[4]	**552,038**	15,552,038
Subscription receivable[2]	**1,319,056**	1,319,056
Interest receivable[2]	**2,216,359**	5,070,203
Due from related parties	**523,278,229**	4,534,974,123
	₱1,851,618,252	₱7,723,447,269

[1]*Included in cash and cash equivalents*
[2]*Included in trade and other receivables*
[3]*Included in other current assets*
[4]*Included in other noncurrent assets in 2025 and other current assets in 2024*

Cash and cash equivalents, short-term investment and interest receivable
For cash and cash equivalents and short-term investment, the Parent Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Parent Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Parent Company uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Due from related parties, bonds, trade receivables, and subscription receivable
The Parent Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The credit quality is further classified and assessed by reference to historical information about each of the counterparty's historical default rates. Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, the Parent Company has assessed that the outstanding balances are exposed to low credit risk. ECL on these balances have therefore been assessed as insignificant.

As of December 31, 2025 and 2024, the aging analysis per class of financial assets were past due is as follows:

	Neither past due nor impaired	Past due but not impaired: Less than 30 days	31 to 60 days	More than 60 days	2025 Total
Cash in banks[1]	**₱349,912,396**	**₱–**	**₱–**	**₱–**	**₱349,912,396**
Cash equivalents[1]	**964,835,945**	**–**	**–**	**–**	**964,835,945**
Trade receivables[2]	**9,504,229**	**–**	**–**	**–**	**9,504,229**
Due from related parties	**523,278,229**	**–**	**–**	**–**	**523,278,229**
Subscription receivable[2]	**1,319,056**	**–**	**–**	**–**	**1,319,056**
Interest receivable[2]	**2,216,359**	**–**	**–**	**–**	**2,216,359**
Bonds[3]	**552,038**	**–**	**–**	**–**	**552,038**
	₱1,851,618,252	**₱–**	**₱–**	**₱–**	**₱1,851,618,252**

[1]Included in cash and cash equivalents
[2]Included in trade and other receivables
[3]Included in other noncurrent assets

	Neither past due nor impaired	Past due but not impaired: Less than 30 days	31 to 60 days	More than 60 days	2024 Total
Cash in banks[1]	₱138,906,849	₱–	₱–	₱–	₱138,906,849
Cash equivalents[1]	3,012,625,000	–	–	–	3,012,625,000
Due from related parties	4,534,974,123	–	–	–	4,534,974,123
Subscription receivable[2]	1,319,056	–	–	–	1,319,056
Interest receivable[2]	5,070,203	–	–	–	5,070,203
Bonds[2]	15,552,038	–	–	–	15,552,038
Short-term investment[2]	15,000,000	–	–	–	15,000,000
	₱7,723,447,269	₱–	₱–	₱–	₱7,723,447,269

[1]Included in cash and cash equivalents
[2]Included in trade and other receivables
[3]Included in other current assets

Liquidity risk

Liquidity risk is the risk that the Parent Company will not be able to meet its financial obligations as they fall due. The Parent Company's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking adverse effect to the Parent Company's credit standing.

The Parent Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility. As part of its liquidity risk management, the Parent Company regularly evaluates its projected and actual cash flows.

The tables below show the maturity profile as of December 31, 2025 and 2024 of the Parent Company's financial assets used for liquidity purposes based on contractual undiscounted cash flows, and financial liabilities based on contractual undiscounted payments:

	December 31, 2025: On Demand	< 1 Year	1 to 5 Years	More than 5 Years	Total
			(In Thousands)		
Financial assets at amortized cost:					
Cash in banks[1]	**₱349,912**	**₱–**	**₱–**	**₱–**	**₱349,912**
Cash equivalents[1]	**–**	**964,835**	**–**	**–**	**964,835**
Trade receivables[2]	**–**	**9,504**	**–**	**–**	**9,504**

(Forward)

	December 31, 2025				
	On Demand	< 1 Year	1 to 5 Years	More than 5 Years	Total
			(In Thousands)		
Due from related parties	**₱523,278**	**₱–**	**₱–**	**₱–**	**₱523,278**
Subscription receivable[2]	**1,319**	**–**	**–**	**–**	**1,319**
Interest receivable[2]	**–**	**2,216**	**–**	**–**	**2,216**
Bonds[3]	**–**	**552**	**–**	**–**	**552**
	₱874,509	**₱977,107**	**₱–**	**₱–**	**₱1,851,616**
Financial liabilities at amortized cost:					
Accounts payable and other liabilities[4]	**₱–**	**₱443,957**	**₱–**	**₱–**	**₱443,957**
Due to related parties	**22,567**	**–**	**–**	**–**	**22,567**
Lease liabilities[5]	**–**	**30,513**	**115,889**	**477,297**	**623,699**
	₱22,567	**₱474,470**	**₱115,889**	**₱477,297**	**₱1,090,223**

[1]Included in cash and cash equivalents
[2]Included in trade and other receivables
[3]Included in other noncurrent assets
[4]Excluding statutory payables
[5]Includes future interest payments

	December 31, 2024				
	On Demand	< 1 Year	1 to 5 Years	More than 5 Years	Total
			(In Thousands)		
Financial assets at amortized cost:					
Cash in banks[1]	₱138,907	₱–	₱–	₱–	₱138,907
Cash equivalents[1]	–	3,012,625	–	–	3,012,625
Due from related parties	4,534,974	–	–	–	4,534,974
Short-term investments[3]	–	15,000	–	–	15,000
Subscription receivable[2]	1,319	–	–	–	1,319
Interest receivable[2]	5,070	–	–	–	5,070
Bonds[3]	–	15,552	–	–	15,552
	₱4,680,270	₱3,043,177	₱–	₱–	₱7,723,447
Financial liabilities at amortized cost:					
Accounts payable and other liabilities[4]	₱–	₱1,266,684	₱–	₱–	₱1,266,684
Due to related parties	25,493	–	–	–	25,493
Lease liabilities[5]	19,774	25,401	98,899	499,399	643,473
	₱45,267	₱1,292,085	₱98,899	₱499,399	₱1,935,650

[1]Included in cash and cash equivalents
[2]Included in trade and other receivables
[3]Included in other current assets
[4]Excluding statutory payables
[5]Includes future interest payments

Fair Value and Category of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Cash and cash equivalents (excluding cash on hand), trade and interest receivable, due from related parties, bonds and subscription receivable (included under other current assets), accounts payable and other liabilities and due to related parties

The carrying amounts of these financial instruments approximate their fair values due to their short-term maturities.

Capital Management

The Parent Company manages its capital structure and makes adjustments to it, in light of changes in business and economic conditions. To maintain or adjust the capital structure, the Parent Company may issue new shares. No significant changes have been made in the objectives, policies and processes of the Group for the years ended December 31, 2025 and 2024.

The Parent Company considers the following as its core capital:

	2025	2024
Common stock	**₱5,007,305,000**	₱5,007,305,000
Additional paid-in capital	**19,794,017,012**	19,794,017,013
Deficit	**(4,055,266,649)**	(1,249,958,207)
	₱20,746,055,363	₱23,551,363,806

As of December 31, 2025 and 2024, the Parent Company was able to meet its capital management objectives.

19. Basic/Diluted Loss Per Share

The basic/diluted loss per share amounts were computed as follows:

	2025	2024
(a) Net loss attributable to equity holders of the Parent Company	**₱2,805,308,442**	₱988,354,653
(b) Weighted average number of common shares outstanding	**50,073,050,000**	50,073,050,000
Basic/diluted loss per share (a/b)	**₱0.0560**	₱0.0197

The Parent Company does not have any dilutive potential common shares as at December 31, 2025 and 2024.

20. Significant Laws

Renewable Energy Act of 2008

On January 30, 2009, Republic Act No. 9513, An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes, otherwise known as the "Renewable Energy Act of 2008" (the "Act"), became effective.

The Act aims to:

a) accelerate the exploration and development of renewable energy resources such as, but not limited to, biomass, solar, wind, hydro, geothermal and ocean energy sources, including hybrid systems, to achieve energy self-reliance, through the adoption of sustainable energy development strategies to reduce the country's dependence on fossil fuels and thereby minimize the country's exposure to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy;

b) increase the utilization of renewable energy by institutionalizing the development of national and local capabilities in the use of renewable energy systems, and promoting its efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives;

c) encourage the development and utilization of renewable energy resources as tools to effectively prevent or reduce harmful emissions and thereby balance the goals of economic growth and development with the protection of health and environment; and

d) establish the necessary infrastructure and mechanism to carry out mandates specified in the Act and other laws.

As provided in the Act, RE developers of RE facilities, including hybrid systems, in proportion to and to the extent of the RE component, for both power and non-power applications, as duly certified by the DOE, in consultation with the Board of Investments ("BOI"), shall be entitled to the following incentives, among others:

i. Income Tax Holiday ("ITH") - For the first seven (7) years of its commercial operations, the duly registered RE developer shall be exempt from income taxes levied by the National Government;

ii. Duty-free Importation of RE Machinery, Equipment and Materials - Within the first ten (10) years upon issuance of a certification of an RE developer, the importation of machinery and equipment, and materials and parts thereof, including control and communication equipment, shall not be subject to tariff duties;

iii. Special Realty Tax Rates on Equipment and Machinery - Any law to the contrary notwithstanding, 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 one and a half percent (1.5%) of their original cost less accumulated normal depreciation or net book value;

iv. NOLCO - the NOLCO of the RE developer during the first three (3) years from the start of commercial operation which had not been previously offset as deduction from gross income shall be carried over as deduction from gross income for the next seven (7) consecutive taxable years immediately following the year of such loss;

v. Corporate Tax Rate - After seven (7) years of ITH, all RE developers shall pay a corporate tax of ten percent (10%) on its net taxable income as defined in the National Internal Revenue Code of 1997, as amended by Republic Act No. 9337;

vi. Accelerated Depreciation - If, and only if, an RE project fails to receive an ITH before full operation, it may apply for accelerated depreciation in its tax books and be taxed based on such;

vii. Zero Percent VAT Rate - The sale of fuel or power generated from renewable sources of energy, the purchase of local goods, properties and services needed for the development, construction and installation of the plant facilities, as well as the whole process of exploration and development of RE sources up to its conversion into power shall be subject to zero percent (0%) VAT;

viii. Cash Incentive of RE Developers for Missionary Electrification - An RE developer, established after the effectivity of the Act, shall be entitled to a cash generation-based incentive per kilowatt-hour rate generated, equivalent to fifty percent (50%) of the universal charge for power needed to service missionary areas where it operates the same;

ix. Tax Exemption of Carbon Credits - All proceeds from the sale of carbon emission credits shall be exempt from any and all taxes; and

x. Tax Credit on Domestic Capital Equipment and Services - A tax credit equivalent to one hundred percent (100%) of the value of the VAT and custom duties that would have been paid on the RE machinery, equipment, materials and parts had these items been imported shall be given to an RE operating contract holder who purchases machinery, equipment, materials, and parts from a domestic manufacturer for purposes set forth in the Act. RE developers and local manufacturers, fabricators and suppliers of locally produced RE equipment shall register with the DOE, through the Renewable Energy Management Bureau ("REMB"). Upon registration, a certification shall be issued to each RE developer and local manufacturer, fabricator and supplier of locally-produced renewable energy equipment to serve as the basis of their entitlement to the incentives provided for in the Act. All certifications required to qualify RE developers to avail of the incentives provided for under the Act shall be issued by the DOE through the REMB.

Department Circular No. 2022-11-0034
In November 2022, the DOE issued Department Circular No. 2022-11-0034 which amends the Implementing Rules and Regulations of the Act. The amendment removes the nationality requirement imposed on the business engaged in the exploration, development, and utilization of solar, wind, hydropower and ocean energy, thereby allowing the entry of foreign capital into the country's renewable energy industry.

21. Supplemental Disclosure to Statements of Cash Flows

a. *Non-cash Operating Activity*

In 2025, the Parent Company reclassified certain liability amounting to ₱330.6 million from "Trade and other payables" account to "Provisions".

b. *Changes in Liabilities Arising From Financing Activities*

	January 1, 2025	**Cash flows**	**Others (Note 17)**	**December 31, 2025**
Due to related parties	**₱25,493,114**	**(₱2,926,429)**	**₱–**	**₱22,566,685**
Lease liabilities	**291,195,324**	**(25,055,560)**	**35,029,958**	**301,169,722**
Total liabilities from financing activities	**₱316,688,438**	**(₱27,981,989)**	**₱35,029,958**	**₱323,736,407**

	January 1, 2024	Cash flows	Others (Note 17)	December 31, 2024
Due to related parties	₱129,833,301	(₱104,340,187)	₱–	₱25,493,114
Lease liabilities	291,009,949	(19,346,845)	19,532,220	291,195,324
Total liabilities from financing activities	₱420,843,250	(₱123,687,032)	₱19,532,220	₱316,688,438

22. Contracts and Commitments

a. *NE 2 Project*
The Parent Company is developing a solar power plant located in Nueva Ecija under Solar Energy Service Contract ("SESC") No. 2017-06-404, which was assigned by then affiliate, SPCRPI, on December 29, 2017. The assignment was approved by the DOE with the issuance of a new Certificate of Registration ("COR") and a Certificate of Confirmation of Commerciality.

The first phase of the NE 2 Project is a 225 MW_{dc} solar power plant ("Phase 1") in Barangay Las Piñas, Peñaranda, Nueva Ecija with sub-phases of Phase 1A at 50 MW_{dc} and Phase 1B at 175 MW_{dc}. The second phase of the NE 2 Project is a 275 MW_{dc} solar power plant ("Phase 2"). The Parent Company initially targeted that Phase 1A shall be commissioned by mid-2024 while Phase 1B by end of 2025.

The Parent Company began construction of Phase 1A on December 27, 2021 and is 61.09% complete as at December 31, 2025.

b. *Green Energy Auction Program ("GEAP")*
On June 24, 2022, the Parent Company was awarded as one of the winning bidders by the DOE on its First Green Energy Auction Round (GEA-1). The Parent Company offered to supply 280MW capacity for GEA-1 from the NE 2 Project, with a commitment to deliver by December 2025. In July 2024, the Parent Company notified the DOE that it is unable to deliver the capacity on time due to force majeure.

On December 23, 2025, SPNEC received a notice of termination of SESC No. 2017-06-404, covering the NE 2 Project. The Parent Company has filed a motion for reconsideration with the DOE with regard to the termination of the SESC, citing, among others, its commitment to develop the project with almost 50MW already installed on the site, and reiterating that it is simply constrained to stop construction due to grid constraint, which is outside of the Parent Company's control.

c. *PSA with Angeles Electric Corporation ("AEC")*
SPNEC has a 10-year Renewable PSA with AEC for 97.8 MWh daily offtake through March 26, 2033.

On January 23, 2023, the Parent Company and AEC jointly filed the PSA with the ERC. ERC issued an interim relief promulgated June 6, 2023, docketed August 30, 2024, and received by the parties on September 2, 2024. This interim relief was put in effect for a period of one year beginning November 26, 2024.

d. *Supply of Replacement Power between Greentech Solar Energy, Inc. (GSEI), AEC, SPNEC and SP Tarlac*
   i. The Parent Company entered into a supply of replacement power agreement with GSEI that took effect from November 26, 2024 until June 20, 2025.

   GSEI delivered replacement power to AEC from the 19.8MW Solar Power Facility located in Brgy. Pesa, Bongabon, Nueva Ecija, for and on behalf of the Parent Company at the price of ₱3.4567/kWh and in accordance with the nomination instruction of AEC. Any difference in the cost of procurement of replacement power shall be billed and paid by the Parent Company (see Note 15).

   ii. In 2025, the Parent Company executed a Term Sheet for the Supply of Replacement Power with SP Tarlac wherein SP Tarlac shall supply replacement power to AEC at a price of ₱3.4567/kWh from July 1, 2025 up to September 3, 2025, which was then extended until June 25, 2026. In 2025, the Parent Company purchased power from SP Tarlac amounting to ₱31.4 million. As of December 31, 2025, accrued purchases amounted to ₱31.4 million (see Notes 11, 12 and 14).

23. Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010

On November 25, 2010, the Bureau of Internal Revenue (BIR) issued R.R. No. 15-2010 to amend certain provisions of R.R. No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements accompanying the tax returns.

In compliance with the requirements set forth by R.R. No. 15-2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year 2025.

VAT

Output VAT

The Company has taxable sales amounting to ₱19,544,226 and an output VAT of ₱2,345,307.

Input VAT

The movements in input VAT paid by the Company for the year ended December 31, 2025 are shown below:

Balance as of January 1	₱151,655,969
Add: Current year's purchases/payments for:	
Domestic purchases (goods and services)	844,252
Services rendered by non-residents	68,308
Total available input VAT	152,568,529
Less: Application to output VAT	(2,345,307)
Balance as of December 31	₱150,223,222

Taxes, Licenses and Documentary stamp tax

Regulatory fees	₱2,463,297
Local business tax and permits	1,394,237
Real property taxes	1,363,653
Documentary stamp tax	1,958
Total	₱5,223,145

Withholding Taxes

In 2025, the Parent Company withheld tax on income payments amounting to ₱3.34 million.

Expanded withholding taxes	₱3,125,925
Final withholding taxes	142,309
VAT withholding taxes	68,308
	₱3,336,542

Tax Assessments

The Company has no pending preliminary or final tax assessments and cases inside and outside the administration of the BIR as of December 31, 2025.

MERALCO GEN

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **SP New Energy Corporation and Subsidiaries** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

Sycip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

SP NEW ENERGY CORPORATION AND SUBSIDIARIES

MANNY V. PANGILINAN
Chairman

EMMANUEL V. RUBIO
President and CEO

ROCHEL DONATO R. GLORIA
Treasurer and Chief Finance Officer

SP New Energy Corporation and Subsidiaries

Consolidated Financial Statements
As of December 31, 2025 and 2024 and for the Years Ended December 31, 2025, 2024, and 2023

and

Independent Auditor's Report

SGV

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SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
SP New Energy Corporation

Opinion

We have audited the consolidated financial statements of SP New Energy Corporation and its Subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2025, 2024 and 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2025, 2024 and 2023 in accordance with Philippine Financial Reporting Standards (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), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in the Philippines. We have also 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of Land at Fair Value

The Group accounts for its land using the fair value model. Land represents 31% of the consolidated assets as at December 31, 2025. The determination of the fair values of these properties involves significant management judgments and estimations. The valuation also requires the assistance of external appraisers whose calculations also depend on certain assumptions, such as sales and listing of comparable properties registered within the vicinity and adjustments to sales price based on internal and external factors. Thus, we considered the valuation of land as a key audit matter.

The disclosures relating to land are included in Note 8 of the consolidated financial statements.

Audit Response

We evaluated the competence, capabilities and qualifications of the external appraiser by considering their qualifications, experience and reporting responsibilities. We evaluated the methodology and assumptions used in the valuation of the land. We assessed the methodology adopted by referencing common valuation models and inspected the relevant information supporting the sales and listings of comparable properties. We also inquired from the external appraiser the basis of adjustments made to the sales price and assessed the adequacy of these adjustments in response to the changes in market and economic conditions.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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.

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 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 statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

SGV
Building a better
working world

The engagement partner on the audit resulting in this independent auditor's report is Leovina Mae V. Chu.

SYCIP GORRES VELAYO & CO.

Leovina Mae V. Chu

Leovina Mae V. Chu
Partner
CPA Certificate No. 99910
Tax Identification No. 209-316-911
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 99910-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-096-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10765028, January 2, 2026, Makati City

April 21, 2026

SP NEW ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 20)	**₱7,645,664**	₱5,539,533
Trade and other receivables (Notes 6 and 20)	**12,793,752**	291,361
Derivative asset (Note 20)	**524,163**	–
Due from related parties (Notes 13 and 20)	**337,390**	147,156
Other current assets (Notes 7, 14 and 20)	**303,093**	664,374
Total Current Assets	**21,604,062**	6,642,424
Noncurrent Assets		
Property, plant and equipment (Note 8)		
At cost	**89,855,352**	18,392,981
At revalued amount	**62,542,331**	49,362,804
Deposits for land acquisition (Note 9)	**3,536,444**	2,955,531
Intangible assets (Note 4)	**13,261,892**	13,261,892
Goodwill (Note 17)	**–**	9,954
Deferred income tax assets - net (Note 18)	**32,361**	9,291
Other noncurrent assets (Notes 10)	**8,812,541**	732,281
Total Noncurrent Assets	**178,040,921**	84,724,734
TOTAL ASSETS	**₱199,644,983**	₱91,367,158
LIABILITIES AND EQUITY		
Current Liabilities		
Current portions of:		
Long-term debt (Notes 12)	**₱218,380**	₱235,890
Lease liabilities (Notes 19)	**22,428**	25,399
Short-term loans (Notes 12)	**9,588,250**	7,200,000
Trade and other payables (Notes 11)	**4,535,584**	2,178,079
Income tax payable	**132,228**	15,892
Due to related parties (Notes 13)	**387,393**	386,862
Provisions (Note 4)	**3,820,215**	–
Total Current Liabilities	**18,704,478**	10,042,122
Noncurrent Liabilities		
Noncurrent portions of:		
Long-term debt (Notes 12)	**68,323,754**	2,493,790
Lease liabilities (Notes 19)	**376,067**	365,048
Deferred income tax liabilities (Note 18)	**14,960,169**	12,347,590
Other noncurrent liabilities (Note 25)	**84,268**	97,825
Total Noncurrent Liabilities	**83,744,258**	15,304,253
TOTAL LIABILITIES	**102,448,736**	25,346,375

(Forward)

	December 31	
	2025	2024
Equity Attributable to Equity Holders of the Parent Company		
Common stock (Note 14)	**₱5,007,305**	₱5,007,305
Preferred stock (Note 14)	**194,042**	194,042
Additional paid-in capital (Note 14)	**19,794,017**	19,794,017
Equity reserve (Notes 3 and 20)	**20,053,030**	688,903
Revaluation surplus - net (Notes 8)	**40,557,961**	33,051,298
Cashflow hedge reserve (Note 20)	**270,950**	–
Retained earnings (Deficit)	**(154,358)**	3,942,292
	85,722,947	62,677,857
Non-controlling interests (NCI; Note 2)	**11,473,300**	3,342,926
Total Equity	**97,196,247**	66,020,783
TOTAL LIABILITIES AND EQUITY	**₱199,644,983**	₱91,367,158

See accompanying Notes to Consolidated Financial Statements.

SP NEW ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Earnings per Share Value)

	Years Ended December 31		
	2025	2024	2023
REVENUE FROM SALE OF ELECTRICITY (Notes 4, 22 and 25)	**₱1,562,959**	₱1,200,134	₱635,451
COST OF SALE OF ELECTRICITY (Note 15)	**(618,964)**	(563,912)	(327,103)
GROSS PROFIT	**943,995**	636,222	308,348
GENERAL AND ADMINISTRATIVE EXPENSES (Note 16)	**(737,801)**	(1,734,977)	(207,914)
FINANCE COSTS (Notes 12 and 19)	**(594,472)**	(282,199)	(167,232)
OTHER INCOME (CHARGES) - Net (Note 17)	**(3,372,337)**	287,436	6,038,329
INCOME (LOSS) BEFORE INCOME TAX	**(3,760,615)**	(1,093,518)	5,971,531
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 18)			
Current	**286,911**	73,286	24,681
Deferred	**55,895**	355	(731)
	342,806	73,641	23,950
NET INCOME (LOSS)	**(₱4,103,421)**	(₱1,167,159)	₱5,947,581
Net income (loss) attributable to:			
Equity holders of the Parent Company	**(₱4,098,222)**	(₱1,603,859)	₱5,706,731
Non-controlling interests (Note 2)	**(5,199)**	436,700	240,850
	(₱4,103,421)	(₱1,167,159)	₱5,947,581
Basic/Diluted Earnings (Loss) Per Share (Note 21)	**(₱0.0818)**	(₱0.0320)	₱0.2356

See accompanying Notes to Consolidated Financial Statements.

