



15 April 2026

via SEC eFAST

SECURITIES AND EXCHANGE COMMISSION

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

ATTENTION

: **DIR. OLIVER O. LEONARDO**

Markets and Securities Regulation Department

via PSE EDGE

PHILIPPINE STOCK EXCHANGE, INC.

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

ATTENTION

: **ATTY. JOHANNE DANIEL M. NEGRE**

Head, Disclosure Department

via electronic mail

PHILIPPINE DEALING & EXCHANGE CORP.

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

ATTENTION

: **ATTY. SUZY CLAIRE R. SELLEZA**

Head, Issuer Compliance and Disclosures Department

Gentlemen:

Attached is the SEC Form 17-A (Annual Report 2025) of Aboitiz Equity Ventures Inc. for your files.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ EQUITY VENTURES INC.

By:

(Sgd.)

CONNIE G. CHU

Corporate Secretary

COVER SHEET

C E O 2 5 3 6

S.E.C. Registration Number

A B O I T I Z E Q U I T Y V E N T U R E S I N C .

(Company's Full Name)

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

2 P A S E O D E R O X A S C O R N E R

M A K A T I A V E N U E M A K A T I C I T Y

M E T R O M A N I L A P H I L I P P I N E S 1 2 2 6

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

CONNIE G. CHU

(02) 8 886-2800

1 2 3 1

Month Day

Fiscal Year

2025 Annual Report

1 7 - A

FORM TYPE

4th Monday of April

0 4 2 7

Month Day

Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

Total No. of Stockholders

x

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = Pls. use black ink for scanning purposes

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 177
OF THE REVISED CORPORATION CODE OF THE PHILIPPINES**

1. For the year ended **2025**
2. SEC Identification Number **CEO2536**
3. BIR TIN **003-828-269-000-V**
4. Exact name of registrant as specified in its charter **ABOITIZ EQUITY VENTURES INC.**
5. **Philippines**
Province, country or other jurisdiction of incorporation
6. 
(SEC Use Only)
Industry Classification Code
7. **Ayala Triangle Gardens Tower 2, Paseo de Roxas, Corner Makati Avenue, Makati City, Metro Manila, Philippines**
Address of principal office **1226**
Postal Code
8. **(02) 8 886-2800**
Registrant's telephone number, including area code
9. **N/A**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding

Common Stock P1 Par Value **5,552,805,057**

Amount of Debt Outstanding (As of 31 December 2025) **P 493,660,538,000**

Outstanding Fixed-Rate Peso Retail Bonds Issued by the Company:

Issue Date	Series	Amount of Issuance	Maturity Date	Tenor
August 2015	Series C	P5 billion	August 2027	12 years
June 2019	Series B	P1.7 billion	June 2029	10 years
August 2021	Series F	P5 billion	August 2028	7 years
December 2022	Series B	P10.9 billion	November 2029	7 years
September 2023	Series D	P5.8 billion	September 2028	5 years
September 2023	Series E	P5.8 billion	September 2033	10 years

For a discussion on the Company's bond issuances, please refer to Part I Item 1 (b)(i).

11. Are any or all of the securities listed on a Stock Exchange?

Yes (☒) No (☐)

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

The common stock of the Company is listed at the Philippine Stock Exchange, Inc. (PSE). The Company's outstanding fixed-rate peso retail bonds are listed at the Philippine Dealing & Exchange Corporation (PDEX).

12. Check whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code (SRC) and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes (☒) No (☐)

- (b) has been subject to such filing requirements for the past 90 days.

Yes (☒) No (☐)

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and ask prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

For 2025, aggregate voting stock of registrant held outside of its affiliates and/or officers and employees totaled 3,099,988,693 shares as of December 31, 2025 (for details please refer to the attached notes to financial statements and Schedule H of this report) while its market price per share was ₱28.00 at the close of the last trading day in 2025.

Based on this data, total market value of registrant's voting stock not held by its affiliates and/or officers and employees was computed to be ₱86,799,683,404.00.

**APPLICABLE ONLY TO REGISTRANTS INVOLVED
IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the registrant has filed all documents and reports required to be filed by Section 17 of the RSA subsequent to the distribution of securities under a plan confirmed by a court or the SEC.

Yes (☐) No (☒)

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

- (a) Any annual report to security holders;
- Aboitiz Power Corporation's SEC Form 17-A (2025 Annual Report), particularly the following portions:
 - Business of the Registrant
 - Government Approvals
 - Patents, Copyrights and Franchises
 - Effect of Existing or Probable Governmental Regulations
 - Major Risk/s Involved in the Business
 - Consolidated Annual Financial Statements
 - UnionBank of the Philippines' SEC Form 17-A (2025 Annual Report), particularly the following portions:

- Government Approvals
 - Patents, Copyrights and Franchises
 - 2025 Audited Financial Statements of Aboitiz Equity Ventures Inc. (with BIR ITR Filing Reference)
 - Integrated Annual Corporate Governance Report
 - Sustainability Report Template and 2025 Annual Integrated Report
- (b) Any information statement filed pursuant to SRC Rule 20;
- Company's SEC Form 20-IS (Information Statement) for 2026 Annual Stockholders' Meeting

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

Overview of Business of the Registrant

Aboitiz Equity Ventures Inc., is the public holding and management company of the Aboitiz Group, one of the largest conglomerates in the Philippines. The Company was originally incorporated as Cebu Pan Asian Holdings Corporation on 11 September 1989. Its name was later changed to Aboitiz Equity Ventures Inc. on 29 December 1993, and its ownership was opened to the general public through an initial public offering (IPO) of its common shares in 1994.

AEV's core businesses, conducted through its various domestic and international Subsidiaries and Associates, are grouped into five main categories:

- **Power.** AEV's power generation, distribution, and retail electricity supply businesses are operated through Aboitiz Power Corporation (AP) and its Subsidiaries, Joint Ventures, and Associates (collectively, "AboitizPower"). AboitizPower holds leadership positions across various segments. AboitizPower is also a pioneer in building and operating run-of-river mini hydropower plants in the country and has the largest installed capacity of renewable energy under its market control.

On 10 December 2021, the AEV stockholders ratified the sale of 25.01% of the Company's equity ownership in AP (equivalent to 25.01% of the total outstanding capital stock of AboitizPower) to JERA Asia, an affiliate of JERA, Japan's largest power generation company. Including the shares acquired from ACO, JERA Asia now owns 27.00% of the total outstanding capital stock of AP. The proceeds from this transaction unlocked significant capital in AEV to fuel the expansion of its portfolio into high-growth sectors.

AP's common shares are listed on the PSE, and as of 23 March 2026, AP had a market capitalization of ₱308.41 bn, with a share price of ₱42.80 per share.

- **Food and Beverage.** AEV's integrated agribusiness and food company is operated in the Philippines primarily through Aboitiz Foods Holdings, Inc. (Aboitiz Foods) and its Subsidiaries, and its international feeds business through Aboitiz Foods Pte. Ltd. (formerly, Pilmico International Pte. Ltd.) and its various Subsidiaries and Associates (collectively, the "Food Group"). The Food Group is composed of two segments: (1) Agribusiness and (2) Food and Nutrition. Agribusiness covers feed milling, pet food and specialty nutrition while Food and Nutrition includes flour milling, hog and layers farming, meat slaughter and fabrication and commodity trading.

In July 2018, Pilmico International (now Aboitiz Foods Pte. Ltd.) acquired a 75% equity interest in Gold Coin Management Holdings, Pte. Ltd. (GCMH) and its Subsidiaries (collectively, the "Gold Coin Group"), expanding AEV's animal feed business into 11 countries across the Asia-Pacific region. In May 2019, then Pilmico International (now Aboitiz Foods Pte. Ltd.) acquired the remaining 25% equity interest in GCMH.

On 23 February 2024, AEV, in partnership with Coca-Cola Europacific Partners Plc (CCEP), successfully completed the acquisition of then Coca-Cola Beverages Philippines, Inc. (CCBPI), the exclusive bottler and distributor of The Coca-Cola Company's products in the Philippines. As part of this transition, CCBPI rebranded in 2025, adopting its new name, Coca-Cola Europacific Aboitiz Philippines, Inc. (CCEAP), marking a new chapter in its history under joint ownership.

CCEAP is a leading beverage company in the Philippines, responsible for bottling, marketing, and distributing Coca-Cola products nationwide.

CCEAP is the official bottling and distribution partner of Coca-Cola products in the Philippines. It operates a nationwide manufacturing and distribution network that enables it to produce, move, and sell beverages across the country. It offers a broad beverage portfolio that includes, among others, globally recognized brands such as Coca-Cola, Sprite, Royal, Schweppes, and Minute Maid, as well as water, juice, and energy drink brands, providing a range of beverage choices for Filipino consumers.

- **Financial Services.** AEV's financial services group is consolidated under its Associate, Union Bank of the Philippines (UB) and its Subsidiaries and Associates, including City Savings Bank, Inc., a thrift bank, UBP Investments Corporation, a holding company, UBX Philippines Corporation ("UBX PH"), an innovation and technology company, and UnionDigital Bank, Inc., the Bank's digital and banking arm (collectively "UnionBank"). UB is a universal banking corporation listed on the PSE and is among the top universal banks in the country, in terms of asset size as of 31 December 2025, as reported in disclosures made by private universal banks to the PSE. As of 23 March 2026, UB had a market capitalization of ₱81.25 bn, with a price per common share of ₱24.50.
- **Real Estate.** AEV's real estate investments is operated through Aboitiz Land, Inc. and its Subsidiaries and Associates (collectively, "Aboitiz Land"). In September 2020, the management of the industrial and commercial business units of Aboitiz Land was transferred to Aboitiz InfraCapital. In late 2025, however, the said industrial and commercial business units were integrated with the residential business under one strategic leadership, forming one unified real estate platform.

Under this platform, Aboitiz Land develops residential communities and industrial-anchored mixed-use estates in strategic geographic corridors. Its industrial estates business focuses on the long-term development and stewardship of smart and sustainable economic hubs that support manufacturing, logistics, commercial activity, and other high-value industries, while its residential business delivers lot-only, house-and-lot, and condominium products designed to support workforce housing, community formation, and township development. This integrated, estate-led approach enables the Group to align housing with employment growth, strengthen the competitiveness of its industrial and commercial hubs, and support long-term value creation across its real estate portfolio.

- **Infrastructure.** The infrastructure and infrastructure-related investments of the Aboitiz Group are primarily undertaken through Aboitiz InfraCapital, Inc. (AIC) and its Subsidiaries and Associates (collectively, "Aboitiz InfraCapital") and AEV CRH Holdings, Inc. (AEV CRH). As of 28 February 2026, Aboitiz InfraCapital's business portfolio includes (i) administrative franchises to provide water and wastewater-related services to residential, commercial and industrial customers in Batangas, Cebu and Davao, among others, (ii) digital infrastructure, which includes common towers and data centers, and (iii) regional airports.

On 23 December 2025, AEV signed definitive agreements with Global Infrastructure Partners (GIP), a part of BlackRock, for the sale of AEV's 40% equity interest in AIC. The sale is subject to customary closing conditions and regulatory approvals. This strategic partnership aims to strengthen Aboitiz InfraCapital's ability to scale, deliver faster, and create long-term value, utilizing GIP's global experience in transport and utilities.

AEV CRH Holdings, Inc. (AEV CRH) is AEV's partnership with CRH plc, a global leader in the manufacture and supply of building materials and products. AEV CRH acquired Republic Cement & Building Materials, Inc. (RCBM) together with its Subsidiaries and Affiliates (the "Republic Cement Group") in 2015. As of 28 February 2026, the Company believes that the Republic Cement Group is one of the country's leading local cement manufacturing and distribution companies with five integrated plants and one grinding facility in operation across Luzon, Visayas, and Mindanao.

- **Others.** AEV's other investments include holdings in (a) aviation through AEV Aviation, Inc. (AEV Av), (b) insurance through Archipelago Insurance Pte. Ltd. (Archipelago Insurance), and (c) portfolio investments abroad through AEV International.

Since launching the Great Transformation in 2022, AEV has shifted toward becoming an active portfolio manager. This marks a move beyond the traditional holding company model, with a stronger focus on portfolio strategy, disciplined capital allocation, and long-term value creation. AEV now focuses on where it can create the most value across the Group by guiding strategy, evaluating portfolio opportunities, enabling synergies, and allocating capital to businesses with strong long-term potential.

A key enabler of this shift is the federalization of Strategic Business Units (SBUs). This model gives SBUs greater autonomy and accountability so they can respond faster to market opportunities while remaining aligned with Group strategy. At the same time, AEV provides enterprise-wide oversight through governance, risk management, capital allocation, talent development, technology, and sustainability frameworks. This balance combines the agility of empowered business units with the discipline of an active portfolio manager.

This evolution also supports AEV's ambition of becoming the country's first techglomerate. Technology, data, and innovation strengthen competitiveness, improve decision-making, and help build new growth platforms across the portfolio.

As of 23 March 2026, ACO owned 49.27% of the outstanding capital stock of AEV, 6.57% was owned by directors, officers, and related parties, while the remaining 44.16% was owned by the public.

As of 23 March 2026, AEV had a market capitalization of ₱164.36 bn, with a share price of ₱29.60 per share.

Neither AEV nor any of its Subsidiaries has ever been the subject of any bankruptcy, receivership, or similar proceedings.

A. PARENT COMPANY

(1) Business Development

AEV is one of the leading conglomerates in the Philippines and is the public holding company of the Aboitiz Group. AEV is recognized for its sustainable business practices, innovation-driven strategies, and commitment to nation-building. AEV's current principal office address is at Ayala Triangle Gardens Tower 2, Paseo de Roxas, Corner Makati Avenue, Makati City, Metro Manila, Philippines. AEV and its Subsidiaries maintain administrative and liaison offices in Cebu.

With a legacy spanning over a century, AEV has continuously evolved and diversified its portfolio to remain competitive. Today, the Group is strengthening its role as an active portfolio manager by enhancing strategic oversight, disciplined capital allocation, and the use of technology and data to create long-term value.

Business Growth

AEV grows the business by continuing to explore businesses that meet the following criteria: (a) well suited to AEV's experience and expertise in its existing business segments, (b) has dependable and growing sources of income, and (c) scalable with long-term growth potential. AEV seeks to grow within the Company's acceptable thresholds for risk, leverage, and returns to maintain sustainable growth. An integral part of AEV's strategy is to keep the Company's balance sheet healthy and to uphold the Company's ability to raise funds through the debt market.

While the Company is open to the possibility of expanding into new industries, AEV remains bullish on the long-term prospects of its five core businesses. AEV's business presence in the sectors in which it currently operates is aligned with the international indicators of economic growth and positions AEV

well to take advantage of the country's economic cycle and to reap the benefits of demographic dividends.

Stakeholder Engagement

AEV aims to maximize shared value for all the entities involved in its business and believes that direct, regular, open, and respectful dialogue with key stakeholders is seen as an essential element in developing mutually beneficial and sustainable relationships that help unlock value for all parties over the long-term.

Human Capital

One of AEV's strategic pillars is to build human capital by strengthening its capability to attract, retain, and optimize top caliber professionals who will not only help manage its businesses, but also work to enhance the Aboitiz Group's capabilities and skills. Talent management and succession planning are at the core of AEV's strategy in relation to human capital

The Aboitiz Group has always taken pride in leadership excellence across five smooth leadership transitions during the Group's history while retaining the simple and entrepreneurial approach that fueled its expansion. This approach has played an integral part in the continuity of AEV's policies and the execution of its strategic business plans over time. Today, as a new generation of leaders of AEV's business takes shape, its leadership team will seek to continue to produce leaders from within the ranks, having a leadership bench that is capable of stimulating healthy change and progress within the organization. In building its future leadership team, AEV aims to seek out people who believe in its purpose and brand promise, whose values are aligned with its core values, and who will thrive in its longstanding culture.

Execution Excellence

AEV measures execution excellence by its ability to act in a timely and effective manner. AEV works continuously to enhance its business processes across all corporate service units and Strategic Business Units to ensure AEV maintains its competitive edge.

AEV attributes its ability to execute swiftly to the leadership of the AEV Board. The Board is composed of highly professional directors that work in an environment of respect and collegiality, where active participation, candidness, and robust discussions are not only encouraged but are the norm. The members of the AEV Board include three Independent Directors, five Non-Executive Directors, and one Executive Director, all of whom come from diverse professional backgrounds, such as economics, corporate finance, engineering, accounting, auditing, investment banking, and technology, in addition to experience in the private, government and multilateral agency sectors and other policy-making bodies. The AEV Board is supported by a capable and accountable management team and empowered team members, united in living the time-honored Aboitiz core values of Integrity, Teamwork, Innovation, and Responsibility.

In all its business ventures, AEV has adopted sound corporate governance practices, robust internal controls and compliance monitoring processes, and a well-functioning enterprise risk management system to satisfy the heightened expectations of its various stakeholders. AEV has been recognized as one of the best-managed companies in the Philippines and in the ASEAN region, and is frequently cited for its commitment to good corporate governance and corporate social responsibility.

Sustainability Governance

Sustainability at the Aboitiz Group is anchored on its core purpose of Advancing Business and Communities and is deeply embedded in its strategic evolution into the Philippines' first "techglomerate". This commitment is operationalized through the #OneAboitiz Sustainability Framework, which integrates environmental, social, economic, and governance (EESG) considerations

into strategy, operations, and decision-making across its entire portfolio. This approach ensures that sustainability is not a standalone agenda but a shared driver of long-term value creation, resilience, and responsible growth.

The AEV Board of Directors holds ultimate accountability for sustainability governance, overseeing sustainability-related risks and opportunities within strategic planning and enterprise risk management. To ensure specialized expertise, the Board delegates specific responsibilities to the Sustainability, Governance, and Related Party Transactions (SGRPT) Committee. This committee—formed by the 2024 merger of the ESCG and RPT committees—oversees the adoption and implementation of sustainability policies and disclosures to ensure alignment with global best practices. Management execution is further coordinated through the Aboitiz Group Sustainability Council, which translates Board-approved priorities into measurable ESG targets and action plans across all Strategic Business Units (SBUs).

The Group regularly reassesses its priorities to ensure its strategy remains relevant and responsive to a rapidly evolving operating environment. In 2025, the Group undertook a comprehensive Materiality Re-Assessment to reaffirm the topics most significant to the business and its stakeholders. Grounded in a rigorous double materiality lens, issues were assessed based on their impact on people and the environment, as well as their financial influence on the Group's performance. This process identified 16 priority material topics organized into four strategic clusters:

- Culture & People: Building a future-ready, inclusive, and accountable workforce.
- Economic Resilience & Governance: Ensuring financial strength, ethical leadership, and business continuity.
- Climate & Energy Opportunities: Managing climate risks while enabling an equitable energy transition.
- Social Inclusion, Customers & Digital Trust: Expanding access to essential services and protecting data privacy in a connected world.

AEV continuously monitors performance against international benchmarks and identifies gaps to refine its internal roadmaps. The Group's reporting and disclosures on key areas of focus are prepared in reference to the GRI Standards and SEC sustainability reporting guidelines. Having published its first sustainability report in 2009 and adopted the GRI framework in 2014, the Group continues to uphold high standards of transparency, as evidenced by obtaining external assurance for its 2022 and 2023 Annual Integrated Reports. Through this integrated governance framework, the Group actively manages sustainability-related risks and opportunities to secure its long-term prospects.

(a) DESCRIPTION OF REGISTRANT

(i) Principal Products or Services

As of 28 February 2026, AEV's core businesses, conducted through its various Subsidiaries and Affiliates, can be grouped into five main categories: (a) power distribution, power generation, and retail electricity supply; (b) financial services; (c) food and beverage; (d) real estate; and (e) infrastructure. Principal products and services offered by AEV's core businesses are discussed in the relevant portions of each SBU.

Based on the SEC parameters of what constitutes a significant Subsidiary under Item XX of Annex "D" of SRC Rule 12, AboitizPower and Aboitiz InfraCapital are AEV's significant Subsidiaries for 2025. (Please see **Annex "A"** for the corporate structure of AEV showing the different business segments.)

(ii) Sales

Comparative amounts of consolidated revenues, and profitability of continuing operations are as follows:

(in ₱ millions)	2025	2024	2023
Revenue	₱313,222	₱302,826	₱310,619
Operating Profit	₱50,930	₱50,594	₱38,045

The operations of AEV and its Subsidiaries are based largely in the Philippines. AEV's percentage of revenues and net income contributed by foreign sales are as follows:

Contribution to Revenue	2025		2024		2023	
	(in ₱ millions)	%	(in ₱ millions)	%	(in ₱ millions)	%
Philippines	₱260,005	73%	₱250,957	74%	₱257,356	76%
Rest of Asia	₱95,868	27%	86,117	26%	₱80,878	24%
Total	₱355,874	100%	337,074	100%	₱338,234	100%

Contribution to Net Income Attributable to Parent	2025		2024		2023	
	(in ₱ millions)	%	(in ₱ millions)	%	(in ₱ millions)	%
Philippines	₱17,462	95%	₱17,266	95%	₱24,161	103%
Rest of Asia	₱843	5%	862	5%	(615)	-3%
Total	₱18,305	100%	₱18,128	100%	₱23,546	100%

Comparative amounts of revenue contribution by business group are as follows:

Contribution to Revenue

	2025		2024		2023	
	(in ₱ millions)	%	(in ₱ millions)	%	(in ₱ millions)	%
Power	₱198,479	58%	₱197,492	61%	₱207,100	64%
Food	121,019	36%	109,190	34%	103,786	32%
Financial Services	-	0%	-	0%	-	0%
Real Estate	2,949	1%	4,275	1%	3,592	1%
Infrastructure	14,573	4%	8,917	3%	6,549	2%
Others	2,306	1%	2,177	1%	2,750	1%
Subtotal	339,326	100%	322,052	100%	323,777	100%
Eliminations	(26,104)	-	(19,226)	-	(13,157)	-
Total	₱313,222	100%	₱302,826	100%	₱310,619	100%

Note: Percentages refer to the business group's share in the total net revenue for a given year. The revenues of Associates do not form part of the Group's consolidated revenues. For additional details on the income contributions of all business segments/groups to AEV, please refer to Business Segment Information of the Notes to the Consolidated Financial Statements.