SP NEW ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
NET INCOME (LOSS)	**(₱4,103,421)**	(₱1,167,159)	₱5,947,581
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods			
Revaluation increment on land (net of tax effect amounting to ₱2,502.2 million and ₱8,261.1 million in 2025 and 2024, respectively) (Note 8)	**7,506,663**	24,783,207	6,041,693
Cashflow hedge reserve (Note 20)	**451,583**	–	–
Remeasurement gain (loss) on retirement benefits (net of tax effect amounting to nil and ₱0.1 million in 2025 and 2023, respectively)	**1,572**	–	(299)
	7,959,818	24,783,207	6,041,394
TOTAL COMPREHENSIVE INCOME	**₱3,856,397**	₱23,616,048	₱11,988,975
Total comprehensive income attributable to:			
Equity holders of the Parent Company	**₱3,680,963**	₱23,179,348	₱11,748,125
Non-controlling interests	**175,434**	436,700	240,850
	₱3,856,397	₱23,616,048	₱11,988,975

See accompanying Notes to Consolidated Financial Statements.

SP NEW ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025, 2024, AND 2023

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent Company										
	Common Stock (Note 14)	Preferred Stock (Note 14)	Additional Paid-in Capital (Note 14)	Deposit for Future Stock Subscription (Note 14)	Equity Reserve (Note 2)	Cash Flow Hedge Reserve (Note 17)	Revaluation Surplus (Note 8)	Retained Earnings (Deficit)	Total	Non-controlling Interests (Notes 2)	Total
Balance at January 1, 2025	**₱5,007,305**	**₱194,042**	**₱19,794,017**	**₱–**	**₱688,903**	**₱–**	**₱33,051,298**	**₱3,942,292**	**₱62,677,857**	**₱3,342,926**	**₱66,020,783**
Changes in NCI arising from:											
Sale of a subsidiary's stock to a NCI (Note 2)	–	–	–	–	**18,816,569**	–	–	–	**18,816,569**	**11,072,598**	**29,889,167**
Payment of a subsidiary's dividends to NCI (Note 2)	–	–	–	–	–	–	–	–	–	**(770,100)**	**(770,100)**
Redemption of a subsidiary's preferred shares owned by a NCI (Note 2)	–	–	–	–	**547,558**	–	–	–	**547,558**	**(2,347,558)**	**(1,800,000)**
	–	–	–	–	**19,364,127**	–	–	–	**19,364,127**	**7,954,940**	**27,319,067**
Net loss for the year	–	–	–	–	–	–	–	**(4,098,222)**	**(4,098,222)**	**(5,199)**	**(4,103,421)**
Other comprehensive income	–	–	–	–	–	**270,950**	**7,506,663**	**1,572**	**7,779,185**	**180,633**	**7,959,818**
Total comprehensive income	–	–	–	–	–	**270,950**	**7,506,663**	**(4,096,650)**	**3,680,963**	**175,434**	**3,856,397**
Balance at December 31, 2025	**₱5,007,305**	**₱194,042**	**₱19,794,017**	**₱–**	**₱20,053,030**	**₱270,950**	**₱40,557,961**	**(₱154,358)**	**₱85,722,947**	**₱11,473,300**	**₱97,196,247**
Balance at January 1, 2024	₱3,437,305	₱–	₱5,713,764	₱15,894,042	₱525,755	₱–	₱8,268,091	₱5,546,151	₱39,385,108	₱3,034,866	₱42,419,974
Issuance of shares (Note 14)	1,570,000	194,042	14,130,000	(15,894,042)	–	–	–	–	–	–	–
Stock issuance cost (Note 14)	–		(49,747)	–	–	–	–	–	(49,747)	–	(49,747)
	1,570,000	194,042	14,080,253	(15,894,042)	–	–	–	–	(49,747)	–	(49,747)
Net loss for the year	–	–	–	–	–	–	–	(1,603,859)	(1,603,859)	436,700	(1,167,159)
Other comprehensive income	–	–	–	–	–	–	24,783,207	–	24,783,207	–	24,783,207
Total comprehensive income (loss)	–	–	–	–	–	–	24,783,207	(1,603,859)	23,179,348	436,700	23,616,048
Effect of deconsolidation (Note 20)	–	–	–	–	163,148	–	–	–	163,148	(128,640)	34,508
Balance at December 31, 2024	₱5,007,305	₱194,042	₱19,794,017	₱–	₱688,903	₱–	₱33,051,298	₱3,942,292	₱62,677,857	₱3,342,926	₱66,020,783
Balance at January 1, 2023	₱1,000,000	₱–	₱4,938,722	₱–	₱–	₱–	₱–	(₱126,126)	₱5,812,596	₱–	₱5,812,596
Issuance of shares (Note 14)	2,437,305	–	–	–	–	–	–	–	2,437,305	–	2,437,305
Stock issuance cost (Note 14)	–	–	–	–	–	–	–	(34,891)	(34,891)	–	(34,891)
Equity infusion (Note 14)	–	–	775,042	–	–	–	–	–	775,042	–	775,042
Deposits for future stock subscription (Note 14)	–	–	–	15,894,042	–	–	–	–	15,894,042	–	15,894,042
Effect of business combination under common control (Note 2)	–	–	–	–	525,755	–	2,226,398	736	2,752,889	2,794,016	5,546,905
	2,437,305	–	775,042	15,894,042	525,755	–	2,226,398	(34,155)	21,824,387	2,794,016	24,618,403
Net income for the year	–	–	–	–	–	–	–	5,706,731	5,706,731	240,850	5,947,581
Other comprehensive income (loss)	–	–	–	–	–	–	6,041,693	(299)	6,041,394	–	6,041,394
Total comprehensive income	–	–	–	–	–	–	6,041,693	5,706,432	11,748,125	240,850	11,988,975
Balance at December 31, 2023	₱3,437,305	₱–	₱5,713,764	₱15,894,042	₱525,755	₱–	₱8,268,091	₱5,546,151	₱39,385,108	₱3,034,866	₱42,419,974

See accompanying Notes to Consolidated Financial Statements.

SP NEW ENERGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (Loss) before income tax	**(₱3,760,615)**	(₱1,093,518)	₱5,971,531
Adjustments for:			
Provisions for:			
Probable expenses (Notes 4 and 17)	**3,489,657**	–	–
Impairment losses (Note 10 and 16)	**111,429**	–	–
Inventory obsolescence (Note 10)	–	–	756
Finance and other transaction costs (Notes 12, 14, 17 and 19)	**612,609**	282,199	167,232
Depreciation and amortization (Notes 8, 15 and 16)	**321,001**	379,737	216,233
Interest income (Notes 17 and 26)	**(122,772)**	(343,560)	(29,993)
Unrealized foreign exchange loss (gain) (Note 17)	**(22,485)**	495	235
Impairment of goodwill (Note 17)	**9,954**	–	–
Retirement benefit expense	**521**	77	384
Reversal of impairment (Notes 6, 10, 17 and 18)	–	(5,525)	–
Loss on deconsolidation (Note 17)	–	95,897	–
Gain on sale of solar power plant (Note 17)	–	–	(17,835)
Gain on remeasurement of previously existing equity interest in Terra Solar (Note 17)	–	–	(5,964,035)
Gain on assignment of investment and deposit (Note 17)	–	–	(25,960)
Operating income (loss) before working capital changes	**639,299**	(684,198)	318,548
Decrease (increase) in:			
Trade and other receivables (Notes 6, 20 and 25)	**(396,128)**	(153,440)	126,788
Inventories	**–**	1,041	(746)
Other current assets (Notes 7 and 20)	**343,296**	53,953	(22,655)
Increase (decrease) in:			
Trade and other payables (Notes 11 and 25)	**44,922**	2,021,737	(358,754)
Other noncurrent liabilities (Notes 20 and 26)	**(12,504)**	–	–
Cash flows from operations	**618,885**	1,239,093	63,181
Interest received	**408,453**	343,560	29,993
Interest paid (Note 26)	**(1,875)**	–	–
Income tax paid	**(170,575)**	(79,101)	–
Net cash flows from operating activities	**852,888**	1,503,552	93,174
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment (Notes 8 and 25)			
At cost	**(66,169,731)**	(8,870,216)	(677,885)
At revalued amount	**(250,580)**	(226,674)	(26,893)
Deposits for land acquisition (Note 9)	**(3,430,956)**	(3,183,270)	(723,097)

(Forward)

	Years Ended December 31		
	2025	2024	2023
Decrease (increase) in:			
Due from related parties (Notes 13 and 20)	**(₱190,234)**	(₱82,835)	₱960,420
Other noncurrent assets (Notes 10 and 20)	**(6,911,451)**	(144,734)	107,780
Payment of forward contracts	**(144,726)**	–	–
Net cash inflow from transfer of ownership of investees (Note 17)	–	70,144	–
Acquisition of investees, net of cash acquired (Note 17)	–	–	(8,987,412)
Proceeds from disposal of property, plant and equipment	–	–	33,929
Net cash flows used in investing activities	**(77,097,678)**	(12,437,585)	(9,313,158)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Short-term loan (Note 12)	**20,388,250**	7,200,000	–
Long-term debts (Note 12)	**68,596,860**	–	–
Subscription of shares of NCI (Note 2)	**17,779,850**	–	–
Payments of:			
Short term loan (Note 12)	**(18,000,000)**	–	–
Long-term debt (Note 12)	**(1,998,400)**	(372,883)	(166,262)
Interests (Note 12)	**(3,733,208)**	(216,311)	(136,800)
Deferred financing cost related to new loan drawdown (Note 12)	**(2,100,830)**	(18,137)	–
Redemption of shares of a subsidiary's non-controlling interest (Note 2)	**(1,800,000)**	–	–
Payment of a subsidiary's dividends to non-controlling interest (Note 2)	**(770,100)**	–	(61,570)
Lease liabilities (Note 19)	**(34,517)**	(26,835)	(18,526)
Stock issuance cost (Note 16)	–	(17,640)	–
Increase (decrease) in:			
Due to related parties (Notes 13 and 20)	**531**	(114,895)	(114,725)
Other noncurrent liabilities (Notes 20 and 26)	–	337	–
Deposit for future stock subscription (Note 21)	–	–	15,894,042
Proceeds from issuance of shares, net of stock issuance cost (Note 14)	–	–	2,402,414
Equity infusion (Note 14)	–	–	775,042
Collection of subscription receivable (Note 14)	–	–	649,797
Net cash flows from financing activities	**78,328,436**	6,433,636	19,223,412
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**22,485**	(495)	(235)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,106,131**	(4,500,892)	10,003,193
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**5,539,533**	10,040,425	37,232
CASH AND CASH EQUIVALENTS AT END OF YEAR (Notes 5 and 18)	**₱7,645,664**	₱5,539,533	₱10,040,425

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Unless Otherwise Stated)

1. Corporate Information

(a) Organization

SP New Energy Corporation (the "Parent Company" or "SPNEC") was incorporated and registered with the Philippine Securities and Exchange Commission ("SEC") on November 23, 2016, primarily to engage in the construction, operation and maintenance of all types of renewable energy plants and related services.

The common shares of the Parent Company are listed on the Philippine Stock Exchange ("PSE") is traded under the ticker, "SPNEC".

As of December 31, 2025, MGen Renewables Energy, Inc. ("MGreen") has a 69.25% voting interest in SPNEC. Subsequently, on January 14, 2026, SPNEC redeemed the 19.4 billion shares at total issue price of ₱194.0 million. Thereafter, MGreen's holding in SPNEC is 57.33%. The remainder of the shares are held by the public and another shareholder group.

MGreen is a wholly-owned subsidiary of MERALCO PowerGen Corporation ("MGen"), which in turn is a wholly-owned by Manila Electric Company ("Meralco"). Meralco, MGen and MGreen are registered with the SEC. The shares of Meralco are listed in the PSE under the ticker, "MER".

On March 26, 2026, the Board of Directors (BOD) further approved the change of corporate name to "MGEN Renewables Inc." from "MGEN Renewable Energy Holdings, Inc.", which had been previously approved on January 21, 2026. The foregoing is pending approval by the Securities Exchange Commission (SEC). In the meantime, the Parent Company has also filed for a change in its ticker to "MGENR".

(b) Principal Office Address

The Company's principal office is at Rockwell Business Center, Ortigas Avenue, Brgy. Ugong, 1604 Pasig City, Philippines.

(c) Authorization for the Issuance of the Consolidated Financial Statements

The consolidated financial statements of the Parent Company and its subsidiaries (the "Group") as of and for the years ended December 31, 2025, 2024, and 2023 were authorized for issue by the BOD on April 21, 2026.

2. Basis of Preparation, Statement of Compliance and Basis of Consolidation

Basis of Preparation

The consolidated financial statements have been prepared using the historical cost basis, except for land carried at revalued amount. The consolidated financial statements are presented in Philippine Peso (₱), the Group's functional and presentation currency. All amounts are rounded to the nearest ₱, unless otherwise indicated.

The consolidated financial statements have been prepared under the going concern assumption.

Statement of Compliance

The consolidated financial statements of the Group are prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards as issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the Philippine SEC.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31, 2025, 2024, and 2023. 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 investees 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.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses 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 acquired or disposed of during the year are included in the consolidated statements of comprehensive income 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 of the Group and to the non-controlling interests ("NCI"), even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. 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, non-controlling interests and other components of equity, while any resultant gain or loss is recognized in profit or loss. 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.

NCI
The NCI in the consolidated financial statements represent mainly the ownership of KEPCO Philippines Holdings, Inc. ("KPHI") in SP Calatagan (2025 and 2024), Prime Metro Holdings Corporation ("Prime Metro") in SP Tarlac (2024) and Actis Rubyred (Philippines) Holdings, Inc. ("Actis") in Terra Solar (2025) (see Note 20).

Subsidiaries
The following are the subsidiaries and the respective percentages of ownership as of December 31, 2025 and 2024:

Subsidiaries	Nature of Business	Percentage of Ownership (%) 2025	2024
Existing Active Investments			
Solar Philippines Calatagan Corporation (SP Calatagan)[1]	Power Generation	**62**	62
Solar Philippines Tarlac Corporation (SP Tarlac)	Power Generation	**100**	100
Terra Solar Philippines, Inc. (Terra Solar)[2]	Power Generation	**60**	100
Terra Nueva, Inc. (Terra Nueva)	Real Estate	**100**	100
SP Holdings, Inc. (SP Holdings)	Investment Holding	**100**	100

[1]*Economic interest is 100% after dividend to preferred stock*
[2]*Not started operations as of December 31, 2025*

As at December 31, 2025, SPNEC investees are limited to five (5), all of which are incorporated in the Philippines.

SP Calatagan

SP Calatagan owns and operates a 63 MW_{dc} solar PV facility built on 105.8 hectares of land in Calatagan, Batangas Province. The voting interest of SP Calatagan is shared 62% and 38% by SPNEC and KEPCO Philippine Holdings, Inc. (KPHI), respectively. KPHI's 38% interest is held through voting, non-participating, cumulative convertible preferred shares. Such preferred shares are convertible at the option of SP Calatagan after December 31, 2035. Unpaid dividends are entitled to a compounded fixed interest rate until fully paid.

Upon execution of the Deed of Accession and Amendment with KPHI, all the unpaid dividends and interests thereon were declared and fully paid as of December 31, 2025 amounting to ₱866.54 million.

As at December 31, 2025 and 2024, undeclared dividends on the SP Calatagan preferred shares amounted to ₱256.7 million and ₱513.4 million, respectively, and accumulated interest recorded amounted to nil and ₱36.7 million, respectively.

As of December 31, 2025 and 2024, the accumulated balance of KPHI in NCI amounted to ₱557.0 million and ₱1,070.4 million, respectively.

SP Tarlac

SP Tarlac currently operates a 100 MW_{dc} solar PV facility built on 132.8 hectares of land in Barangay Sta. Rosa, Concepcion, Tarlac (Phase 1). The entire plant capacity is contracted under an 85 MW_{ac} Power Supply Agreement (PSA) with Meralco.

In January 2025, SP Tarlac completed the construction of a 15 MW_{dc} expansion PV facility (Phase 2). The output from this expansion is likewise sold to Meralco to fully satisfy the 85 MW_{ac} PSA.

In May 2025, SP Tarlac redeemed the preferred shares held by Prime Metro for a total consideration of ₱1,800.0 million. The difference between the redemption price and carrying value of the non-controlling interest amounting to ₱547.6 million was recognized under "Equity reserve" account in the 2025 consolidated statement of changes in equity. Consequently, SP Tarlac is a wholly owned subsidiary of SPNEC as of December 31, 2025.

As of December 31, 2025 and 2024, the accumulated balance of Prime Metro in NCI amounted to nil and ₱2,272.6 million, respectively.

Terra Solar

Terra Solar is developing a 3500 MW_{dc} (2500 MW_{ac}) solar project with a 4500 MWh battery energy storage system (BESS). In March 2026, Terra Solar started exporting energy to the grid at 85 MW_{ac} and ramped this up to 250 MW_{ac}, as limited by NGCP. In addition, 450 MWh of BESS capacity has been energized.

On March 17, 2025, Actis Rubyred (Singapore) Pte. Ltd. ("Actis Singapore"), through its wholly-owned subsidiary, Actis Rubyred (Philippines) Holdings, Inc. ("Actis"), completed its subscription equivalent to 40% equity in Terra Solar for a total subscription of ₱29,889.2 million. As part of this investment deal, Actis infused ₱17,779.9 million in cash into Terra Solar. Consequently, unpaid subscription price amounting to ₱12,109.3 million was recognized as subscription receivable (see Note 6).

In 2025, Actis's share in total comprehensive loss amounted to ₱156.3 million. As of December 31, 2025, the accumulated balance of NCI pertaining to Actis amounted to ₱10,916.3 million.

The summarized financial information of subsidiaries as of and for the years ended December 31, 2025 and 2024 are disclosed in Note 23, *Operating Segment Information.*

3. Material Accounting Policy Information

New Amendments to Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of Amendments to Philippine Accounting Standards (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 adoption of these amendments to existing standard did not have an impact on the consolidated financial statements.

Summary of Material Accounting Policies

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

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 whether to measure the NCI in the acquiree at fair value or at the proportionate share of the acquiree's identifiable assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When a business is acquired, an assessment is made of the identifiable assets acquired 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 and any resulting gain or loss is recognized in the consolidated statements of income.

Any contingent consideration to be transferred by the acquirer will be 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.

If the initial accounting for a business combination is incomplete by the end of the reporting date in which the business combination occurs, the provisional amounts of the items for which the accounting is incomplete are reported in the consolidated financial statements. During the measurement period, which shall be no longer than one (1) year from the acquisition date, the provisional amounts recognized at acquisition date are retrospectively adjusted to reflect new facts and circumstances obtained that existed as at the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, additional assets or liabilities are also recognized if new information is obtained about facts and circumstances that existed as at the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as at that date.

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
Business 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 statements of income, comprehensive income and cash flows reflect the result of the combining entities from the date 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.
- Equity reserve is recognized for the difference between considerations paid or transferred and the net assets of the entity acquired through business combinations involving entities under common control.

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 statements of income) and a second statement beginning with profit or loss and displaying components of OCI (consolidated statements of comprehensive income).

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statements of financial position based on the current/noncurrent classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- expected to be realized within 12 months after the reporting period;
- held primarily for the purpose of trading; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity do not affect its classification.

All other liabilities are classified as noncurrent.

Deferred income tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

Cash and Cash Equivalents
Cash and cash equivalents in the consolidated statements of financial position comprise cash on hand and in banks and short-term deposits with original maturities of three (3) months or less from dates of acquisition and that are subject to insignificant risk of changes in value.

Short-term Investments
Short-term investments are short-term placements with maturities of more than three (3) months but less than one (1) year form the date of acquisition. These earn interest at the respective short-term investment rates.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as financial assets at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest ("SPPI")" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

- Financial assets at FVPL

Financial assets at amortized cost (Debt Instruments)
The Group measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective 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 that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognized in the consolidated statements of comprehensive income when the asset is derecognized, modified or impaired.

The Group's financial assets are enumerated in Note 20.

The Group has no financial assets at FVOCI and FVPL.

Financial liabilities
Loans and borrowings
Financial liabilities are classified in this category if these are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings.

Loans and borrowings are initially recognized at fair value of the consideration received, less directly attributable transaction costs. After initial recognition, such loans and borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any related issue costs, discount or premium. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized, as well as through the amortization process.

The Group's loans and borrowings are enumerated in Note 12.

As of December 31, 2025 and 2024, the Group has no financial liabilities at FVPL.

Derecognition of Financial Assets and Liabilities
Financial asset
A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired; or
- the Group retains the right to receive cash flows from the asset, but has assumed obligation to pay them 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 the risks and rewards of the asset but has transferred the control of the asset.

Where the Group has transferred its right to receive cash flows from an asset or has entered into a "pass-through" arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

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

Financial liability
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where 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 exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Impairment of Financial Assets
The Group recognizes an allowance for expected credit losses ("ECLs") for all financial assets except debt instruments held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two (2) stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

Fair Value Measurement
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 to the Group.

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

A fair value measurement of a nonfinancial 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 as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing 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 as explained above.

Derivative Financial Instruments and Hedge Accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. 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.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognized in OCI under the "Cash flow hedge reserve" account, 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 forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognized as other expense.

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 "Cashflow hedge reserve" account.

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.

<u>Plant Construction Materials</u>
Plant construction materials are carried at cost and are presented as noncurrent assets as these are intended to be used in the construction of a project.

Advances to Suppliers
Advances to suppliers pertain to advance payments made for purchases of construction materials, other services, and rental of equipment. Advances to suppliers is measured on initial recognition at cost and is reclassified to the proper asset or expense account and deducted from the suppliers' billings as specified on the provision of the contract.

Property, Plant and Equipment
Property, plant and equipment, except for land and construction in progress, is stated at cost less accumulated depreciation, amortization and impairment in value, if any. The initial cost of property, plant and equipment consists of the purchase price including import duties, borrowing costs (during construction period) and other costs directly attributable to bringing the assets to its working condition and location for its intended use. Cost also includes the cost of replacing part of the property, plant and equipment, and the borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives, depreciation and amortization. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. 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 and amortization of an item of property, plant and equipment begin 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 and amortization cease at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized. Leasehold improvements are amortized over the lease term or the economic life of the related asset, whichever is shorter.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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 profit or loss in the year the asset is derecognized.

The useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted, prospectively, if appropriate. The estimated useful lives of property, plant and equipment are as follows:

Category	Number of Years
Solar power plant	30
Right-of-use assets	25 - 30
Machinery and equipment	8
Land improvement	5
Office and warehouse equipment	5
Transportation equipment	5
Furniture and fixtures	5
Leasehold improvements	5 or term of the lease, whichever is shorter

Land
The Group opted to adopt the appraisal accounting consistent with the provisions of PFRS 13, *Fair Value Measurement.* Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation deficit is recognized in the consolidated statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the revaluation surplus. Upon disposal, any revaluation increment relating to the particular asset being sold is transferred to retained earnings. The appraisal increment, net of the related tax effect, is credited to the "Revaluation surplus" account included as OCI in the consolidated statement of comprehensive income and as other component of equity in the equity section of the consolidated statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the consolidated statement of income, in which case the increase is recognized in the consolidated statement of income.

Construction in progress ("CIP")
CIP represents structures under construction and is stated at cost, net of accumulated impairment losses, if any. This includes costs of construction and other direct costs. Costs also include interest on lease liability and amortization of right-of-use assets incurred during the construction period. CIP is not depreciated until such time that the assets are put into operational use.

Right-of-use ("ROU") assets
ROU assets are included as part of property, plant and equipment. The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. ROU assets are subject to impairment (refer to Impairment of Nonfinancial Assets policy).

Intangible Asset
Intangible asset pertains to the Power Supply Agreement (PSA) of Terra Solar that was existing at the time of the acquisition (see Note 4).

Intangible assets acquired separately are initially measured at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment loss. The useful lives of intangible assets are assessed at the individual asset level as having either finite or indefinite useful lives.

Intangible assets with finite lives are amortized over the useful economic lives of 20 years using the straight-line method and assessed for impairment whenever there is an indication that the intangible assets may be impaired. At a minimum, the amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each reporting date. Changes in the expected useful life or the expected consumption pattern of future economic benefit embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as change in accounting estimates. The amortization expense of intangible assets with finite lives is recognized in the consolidated statement of income once it becomes available for use.