(iii) Distribution Methods of the Products or Services

At the parent company level, AEV offers some corporate center services to its Subsidiaries and Associates to enable the Group to realize cost synergies. AEV has service level agreements that may include the provision of human resources, internal audit, legal, treasury and corporate finance services, among others. AEV itself maintains a pool of highly qualified professionals with business expertise relevant to the businesses of the entire Aboitiz Group.

AEV's Business Units have their respective distribution methods of products and services. Please refer to the discussion on distribution methods of each SBU.

(iv) New Products/Services

As an active portfolio manager, AEV is always on the lookout for new and efficient ways to provide service to its customers. It is in constant pursuit of opportunities within and beyond its current investment portfolio to expand its businesses, locally and within the ASEAN region.

On 15 February 2021, the Aboitiz Group formed Aboitiz Data Innovation (ADI), a Singapore-based subsidiary engaged in the utilization of data science and artificial intelligence ("DSAI") in business development. ADI plans to consolidate and leverage on the DSAI operating model across the Aboitiz Group and promote a data-driven culture within the organization. It is tasked to be at the forefront of the group-wide effort to transform data into business opportunities, utilize information to make better decisions, reinvent business models, and develop high-value solutions to create new processes, products, and services.

On 23 February 2024, AEV, together with CCEP, completed the acquisition of then CCBPI, the exclusive bottler and distributor of Coca-Cola products in the Philippines. In 2025, CCBPI rebranded as Coca-Cola Europacific Aboitiz Philippines, Inc. (CCEAP).

CCEAP is a leading player in the Philippine beverage industry, supported by a broad nationwide manufacturing, sales, and distribution footprint. With a diverse portfolio of well known beverage brands and an extensive market reach, the company plays a significant role in serving consumers and supporting a wide network of retail partners across the country.

AEV's Business Units have their own innovative products and services. Please refer to the discussion on new products and services of each SBU.

(v) Competition

AEV is subject to significant competition in various industries. Please refer to the discussion on competition of each SBU.

(vi) Sources of Raw Materials and Supplies

AEV's Business Units have their respective sources of raw materials and are not dependent upon one or a limited number of suppliers for essential raw materials. Please refer to the discussion on sources of raw materials of each SBU in the industry segments in which each SBU operates.

(vii) Major Customers

As a holding company providing management services, AEV's principal customers are its Subsidiaries and Associates.

AEV's Business Units have their respective major customers. Please refer to the discussion on major customers of each SBU.

(viii) Transactions with and/or Dependence on Related Parties

Please refer to **Part III Item 12. Certain Relationships and Related Transaction** of this Annual Report.

(ix) Patents, Copyrights and Franchises

AEV and its Subsidiaries own, or have pending applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos. Please refer to **Annex “B”** to see the trademark applications which AEV has secured or have pending application with the Philippine Intellectual Property Office (“Philippine IPO”) and intellectual property offices abroad.

(x) Government Approvals

AEV and its Subsidiaries rely on government approvals relative to the industries in which they operate. They secure various government approval such as environmental compliance certificate, development permits, license to sell, business permits, import permits, etc. as part of the normal course of its business.

The discussion on the need for any government approval for principal products or services of AEV and its Subsidiaries is included in the discussion for each SBU.

For the Certificates of Compliance (COCs) obtained by the Generation Companies and franchises obtained by the Distribution Utilities, kindly refer to AP’s Annual Report.

For the discussion on the compliance of government approvals by the Banking SBU, kindly refer to UB’s Annual Report.

(xi) Effect of Existing or Probable Governmental Regulations

AEV and its Subsidiaries are subject to the laws generally applicable to all Philippine corporations, such as corporation law, securities law, tax laws, data privacy law, and the Local Government Code. All Philippine corporations are also subject to labor laws and social legislation.

The Aboitiz Group closely monitors its compliance with the laws and government regulations affecting its businesses. Please refer to the discussion on the effects of existing and/or probable governmental regulations for rules applicable to the individual SBU.

At the AEV level, the following are the general business regulation framework:

1. Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act

RA No. 11976, otherwise known as the Ease of Paying Taxes (“EOPT”) Act, was signed into law by President Ferdinand Romualdez Marcos, Jr. on 5 January 2024 and took effect on 22 January 2024. The law seeks to introduce significant amendments to the National Internal Revenue Code of 1997 (the “Tax Code”) and aims to modernize and increase the efficiency and effectiveness of Philippine tax administration and strengthen taxpayer rights.

The salient features of the EOPT Act include:

- a. Classification of taxpayers into micro, small, medium, and large according to their gross sales;
- b. Filing of returns and payment of internal revenue taxes through electronic or manual means such as authorized agent banks, Revenue District Office (through its Revenue Collection Officers), or authorized software providers;

- c. Repeal of Section 34(K) of the Tax Code, which provides that expenses not subjected to the appropriate withholding taxes will be disallowed as deduction;
- d. Section 58 of the Tax Code on taxes withheld at source now includes a provision that the obligation to deduct and withhold taxes arises at the time the income has been made “payable”. Previously, the obligation to withhold arises at the time when an expense has been paid, payable or accrued, whichever comes first, pursuant to Revenue Regulations No. 02-98, as amended;
- e. Harmonizing the rules on the VAT treatment of sales of goods and services, thereby requiring sales invoice for both;
- f. Ensuring availability of registration facilities to taxpayers not residing in the country;
- g. Removal of “business style” in the invoice requirements;
- h. Fixing the period for preservation of books of accounts at five years; and
- i. Classification of VAT refund claims into low-, medium-, and high-risk claims which are based on the amount of VAT refund claim, tax compliance history, and frequency of filing of VAT refund claims, among others.

Due to the standardization of VAT rules for sales of goods and services as mentioned in subparagraph (e) above, service providers are required to pay and remit VAT to the BIR at the time their invoice is issued to their customers. This creates a risk to said taxpayers since they might not be able to recover from non-paying customers. To mitigate the risk, the EOPT Act has introduced specific safeguards, i.e.: (i) A provision for clawback, which clearly states that output VAT on uncollected receivables may be deducted on the next quarter after the lapse of the agreed upon period to pay; and (ii) A clear determination that gross sales, forming the VAT base, shall exclude pass-thru charges or those earmarked for payment to third parties, and reimbursements.

2. Revised Corporation Code and the Securities Regulation Code

The Revised Corporation Code was signed into law on 20 February 2019 and took effect on 23 February 2019. Among the salient features of the Revised Corporation Code are: allowing perpetual existence of corporations; requiring corporations vested with public interest to submit to its stockholders and to the SEC an annual report of the total compensation of each of its directors or trustees; and, allowing stockholders to vote in the election of directors or trustees, or in stockholders meetings, through remote communication or in absentia, among others.

As a public company and with its common shares listed on the Philippine Stock Exchange (PSE), AEV is also subject to the regulatory and compliance requirements under the Securities Regulation Code, its Implementing Rules and Regulations, and various rules and regulations as promulgated by the SEC and the PSE.

3. The Philippine Competition Act

RA No. 10667 (the Philippine Competition Act), signed on 21 July 2015 and effective on 8 August 2015, codifies antitrust laws in the Philippines and provides the competition framework in the Philippines. It created the Philippine Competition Commission (PCC), an independent quasi-judicial agency with powers to conduct investigations, issue subpoenas, conduct administrative proceedings, and impose administrative fines and penalties for violations of the Act.

The Philippine Competition Act prohibits anti-competitive agreements between or among competitors, as well as mergers and acquisitions that have the object or effect of substantially preventing, restricting, or lessening competition in the relevant market. It likewise prohibits conduct constituting abuse of a dominant position, such as selling goods or services below cost to drive out competition, imposing barriers to entry or prevent competitors from growing, and setting prices or terms that unreasonably discriminate between customers or sellers of the same goods, subject to statutory exceptions.

The Philippine Competition Act requires certain mergers and acquisitions that meet prescribed thresholds to be notified to, and cleared by, the PCC prior to completion of the transaction.

The Philippine Competition Commission (PCC) adjusts the thresholds for compulsory notification of mergers and acquisitions annually, based on the previous year's nominal gross domestic product growth, using the official estimate of the Philippine Statistics Authority. The adjustment is intended to ensure that the thresholds remain responsive to economic conditions and market developments, while allowing the PCC to focus its review on transactions that are more likely to have a substantial effect on competition.

4. Amended Foreign Investment Act of 1991 (Amended FIA)

On 2 March 2022, former President Duterte signed into law RA No 11647, "An Act Promoting Foreign Investments, Thereby Amending Republic Act 7042 Otherwise Known as the Foreign Investments Act of 1991, as Amended and For Other Purposes." (the "Amended FIA"). The law aims to attract foreign investments in activities which contribute to sustainable economic growth, global competitiveness, employment creation, technical advancement, and countrywide development.

Under this law, foreign nationals are now allowed to engage in a domestic market enterprise with a minimum capital requirement of US\$100,000.00 provided that the enterprise: (a) utilizes advanced technology as determined by the Department of Science and Technology; (b) endorsed as a start-up or start-up enabler under RA No. 11337 or the Innovating Startup Act; or (3) composed of a majority of Filipino employees, which shall not be less than 15. Other salient features of the Amended FIA include: (a) a required understudy or skills development program by registered foreign enterprises to ensure skills and technology transfer to Filipinos; (b) allowing 100% foreign investment in a domestic enterprise unless participation of foreigners is limited to a smaller percentage; and (c) allowing 100% foreign investment in an export enterprise provided that the products or services do not fall under the Foreign Investments Negative List.

Pursuant to the FIA, as amended, the Twelfth Regular Foreign Investment Negative List was promulgated on 27 June 2022 ("Negative List"). This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. Nationalized activities include, among others, exploration, development and utilization of natural resources, operation of public utilities, and land ownership.

5. Amended Public Service Act

On 22 March 2022, former President Duterte signed into law RA No 11659 or "An Act Amending Commonwealth Act No. 146 otherwise known as the Public Service Act" ("Amended PSA"). Under the Amended PSA, the term "Public Utilities" is confined to public services that operate, manage, or control for public use any of the following: 1) Distribution of Electricity; 2) Transmission of Electricity; 3) Petroleum and Petroleum Products Pipeline Transmission Systems; 4) Water Pipeline Distribution Systems and Wastewater Pipeline Systems, including sewerage pipeline systems; 5) Seaports; and 6) Public Utility Vehicles. The operation of a Public Utility is limited by the Constitution to citizens of the Philippines, or to corporations or associations organized under the laws of the Philippines at least sixty per centum (60%) of whose capital is owned by such citizens.

The Amended PSA now provides that "no other person shall be deemed a public utility unless otherwise subsequently provided by law." Moreover, nationality requirements shall not be imposed by Philippine administrative agencies on any public service not classified as a public utility.

Under the Amended PSA, the ownership by a foreign national of a business defined as “Critical Infrastructure” is limited to 50%, unless the country of such foreign national accords reciprocity to Philippine Nationals as may be provided by foreign law, treaty or international agreement, in which case foreign ownership may be up to 100%. However, foreign state-owned enterprises may not make any new or additional investments in the capital of critical infrastructure. “Critical Infrastructure” refers to any public service which owns, uses, or operates systems and assets, whether physical or virtual, so vital to the Philippines that the incapacity or destruction of such would have a detrimental impact on national security, including telecommunications and other such vital services as may be declared by the President of the Philippines.

6. Data Privacy Act of 2012

The Data Privacy Act of 2012 is a comprehensive and strict privacy legislation aimed to protect the fundamental human right to privacy of data subjects by: (a) protecting the privacy of individuals while ensuring free flow of information; (b) regulating the processing of personal data; and (c) ensuring that the Philippines complies with international standards set for data protection through National Privacy Commission (NPC).

Intended to protect the privacy of individuals, it mandates companies to inform the individuals about how their personal data is processed. It also ensures that all personal data must be (a) processed with lawful basis, and only for reasons that are specified, legitimate, and reasonable; (b) handled properly, ensuring its accuracy and retention within the specified timeline; and (c) disposing properly to avoid access by unauthorized third parties.

Its implementing rules and regulations (“Data Privacy Act IRR”) took effect on 9 September 2016, mandating all Philippines companies to comply with the following: (a) appointment of a Data Protection Officer; (b) conduct of privacy impact assessments; (c) adoption of a privacy management program and privacy policy; (d) implement privacy and data protection measures; and (e) establish a breach reporting procedure. In addition, companies with at least 250 employees or access to sensitive personal information of at least 1,000 individuals are required to register their data processing systems with the NPC. The Data Privacy Act IRR, furthermore provides the only instances when data sharing is allowed, to wit: (a) data sharing is authorized by law, provided that there are adequate safeguards for data privacy and security, and processing adheres to principles of transparency, legitimate purpose and proportionality; (b) in the private sector, data sharing for commercial purposes is allowed upon (i) consent of data subject, and (ii) when covered by a data sharing agreement; (c) data collected from parties other than the data subject for purpose of research shall be allowed when the personal data is publicly available; and (d) data sharing among government agencies for purposes of public function or provision of a public service shall be covered by a data sharing agreement.

As the Aboitiz Group continues to operate in a highly digital and fast changing environment, the Data Protection Teams of each Business Unit endeavors to keep up with the expectations of their Data Subjects as well as with the evolving guidelines of the NPC. This constant review of requirements, downloading of information, updating of processes, and testing of capabilities aims to ensure that the Aboitiz Group is able to meet the expectations of its stakeholders.

7. Labor Laws

The Philippine Labor Code and other statutory enactments provide the minimum benefits that employers must grant to their employees, which include certain social security benefits, such as benefits mandated by the Social Security Act of 1997 (RA No. 8282), the National Health Insurance Act of 1995 (RA No. 7875), as amended, and the Home Development Fund Law of 2009 (RA No. 9679). On the other hand, the Occupational Safety and Health Law (RA No. 11058) reinforces the existing Occupational Safety and Health Standards, which sets out,

among others, the guidelines applicable to different establishments intended for the protection of every working man against the dangers of injury, sickness or death through safe and healthful working conditions.

The Department of Labor and Employment (DOLE) is the Philippine government agency mandated to implement policies, programs and services, and serves as the policy-coordinating arm of the Executive Branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws, such as the Labor Code of the Philippines and the Occupational Safety and Health Law and Standards, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

a. Social Security System, PhilHealth and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under the Social Security Act of 2018 (RA No. 11199) to ensure coverage of employees following procedures set out by the law and the Social Security System (SSS). Under the said law, an employer must deduct from its employees their monthly contributions in an amount corresponding to his salary, wage, compensation or earnings during the month in accordance with the monthly salary credits, the schedule and the rate of contributions as may be determined and fixed by the Social Security Commission, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations. This enables the employees or their dependents to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits and maternity-leave benefits.

Employers are likewise required to ensure enrolment of its employees in a National Health Insurance Program administered by the Philippine Health Insurance Corporation, a government corporation attached to the Department of Health tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of RA No. 10606, the National Health Insurance Act of 2013.

On 20 February 2019, the Universal Health Care Act (RA No. 11223), was enacted, which amended certain provisions of the National Health Insurance Act of 2013. Under the said law, all Filipino citizens are now automatically enrolled into the National Health Program. However, membership is classified into two types, direct contributors and indirect contributors. Direct contributors refer to those who have the capacity to pay premiums, are gainfully employed and are bound by an employer-employee relationship, or are self-earning, professional practitioners, migrant workers, including their qualified dependents, and lifetime members. On the other hand, indirect contributors refer to all others not included as direct contributors, as well as their qualified dependents, whose premium shall be subsidized by the national government including those who are subsidized as a result of special laws. Every member is also granted immediate eligibility for a health benefit package under the program.

Under the Home Development Mutual Fund Law of 2009 (RA No. 9679), all employees who are covered by SSS must also be registered with and covered by the Home Development Mutual Fund (HDMF, more commonly referred to as the "Pag-IBIG Fund"). It is a national savings program as well as a fund to provide for affordable shelter financing to Filipino workers. Except for foreign expatriates, coverage under the HDMF is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2% of the employee's monthly compensation, up to a maximum of ₱5,000.00, and likewise make a

counterpart contribution of 2% of the employee's monthly compensation, and remit the contributions to the HDMF.

b. The Labor Code

The Philippine Labor Code provides that, in the absence of a retirement plan provided by their employers, private-sector employees who have reached 60 years of age or more, but not beyond 65 years of age, and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month's salary for every year of service, with a fraction of at least six months being considered as one whole year. For the purpose of computing the retirement pay, "one-half month's salary" shall include all of the following: fifteen days' salary based on the latest salary rate; in addition, one-twelfth of the thirteenth month pay and the cash equivalent of five days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

c. Occupational Safety and Health Law

The Occupational Safety and Health Law (RA No. 11058), enacted on 17 August 2018, mandates that all private establishments provide a workplace free from hazards that could cause death, illness, or physical harm. Employers are required to comply with Occupational Safety and Health (OSH) standards, which include providing necessary training, conducting medical examinations, and supplying appropriate personal protective equipment.

In May 2025, the DOLE released Department Order No. 252, Series of 2025 (DO 252) which provides the Revised Implementing Rules and Regulations of RA No. 11058, reinforcing compliance with OSH standards across all workplaces in the Philippines. The revised rules strengthen the State's policy of ensuring safe and healthy working environments, protecting workers' welfare, and promoting proactive systems to prevent workplace injuries, illnesses, and fatalities while supporting productivity and business continuity. Employers are required to implement comprehensive OSH programs, provide training, ensure adequate safety personnel and facilities, supply personal protective equipment at no cost, and maintain emergency preparedness measures.

Compared with the previous Implementing Rules and Regulations (Department Order No. 198-18), the new rules place stronger emphasis on worker rights and accountability, including clearer protections for accident reporting and the right to refuse unsafe work during imminent danger situations. The new rules also highlight competency certification requirements for critical occupations, stronger integration with national health frameworks such as Universal Health Care and PhilHealth registration, and expanded welfare facility standards, including lactation and accessibility provisions. DO 252 formally supersedes DO 198 and applies to all pending labor standards inspections and proceedings moving forward.

For diversified business groups operating across sectors such as power, banking, infrastructure, land development, food, and other high-impact industries, these updated regulations are particularly relevant in strengthening enterprise-wide safety governance and contractor oversight. The revised rules reinforce shared OSH responsibilities across principals, contractors, and subcontractors, enhance work stoppage protocols in imminent danger situations, and professionalize

safety-critical roles through mandatory competency certification. They also support broader ESG and people-centered agendas by expanding worker welfare standards and promoting alignment with national health systems, while providing opportunities for recognition of compliant establishments through DOLE-administered incentives and awards.

d. Other Labor-Related Laws and Regulations

(1) Contracting and Subcontracting

The Labor Code recognizes subcontracting arrangements, whereby a principal puts out or farms out with a contractor the performance or completion of a specific job, work or service within a definite or predetermined period, regardless of whether such job, work or service is to be performed or completed within or outside the premises of the principal. Such arrangements involve a “trilateral relationship” among: (i) the principal who decides to farm out a job, work or service to a contractor; (ii) the contractor who has the capacity to independently undertake the performance of the job, work, or service; and (iii) the contractual workers engaged by the contractor to accomplish the job, work, or service.

The DOLE, through its Department Order No. 174, Series of 2017, regulates subcontracting arrangements by requiring, among others, the registration of contractors with the Regional Office of the DOLE where it principally operates.

(2) DOLE Mandated Work-Related Programs

Under the Comprehensive Dangerous Drugs Act (RA No. 9165), a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with 10 or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 53-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases in accordance with the Safe Spaces Act (RA No. 9165), which was signed into law on 17 April 2019.

DOLE Department Order No. 102-10 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should

be kept strictly confidential and kept only on medical files, whereby access to it is strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, breastfeeding, family welfare, and tuberculosis prevention and control. In line with the Mental Health Act (RA No. 11036), employers are further required to develop policies and programs on mental health in the workplace designed to: raise awareness on mental health issues, correct the stigma and discrimination associated with mental health conditions, identify and provide support for individuals at risk, and facilitate access to treatment and psychosocial support.

All private workplaces are also required to update their respective Telecommuting Guidelines and Consent Form, whenever applicable, in accordance with the revised implementing rules and regulations of Telecommuting Act (DOLE D.O. 237-22).

Moreover, Labor Advisory No. 20-2023 requires private companies and their employees to implement a Cancer Prevention and Control in the Workplace Policy and Program. This program encompasses various elements, including prevention measures, access to screening, diagnosis, and treatment, support for employees' return to work, compensation and social policies, and the promotion of a safe and healthy lifestyle, which includes considerations for mental and social well-being.

(xii) Amount Spent on Research and Development

AEV and its Subsidiaries do not allocate specific amounts or fixed percentages for research and development. All research and developmental activities are done by its Subsidiaries and Affiliates on a per project basis. The allocation for such activities may vary depending on the nature of the project.

(xiii) Cost and Effects of Compliance with Environmental Laws

AEV and its Subsidiaries, Associates, and Joint Ventures are subject to extensive, evolving and increasingly stringent safety, health and environmental laws and regulations. These standard laws and regulations that govern AEV's businesses include the Philippine Clean Air Act (RA No. 8749), Ecological Solid Waste Management Act (RA No. 9003), Clean Water Act (RA No. 9275), Toxic Substances and Hazardous and Nuclear Wastes Control Act (RA No. 6969), and Philippine Environmental Impact Statement System (Presidential Decree No. 1586), address, among other things, air emissions, wastewater discharges, the generation, handling, storage, transportation, treatment and disposal of toxic and hazardous chemicals, materials and waste, workplace conditions, and employee exposure to hazardous substances.

AEV has incurred, and is expected to continuously incur, operating costs to comply with these laws and regulations. However, these costs cannot be segregated or itemized as these are embedded in, and are part and parcel of, each SBU's overall system of compliance with both industry standards and regulatory requirements. Each SBU has appointed and designated a Pollution Control Officer to closely monitor compliance with the requirements of these regulations.

(xiv) Employees

On the parent company level, AEV had a total of 157 employees as of 28 February 2026, composed of executives, managers, supervisors, and rank and file employees. There are no existing collective bargaining agreements (CBA) covering any of AEV's employees.

In addition to mandated statutory benefits (such as holiday pay, service incentive leave, maternity leave, paternity leave, and 13th-month pay), the Company provides benefits to its employees in the following areas: healthcare, annual leave, loans and financial assistance applicable to a variety of uses, retirement benefits to qualified employees, and productivity bonuses. Salaries and benefits are reviewed regularly and adjusted to retain current employees and attract new talent. The Company currently has no stock option plans available to its employees. As of 28 February 2026, the Company does not anticipate any significant increase in manpower within the next 12 months unless new development projects and acquisitions materially require an increase.

The Company's employees are not unionized. The Company's employees have neither been on strike nor have threatened to strike for the past three years.

(xv) Major Risk/s Involved in Business of AEV and its Subsidiaries

The Board of Directors, through the Board Risk and Reputation Management Committee (BRRMC), provides oversight and strategic direction on risk management across AEV and its portfolio companies. The BRRMC convenes at least four times a year to review the Group's risk profile, oversee principal and emerging risks, and ensure that risks are managed within defined risk appetite and tolerance levels. Board-level oversight is complemented by the Aboitiz Group Risk Management Steering Committee, a management-led advisory and coordination body composed of the AEV Risk Management Team, Strategic Business Unit (SBU) Risk Heads, and other key stakeholders. The Steering Committee meets quarterly to provide strategic guidance, facilitate alignment, promote consistency in risk management practices across the Group, and serve as a forum for knowledge sharing and the dissemination of best practices. AEV's risk management approach is anchored on an Enterprise Risk Management (ERM) framework aligned with internationally recognized standards, including ISO 31000, and embedded across all SBUs. The framework enables the systematic identification, assessment, prioritization, and management of risks, with risk considerations integrated into strategy setting and day-to-day decision-making. Risk exposures are evaluated using both qualitative and quantitative measures that consider likelihood and potential impact, enabling management and the Board to focus on risks that could most significantly affect the Group's objectives.

Implementation of the ERM framework is supported by the AEV Risk Management Team and SBU Risk Management Teams, with continuous enhancements to improve effectiveness and usability. During the year, risk management practices were further strengthened through process simplification initiatives, greater integration of data and artificial intelligence in risk assessment and monitoring, and the adoption of a standardized risk universe to support consistent risk identification and reporting. This enables the Group to ensure consistency and comparability of risk reporting. Stakeholder communication was also enhanced through the structured cascade of principal risks to Corporate Service Unit (CSU) heads, reinforcing accountability and enabling timely, coordinated risk responses across the organization.

Central to the ERM framework is AEV's clearly articulated risk appetite, which defines the level and types of risk the Group is willing to accept in pursuit of its strategic objectives. Risk appetite is determined through a structured process that considers financial capacity, regulatory requirements, stakeholder expectations, and long-term business sustainability. The BRRMC reviews and approves AEV's risk appetite and tolerance levels at least once every three years, or more frequently when significant changes occur in the business or operating environment, ensuring religious application in strategic and operational decision-making.

Risk exposure assessments are conducted on a regular basis, with enterprise-wide risk assessments performed at least twice a year and supplemented by more frequent reviews when material changes arise in strategy, operations, or the external environment. SBU-level risk profiles, including principal risks, mitigation actions, and emerging risks, are consolidated by the AEV Risk Management Team and reviewed by the BRRMC, enabling the timely identification of emerging threats and shifts in the Group's overall risk profile.

The robustness of AEV's risk management processes is further reinforced through independent assurance. Internal and external audits of risk management processes have been conducted, providing assurance on the effectiveness of controls, governance, and compliance with established policies and standards. To support continuous improvement, AEV regularly updates its ERM-related policies, committee charters, manuals, guidelines, and procedures, ensuring continued alignment with best practices and the evolving risk landscape.

The table below presents the principal risks identified across the Aboitiz Group. These risks have been presented to and discussed by the BRRMC to ensure awareness, oversight, and alignment at the Board level. The AEV Risk Management Team, together with the respective risk owners, continues to monitor the development of these risks to ensure that exposures remain within the Group's approved risk appetite and tolerance levels.

Principal Risks

Risk Name	Risk Description	Key Drivers	Potential Impact	Risk Mitigation
Governance Risk	Risk that governance structures, processes, or coordination mechanisms may not fully support effective oversight and management across the Group.	• Organizational complexity • Evolving stakeholder expectations • Third-party and vendor arrangements	• Compliance challenges • Operational inefficiencies • Reputational damage	• Development of Group governance framework • Clearer mandates and escalation protocols • Regular Board and management-level risk reviews • Enhanced policies and controls
Country Concentration Risk	Risk arising from significant exposure to a single geographic market.	• Macroeconomic conditions • Regulatory and policy changes • Natural catastrophe affecting operations	• Constrained growth opportunities	• Portfolio diversification initiatives • Exploration of new markets • Strategic partnerships and investments
Execution Risk	Risk that strategic initiatives and operational plans may not be implemented as intended.	• Project complexity • Resource and capability constraints • Market and operational challenges	• Delays in project delivery • Cost overruns • Reduced achievement of strategic objectives	• Robust planning and governance processes • Performance monitoring • Capability development and cross-functional coordination

Risk Name	Risk Description	Key Drivers	Potential Impact	Risk Mitigation
Regulatory Risk	Risk of adverse outcomes resulting from changes in laws, regulations, or regulatory interpretations.	• Evolving regulatory frameworks • Compliance requirements across sectors	• Financial loss • Operational disruption • Reputational damage	• Proactive regulatory engagement
Critical Asset Risk	Risk of damage to or failure of key assets and infrastructure.	• Natural catastrophe affecting operations • Asset design constraints • Operational stress	• Operational disruption • Financial loss • Health and safety incidents • Reputational damage	• Preventive maintenance programs • Business continuity plans in place • Insurance coverage
Health and Safety Risk	Risk of incidents affecting the health and safety of employees, contractors, or the public.	• Operational hazards • Human factors • Contractor activities	• Injury or loss of life • Regulatory sanctions • Operational interruption • Reputational damage	• Enhanced safety management systems • Training and awareness programs • Contractor oversight • Continuous improvement initiatives
Portfolio Performance Risk	Risk that the overall portfolio may not deliver expected financial or strategic outcomes.	• Market volatility • Sector concentration • Capital allocation decisions • Delays in execution	• Weakened financial performance • Limited ability to pursue new investments and growth opportunities • Weaker shareholder returns	• Disciplined capital allocation • Regular Capex and performance reviews • Portfolio diversification initiatives
Strategic Talent Capability Risk	Risk of insufficient leadership depth and critical skills to support strategy execution.	• Skills gaps • Succession challenges • Increased competition for talent	• Reduced execution effectiveness • Productivity losses • Lower organizational resilience	• Strengthen succession planning • Continuous leadership and capability development • Employee engagement and retention initiatives
Supply Chain Risk	Risk of disruption to the availability of critical inputs and services.	• Market volatility • Geopolitical instability • Supplier dependencies	• Operational disruption • Financial loss • Reputational damage	• Supplier diversification • Contractual safeguards • Resilience and contingency planning • Insurance coverage

Risk Name	Risk Description	Key Drivers	Potential Impact	Risk Mitigation
Cyber and Information Security Risk	Risk of unauthorized access, data compromise, or disruption of information systems.	• Human factors • Shadow I.T • Cyber threats • Dependency on legacy systems	• Business interruption • Regulatory exposure • Financial loss • Reputational damage	• Information security governance • Cybersecurity awareness and controls • Monitoring and incident response capabilities

(b) REQUIREMENTS AS TO CERTAIN ISSUES OF ISSUERS

(i) Debt Issues

(a) Twenty-Five Billion Fixed Rate Retail Bonds Issued in August 2015

On 27 July 2015, the SEC issued the Order of Registration and Certificate of Permit to Offer Securities for AEV's fixed- rate retail bonds in the aggregate amount of up to ₱25 bn, inclusive of oversubscription (the "2015 Bonds"). The 2015 Bonds were then offered to the public on 28 July 2015 until 31 July 2015. The first tranche, equivalent to ₱24 bn was issued in 2015 in three series, as follows:

Series	Maturity Date	Interest Rate Per Annum
Series A	Five Years and three months	4.4722%
Series B	Seven Years	5.0056%
Series C	Twelve Years	6.0169%

The 2015 Bonds were listed with PDEX on 5 August 2015 for secondary market trading. Interest on the 2015 Bonds is paid quarterly in arrears every 6 August, 6 November, 6 February, and 6 May of each year for each subsequent interest payment date at which the bonds are outstanding.

AEV received the aggregate net proceeds of ₱24 bn from the offer and sale of 2015 Bonds. The breakdown of the use of proceeds is set out below:

Use of Proceeds	Projected Usage (Per Prospectus)	Actual Usage*
Capital Infusion into Aboitiz Land, Inc.	₱9,892,000,000.00	₱10,000,000.00
Capital Infusion into Apo Agua Infraestructura, Inc.	2,055,000,000.00	14,000.00
Capital Infusion into Aseagas Corporation	311,000,000.00	222,500,000.00
Capital Infusion into PETNET, Inc.	765,000,000.00	125,000,000.00
Full repayment of existing long-term debt to fund purchase of UBP shares in 2010 & 2011	1,188,000,000.00	1,188,000,000.00
Bond Issuance Costs	214,076,625.00	219,925,521.28
Acquisition of a stake in the Philippine business of Lafarge S.A.	9,574,923,375.00	22,234,560,478.72
TOTAL	₱24,000,000,000.00	₱24,000,000,000.00

*The actual amount spent for the above projects in 2015 reached ₱25.5 bn. The funding came from the ₱24 bn retail bond proceeds and the ₱1.5 bn balance from internally-generated funds.

AEV has been paying interest to its bondholders since 6 November 2015.

In 2020, the Company fully paid its Series A 2015 Bonds.

On 10 August 2021, the Company fully paid the Series B 2015 Bonds amounting to ₱8.47 bn, a year ahead of its 2022 maturity schedule.

As of 28 February 2026, only the 12-year Series C 2015 Bonds remain outstanding.

(b) Thirty Billion Fixed Rate Peso Denominated Retail Bonds (2019)

On 29 January 2019, the Board approved the issuance of a fixed-rate peso-denominated retail bonds in the aggregate amount of up to ₱30 bn, registered under the shelf registration program of the SEC (the “2019 Bonds”). Subsequently, the members of the Board approved the issuance of the first tranche of its 2019 Bonds equivalent to ₱3 bn and with an oversubscription option of up to ₱2 bn (the “First Tranche 2019 Bonds”) on 7 March 2019.

On 3 June 2019, the SEC issued the Order of Registration and Certificate of Permit to Offer Securities for AEV’s 2019 Shelf Program and the public offering of its First Tranche 2019 Bonds which was issued in two series.

Series	Maturity Date	Interest Rate Per Annum
Series A	Five Years	6.0157%
Series B	Ten Years	6.3210%

The First Tranche 2019 Bonds were listed with PDEX on 18 June 2019 for secondary market trading. Interest is paid quarterly in arrears every 21 May, 21 August, 21 November, and 21 February of each year for each subsequent interest payment date at which the bonds are outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AEV received the aggregated net proceeds of ₱4.94 bn from the offer and sale of the First Tranche 2019 Bonds. The breakdown of the use of proceeds is set out below (amount in thousand pesos):

Use of Proceeds	Projected Usage (Per Prospectus)	Actual Usage
Repayment of Medium-term Loan of AEV International Pte. Ltd.	₱4,936,384	₱4,937,310
Bond issuance costs	63,616	62,690
TOTAL	₱5,000,000	₱5,000,000

On 5 November 2019, the Board approved the issuance of up to ₱10 bn fixed-rate retail bonds (the “Second Tranche 2019 Bonds”). The SEC issued the Certificate of Permit to Offer Securities on 29 October 2020 for the Second Tranche 2019 Bonds, which was then offered to the public from 29 October 2020 until 6 November 2020. The Second Tranche 2019 Bonds, equivalent to ₱7.55 bn including oversubscription, were issued in two series:

Series	Maturity Date	Interest Rate Per Annum
Series C	Three Years	2.8403%
Series D	Five Years	3.3059%

The Second Tranche 2019 Bonds were listed with PDEX on 16 November 2020 for secondary market trading. Interest is paid quarterly in arrears every 16 November, 16 February, 16 May,

and 16 August of each year for each subsequent interest payment date at which the bonds are outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AEV received the aggregate net proceeds of ₱7.45 bn from the offer and sale of Second Tranche 2019 Bonds. The breakdown of the use of proceeds is set out below (in thousand pesos):

Use of Proceeds	Projected Usage (Per Prospectus)	Actual Usage ¹
Payment of the maturing 2013 Series A Bonds	₱6,200,000	₱6,200,000
Payment of the maturing 2015 Series A Bonds	2,664,112	1,245,578
Partially finance the 2021 equity contributions to Apo Agua for the construction of a hydroelectric-powered bulk water treatment facility in Davao	1,000,000	-
Bond issuance costs	135,888	104,422
TOTAL	₱10,000,000	₱7,550,000

On 26 April 2021, the Board approved the issuance of up to ₱10 bn fixed-rate retail bonds (the “Third Tranche 2019 Bonds”). The SEC issued the Certificate of Permit to Offer Securities on 26 July 2021 for the Third Tranche 2019 Bonds, which was then offered to the public from 26 July 2021 until 30 July 2021. The Third Tranche 2019 Bonds, equivalent to ₱10 bn including oversubscription, were issued in two series.

Series	Maturity Date	Interest Rate Per Annum
Series E	Four Years	3.2977%
Series F	Seven Years	3.3059%

The Third Tranche 2019 Bonds were listed with PDEX on 9 August 2021 for secondary market trading. Interest is paid quarterly in arrears every 9 February, 9 May, 9 August, and 9 November of each year for each subsequent interest payment date at which the bonds are outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AEV received the aggregate net proceeds of ₱10 bn from the offer and sale of the Third Tranche 2019 Bonds. The breakdown of the use of proceeds is set out below (in thousand pesos):

Use of Proceeds	Projected Usage (Per Prospectus)	Actual Usage
Refinance facilities drawn to fund the early redemption of the 2015 Series B Bonds	₱8,467,030	₱8,467,030
Partially finance Aboitiz InfraCapital’s 2021 equity contributions to Apo Agua to fund its requirements for the construction of a hydroelectric-powered bulk water treatment facility in Davao	750,000	750,000
Finance future funding requirements of Aboitiz InfraCapital in 2022 for its towers project	643,629	647,997
Bond issuance costs	135,341	134,973
TOTAL	₱10,000,000	₱10,000,000

¹ The full allotment for the oversubscription was not availed.

AEV has been paying interest to its bondholders since 18 September 2019 and 16 February 2021, for the First and Second Tranche Bonds, respectively. The Company started paying interest on the Third Tranche 2019 Bonds beginning on 9 November 2021.

As of 24 March 2025, Series A and C from the First and Second Tranches have been fully paid.

On 25 August 2022, the Board approved the issuance of up to ₱7.45 bn fixed-rate retail bonds (the “Fourth Tranche 2019 Bonds”), together with the application for a new shelf registration program with the SEC for the issuance of fixed-rate peso-denominated retail bonds with an aggregate principal amount of up to ₱30 bn, to be issued in one or more tranches, depending on market conditions (the “2022 Shelf Program”).

(c) Thirty Billion Fixed Rate Peso Denominated Retail Bonds (2022)

On 25 August 2022, the members of the Board approved the issuance of the first tranche from its 2022 Shelf Program equivalent to ₱4.55 bn inclusive of oversubscription option (the “First Tranche 2022 Bonds”). Subsequently, the Board of Directors of the Company approved the increase in the amount of the oversubscription option to ₱12.55 bn. The issuance of the Fourth Tranche 2019 Bonds and the First Tranche 2022 Bonds amounted to a total issue size of ₱20 bn fixed-rate retail bonds (the “2022 Bonds”). The increase in the oversubscription option allowed for greater flexibility amidst robust liquidity in the capital markets.

The SEC issued the Certificate of Registration and the Permit to Offer Securities on 22 November 2022 for the 2022 Bonds, which was then offered to the public from 22 November 2022 until 28 November 2022. The 2022 Bonds were issued in two series.

Series	Maturity Date	Interest Rate Per Annum
Series A	Three Years and Six Months	6.8725%
Series B	Seven Years	7.5321%

The First Tranche 2022 Bonds were listed with PDEX on 7 December 2022 for secondary market trading. Interest is paid quarterly in arrears every 7 March, 7 June, 7 September, and 7 December of each year for each subsequent interest payment date at which the bonds are outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AEV received the aggregate net proceeds of ₱20 bn from the offer and sale of the 2022 Bonds. The breakdown of the use of proceeds is set out below (in thousand pesos):

Use of Proceeds	Projected Usage (Per Prospectus)	Actual Usage
Partially finance Aboitiz InfraCapital's acquisition in GMCAC	₱18,756,283	₱19,759,321
Refinancing of the maturing AEV Series C 2.8403% Bonds Due 2023	1,000,000	-
Bond issuance costs	243,717	240,679
TOTAL	₱20,000,000	₱20,000,000

On 30 May 2023, the members of the Board approved the issuance of the second and final tranche of its 2022 Bonds equivalent to ₱17.45 bn inclusive of oversubscription option (the “Second Tranche 2022 Bonds”). The SEC issued the Certificate of Registration and the Permit to Offer Securities on 7 September 2023.

The Second Tranche 2022 Bonds was then offered to the public from 7 September 2023 until 13 September 2023. The Second Tranche 2022 Bonds were issued in three series.

Series	Maturity Date	Interest Rate Per Annum
Series C	Two Years	6.3402%
Series D	Five Years	6.4762%
Series E	Ten Years	6.8032%

The Second Tranche 2022 Bonds were listed with PDEX on 21 September 2023 for secondary market trading. Interest is paid quarterly in arrears every 21 December, 21 March, 21 June, and 21 September of each year for each subsequent interest payment date at which the bonds are outstanding or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AEV received the aggregate net proceeds of ₱17.45 bn from the offer and sale of the Second Tranche 2022 Bonds. The breakdown of the use of proceeds is set out below (in thousand pesos):

Use of Proceeds	Projected Usage (Per Prospectus)	Actual Usage
To partially fund the acquisition of 40% equity interest in Coca-Cola Beverages Philippines, Inc.	₱11,382,434	-
Refinancing of the maturing AEV Series C 2.8403% Bonds Due 2023	5,853,300	5,853,300
Bond issuance costs	214,266	216,470
TOTAL	₱17,450,000	₱6,069,770

AEV started paying interest to its bond holders of the First Tranche 2022 Bonds on 7 March 2023 and Second Tranche 2022 Bonds on 21 December 2023.

On 9 June 2025, the Company fully paid the Series A 2022 Bonds amounting to ₱9.1 bn, a year ahead of its 2026 maturity schedule.

B. STRATEGIC BUSINESS UNITS

I. POWER

Overview of the Business

AEV's power Business Unit, AP, is a publicly-listed company incorporated on, and has been in business since, 13 February 1998. AP was incorporated as a holding company for the Aboitiz Group's investments in electricity generation, distribution, and other power-related segments. Ownership in AP was opened to the public through an initial public offering of its common shares in the PSE on 16 July 2007.

Through its Subsidiaries and Affiliates, AP is a leader in the Philippine power industry with interests in a number of privately-owned generation companies and distribution utilities. As of 28 February 2026, AEV owns 3,825,794,642 of the outstanding capital stock of AP, 1,986,823,063 is owned by JERA Asia, while about 134,132,109 is owned by directors, officers, and other related parties, and the remainder is owned by the public.

As of 23 March 2026, AP had a market capitalization of ₱308.410 bn, with a common share price of ₱42.80 per share.

AP has four strategic business segments:

- (a) Power Generation, where AboitizPower is among the largest in the country in terms of overall installed capacity²;
- (b) Power Distribution, where AboitizPower is the second largest private utility operator in terms of captive customer connections and energy sales³;
- (c) Retail Electricity Supply (RES), where the AboitizPower RES companies have the second highest number of customers in terms of facility count, the largest in terms of contract capacity with Contestable Customers in megawatts (MW), and the second largest total retail market share⁴; and
- (d) Distributed Energy.

Business Development

AP through its Subsidiaries, Joint Ventures, and Associates, is a leader in the Philippine power industry with a presence in the power generation, distribution, and retail electricity supply markets. The Company continues to pursue energy projects to help ensure the Philippines' energy system is secure and is able to reliably support aggregate electricity demand..

AboitizPower's portfolio of power generating assets strategically consists of a mix of renewable and non-renewable power plants. AboitizPower's baseload coal and geothermal plants and intermediate and peaking hydropower, solar, and oil-based power plants enable the company to address the country's growing demands. Most of AboitizPower's plants are also capable of providing ancillary services, which is critical in stabilizing grid operations. AboitizPower has an installed capacity which is equivalent to a 23.86% market share of the national grid's installed generating capacity.⁵ As of 28 February 2026, AboitizPower had a total of 8,652 MW net sellable capacity, of which 5,451 MW is the portion attributable to the company. AboitizPower continues to grow its portfolio of generation assets with renewables and selective baseload builds. AboitizPower's renewable investments are held primarily through its wholly-owned Subsidiary, Aboitiz Renewables, Inc. (ARI), along with ARI's Subsidiaries and Joint Ventures.

AP also owns interests in nine Distribution Utilities in Luzon, Visayas, and Mindanao, including Visayan Electric Company, Inc. (Visayan Electric) and Davao Light & Power Company (Davao Light), the second and third largest distribution utilities in the Philippines, respectively in terms of customer size and annual sales. AP's Subsidiaries engaged in the distribution of electricity sold a total of 9,230,848 MWh in 2025.

AP's power generation business supplies power to various customers under power supply contracts, ancillary service procurement agreements (ASPA), and for trading in the Wholesale Electricity Spot Market (WESM). The power distribution business is engaged in the distribution and sale of electricity to end-users, and the RES and Others segment includes retail electricity sales to various off-takers that are considered eligible contestable customers ("Contestable Customers") and provision of electricity-related services, such as installation of electrical equipment. AP's Subsidiaries engaged in the supply of retail electricity sold a total of 6.19 Terawatt hours (TWh) in 2025.