Intangible assets with indefinite useful lives are not amortized, but are assessed for impairment annually either individually or at the cash-generating unit level. The assessment of intangible assets with indefinite useful life is done annually at every reporting date to determine whether such indefinite useful life continues to exist. Otherwise, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

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.

Intangible assets generated within the business are not capitalized and expenditures are charged to profit or loss in the year these are incurred.

Value-Added Tax ("VAT")
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.
When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

Retirement Benefit Obligation
The Group has an unfunded, non-contributory defined benefit plan covering substantially all of its qualified employees.

The defined benefit obligation is the aggregate of the present value of the defined benefit obligation at the end of the reporting period. The cost of providing benefits under the defined benefit plan is actuarially determined by an independent qualified actuary using the projected unit credit method.

Defined benefit costs comprise the following:

- Current service cost
- Remeasurements of net defined benefit liability or asset

Current service costs are recognized as expense in profit or loss. Remeasurements, comprising actuarial gains and losses, are recognized immediately in the consolidated statements of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods, but are closed directly to retained earnings at the end of every reporting period.

Deposits for Land Acquisition
Deposits for land acquisition pertain to payments made in relation to the acquisition of parcels of land that are intended for future expansion, and are stated at the amount paid less any impairment in value. Upon successful transfer of title, the deposits for land acquisition shall be reclassified to land as part of either investment property or property, plant and equipment.

Impairment of Nonfinancial Assets
The Group assesses at each reporting date whether there is an indication that these nonfinancial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates these non-financial assets' recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU fair value less costs to sell and its value in use and 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. Where 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 discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises. In the case of input VAT, an allowance is provided for any portion of the input VAT that cannot be claimed against output VAT or recovered as tax credit against future income tax liability.

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. Any previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior periods. Such reversal is recognized in the consolidated statement of comprehensive income.

Subscriptions Receivable
Subscriptions receivable represent unpaid portion of subscriptions, under a binding subscription contract, and is presented as current assets when it is expected to be collected within 12 months after the financial reporting date. Otherwise, this is presented as reduction from equity.

Capital Stock
Capital stock is measured at par value and is classified as equity for all shares of stocks issued.

Additional paid-in capital ("APIC")
When the shares of stock are sold at premium, the difference between the proceeds and the par value is credited to the APIC account.

Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are reduction to the APIC. If APIC is not sufficient, the excess is charged against the "Retained earnings" account.

Equity Reserve
A change in ownership interest in a subsidiary that does not result in loss of control is accounted for as an equity transaction. Any difference between the consideration and the carrying amount of the non-controlling interest is recognized in equity (under "Equity reserve") attributable to the parent. Equity reserve is also recognized for the difference between considerations paid or transferred and the net assets of the entity acquired through business combinations involving entities under common control.

Deposits for Future Stock Subscriptions
Deposits for future stock subscriptions represent funds received as payment for additional issuance of shares.

The Parent Company classifies a contract to deliver its additional equity instruments as a "Deposit for future stock subscriptions" if and only if, all of the following elements are present as of the reporting period:

a. the unissued authorized capital stock of the Parent Company is insufficient to cover the amount of shares indicated in the contract;
b. there is BOD's approval on the proposed increase in authorized capital stock;
c. there is stockholders' approval of the said proposed increase; and
d. the application for the approval of the proposed increase was presented for filing or has been filed with the SEC.

Retained Earnings (Deficit)
Retained earnings (deficit) represent the cumulative balance of periodic net income or loss, prior period adjustments, effect of changes in accounting policy and other capital adjustments. When the retained earnings account has a debit balance, it is called "deficit". A deficit is not an asset but a deduction from equity.

Leases
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group assesses at contract inception all arrangements to determine whether it 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
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) *ROU assets*
Refer to ROU assets policy.

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 lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, 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.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

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.

Short-term leases
The Group applies the short-term lease recognition exemption to its short-term leases of vehicle (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Revenue from Contracts with Customers
Sale of electricity
Revenue from sale of electricity is based on the Renewable Energy Payment Agreement ("REPA"), PSAs and Power Purchase Agreements ("PPAs"). Sale of electricity is recognized over time as the power generated by the Group is transmitted through the transmission line designated by the buyer for a consideration and is presented as "Revenue from sale of electricity" in the consolidated statement of comprehensive income. Revenue from sale of electricity is based on sales price and recognized monthly based on the actual energy delivered.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

Interest income
Interest income is recognized as interest accrues, using the EIR method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

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

Costs of sale of electricity
These include expenses incurred by those directly responsible for the generation of revenues from solar energy (i.e., plant operations, plant maintenance and power plant preventive maintenance schedule), at operating project location.

General and administrative expenses
General and administrative expenses are incurred in the direction and general administration of day-to-day operations of the Group.

Foreign Currency Transactions
Transactions in foreign currencies are initially recorded by the Group's entities in the respective functional currency spot rate prevailing at the date of transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of the reporting period. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

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.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision are presented in profit or loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are made by discounting the expected future cash flows at a pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Income 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.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the income tax returns with respect to situations in which applicable income tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Income Tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits and unused tax losses 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 profit 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 profits 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 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 tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Earnings (Loss) Per Share ("EPS")
Basic EPS is computed by dividing net income for the year attributable to common shareholders of the Group with the weighted average number of common shares outstanding during the year, after giving retroactive effect to any stock dividends or stock splits, if any, declared during the year.

Diluted EPS is computed in the same manner, with the net income for the year attributable to common shareholders of the Group and the weighted average number of common shares outstanding during the year, adjusted for the effect of all dilutive potential common shares.

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

The Group's operating businesses are organized and managed separately on a per company basis, with each company representing a strategic business segment. Financial information on operating segments are presented in Note 23 to the consolidated financial statements.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes when an inflow of economic benefits is probable.

Events After the Financial Reporting Date
Events after the financial reporting date that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Events after the financial reporting date that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

New Standards and Interpretations Issued and Effective after December 31, 2025

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

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

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

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

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

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

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

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

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

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

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

  The amendments are not expected to have any material impact on the Group's financial statements.

- Annual Improvements to PFRS Accounting Standards - Volume 11

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

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

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

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

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

  - Amendments to PFRS 9

    a) Lessee Derecognition of Lease Liabilities

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

    b) Transaction Price

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

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

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

  - Amendments to PAS 7, *Cost Method*

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

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

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

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

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

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

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

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

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

  The Group will continue to evaluate and review the requirements of the standard in the presentation of the consolidated financial statements upon its effectivity.

- PFRS 19, *Subsidiaries without Public Accountability*

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

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

  The application of the standard is optional for eligible entities.

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

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

Deferred effectivity

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

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

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

4. Significant Accounting Judgements, Estimates and Assumptions

The consolidated financial statements prepared in accordance with PFRS Accounting Standards require management to make judgments and estimates that affect amounts reported in the consolidated financial statements and related notes. The judgments and estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items are those matters assessed to have significant risks arising from estimation uncertainties:

Judgments

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements. This judgment is based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements.

Determination of Control Over an Investee Company

Control is presumed to exist when an investor 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. The Group has established that it has the ability to control its subsidiaries by virtue of either 100% or a majority of the voting interest in the investee company.

Determination of Acquisition Date in Business Combinations

The acquisition date is the date the acquirer obtains control of the acquiree, generally the specified closing or completion date of the business combination.

The date on which control passes is a matter of fact. In determining the acquisition date, the Group considers all the terms and conditions of the arrangements and their economic effects. One or more of pertinent facts and circumstances surrounding a business combination are considered in assessing when the acquirer has obtained control of the acquiree:

- When the consideration is transferred;
- When acquiree shares or underlying net assets are acquired;
- When the acquirer 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;
- Agreement date designed to achieve an overall commercial effect of business combination and economically justified by the parties;

The date on which the Group obtains control over the Solar Philippines Assets is the date on which the Group legally transfers the consideration, acquires the assets, and assumes the liabilities of Solar Philippines Assets.

Recoverability of Deposits for Land Acquisition
The Group assesses at each financial reporting date whether there is indication that the deposits for land acquisition may be impaired. Management's assessment of impairment considers information from various sources, including those from the land acquisition process and the related requirements, the current status of land acquisition, the timeline of activities and factors that may affect the timing of completion of the transaction.

As of December 31, 2025 and 2024, management has assessed that there were no indicators that the deposits for land acquisition may be impaired. The carrying value of deposits for land acquisition amounted to ₱3,536.4 million and ₱2,955.5 million as of December 31, 2025 and 2024, respectively (see Note 9).

Evaluating Revenue from Contracts with Customers
The Group applied the following judgments in the determination of the amount and timing of revenue recognition:

- *Identifying Performance Obligations*
  The Group identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

  The Group assesses performance obligations as a series of distinct goods and services that are substantially the same and have the same pattern of transfer if:

  1. each distinct good or services in the series are transferred over time; and
  2. the same method of progress will be used (i.e., units of delivery) to measure the entity's progress towards complete satisfaction of the performance obligation

  For sale of electricity, the obligation under each contract is a single performance obligation.

  Allocation of transaction prices is not necessary as the obligation under each contract with customers are accounted for as a single performance obligation and the Group does not have any other ancillary services to be performed in connect to all the contracts with customers.

- *Revenue Recognition*
  The Group recognizes revenue when it satisfies an identified performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. The Group determines, at contract inception, whether it will transfer control of a promised good or service over time. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

  For sale of electricity, the Group concluded that sale of electricity is to be recognized over time, since the customer simultaneously receives and consumes the benefits as the Group supplies electricity.

- *Identifying Methods for Measuring Progress of Revenue recognized over Time*
  The Group determines the appropriate method of measuring progress which is either through the use of input or output methods. Input method recognizes revenue on the basis of the efforts or inputs to the satisfaction of a performance obligation while output method recognizes revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date.

  For sale of electricity, the Group determined that the output method is the best method in measuring progress as actual electricity is supplied to customer. The Group recognizes revenue based on the actual renewable energy generation (see Note 25).

  Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2025	2024
Sale of electricity	**₱1,562,959**	₱1,200,055
Sale of installation services	–	79
Total revenue from contracts with customers	**₱1,562,959**	₱1,200,134

Contingencies
There are possible claims from or obligation to other parties from past events and whose existence may only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within its control. Management has determined that the present obligations with respect to contingent liabilities do not meet the recognition criteria, and therefore has not recorded any such amounts.

Determination of lease term of contracts with renewal and termination options - Group as a lessee
The Group's lease contract includes extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. 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 or to terminate.

Estimates
Estimating Impairment of Financial Assets
The measurement of impairment losses under PFRS 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows, including collectability, collateral values and other credit enhancements, when determining impairment losses.

Increases or decreases to the allowance balance are recorded as general and administrative expenses in the consolidated statement of comprehensive income.

Under PFRS 9, *Financial Instruments,* additional judgments are also made in assessing a significant increase in credit risk in the case of financial assets measured using the general approach. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's impairment calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the impairment models that are considered accounting judgments and estimates include:

- The Group's criteria for defining default and for assessing if there has been a significant increase in credit risk;
- The segmentation of financial and contract assets when impairment is assessed on a collective basis;
- The choice of inputs and the various formulas used in the impairment calculation;
- Determination of relationships between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and,
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the impairment models.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Measurement of ECL
ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

- *Financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

The Group leverages existing risk management indicators (e.g., internal credit risk classification and restructuring triggers), credit risk rating changes and reasonable and supportable information which allows the Group to identify whether the credit risk of financial assets has significantly increased.

As of December 31, 2025 and 2024, the total allowance for ECL recognized on trade receivables amounted to ₱75,280.0 (see Note 6). The aggregate carrying amounts of cash and cash equivalents (excluding cash on hand), trade receivables, short-term investments (under other current assets), due from related parties, long-term receivables (under other noncurrent assets), bonds (under current and noncurrent assets), and derivative assets amounted to ₱21,972.1 million and ₱6,919.9 million as of December 31, 2025 and 2024, respectively (see Notes 5, 6, 7, 10, 13 and 20).

Revaluation of Land
The Group carries its land at revalued amount with changes in fair value recognized in OCI. The fair value of the Group's land measured using the fair value model is based on the valuation carried out by an independent appraiser as of December 31, 2025 and 2024. The valuation was arrived by reference to market evidence of transaction prices of similar properties.

External appraisers used market approach to value the land properties by using sales comparison method in particular. The valuation analysis involved key assumptions such as listing prices of reasonably comparable properties and adjustments related to the characteristics of the land properties such as size, location, utility, and other relevant conditions.

The total increase in land as a result of revaluation as of December 31, 2025 and 2024 amounted to ₱54,077.3 million and ₱44,068.4 million, respectively. In 2025 and 2024, the total revaluation surplus amounted to ₱7,506.7 million and ₱24,783.2 million, respectively, net of the deferred income tax liability. As of December 31, 2025 and 2024, carrying value of revalued land amounted to ₱62,542.3 million and ₱49,362.8 million (see Note 8).

Estimating useful lives of Property, Plant and Equipment (except Land and CIP)
The Group estimates the useful lives of property, plant and equipment (except land and CIP) based on the period over which these assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of these assets. In addition, estimation of the useful lives is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

The carrying values of property, plant and equipment (except land and CIP) amounted to ₱6,943.8 million and ₱7,224.4 million as of December 31, 2025 and 2024, respectively (see Note 8).

Estimating Impairment of Nonfinancial Assets
The Group assesses impairment of nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Group considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The estimated recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of assets in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For impairment loss on specific assets, the recoverable amount represents the fair value less costs to sell.

The carrying amounts of assets that are subject to impairment testing when impairment indicators are present (such as obsolescence, physical damage, significant changes to the manner in which the asset is used, worse than expected economic performance, or other external indicators) are as follows:

	2025	2024
Other current assets* (Note 7)	**₱58,234**	₱60,856
Property, plant and equipment - at cost (Note 8)	**89,855,352**	18,392,981
Deposits for land acquisition (Note 9)	**3,536,444**	2,955,531
Other noncurrent assets** (Note 10)	**8,384,642**	393,165
	₱101,834,672	₱21,802,533

**Excluding short-term investments and bonds*
***Excluding long-term receivables and bonds*

As of December 31, 2025 and 2024, allowance for impairment of input VAT amounted to ₱111.7 million and ₱0.3 million.

Assessing Impairment of Intangible Asset not yet Available for Use
The Group's intangible asset not yet available for use as of December 31, 2025 and 2024 pertains to Power Supply Agreement (PSA) of Terra Solar that was existing at the time of the acquisition (see Note 17). The Group performs impairment review on this asset annually irrespective of whether there is any indication of impairment by comparing its carrying amount with its recoverable amount. This impairment review requires an estimation of the value-in-use of the CGU to which the intangible asset would provide future cash flow. Estimating value-in-use requires the Group to estimate the expected future cash flows from the CGU and discounts such cash flows using weighted average cost of capital to calculate the present value of those future cash flows. The future cash flows were using management-approved forecasts based on the fixed contractual pricing of Terra Solar's PSA with Meralco over the 20-year contract term. The pre-tax discount rate applied to free cash flow projection was 8.08%. The discounted projected free cash flow exceeded the carrying value of the intangible asset. No impairment loss has been recognized in 2025, 2024 and 2023.

Estimating the Realizability of Deferred Income Tax Assets
Deferred income tax asset is recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable income will be available in the future against which the deductible temporary differences can be utilized. Significant management estimate is required to determine the amount of deferred income tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies. The carrying value of deferred income tax assets amounted to ₱61.9 million and ₱41.0 million as of December 31, 2025 and 2024, respectively (see Note 18).

The Group did not recognize deferred income tax assets on the carryforward benefits of unused net operating loss carryover ("NOLCO") and other temporary differences amounting to ₱7,187.6 million and ₱1,554.3 million as of December 31, 2025 and 2024, respectively, as management believes that there is no sufficient future taxable income to allow all or part of the deductible temporary difference to be utilized before its expiration (Note 18).

Estimating Provisions
The Group determines whether it has a present obligation to recognize a provision arising from the difference in interpretation of regulatory provisions (including contested local/national tax claims/assessments) and contractual obligations. Management exercises judgement in determining whether it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. On the basis of the evaluation, management determines that provisions are

recognized in accordance with the criteria of PAS 37, *Provisions, Contingent Liabilities, and Contingent Assets.*

In 2025, the Group recognized provisions amounting to ₱3,489.7 million in relation to contractual obligations, local/national tax claims/assessments, and other probable expenses which remain unresolved and are being contested (see Note 17). Limited disclosure is provided as allowed in PFRS Accounting Standards.

The provision for other liabilities and expenses is established based on the Group's best estimate of the amount necessary to settle future or existing obligations, taking into account the risks and uncertainties surrounding the obligation. Management assesses at each reporting date the estimates used in computing for the provisions.

5. Cash and Cash Equivalents

	2025	2024
Cash on hand	**₱1,605**	₱1,099
Cash in banks (Note 20)	**4,721,236**	506,352
Cash equivalents	**2,922,823**	5,032,082
	₱7,645,664	₱5,539,533

Cash in banks earn interest at the respective bank deposit rates. Total interest earned from the Group's cash and cash equivalents, net of final tax, amounted to ₱68.2 million, ₱15.6 million, and ₱9.5 million for the years ended December 31, 2025, 2024, and 2023, respectively (see Note 17).

Cash equivalents are placements made for varying periods of up to three (3) months and earn interest at the prevailing short-term deposit interest rates.

6. Trade and Other Receivables

	2025	2024
Trade receivables		
Third parties	**₱453,404**	₱125,337
Related parties (Note 13)	**105,735**	75,693
Non-trade receivables		
Third parties	**25,623**	571
Related parties (Note 13)	**94,523**	81,556
Interest receivable	**3,906**	6,960
Subscriptions receivable (Notes 2 and 14)	**12,110,636**	1,319
	12,793,827	291,436
Less allowance for expected credit losses	**75**	75
	₱12,793,752	₱291,361

Movements in allowance for expected credit losses are as follows:

	2025	2024
Balance at beginning of year	**₱75**	₱69,298
Allowance of deconsolidated accounts (Note 17)	–	(65,569)
Reversal of expected credit loss (Note 16)	–	(3,654)
Balance at end of year	**₱75**	₱75

Trade receivable arises from the revenue from the sale of electricity, goods and services. These are non-interest bearing and generally collectible within 30 to 60 days.

7. Other Current Assets

	2025	2024
Short-term investments	**₱244,859**	₱588,671
Prepaid real property taxes	**39,820**	28,804
Creditable withholding taxes	**2,425**	1,998
Advances to employees	**9,812**	1,351
Bonds (Notes 25 and 26)	–	15,000
Input VAT	–	3,716
Deferred stock issuance costs (Notes 14 and 17)	–	18,137
Others	**6,177**	6,850
	303,093	664,527
Less allowance for impairment losses (Note 10)	–	153
	₱303,093	₱664,374

Short-term investments represent the funds required for the Debt Service Reserve account equal to at least the amount of semi-annual principal repayment and related interest due under the loan agreements of SP Calatagan and SP Tarlac.

Bonds consist of (a) cash deposits with the Department of Agrarian Reform (DAR) for the conversion of land from agricultural to industrial use. The total amount of cash bond deposit will be refundable upon compliance with the conditions set forth in the DAR Conversion Order (see Note 10); and (b) the Parent Company's performance bond with Angeles Electric Corporation ("AEC") in relation to the 15 MW_{dc} Power Supply Agreement to be served from the SPNEC Sta. Rosa Nueva Ecija 2 (NE 2) Project. The performance bond is valid until November 26, 2025 (see Note 26).

8. Property, Plant and Equipment

At cost

December 31, 2025

	Solar Power Plants	Leasehold Improvements	Transportation Equipment	Office and Warehouse Equipment	Furniture and Fixtures	ROU Assets (see Note 19)	Building	Construction in Progress (see Notes 12 and 13)	Total
Cost									
Balance at beginning of year	₱8,545,521	₱2,414	₱21,713	₱12,690	₱1,089	₱534,654	₱1,544	₱11,236,718	₱20,356,343
Additions	–	–	32,635	14,776	487	–	250	71,813,033	71,861,181
Reclassification (Note 9)	–	–	–	–	–	–	–	(70,020)	(70,020)
Balance at end of year	8,545,521	2,414	54,348	27,466	1,576	534,654	1,794	82,979,731	92,147,504
Accumulated depreciation and amortization									
Balance at beginning of year	1,855,824	1,108	2,026	2,676	457	101,188	83	–	1,963,362
Depreciation and amortization (Notes 15 and 16)	290,649	338	7,774	6,488	268	15,422	62	–	321,001
Amortization capitalized to construction in progress	–	–	–	–	–	7,789	–	–	7,789
Balance at end of year	2,146,473	1,446	9,800	9,164	725	124,399	145	–	2,292,152
Net book value	₱6,399,048	₱968	₱44,548	₱18,302	₱851	₱410,255	₱1,649	₱82,979,731	₱89,855,352

December 31, 2024

	Solar Power Plants	Leasehold Improvements	Transportation Equipment	Office and Warehouse Equipment	Furniture and Fixtures	ROU Assets (see Note 19)	Building	Construction in Progress (see Note 12)	Total
Cost									
Balance at beginning of year	₱8,540,278	₱2,368	₱701	₱4,046	₱385	₱534,654	₱1,544	₱2,652,777	₱11,736,753
Additions	93,463	46	21,012	8,644	704	–	–	8,794,469	8,918,338
Reclassification	–	–	–	–	–	–	–	48,006	48,006
Effect of deconsolidation as a result of the exercise of Put Option (Note 17)	(88,220)	–	–	–	–	–	–	(258,534)	(346,754)
Balance at end of year	8,545,521	2,414	21,713	12,690	1,089	534,654	1,544	11,236,718	20,356,343
Accumulated depreciation and amortization									
Balance at beginning of year	1,502,653	777	423	1,353	364	80,481	21	14,557	1,600,629
Depreciation and amortization (Notes 15 and 16)	360,784	331	1,603	1,323	93	15,037	62	–	379,233
Amortization capitalized to construction in progress	–	–	–	–	–	5,670	–	–	5,670
Effect of deconsolidation as a result of the exercise of Put Option (Note 17)	(7,613)	–	–	–	–	–	–	(14,557)	(22,170)
Balance at end of year	1,855,824	1,108	2,026	2,676	457	101,188	83	–	1,963,362
Net book value	₱6,689,697	₱1,306	₱19,687	₱10,014	₱632	₱433,466	₱1,461	₱11,236,718	₱18,392,981

Solar Power Plants
Solar power plants consist of the total costs of two (2) operating solar power plants namely: (a) 100 MW_{dc} SP Tarlac plant in Concepcion, Tarlac and (b) 63 MW_{dc} SP Calatagan plant in Batangas. The capacity of SP Tarlac is contracted by Meralco while the output of SP Calatagan is a committed capacity under the Feed-in Tariff (FIT) program.

As of December 31, 2025 and 2024, solar power plant of SP Calatagan is pledged as collateral for its long-term debt (see Note 12).

CIP
Construction-in-progress pertains to the development costs incurred to date by: (i) Phase 1 of the 3500 MW_{dc} Terra Solar Project in Nueva Ecija, (ii) 37 MW_{dc} solar expansion project of SP Tarlac and (iii) Phase 1 of the 500 MW_{dc} of the Sta. Rosa Nueva Ecija 2 (NE 2) Project of SPNEC. In 2025, total capitalized borrowing costs amounted to ₱2.7 billion, net of interest income from short-term placements of ₱328.1 million. In 2024, this amounted to ₱5.9 million. Additions also include capitalized construction costs amounting to ₱2.9 billion which remain unpaid as of December 31, 2025 and are recognized under "Trade and other payables" account (see Note 11).

In 2024, project development costs amounting to ₱48.1 million have been reclassified to "Property, Plant and Equipment" upon commencement of construction of Terra Solar's power plant.

Land - At revalued amount

	2025	2024
Balance at beginning of year	**₱49,362,804**	₱12,467,340
Additions	**250,580**	226,674
Reclassifications from deposits for land acquisition (Note 9)	**2,920,063**	3,624,515
Revaluation surplus	**10,008,884**	33,044,275
	₱62,542,331	₱49,362,804

The Company adopts appraisal accounting for the land held, consistent with the provisions of PFRS 13, *Fair Value Measurement.* Consequently, an independent firm of appraiser conducts asset revaluation of the consolidated land value as of December 31, 2025 and 2024. The valuation undertaken uses the market value approach to determine the fair value which represents the price that would be received to sell the property in an orderly transaction between market participants at the measurement date.

Key unobservable inputs (Level 3) used to measure the fair value of the land is the price per square meter from ₱1,700.0 to ₱5,100.0 per square meter in 2025 and ₱1,500.0 to ₱5,000.0 per square meter in 2024, depending on the property.

Significant increases (decreases) in estimated price per square meter in isolation would result in a significantly higher (lower) fair value on a linear basis.

For the years ended December 31, 2025 and 2024, there were no transfers into and out of Level 3 fair value measurements.

The balance of the revaluation surplus amounting to ₱54,077.3 million and ₱44,068.4 million as of December 31, 2025 and 2024, respectively, is restricted from distribution to shareholders.

The cost of the land as of December 31, 2025 and 2024 amounts to ₱8,465.0 million and ₱5,294.4 million, respectively.

9. Deposits for Land Acquisition

Following is a summary of deposits for land acquisition:

	2025		2024	
Land Owner	Land Area (in actual hectares)	Amount	Land Area (in actual hectares)	Amount
Lupang Hinirang Holdings Corporation ("Lupang Hinirang Holdings") (Note 13)	**56.81**	**₱270,000**	56.81	₱270,000
Provincia Investments Corporation ("Provincia") (Note 13)	**68.62**	**267,000**	68.62	267,000
Individual Shareholder (Note 13)	**87.50**	**421,618**	87.50	421,618
Various landowners*	**1,278.74**	**2,577,826**	1,174.95	1,996,913
	1,491.67	**₱3,536,444**	1,387.88	₱2,955,531

**Includes land acquisition-related costs*

Following are the movements in the Group's deposits for land acquisition with various landowners:

	2025	2024
Balance at beginning of the year	**₱1,996,913**	₱2,424,727
Additions	**3,430,956**	3,196,701
Reclassifications from (to):		
Land (Note 8)	**(2,920,063)**	(3,624,515)
Construction in progress (Note 8)	**70,020**	–
Balance at end of the year	**₱2,577,826**	₱1,996,913

The remaining balance of deposits for land acquisition as of December 31, 2025 and 2024 amounting to ₱1,616.0 million and ₱876.5 million, respectively, shall be payable when the conditions under the contracts to sell are satisfied.

10. Other Noncurrent Assets

	2025	2024
Input VAT	**₱7,106,046**	₱279,743
Prepaid financing cost (Note 12)	**1,234,920**	–
Long-term receivables (Note 26)	**407,614**	318,978
Advances to suppliers	**63,717**	46,043
Plant construction materials (Note 16)	**50,850**	51,101
Bonds (Note 7)	**20,285**	20,267
Others	**40,819**	16,277
	8,924,251	732,409
Allowance for impairment losses (Notes 7 and 16)	**(111,710)**	(128)
	₱8,812,541	₱732,281

Advances to suppliers pertain to advance payments made by the Group to third-party suppliers for the purchase of materials for the construction of the power plants. These shall be offset against payable upon billing of materials.

11. Trade and Other Payables

	2025	2024
Accounts payable		
Third parties	**₱673,743**	₱507,035
Related parties (Note 13)	**59,174**	138,379
Interest payable (Note 12)	**323,873**	111,195
Withholding tax payable	**163,521**	77,114
Retentions payable (Note 13)	**1,675,740**	34,878
Current portion of replacement energy costs payable (Note 26)	**7,032**	8,028
Accrued expenses:		
Purchases (Note 13)	**1,115,755**	15,194
Accrued benefits	**189,611**	–
Financial advisor fee (Note 16)	**167,751**	1,219,848
Regulatory fees	**16,994**	6,650
Legal and other professional fees	**1,380**	1,000
Interest on undeclared dividends on preferred shares (Notes 2 and 16)	**–**	36,680
Others	**141,010**	22,078
	₱4,535,584	₱2,178,079

Accounts payable are non-interest bearing and settled within one (1) year in the normal course of business.

Retentions payable pertain to amounts owed to subcontractors arising from the construction of power plant and are normally settled after project completion.

Accrued regulatory fees pertain to unbilled liabilities for costs of benefits to host communities provided under Department of Energy ("DOE") Energy Regulations No. 1-94.

12. Borrowings

a. Short-term loans

Following are the details of the short-term loans obtained from local banks:

Borrower	2025	2024	Terms and Other Information
Terra Nueva	**₱5,500,000**	₱3,000,000	o Interest based on 3-month peso-denominated domestic government bonds plus a spread, payable monthly o Secured by Parent Company's Terra Nueva shares
SP Tarlac	**3,513,250**	–	o Interest at 1-month BVAL plus a spread, payable monthly o Fully paid on January 9, 2026
SP Calatagan	**575,000**	–	o Unsecured and is payable within one year o Interest is fixed at 6.43% and is payable monthly
Terra Solar	–	4,200,000	o Unsecured o Interest is based on 3-month peso-denominated domestic government bonds plus a spread, payable monthly o Fully paid on March 6, 2026
	₱9,588,250	₱7,200,000	

Interest rates on the foregoing short-term debt range from 5.66% to 6.94%.

Total interest expense on short-term loans presented as part of "Finance Costs" in the consolidated statements of income amounted to ₱360.7 million, ₱11.9 million and nil in 2025, 2024 and 2023, respectively.

Total borrowing costs incurred on short-term loan capitalized as part of construction in progress amounted to ₱130.4 million in 2025 and ₱5.9 million in 2024. There was no interest capitalized in 2023.

b. Long-term debts

Long-term debts consist of the following:

Entity	**2025**	2024
	(In millions)	
Terra Solar	**₱68,596.8**	₱–
SP Calatagan	**762.1**	1,008.2
SP Tarlac	–	1,753.5
	69,358.9	2,761.7
Unamortized debt financing cost	**(816.7)**	(32.0)
	68,542.2	2,729.7
Current portion	**218.4**	235.9
Noncurrent portion	**₱68,323.8**	₱2,493.8

The movement of the debt financing costs is as follows:

	2025	2024
Balance at beginning of year	**₱31,987**	₱38,006
Addition	**865,910**	–
Amortization charged under financing costs	**(29,348)**	(6,019)
Capitalized in construction in progress (Note 8)	**(51,823)**	–
Balance at end of year	**₱816,726**	₱31,987

i. Terra Solar

The balance of the Terra Solar Loan represents the amount drawn out of a ₱150.0 billion project financing covered by a 15-year Omnibus Loan and Security Agreement (OLSA). The loan is payable in 50 equal quarterly installments commencing after the grace period, which shall be the earliest among (i) the 27th month after first drawdown, (ii) May 26, 2027, or (iii) date when the final construction payment is made to contractors under the terms of the EPC contracts on or before February 29, 2028.

The loan shall be subject to interest determined using a 5 to 8-year benchmark rate plus a pre-agreed spread. An initial stepdown on the pre-agreed interest rate shall be effective on the commercial operation date of Phase 1 of the project. Such spread shall be subject to a further step-down upon commercial operations of Phase 2 of the project. Interest rates in 2025 range from 7.07% to 7.33% determined on each debt drawdown date.

The OLSA is secured by the real and personal properties owned by Terra Solar, ACTIS and SPNEC's shares of stock in Terra Solar, and the project account.

The OLSA contains covenants on maintenance of debt service coverage ratio and debt-to-equity ratio. As of December 31, 2025, Terra Solar is in compliance with the terms of the OLSA.

ii. SP Calatagan

SP Calatagan drew a 12-year term loan amounting to ₱3,400.0 million to finance the 63 MW_{dc} Project. The loan is subject to 5-year benchmark plus a pre-agreed spread and is payable in 22 equal installments from October 3, 2018 to April 3, 2029.

The OLSA requires maintenance of debt-to-equity ratio of 70:30 and DSCR of at least 1.20x. As of December 31, 2025, SP Calatagan is compliant with the covenants of the OLSA.

The loan is secured by the project asset and land where the power plant is constructed and the shares held by SPNEC and KPHI in SP Calatagan (see Note 8).

iii. SP Tarlac

OLSA - ₱2,225.0 million Loan
On June 18, 2019, SP Tarlac signed an OLSA with BDO for a ₱2,225.0 million long-term loan facility to solely finance the construction of its 115 MW_{dc} plant. Principal repayment was due semi-annually beginning January 3, 2021 up to July 25, 2031. The long-term loan interest rate was repriced on the five-year repricing date of July 3, 2024 (effective until July 25, 2029) with the next repricing scheduled for July 2029.

In June 2025, SP Tarlac prepaid the long-term debt amounting to ₱1.7 billion.

OLSA - ₱3,770.0 million Loan
On December 9, 2025, SP Tarlac executed a 14-year OLSA with a local bank for ₱3,770.0 million to finance the construction of an additional 37 MW_{dc}. The loan is payable in 54 installments, maturing 14 years from the first borrowing date. Interest is payable quarterly and is subject to repricing dependent on the interest rate structure that will be selected upon initial drawdown. The OLSA is subject to compliance with financial ratios, of which SP Tarlac is compliant as of December 31, 2025.

The loan is secured by the real and personal properties owned by SP Tarlac, SPNEC's shares in SP Tarlac, and the project account.

As of December 31, 2025, SP Tarlac incurred prepaid financing costs amounting to ₱33.8 million presented under "Other noncurrent assets" in the consolidated statement of financial position (see Note 10).

The entire ₱3,770.0 million was fully drawn on January 9, 2026.

iv. Terra Nueva

On November 15, 2025, Terra Nueva entered into a 15-year OLSA with three (3) local banks for an aggregate amount of ₱15.0 billion to finance the acquisition of land for the 3,500 MW_{dc} Terra Solar project and pay the bridge loan drawn.

Interest rate is based on a 5-year benchmark plus a pre-agreed spread, with repricing dependent on the interest rate structure that will be selected upon initial drawdown.

As of December 31, 2025, Terra Nueva incurred prepaid financing costs amounting to ₱176.5 million which is included in "Other noncurrent assets" in the 2025 consolidated statement of financial position (see Note 10).

The loan is secured by the real and personal properties owned by Terra Nueva, SPNEC's shares in Terra Nueva, and the project account.

As of April 21, 2026, Terra Nueva has not drawn on the debt facility.

Interest expense on long-term debt amounted to ₱3,028.2 million in 2025, of which ₱2,857.3 million was capitalized as part of construction in progress; ₱244.9 million in 2024; and ₱214.6 million in 2023.

13. 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, the parties are subject to common control, or the party is an associate or a joint venture. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Affiliates are related entities by virtue of common ownership and representation to management where significant influence is apparent.

Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties, consistent with the arm's length principle, where applicable.

Following are the related party transactions for the years ended December 31, 2025 and 2024 and the related outstanding balance as of December 31, 2025 and 2024:

		Transactions during the year		Balance as of December 31			
		2025	2024	2025	2024	Terms	Conditions
Trade and other receivables (Note 6)							
Ultimate Parent							
Meralco (Note 26)	q	**₱504,569**	₱465,458	**₱105,735**	₱75,693	See Note 6	Unsecured and will be settled in cash
Owned by Individual Stockholder of SPNEC							
Metro Nueva Ecija Corporation ("MNEC")	n	**40,905**	445,571	**90,806**	78,684	Non-trade receivables	On demand; unsecured; no impairment
Provincia		**846**	2,871	**3,717**	2,872	-do-	-do-
				₱200,258	₱157,249		
Deposits for land acquisition							
Individual Stockholder	o	**₱–**	₱–	**₱421,618**	₱421,618	Deposits; non-interest bearing	Unsecured; No impairment
Owned by Individual Stockholder of SPNEC							
Lupang Hinirang Holdings	d	**–**	–	**270,000**	270,000	-do-	No impairment
Provincia	e	**–**	–	**267,000**	267,000	-do-	No impairment
				₱958,618	₱958,618		
Due from related parties							
Intermediate Parent Company							
MGreen	l	**₱194,042**	₱3,869	**₱194,042**	₱3,869	Due and demandable; non-interest bearing	Unsecured; Not impaired
Owned by Individual Stockholder of SPNEC							
SP Project Holdings and Subsidiaries*		**₱–**	₱2,748	**₱104,595**	₱104,595	-do-	-do-
Solar Philippines Commercial Rooftop Projects, Inc. ("SPCRPI")*		**–**	–	**31,399**	31,399	-do-	-do-
Individual Stockholder		**–**	–	**7,293**	7,293	-do-	-do-
Subsidiaries of Meralco							
Global Business Power Corporation (GBPC)	k	**50**	–	**50**	–	-do-	-do-
Powersource First Bulacan Solar Inc.	p	**11**	–	**11**	–	-do-	-do-
				₱337,390	₱147,156		
Due to related parties							
Owned by Individual Stockholder of SPNEC							
SP Project Holdings	c	**₱–**	₱–	**₱348,176**	₱344,859	Due and demandable; non-interest bearing	Unsecured
Countryside	p	**–**	3,317	**37,553**	40,870	-do-	-do-
Provincia	p	**–**	91	**91**	91	-do-	-do-
Subsidiaries of Meralco							
MGen	m	**7,723**	698	**1,318**	698	-do-	-do-
MGreen	l	**332**	21,909	**224**	221	-do-	-do-
GBPC	k	**159**	142	**31**	123	-do-	-do-

		Transactions during the year		Balance as of December 31			
		2025	2024	2025	2024	Terms	Conditions
				₱387,393	₱386,862		
Advances to supplier (Notes 8 and 10)							
Subsidiary of Meralco							
Meralco Industrial Engineering Services Corporation (MIESCOR)	i,j	₱377,744	₱1,368,661	₱809,505	₱–	EPC Contract	Will be settled thru performance of services
Retention payable (Note 11)							
Subsidiary of Meralco							
MIESCOR	i,j	₱189,999	₱32,623	₱222,622	₱32,623	EPC Contract	Upon issuance of the Provisional Acceptance Certificate
Accounts payable and accrued expenses (Note 11)							
Owned by Individual Stockholder of SPNEC							
SP Project Holdings	a,b	₱12,000	₱719,038	₱74,612	₱91,195	Various terms not longer than one year; non-interest bearing	Unsecured
Solar Maintenance Services Corporation ("Solar Maintenance")	f,g,h	22,593	36,951	27,299	22,238	-do-	-do-
Meralco and Subsidiaries							
Meralco	q	₱26,936	₱24,503	₱11,331	32,531	-do-	-do-
MGreen	l	196,395	110,754	3,479	23,683	-do-	-do-
GBPC	k	8,280	27,256	2,760	4,466	-do-	-do-
MGen	m	184,880	–	161,711	–	-do-	-do-
MIESCOR	i,j	4,280,801	92,079	486,393	–	-do-	-do-
Rockwell-Meralco BPO Venture	q	7,658	–	98	–	-do-	-do-
MIESCOR Logistics	q	11,104	–	–	–	-do-	-do-
Radius Telecoms	q	1,740	–	310	–	-do-	-do-
GSEI (Note 26)	q	14,320	–	–	–	-do-	-do-
Shareholder of SP Calatagan							
KPHI	q	89,507	–	1,554	–	-do-	-do-
Joint venture of Meralco							
MPioneer Insurance	q	6,942	–	2	–	-do-	-do-
				₱769,549	₱174,113		
Other noncurrent liability							
Ultimate Parent							
Meralco (Note 26)		₱–	₱–	₱82,039	₱89,071	Offset against revenue collections	-do-

**Transactions of SP Project Holdings' subsidiaries prior to September 3, 2024 were eliminated during consolidation.*

a. *Management Services Agreement ("MSA") between SPNEC and SP Project Holdings*
SPNEC had a MSA with SP Project Holdings up to April 30, 2024. The MSA was no longer renewed upon termination.

Total management fee recognized in the consolidated statements of income amounted to nil in 2025, ₱8.8 million in 2024 and ₱26.0 million in 2023.

b. *Administrative Services Contract ("ASC") between SP Calatagan and SP Project Holdings*
The ASC allows SP Project Holdings to provide necessary and advisory services on management, investment and technical matters SP Calatagan may require. The contract is for a period of 10 years until December 31, 2030 unless pre-terminated. Total administrative services fee recognized in the consolidated statements of income was ₱12.0 million for each of the three years ended December 31, 2025, 2024 and 2023.

c. *Service Agreement with Terra Solar and SP Project Holdings*
Terra Solar signed a Service Agreement with SP Project Holdings for the latter's assistance in securing permits, licenses and clearances from the relevant government agencies. In 2024, Terra Solar paid ₱688.0 million and such cost was included in the construction in progress account in the consolidated statement of financial position. There was no similar charge in 2025.

d. *MOA with Lupang Hinirang Holdings*
Lupang Hinirang Holdings signed a MOA to secure 56.81 hectares of land totaling ₱270.0 million for SPNEC. This amount is classified under "Deposits for land acquisition" in the consolidated statements of financial position (see Note 9). As of April 21, 2026, title to the land has not been turned over to the Parent Company.

e. *MOA between SPNEC and Provincia*
Provincia and SPNEC executed a MOA for Provincia to secure 68.62 hectares of land for a total of ₱267.0 million. The amount paid by SPNEC to Provincia is included among "Deposits for Land Acquisition" in the consolidated statements of financial position. As of April 21, 2026, Provincia has not turned-over the title to such property to SPNEC.

f. *Support Services Agreement between SPNEC and Solar Maintenance*
SPNEC has a Support Services Agreement with Solar Maintenance for its NE 2 Project. In 2024, ₱14.6 million was billed by Solar Maintenance and such amount was recognized in construction in progress. There were no billings in 2025.

g. *Property Management Agreement between SP Calatagan and Solar Maintenance*
SP Calatagan recognized management fee due to Solar Maintenance amounting to ₱20.7 million for each of the three years ended December 31, 2025, 2024, and 2023. These amounts are recognized under "Costs of sale of electricity" in the consolidated statements of income.

h. *Operation and Maintenance Agreement between SP Tarlac and Solar Maintenance*
SP Tarlac entered into an Operation and Maintenance Agreement with Solar Maintenance for the latter to operate, maintain and manage SP Tarlac's solar power plant for 20 years. This was terminated on July 30, 2025.

SP Tarlac recognized manpower services amounting to ₱13.8 million, ₱23.5 million and ₱23.0 million in 2025, 2024 and 2023, respectively, presented as part of "Costs of sale of electricity" in the consolidated statements of income (see Note 15).

i. *EPC Contract for the Transmission Lines between Terra Solar and MIESCOR*
On March 1, 2024, Terra Solar and MIESCOR entered into a ₱62.4 million contract for geotechnical investigations. On August 20, 2024, the parties executed an Engineering, Design, Supply, Construction, Testing and Commissioning for the Connection Assets amounting to ₱7.8 billion and ₱6.7 billion for onshore and offshore works, respectively, with completion targeted by August 2026 and subject to 5% retention until issuance of the Provisional Acceptance Certificate.

In 2024, Terra Solar issued Limited Notices to Proceed to commence work on certain portions of the scope of works specified in the contracts.

As of December 31, 2025 and 2024, retention payable amounted to ₱198.3 million and ₱11.8 million, respectively (see Note 11).

j. *EPC Contract for the Transmission Lines between SPNEC and MIESCOR*
The EPC contract is in relation to the NE 2 Project consisting of 11.4 km 230 kV transmission line to connect the NE 2 power plant to the NGCP Cabanatuan Substation. The project was terminated in July 2025. Service fees of ₱19.1 million and ₱181.4 million were capitalized to construction in progress in 2025 and 2024, respectively.

As of December 31, 2025 and 2024, retentions payable amounted to ₱24.3 million and ₱21.5 million, respectively.

k. *Service Agreement between Terra Solar and GBPC*
This Service Agreement between Terra Solar and GBPC pertains to support services for project development and business operations through June 30, 2025. Service fees incurred amounted to ₱8.2 million and ₱27.2 million in 2025 and 2024, respectively, and are recognized under "General and Administrative Expenses". There was no service fee incurred in 2023. The contract was terminated on June 30, 2025.

l. *Service Agreement and Management Service Agreement between Terra Solar and MGreen*
The Service Agreement and Management Service Agreement are distinct contracts ending in June 30, 2025 and June 30, 2027, respectively. These contracts are for project development support and management functions.

Service fees incurred for these two agreements amounted to ₱196.4 million in 2025 and ₱110.7 million in 2024. The entire amount incurred in 2025 and ₱81.3 million in 2024 was capitalized as part of construction in Progress while ₱29.4 million in 2024 was presented as part of "Management fees" under "General and administrative expenses".

m. *Service Agreement between Terra Solar and MGen*
Terra Solar executed a Master Service Agreement with MGen to provide management service functions for annual consideration specified in the agreement from January 1, 2024 up to June 30, 2027.

In 2025, Terra Solar recognized management fees amounting to ₱184.9 million capitalized as part of construction in progress.

n. *Master Agreement between Terra Solar and MNEC*
The Master Agreement signed was for the Terra Solar to acquire rights, interests and title over 547.25 hectares from MNEC for ₱445.6 million. As of December 31, 2025 and 2024, the DOAS and corresponding transfers of land titles equivalent to ₱90.8 million and ₱78.7 million, respectively, had not yet been executed. Accordingly, the Company recognized these amounts as non-trade receivables from MNEC.

o. *MOA between SP Calatagan and a Shareholder*
On February 12, 2019, SP Calatagan advanced ₱421.6 million to its then major shareholder to purchase 87.5 hectares of land. This property was used as collateral for a loan drawn by SP Tarlac, then under common control of said shareholder. Following the prepayment of the loan in May 2025 by SP Tarlac, the mortgage on the property was canceled. As of December 31, 2025, the amount paid to the shareholder is recorded under "Deposits for land acquisition" account, pending transfer of the title to SP Calatagan.

p. *Other Due from / Due to transactions*
Other related party transactions consist of cost reimbursements and expense-sharing arrangements made in the ordinary course of business. These transactions are settled at cost, without mark-up, interest, or financing component, and are payable on demand or within a short-term period consistent with standard trade practices. Outstanding balances at reporting date represent unpaid reimbursements for actual expenses incurred on behalf of related parties.

q. *Other Accounts receivable and payable transactions*
The Group enters into transactions with related parties in the normal course of business. These transactions arise from contracts for sale of goods / rendering of services / lease / procurement, which are undertaken on terms and conditions comparable to those available to unrelated third parties.

r. *Compensation of key management personnel*
The Group did not employ any key management personnel as of December 31, 2025 and 2024. In 2024, key administrative and finance functions are covered in the MSA with SP Project Holdings. In 2025, the administrative and finance functions of the Parent Company are being handled by MGreen.

14. Equity

Capital Stock and Additional Paid-in Capital

The details of the Parent Company's capital stock as of December 31, 2025 and 2024 are as follows:

	2025				2024			
	Common stock (₱0.10 par value)		Preferred stock (₱0.01 par value)		Common stock (₱0.10 par value)		Preferred stock (₱0.01 par value)	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Authorized:								
Balance at beginning of year	75,000,000,000	₱7,500,000	25,000,000,000	₱250,000	50,000,000,000	₱5,000,000	–	₱–
Increase in authorized capital stock	–	–	–	–	25,000,000,000	2,500,000	25,000,000,000	250,000
Balance at end of year	75,000,000,000	₱7,500,000	25,000,000,000	₱250,000	75,000,000,000	₱7,500,000	25,000,000,000	₱250,000
Issued and outstanding:								
Balance at beginning of year	50,073,050,000	₱5,007,305	19,404,202,552	₱194,042	34,373,050,000	₱3,437,305	–	₱–
Issuance of shares	–	–	–	–	15,700,000,000	1,570,000	19,404,202,552	194,042
Balance at end of year	50,073,050,000	₱5,007,305	19,404,202,552	₱194,042	50,073,050,000	₱5,007,305	19,404,202,552	₱194,042

	2025	2024
Additional Paid-in Capital		
Balance at beginning of year	₱19,794,017	₱5,713,764
From issuance during the year	–	14,080,253
Balance at end of year	₱19,794,017	₱19,794,017

IPO
On December 17, 2021, the common shares of the Company consisting of 8,124,350,005 shares, inclusive of the primary offering of 2,700,000,000 common shares and the issued and outstanding shares of 5,424,350,005 common shares, were listed on the Main Board of the PSE, at ₱1.0 per share. The said listing was approved by the SEC and the PSE on November 19, 2021.