On 16 December 2021, JERA Asia acquired a 27% stake in AP, which consisted of a 25.01% stake from AEV and a 1.99% stake from ACO.

For a more detailed history and milestones of the Company's Power SBU, please refer to AP's Annual Report.

² Based on Energy Regulatory Commission (ERC) Resolution No. 14, series of 2025 dated 30 July 2025

³ Based on DOE's Distribution Development Plan 2021-2030

⁴ ERC Competitive Retail Electricity Market (CREM) and Green Energy Option Program (GEOP) Monthly Statistical Data as of December 2025

⁵ Based on ERC Resolution No. 14, Series of 2025 dated 30 July 2025

(i) **Principal Products and Services**

GENERATION OF ELECTRICITY

AP's power generation portfolio includes interests in both renewable and non-renewable generation plants. As of 31 December 2025, the earnings contribution of the coal and non-coal operating business segments accounted for 42% and 41%, respectively. AP conducts its power generation activities through the Subsidiaries and Affiliates listed in the table below.

The table below summarizes the Generation Subsidiaries' operating results as of the periods indicated:

Generation Subsidiaries	Energy Sold			Revenue		
	2025	2024	2023	2025	2024	2023
	(in GWh)			(in mn Pesos)		
AP Renewables Inc. (APRI)	2,731	2,706	3,206	11,568	12,683	16,754
San Carlos Sun Power Inc. (SacaSun)	86	89	82	1,038	775	724
PV Sinag Power, Inc. (PV Sinag) ⁶	348	268	N/A	1,304	1,047	N/A
RE Resources, Inc. (RERI) ⁷	760	N/A	N/A	3,413	N/A	N/A
Aboitiz Solar Power, Inc. (ASPI) ⁸	705	N/A	N/A	3,374	N/A	N/A
Hedcor, Inc (Hedcor)	218	164	155	1,156	856	864
Luzon Hydro Corporation (LHC)	319	279	259	1,070	951	868
Hedcor Sibulan, Inc. (Hedcor Sibulan)	263	251	271	1,475	1,397	1,477
Hedcor Tudaya, Inc. (Hedcor Tudaya)	34	30	39	419	177	228
Hedcor Sabangan, Inc. (Hedcor Sabangan)	66	51	44	735	302	262
Hedcor Bukidnon, Inc. (Hedcor Bukidnon)	447	353	354	3,434	2,073	2,080
Therma Luzon, Inc. (TLI)	6,162	5,497	6,351	29,295	28,730	40,231
Therma South, Inc. (TSI)	2,219	2,232	1,987	12,631	13,628	13,530
Therma Visayas, Inc. (TVI)	2,318	2,418	2,543	12,170	14,377	15,295
Cebu Energy Development Corporation (CEDC)	1,740	1,683	1,949	9,873	10,259	12,165
SPI Power Incorporated (SPI)	1,565	1,514	1,445	7,503	7,519	8,822
GNPower Mariveles Energy Center Ltd. Co. (GMEC)	4,324	4,811	4,675	23,452	27,769	30,901
Cebu Private Power Corporation (CPPC) ⁹	0	0	31	0	12	660
East Asia Utilities Corporation (EAUC)	267	72	225	2,770	961	985
Thema Marine, Inc. (TMI)	1,149	760	534	2,383	1,589	776
Therma Mobile, Inc. (TMO) ¹⁰	405	493	1,023	1,881	1,920	2,993
Therma Power-Visayas, Inc. (TPVI) ¹¹	48	74	12	148	653	270

⁶PV Sinag's Cayanga-Bugallon Solar Power Plant and Laoag Solar Plant have started commercial operations in July and December 2024, respectively.

⁷ERI's Armenia Solar Power Plant started commercial operations in March 2025.

⁸ASPI's Calatrava Solar Power Plant started commercial operations in July 2025.

⁹CPPC has not been operating since 2023 following the transfer and sale of the plant, pursuant to a build-operate-transfer (BOT) scheme

¹⁰TMO received the DOE's Letter of Confirmation on 13 February 2025 for the mothballing of two of its Bunker C-Fired Power Barges, Mobile 4 and Mobile 6.

¹¹TPVI released a disclosure following receipt of a notice from the NGCP confirming the disconnection of the Naga Oil-Fired Power Plant (44.640 MW) and Black Start Diesel Engine Generating Unit (0.440 MW) on 15 April 2025.

(A) Renewables

Aboitiz Renewables, Inc.

As of 28 February 2026, AP's renewable energy portfolio in operation consisted of net sellable capacity of approximately 2,395 MW, divided into 427 MW of solar, 1,637 MW of hydro, and 307 MW of geothermal, and 24 MW of battery storage.

AP's investments and interests in various renewable energy projects, including geothermal, large hydro, run-of-river hydro, and solar projects, are held primarily through its wholly-owned Subsidiary, ARI and its Subsidiary Generation Companies. ARI was incorporated on 19 January 1995.

As of 28 February 2026, ARI has successfully energized 817 MW of its initial expansion phase, which includes developing solar, geothermal binary, wind, and energy storage plants with a cumulative net attributable capacity of up to 1,200 MW. The growth of ARI's portfolio plays an important role in achieving AboitizPower's energy transition strategy which aims to assist in the decarbonization of the Philippine energy market while supporting the country's economic growth.

For ARI's significant milestones and outlook, please refer to AP's Annual Report.

AP, through and/or with ARI, owns equity interests in the following renewable Generation Companies, among others:

Generation Company	Percentage of Ownership	Plant Name (Location)	Type of Plant	Installed Dependable Capacity	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Offtakers
APRI	100%	Tiwi – Makban (Luzon)	Geothermal	633.400	307.000	307.000	WESM/ Bilaterals
Hedcor	100%	Benguet 1-11 (Luzon) La Trinidad, Bineng 3, Ampohaw, FLS, Labay, Lon-oy, Irisan 1 and 3, and Sal-angan	Run-of-river hydro	52.255	52.700	52.700	FIT/ Bilaterals
		Davao 1-5 (Mindanao) Talomo 1, 2, 2A, 2B, and 3	Run-of-river hydro	4.470	4.470	4.470	Distribution Utility
Hedcor Bukidnon	100%	Manolo Fortich (Mindanao)	Run-of-river hydro	73.323	68.800	68.800	FIT
Hedcor Sabangan	100%	Sabangan (Luzon)	Run-of-river hydro	14.139	14.139	14.139	FIT
Hedcor Sibulan	100%	Sibulan (A, B and Tudaya A) (Mindanao)	Run-of-river hydro	49.238	51.063	51.063	Distribution utility
Hedcor Tudaya	100%	Tudaya (B) (Mindanao)	Run-of-river hydro	8.137	8.137	8.137	FIT
Cleanergy	71.20%	Caliraya-Botocan-Kalay aan (Luzon)	Impounding, Run-of-river, and pumped storage hydro	788.561	788.561	504.679	WESM/ RM
SacaSun	100%	SacaSun (Visayas)	Solar	46.800	46.800	46.800	FIT
PV Sinag	100%	Cayanga and Laoag (Luzon)	Solar	205.328	205.328	205.328	Bilateral/ WESM
RERI	100%	Armenia (Luzon)	Solar	37.800	37.800	37.800	Bilateral/ WESM

ASPI	100%	Calatrava (Visayas)	Solar	137.400	137.400	137.400	Bilateral/ WESM
SN Aboitiz Power-Benguet	60%*	Ambuklao (Benguet, Luzon)	Large Hydroelectric	112.500	112.600	56.300	WESM/ ASPA/ Reserves Market (RM)
		Binga (Luzon)	Large Hydroelectric	140.000	140.000	70.000	Bilateral/ WESM/ ASPA/ RM
SN Aboitiz Power-Magat	60%*	Magat (Luzon)	Large Hydroelectric	388.000	388.000	194.000	Bilateral/ WESM/ ASPA / RM
		Maris Main Canal 1 (Luzon)	Run-of-river hydro	8.500	8.600	4.300	FIT
		Magat BESS (Luzon)	Battery energy storage	31.200	24.000	12.000	RM
Total				2,731.051	2,395.398	1,774.961	

Notes:

*The 60% equity is owned by MORE.

(B) Thermal Energy

Therma Power, Inc. (TPI)

AP's investments and interests in thermal energy projects are held primarily through its wholly-owned Subsidiary, TPI. TPI was incorporated on 26 October 2007. As of 28 February 2026, AP, by itself, through and/or with TPI, owned equity interests in the following thermal plants:

Generation Company	Percentage Ownership	Plant Name (Location)	Project Type	Installed Capacity ¹²	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Off-takers
Coal Group							
TLI	100%	Pagbilao (Luzon)	Coal-fired	751.4	735	735	Bilaterals/ WESM/ ASPA/ RM
Pagbilao Energy Corporation (PEC)	50%	Pagbilao 3 (Luzon)	Coal-fired	437.75	393	194.5	Bilaterals/ WESM/ RM
TSI	100%	TSI Plant (Mindanao)	Coal-fired	301.40	272.6	272.6	Bilaterals/ WESM
TVI	80%	TVI Plant (Visayas)	CFB	338	300	240	Bilaterals/ WESM/ ASPA/ RM
CEDC	26.4%	Cebu Energy (Visayas)	CFB	249.72	216	57	Bilaterals/ WESM/ RM
GMEC	78.32%	Mariveles Project (Luzon)	Coal-fired	632	632	495	Bilaterals/ WESM/ ASPA
GNPD	70.00%	GN Power Dinginin Ltd. Co.	Coal-fired	1,336	1,336	935.2	Bilaterals/ WESM/ ASP
SPI	85%	Mindanao Coal-Fired Power Plant/ STEAG Power Plant (Mindanao)	Coal-fired	232	210	178.5	NPC/PSALM (2031)/ Bilaterals
Oil Group							
EAUC	100%	EAUC Plant (Visayas)	Bunker-C fired	44.50	32.5	32.5	WESM/ RM

¹²Based on ERC Resolution No. 07, series of 2025, dated 13 March 2025.

Southern Philippines ^{13**}	20%	SPPC Plant (Mindanao)	Bunker-C fired	55	55	11	N/A
TMI	100%	Power Barge Mobile 1 (Mindanao)	Barge-mounted	100	98	98	WESM/ ASPA/ PSA
		Power Barge Mobile 2 (Mindanao)	Barge-mounted	100	98	98	WESM/ ASPA/ PSA
		BESS (Mindanao)	Hybrid BESS	49	49	49	ASPA
TMO	100%	Power Barges Mobile 3-6 (Luzon)	Barge-mounted	116	106.9	106.9	WESM/ ASPA/ RM
WMPC**	20%	WMPC Plant (Mindanao)	Bunker-C fired	101.77	100	20	Bilaterals/ WESM/ ASPA
Cotabato Light**	99.94%	Bunker Cotabato (Mindanao)	Bunker-C fired	9.641	4.45	4.45	Distribution Utility
Total				4,854.18	4,638.45	3,529.65*	

* Sum figures will differ due to rounding effect

** Directly owned by AP

For a more detailed discussion of the Power Group's Generation Business Units, please refer to AP's Annual Report.

Other Generation Assets

As of 28 February 2026, Cotabato Light maintained a stand-by maximum capacity of 9.641-MW Bunker C-fired power plant with a dependable capacity of 4.45 MW capable of supplying approximately 9.75% of its requirements.

Future Projects

AboitizPower continues to assess the feasibility of new power generation projects focusing on addressing the needs of its customers by providing reliable supply, at a reasonable cost, and with minimal impact on the environment and communities. Other factors taken into consideration include the proposed project's land use requirements, access to a power grid, energy yield analysis, fuel supply arrangements, availability of water, local requirements for permits and licenses, acceptability of the project to the communities and people it will affect, ability of the project to generate electricity at a competitive cost, and the existence of potential purchasers of the electricity generated. For the development of a new power project, the company, its partners, and its suppliers are required to obtain all national and local permits and approvals before the commencement of construction and commercial operations, including those related to the project site, construction, environment, land use planning/zoning, operations licenses, and similar approvals.

DISTRIBUTION OF ELECTRICITY

AP, by itself and through the Aboitiz Group, has more than 85 years of experience in the Philippine power distribution sector.

With ownership interests in nine Distribution Utilities, the company believes that it is currently one of the largest electricity distributors in the Philippines. AP's Distribution Utilities collectively supply electricity to franchise areas covering a total of 18 cities and municipalities and five economic zones across Luzon, Visayas, and Mindanao.

In 2020, the wholly-owned Distribution Utilities and Visayan Electric completed a rebranding initiative to modernize the look and feel of the brands and visually show their relation to AboitizPower.

¹³Southern Philippines has been on asset preservation status since July 2018.

The Distribution Utilities' earnings contribution to AP's business segments in 2025 was equivalent to 15%. The Distribution Utilities had a total customer base of 1,238,439 as of end 2025. This was 1,200,987 as of end 2024, and 1,137,402 as of end 2023.

The table below summarizes the key operating statistics of the Distribution Utilities for each of the past three years:

Company	Electricity Sold (MWh)			Peak Demand (MW)			No. of Customers		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Davao Light	3,191,258	3,009,086	2,842,932	592	537	510	515,359	494,710	482,427
Cotabato Light	247,583	228,387	203,930	47	44	38	54,101	52,380	50,499
Visayan Electric Company (Visayan Electric)	4,033,096	3,933,149	3,548,720	693	678	615	523,484	513,491	501,080
San Fernando Electric Light & Power Co., Inc. (SFELAPCO)	885,175	871,159	810,311	173	177	158	139,439	134,691	130,148
Subic Enerzone Corporation (Subic Enerzone)	319,951	297,094	287,300	56.6	60	57	3,749	3,697	3,674
Mactan Enerzone Corporation (Mactan Enerzone)	78,607	80,652	88,600	16.5	17	20	88	88	90
Balamban Enerzone Corporation (Balamban Enerzone)	86,294	98,283	95,937	26.5	27	26	31	31	28
Lima Enerzone Corporation (Lima Enerzone)	365,896	352,093	315,178	66	65	58	1,783	1,712	1,621
Malvar Enerzone Corporation (Malvar Enerzone)	22,988	17,025	10,238	7	6	6	405	186	49
Total	9,230,848	8,886,926	8,203,148	1,611	1,653	1,528	1,238,439	1,200,986	1,169,606

For a more detailed discussion of the Power Group's Power Distribution Utilities, please refer to AP's Annual Report.

RETAIL ELECTRICITY AND OTHER RELATED SERVICES

One of the objectives of electricity reform in the Philippines is to ensure the competitive supply of electricity at the retail level. With the start of commercial operations of Open Access, large-scale customers are allowed to source electricity from RES licensed by the ERC. The AboitizPower RES entities, which include Adventenergy, Inc., Adventpower, Inc. (formerly Aboitiz Energy Solutions, Inc. or AESI), and Prism Energy, Inc. as well as the RES business segments of TLI and APRI, have valid RES licenses and are all registered under the Renewable Energy Market. The AboitizPower RES entities were also granted operating permits by the DOE, valid for five years, allowing them to participate in the DOE's Green Energy Option Program (GEOP).

For a more detailed discussion of the Power Group's Retail Electricity and other related services, please refer to AP's Annual Report.

OFFSHORE AND OTHERS

AboitizPower International Pte. Ltd. (AboitizPower International)

Established on 6 August 2014 in Singapore, AboitizPower International is the holding company of AboitizPower's investments abroad. AboitizPower International owns 100% of the following project companies: AP Lariang Pte. Ltd. and Cleanergy Asia Power Holdings Pte. Ltd., and 40% in Abaqa International Pte. Ltd., a joint venture company between AboitizPower International and Aboitiz Foods Pte. Ltd.

Abaqa International Pte. Ltd. (formerly: Comfez Pte. Ltd.; Abaqa)

Abaqa is a trading and central purchasing hub, specializing in strategic sourcing and distribution of essential raw materials against multiple markets. It was incorporated on 20 October 2014 and is domiciled in Singapore. Abaqa is 60% owned by Aboitiz Foods Pte. Ltd. and AboitizPower International owns the remaining 40%.

Potentia Insurance Pte. Ltd. (Potentia)

Potentia is a captive insurance company wholly owned by AP, established and operating in Singapore. Incorporated on 4 July 2024, Potentia was created to serve the insurance needs of its parent group by underwriting internal risks and driving risk management performance of its insured entities.

Potentia currently participates in AboitizPower's One Master Global Industrial All Risks Insurance Program, providing insurance capacity alongside the commercial market. Through this participation, Potentia plays an active role in aligning insurance structures with the AboitizPower's evolving risk profile while promoting stronger risk awareness and accountability among its insured business units.

Power Plus Innovations, Inc. (Power Plus)

Power Plus is the holding company for AboitizPower's investments in the energy infrastructure ancillary business. It was incorporated on 2 May 2024 and is a wholly-owned Subsidiary of AP.

Therma Cebu Energy, Inc. (Therma Cebu)

Incorporated on 3 August 2022, Therma Cebu is AboitizPower's initial venture into the fuel storage terminal sector.

On 18 August 2023, TPI entered into a Joint Venture with Sta. Cruz Storage Corporation to build and operate a fuel storage facility at the Naga Power Plant Complex in Naga City, Cebu. TPI and SCSC each own 50% of Therma Cebu. As of 28 February 2026, the fuel storage terminal project is under construction.

This project is a strategic infrastructure development aimed at enhancing the country's energy security and economic growth, particularly in the Cebu region.

(ii) Sales

The operations of AP and its Subsidiaries and Affiliates are based only in the Philippines.

Comparative amounts of revenue, profitability and identifiable assets are as follow:

	2025	2024	2023
Gross Income	₱198,479	₱197,492	₱207,100
Operating Income	37,506	41,195	31,785
Total Assets	₱622,798	₱517,616	₱487,023

Note: Values are in Million Pesos. Operating income is operating revenue net of operating expenses.

Comparative amounts of revenue contribution and corresponding percentages to total revenue by business group are as follows:

	2025		2024		2023	
Power Generation	₱118,769	52%	₱120,666	53%	₱137,376	57%
Power Distribution	62,396	27%	58,895	26%	54,735	23%
Retail Electricity Supply	42,785	19%	46,154	20%	46,396	19%
Services	3,861	2%	1,606	1%	2,187	1%
Total Revenue	₱227,811	100%	₱227,320	100%	₱240,694	100%
Less: Eliminations	(29,331)		(29,828)		(33,594)	
Net Revenue	₱198,479		₱197,492		₱207,100	

Note: Values are in Million Pesos.

(iii) Distribution Methods of the Product or Services

POWER GENERATION BUSINESS

AP's Generation Companies sell their capacities and energy through bilateral PSAs with private distribution utilities, electric cooperatives, RES, other large end-users, and through the WESM. AP has Subsidiaries and Affiliates selling ancillary services through ASPAs with NGCP and through the Reserves Market.

DISTRIBUTION UTILITIES BUSINESS

AP's Distribution Utilities have exclusive distribution franchises in the areas where they operate. Each Distribution Utility has a distribution network consisting of a widespread network of predominantly overhead lines and substations. Customers are classified according to voltage levels based on their electricity consumption and demand. Large industrial and commercial consumers receive electricity at distribution voltages of 13.8 kV, 23 kV, 34.5 kV, and 69 kV, while smaller industrial, commercial, and residential customers receive electricity at 240 volt (V) or 480 V.

With the exception of Malvar Enerzone, all of AP's Distribution Utilities have entered into transmission service contracts with NGCP for the use of NGCP's transmission facilities to receive power from PSALM to their respective independent power producers to their respective customers. All customers that connect to the Distribution Utilities' distribution lines are required to pay a tariff approved by ERC.

RETAIL ELECTRICITY SUPPLY BUSINESS

AP's wholly-owned RES entities, Adventenergy and Adventpower, have existing power supply agreements with both affiliate generation entities and non-affiliate suppliers to ensure continuous supply of power to their customers. Adventenergy and Adventpower maintain a portfolio of supply contracts from renewable and non-renewable sources to secure reliable and affordable electricity for their customers. These electricity supply contracts involve a mix of fixed rates and indexed electricity fees that are updated year on year to ensure that supply is maintained at competitive rates.

(iv) New Products/Services

LNG

On 1 March 2024, AP, indirectly through its wholly-owned Subsidiary, Therma NatGas Power (TNGP), entered into an Investment Agreement with Meralco Powergen Corporation (MGen) to acquire a 40% equity interest in Chromite Gas Holdings, Inc. (CGHI). With TNGP's investment, CGHI is 60% and 40% legally and beneficially owned by MGen and TNGP, respectively. TNGP's co-investment with MGen and SMGP in South Premier Power Corp. (SPPC), Excellent Energy Resources, Inc. (EERI), and Ilijan Primeline Industrial Estate Corp. (IPIEC) was completed on 27 January 2025.

The transaction involved:

- a) CGHI's acquisition of a 67% equity interest in SPPC, EERI, and IPIEC; and
- b) CGHI and SMGP's joint acquisition of approximately 100% of Linseed Field Corp., which operates the LNG Terminal in Batangas City.

797-MW CBK HEPP

The Thunder Consortium, composed of ARI, Sumitomo, and J-Power won the bidding process conducted by PSALM for the privatization of the 797-MW CBK HEPP Complex in July 2025, with the acquisition of CBK HEPP's hydroelectric and pumped storage assets being approved by the PCC in November 2025. The CBK HEPP was officially turned over by the Philippine government to the Thunder Consortium in February 2026.

Located in Laguna, the CBK HEPP Complex, particularly its Kalayaan pumped storage units, serves as a critical energy buffer for the Luzon grid. Its ability to store energy and rapidly dispatch power strengthens system stability, provides essential ancillary services, and supports the integration of renewable energy sources. As the Philippines expands its clean energy portfolio, the facility is expected to play a key role in safeguarding grid reliability and helping prevent power disruptions.

Van Phong

AP will acquire a 25% equity stake in Van Phong Power Company Limited (VCPL) from Sumitomo Corporation. As of 28 February 2026, the parties executed all agreements relating to the sale and purchase of VCPL, subject to closing conditions, including an application process pending before the Government of Vietnam.

VCPL owns and operates the Van Phong power plant, a 1,320 MW high-efficiency, low-emission (HELE) coal-fired power plant in Khánh Hòa Province, Vietnam (the Van Phong Plant). The Van Phong Plant commenced commercial operations in January 2024, and operates under a 25-year power purchase agreement with Vietnam's national utility, Vietnam Electricity (EVN). Van Phong 1 Coal-Fired is designed to supply about 8.5 bn kWh per year to the national grid, equivalent to around 4% of Vietnam's annual gross power generation.

Venture Studios

1882 Energy Ventures is a venture studio focused on accelerating the global energy transition by building and scaling startups that decentralize energy systems by reshaping how homes, businesses, mobility, and networks are powered. The 1882 Group builds startups in the areas of decentralized energy resources, electric mobility, and the energy internet of things and data. By advancing decentralization, the 1882 Group aims to drive decarbonization, enhance energy efficiency, and fuel long-term economic growth and development in the country and beyond.

Other than the foregoing and other ongoing greenfield and/or rehabilitation projects undertaken by AP's Generation Companies, AP and its Subsidiaries do not have any publicly announced new products or services as of 28 February 2026.

(v) Competition

POWER GENERATION BUSINESS

AP's power generation business operates in a competitive environment that is characterized by economic conditions, seasonal energy demand, regulatory requirements, and volatility in global commodity prices. The Generation Companies' target customers are private distribution utilities, electric cooperatives, and RESes. These target customers procure bulk power from Generation Companies to build and diversify their respective customers' power supply portfolio, which is then delivered to the end users. Distribution utilities and electric cooperatives operate in a regulated environment and are required to source power through a CSP, in accordance with guidelines set by the DOE, ERC, and the National Electrification Administration (NEA).

Among the abovementioned influences, AP continues to face competition in both greenfield and brownfield opportunities. With the latest mandate on Renewable Portfolio Standards (RPS) and Green Energy Auction Program (GEAP), many competitors have started exploring and committing to increase their renewable energy capacity.

Over the next three years, the majority of new supply is expected to come from variable renewable energy, with nearly 65% of it coming from the GEAP.

AP also believes that the Philippines' energy requirements will continue to grow as the country's economy develops, attracting new entrants both from demand and supply segments. With this opportunity, AP believes it is well-positioned to play a significant role in this growth, both in the renewable energy growth aspirations and baseload requirements of the country.

In particular, AP is expected to continue to face competition from leading multinationals such as TeM Corporation, Electricity Generating Public Company Limited (EGCO), and Korea Electric Power Corporation, as well as power generation facilities owned or controlled by Filipino-owned companies such as AC Energy, Alsons Power Group, DMCI Holdings, Inc., FDC Utilities, Inc., First Gen Corporation, MGen, and SMGP.

RETAIL ELECTRICITY SUPPLY BUSINESS

Based on ERC's Competitive Selection Retail Electricity Market (CREM) and GEOP Monthly Statistical Data as of December 2025, there are 57 RES companies and 30 Local RES companies participating in the Open Access markets in Luzon and Visayas. AP and Subsidiaries have the largest market share at 30.39%, with a contracted capacity of 1,354.80 MW. The Meralco Group, through its local RES and affiliate RES companies, has the second-largest market share at 26.35%, with contracted capacity of 1,174.60 MW. The San Miguel Group has the third largest market share at 19.62%, with a contracted capacity of 874.57 MW.

The increase in the number of variable renewable power plants, the number of RES companies, volatile WESM prices, and sustained high coal prices have also increased the level of competition in the RCOA market. RES companies have adopted competitive pricing strategies and offered contractual incentives to customers to attract and grow their customer base.

AP believes that its portfolio, consisting of different types of energy sources with a mix of renewables and non-renewables, allows it to be flexible in both pricing and reliability of supply, thus enhancing its competitiveness and allowing it to become the market leader in 2025.

DISTRIBUTION UTILITIES BUSINESS

Each of AP's Distribution Utilities currently have franchises to distribute electricity in the areas covered by its franchises.

(vi) Sources of Raw Materials and Supplies

POWER GENERATION BUSINESS

The Generation Companies produce energy using the following fuel types based on attributable net selling capacity: 11% hydropower, 5% geothermal, 8% solar, 57.9% coal, and 7% oil, and 12% LNG. In 2025, 24% of AboitizPower's attributable net selling capacity was generated using renewable fuel sources, 12% using LNG, and 64% from thermal.

For a more detailed discussion on the sources of raw materials and supplies of AP's Power Generation business, please refer to AP's Annual Report.

POWER DISTRIBUTION BUSINESS

The rates at which the Distribution Utilities purchase electricity from affiliated Generation Companies are established pursuant to bilateral agreements. These agreements are executed after the relevant Generation Company has successfully bid for the right to enter into a PSA with a distribution utility. These agreements are entered into on an arms'-length basis, on commercially reasonable terms, and must be approved by the ERC. ERC's regulations currently restrict AP's Distribution Utilities from purchasing more than 50% of their electricity requirements from affiliated Generation Companies.

The provisions of the Distribution Utilities' PPAs are governed by ERC regulations. The main provisions of each contract relate to the amount of electricity purchased, the price, including adjustments for various factors such as inflation indexes, and the duration of the contract. Distribution Utilities also enter into PSAs with various generation companies.

Transmission Charges

AP's Distribution Utilities have existing Transmission Service Agreements (TSAs) with the NGCP for the use of the latter's transmission facilities in the distribution of electric power from the Grid to its customers, which are valid until the dates specified below:

Distribution Utility	Valid until
Lima Enerzone	25 July 2027
Cotabato Light	25 August 2028
SFELAPCO	25 December 2028
Davao Light	25 January 2029
Visayan Electric	25 January 2029
Mactan Enerzone	25 January 2030
Balamban Enerzone	25 December 2030
Malvar Enerzone	25 December 2030

The Distribution Utilities have negotiated agreements with the NGCP in connection with the security deposit to secure their obligations to the NGCP under the TSAs.

(vii) Major Customers

POWER GENERATION BUSINESS

As of 31 December 2025, out of the total electricity sold by AP's Generation Companies, approximately 84% was covered by bilateral contracts with, among others, private distribution utilities, electric cooperatives, and industrial and commercial companies. The remaining, approximately 16%, was sold by the Generation Companies through the WESM, a co-optimized energy, and reserves market.

RETAIL ELECTRICITY SUPPLY BUSINESS

As of 28 February 2026, AP's RES business had approximately 481 Contestable Customers under RCOA and nine end-users under GEOP, and 22 Aggregated Groups under the Retail Aggregation Program (RAP) with active contracts. These customers come from a wide number of industries, including property development, meat processing, semiconductors, steel, and cement. AP believes that this diversity will insulate its RES business from downturns in any one industry.

POWER DISTRIBUTION UTILITIES

AP's Distribution Utilities have wide and diverse customer bases. As such, AP believes that loss of any one customer is not expected to have a material adverse impact on the company. The Distribution Utilities' customers are categorized into four principal categories:

- (a) *Industrial customers.* Industrial customers generally consist of large-scale consumers of electricity within a franchise area, such as factories, plantations, and shopping malls;
- (b) *Residential customers.* Residential customers are those who are supplied electricity for use in a structure utilized for residential purposes;
- (c) *Commercial customers.* Commercial customers include service-oriented businesses, universities, and hospitals; and
- (d) *Other customers.* Customers not falling under any of the above categories.

Government accounts for various government offices and facilities are categorized as either commercial or industrial depending on their load. Each Distribution Utility monitors government accounts separately and further classifies them to local government accounts, national government accounts, or special government accounts like military camps. Streetlights have a different rate category and are thus monitored independently.

(viii) Transactions with and/or Dependence on Related Parties

AP and its Subsidiaries, in their regular conduct of business, have entered into transactions with Associates and other related parties principally consisting of professional and technical services, power sales and purchases, advances, various guarantees, construction contracts, aviation services, and rental fees. These are made on an arm's-length basis as of the time of the transactions.

Details of the significant account balances of the foregoing related party transactions of the Group can be found in the accompanying consolidated financial statements of AP's Annual Report.

(ix) Patents, Copyrights and Franchises

AP and its Subsidiaries have secured all material permits, franchises, and trademarks required to operate its businesses.

POWER GENERATION BUSINESS

Power generation is not considered a public utility operation under RA No. 9136 or the Electric Power Industry Reform Act of 2001 (EPIRA). Thus, a franchise is not needed for generation companies to engage in the business of power generation. Nonetheless, no person or entity may engage in the generation of electricity unless such person or entity has secured a Certificate of Compliance (COC) or Provisional Authority to Operate (PAO) from ERC. Generation companies are required to comply with technical, financial, ownership/control, and environmental standards and to ensure that their grid-connected facilities meet the criteria set out in the Philippine Grid Code, Philippine Distribution Code, and Philippine Electrical Code.

AP, its Subsidiaries, and Affiliates are in various stages of development of several projects. Some of these projects have been awarded Renewable Energy Service contracts by the DOE.

The Generation Companies and Cotabato Light, a Distribution Utility, possess COCs for their power generation plants, details of which are enumerated in AP's Annual Report.

DISTRIBUTION UTILITIES BUSINESS

Under the EPIRA, the business of electricity distribution is a regulated public utility business that requires a franchise that can be granted only by Congress. In addition to the legislative franchise, a CPCN from ERC is also required to operate as a public utility. However, distribution utilities operating within economic zones are not required to obtain a franchise from Congress, but must be duly registered with PEZA in order to operate within the economic zone.

All distribution utilities are required to submit to the ERC a statement of their compliance with the technical specifications prescribed in the Philippine Distribution Code, which provides the rules and regulations for the operation and maintenance of distribution systems, and the performance standards set out in the implementing rules of the EPIRA.

Shown below are the respective expiration periods of the Distribution Utilities' legislative franchises:

Distribution Utility	Franchise	Term	Expiry
Visayan Electric	RA No. 9339	25 years from effectivity of RA No. 9339, which was approved on 1 September 2005.	Valid until 23 September 2030
	ERC Certificate No. CPCN-09-01 (ERC Decision dated 26 January 2009, ERC Case No. 2008-095 MC).	25 years, or from 24 September 2005 to 24 September 2030	Valid until 24 September 2030
Davao Light	RA No. 11515	25 years from expiration of the term granted under RA No. 8960, or from 29 September 2025 to 28 September 2050	Valid until 28 September 2050
	ERC Certificate No. CPCN-2025-01 (ERC Decision dated 3 September 2025, ERC Case No. 2024-032 MC)	25 years from 8 September 2025 to 30 September 2050	
	RA No. 12144 (Expanded Franchise)	25 years from effectivity of RA 11515, or from 29 September 2025 to 28 September 2050 (Lapsed into law on 6 April 2025)	Valid until 28 September 2050
	Provisional authority granted pursuant to Order dated 12 December 2025 in ERC Case No. 2025-038 MC)	To commence operations within one year from approval of provisional authority	N/A
Cotabato Light	RA No. 10637	25 years from the effectivity of RA No. 10637, as amended, which was approved on 16 June 2014.	Valid until 4 July 2039
	ERC Certificate No. CPCN-14-001 (ERC Decision dated 9 December 2019, ERC Case No. 2013-063 MC)	25 years, or from 17 June 2014 or until 16 June 2039	Valid until 16 June 2039
SFELAPCO	RA No. 9967	25 years from effectivity of RA No. 9967 (Lapsed into law on 6 February 2010)	Valid until 23 March 2035

	ERC Certificate No. CPCN-10-01 (ERC Decision dated 31 August 2010, ERC Case No. 2010-029 MC)	25 years, or from 24 March 2010 to 23 March 2035	
Subic Enerzone	Distribution Management Service Agreement (DMSA) between Subic Enerzone and Joint Venture of AEV- Davao Light	Notarized on 15 May 2003. Term of the DMSA is 25 years.	Valid until 15 May 2028.

Mactan Enerzone, Balamban Enerzone, Lima Enerzone, and Malvar Enerzone which operate the power distribution utilities in MEPZ II, WCIP, LTC, and LISP IV respectively, are duly registered with PEZA as Ecozone Utilities Enterprises.

RETAIL ELECTRICITY SUPPLY BUSINESS

Like power generation, the business of supplying electricity is not considered a public utility operation under the EPIRA. However, it is considered a business affected with public interest. As such, the EPIRA requires all suppliers of electricity to end-users in the contestable market, other than distribution utilities within their franchise areas, to obtain a license from ERC. With the implementation of RCOA in 2013, AP's RES Subsidiaries and Generation Companies with RES business segments, Adventpower, Adventenergy, APRI, SN Aboitiz Power – Magat RES, SN Aboitiz Power – RES, Prism Energy, and TLI, have all obtained separate licenses to act as RES.

Trademarks

AP and its Subsidiaries own, or have pending applications for the registration of, intellectual property rights for various trademarks associated with their corporate names and logos. Please refer to AP's Annual Report to see the trademark applications that AP and its Subsidiaries have secured or have pending application with Philippine Intellectual Property Office (Philippine IPO) and intellectual property office abroad.

(x) Government Approval

The discussion on the need for any government approval for any principal products or services of AP and its Subsidiaries, including COCs obtained by the Generation Companies and franchises obtained by the Distribution Utilities, is included in item (ix) Patents, Copyrights and Franchises of AP's Annual Report.

(xi) Effect of Existing or Probable Governmental Regulations

AP and its Subsidiaries are subject to the laws generally applicable to all Philippine corporations, such as corporation law, securities law, tax laws, data privacy law, and the Local Government Code. All Philippine corporations are also subject to labor laws and social legislation, including RA No. 11199 or the Social Security Act of 2018, RA No. 10606 or the National Health Insurance Act of 2013, RA No. 11223 or the Universal Health Care Act, RA No. 9679 or the Home Development Mutual Fund Law of 2009, The Philippine Labor Code and its implementing rules, and other labor-related laws, regulations, and DOLE mandated work-related programs.

The Aboitiz Group closely monitors its compliance with the laws and government regulations affecting its businesses. For a detailed discussion on the regulatory framework of the power industry, please refer to AP's Annual Report on Existing or Probable Governmental Regulations.

(xii) Amount Spent on Research and Development Activities

AP and its Subsidiaries do not allot specific amounts or fixed percentages for research and development. All research and development activities are done by AP's Subsidiaries and Affiliates on a per project basis. The allocation for such activities may vary depending on the nature of the project.

(xiii) Costs and Effects of Compliance with Environmental Laws

AP's generation and distribution operations are subject to extensive, evolving, and increasingly stringent safety, health, and environmental laws and regulations. These laws and regulations address concerns relating to: (a) air quality and greenhouse gas (GHG) emissions; (b) wastewater discharges; (c) the generation, handling, storage, transportation, treatment and disposal of toxic or hazardous chemicals, materials, and wastes; (d) workplace conditions; and (e) employee's exposure to hazardous substances.

In 2025, AP and its Subsidiaries did not incur any major sanctions for violation of environmental standards and laws. AP continues to be cognizant of new opportunities to comply with regulatory requirements and improvement of systems to promote safety and prevent adverse impacts to the environment or affected ecosystems.

Please refer to AP's Annual Report for a more detailed discussion on the cost and effects of compliance with environmental laws of AP and its Subsidiaries.

(xiv) Employees

At the parent company level, AP had a total of 600 employees as of 28 February 2026. These include executives, managers, supervisory, and rank-and-file staff employees. There is no existing CBA covering AP employees at the parent company level.

The following table provides a breakdown of total employee headcount on a per business group basis, according to employees' function, as of 28 February 2026:

Business Group	Number of Employees					Unionized Employees	Expiry of CBA
	Total	Executives	Managers	Supervisors	Rank & File		
AP	600	117	156	135	192	0	N/A
Generation Companies							
Run-of-River Hydros	411	10	31	56	314	76	19 September 2028 (Hedcor)
Large Hydros	65	3	9	32	21	0	N/A
Geothermal	269	10	32	57	170	0	N/A
Solar	9	0	3	2	4	0	N/A
Oil	292	6	32	75	179	0	N/A
Coal	1,940	73	189	545	1,133	0	N/A
RES	6	0	1	1	4	0	N/A
Distribution Utilities*	917	15	80	154	668	332	31 December 2026 (Visayan Electric) 30 June 2029 (Cotabato Light) 16 June 2026 (Davao Light) 9 May 2030 (SFELAPCO)
total No. of Employees	4,509	234	533	1,057	2,685	408	

AP does not anticipate any significant increase in manpower within the next 12 months unless new development projects and acquisitions would materially require an increase.

(xv) Major Risk/s Involved in the Business

An integral part of AP's Enterprise Risk Management (ERM) efforts is to anticipate, understand, and address the risks that the company may encounter in its businesses.

Risk management is integrated in the AP strategic and operational planning and decision-making processes to support intelligent risk-taking. Through a robust framework, AP employs a top-down and

bottom-up approach to comprehensively identify, assess, and manage risks. AP's Management Committee sets direction by identifying business critical risks while operating teams also identify and assess the risk areas that may impact AP's strategic objectives and day-to-day business operations. In addition, AP develops comprehensive key risk treatment plans to address the drivers of its top risks, as well as emerging risks that may also significantly impact its business and stakeholders. AP's ERM framework ensures sustainable growth by proactively managing risks through three key pillars: (1) **Business Risk & Planning (BRP)** for risk identification and mitigation; (2) **Business Continuity Management (BCM)** for operational resilience; and (3) **Risk Finance (RF)** for managing insurable risks. Integrated into organizational planning, the framework incorporates Environmental, Social, and Governance (ESG) considerations, business continuity, and risk transfer strategies, continuously strengthening the company's risk resilience.

Risk management planning in Aboitiz Power is an iterative process that is conducted at least semi-annually for strategic risks. Most of the top or strategic risks that are captured at the corporate or AP level originated from risks reported by the corporate support and business units. The AP business units review operational risks and implement mitigation measures as part of day-to-day operations. At the end of every review period, strategic and emerging risks are reported to the highest management committee and the AP Board Risk and Reputation Management Committee.

For a more detailed discussion on the Power Group's top risks in 2025, please refer to AP's Annual Report.

II. FINANCIAL SERVICES

Overview of the Business

Union Bank of the Philippines (UB, or the "Bank"), originally known as Union Savings and Mortgage Bank, was incorporated in the Philippines on 16 August 1968. On 12 January 1982, it was given the license to operate as a commercial bank. UB's common shares were listed on the PSE in June 1992, and shortly after, it was granted the license to operate as a universal bank on 15 July 1992. UB's principal stockholders are AEV, the Social Security System of the Philippines (a government-owned and controlled corporation that provides social security to workers in the private sector), and Insular Life Assurance Company, Ltd. (one of the leading and largest Filipino-owned life insurance companies in the Philippines).

UB was among the first Philippine banks to embrace technological innovations to empower its customers. It distinguishes itself through technology and innovation, a unique branch sales and service culture, and centralized backroom operations. The Bank leverages technology and its agile culture to meet the customers' changing and diverse needs and continuously enhance customer experience. Its unique branch sales and service culture ensures efficient and quality service as well as mitigates operational risk. The Bank's distinct centralized backroom operations enable it to provide responsive, scalable, and secure transaction processing.

UB offers a broad range of products and services, which include deposit and related services; corporate and middle market lending, consumer finance loans such as mortgage, auto, and salary loans, and credit cards; investment, treasury, and capital markets; trust and fund management; remittance, and cash management. In addition, UB has a private banking unit which offers estate planning solutions and a global and diversified multi-asset fund to its high-net-worth and ultra-high-net-worth clients through its partnership with Lombard Odier & Co. (a Swiss global wealth asset manager), and various life insurance products through its bancassurance partnership with Insular Life.

As of 31 December 2025, UB's key Subsidiaries and Affiliates include:

- i. City Savings Bank, Inc. (CitySavings), a thrift bank that has ownership interests in various financial institutions together with UB Investment Corporation (UIC), including: a) Bangko

Kabayan Private Development Bank (Bangko Kabayan), and b) Petnet. Inc.(PETNET);

- ii. UIC is a holding company with the following Subsidiaries: a) First Union Plans, Inc. (FUPI), and b) First Union Insurance and Financial Agencies (FUIFAI);
- iii. UBX PH, the Bank's innovation and technology company with ownership in a holding company UBX Private Limited, and Shiptek Solutions Corporation;
- iv. UnionDigital Bank, Inc. (UnionDigital), the Bank's digital banking arm licensed by the Bangko Sentral ng Pilipinas (BSP) and started commercial operations on 18 July 2022.

On 23 June 2021, Bank issued a seven-year United States Dollar-denominated Social Bond (the "Social Bond") amounting to US\$150 million, with the International Finance Corporation (IFC) as the sole investor. The proceeds of the Social Bond were allocated exclusively to qualified micro, small and medium enterprise (MSME) loans that were screened against IFC's eligibility criteria and exclusion list. The issuance formed part of the Bank's commitment to the United Nations Sustainable Development Goals, particularly the objective of Decent Work and Economic Growth. The Social Bond carries an interest rate of 1.15% per annum and is unsecured.

In July 2021, the Bangko Sentral ng Pilipinas (BSP) granted a digital banking license to UnionDigital Bank, Inc. (UnionDigital). UnionDigital was incorporated in November 2021 and commenced commercial operations on 18 July 2022.

On 24 October 2021, the BSP approved the amendment to the Bank's Articles of Incorporation increasing its authorized capital stock from ₱23.1 billion to ₱35.3 billion, divided into 2.5 billion common shares with a par value of ₱10.00 per share and 100 million preferred shares with a par value of ₱100.00 per share. In connection with the increase in authorized capital stock, the Bank obtained BSP approval for the declaration of a 25% stock dividend in order to comply with the required 25% subscription of the increase.

In December 2021, the Bank entered into a Share and Business Transfer Agreement with subsidiaries of Citigroup Inc. ("Citi") for the acquisition of Citi's consumer banking business in the Philippines. The transaction covered Citi's credit card, personal loans, wealth management, and retail deposit businesses, as well as certain real estate interests relating to Citibank Square in Eastwood City, Quezon City, three full-service bank branches, and five wealth centers. The acquisition was approved by the BSP on 18 July 2022, and the Bank became the legal owner of the business effective 1 August 2022.