SRO
On September 15, 2022, the Parent Company completed its SRO and issued 1,875,649,995 new common shares for a total consideration of ₱2,813.5 million or at ₱1.50 par value. The outstanding balance of subscription of a shareholder to the Stock Rights Offering conducted in 2022 of ₱1.3 million as of December 31, 2025 is included under "Trade and other receivables" in the consolidated statement of financial position.

Other Capital Stock Movements
On June 1, 2023, the SEC approved the Parent Company's application for increase in authorized capital stock from ₱1.0 billion divided into 10.0 billion common shares at ₱0.10 per share, to ₱5.0 billion divided into 50.0 billion common shares at ₱0.10 per share.

In 2023, the Parent Company received a total cash infusion from SP Project Holdings amounting to ₱3,212.3 million for the subscription of 24,373.05 million common shares. This resulted in an additional paid-in capital of ₱775.0 million and recognition of transaction costs of ₱34.9 million as direct charge against "Deficit" account in the consolidated statement of financial statement.

On January 17, 2024, the SEC approved the Parent Company's increase in authorized capital stock from 50 billion common shares with par value of ₱0.10 per share to 75 billion common shares with par value of ₱0.10 per share and 25 billion preferred shares with par value of ₱0.01 per share, divided into Class A preferred shares and Class B preferred shares. Subsequently, the Parent Company issued 15.7 million common shares at a subscription price of ₱1.0 per share and 19.4 billion preferred shares with subscription price of ₱0.01 per share to MGreen pursuant to an Option Agreement entered into by the Parent Company and SP Project Holdings and MGen and the Deed of Assignment and Assumption entered into by MGen and MGreen in 2023. Deposits for future stock subscription amounting to ₱15.9 billion as of December 31, 2023 was reclassified to capital stock in 2024 upon issuance of the shares. The amount in excess of par value totaling to ₱14.1 billion is presented as additional paid-in capital, net of stock issuance costs amounting to ₱50.0 million.

On June 10, 2024, the BOD of the Parent Company approved the filing of its listing applications with the PSE covering a total of 40,073.1 million common shares, which the PSE issued a notice of approval for the listing application on October 23, 2024. The shares were listed on March 6, 2025. Pursuant to Article V, Part A, Section 8 of the PSE Consolidated Listing and Disclosure Rules, as amended and shall be locked up and, therefore, not available for trading for 180 days or until September 2, 2025.

On October 28, 2025, pursuant to the Exchangeable Note Facility Agreement between SP Project Holdings and MGreen, the total number of exchangeable shares of 10,833.4 million common shares were transferred to MGreen via special block sale, resulting in the increase of ownership of the Parent Company to 69.25% (see Note 1).

On January 14, 2026, the equity of SPNEC was restructured whereby SPNEC redeemed 19.4 billion of its Class "B" preferred shares held by MGreen at par value of ₱194.0 million. Subsequently, on March 26, 2026, the BOD approved the retirement of 19.4 billion Class "B" preferred shares totaling ₱194.0 million and the creation of Class "C" preferred consisting of 6.0 billion shares with par value of ₱0.10 per share. Further, the par value of Class "A" preferred shares was increased from ₱0.01 a share to ₱0.10 a share resulting in the decrease in the number of Class "A" preferred shares to 559,579,745 shares from 5,595,797,448 shares. The foregoing is subject to the approval of the stockholders and the SEC.

As of December 31, 2025 and 2024, the Parent Company has 28 and 31 common stockholders, respectively.

15. Costs of Sale of Electricity

	2025	2024	2023
Depreciation and amortization (Note 8)	**₱306,071**	₱376,206	₱210,672
Purchased power (Note 26)	**72,157**	13,689	9,410
Insurance	**60,071**	49,932	26,389
Salaries, wages and employee benefits	**44,730**	19,738	11,124
Transmission and ancillary charges	**41,031**	5,852	5,796
Security services	**29,324**	26,571	12,570
Consumables, parts and repairs (Note 7)	**26,329**	6,931	8,715
Manpower services	**21,141**	44,121	25,164
Independent Electricity Market Operator of the Philippines ("IEMOP") market fees	**1,507**	5,781	5,595
Rentals (Note 19)	**–**	800	6,732
Others	**16,603**	14,291	4,936
	₱618,964	₱563,912	₱327,103

16. General and Administrative Expenses

	2025	2024	2023
Professional services	**₱273,221**	₱1,323,252	₱67,001
Taxes and licenses	**177,858**	196,329	40,925
Provision for impairment losses (Note 10)	**111,429**	–	–
Interest on undeclared dividends (Note 2)	**60,019**	24,387	12,543
Bank charges	**19,218**	43,151	248
Depreciation and amortization (Note 8)	**14,930**	3,531	5,561
Management fees (Note 13)	**8,280**	76,681	32,040
Rent (Note 19)	**7,559**	1,881	8,252
Bid-related costs	**558**	127	7,499
Insurance	**47**	5,729	7,504
Provision (reversal of) expected credit loss (Note 6)	**–**	(3,654)	756
Others	**64,682**	63,563	25,585
	₱737,801	₱1,734,977	₱207,914

In 2024, the Parent Company and Terra Nueva engaged a third-party financial advisor in relation to the investment of Actis Rubyred (Singapore) Pte. Ltd. in Terra Solar (see Note 2). Total professional fees to the third party amounted to ₱1,219.8 million (see Note 11).

Taxes and licenses in 2025 and 2024 include fees for registration of lease agreements and registration/reclassification of land.

Others include employee-related costs, notarial fees, trust fees, utilities, representation, travel and transportation and other miscellaneous expenses.

17. Other Charges (Income)

	2025	2024	2023
Provision for probable expenses (Note 4)	**₱3,489,657**	₱–	₱–
Interest income (Notes 5 and 7)	**(122,772)**	(343,560)	(29,993)
Net foreign exchange loss (gain)	**(22,639)**	(41,223)	437
Impairment of goodwill	**9,954**	–	–
Gain on:			
Disposal of investments	–	95,897	–
Sale of solar power plant (Note 8)	–	–	(17,835)
Remeasurement of previously existing equity interest in Terra Solar	–	–	(5,964,035)
Others (Notes 7 and 14)	**18,137**	1,450	(26,903)
	₱3,372,337	(₱287,436)	(₱6,038,328)

In 2024, the Parent Company executed a deed of absolute sale with SP Project Holdings to sell the Parent Company's shares in certain entities (Solar Philippines assets) for ₱80.0 million. The sale resulted to a gain on disposal of investments amounting to ₱95.9 million, derecognition of NCI amounting to ₱128.6 million and net cash inflow from the sale amounting to ₱70.1 million.

In 2023, the Parent Company acquired 50.01% interest in Terra Solar for ₱6,000.0 million from Prime Infrastructure Inc. As a result, Terra Solar became a wholly owned subsidiary of the Parent Company (see Note 2). The Group remeasured its previously held interest in Terra Solar based on the provisional fair value which resulted in a remeasurement gain of ₱5,964.0 million. Goodwill arising from the acquisition amounting to ₱10.0 million was impaired in 2025.

18. Income Taxes

a. A reconciliation between statutory income tax and effective income tax are as follows:

	2025	2024	2023
Income tax benefit at statutory income tax rate	**(₱587,748)**	(₱84,443)	(₱1,280)
Adjustments for:			
Movements in unrecognized deferred income tax assets	**997,788**	145,111	31,893
Impact of OSD	**(71,126)**	–	–
Interest income subject to final tax	**(16,184)**	(43,921)	(2,384)
Nondeductible expenses and others	**14,267**	59,538	3,078
Loss (Income) from ITH-registered activity	**5,809**	(2,492)	1,641
Nontaxable income	–	(152)	(3,583)
Transaction costs charged to APIC and retained earnings	–	–	(5,415)
	₱342,806	₱73,641	₱23,950

b. The Group's deferred income tax assets and liabilities presented in the consolidated statements of financial position are as follows:

	2025	2024
Deferred income tax assets	**₱32,361**	₱9,291
Deferred income tax liabilities	**(14,960,169)**	(12,347,590)

The components of the Group's deferred tax assets and liabilities are as follows:

	2025	2024
Deferred taxes recognized in profit or loss:		
Deferred tax assets on:		
Lease liabilities	**₱37,082**	₱37,082
Deferred rent	**23,069**	–
Long-term receivables	**1,448**	3,698
Retirement benefit obligation	**179**	107
	61,778	40,887
Deferred tax liabilities on:		
Intangible asset	**(1,326,189)**	(1,326,189)
Debt financing cost	**(76,786)**	–
ROU assets	**(36,039)**	(36,039)
	(1,439,014)	(1,362,228)
Deferred taxes asset (liabilities) recognized in OCI:		
Revaluation of land	**(13,519,320)**	(11,017,099)
Cashflow hedge reserve	**(31,394)**	–
Remeasurement loss on retirement benefits	**142**	142
	(13,550,572)	(11,016,957)
	(₱14,927,808)	(₱12,338,298)

As of December 31, 2025, the Group has NOLCO for which no deferred income tax assets have been recognized as follows:

Period Incurred	Valid Until	Amount
January 1 to December 31, 2025	December 31, 2028	₱2,100,381
January 1 to December 31, 2024	December 31, 2027	1,092,118
January 1 to December 31, 2023	December 31, 2026	220,068
July 1, 2021 to June 30, 2022	June 30, 2027	172,229
January 1 to December 31, 2021	December 31, 2026	2,764
January 1 to June 30, 2021	June 30, 2026	6,762
January 1 to December 31, 2020	December 31, 2027	5,862
January 1 to December 31, 2019	December 31, 2026	57,067
		₱3,657,251

Furthermore, as of December 31, 2025, the Group has MCIT amounting to ₱178,793 which can be offset against tax payable until 2028.

No deferred tax asset was recognized on the carryforward benefits of NOLCO, MCIT, unrealized foreign exchange loss, allowance for expected credit losses, allowance for impairment losses, deferred financing costs and provisions as of December 31, 2025 and 2024 amounting to ₱7,187.6 million and ₱1,554.3 million, respectively, as management estimates that there would be no sufficient future taxable income yet to allow all or part of the deductible temporary difference to be utilized prior to their expiration.

Bayanihan to Recover as One Act (Bayanihan 2)
On September 30, 2020, the BIR issued Revenue Regulations ("RR") No. 25-2020 implementing Section 4 of Bayanihan 2 which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

19. Leases

The Group has various lease agreements summarized as follows:

i. Parent Company has entered into land lease agreements with various landowners for the development of solar farm projects in Peñaranda, Nueva Ecija with lease terms ranging from twenty-five (25) to thirty (30) years. As of April 21, 2026, a total of 352.4 hectares is covered by DAR Orders, of which 169.9 hectares already have DAR Certificates of Finality Order.
ii. SP Tarlac has lease contracts for various items of land and other equipment used in its operations.

As of December 31, 2025 and 2024, lease liability balance are as follows:

	2025	2024
Balance at beginning of year	**₱390,447**	₱390,072
Interest expense capitalized to CIP* (Note 8)	**25,790**	10,030
Interest expense	**16,775**	17,180
Payments	**(34,517)**	(26,835)
Total lease liabilities	**398,495**	390,447
Current portion of lease liabilities	**22,428**	25,399
Noncurrent portion of lease liabilities	**₱376,067**	₱365,048

**Incurred during the construction period*

Several lease contracts include extension and termination options and variable lease payments. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

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

	2025	2024	2023
Interest accretion of lease liabilities	**₱16,775**	₱17,180	₱10,744
Amortization of ROU assets (Note 8)	**15,422**	15,422	9,983
Expenses relating to leases of low-value assets in:			
Costs of sale of electricity (Note 15)	**–**	800	6,732
General and administrative expenses (Note 16)	**7,559**	1,881	8,252
Total amounts recognized in the consolidated statements of income	**₱39,756**	₱35,283	₱35,711

Shown below is the maturity analysis of the undiscounted lease payments:

	2025	2024	2023
Within one year	**₱39,406**	₱48,818	₱28,818
One to five years	**152,069**	120,341	118,830
More than five years	**620,580**	651,749	677,066
	₱812,055	₱820,908	₱824,714

20. **Financial Instruments and Financial Risk Management**

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents (excluding cash on hand), trade receivables and other receivables, short-term investments (under other current assets), long-term receivables (under other noncurrent assets), bonds (under other current and other noncurrent assets) and due to and from related parties, trade and other payables (excluding statutory liabilities), long-term debt and lease liabilities. The main purpose of these financial instruments is to finance the Group's operations.

As a matter of policy, the Group does not trade its financial instruments. However, the Group enters into hedging transactions, primarily foreign currency forwards, to hedge its exposure to fluctuations in foreign currency exchange rates arising from forecasted and firm commitments denominated in foreign currencies.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and manage the Group's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group has exposure to liquidity and credit risks from the uses of its financial instruments. The BOD reviews and approves the policies for managing this risk as summarized below:

Credit Risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Cash and cash equivalents (excluding cash on hand)
The Group applies the low credit risk simplification for cash and cash equivalents. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the external credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Trade receivables
One of the Group's sale of electricity is with National Transmission Corporation ("TransCo"), a government-owned and controlled corporation, which accounts for 73% and 62% of the total trade receivables as of December 31, 2025 and 2024, respectively. Any failure on the part of TransCo to pay their obligations to the Group would significantly affect the Group's business operations. As a practice, the Group monitors closely its collections from TransCo and may charge interest on delayed payments following the provision of the REPA. Receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant.

Due from related parties and bonds
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The credit quality is further classified and assessed by reference to historical information about each of the counterparty's historical default rates. Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, the Group has assessed that the outstanding balances are exposed to low credit risk. ECL on these balances have therefore been assessed as insignificant.

With respect to the credit risk arising from other financial assets, the Group's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments. The Group's cash and cash equivalents (excluding cash on hand), trade and other receivables, due from related parties, short-term investments (under current assets), long-term receivables (under other noncurrent assets) and bonds (under other current and other noncurrent assets) amounted to ₱21,949.2 million and ₱6,919.9 million as of December 31, 2025 and 2024, respectively.

Credit Quality of Financial Assets
Financial assets are classified as high grade if the counterparties are not expected to default in settling their obligations. Thus, the credit risk exposure is minimal. These counterparties normally include customers, banks and related parties who pay on or before due date. Financial assets are classified as a standard grade if the counterparties settle their obligation with the Group with tolerable delays. Low grade accounts are accounts, which have probability of impairment based on historical trend. These accounts show propensity of default in payment despite regular follow-up actions and extended payment terms. As of December 31, 2025 and 2024, financial assets categorized as neither past due nor impaired are viewed by management as high grade, considering the collectability of the receivables and the credit history of the counterparties. Meanwhile, past due but not impaired financial assets are classified as standard grade.

With respect to the credit risk arising from other financial assets of the Group, which comprise of cash and cash equivalents (excluding cash on hand), trade and other receivables, short term investments (under other current assets), due from related parties, derivative asset, long-term receivables (under other noncurrent assets) and bonds (under other current and other noncurrent assets), the Group's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments.

As of December 31, 2025 and 2024, the aging analysis per class of financial assets is as follows:

December 31, 2025

	Neither past due nor impaired	Past due but not impaired			Impaired	Total
		Less than 30 days	30 to 60 days	More than 60 days		
			(In Thousand Pesos)			
Cash and cash equivalents[1]	**₱7,644,059**	**₱–**	**₱–**	**₱–**	**₱–**	**₱7,644,059**
Trade and other receivables	**12,770,833**	**22,919**	**–**	**–**	**75**	**12,793,827**
Short term investments[2]	**244,859**	**–**	**–**	**–**	**–**	**244,859**
Due from related parties	**337,390**	**–**	**–**	**–**	**–**	**337,390**
Long-term receivables[3]	**407,614**	**–**	**–**	**–**	**–**	**407,614**
Bonds[3]	**20,285**	**–**	**–**	**–**	**–**	**20,285**
Derivative asset	**524,163**	**–**	**–**	**–**	**–**	**524,163**
	₱21,949,203	**₱22,919**	**₱–**	**₱–**	**₱75**	**₱21,972,197**

[1]Excludes cash on hand
[2]Included under other current assets
[3]Included under other noncurrent assets

December 31, 2024

	Neither past due nor impaired	Past due but not impaired			Impaired	Total
		Less than 30 days	30 to 60 days	More than 60 days		
			(In Thousand Pesos)			
Cash and cash equivalents[1]	₱5,538,434	₱–	₱–	₱–	₱–	₱5,538,434
Trade and other receivables	291,361	–	–	–	75	291,436
Short term investments[2]	588,671	–	–	–	–	588,671
Bonds[2]	35,267	–	–	–	–	35,267
Due from related parties	147,156	–	–	–	–	147,156
Long-term receivables[3]	318,978	–	–	–	–	318,978
	₱6,919,867	₱–	₱–	₱–	₱75	₱6,919,942

[1]Excludes cash on hand
[2]Included under other current assets
[3]Included under other noncurrent assets

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking adverse effect to the Group's credit standing.

The Group Manages liquidity risk by maintaining a balance between continuity of funding and flexibility. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows.

The tables below summarize the maturity profile as of December 31, 2025 and 2024 of the Group's financial assets used for liquidity purposes based on contractual undiscounted cash flows, and financial liabilities based on contractual undiscounted payments:

	December 31, 2025				
	On Demand	< 1 Year	1 to 5 Years	More than 5 Years	Total
			(In Thousand Pesos)		
Financial assets at amortized cost:					
Cash and cash equivalents[1]	₱4,721,236	₱2,922,823	₱–	₱–	₱7,644,059
Trade and other receivables	24,238	12,769,514	–	–	12,793,752
Short-term investments[2]	–	244,859	–	–	244,859
Due from related parties	337,390	–	–	–	337,390
Long-term receivables[3]	22,919	116,224	491,676	–	630,819
Bonds[3]	20,285	–	–	–	20,285
Derivative asset	–	524,163	–	–	524,163
	₱5,126,068	₱16,577,583	₱491,676	₱–	₱22,195,327
Financial liabilities at amortized cost:					
Trade and other payables[4]	₱–	₱4,372,063	₱–	₱–	₱4,372,063
Short-term loans	–	9,588,250	–	–	9,588,250
Due to related parties	387,393	–	–	–	387,393
Lease liabilities[5]	–	39,406	152,069	620,580	812,055
Long-term debt[5]	–	5,304,987	34,736,334	248,597,868	288,639,189
	₱387,393	₱19,304,706	₱34,888,403	₱249,218,448	₱303,798,950

[1]Excludes cash on hand
[2]Included under other current assets
[3]Included under other noncurrent assets
[4]Excludes statutory liabilities
[5]Includes future interest payments

	December 31, 2024				
	On Demand	< 1 Year	1 to 5 Years	More than 5 Years	Total
			(In Thousand Pesos)		
Financial assets at amortized cost:					
Cash and cash equivalents[1]	₱5,538,434	₱–	₱–	₱–	₱5,538,434
Trade and other receivables	291,361	–	–	–	291,361
Short-term investments[2]	588,671	–	–	–	588,671
Bonds[2]	35,267	–	–	–	35,267
Due from related parties	147,156	–	–	–	147,156
Long-term receivables[3]	–	–	318,978	–	318,978
	₱6,600,889	₱–	₱318,978	₱–	₱6,919,867
Financial liabilities at amortized cost:					
Trade and other payables[4]	₱15,194	₱2,162,885	₱–	₱–	₱2,178,079
Short-term loans	7,200,000	–	–	–	7,200,000
Due to related parties	386,862	–	–	–	386,862
Lease liabilities[5]	–	28,855	120,320	652,749	801,924
Long-term debt[5]	–	235,890	2,493,790	–	2,729,680
	₱7,602,056	₱2,427,630	₱2,614,110	₱652,749	₱13,296,545

[1]Excludes cash on hand
[2]Included under other current assets
[3]Included under other noncurrent assets
[4]Excludes statutory liabilities
[5]Includes future interest payments

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Group's purchases relating to its ongoing construction of Terra Solar project.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

At December 31, 2025, the Group hedged 65% for the 30 months of its expected foreign currency purchases. Those hedged purchases were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The U.S. dollar denominated monetary assets are translated to Philippine peso using the exchange rate of ₱58.790 to $1.00 and ₱57.845 to $1.00 as at December 31, 2025 and 2024, respectively.

The table below summarizes Group's exposure to foreign exchange risk with respect to US dollar as at December 31:

	2025		2024	
	U.S. Dollar-denominated Balances	**Philippine Peso Equivalent**	U.S. Dollar-denominated Balances	Philippine Peso Equivalent
Financial Assets				
Assets at amortized cost:				
Cash and cash equivalents	**$59,879,744**	**₱3,520,039,864**	$2,139,231	₱128,659,149
Derivative assets designated as cash flow hedges	**8,889,369**	**524,163,244**	–	–
Total financial assets	**$68,769,113**	**₱4,044,203,108**	$2,139,231	₱128,659,149
Financial Liabilities				
Liabilities at amortized cost:				
Trade and other payables	**$19,362,042**	**₱1,102,428,108**	$225,059	₱12,947,759
Total financial liabilities	**$19,362,042**	**₱1,102,428,108**	$225,059	₱12,947,759

The following table sets out the impact of the range of reasonable possible movement in the U.S. dollar exchange rates with all other variables held constant on the Group's loss before income tax and equity for the years ended December 31, 2025 and 2024.

	Change in Exchange Rate in Philippine peso against U.S dollar	Effect on Loss Before Income Tax	Effect on Equity
2025	**5%**	**(₱120,880,588)**	**(₱26,208,162)**
	(5%)	**120,880,588**	**26,208,162**
2024	5%	(₱5,787,095)	₱–
	(5%)	5,787,095	–

The effect of changes in foreign currency rates in equity pertains to the fair valuation of the derivatives designated as cash flow hedges and is exclusive of the impact of changes affecting the consolidated statement of comprehensive income.

Fair Value and Category of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Cash and cash equivalents (excluding cash on hand), Trade and other receivables, Short-term investments (under other current assets), Long-term receivables (under other noncurrent assets), Bonds (under other current and other noncurrent assets), Trade and other payables (excluding statutory liabilities, Short-term loans, and Due to and from related parties.

The carrying amounts of these financial instruments approximate their fair values due to their short-term maturities.

Long-term Receivables

The fair value of long-term receivables was computed by discounting the expected cash flows using the applicable rate.

Derivatives Designated as Cash Flow Hedges

The fair values of derivative instruments designated as cash flow hedges are based on the forward rate calculated as foreign exchange spot rate plus swap points agreed with the counterparty banks (Level 2 of the fair value hierarchy).

Long-term Debt

The fair value of long-term debt was calculated based on the discounted value of future cash flows using the applicable risk-free rates for similar types of loans adjusted for credit risk (Level 3 of the fair value hierarchy).

Lease Liabilities

The fair values for the Group's lease liabilities are estimated using the discounted cash flow methodology adjusted for credit risk (Level 3 of the fair value hierarchy).

Derivative Financial Instruments

The Group entered into derivative transactions such as foreign exchange futures contracts to hedge its exposure to fluctuations in foreign currency exchange rates arising from forecasted and firm commitments denominated in foreign currencies.

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast purchases in US dollars in accordance with applicable accounting standards. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates.

The Group is holding the following foreign exchange forward contracts:

	Maturity				
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**9 to 12 months**	**December 31, 2025 Total**
Derivative asset (highly probable forecast sales)					
Notional amount	**₱176,342**	**₱324,525**	**₱180,000**	**₱–**	**₱680,867**
Average forward rate	**58.46**	**58.52**	**57.16**	**–**	**58.05**
Carrying amount	**71,734**	**120,956**	**331,473**	**–**	**524,163**

The impact of the hedged items and hedging instruments in the consolidated statement of financial position as of December 31, 2025, and consolidated statement of comprehensive income in 2025, is as follows:

	Carrying amount	Change in fair value used for measuring ineffectiveness	Total hedging gain recognized in OCI	Cost of hedging capitalized in CIP	Cost of hedging recorded in Finance Costs
Foreign currency forward contracts					
Derivative asset	₱524,163	₱451,583	₱451,583	₱88,705	(₱14,834)

In 2025, the net movement of changes to cash flow hedge reserve is as follows:

Changes in fair value recorded in equity	₱482,976
Deferred tax effect	(31,393)
Balance at end of year, net of tax	₱451,583

As of December 31, 2025, derivative asset is measured at fair value using Level 2 valuation technique.