In May 2022, the Bank raised ₱40.0 billion through a stock rights offering involving approximately 617.2 million common shares priced at ₱64.81 per share. The proceeds were used in part to fund the acquisition of the Citi consumer banking business.

On 2 June 2022, the Bank issued the first digital peso bonds in the Philippines, raising an aggregate principal amount of ₱11.0 billion under its ₱39.0 billion peso-denominated bond program. The Bank acted as the pilot user of the Philippine Depository & Trust Corporation's proof-of-concept digital registry and digital depository platform utilizing distributed ledger technology. The bonds, which carried a tenor of 1.5 years and a fixed interest rate of 3.25% per annum, were listed on the Philippine Dealing & Exchange Corp. (PDEX) for trading.

On 25 November 2022, the Bank raised US\$358 million from a three-year syndicated loan involving 15 lenders. The transaction size was increased from the original launch amount of US\$150 million due to positive market reception. The proceeds were used to refinance maturing U.S. dollar obligations and for general corporate purposes.

In February 2023, the Bank approved an increase in its authorized capital stock from ₱35.3 billion to ₱60.3 billion to support growth and for general corporate purposes. The increase was approved by

the BSP in August 2023 and by the Securities and Exchange Commission (SEC) in December 2023.

In July 2023, the SEC approved the tripartite merger of the Bank's subsidiaries Bangko Kabayan, FAIR Bank and PBI, with Bangko Kabayan as the surviving entity.

In October 2023, the Bank increased the size of its peso-denominated bonds program to ₱50.0 billion from its original size of ₱39.0 billion, which had been established on 26 April 2019. In November 2023, the Bank issued its 1.5-year Senior Fixed Rate Series F Bonds due 2025 and 3-year Senior Fixed Rate Series G Bonds due 2026, with an aggregate principal amount of ₱1.0 billion, inclusive of an oversubscription option. The public offer period ended on 29 November 2023.

In November 2023, the BSP issued a certificate of authority to UnionBank Investment Management and Trust Corporation (UBIMTC) to operate as a stand-alone trust corporation. UBIMTC is a wholly owned subsidiary of the Bank.

In January 2024, the Bank declared and issued a 27% stock dividend, resulting in the listing of 635.5 million additional common shares.

In May 2024, the Bank completed a stock rights offering involving 327.12 million common shares with an aggregate transaction value of approximately ₱10.0 billion, priced at ₱30.57 per share. The net proceeds were intended to fund capital infusion into UnionDigital, projected retail loan growth, and other general corporate purposes.

As of the year ended 31 December 2025, UB registered consolidated net profit of ₱10.0 billion, total consolidated resources of ₱1.159 trillion, total loan portfolio (net) of ₱538 billion, and total deposits of ₱734 billion.

For the period ended 31 December 2025, Tier 1 capital adequacy ratio was 15.03%, while total capital adequacy ratio was 15.86%. Tier 1 capital adequacy ratio is determined by dividing total qualifying Tier 1 capital by total risk-weighted assets. Total capital adequacy ratio is determined by dividing total qualifying Tier 1 and Tier 2 capital by total risk-weighted assets. Both Tier 1 and total capital adequacy ratios are computed using Basel 3 standards adopted by the BSP.

(i) Products and Services

UB offers a broad range of products and services, which include (i) deposit and related services, (ii) consumer finance (comprising credit card services, mortgage and auto loans, and personal/salary loans), (iii) corporate banking, (iv) commercial banking (comprising middle-market banking), (v) micro, small and medium-sized enterprises (MSME) banking, (vi) cash management, (vii) trust and investment services, (viii) treasury products distribution, and (ix) funding and trading (involving management of UB's liquidity and funding requirements and handling of transactions in the financial markets covering foreign exchange, fixed income trading and investments, and derivatives).

In addition, UB has a private banking unit that offers estate planning solutions and a global and diversified multi-asset fund to its high-net-worth and ultra-high-net-worth clients through its partnership with Lombard Odier & Co. and various life insurance products through its bancassurance partnership with Insular Life.

CitySavings is primarily engaged in extending salary loans to employees of public educational institutions under the DepEd's Automatic Payroll Deduction System (APDS). The guidelines for the grant of salary loans to public school teachers are set out in a memorandum of agreement between the DepEd and CitySavings. The Bank has diversified its product suite to cater to employees of national government agencies and local government units. In addition, the Bank offers loans to pensioners under the Government Service Insurance System (GSIS), Social Security System (SSS), and other government agencies. In 2019, CitySavings entered the motorcycle financing market through its acquisition of PR Savings Bank, and it has substantially expanded its partner-dealer network to grow

the business. The Bank also provides deposit products for both retail and corporate customers. CitySavings' affiliate, Bangko Kabayan, is into basic deposit and lending services which range from individual to mSME loans. Another affiliate of the Bank is PETNET, more widely known by its retail brand name PERA HUB. They deliver a variety of cash-based services including remittance, currency exchange, and bills payment.

UBX is a premier technology company delivering digital transformation for enterprises and the government, with embedded finance as its core accelerator. We are differentiated by comprehensive local financial expertise and global fintech capabilities through our affiliation with UnionBank of the Philippines and SBI Holdings of Japan.

UnionDigital Bank is the digital bank subsidiary of UB. It distinguishes itself as the sole digital bank in the country initiated by a private universal bank, holding a license from the BSP. It represents UB's strategic approach to integrate the vast segments of unbanked and underbanked individuals within the financial system. As a crucial part of the Aboitiz Group, UnionDigital Bank leverages the group's ecosystem and expertise, fostering collaborations that drive towards a vision of a financially inclusive nation. This effort also aligns with UB's expansion goals, promoting inclusive growth and prosperity within the Filipino community.

The vision for UnionDigital is to evolve into a comprehensive financial services hub, offering a wide range of digital financial solutions such as savings and lending, payments, insurance, micro-investments, digital assets, and other value-added services. These offerings are designed to meet the needs of both the unbanked and underserved populations, as well as those who are tech-savvy. By addressing the entire financial lifecycle, including spending, saving, investing, protecting, and borrowing, UnionDigital aims to go beyond traditional banking offerings to include alternative financial products. Central to its mission, UnionDigital is committed to making banking services, products, and financial education accessible to every Filipino, empowering them with the tools and resources needed to achieve their financial goals and uplift their lives.

For a more detailed discussion on UB's new products and services, please refer to UB's Annual Report.

(ii) Distribution Methods

UB primarily services its clientele through its well-trained relationship managers, as well as its strong digital footprint, including its website, its mobile/online banking apps, customer service chatbot, and various digital platforms. Its digital channels are complemented by strategically-located branch networks, partner outlets, ATMs, as well as a Customer Engagement Group that takes up voice and non-voice customer service-related concerns.

<i>Relationship Managers</i>	UB's sales force is trained to have expertise in UB's solutions-based financial services and are equipped with tools (e.g., MAX 5.0) that allow them to service clients remotely and enhance productivity. UB's Relationship Managers and Financial Advisors are also licensed by the Insurance Commission to provide customers with bancassurance products.

<i>Branch Network</i>	As of 31 December 2025, UB had 196 branches. All of UB's branches were transformed into digital and paperless branches called "The ARK", which allow for straight-through processing of transactions over-the-counter or via self-service machines, and at the same time, house Branch Ambassadors for product discovery, digital conversion and advisory services. UB also increased its presence nationwide through its subsidiaries' physical network which consisted of 154 branches of CitySavings across the country, 38 branches of Bangko Kabayan and over 3,000 locations of PETNET nationwide. In addition, UB has three mobile banking kiosks, also called "Bank on Wheels," which are vans equipped with 5G communication facilities to serve areas where branch access is limited by natural disasters, pandemics or geography, and/or high volume of ATM transactions are needed for a specific period. UB introduced agency banking cash deposit capability through its partnership with 7-Eleven and ECPay among others.
<i>ATM Networks</i>	As of 31 December 2025, UB had 489 ATMS and CitySavings had 113 ATMs for a total of 602 ATMs, which are further categorized as 428 onsite and 174 off-site ATMs. UB and its subsidiaries' network supplements its branch network in providing 24-hour banking services to its customers. UB's interconnection with the Bancnet ATM consortium, allows its cardholders to access thousands of ATMs nationwide. In addition, UB's ATM card functions as a VISA or Mastercard debit card that allows electronic purchase and payment transactions.
<i>Call Center</i>	UB's Customer Engagement Support Group (CESG), which is responsible for retail customer relationship and consumer finance relationship and care, manages UB's 24-hour call center, which caters to deposit and card product queries, among others. The call center utilizes a mix of phone, social media, email, and website as customer touch points. In handling customer complaints, it adheres to certain service-level agreements such as feedback or resolution of concerns that were received from the customer touch points. Customer complaint handling is continuously improved through resolution tracking. UB is currently enhancing other enabling channels capable of digital self-servicing and extended reach. The Customer Engagement Group is composed of the voice and email channels, sales and service recovery and strategic development and controls.
<i>Mobile and E-Banking</i>	UB Online, is the online and mobile banking platform for UB's retail customers. It is designed with an omni-channel user experience wherein the same look and feel applies to different touchpoints (websites and mobile applications), operating systems (Android or IOS) and device types. UB Online enables UB's customers to perform account management and banking transactions such as account opening, deposit checks, fund transfer, bills payment without visiting a branch or contacting UB's call center. Customers may log in through biometric authentication, apart from password login. Customers can use UB Online to send money to various remittance centers or cash outlets nationwide and deposit checks simply by taking a photo with the application. It also enables real-time account opening via a digital application and thus facilitates customer onboarding process. UB was the first Philippine universal bank to introduce such a function in the Philippines in 2019.

	UB also introduced an upgraded version of its cash management platform for corporates called “The Portal”. It is a fully featured application which enables, among others, single sign-on for customers with multi-org access, real-time fund transfers, bills payment facility, online check deposits, payroll account opening, and the ability to set up business approval steps. It helps customers’ merchant acquisition, account management and lending activities. UB also launched a cash management platform for MSME clients called MSME Business Banking in 2021, now known as “UB Negosyante”. Its features include digital account opening for savings and checking account, mobile check deposit, local and international fund transfers, bills payment, payment gateway, and many more to help MSMEs manage financial operations. UB also launched “UPAY” in 2021, an integrated payment acceptance hub for SME customers to support collection of funds through various payment channels including UnionBank Online, Gcash and GrabPay, over the counter, and debit and credit cards. In addition, UB has launched “E-commerce Payment Gateway” with API connectivity via websites and mobile applications to enable merchants to accept major credit cards and alternative payment methods to support their customers’ buying behavior and to deliver a cross-channel experience. Recurring customers could experience faster and more convenient payments by securely tokenizing payment credentials.

For a more detailed discussion on UB’s distribution methods, please refer to UB’s Annual Report.

(iii) Competition

The Bank faces competition in all its principal areas of business. Philippine domestic and foreign banks are the Bank’s main competitors, followed by finance companies, mutual funds and investment banks. Currently, the industry is dominated by the four largest universal banks, each with over ₱3 trillion in assets: BDO Unibank, Inc. (BDO), Bank of the Philippine Islands (BPI), Land Bank of the Philippines (LBP), and Metropolitan Bank and Trust Co (MBT). These banks have greater financial and other capital resources, and greater market shares than UB. Moreover, as a publicly-listed bank, UB also monitors its performance against the ten largest publicly-listed universal banks in the country.

Based on the latest data of BSP as of 31 December 2025, there were a total of 44 domestic and foreign universal and commercial banks operating in the Philippines, with total assets of ₱27.9 trillion, total loan portfolio (inclusive of Interbank Loans and RRP) of ₱15.8 trillion, and total deposits of ₱20.4 trillion. Among the universal banks, there are 13 private domestic universal banks, six branches of foreign universal banks and three government-controlled universal banks. On the other hand, the commercial banks comprise two private domestic commercial banks, 18 branches and two subsidiaries of foreign commercial banks. While mergers, acquisitions, and closures reduced the number of industry players, the entry of foreign banks under new and liberalized banking laws and regulations resulted in the growth of the number of universal and commercial banks.

The Bank also faces competition from financial technology firms and non-financial firms. In particular, non-financial firms pose a challenge to Philippine banks by offering digital products such as mobile payments or online services. Financial technology firms utilize software to provide financial services, and disrupt existing financial systems and corporations that rely less on software by offering faster, more convenient, and more efficient ways of transacting. In addition, purely digital financial technology or non-financial firms have no branches and thus have lower costs. The Bank seeks to gain a competitive advantage by continuing to implement its digital transformation strategies.

Amidst this operating environment, UB leverages on its competitive advantages anchored on its use of technology, its unique sales and service culture, and centralized backroom operations. These

capabilities support the Bank's delivery of banking services in a scalable and cost-efficient manner through both traditional and digital channels.

For a more detailed discussion on UB's competition, please refer to UB's Annual Report.

(iv) Major Customers

The Financial Services Group's businesses are not dependent upon a single customer or a few customers that a loss of anyone would have a material adverse effect on the performance of its sales and distribution. It has no single customer that is expected to account for 20% or more of the group's total sale of goods and services.

For a more detailed discussion on UB's major customers, please refer to UB's Annual Report.

(v) Patents, Copyrights, and Franchises

UB owns, or has pending applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos. Please refer to UB's Annual Report to see the trademark applications which UB has filed with the Philippine IPO.

For a more detailed discussion on UB's patents, copyrights, and franchises, please refer to UB's Annual Report.

(vi) Government Approvals

The BSP, SEC, Philippine Deposit Insurance Corporation (PDIC), PSE, and the BIR are the primary regulatory agencies that issue and enforce rules, regulations and guidelines relevant to the Bank's activities.

UB ensures that its products, services and systems have the necessary regulatory approvals and are in compliance with existing rules prior to launch and continue to be compliant with prescribed rules and regulations. For a more detailed discussion on UB's compliance with government approval requirements, please refer to UB's Annual Report.

(vii) Effect of Existing or Probable Governmental Regulations

A brief discussion on the effects of existing or probable governmental regulations on UB's business is set out below. For a more detailed discussion, please refer to UB's Annual Report.

Keeping abreast of regulations affecting the business

As a banking institution, UB adheres to the provisions of the General Banking Law of 2000 (Republic Act No. 8791), as amended, and the regular issuances by the BSP as embodied in its Manual of Regulations for Banks (MORB). The regulatory issuances of the SEC, PDIC, PSE, PDEX, BIR, and other regulatory bodies are likewise monitored constantly for new developments

Regulations on Digital Banks

The Bangko Sentral ng Pilipinas (BSP) has established a distinct regulatory classification for digital banks, which offer financial products and services through end-to-end digital platforms and electronic channels without physical branches or branch-lite units. On 2 December 2020, the BSP issued Circular No. 1105, which sets out the guidelines for the establishment of digital banks. While digital banks do not operate physical branches, they are required to maintain a principal or head office in the Philippines to serve as the main point of contact for regulators and other stakeholders.

Under existing BSP regulations, digital banks are subject to minimum capital requirements, reserve requirements, and risk-based capital standards under the Basel III framework, as prescribed by the

BSP. Digital banks are likewise subject to limitations on equity investments and to ongoing supervisory and reportorial requirements.

UB complies with the regulations issued by the BSP Monetary Board applicable to digital banks.

Anti-Money Laundering Laws and Know Your Customer Procedures

The Bank developed sound risk management policies and practices to ensure that risks associated with money laundering such as counterparty, reputational, operational, and compliance risks are identified, assessed, monitored, mitigated, and controlled. In line with this, the Bank established its Money Laundering and Terrorist Financing Prevention Program (MTPP). The main objective is that the Bank shall not be used as a vehicle to legitimize proceeds of unlawful activity or to facilitate or finance terrorism. It is also designed to be followed by all employees of the Bank.

UBP adheres to the AML laws and regulations that include the Know Your Customer (“KYC”) rules and customer due diligence at the inception of the bank-client relationship until its termination.

The Bank employs a third-party tool for screening customers during onboarding, subsequently, whenever there are updates to the sanctions and negative files and during periodic account reviews. A real-time transaction screening system is used to clear all transactions that pass through the SWIFT network. In July 2019, the Bank upgraded its AML system through the deployment of an internally developed, highly intuitive, and more flexible transaction monitoring and reporting system. In 2020, an in-house developed screening portal replaced the previous tool to assist in the name screening of clients against the lists of sanctioned individuals and organizations, persons convicted of AML predicate crimes, among other negative information.

Customer due diligence remains robust through documentation and upgrading of client information, understanding of client activity, review of customer risk rating, identification of ultimate beneficial owners, and obtaining senior management approval, where warranted.

Finally, UB, through its Compliance and Corporate Governance Office (CCGO), provides formal AML trainings to the members of the Board of Directors, Senior Management, and its Branches at least on an annual basis and as required. In coordination with the HR Group, CCGO deploys the AML e-learning refresher module to all bank employees; while Operations and Sales personnel are apprised of new BSP requirements during Compliance roadshows held throughout the year.

Capital Adequacy

Per existing BSP regulations, the combined capital accounts of each commercial bank should not be less than an amount equal to 10% of its risk assets. Risk assets consist of total resources after exclusion of cash on hand, due from BSP, loans covered by holdout on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items as determined by the Monetary Board of the BSP.

As of 31 December 2025, 31 December 2024, and 31 December 2023, the Bank’s CAR were at 15.9%, 17.3%, and 15.7%, respectively.

(viii) Costs and Effects of Compliance with Environmental Laws

Compliance with environmental laws increases a company’s operational costs, though these costs typically represent only a small fraction of total expenses. For financial institutions like UB, relevant regulations mandate the appointment of Pollution Control Officers and Managing Heads, the installation of pollution control equipment, and the integration of sustainable practices into operational processes. However, these requirements have a minimal impact on the Bank’s overall operational costs and productivity.

Environmental laws also shape the Bank's approach to office design, ensuring compliance with regulatory standards. Moreover, adherence to these laws has yielded significant benefits, such as reducing airborne particulates, improving hazardous waste disposal, and enhancing water quality—ultimately contributing to employee health and well-being. Notably, the Bank has had no reported incidents of non-compliance with environmental regulations.

For a more detailed discussion, please refer to UB's Annual Report.

(ix) Major Risk/s Involved in the Business

Risks particular to the Financial Services Group are as follows:

UB's ability to identify, assess, monitor and manage risks inherent in its business is anchored on the quality and timeliness of available industry and internal risk data

UB, through its Enterprise Risk Management Group, monitors all risk exposures which include, among others, credit risk, market risk, operational risk, operational risk, liquidity risk, and IT risk. The effectiveness of UB's risk management, particularly on the management of credit risk which is inherent in its core businesses, is bounded by the quality and timeliness of available data in the Philippines as well as internal risk data in relation to different factors such as, but not limited to, the proposed borrowers' credit history, loan exposures with other financial institutions and other external and market factors affecting overall credit. Insufficient or inaccurate risk and financial data and limitations of UB's risk management systems, if any, may result in UB granting loans that may expose UB to significant credit risk, taking positions that may expose UB to market and liquidity risks, or undertaking business activities that may result in operational, IT and other material risks.

Procedures to identify and assess the aforementioned risks are embedded in the Bank's various processes, including but not limited to KYC procedures, loan evaluation, and underwriting and due diligence procedures. The group maintains a prudent risk management strategy to ensure its soundness and profitability. Strategies and limits are reviewed regularly and updated to ensure that risks are well-diversified and risk mitigation measures are in place. A system for managing and monitoring risks is in place so that all relevant issues are identified at an early stage, and appropriate actions are taken on a timely basis. Risk reporting is done on a regular basis, either monthly or quarterly.

UB may face increasing levels of non-performing loans ("NPLs"), provisions for impairment losses, and delinquencies in its credit card portfolio, which may adversely affect UB's business, financial condition, results of operations, and capital adequacy

Majority of UB loans are consumer-focused accounting for 60% of the Bank's total loan portfolio. This includes products, such as credit card services, mortgage loans, and salary loans. Expansion plans will increase UB's exposure to consumer debt, and volatile economic conditions in the Philippines may adversely affect the future ability of UB's borrowers to meet their obligations under their indebtedness and, as a result, UB may experience an increase in the levels of NPLs and provisions for impairment losses in the future.

Volatile economic conditions in the Philippines, including volatile exchange and interest rates, may adversely affect many of UB's customers, causing uncertainty regarding their ability to fulfill obligations under UB's loans and significantly increasing UB's exposure to credit risk. These and other factors could result in an increased number of NPLs and delinquencies in UB's loan portfolio in the future. Any significant increase in UB's NPLs or delinquencies in UB's loan portfolio would have a material adverse effect on its business, financial condition, results of operations, and capital adequacy.

The risk is managed through strategies, policies, and limits that are approved on the Board level and in line with the Bank's risk appetite. The Bank has a well-structured and standardized credit approval

process and credit scoring system for each of its business and/or product segments to assess the inherent risks. Business units are held accountable for all the risks and related returns and ensure that decisions are consistent with business objectives and risk tolerance.

UB may be unable to recover the assessed value of its collateral when its borrowers default on their obligations, which may expose UB to significant losses

UB's secured loans represent a portion of UB's total loans. There can be no assurance that the collateral securing any particular loan will protect UB from suffering a partial or complete loss if the loan becomes non-performing. The recorded values of UB's collateral may not accurately reflect its liquidation value, which is the maximum amount UB is likely to recover from a sale of collateral, less expenses of such sale. There can be no assurance that the realized value of the collateral would be adequate to cover UB's loans.

In addition, some of the valuations in respect of UB's collateral may also be out of date or may not accurately reflect the value of the collateral. In certain instances, where there are no purchasers for a particular type of collateral, there may be significant difficulties in disposing of such collateral at a reasonable price. Any decline in the value of the collateral securing UB's loans, including with respect to any future collateral taken by UB, would mean that its provisions for credit losses may be inadequate and UB may need to increase such provisions. Any increase in UB's provisions for credit losses could adversely affect its business, its financial condition, results of operations, and capital adequacy.

UB may also face difficulties and delays in enforcing collateral and guarantees through the Philippine legal system. The foreclosure of collateral and enforcement of guarantees are subject to procedural, administrative, and bankruptcy law requirements, which may result in prolonged enforcement periods. Such delays may lead to deterioration in the physical condition and market value of the collateral, particularly where the collateral consists of inventory or receivables, and such collateral may not be insured. These factors may reduce UB's ability to realize the value of its collateral and the effectiveness of security taken for its loans.

Foreclosed properties are initially recognized at the lower of the loan exposure or the fair value of the property at the time of foreclosure and are subsequently carried at the lower of the amount initially recognized or fair value less costs to sell. UB provides for impairment losses on foreclosed properties in accordance with PFRS Standards, but may incur additional costs in maintaining such properties and in realizing their cash value, including legal fees and taxes. There can be no assurance that UB will be able to realize the full value, or any value, of collateral securing its loans.

Lending policies, including on collaterals, are reviewed regularly to align with market developments. Collaterals, both for current and repossessed loans, are appraised periodically.

UB's provisioning policies, which are based on Philippine Financial Reporting Standards expected credit loss standards and on other relevant Philippine regulations, may be more or less stringent than those in other countries

The level of loan loss provisions that UB recognizes are aligned with the PFRS 9 accounting standard. Subjective determinations of significant change in credit risk may increase the variation of application of such policies and affect UB's results of operations.

Moreover, regulations of the BSP require that Philippine banks classify loans into several categories corresponding to various levels of credit risk as follows: pass, loans especially mentioned, substandard, doubtful, and loss. These are considered in PFRS 9 expected credit loss stage determination, in addition to BSP Circular No. 941. Generally, the classification of loans depends on a combination of qualitative and quantitative factors, such as the number of months that payment is in arrears. Periodic examination by the BSP of these classifications in the future may also result in changes being made by UB to such classifications and to the factors relevant thereto.

The BSP requirements in certain circumstances may be less or more stringent than those applicable to banks in other countries and may result in particular loans being classified as non-performing later or earlier than would be required in such countries or being classified in a category reflecting a lower or higher degree of risk. As a result, the amount of UB's NPLs, as well as reserves, may be lower or higher than what would be required if UB was located in such countries. Further, if UB changes its provisioning policies to become more in line with international standards or practices or otherwise, UB's results of operations may be adversely affected.

Certain accounting standards, including the PFRS 9 expected credit loss standards, have been adopted by the Bank to obtain unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions with the objective of recognizing lifetime losses on all financial instruments which have experienced a significant increase in credit risk since their initial recognition. These assumptions are reviewed and updated at least monthly.

UB is subject to credit, market and liquidity risk which may have an adverse effect on its credit ratings and its cost of funds

To the extent any of the instruments and strategies UB uses to manage its exposure to market or credit risk is not effective, UB may not be able to mitigate effectively its risk exposures, in particular to market environments or against particular types of risk. UB's balance sheet growth will be dependent upon economic conditions, as well as upon its determination to securitize, sell, purchase or syndicate particular loans or loan portfolios. UB's trading revenues and interest rate risk exposure are dependent upon its ability to properly identify and mark to market the changes in the value of financial instruments caused by changes in market prices or rates. UB's earnings are dependent upon the effectiveness of its management of migrations in credit quality and risk concentrations, the accuracy of its valuation models and its critical accounting estimates and the adequacy of its allowances for credit losses. To the extent its assessments, assumptions or estimates prove inaccurate or not predictive of actual results, UB could suffer higher than anticipated losses. The successful management of credit, market and operational risk is an important consideration in managing its liquidity risk because it affects the evaluation of its credit ratings by rating agencies. A failure by UB to effectively manage its credit, market and liquidity risk could have a negative effect on its business, financial condition and results of operations.

A downgrade of UB's credit rating could have a negative effect on its business, financial condition and results of operations.

In the event of a downgrade of UB by one or more credit rating agencies, UB may have to accept terms that are not as favorable in its transactions with counterparties, including capital raising activities, or may be unable to enter into certain transactions. This could have a negative impact on UB's treasury operations and also adversely affect its financial condition and results of operations. Rating agencies may reduce or indicate their intention to reduce the ratings at any time. The rating agencies can also decide to withdraw their ratings altogether, which may have the same effect as a reduction in its ratings. Any reduction in UB's ratings (or withdrawal of ratings) may increase its borrowing costs, limit its access to capital markets and adversely affect its ability to sell or market its products, engage in business transactions, particularly longer-term and derivatives transactions, or retain its customers. This, in turn, could reduce UB's liquidity and negatively impact its operating results and financial condition.

For a detailed discussion of Financial Services' major risks, please refer to UB's Annual Report.

III. FOOD AND BEVERAGE

Overview of the Business

(A) Food Manufacturing

AEV's integrated agribusiness and food company is operated in the Philippines primarily through Aboitiz Foods Holdings, Inc. and its Subsidiaries, and its international feeds business through Aboitiz Foods Pte. Ltd. (formerly, Pilmico International Pte. Ltd., or "Pilmico International") and its various Subsidiaries and Associates (collectively, the "Food Group"). The Food Group operates across multiple sectors, offering a diverse range of products and services that cater to the evolving needs of the food industry:

- **Feeds:** The Food Group provides high-quality animal feed solutions for various livestock, including hogs, poultry, and aquaculture.
- **Farms:** The Food Group offers a variety of safe and delicious meats and eggs, adhering to responsible and sustainable farming practices at every stage of production.
- **Flour:** The Food Group provides high-quality, fortified, and Halal-certified products that nourish households across the region.
- **Pet Food:** The Food Group provides pet nutrition needs suitable for all breeds and sizes.
- **Trading:** The Food Group's Singapore-based trading and central purchasing arm facilitates seamless trade within the agricultural value chain, ensuring efficient and responsible sourcing for the entire Aboitiz Foods network.

The Food Group began its international expansion in 2014 through then Pilmico International's (now Aboitiz Foods Pte. Ltd.) acquisition of a 70% equity stake in Pilmico Vietnam Company Limited (PVN) (formerly, Pilmico VHF Joint Stock Company and originally, Vin Hoan 1 Feed JSC), one of Vietnam's largest aqua feed producers. Over the next five years, then Pilmico International increased its ownership, acquiring an additional 15% in 2017 and the remaining 15% in 2019, making PVN a wholly-owned subsidiary of Pilmico International. This investment provided a strategic foothold in Vietnam's aqua feeds sector, expanding the company's reach to regional aqua farm customers and creating a gateway to investments in other ASEAN countries such as Thailand, Laos, and Cambodia. It also marked the company's diversification into the aqua feed segment, a product line not previously available in the Philippines.

Building on this foundation, the Food Group strengthened its presence in Vietnam with further acquisitions, including Pilmico Vietnam Trading in 2016, which operates in wholesale food and agricultural raw materials, and a 70% equity interest in Pilmico Animal Nutrition Joint Stock Company (PAN-JSC), an animal feed producer. The Food Group's expansion accelerated in 2018 with the acquisition of Gold Coin Management Holdings Pte. Ltd. (GCMH), one of Asia's largest agribusiness corporations. Then Pilmico International (now Aboitiz Foods Pte. Ltd.) initially secured a 75% stake in GCMH, which operates across multiple Asian countries, including Indonesia, Malaysia, Thailand, and China, before completing full ownership in 2019. As part of its business integration, PAN-JSC was incorporated into the Gold Coin Group and renamed Gold Coin Feedmill (Binh Duong) that same year.

Further consolidating its regional presence, GCMH increased its ownership in Gold Coin Malaysia Group and Gold Coin Specialties Sdn. Bhd. to 100% in 2021. The following year, the Gold Coin Group divested from Sri Lanka, selling its 100% equity interest in Gold Coin Feed Mills (Lanka) Limited as part of its strategy to focus on Southeast Asia and China. Today, the Food Group, through Pilmico International and the Gold Coin Group, holds strong positions in key Asian markets, leveraging its multi-branded animal nutrition platform to deliver scientifically balanced livestock, aqua feeds, and specialty nutrition. The Gold Coin Group remains committed to innovation, sustainability, and expanding its capabilities to meet the diverse nutritional needs of the region's growing agricultural sector.

Aboitiz Foods Holdings, Inc. was incorporated on 5 July 2023 as Aboitiz FeedAll Holdings, Inc. to serve as AEV's holding company for its Food Manufacturing segment. In connection with the Group's corporate reorganization, Pilmico Foods Corporation was folded into this structure, together with its related food and agribusiness subsidiaries.

To reflect the strategic integration of its food and agribusiness operations under a unified identity, the Food Group also undertook a rebranding of its holding companies for both local and international investments. On 6 June 2024, Aboitiz FeedAll Holdings, Inc. adopted its current name, Aboitiz Foods Holdings, Inc., while Pilmico International Pte. Ltd. was renamed Aboitiz Foods Pte. Ltd. These changes underscored the Food Group's direction to unify its Philippine and overseas food businesses under the Aboitiz Foods brand as a single, integrated regional platform.

The Food Group is in continuous pursuit of innovative new products, product variants, and line extensions in the livestock, and aquaculture feeds segments.

(A) Beverages

Coca-Cola in the Philippines began in 1927 when San Miguel Corporation (then San Miguel Brewery, Inc.) first imported Coca-Cola from the U.S. In 1927, San Miguel Corporation became the first international bottler of Coca-Cola products. In 1981, to streamline its soft drink operations, San Miguel spun Coca-Cola Bottlers Philippines, Inc. (CCBPI) off as a joint venture with The Coca-Cola Company. CCBPI underwent various ownership changes through the years.

On 23 February 2024, CCEP and AEV jointly acquired CCBPI, with CCEP holding a 60% stake and AEV 40%. Following this acquisition, CCBPI rebranded to Coca-Cola Europacific Aboitiz Philippines, Inc. (CCEAP) on 15 January 2025.

(i) Principal Products and Services

(A) Food Manufacturing

Aboitiz Foods Holdings, Inc.

Aboitiz Foods Holdings, Inc. is a wholly-owned Subsidiary of AEV, and serves as the Philippine holding company for the Food Group's food and agribusiness business. It directly holds a 100% equity interest in Pilmico Foods Corporation, which in turn holds a 100% equity interest in Pilmico Animal Nutrition Corporation and other related domestic subsidiaries.

Feeds and Flour

Pilmico Foods Corporation

Pilmico, a wholly-owned AEV Subsidiary, is primarily engaged in manufacturing and selling of flour, feeds, and their by-products. These by-products are largely wheat by-products, particularly wheat bran sold under the Pilmico Brand.

Flour Products

Through Pilmico, the Food Group produces premium quality hard wheat flour for bread and soft wheat flour for cookies and crackers. Hard wheat flour brands include: Sun Moon Star, Sunshine, Glowing Sun and Kutitap. Meanwhile, soft wheat flour brands include: Gold Star and Mega Star. The Food Group also produces a leading brand of specialty flours under the Wooden Spoon Brand. Some notable brands under the Food Group's specialty flour include: Wooden Spoon Cake Flour, Wooden Spoon All-Purpose Flour, Wooden Spoon Siopao Flour, and Wooden Spoon Whole Wheat Flour.

Pilmico has a wide network of distributors and dealers located in major cities of Metro Manila, Cebu, Davao, Iloilo, Bacolod, and Cagayan. As of 28 February 2026, it is one of the largest flour

manufacturers in the Philippines and is ranked among the top three domestic flour producers based on internal market data.

The Food Group has expanded its flour business internationally. Currently, Pilmico has a representative office in Ho Chi Minh City, Vietnam. Through this representative office, Pilmico established its flour export business, successfully distributing its flour products to Hong Kong, Vietnam, Myanmar, Thailand, Malaysia, and Indonesia. The Food Group expects to take further efforts to strengthen the presence of its flour business in the ASEAN region.

Feeds Products

Feeds products offered by the Food Group include swine, poultry, rabbit, pet food as well as other species including aqua feeds for the different stages of growing pangasius, and tilapia, among others. The Food Group also offers animal healthcare products in the Philippines as part of its objective of becoming a total solutions provider for its feeds customers. It also sells raw materials for feeds through its commodity trading business.

As of January 2026, PFC has the capability of producing 540,000 MT per annum.

Hog and Layer Farms

Pilmico Animal Nutrition Corporation

The Food Group's hog and layer farms operations are conducted through its Subsidiary, Pilmico Animal Nutrition Corporation (PANC). Pilmico and another wholly-owned Subsidiary, Filagri Holdings, Inc. (Filagri Holdings), owned a 100% equity interest in PANC. PANC operates farms and feed mill plants in Capas, Tarlac.

In January 1999, PANC began commercial operations of its feed mill plant in Capas, Tarlac to cater to the growing demand for feeds in Luzon. Since commencing its swine operations with 4,750 sow level in the second half of 1999, PANC had a 8,399 sow level as of 28 February 2026. PANC increased its sow level to 10,800 in 2024, which is expected to translate to a monthly sales volume of 19,897 heads of market hogs.

In December 2015, PANC started its layer farms operations. The layer farm facility was completed and became fully-operational by December 2016. This layer farm facility can hold up to 173,000 egg-laying chickens that translates to 4 million eggs per month.

To support the growing Luzon commercial feeds volume as well as increased feeds requirements from its growing layer and swine operations, PANC completed the construction of a second feed mill ("Tarlac Feed Mill 2"), resulting in an additional 124,800 MT each in feed mill capacity. Tarlac Feed Mill 3 was completed in August 2016. As of January 2026, PANC has the capability of producing 385,000 MT per annum.

Agribusiness - International

AEV International Pte. Ltd.

Established on 5 May 2014, AEV International Pte. Ltd. (AEV International) is the holding company of AEV's investments outside the Philippines. It owns 100% of the equity interest in Aboitiz Foods Pte. Ltd. (formerly, Pilmico International).

Aboitiz Foods Pte. Ltd. (Formerly: Pilmico International Pte. Ltd.)

Aboitiz Foods Pte. Ltd., a company organized under the laws of Singapore, is the project vehicle of AEV's first international investment in the Feeds business. It was established in June 2014 as a wholly-owned Subsidiary of the AEV through AEV International. On 21 November 2024, the company changed its name into Aboitiz Foods Pte. Ltd.

Aboitiz Foods Pte. Ltd. owns a 100% equity interest in PVN, a 100% equity interest of Pilmico Viet Nam Trading Company Ltd. (PVN Trading), and a 100% equity interest in GCMH, which controls the Gold Coin Group.

Pilmico Vietnam Company

Pilmico Vietnam Company Limited (PVN) (formerly, Pilmico VHF Joint Stock Company and originally, Vin Hoan 1 Feed JSC), is one of Vietnam's largest aqua feed producers. In 2014, then Pilmico International (now Aboitiz Foods Pte. Ltd.) acquired 70% of the total outstanding shares in PVN. This acquisition allowed the Food Group to expand its feeds business in Vietnam and build its market base internationally. To date, Pilmico International owns 100% equity interest in PVN.

PVN's operations are in Dong Thap Province in Vietnam, approximately 165 kilometers from Ho Chi Minh City. It has an available capacity of 230,000 MT per year. This capacity has supported efforts to build a commercial market in Vietnam and export market, in addition to the long-term supply agreement with Vinh Hoan Corporation.

The investment in PVN allowed the Food Group to gain a foothold in the Vietnamese aqua feeds business, and at the same time, build its reach to other aqua farm customers. This strategic move was also intended to establish a gateway to investments in other ASEAN countries like Thailand, Laos, and Cambodia, allowing the Food Group to expand its core feeds business internationally, and to diversify and gain competence in the aqua feeds product segment currently not produced in the Philippines.

Pilmico Viet Nam Trading Company Ltd.

Pilmico Viet Nam Trading Company Ltd. (PVN Trading) was incorporated in July 2015 as a limited liability company operating in Vietnam and engaged in the wholesale of food products, beverages, agricultural and forestry raw materials, among others. It is currently the corporate entity used for the importation and distribution of the Food Group's products within the Vietnam market.

Aboitiz Foods Pte. Ltd. (formerly, Pilmico International) owns a 100% interest in PVN Trading.

Gold Coin Management Holdings Pte. Ltd. and the Gold Coin Group

Gold Coin Management Holdings Pte. Ltd. (GMCH) is the holding company of the Gold Coin Group. From its headquarters in Singapore, it serves as the international animal nutrition and feeds platform of the Food Group. The Gold Coin Group is engaged in the manufacture and distribution of livestock feed, aqua feed, and specialty nutrition products across key markets in the Asia-Pacific region.

Through its subsidiaries and affiliated entities across Southeast Asia and China, the Gold Coin Group supports a broad regional customer base and contributes to the continued growth of the Food Group's food and agribusiness business. Its products and services include feed solutions for poultry, swine, cattle, fish, and shrimp, as well as premixes, concentrates, and other specialty nutrition products developed to support animal health, growth, and productivity across various stages of production.

In 2022, GMCH and Glen Arbor Holdings (Singapore) Pte. Ltd., a subsidiary of Pilmico International Pte. Ltd., divested their 100% interest in Gold Coin Feed Mills (Lanka) Limited, reflecting the Group's exit from Sri Lanka and its continued focus on core animal feeds operations and priority markets in the region. As part of the broader Aboitiz Foods platform, the Gold Coin Group complements the domestic food and agribusiness business of the Group by providing an established international footprint in animal nutrition across Asia.

(B) Beverages

Coca-Cola Europacific Aboitiz Philippines, Inc. (CCEAP)

CCEAP is the official bottling partner and distributor of Coca-Cola products in the Philippines. Formerly known as Coca-Cola Beverages Philippines, Inc., it adopted its current name following the completion in February 2024 of its acquisition by Coca-Cola Europacific Partners Plc (CCEP) and AEV, reflecting the strength of the partnership and the company's next phase of growth.

As part of the broader AEV portfolio, CCEAP represents the Group's entry into the consumer beverages segment and strengthens its presence in branded consumer products. It manufactures, bottles, markets, and distributes a broad portfolio of beverages in the Philippines through a nationwide manufacturing and distribution network, serving customers and communities across the country. CCEAP likewise continues to support long-term growth through investments in its operations and a strong focus on sustainability as a core part of its business.

As of 28 February 2026, AEV owns a 40% beneficial equity interest in CCEAP through CCEP Aboitiz Beverages Philippines, Inc. (CABPI). The remaining 60% beneficial equity interest is owned by CCEP.

(ii) Distribution Methods

(A) Food Manufacturing

Pilmico and PANC sell their feeds and flour products through a nationwide distribution network of dealers. Pilmico likewise exports its flour products to Hong Kong, Myanmar, and Vietnam. PANC's hog and meat products are sold to "*viajeros*" or small-scale distributors and institutional customers (such as hotels, restaurants, and caterers).

In addition to its existing presence through its representative offices, and through its acquisition of the Gold Coin Group, the Food Group gained access to a comprehensive platform with an extensive distribution and sales network spread across 8 countries in the Asia-Pacific region.

The Gold Coin Group has established relationships with customers, offering a number of brands of livestock and aqua feeds products with quality feed formulation across various key markets. Moreover, in 2018, the Gold Coin Group launched a sales optimization program to introduce a centrally designed sales program to integrate livestock operation, distribution, and sales channels to expand its specialty nutrition and aqua feeds. Taking advantage of this program, the Food Group is developing a stronger and multi-branded one-stop shop animal nutrition platform to address the demands of its customers across the Asia-Pacific region.

In the Philippines, the Farms business has expanded its market reach to end-consumers via "*The Good Meat*" business which offers fresh meat and egg products in both online and physical "*The Good Meat*" stores. As of 28 February 2026, the Food Group is operating five physical "*The Good Meat*" stores. The Good Meat's fresh pork offerings are sold in 126 supermarkets across the Philippines, 115 of which carry the "*The Good Meat*" Brand while the remainder are sold as the supermarket's house brand, while its growing Value-Added Meat segment (bacon, sisig, etc) are carried in over 174 supermarkets nationwide.

The Food Group's businesses are not dependent upon a single customer or a few customers such that a loss of any one would have a material adverse effect on the performance of its sales and distribution. The Food Group has no single customer that, based on existing orders, accounts for 20% or more of its total sale of goods and services.

(B) Beverages

CCEAP maintains a broad nationwide manufacturing and distribution footprint that supports the production, sale, and delivery of its beverage products across the Philippines. Its network of plants, sales offices, and distribution centers enables the Company to serve a diverse customer base across traditional and modern trade channels, while also supporting nearly one million micro-retailers throughout its value chain. Backed by this extensive route-to-market capability, CCEAP offers a diversified portfolio of beverage brands across multiple categories, including Coca-Cola, Royal, Sprite, Wilkins, Schweppes, Minute Maid, Nutri Boost, Predator, and Lemon Dou.

(iii) New Products

International Animal Nutrition

The Gold Coin Group provides animal nutrition solutions and technical support to customers across the Asia-Pacific region, supporting improvements in livestock and aquaculture productivity through scientifically formulated feed products and advisory services. As the international animal nutrition and feeds platform of Aboitiz Foods, the Gold Coin Group operates across key regional markets and serves a broad customer base through its multi-species capabilities in livestock, aquaculture, and specialty nutrition.

The Group manufactures and distributes a diversified portfolio of livestock feed, aqua feed, and specialty nutrition products, including solutions for poultry, swine, cattle, fish, and shrimp, as well as premixes, concentrates, and other specialty products designed to support animal health, growth, and productivity across various life stages. Its regional production and distribution footprint enables it to respond to the needs of customers in multiple Asia-Pacific markets while maintaining a strong focus on quality, innovation, and technical support.

The Gold Coin Group continues to strengthen its platform through product development, feed reformulation, and portfolio enhancement aimed at addressing evolving customer requirements. In January 2026, this platform was further reinforced through the acquisition of Diasham Resources Pte. Ltd., a Singapore-based manufacturer of high-quality animal nutrition and health solutions, which expanded Aboitiz Foods' presence in specialty nutrition and enhanced the Group's broader animal nutrition offering across the region.

(iv) Competition

As an integrated food and agri-business company primarily engaged in the manufacture and sale of animal feeds, flour, flour by-products as well as the production of swine and table eggs, the Food Group operates in a competitive industry driven by global raw material prices with an increasing trend on process improvement and digitization. Moreover, with global food demand on the rise brought by rising income from a growing middle class in developing countries, industry growth has been supported by global and domestic expansions by a growing number of agri-business players.