As of December 31, 2024, there were no outstanding foreign currency forward contracts.

Capital Management

The Group manages its capital structure and makes adjustments to it, in light of changes in business and economic conditions. To maintain or adjust the capital structure, the Group may issue new shares. No significant changes have been made in the objectives, policies and processes of the Group as of and for the years ended December 31, 2025 and 2024.

The Group considers the following as its core capital:

	2025	2024
Common stock	**₱5,007,305**	₱5,007,305
Additional paid-in capital	**19,794,017**	19,794,017
Equity reserve	**20,053,030**	688,903
Retained earnings (Deficit)	**(154,357)**	3,942,292
	₱44,699,995	₱29,432,517

The Parent Company and its subsidiaries, except for SP Calatagan and SP Tarlac, are not subject to any externally imposed capital requirement. SP Calatagan and SP Tarlac were able to meet their capital management objectives as of December 31, 2025 (see Note 14).

21. Basic/Diluted Loss Per Share

The basic/diluted loss per share amounts were computed as follows:

	2025	2024	2023
(a) Net income (loss) attributable to equity holders of the Parent Company	**(₱4,098,222)**	(₱1,603,859)	₱5,706,731
(b) Weighted average number of common shares outstanding	**50,073,050,000**	50,073,050,000	24,217,612,500
Basic/diluted earnings (loss) per share (a/b)	**(₱0.0818)**	(₱0.0320)	₱0.2356

The Group does not have any dilutive potential common shares for the years ended December 31, 2025, 2024, and 2023.

22. Significant Laws

Renewable Energy Act of 2008

On January 30, 2009, Republic Act No. 9513, An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes, otherwise known as the "Renewable Energy Act of 2008" (the "Act"), became effective.

The Act aims to:

a) accelerate the exploration and development of renewable energy resources such as, but not limited to, biomass, solar, wind, hydro, geothermal and ocean energy sources, including hybrid systems, to achieve energy self-reliance, through the adoption of sustainable energy development strategies to reduce the country's dependence on fossil fuels and thereby minimize the country's exposure to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy;

b) increase the utilization of renewable energy by institutionalizing the development of national and local capabilities in the use of renewable energy systems, and promoting its efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives;

c) encourage the development and utilization of renewable energy resources as tools to effectively prevent or reduce harmful emissions and thereby balance the goals of economic growth and development with the protection of health and environment; and

d) establish the necessary infrastructure and mechanism to carry out mandates specified in the Act and other laws.

As provided in the Act, RE developers of RE facilities, including hybrid systems, in proportion to and to the extent of the RE component, for both power and non-power applications, as duly certified by the DOE, in consultation with the BOI, shall be entitled to the following incentives, among others:

i. Income Tax Holiday ("ITH") - For the first seven (7) years of its commercial operations, the duly registered RE developer shall be exempt from income taxes levied by the National Government;

ii. Duty-free Importation of RE Machinery, Equipment and Materials - Within the first ten years upon issuance of a certification of an RE developer, the importation of machinery and equipment, and materials and parts thereof, including control and communication equipment, shall not be subject to tariff duties;

iii. Special Realty Tax Rates on Equipment and Machinery - Any law to the contrary notwithstanding, 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 one and a half percent (1.5%) of their original cost less accumulated normal depreciation or net book value;

iv. NOLCO - the NOLCO of the RE developer during the first three (3) years from the start of commercial operation which had not been previously offset as deduction from gross income shall be carried over as deduction from gross income for the next seven (7) consecutive taxable years immediately following the year of such loss;

v. Corporate Tax Rate - After seven (7) years of ITH, all RE developers shall pay a corporate tax of ten percent (10%) on its net taxable income as defined in the National Internal Revenue Code of 1997, as amended by Republic Act No. 9337;

vi. Accelerated Depreciation - If, and only if, an RE project fails to receive an ITH before full operation, it may apply for accelerated depreciation in its tax books and be taxed based on such;

vii. Zero Percent VAT Rate - The sale of fuel or power generated from renewable sources of energy, the purchase of local goods, properties and services needed for the development, construction and installation of the plant facilities, as well as the whole process of exploration and development of RE sources up to its conversion into power shall be subject to zero percent (0%) VAT;

viii. Cash Incentive of RE Developers for Missionary Electrification - An RE developer, established after the effectivity of the Act, shall be entitled to a cash generation-based incentive per kilowatt-hour rate generated, equivalent to fifty percent (50%) of the universal charge for power needed to service missionary areas where it operates the same;

ix. Tax Exemption of Carbon Credits - All proceeds from the sale of carbon emission credits shall be exempt from any and all taxes; and

x. Tax Credit on Domestic Capital Equipment and Services - A tax credit equivalent to one hundred percent (100%) of the value of the VAT and custom duties that would have been paid on the RE machinery, equipment, materials and parts had these items been imported shall be given to an RE operating contract holder who purchases machinery, equipment, materials, and parts from a domestic manufacturer for purposes set forth in the Act. RE developers and local manufacturers, fabricators and suppliers of locally produced RE equipment shall register with the DOE, through the Renewable Energy Management Bureau ("REMB"). Upon registration, a certification shall be issued to each RE developer and local manufacturer, fabricator and supplier of locally-produced renewable energy equipment to serve as the basis of their entitlement to the incentives provided for in the Act. All certifications required to qualify RE developers to avail of the incentives provided for under the Act shall be issued by the DOE through the REMB.

As provided in the Act, all manufacturers, fabricators and suppliers of locally-produced RE equipment and components duly recognized and accredited by the DOE, in consultation with DOST, DOF and DTI, shall, upon registration with the BOI, be entitled to the privileges set forth under this section:

i. Tax and Duty-free Tax and Duty-free Importation of Components, Parts and Materials. - All shipments necessary for the manufacture and/or fabrication of RE equipment and components shall be exempted from importation tariff and duties and value added tax: *Provided, however*, That the said components, parts and materials are: (i) not manufactured domestically in reasonable quantity and quality at competitive prices; (ii) directly and actually needed and shall be used exclusively in the manufacture/fabrication of RE equipment; and (iii) covered by shipping documents in the name of the duly registered manufacturer/fabricator to whom the shipment will be directly delivered by customs authorities: *Provided, further*, That prior approval of the DOE was obtained before the importation of such components, parts and materials;

ii. Tax Credit on Domestic Capital Components, Parts and Materials. - A tax credit equivalent to one hundred percent (100%) of the amount of the value-added tax and customs duties that would have been paid on the components, parts and materials had these items been imported shall be given to an RE equipment manufacturer, fabricator, and supplier duly recognized and accredited by the DOE who purchases RE components, parts and materials from a domestic manufacturer: Provided, That such components, and parts are directly needed and shall be used exclusively by the RE manufacturer, fabricator and supplier for the manufacture, fabrication and sale of the RE equipment: Provided, further, That prior approval by the DOE was obtained by the local manufacturer;

iii. Income Tax Holiday and Exemption. - For seven (7) years starting from the date of recognition/accreditation, an RE manufacturer, fabricator and supplier of RE equipment shall be fully exempt from income taxes levied by the National Government on net income derived only from the sale of RE equipment, machinery, parts and services; and

iv. Zero-rated value added tax transactions - All manufacturers, fabricators and suppliers of locally produced renewable energy equipment shall be subject to zero-rated value added tax on its transactions with local suppliers of goods, properties and services.

<u>Department Circular No. 2022-11-0034</u>
In November 2022, the DOE issued Department Circular No. 2022-11-0034 which amends the Implementing Rules and Regulations of the Act. The amendment removes the nationality requirement imposed on the business engaged in the exploration, development, and utilization of solar, wind, hydropower and ocean energy, thereby allowing the entry of foreign capital into the country's renewable energy industry.

<u>BIR Ruling OT-323-2021</u>
On December 27, 2021, IEMOP released its guidelines and procedures for the implementation of the BIR Ruling OT-323-2021 published last August 24, 2021. Changes to Transco's FIT billing system/FIT revenue payment process are effective on January 2022 billing month and March 2022 payment date. A significant change brought about by the BIR ruling includes invoicing requirements whereby the ruling has recognized that the distribution utilities ("Dus") are the customers/ buyers of the electricity generated and sold by the RE developers, who are the generator/ seller, to the market. Therefore, the RE developers should issue the official receipts under the names of the Dus based on the settlement statements and payments/remittances made by the IEMOP payment facility.

Resolution Adopting the 2023 Revised Rules for the Issuance of Certificates of Compliance ("COCs") for Generation Facilities

On October 12, 2023, ERC published Resolution No. 2023-17 that outlines the revised rules on application for COC and the standards, requirements and procedures for its issuance. Article IX Transitory Provisions of the resolution stated that for existing generation facilities with pending application for renewal of COC filed before the ERC, the validity period of such COC is extended until 2024, and the date of which shall be the day and month of its original expiry. Generation facilities with issued Provisional Authority to Operate ("PAO"), the validity period of such PAO is extended until 2024, and the date of which shall be the day and month of its original expiry. After which the generation company shall apply for issuance of COC or PAO not later than 60 calendar days prior to the expiration of the extended validity period.

23. 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 revenue and segment expenses are measured in accordance with PFRS Accounting Standards. The classification of segment revenue and expenses are consistent with the audited consolidated statement of income.

As of December 31, 2025 and 2024, the Group's operating businesses are organized and managed separately on a per company basis, with each company representing a strategic business segment. The Group has only one geographical segment as all of its operating assets are currently located in the Philippines. The Group operates and derives principally all of its revenue from domestic operations. Thus, geographical business information is not required.

Financial information on the business segments are summarized as follows:

	December 31, 2025					
	SPNEC	**SP Calatagan**	**SP Tarlac**	**Others**	**Adjustments***	**Total**
Segment revenue	**₱29,010**	**₱991,365**	**₱569,967**	**₱–**	**(₱27,383)**	**₱1,562,959**
Segment expenses	**(2,867,682)**	**(201,877)**	**(323,410)**	**(1,178,007)**	**17,429**	**(4,553,547)**
Segment results	**(2,838,672)**	**789,488**	**246,557**	**(1,178,007)**	**(9,954)**	**(2,990,588)**
Interest income	**42,917**	**66,415**	**10,176**	**3,264**	**–**	**122,772**
Finance costs	**(9,241)**	**(78,840)**	**(253,888)**	**(252,503)**	**–**	**(594,472)**
Depreciation and amortization	**(5,210)**	**(122,799)**	**(180,530)**	**(12,462)**	**–**	**(321,001)**
Other income (expense)	**4,897**	**124**	**(602)**	**1,717,738**	**(1,699,483)**	**22,674**
Net income (loss) before tax	**(2,805,309)**	**654,388**	**(178,287)**	**278,030**	**(1,709,437)**	**(3,760,615)**
Benefit from (provision for) income tax	**–**	**(64,265)**	**–**	**(287,851)**	**9,310**	**(342,806)**
Net income (loss)	**(₱2,805,309)**	**₱590,123**	**(₱178,287)**	**(₱9,821)**	**(₱1,700,127)**	**(₱4,103,421)**

****Pertains to eliminating entries and other consolidation adjustments***

	December 31, 2024					
	SPNEC	SP Calatagan	SP Tarlac	Others	Adjustments*	Total
Segment revenue	₱–	₱722,877	₱469,113	₱–	₱8,144	₱1,200,134
Segment expenses	(1,372,834)	(146,134)	(137,292)	(261,221)	(6,369)	(1,923,850)
Segment results	(1,372,834)	576,743	331,821	(261,221)	1,775	(723,716)
Interest income	299,628	24,654	14,341	4,590	347	343,560
Finance costs	(9,502)	(94,762)	(166,065)	(11,870)	–	(282,199)
Depreciation and amortization	(5,210)	(189,612)	(179,572)	(2,402)	–	(376,796)
Other income (expense)	(100,436)	(2,711)	110	396,962	(348,292)	(54,367)
Net income (loss) before tax	(1,188,354)	314,312	635	126,059	(346,170)	(1,093,518)
Benefit from (provision for) income tax	–	(42,293)	–	(31,348)	–	(73,641)
Net income (loss)	(₱1,188,354)	₱272,019	₱635	₱94,711	(₱346,170)	(₱1,167,159)

****Pertains to eliminating entries and other consolidation adjustments***

	December 31, 2025					
	SPNEC	**SP Calatagan**	**SP Tarlac**	**Others**	**Adjustments***	**Total**
Current assets	**₱1,852,833**	**₱1,114,394**	**₱572,113**	**₱18,424,067**	**(₱359,344)**	**₱21,604,063**
Noncurrent assets	**22,962,522**	**5,760,743**	**7,523,899**	**131,184,676**	**10,609,081**	**178,040,921**
Total	**₱24,815,355**	**₱6,875,137**	**₱8,096,012**	**₱149,608,743**	**₱10,249,737**	**₱199,644,984**
Current liabilities	**₱3,589,888**	**₱912,263**	**₱4,058,882**	**₱14,115,525**	**(₱7,387,238)**	**₱15,289,320**
Noncurrent liabilities	**285,370**	**1,022,492**	**586,917**	**96,554,072**	**(11,289,435)**	**87,159,416**
Total	**₱3,875,258**	**₱1,934,755**	**₱4,645,799**	**₱110,669,597**	**(₱18,676,673)**	**₱102,448,736**

**Pertains to eliminating entries and other consolidation adjustments*

	December 31, 2024					
	SPNEC	SP Calatagan	SP Tarlac	Others	Adjustments*	Total
Current assets	₱7,742,038	₱854,152	₱525,701	₱2,342,350	(₱4,821,819)	₱6,642,422
Noncurrent assets	17,614,221	5,690,597	6,671,328	31,912,363	22,836,225	84,724,734
Total	₱25,356,259	₱6,544,749	₱7,197,029	₱34,254,713	₱18,014,406	₱91,367,156
Current liabilities	₱1,535,584	₱191,130	₱647,201	₱13,913,645	(₱6,245,437)	₱10,042,123
Noncurrent liabilities	275,269	1,322,340	2,169,294	15,915,206	(4,377,857)	15,304,252
Total	₱1,810,853	₱1,513,470	₱2,816,495	₱29,828,851	(₱10,623,294)	₱25,346,375

**Pertains to eliminating entries and other consolidation adjustments*

24. Supplemental Disclosure to Statements of Cash Flows

Changes in Liabilities Arising From Financing Activities

	December 31, 2024	Cash flows	Effect of Deconsolidation (Note 17)	Others	December 31, 2025
Due to related parties	**₱386,862**	**₱531**	**₱–**	**₱–**	**₱387,393**
Long-term debt	**2,729,680**	**66,598,460**	**–**	**(786,006)**	**68,542,134**
Short-term loans	**7,200,000**	**2,388,250**	**–**	**–**	**9,588,250**
Accrued interest	**111,195**	**(3,733,208)**	**–**	**3,945,887**	**323,874**
Lease liabilities	**390,447**	**(34,517)**	**–**	**42,565**	**398,495**
Total liabilities from financing activities	**₱10,818,184**	**₱65,219,516**	**₱–**	**₱2,989,767**	**₱79,240,146**

	December 31, 2023	Cash flows	Effect of Deconsolidation (Note 17)	Others	December 31, 2024
Due to related parties	₱608,443	(₱114,895)	(₱106,686)	₱–	₱386,862
Long-term debt	3,096,544	(372,883)	–	6,019	2,729,680
Short-term loans	–	7,200,000	–	–	7,200,000
Accrued interest	99,316	(216,311)	–	228,190	111,195
Lease liabilities	390,072	(26,835)	–	27,210	390,447
Total liabilities from financing activities	₱4,194,375	₱6,469,076	(₱106,686)	₱261,419	₱10,818,184

	December 31, 2022	Cash flows	Effect of Business Combination under Common Control (Note 17)	Others	December 31, 2023
Due to related parties	₱22,770	(₱114,725)	₱632,419	₱67,979	₱608,443
Long-term debt	–	(166,262)	3,262,806	–	3,096,544
Interest	–	(136,800)	79,628	156,488	99,316
Lease liabilities	303,138	(18,526)	98,120	7,340	390,072
Total liabilities from financing activities	₱325,908	(₱436,313)	₱4,072,973	₱231,806	₱4,194,375

Non-cash Operating Activities

a. In 2025, the Group reclassified certain liability amounting to ₱330.6 million from "Trade and other payables" account to "Provisions".
b. "Other noncurrent liabilities" in the consolidated statements of financial position includes accrued retirement benefit expense amounting to ₱2.2 million and ₱3.3 million as of December 31, 2025 and 2024, respectively.

25. Service Contracts with the DOE

The Group has the following Solar Energy Service Contracts (SESC), Solar Energy Operating Contracts (SEOC) and Wind Energy Service Contract (WESC) with the DOE.

SPNEC

NE 2 Project

The Parent Company is developing a solar power plant located in Nueva Ecija under Solar Energy Service Contract ("SESC") No. 2017-06-404, which was assigned by then affiliate, SPCRPI, on December 29, 2017. The assignment was approved by the DOE with the issuance of a new Certificate of Registration ("COR") and a Certificate of Confirmation of Commerciality.

The first phase of the NE 2 Project is a 225 MW_{dc} solar power plant ("Phase 1") in Barangay Las Piñas, Peñaranda, Nueva Ecija with sub-phases of Phase 1A at 50 MW_{dc} and Phase 1B at 175 MW_{dc}. The second phase of the NE 2 Project is a 275 MW_{dc} solar power plant ("Phase 2"). The Parent Company initially targeted that Phase 1A shall be commissioned by mid-2024 while Phase 1B by end of 2025.

The Parent Company began construction of Phase 1A on December 27, 2021 and is 61.09% complete as at December 31, 2025.

Green Energy Auction Program ("GEAP")
On June 24, 2022, the Parent Company was awarded as one of the winning bidders by the DOE on its First Green Energy Auction Round (GEA-1). The Parent Company offered to supply 280 MW capacity for GEA-1 from the NE 2 Project, with a commitment to deliver by December 2025. In July 2024, the Parent Company notified the DOE that it is unable to deliver the capacity on time due to force majeure.

On December 23, 2025, SPNEC received a notice of termination of SESC No. 2017-06-404, covering the NE 2 Project. The Parent Company has filed a motion for reconsideration with the DOE with regard to the termination of the SESC, citing, among others, its commitment to develop the project with almost 50 MW already installed on the site, and reiterating that it is simply constrained to stop construction due to grid constraint, which is outside of the Company's control.

SP Calatagan
SP Calatagan owns and operates a 63 MW_{ac} solar PV facility situated in Calatagan, Batangas. It has an Energy Regulatory Commission ("ERC") awarded FIT Certificate of Compliance ("COC"), which entitles SP Calatagan to a base FIT rate of ₱8.69 per kWh, subject to an annual escalation, to be approved by the ERC.

WESC
On December 23, 2019, SP Calatagan entered into WESC No. 2019-10-126 with the DOE granting SP Calatagan the exclusive right to explore, develop and utilize the wind energy resource with the contract area covering a total of 486 hectares. The WESC allows for five years non-extendable term for pre-development within which the developer should be able to declare commerciality.

A Certificate of Confirmation of Commerciality shall be issued by the DOE to affirm the declaration. The contract shall remain in force for the balance of a period of 25 years from the effective date. One year before the expiration of the initial 25-year period, SP Calatagan may submit to the DOE an extension of the WESC for another 25 years under the same terms and conditions so long as SP Calatagan is not in default of any material obligations under the WESC.

GEAP
On June 24, 2022, SP Calatagan was awarded as one of the winning bidders by the DOE on its First Green Energy Auction Round. SP Calatagan will supply the electricity from the 30 MW Calatagan Wind Project. The winning bids under the GEAP, which are expected to commence operations between 2023 and 2025, will be awarded 20-year power supply agreements. A Deed of Assignment between SP Calatagan and SPPPHI was executed on September 2, 2024 where the former effectively assigned all its rights and obligations to the Wind Project to SPPPHI. As at April 21, 2026, SP Calatagan's application for approval of the assignment of the 30 MW Calatagan Wind Project to SPPPHI remains pending with DOE.

SP Tarlac

SESC

On August 15, 2017, SPCRPI, an affiliate of SP Tarlac, entered into a SESC with the DOE granting SPCRPI the exclusive right to explore, develop and utilize the energy resource with the contract area covering a total of 646.0 hectares. The SESC allows for two years non-extendable term for pre-development within which the developer should be able to declare commerciality.

A Certificate of Confirmation of Commerciality shall be issued by the DOE to affirm the declaration. The contract shall remain in force for the balance of a period of 25 years from the effective date. One year before the expiration of the initial 25-year period, SP Tarlac may submit to the DOE an extension of the SESC for another 25 years under the same terms and conditions so long as SP Tarlac is not in default of any material obligations under the SESC.

On September 27, 2017, SPCRPI executed a Deed of Assignment transferring all its rights and obligations under the SESC No. 2017-07-442, including all of its annexes to SP Tarlac which has been approved. On October 6, 2017, the DOE acknowledged and approved the Deed of Assignment between SPCRPI and SP Tarlac. On that same day, the DOE issued a COR under the name of SP Tarlac as an RE Developer of Solar Energy Resources in Concepcion, Tarlac which covers SESC No. 2017-07-442.

On October 20, 2017, SP Tarlac issued its Declaration of Commerciality stating the commercial viability of the Tarlac 1A Project and was confirmed and approved by the DOE by issuing a Confirmation of Commerciality on December 6, 2017.

Terra Solar

Terra Solar Project

On May 27, 2024, the DOE awarded Terra Solar the SEOC No. 2024-05-872 with a contract period of 25 years for the exclusive right to explore and develop the Terra Solar Project located in Gapan City, General Trio and Penaranda, Nueva Ecija and San Miguel and Dona Remedios, Bulacan. On the same date, the DOE issued the Certificate of Registration ("COR") under the name of Terra Solar.

On August 13, 2024, the BOI issued COR No. 2024-230 to Terra Solar in accordance with the Republic Act No. 9513, or the Renewable Energy Act of 2008.

In November 2024, Terra Solar began the construction of the Terra Solar Project. In March 2026, MTerra Solar has successfully energized the first 250-megawatts (MW) of its solar capacity and began exporting to the grid. In addition, it has also energized the first tranche of its battery energy storage system (BESS).

SESCs assigned to Terra Solar

The following SESCs were awarded to SPCRPI, an affiliate of Terra Solar.

SESC No.	Award Date	Project Name
2017-02-365	February 9, 2017	100 MW Iba-Palauig 1
2017-06-421	August 22, 2017	100 MWMaragondon-Naic 1
2017-06-407	August 22, 2017	140 MW San Ildelfonso, Bulacan
2017-06-405	August 22, 2017	140 MW San Rafael 1 Bulacan
2017-07-434	April 11, 2019	100 MW Santa Rosa Nueva Ecija

On June 30, 2021, SPCRPI executed a Deed of Assignment transferring all its rights and obligations to Terra Solar. On March 27, 2023, Terra Solar applied with the DOE for the approval of the assignment of the SESCs. As of April 21, 2026, Terra Solar has not yet obtained DOE's approval of the assignment of the SESCs.

26. Contracts and Commitments

a. *PSA with Angeles Electric Corporation ("AEC")*
SPNEC has a 10-year Renewable PSA with AEC for 97.8 MWh daily offtake through March 26, 2033.

On January 23, 2023, the Parent Company and AEC jointly filed the PSA with the ERC. ERC issued an interim relief promulgated June 6, 2023, docketed August 30, 2024, and received by the parties on September 2, 2024. This interim relief was put in effect for a period of one year beginning November 26, 2024.

b. *Supply of Replacement Power between Greentech Solar Energy, Inc. (GSEI), AEC and SPNEC*
The Parent Company entered into a supply of replacement power agreement with GSEI that took effect from November 26, 2024 until June 20, 2025.

GSEI delivered replacement power to AEC from the 19.8 MW_{ac} Solar Power Facility located in Brgy. Pesa, Bongabon, Nueva Ecija, for and on behalf of the Parent Company at the price of ₱3.4567/kWh and in accordance with the nomination instruction of AEC. Any difference in the cost of procurement of replacement power shall be billed and paid by the Parent Company.

c. *Connection Agreements of SP Calatagan and SP Tarlac*
SP Calatagan has a Connection Agreement with NGCP to allow the Calatagan Power Pant to connect to NGCP's transmission system until September 25, 2025. As of April 21, 2026, renewal of the agreement is in process with NGCP. SP Tarlac has a similar agreement and is valid through December 25, 2026.

d. *Transmission Service Agreement (TSA) of SP Calatagan and SP Tarlac*
SP Calatagan has a Transmission Service Agreement with NGCP for the 69 kV line along Calatagan, Batangas which is valid until February 25, 2026. As of April 21, 2026, renewal of the agreement is in process with NGCP. SP Tarlac has a similar agreement and is valid through November 25, 2028.

e. *Metering Service Agreement*
Under separate Metering Service Agreement, NGCP shall be the metering service provider of Calatagan Solar Power Plant and Tarlac Solar Plant, which require revenue metering facilities and services for measuring the energy consumed and/or generated by its grid-connected facilities. The agreement is valid until February 25, 2026. As of April 21, 2026, the renewal of this agreement is being processed by NGCP. A similar contract was executed between SP Tarlac and NGCP, valid through March 25, 2029.

f. *FIT System*
SP Calatagan is entitled to the FIT rate and related adjustments under ERC Resolution 28, Series of 2025. In 2025, the Group recognized revenue from sale of electricity and accretion of interest income from FIT-All adjustment amounting to ₱476.6 million and ₱45.5 million, respectively.

As of December 31, 2025 and 2024, total receivables from TransCo amounted to ₱407.6 million and ₱319.0 million, respectively (see Note 10).

g. *REPA*
As an eligible GEA renewable energy developer, SP Calatagan signed a REPA with Transco its 63 MW_{dc} capacity effective July 4, 2016. The REPA governs the rights and obligations to SP Calatagan during the entire GEA-eligible period.

h. *WESM*
SPNEC, SP Tarlac, SP Calatagan and Terra Solar are authorized members and participants of the WESM. As such, they are bound by the WESM spot market rules with respect to transactions in the market.

i. *Energy Regulations No. 1-94 (ER 1-94)*
Under separate Memoranda of Agreement with the DOE, SP Calatagan and SP Tarlac set aside ₱0.01per kWh of their respective total electricity sales as financial benefit to its host community. The funds are deposited to a trust account and are released based on approval of qualified projects under the ER1-94 program.

In 2025, 2024, and 2023, a total of ₱2.2 million, ₱2.3 million and ₱3.2 million, respectively, have been recognized as expense under "Taxes and licenses" under "General and administrative expenses" in the consolidated statements of income (see Note 16).

j. *PSAs with Meralco*
SP Tarlac has a 20-year ERC-approved PSA of up to 85 MW_{ac} of electricity. The tariff is subject to a 2% annual escalation.

As of December 31, 2025 and 2024, the current portion of the replacement energy cost payable presented under "Trade and other payables" account amounted to ₱7.0 and ₱8.0 million, respectively (see Note 11). As of December 31, 2025 and 2024, the noncurrent portion of replacement energy cost payable presented under "Other noncurrent liabilities" and amounted to ₱82.0 million and ₱89.1 million, respectively. In 2025 and 2024, the Group paid interest expense related to replacement energy cost amounting to ₱1.9 million and ₱1.7 million, respectively, presented as part of "Finance costs" in the consolidated statements of income.

Terra Solar has a 20-year, ERC-approved PSA with Meralco for the supply of up to 850 MW of electricity to be delivered in two phases: 600 MW for Phase 1 and 250 MW for Phase 2.

k. *PSA with Evo Energy Inc. ("Evo")*
SP Tarlac has a 20-year PSA with Evo at a pre-agreed price based on actual energy generated through April 2045. The contract is extendible upon mutual agreement by the parties.

l. *EPC Contracts for the Construction of Terra Solar Power Plant*
Terra Solar executed EPC contracts with two (2) foreign contractors for the construction of Phases 1 and 2 of the Terra Solar project. Phase 1 completion date is expected to be on August 26, 2026, while Phase 2 shall be on February 27, 2027.

m. *BESS Supply Agreement with Huawei International, Pte. Ltd. ("Huawei")*
Huawei shall supply equipment for the BESS Project - 3,313.75 MWh for Phase 1 and 1,202.97 MWh for Phase 2. On May 8, 2025, the contract was novated to China Energy International Group Co., Ltd. and China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd., with no change in contract price.

On December 5, 2024, the parties executed a Service Agreement to provide installation and other equipment-related services for a contract price of US$21.7 million, exclusive of VAT. In 2025, a novation was executed transferring the contract to GEDI Construction Development Corporation, with an updated contract price of US$21.4 million.

ANNEX "G"

Unaudited Interim Financial Statements for the Quarter Ended 31 March 2026

[Attached]

SP New Energy Corporation and Subsidiaries

Unaudited Interim Condensed Consolidated
Financial Statements
March 31, 2026
(With Comparative Audited Figures as of December 31, 2025)
And For the Three-Month Periods Ended
March 31, 2025 and 2024

SP NEW ENERGY CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31, 2026

(Amounts in Thousands, With Comparative Audited Figures as at December 31, 2025)

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 3)	**₱6,991,267**	₱7,645,664
Trade and other receivables (Note 4)	**12,730,471**	12,793,752
Due from related parties	**340,068**	337,390
Derivative asset (Note 9)	**1,478,327**	524,163
Other current assets	**67,140**	304,412
Total Current Assets	21,607,273	21,604,062
Noncurrent Assets		
Property, plant and equipment (Note 5)		
At cost	**103,552,678**	89,855,352
At revalued amount	**62,542,889**	62,542,331
Deposits for land acquisition	**4,783,548**	3,536,444
Intangible assets	**13,261,892**	13,261,892
Goodwill	–	–
Deferred income tax assets - net	**32,361**	32,361
Other noncurrent assets (Note 6)	**9,855,968**	8,812,541
Total Noncurrent Assets	194,029,336	178,040,921
TOTAL ASSETS	**₱215,636,609**	₱199,644,983
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 7)	**₱7,822,013**	₱4,535,584
Short-term loans (Note 8)	**7,237,344**	9,588,250
Due to related parties	**392,083**	387,393
Current portion of:	–	
Long-term debt (Note 8)	**77,933**	218,380
Lease liabilities	**68,241**	22,428
Income tax payable	**203,079**	132,228
Provisions	**3,876,297**	3,820,215
Total Current Liabilities	19,676,990	18,704,478
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debt (Note 8)	**79,455,584**	68,323,754
Lease liabilities	**377,918**	376,067
Deferred income tax liabilities	**15,031,891**	14,960,169
Other noncurrent liabilities	**2,419**	84,268
Total Noncurrent Liabilities	**94,867,812**	83,744,258
TOTAL LIABILITIES	**₱114,544,802**	102,448,736

(Forward)

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Equity Attributable to Equity Holders of the Parent Company		
Common stock	**₱5,007,305**	₱5,007,305
Preferred stock	**194,042**	194,042
Additional paid-in capital	**19,794,017**	19,794,017
Equity reserve	**20,053,030**	20,053,030
Cash flow hedge reserve (Note 9)	**886,372**	270,950
Treasury stock	**(194,042)**	–
Remeasurement (gain) loss on retirement	**–**	–
Revaluation surplus – net	**40,557,961**	40,557,961
Retained earnings	**(197,434)**	(154,358)
	86,101,250	85,722,947
Deposit for future stock subcription	**3,003,997**	
Non-controlling Interests	**14,990,557**	11,473,299
TOTAL EQUITY	**101,091,807**	97,196,247
TOTAL LIABILITIES AND EQUITY	**₱215,636,609**	₱199,644,983

See accompanying Notes to Consolidated Financial Statements.

SP NEW ENERGY CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025

(Amounts in Thousands, Except for Earnings per Share Value)

	2026	2025
REVENUE FROM SALE OF ELECTRICITY	**₱427,626**	₱335,605
COSTS OF SALE OF ELECTRICITY (Note 10)	**(186,429)**	(124,101)
GROSS PROFIT	**241,197**	211,504
GENERAL AND ADMINISTRATIVE EXPENSES	**(168,506)**	(120,146)
FINANCE COSTS (Note 8)	**(167,944)**	(118,044)
INTEREST INCOME (Note 3)	**25,375**	24,713
OTHER INCOME (CHARGES) - net (Note 12)	**217,891**	54,007
INCOME BEFORE INCOME TAX	**148,013**	52,034
PROVISION FOR CURRENT INCOME TAX (Note 13)	**(88,111)**	(64,427)
NET INCOME (LOSS)	**₱59,902**	(₱12,393)
Net Income (Loss) Attributable to:		
Equity holders of the Parent Company	**(₱43,078)**	(₱121,568)
Non-controlling interests (Note 2)	**102,980**	109,175
	(₱59,902)	(₱12,393)
Basic/Diluted Earnings (Loss) Per Share (Note 15)	**(₱0.0009)**	₱0.0024

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

SP NEW ENERGY CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025

(Amounts in Thousands)

	2026	2025
NET INCOME (LOSS)	**₱59,902**	(₱12,393)
OTHER COMPREHENSIVE GAIN (LOSS)		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods		
Mark-to-market loss on cash flow hedges (Note 9)	–	(658,533)
Gain (loss) on settlement of contracts designated as cash flow hedges (Note 9)	**1,025,703**	(30,260)
TOTAL OTHER COMPREHENSIVE GAIN (LOSS)	**1,025,703**	(688,793)
TOTAL COMPREHENSIVE INCOME (LOSS)	**₱1,085,605**	(₱701,186)
Total Comprehensive Income (Loss) Attributable to:		
Equity holders of the Parent Company	**₱391,711**	(₱810,361)
Non-controlling interests	**693,894**	109,175
	₱1,085,605	(₱701,186)

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

SP NEW ENERGY CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026, 2025 AND 2024

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent Company											
	Common Stock	Preferred Stock	Additional Paid-in Capital	Treasury Stock	Deposit for Future Stock Subscription	Cash Flow Hedge Reserve (Note 10)	Equity Reserve (Note 9)	Revaluation Surplus	Retained Earnings	Total	Non-controlling Interests	Total
Balances at January 1, 2026	₱5,007,305	₱194,042	₱19,794,017	₱–	₱–	₱270,950	₱20,053,030	₱40,557,960	(₱154,356)	₱85,722,948	(₱636,018)	₱85,086,930
Change in non-controlling interests	–	–	–	–	–	–	–	–	–	–	3,000,000	3,000,000
comprehensive income (loss) for the period	–	–	–	(194,042)	–	–	–	–	–	(194,042)	–	(194,042)
Collection of subscription receivable	–	–	–	–	–	–	–	–	–	–	–	–
Redemption of preferred shares	–	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	–	–	615,422	–	–	(43,078)	572,344	513,261	1,085,605
Balances at March 31, 2026	₱5,007,305	₱194,042	₱19,794,017	(₱194,042)	₱–	₱886,372	₱20,053,030	₱40,557,960	₱197,434	₱86,101,250	₱2,877,243	₱88,978,493
Balances at January 1, 2025	₱5,007,305	₱194,042	₱19,794,017	₱–	₱–	₱–	₱688,903	₱33,051,298	₱3,942,292	₱62,677,857	₱3,342,926	₱66,020,783
Change in non-controlling interests	–	–	–	–	–	–	3,869,983	–	–	3,869,983	6,130,017	10,000,000
Total comprehensive income for the period	–	–	–	–	–	(688,793)	–	–	(121,568)	(810,361)	109,175	(701,186)
Balances at March 31, 2025	₱5,007,305	₱194,042	₱19,794,017	₱–	₱–	(₱688,793)	₱4,558,886	₱33,051,298	₱3,820,724	₱65,737,479	₱9,582,118	₱75,319,597
Balances at January 1, 2024	₱3,437,305	₱–	₱5,713,764	₱– –	₱15,894,042	₱–	₱525,755	₱8,268,091	₱5,546,151	₱39,385,109	₱3,034,866	₱42,419,975
Change in non-controlling interests	–	–	–	–	(15,894,042)	–	–	–	–	–	–	–
Issuance of shares	1,570,000	194,042	14,130,000	– –	–	–	–	–	–	–	–	–
Stock issuance cost	–	–	(49,747,397)	–	–	–	–	–	–	(49,747)	–	(49,747)
Total comprehensive income for the period	–	–	–	–	–	–	–	–	47,502	47,502	109,175	156,677
Balances at March 31, 2024	₱5,007,305	₱194,042	₱19,794,017	₱–	₱–	₱–	₱4525,755	₱8,268,091	₱5,593,653	₱39,382,864	₱3,144,041	₱42,526,905

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

SP NEW ENERGY CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026 AND 2025

(Amounts in Thousands)

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	**₱148,013**	₱52,034
Adjustments for:		
Interest income (Note 3)	**(25,375)**	(24,713)
Depreciation and amortization (Note 5)	**81,723**	78,843
Finance costs (Note 8)	**167,944**	118,044
Retirement benefit expense	**189**	224
Loss on forward contracts (under OCI)	**–**	(30,260)
Reversal of impairment	**–**	–
Unrealized foreign exchange gain/loss	**(217,565)**	–
Provision for probable losses	**56,081**	–
Operating income (loss) before working capital changes	**211,010**	194,172
Decrease (increase) in:		
Trade receivables	**67,278**	(103,006)
Other current assets	**235,953**	595,769
Increase in trade and other payables	**3,286,429**	685,808
Net cash generated from operations	**3,800,670**	1,372,743
Income taxes paid	**(17,260)**	(17,584)
Interest received	**25,375**	29,297
Net cash flows from operating activities	**3,808,785**	1,384,456
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Deposits for land acquisition	**(1,247,104)**	(702,224)
Property, plant and equipment	**(13,707,884)**	(14,821,351)
Increases in:		
Due from related parties	**(2,678)**	(10)
Other noncurrent assets	**(1,043,427)**	(532,056)
Payment of forward contracts	**71,540**	–
Net cash flows used in investing activities	**(15,929,553)**	(16,055,641)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from:		
Availment of long-term debt - net of debt transaction costs (Note 8)	**10,991,384**	24,025,200
Issuance of shares by a subsidiary to non-controlling interest	**3,000,000**	10,000,000
Payments of:		
Short-term loan (Note 8)	**(2,350,906)**	(4,200,000)
Long-term debt (Note 8)	**–**	(175,950)
Interest (Note 8)	**(164,452)**	(190,628)
Stock issuance cost	**–**	–
Lease liabilities	**(3,492)**	6,781
Redemption of shares	**(194,042)**	–
Increase (decrease) in:		
Due to related parties	**4,690**	(768)
Other noncurrent liabilities	**(34,376)**	10,366
Net cash flows from (used in) financing activities	**11,248,806**	29,475,001
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**217,565**	–
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(654,396)**	14,802,816
CASH AND CASH EQUIVALENTS AT JANUARY 1	**7,645,664**	5,539,533

	2026	2025
CASH AND CASH EQUIVALENTS AT MARCH 31 (Note 3)	**₱6,991,268**	₱20,342,348

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

SP NEW ENERGY CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Unless Otherwise Stated)

1. Corporate Information

(a) Organization

SP New Energy Corporation (the "Parent Company" or "SPNEC") was incorporated and registered with the Philippine Securities and Exchange Commission ("SEC") on November 23, 2016, primarily to engage in the construction, operation and maintenance of all types of renewable energy plants and related services.

The common shares of the Parent Company are listed on the Philippine Stock Exchange ("PSE") beginning December 17, 2021 and traded under the ticker, "SPNEC".

On November 30, 2023, MGen Renewable Energy, Inc. ("MGreen") and the Parent Company entered into a Subscription Agreement, whereby MGreen subscribed to (i) 15.7 billion common shares with subscription price of ₱1.00 per share and (ii) 19.4 billion preferred shares with subscription price of ₱0.01 per share for a total subscription price of ₱15.9 billion. MGreen is a wholly-owned subsidiary of MERALCO PowerGen Corporation ("MGen"), which in turn is a wholly-owned by Manila Electric Company ("Meralco"). Meralco, MGen and MGreen are registered with the SEC. The shares of Meralco are listed in the PSE under the ticker, "MER".

On January 17, 2024, the SEC approved the Parent Company's application for increase in authorized capital stock from 50 billion common shares with par value of ₱0.10 per share to 75.0 billion common shares with par value of ₱0.10 per share and 25 billion preferred shares with par value of ₱0.01 per share, divided into Class A preferred shares and Class B preferred shares. On January 26, 2024, MGreen purchased 2,173.9 million common shares held by Solar Philippines Power Project Holdings, Inc. ("SP Project Holdings") for a total consideration of ₱2.5 billion. Consequently, MGreen is considered as the controlling shareholder of the Parent Company with a total voting interest of 53.66%.

On October 28, 2025, pursuant to the Exchangeable Note Facility Agreement between SP Project Holdings and MGreen, the total number of exchangeable shares of 10,833.4 million common shares were transferred to MGreen via special block sale (see Note 26). Consequently, MGreen's voting interest increased to 57.33%.

On January 21, 2026, the BOD approved the change in the Parent Company's stock symbol to "MGENR". On March 26, 2026, the BOD approved the change in the Parent Company's corporate name from "SP New Energy Corporation" to "MGEN Renewables Inc.". As of April 21, 2026, the Parent Company has not yet filed the amendment of the Articles of Incorporation and By-Laws with the SEC.

(b) Principal Office Address

On May 10, 2024, the Board of Directors ("BOD") approved the amendment of the Parent Company's Articles of Incorporation to change the principal office from 112 Legaspi Street, Legaspi Village, Brgy. San Lorenzo, Makati City 1229, Philippines to Rockwell Business Center, Ortigas Avenue, Brgy. Ugong, Pasig City 1604, Philippines.

(c) Authorization for the Issuance of the Condensed Consolidated Financial Statements

The unaudited interim condensed consolidated financial statements of the Group as of March 31, 2025 and December 31, 2024 and for the three-month period ended March 31, 2025 and 2025 were authorized for issue by the BOD on May ___, 2026.

2. Basis of Preparation, Statement of Compliance and Material Accounting Policy Information

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

Statement of Compliance
The unaudited interim condensed consolidated financial statements of the Group are prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards as issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the Philippine SEC.

Basis of Consolidation
The unaudited interim condensed consolidated financial statements comprise the financial statements of the Group as of March 31, 2026 and December 31, 2025 and for the three-month periods ended March 31, 2026 and 2025.

Subsidiaries
The unaudited interim condensed consolidated financial statements comprise the Parent Company and the following subsidiaries of the Group:

		Percentage of Ownership (%)	
Subsidiaries	Nature of Business	2025	2024
Existing Active Investments			
Solar Philippines Calatagan Corporation (SP Calatagan)[1]	Power Generation	**62**	62
Solar Philippines Tarlac Corporation (SP Tarlac)	Power Generation	**100**	100
Terra Solar Philippines, Inc. (Terra Solar)[2]	Power Generation	**60**	100
Terra Nueva, Inc. (Terra Nueva)	Investment Holding	**100**	100
SP Holdings, Inc. (SP Holdings)	Investment Holding	**100**	100

[1]Economic interest is 100% after dividend to preferred stock
[2]Not started operations as of December 31, 2025

As at March 31, 2026, SPNEC investees are limited to five (5) investees, all of which are incorporated in the Philippines.

SP Calatagan
SP Calatagan operates 63.359 megawatt (MW_{dc}) solar PV facility situated in the Municipality of Calatagan, Province of Batangas, occupying a project land area of 105.8 hectares (the Project Lands) comprising over 200,000 solar panels and 828 inverters. SP Calatagan began commercial operations on March 11, 2016.

All of the common shares of SP Calatagan are held by the Parent Company while the preferred shares are held by KPHI. Under this structure, the voting interest is shared, 62% and 38%, in favor of the Parent Company. The preferred shares are voting, non-participating and earn cumulative dividends at ₱0.8392 per share until December 31, 2035 subject to availability of retained earnings and approval of the BOD. These are convertible to common stock at the option of KPHI through December 31, 2022 and at the option of SP Calatagan after December 31, 2035, provided the cumulative dividends are paid. Unpaid dividends are entitled to compounded interest at 9.5% per annum until fully paid.

On August 8, 2025, SP Calatagan, SPNEC and KPHI entered into a Deed of Accession and Amendment which provides that, with respect to the Guaranteed Equity Dividend from the execution date of the shareholder's agreement until December 31, 2024, KPHI shall be entitled to the following amounts and shall not be paid later than the dates provided below:

a) ₱290.0 million on August 11, 2025
b) ₱575.94 million on October 31, 2025

On that same day, the BOD declared cash dividends pertaining to the ₱290.0 million payable to the holder of preferred shares. This was subsequently settled on August 11, 2025. On November 3, 2025, the BOD declared cash dividends pertaining to the ₱575.94 million payable to the holder of preferred shares, which includes the ₱95.84 million accumulated interest. This was subsequently settled on November 4, 2025 including interest accrued from October 31, 2025 amounting to ₱0.6 million.

As at March 31, 2026 and December 31, 2025, cumulative undeclared dividends on the SP Calatagan preferred shares amounted to ₱320.9 million and ₱256.7 million, respectively.

SP Tarlac
The Project involves the development and operation of a 100-megawatt ("MW") solar PV facility situated in Barangay Sta. Rosa, Concepcion, Tarlac ("Tarlac 1A") occupying a total project land area of 90.39 hectares. SP Tarlac began commercial operations on December 6, 2017.

SP Tarlac is also registered with the BOI and is entitled to 7-year ITH beginning September 12, 2019.

All of the common shares of SP Tarlac are held by the Parent Company while all redeemable preferred shares totaling ₱1,500.0 million are held by Prime Metro Holdings Corporation ("Prime Metro"). Such redeemable preferred shares are non-voting and entitled to cumulated fixed dividend at a rate of 12% per annum, subject to availability of retained earnings and approval of the BOD. These shares are redeemable at the option of SP Tarlac after five (5) years from issuance date and convertible to common stock equivalent to 50% equity at the option of Prime Metro.

On May 5, 2025, the BOD approved the redemption by SP Tarlac of all redeemable preferred shares totaling ₱1,500.0 million at a total redemption price of ₱1,800.0 million. On May 14, 2025, SP Tarlac paid Prime Metro amounting to ₱1,800.0 million. Consequently, SP Tarlac and Prime Metro shall no longer possess any right to bring a claim of any kind or nature against the other parties.

The difference between the redemption price and carrying value of the non-controlling interest amounting to ₱547.6 million was recognized under "Equity reserve" account in the 2025 consolidated statement of changes in equity.

Terra Solar
Terra Solar is developing a solar power plant, which is a 3,500 MW_p solar project comprising a 2,500 MW_{ac} solar facility and 1,125 MW BESS.

In November 2024, Terra Solar began the construction of the Terra Solar Project. In March 2026, MTerra Solar has successfully energized the first 250-megawatts (MW) of its solar capacity and began exporting to the grid. In addition, it has also energized the first tranche of its BESS.
On March 17, 2025, Actis Rubyred (Singapore) Pte. Ltd. ("Actis Singapore"), through its wholly-owned subsidiary Actis Rubyred (Philippines) Holdings, Inc. ("Actis"), executed a subscription agreement with Terra Solar where Actis subscribed for 4,116,666 common shares and 398,200,000 non-voting, non-participating, non-cumulative preferred shares equivalent to 40% equity of Terra Solar for a total subscription price of ₱29.9 billion. As a result of the sale, the Group recognized an increase in equity reserve amounting to ₱18.8 billion. On the same date, Terra Solar received ₱10.0 billion, representing the initial subscription amount. The subscription is payable by Actis based on the schedule as indicated in the shareholders' agreement. As of December 31, 2025, Terra Solar had received ₱17.8 billion from Actis, resulting in subscriptions receivable amounting to ₱12.1 billion, presented as part of net of "Non-controlling interest" in the 2025 consolidated statement of changes in equity.

Material partly owned subsidiaries with material economic ownership interest
The unaudited interim condensed consolidated financial statements include additional information about subsidiaries that have NCI that are material to the Group. 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 that are important to the Group as at the end of the year.

NCI
The NCI in the consolidated financial statements represent mainly the ownership of KEPCO Philippines Holdings, Inc. (" KPHI") in SP Calatagan (2026 and 2025), Prime Metro Holdings Corporation ("Prime Metro") in SP Tarlac (2024) and Actis Rubyred (Philippines) Holdings, Inc. ("Actis") in Terra Solar (2026 and 2025).

3. Cash and Cash Equivalents

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash on hand and in banks	**₱4,023,716**	₱4,722,841
Short-term deposits	**2,967,551**	2,922,823
	₱6,991,267	₱7,645,664

Short-term deposits are made for varying periods of up to three (3) months and earn interest at the prevailing short-term deposit interest rates.

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

4. Trade and Other Receivables

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Trade receivables	522,999	559,139
Non-trade receivables	94,695	120,146
Interest receivable	2,216	3,906
Interest receivable	12,110,636	12,110,636
	12,730,546	**12,793,827**
Less allowance for expected credit losses	75	75
	12,730,471	**12,793,752**

The Group did not recognize additional allowance for expected credit losses in 2025 and 2024.

Trade receivable arises from the revenue from the sale of electricity, sale of goods and services. These are either interest or non-interest bearing depending on the clause indicated in the contract and generally collectible within 40 to 60 days.

5. Property, Plant and Equipment

At Cost

March 31, 2026 (Unaudited)

	Solar Power Plants	Land and Leasehold Improvements	Transportation Equipment	Office and Warehouse Equipment	Furniture and Fixtures	ROU Assets	Building	Construction in Progress	Total
Cost									
Balances at beginning of period	₱8,613,669	₱2,414	₱54,348	₱27,466	₱1,576	₱534,654	₱1,794	₱82,911,584	₱92,147,505
Additions	–	–	2,147	9,156	18	68,043	–	13,700,766	13,780,130
Balances at end of period	8,613,669	2,414	56,495	36,622	1,594	602,697	1,794	96,612,350	105,927,635
Accumulated Depreciation, Amortization and Impairment Losses									
Balances at beginning of period	2,146,472	1,447	9,799	9,165	726	124,399	144	–	2,292,152
Depreciation and amortization (Notes 14 and 15)	72,562	85	2,635	1,908	92	4,413	28	–	81,723
Amortization capitalized to CIP	–	–	–	–	–	1,082	–	–	1,082
Balances at end of period	2,219,034	1,532	12,434	11,073	818	129,894	172	–	2,374,957
Net Book Value	₱6,394,635	₱882	₱44,061	₱25,549	₱776	₱472,803	₱1,622	₱96,612,349	₱103,552,678

December 31, 2025 (Audited)

	Solar Power Plants	Land and Leasehold Improvements	Transportation Equipment	Office and Warehouse Equipment	Furniture and Fixtures	ROU Assets	Building	Construction in Progress	Total
Cost									
Balances at beginning of period	₱8,545,521	₱2,414	₱21,713	₱12,690	₱1,089	₱534,654	₱1,544	₱11,168,571	₱20,356,343
Additions	–	–	32,635	14,776	487	–	250	71,813,033	71,813,033
Reclassification	–	–	–	–	–	–	–	(70,020)	(70,020)
Effect of deconsolidation as a result of Put Option exercised	–	–	–	–	–	–	–	–	–
Balances at end of period	8,613,668	2,414	53,348	27,466	1,576	534,654	1,794	82,911,584	92,147,504
Accumulated Depreciation, Amortization and Impairment Losses									
Balances at beginning of period	1,855,824	1,108	2,026	2,676	457	101,188	83	–	1,963,362
Depreciation and amortization	290,649	338	7,774	6,488	268	15,422	62	–	321,001
Amortization capitalized to CIP	–	–	–	–	–	7,789	–	–	7,789
Effect of deconsolidation as a result of Put Option exercised	–	–	–	–	–	–	–	–	–
Balances at end of period	2,146,473	1,446	9,800	9,164	725	124,399	145	–	2,292,152
Net Book Value	₱6,467,195	₱968	₱44,548	₱18,302	₱851	₱410,255	₱1,649	₱82,911,584	₱89,855,352

Solar Power Plants
As of March 31, 2026 and December 31, 2025, solar power plants of SP Calatagan ("Solar Power Plants") are pledged as collateral for their respective project financing.

CIP
This pertains to capitalized costs related mainly to the SPNEC's Phase 1, SP Tarlac's expansion project and Terra Solar's project. This includes borrowing costs, net of interest income from short-term investments.

ROU Assets
The Group entered into various non-cancellable land lease agreements in Concepcion, Tarlac, and Sta. Rosa, Nueva Ecija with various third-party lessors for the development of various projects.

The costs of ROU assets are amortized using the straight-line method over the lease term. As of Mach 31, 2026 and December 31, 2025, the remaining terms of the leases range between 20 to 30 years (including extension of five years). Amortization of ROU assets pertaining to land lease agreements in Sta. Rosa, Nueva Ecija is capitalized under "Construction in progress".

Land - At Revalued Amount

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Balances at beginning of period	**₱62,542,889**	₱49,362,804
Additions	–	250,580
Reclassifications from deposits for land acquisition	–	2,920,063
Revaluation surplus during the period	–	10,008,884
	₱62,542,889	₱62,542,331

The fair values were determined by independent, professionally qualified appraisers. The fair value represents the price that would be received to sell the property in an orderly transaction between market participants at the measurement date. Key unobservable inputs (Level 3) used to measure the fair value of the land.

Significant increases (decreases) in estimated price per square meter in isolation would result in a significantly higher (lower) fair value on a linear basis.

For the period ended March 31, 2026 and December 31, 2025, there were no transfers between Level 1 and 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

6. Other Noncurrent Assets

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Input VAT	**₱8,189,990**	₱7,043,183
Prepaid financing cost	**1,164,367**	1,234,920
Long-term receivables	**407,614**	407,614
Deferred input VAT	**62,863**	62,863
Plant construction materials	**13,630**	50,850
Advances to suppliers	**35,527**	63,717
Bonds	**20,285**	20,285
Others	**36,183**	40,821
	9,930,459	8,924,253
Less allowance for impairment of input VAT	**(74,491)**	(111,711)
	₱9,855,968	₱8,812,542

Bonds pertain to a) cash bond deposits with the Department of Agrarian Reform (DAR) in connection with the Group's application for conversion of land from agricultural to industrial use. The total amount of cash bond deposit is refundable upon compliance with the conditions set forth in the DAR Conversion Order; and (b) the Parent Company's performance bond with Angeles Electric Corporation ("AEC") in relation to the 15 MW_p solar power project. The performance bond was initially valid until August 10, 2024 and subsequently renewed until November 26, 2025.

7. Trade and Other Payables

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Accounts payable	**₱2,532,786**	₱732,917
Retention payable	**1,927,343**	1,675,740
Interest payable	**403,399**	323,873
Withholding tax payable	**293,512**	163,521
Current portion of replacement energy cost payable	**7,032**	7,032
Accrued expenses:		
Purchases	**508,670**	1,115,755
Regulatory fees	**18,852**	16,994
Accrued bonus	**229,488**	189,611
Legal and other professional fees	**1,155**	1,380
Financial advisor fee	**167,751**	167,751
Others	**1,732,025**	141,010
	₱7,822,013	₱4,535,584

Accounts payable are non-interest bearing and settled within one (1) year in the normal course of business.

Accrued regulatory fees pertain to unbilled liabilities for costs of benefits to host communities provided under Department of Energy ("DOE") Energy Regulations No. 1-94.

Retention payable pertains to amounts owed to subcontractors arising from the construction of power plant and are normally settled upon completion of the project.

8. Borrowings

Short-term Loans

Following are the details of the short-term loans obtained from local banks:

	Interest Rate	**March 31, 2026 (Unaudited)**	December 31, 2025 (Audited)
Terra Nueva	5.66% - 6.34%	**₱6,200,000**	₱5,500,000
SP Calatagan	6.43%	**1,037,344**	575,000
SP Tarlac	5.65% - 6.31%	–	3,513,250
		₱7,237,344	₱9,588,250

Short-term loans are obtained from local banks and are not subject to any significant covenants and warranties.

i. Terra Nueva

In December 2024, Terra Nueva executed a Credit Agreement with a local bank which allowed Terra Nueva to avail short-term credit facility of up to ₱30.0 billion to finance land acquisitions. Interest was calculated based on the average of three-month benchmark tenor of peso-denominated domestic government bonds plus a certain credit spread, payable monthly.

Outstanding short term loan balances as of March 31, 2026 and December 31, 2025 are ₱6.2 billion and ₱5.5 billion, respectively. The facility was initially intended up to January 10, 2025 but was further extended to April 30, 2026. The loan is secured by the Parent Company's shares in Terra Nueva.

ii. SP Calatagan

In 2025, the Company availed short-term loan from a local bank amounting to ₱575.0 million for dividend payment of preferred shares of KPHI. The loan is unsecured and payable on the earlier of drawdown on term loan or one year from initial drawdown date. The loan bears an annual fixed interest rate.

iii. SP Tarlac

In June 2025, SP Tarlac executed short-term credit facility agreements with a local bank, at interest calculated based on one-month BVAL plus a certain credit spread. In June 2025, ₱3.5 billion was drawn, which comprise of ₱1.7 billion to refinance the long-term loan with a local bank and ₱1.8 billion to finance redemption of preferred shares. The principal amounts of the loan were payable on July 5, 2025 and July 9, 2025, which were both further extended to January 9, 2026, while the interest is payable on a monthly basis.

On January 9, 2026, SP Tarlac settled the ₱3.5 billion loan.

Long-term Debt

Following are the details of the long-term debt:

Entity	Original Loan Amount	Interest rate	Repayment schedule	Outstanding balance as of March 31, 2026 (Unaudited)	Outstanding balance as of December 31, 2025 (Audited)
	(In millions)			*(In millions)*	
Terra Solar	₱150,000.0	5 to 8-year benchmark plus 1 30 basis points per annum	70% of principal payment to be paid in 50 quarterly installments 30% of principal payment: lump-sum upon maturity	**₱76,096.9**	₱68,596.8
SP Tarlac	2,225.0	8.62%, subject to second repricing in July 2029	20 semi-annual installments starting January 3, 2021until July 3, 2031	**3,770.0**	–
SP Calatagan	3,400.0	5-year benchmark plus a pre-agreed spread	24 semi-annual installments starting October 3, 2018 until April 3, 2029	**550.5**	762.1
Total				**80,417.4**	69,358.9
Less unamortized debt transaction cost				**(794.8)**	(816.7)
				79,622.6	68,542.2
Current portion				**78.9**	218.4
Long-term debt, net of current portion				**₱79,543.7**	₱68,323.8

Movements in the debt transaction costs are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	**₱816,726**	₱31,987
Addition	–	863,415
Amortization during the period		
Charged under financing cost	–	(26,853)
Capitalized in construction in progress	–	(51,823)
Balance at end of period	**₱883,887**	₱816,726

SP Tarlac

OLSA - ₱3,770.0 million Loan

On December 9, 2025, SP Tarlac executed a 14-year OLSA with Philippine National Bank for an aggregate amount of (i) ₱3.8 billion or (ii) 70% of the project costs, whichever is lower. . The principal is payable on the 14th anniversary from the first borrowing date. Interest is payable quarterly and is subject to repricing dependent on the interest rate structure that will be selected by SP Tarlac upon initial drawdown. The OLSA is subject to compliance with financial ratios.

The OLSA shall be secured by the following:
1. Real and personal properties (present and future) owned by SP Tarlac
2. Pledge of SPNEC's shares of stock in SP Tarlac
3. Project accounts

As of December 31, 2025, SP Tarlac incurred prepaid financing costs amounting to ₱33.8 million presented under "Other noncurrent assets" in the consolidated statement of financial position.

On January 9, 2026, SP Tarlac drew ₱3.8 billion.

SP Calatagan
Omnibus Loan and Security Agreement (₱3,400.0 million Loan)
SP Calatagan drew a 12-year term loan amounting to ₱3,400.0 million to finance the 63.359 MW Project. The loan is payable in 24 equal installments with a balloon payment on September 8, 2017.

The OLSA requires maintenance of debt-to-equity ratio of 70:30 and DSCR of at least 1.20x. As of December 31, 2025, SP Calatagan is compliant with the covenants of the OLSA.

The loan is secured by the project asset and land where the power plant is constructed and the shares held by SPNEC in SP Calatagan.

Terra Solar
Omnibus Loan and Security Agreement (₱150,000.0 million Loan)
On February 27, 2025, Terra Solar signed a 15-year term OLSA with local banks for an aggregate amount of (i) ₱150.0 billion or (ii) 75% of the project costs, whichever is lower. The proceeds shall be used to repay the bridge loan and fund the ongoing development of its integrated solar photovoltaic (PV) facility and Battery Energy Storage System (BESS).

The OLSA allows Terra Solar to draw down the loan on the dates and amounts set for in the disbursement schedule. As of December 31, 2025, total drawdown amounted to ₱68.6 billion or equivalent to 46% of the loanable amount. Grace period for the commencement of principal repayments is reckoned on the period ending the earliest of: (a) 27 months from the first borrowing date, (b) May 26, 2027, and (c) the date when the final construction payment is made to contractors under the terms of EPC contracts on or before February 29, 2028.

Interest rate is the higher of (a) the sum of the Benchmark Rate and the Applicable Margin less the applicable Step Down Rate, and (b) the Floor Rate, and divided by the Interest Premium Factor. Interest rate is subject to initial repricing in March 2030, while a second repricing is set on March 2040.

Terra Solar is required to maintain the following ratios:
- Debt service coverage ratio of at least 1.05x beginning six (6) months after the full completion date and until one (1) year prior to maturity date, and
- Debt-to-equity ratio not exceeding 75:25 beginning on the first borrowing date and until loan satisfaction date.
- At all times during the availability period a debt-to-equity ratio not exceeding 75:25.

As of December 31, 2025, Terra Solar is compliant with the debt-to-equity ratio requirement.

As of December 31, 2025, the OLSA is secured by the following:
1. Real and personal properties (present and future) owned by Terra Solar
2. Pledge of SPNEC's shares of stock in Terra Solar
3. Project accounts

Total interest expense incurred amounting to ₱164.5 million and ₱___ million is recorded as part of "Finance costs" in the unaudited interim condensed consolidated statement of income in for the three-month period ended March 31, 2026 and 2025, respectively.

Total interest expense amounting to ₱__ million and ₱___ million was capitalized as part of "Construction in progress" in the unaudited interim condensed consolidated statement of financial position for the three-month period ended March 31, 2026 and 2025, respectively.

9. Cash Flow Hedges

The Group entered into derivative transactions such as foreign exchange futures contracts to hedge its exposure to fluctuations in foreign currency exchange rates arising from forecasted and firm commitments denominated in foreign currencies.

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast purchases in US dollars in accordance with applicable accounting standards. These forecast transactions are highly probable. The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates.

The Group recognized a gain of ₱1,025.7 million and a loss of ₱688.7 million in the unaudited interim condensed consolidated statement of comprehensive income for the three-month period ended March 31, 2026 and 2025. As of March 31, 2026 and December 31, 2025, the Group recognized derivative asset in the interim condensed consolidated statement of financial position amounting to ₱1,478.3 million and ₱524.1 million, respectively.

10. Costs of Sale of Electricity

	For the Three-Month Period Ended March 31 (Unaudited)	
	2026	2025
Depreciation and amortization (Note 5)	**₱76,738**	₱76,518
Purchased power	**54,327**	–
Contracted services	**15,137**	6,524
Insurance	**13,956**	11,869
Salaries and wages	**13,712**	7,168
Consumables, parts and repairs	**1,363**	421
Other operations and maintenance expenses	**11,196**	21,601
	₱186,429	₱124,101

Other operations and maintenance expenses include Independent Electricity Market Operator of the Philippines ("IEMOP") market fees, transmission and ancillary charges, operations and maintenance related courier services, and other outside services.

11. General and Administrative Expenses

	For the Three-Month Period Ended March 31 (Unaudited)	
	2026	2025
Provisions for impairment loss on VAT	**₱53,081**	₱–
Taxes, licenses and fees	**36,053**	73,711
Contracted services	**35,969**	4,140
Professional services	**10,477**	3,539
Depreciation and amortization (Notes 5 and 6)	**4,984**	2,325
Rentals	**5,560**	1,428
Others	**22,382**	35,002
	₱168,506	₱120,146

Others include bank charges, representation, insurances, utilities, repair and maintenance, donations, advertising, subscriptions and membership fees, and other training costs.

12. Other Income (Charges)

	For the Three-Month Period Ended March 31 (Unaudited)	
	2026	2025
Net foreign exchange loss gain (gainloss)	**(₱218,210)**	₱–
Provision for probable expenses	**(3,000)**	–
Miscellaneous income	**2,681**	–
	(₱217,891)	₱54,007

13. Provision for Current Income Tax

For the three-month period ended March 31, 2026 and 2025, the provision for current income tax were incurred from the operations of SP Calatagan, SP Tarlac and Terra Nueva amounting to ₱88.1 million and ₱64.4 million, respectively.

14. Fair Value Measurement

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Cash and cash equivalents (excluding cash on hand), Trade and other receivables, Short-term investments and Subscriptions receivables (under other current assets), Long-term receivables (under other noncurrent assets), Bonds (under other noncurrent assets), Trade and other payables (excluding statutory liabilities), Short-term loans, and Due to and from related parties.
The carrying amounts of these financial instruments approximate their fair values due to their short-term maturities.

Long-term Receivables
The fair value of long-term receivables was computed by discounting the expected cash flows using the applicable rate.

Derivatives Designated as Cash Flow Hedges
The fair values of derivative instruments designated as cash flow hedges are based on the forward rate calculated as foreign exchange spot rate plus swap points agreed with the counterparty banks (Level 2 of the fair value hierarchy).

Long-term Debt
The fair value of long-term debt was calculated based on the discounted value of future cash flows using the applicable risk-free rates for similar types of loans adjusted for credit risk (Level 3 of the fair value hierarchy).

Lease Liabilities
The fair values for the Group's lease liabilities are estimated using the discounted cash flow methodology adjusted for credit risk (Level 3 of the fair value hierarchy).

For the three-month periods ended March 31, 2026 and 2025, there were no transfers into and out of Level 3 fair value measurements.

15. **Basic/Diluted Earnings (Loss) Per Share**

The basic/diluted earnings (loss) per share amounts were computed as follows:

	For the Three-Month Periods Ended March 31 (Unaudited)	
	2026	2025
(a) Net income (loss) attributable to equity holders of the Parent Company	**(₱43,078)**	(₱121,568)
(b) Weighted average number of common shares outstanding	**50,073,050**	50,073,050
Basic/diluted earnings (loss) per share (a/b)	**(₱0.0009)**	(₱0.0024)

The Group does not have any dilutive potential common shares as at March 31, 2026 and December 31, 2025.

16. **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 revenue and segment expenses are measured in accordance with PFRS Accounting Standards. The classification of segment revenue and expenses are consistent with the unaudited condensed consolidated statement of income.

As of March 31, 2026 and December 31 2025, the Group's operating businesses are organized and managed separately on a per company basis, with each company representing a strategic business segment. The Group has only one geographical segment as all of its operating assets are currently located in the Philippines. The Group operates and derives principally all of its revenue from domestic operations. Thus, geographical business information is not required.

Financial information on the business segments are summarized as follows:

	March 31, 2026 (Three Months) (Unaudited)					
	SPNEC	**SP Calatagan**	**SP Tarlac**	**Others**	**Eliminating entries***	**Total**
Segment revenue	**27,383**	**195,909**	**233,713**	**4,698**	**(34,077)**	**427,626**
Segment expenses	**(41,525)**	**(42,400)**	**(80,654)**	**(145,710)**	**34,077**	**(276,212)**
Segment results	**(14,142)**	**153,509**	**153,059**	**(141,012)**	**–**	**151,414**
Interest income	**13,994**	**8,441**	**953**	**1,987**	**–**	**25,375**
Interest expense	**(1,642)**	**(21,588)**	**(63,191)**	**(81,523)**	**–**	**(167,944)**
Depreciation and amortization	**(1,302)**	**(30,812)**	**(45,273)**	**(4,336)**	**–**	**(81,723)**
Other income (expense)	**(334)**	**474**	**4,017**	**734,524**	**(517,790)**	**220,891**
Provision for income tax	**–**	**(10,442)**	**–**	**(77,669)**	**–**	**(88,111)**
Net income (loss)	**(3,426)**	**99,582**	**49,565**	**431,971**	**(517,790)**	**₱59,902**

**Pertains to intercompany transactions that were eliminated upon consolidation and other consolidation adjustments.*

	March 31, 2025 (Three Months) (Unaudited)					
	SPNEC	SP Calatagan	SP Tarlac	Others	Eliminating entries*	Total
Segment revenue	–	221,908	113,696	–	–	335,604
Segment expenses	(15,034)	(27,980)	(34,769)	(87,621)	–	(165,404)
Segment results	(15,034)	193,928	78,927	(87,621)	–	170,200
Interest income	14,894	6,024	2,266	1,530	–	24,714
Interest expense	(2,401)	(21,404)	(40,959)	(53,281)	–	(118,045)
Depreciation and amortization	(1,302)	(30,605)	(44,948)	(1,988)	–	(78,843)
Other income (expense)	932	(9)	(520)	378,337	(324,733)	54,007
Provision for income tax	–	(14,644)	–	(49,782)	–	(64,426)
Net income (loss)	(2,9111)	133,290	(5,234)	187,195	(324,733)	(12,393)

	March 31, 2026 (Three Months) (Unaudited)					
	SPNEC	**SP Calatagan**	**SP Tarlac**	**Others**	**Adjustments***	**Total**
Current assets	**2,185,515**	**1,461,578**	**588,296**	**5,664,066**	**(405,496)**	**9,493,959**
Noncurrent assets	**22,953,243**	**5,859,945**	**7,518,665**	**147,446,877**	**10,250,606**	**194,029,336**
Total	**25,138,758**	**7,321,523**	**8,106,961**	**153,110,943**	**9,845,110**	**203,523,295**
Current liabilities	**(3,788,350)**	**(1,329,663)**	**(333,885)**	**(18,129,546)**	**904,454**	**(19,676,990)**
Noncurrent liabilities	**(285,370)**	**(951,897)**	**(4,273,299)**	**(103,693,892)**	**14,336,646**	**(94,867,812)**
Total	**(4,073,720)**	**(2,281,560)**	**(4,607,184)**	**(121,823,438)**	**18,241,100**	**(114,544,802)**

**Pertains to intercompany transactions that were eliminated upon consolidation and other consolidation adjustments.*

	December 31, 2025					
	SPNEC	SP Calatagan	SP Tarlac	Others	Adjustments*	Total
Current assets	₱2,177,331	₱1,114,394	₱593,885	₱6,314,750	(₱705,615)	₱9,494,745
Noncurrent assets	22,960,433	5,760,743	7,502,127	131,184,676	10,632,942	178,040,921
Total	₱25,137,764	₱6,875,137	₱8,096,012	₱137,499,426	₱9,927,328	₱187,535,666
Current liabilities	₱3,589,888	₱912,263	₱4,058,882	₱14,115,525	(₱7,387,238)	₱15,289,320
Noncurrent liabilities	285,370	1,022,492	586,917	96,554,072	(11,289,435)	87,159,416
Total	₱3,875,258	₱1,934,755	₱4,645,799	₱110,669,597	(₱18,676,673)	₱102,448,736

**Pertains to intercompany transactions that were eliminated upon consolidation and other consolidation adjustments.*

17. **Other Matters**

Seasonality of Operations
Operations of solar power plants are generally affected by seasonality. Solar power plants are expected to generate their highest output during summer months.

Repurchases, and Repayments of Debt and Equity Securities
There are no repurchases and repayments of debt and equity securities during the current period.

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

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

Changes in the Composition of the Group During the Interim Period
There were no material changes in the composition of the Group during the period.