The Food Group's business model is well positioned at the beginning of the food value chain with facilities in the Philippines located in Tarlac (feedmill and farms) and Iligan (flourmill and feedmill). The Food Group products are distributed through external distributors and dealers in major cities throughout the Philippines.

The Food Group believes that it competes through cost leadership and providing a better customer experience.

Pilmico believes that it is among the top three domestic flour, swine, and animal feed producers in the Philippines, which include San Miguel Food and Beverage, Inc. and Universal Robina Corporation for flour, B-MEG, and Unahco for feeds, and Monterey and Robina for farms, all of which leverage on strategic logistic hubs, competitive pricing and dedicated sales support teams to drive growth. The

Gold Coin Group's competitors in international feeds include Charoen Pokphand Group, Japfa Comfeed, and CP Indonesia, with Cargill remaining the biggest feed miller in South East Asia with leading market share and capacity in Thailand, Vietnam, and Indonesia.

(v) Sources of Raw Materials

(A) Food Manufacturing

The Food Group, through Pilmico and PANC, imports wheat, soybean meal and other grains mostly from various suppliers in the United States, Canada, and Australia. This exposes the Food Group to risks arising from currency fluctuations and volatile price movements of raw materials.

PVN imports soybean meal from Argentina and the United States, and cassava from Cambodia. Rice bran and other grains are sourced from various suppliers in Vietnam.

The Gold Coin Group requires a wide variety of raw materials to manufacture its livestock and aqua feeds products, including, but not limited to, corn grains, soya beans and meals, and wheat products.

Efficient sourcing of these materials requires a combination of local and import strategies. To optimize its position as one of the largest animal nutrition providers in the Asia-Pacific Region and take advantage of the synergies between related parties and Affiliates, the Gold Coin Group instituted a centralized commodity trading team for the Food Group that determines procurement and strategic sourcing activities.

(vi) Major Customers

The Food and Beverage Group's businesses are not dependent upon a single customer or a few customers that a loss of anyone would have a material adverse effect on the performance of its sales and distribution. The Gold Coin Group has no single customer that, based on existing orders, will account for 20% or more of its total sale of goods and services.

(vii) Transactions with and/or Dependence of Related Parties

Transactions with and/or dependence on related parties are discussed at the holding company level.

Additionally, to unlock cost synergies and efficient sourcing of raw materials within the Food Group, the Gold Coin Group instituted a centralized commodity trading team that is tasked to identify and secure procurement and strategic sourcing activities. Transactions are made at arms-length, fair, and compliant with transfer pricing rules.

(viii) Government Approvals

The Food and Beverage Group secures various government approvals, such as the environmental compliance certificates, development permits, license to sell, business permits, import licenses, etc. as part of the normal course of its business.

(ix) Effect of Existing or Probable Governmental Regulations

The laws and regulations that govern the Food and Beverage Group's business operations in the Philippines include the: (i) Food Safety Act of 2013 (RA No. 10611); (ii) Food and Drug Administration Act of 2009 (RA No. 9711) and the established standards and quality measures by the Food and Drug Administration in relation to the manufacturing and branding of food products to ensure its safe supply; (iii) the Livestock and Poultry Feeds Act and its implementing rules and regulations on the manufacture, importation, labelling, advertising and sale of livestock and poultry feeds; (iv) the Meat Inspection Code of the Philippines (RA No. 9296) establishing measures on quality and safety standards for the slaughter of food animals and the processing, inspection, labelling, packaging,

branding and importation of meat (including, but not limited to, pork, beef and chicken meat) and meat products; (v) Consumer Act of the Philippines (RA No. 7394) and the as enforced by the Department of Trade and Industry, and the quality and safety standards with respect to the composition, contents, packaging, labelling and advertising of food products and prohibits the manufacture for sale, offer for sale, distribution, or importation of food products which are not in conformity with applicable consumer product quality or safety standards; (vi) Price Act (RA No. 7581) on matters concerning price controls for basic and prime commodities on select circumstances of calamities and state of public emergency.

The Gold Coin Group, with companies and plant operations across several countries in the Asia-Pacific region, has secured the necessary registrations, permits, and licenses to allow it to do business in the applicable countries.

(x) Amount Spent on Research and Development

(A) Food Manufacturing

The Food Group remains committed to the continued research and development of its feed, flour, and farm products. This is evidenced by the launch of new product offerings such as aqua feeds, petfood, new and improved shrimp formulation, mash conditioner feeds, pigeon feeds among others. These costs are inherently part of the research and development, nutrition, veterinary, and business development operating costs and amount to less than 1% of the Food Group's revenues.

(xi) Costs and Effects of Compliance with Environmental Laws

(A) Food Manufacturing

The Food Group is working with relevant Environmental regulators with a dedicated Quality, Safety, Health Environment and Process Department for both existing operations and future plans. Compliance to environmental laws is included in key decision points such as investing in new swine farms and new feed mills to include measures and build appropriate facilities that lessen the impact on the environment.

(xii) Major Risk/s Involved in the Business

(A) Food Manufacturing

Risks particular to the Food Group are as follows:

Ongoing Ukraine war and Middle East conflict can have several potential impacts on the Food Group, especially on its flour and feed business

Ukraine is a major exporter of wheat and corn, which are essential ingredients for flour and feed production. The conflict may disrupt transportation routes, leading to delays, increased costs, or even a temporary halt in the supply of grains. Millers may face difficulties in sourcing an adequate amount of raw materials. This has translated to price fluctuations in grain markets. Increased demand, reduced supply, and speculation can cause sharp price increases, making it challenging for millers to procure grains at reasonable prices.

To address this risk, the Food Group has diversified sourcing channels by establishing new relationships with multiple suppliers and has strengthened its long-standing relationships with key suppliers. It sources its grains in North America (milling wheat, feed wheat, corn), South America (feed wheat, soybean meal and corn) and Australia. It does not source from Ukraine and Russia. Further, the Food Group stays updated with market information and collaborates closely with suppliers to anticipate potential price fluctuations. The Food Group continues to maintain buffer stock to ensure continuity of production during any disruptions.

In times of geopolitical uncertainty, and accelerating inflation, the value of currencies can fluctuate significantly. Currency devaluation or volatility can impact the cost of imported raw materials and equipment, potentially affecting the profitability of the Food Group.

The Food Group has established currency hedging strategies to minimize exposure to foreign exchange risks and use forwards to hedge currency positions and stabilize costs.

While the Food Group does not procure wheat from Ukraine or Russia, broader geopolitical developments, including the ongoing conflict in Ukraine and the Middle East, may continue to create volatility in global markets, particularly in freight rates, energy costs, and foreign exchange movements. These indirect effects may increase the cost of imported raw materials and equipment and may, in turn, adversely affect the Food Group's margins and overall profitability.

Outbreak of diseases, food safety and foodborne illness concerns could adversely affect the Food Group's financial condition and results of operations

Part of the inherent business risk of swine and poultry farms are animal diseases (e.g., African Swine Fever and Avian Influenza) which can impact demand and supply for certain products of the Food Group. A major outbreak can affect the entire industry, significantly affecting demand and supply. There can only be a certain level of assurance that the Food Group's internal controls and policies will be fully effective in preventing all food safety issues concerning the products it sells, including any occurrences of foodborne illnesses such as Salmonella, E. coli, etc. New illnesses resistant to current precautions may develop in the future, or diseases with long incubation periods could arise, that could give rise to claims or allegations on a retroactive basis. As part of taking on a proactive approach in managing this risk, the Food Group continually understands changes in the risk profile and context to better understand and manage this risk through their Biosecurity Policy and Program. This may come in the form of continuous testing and evaluation of new lab tests or vaccine and medicine programs or new regulatory requirements to comply with.

Being in the food industry, food safety risks brought about by foodborne illness or illnesses related whether or not related to the Food Group's products, could negatively affect sales and reputation. Both could have a material adverse effect on the Food Group's business, financial condition, and results of operations. This risk exists even if it were later determined that the illness was wrongly attributed to its products. Quality assurance and quality control activities play an important role in managing this risk. Part of the Food Group's strategic plans include a robust implementation of quality across suppliers to the market value chain. Four quality areas include: (1) supplier quality; (2) process quality; (3) product quality; and (4) market quality.

- a. Supplier Quality - focuses on the development and implementation of quality supplier accreditation process
- b. Process Quality - focuses on the improvement of existing quality programs and processes such as but not limited to Biosecurity Policy, HACCP, Food Defense, and Food Fraud Program
- c. Product Quality - focuses on the implementation of cost of poor quality management and new products development program
- d. Market Quality - focuses on the improvement of existing programs and processes on handling customer complaints, product recall

The Food Group's financial performance may be materially and adversely affected by disruptions in the supply of, or price fluctuations in, major raw materials

Many of the Food Group's products depend on raw materials, most of which are procured from third parties, including purchases of some critical raw materials from both within and outside of the Philippines. These raw materials are subject to price volatility caused by a number of factors including changes in global supply and demand, foreign exchange rate fluctuations, shipping and other transport-related factors, weather conditions, quality of crop and yield and trade and tariff policies,

and government regulations and controls. Moreover, the market prices of raw materials may increase significantly if there are material shortages due to, among others, competing usage or drastic changes in weather or natural disasters or shifts in demand from other countries such as China and India.

The ability to pass on higher costs through price increases is also influenced by competitive conditions and pricing methodologies used in the various markets in which the Food Group competes. As such, there is no assurance that all or significant increases in product costs will be passed on to consumers and that any price increases that are passed along to consumers will not have a material adverse effect on price competitiveness.

Key controls to manage this risk include leveraging on volume through strategic and centralized procurement of the Food Group's raw materials requirement. Another is the establishment of neutral positioning when buying raw materials which usually ranges from three weeks to four months. By having a neutral position, the Food Group can somehow mitigate the external factors affecting prices. Finally, focusing on optimizing its Low-Cost Formulation model through the use of substitutes, alternate proteins, and identification of regional/local sources is one of the key strategies that it employs to manage the impact of this risk.

Contributing to the supply chain disruption is the unavailability of supply of raw materials at the required quality and quantity that meet the needs of the Food Group. Ultimately, any shortages in raw materials may lead to delays in the supply of products to the Food Group's customers. Key controls to manage this include setting up multiple suppliers both international and local as backup. Establishing safety stock levels and even raising them on certain occasions to minimize shutdowns.

The business and sales of the Food Group are affected by seasonality

The business and sales of the Food Group are affected by the seasonality of customer purchase patterns. The Food Group's products generally experience increased sales during months leading to major holiday seasons, such as Christmas and Lunar New Year. Moreover, other inputs such as grains may be affected by planting and harvest seasons as well as other weather conditions. As a result, performance for any one quarter is not necessarily indicative of what is to be expected for any other quarter or for any year and its financial condition and results of operations may fluctuate significantly from quarter to quarter.

To address this risk, the Food Group employs various sales tactical programs by means of promotions and discounts in the form of price, volume and/or cash payment discounts.

The business and prospects of the Food Group may be materially and adversely affected by increased imports of lower-priced products as import duties are decreased or eliminated

The Food Group may face increased competition from less expensive products imported to the Philippines as import duties on those products are decreased or eliminated. In particular, the Philippines is a signatory to several free trade agreements, including the ASEAN Trade in Goods Agreement ("ATIGA") and the ASEAN Free Trade Agreement. With the implementation of ATIGA, the Philippines eliminated intra-ASEAN import duties on 99.56% of its tariff lines including poultry, meat of bovine animals, flour, sausage, prepared or preserved meat, cereals, bread, pastry, cakes, biscuits, fruit juices, coffee, tea or maté, sauces and preparations, ice cream, beer, certain spirits, liqueurs, and spirituous beverages.

The Food Group has already experienced the effects of increased competition as a result of the elimination of these import duties, and expects that competition from imported products will continue to increase. In addition, any reduction in tariffs on imports from other ASEAN countries and from other countries party to a free trade agreement with the Philippines, such as China and Japan, could give rise to increased competition for the Food Group's products.

The Food Group also faces competition from other countries. If the Food Group is unable to compete effectively with lower-priced imports, its market share and sales may decrease, and its business, financial condition, results of operations, and prospects could be materially and adversely affected.

The Food Group leverages on industry associations or groups to lobby for certain barriers to entry in the form of imposition of duties and taxes on these imported goods.

The Food Group engages in derivative and hedging transactions

From time to time, the Food Group enters into various commodity derivative instruments, such as forward purchases, for wheat and soybean meal, to manage price risks on strategic commodities. A key control to manage this is the use of a country's "Neutral Position Strategy" as part of the Food Group's Price Risk Management Framework that sets the price-risk decision matrix for any futures pricing of key commodities (i.e., wheat and soybean meal).

Sales of certain products may be adversely affected if the Food Group's relationship with dealers and distributors deteriorate

The products of the Food Group are primarily sold through dealers and distributors. There is no assurance that these dealers and distributors will continue to purchase and distribute the Food Group's products, or that these dealers and distributors can continue to effectively distribute its products without delays or interruptions.

The Food Group's dealer network is a key asset for the Food Group and it has taken steps to know more about its customers and their customers. Delivering consistent and quality products to customers is important to building a lasting relationship. Part of the strategic plans include focusing on managing key customers and equipping our salesforce to deal and manage these customers through our Key Accounts Management Workshops. Another key initiative is to provide a system to support its distributors in managing their customers, payments, fulfillment, and inventory management.

IV. REAL ESTATE

Overview of the Business

Incorporated on 2 June 1964, Aboitiz Land, Inc. (Aboitiz Land) (formerly Central Visayan Warehousing Co., Inc.) is the real estate arm of the Aboitiz Group. Today, Aboitiz Land is mainly engaged in the development of real estate projects with a primary focus on residential communities, integrated industrial townships and commercial hubs. In September 2020, the management of the industrial and commercial business units of Aboitiz Land was transferred to Aboitiz InfraCapital. In late 2025, the said industrial and commercial business units were integrated with the residential business under one strategic leadership, forming one unified real estate platform.

Under this integrated platform, the integrated real estate group focuses on the disciplined land banking, development, and long-term stewardship of industrial and commercial estates in strategic geographic corridors, targeting export-oriented manufacturing, logistics, and other high-value industries. These estates are developed as long-horizon economic hubs, supported by essential infrastructure, utilities, and commercial components to enhance competitiveness, operational resilience, and recurring income generation.

In parallel, Aboitiz Land develops residential communities within and around these estates to support workforce housing, community formation, and township development. This estate-led approach enables the Group to align housing supply with employment growth, reduce friction between work and living environments, and strengthen the overall value proposition and sustainability of its industrial and commercial hubs. Through this strategy, the Group prioritizes the development of

integrated townships over standalone projects, supporting long-term land value preservation and ecosystem resilience.

Aboitiz Land also participates in the urban vertical residential segment through its wholly owned subsidiary, Point Blue, Inc., which pioneered the microstudio category in the Philippines. Point Blue focuses on compact, efficiently designed residential developments located near major urban centers and employment districts, complementing the Group's broader residential portfolio and supporting evolving urban housing needs.

Today, Aboitiz Land operates as an integrated real estate platform combining economic estate and residential development, supported by employment hubs, infrastructure, utilities, and property management services that promote long-term estate sustainability and community building. It also continues to explore complementary services from the Aboitiz Group's utilities, financial services, and infrastructure businesses to improve operational efficiency, enhance customer experience, and support future-ready, industry-anchored communities.

Aboitiz Land is a wholly owned subsidiary of AEV.

(i) Products and Services

(a) Residential Business

For its residential business, Aboitiz Land's primary focus is the development of residential communities that support and complement the Group's industrial and commercial estates.

Since the launch of its first residential development in 1994, Aboitiz Land's residential portfolio has expanded to over thirteen residential projects, with nine still ongoing as of 28 February 2026. It offers three core product types: lot only, house-and-lot, and condominium units.

In 1994, Aboitiz Land launched North Town Homes in Cebu, its first residential subdivision catering to the upper-mid to high-end market through horizontal developments. Over the years, Aboitiz Land expanded its offerings to include mid-market residential products and introduced several differentiated residential concepts to the Cebu market.

In 2017, Aboitiz Land expanded beyond Cebu with the launch of Seafront Residences, a 43-hectare beachside community in San Juan, Batangas, and Foressa Mountain Town, a 250-hectare mountain town development in Balamban, Cebu.

In 2018, the company launched two additional residential projects in Luzon: Ajoya Capas, a 13-hectare development in Tarlac, and Ajoya Cabanatuan, a 20-hectare development in Nueva Ecija. The Ajoya brand represents Aboitiz Land's flagship mid-market residential offering, featuring modern housing inspired by contemporary Filipino architecture, supported by community-oriented amenities such as town plazas, clubhouses, and pocket parks.

In 2019, Aboitiz Land further strengthened its Luzon presence through the launch of Ajoya Pampanga, a 21-hectare development in Mexico, Pampanga, and The Villages at LIMA Estate, a 49-hectare residential community in Batangas designed to support the industrial township strategy of LIMA Technology Center.

(b) Economic Estates

On 1 September 2020, the management of the industrial and commercial business units of Aboitiz Land was transferred to Aboitiz InfraCapital. In late 2025, these businesses were reintegrated with the Group's residential real estate operations under a unified strategic leadership, forming a more integrated real estate platform within the Aboitiz Group.

The Group's Economic Estates business comprises a portfolio of industrial-anchored, mixed-use developments in key growth corridors, including LIMA Estate in Batangas, MEZ2 Estate in Lapu-Lapu City, Cebu, West Cebu Estate in Balamban, Cebu, and TARI Estate in Tarlac. These estates are designed to support manufacturing, logistics, commercial activity, and long-term regional growth through the integration of industrial, commercial, residential, and support infrastructure within master-planned environments.

LIMA Estate remains the flagship asset of the platform and is publicly described as a 1,000-hectare PEZA-registered economic estate in Lipa-Malvar, Batangas. It includes a 70-hectare Biz Hub, positioned as Batangas' first master-planned business district, integrating commercial lots, retail spaces, office developments, residential areas, dormitories, hospitality uses, institutional facilities, and a transport terminal. This integrated configuration reinforces LIMA Estate's role as a leading industrial and commercial hub in Southern Luzon.

The commercial and business components of the estates continued to expand during the period. A key milestone was the completion and rollout of LIMA Tower One, the first office development within the planned office park at the Biz Hub of LIMA Estate. Public materials position this development as part of the estate's broader strategy to strengthen its commercial ecosystem and support the continued growth of business, talent, and investment activity in Batangas.

The platform also advanced its expansion in Central Luzon through TARI Estate, which is presented as an industrial-anchored township intended to support the long-term development of the region. This reflects the Group's broader strategy of building economic estates as long-horizon growth centers that combine industrial capability with complementary commercial, residential, and institutional uses.

Overall, the Group's Economic Estates business continues to pursue an infrastructure-led and estate-driven development strategy focused on creating self-sustaining economic hubs that generate employment, attract investment, and support community formation. Through this platform, the Group aims to enhance the competitiveness and resilience of its estates while contributing to regional development in the Philippines.

(ii) Distribution Methods

Aboitiz Land's residential projects currently target a diverse base of customers, ranging from the middle to upper-income brackets. Aboitiz Land now also caters to young urban professionals working in and around central business districts with Point Blue's microstudio developments.

Aboitiz Land's industrial segment aims to serve various locators from different industries and countries with significant interests in the Philippines.

In January 2020, Aboitiz Land invested in a proprietary mobile application called the Aboitiz Land Vecino app, the backbone of its digitalized home-buying service. Through the app, vecinos (i.e., residents) are now able to track monthly payments and download Statement of Accounts (SOAs) and receipts in a timelier manner, follow construction progress, make online payments, apply for a housing loan, schedule acceptance and turnovers, as well as reach out to customer service.

Aboitiz Land continues to develop various features to make its systems timelier and more relevant across all aspects of the business. It has added new features such as digitized documentation and digital home loan applications.

(iii) New Products and Services

In September 2019, Aboitiz Land and Point Blue partnered to co-develop microstudio rental apartments, an innovative new category in the real estate residential sector. Thereafter, Aboitiz Land acquired full ownership of Point Blue in 2023. These microstudio apartments are leased ready for move-in and all units are equipped with a bed, ample storage space, a desk and chair, roller blinds, air-conditioner, microwave, free high-speed internet, and within walking distance of Metro Manila's central business districts.

In 2022, Aboitiz Land launched 2 new phases of its existing projects: Foressa Light B in Balamban, Cebu and Meadow Village at the Villages at Lipa in Batangas. Aboitiz Land has also embarked on several initiatives and partnerships to strengthen operations.

(iv) Competition

Aboitiz Land considers Ayala Land and Vista Land as its main competitors in the residential business. They currently enjoy market dominance in the locations where they compete and are considered as brand leaders in the market because of their presence in both primary and secondary cities nationwide. Both competitors target the same market that falls within their sub-brands that cater from the high-end A market to the broad C market. Aboitiz Land also caters to the same markets depending on the location and type of product that it offers.

In terms of the commercial business, Aboitiz Land looks to strategically develop commercial spaces that will enhance its current communities. By doing so, Aboitiz Land aims to maximize the value footprint in these areas while servicing the needs of the community. Furthermore, the continued relevance of Aboitiz Land's successful track record in traditional retail formats provide a positive outlook for its largest commercial project to date, The Outlets at Lipa. Although relatively new in this segment, it was able to successfully implement new retail formats in locations it already serves. However, traditional big-box retail companies such as SM and Vista Land remain market leaders in the commercial business and are considered as its main competitors in this segment. While SM caters to all market classes, Aboitiz Land caters to the broad C to the upper B market currently focusing on the latter for its offerings at The Outlets.

Lastly, the industrial parks continue to serve as key hubs for economic activity. With its expertise, Aboitiz Land looks to further capitalize on these hubs not only by expanding its industrial footprint, but also through the development of recurring revenue businesses and residential communities adjacent to its industrial areas. Through this approach, Aboitiz Land looks to transform these industrial spaces into thriving townships. Among the national developers in the country, Ayala Land, Vista Land, and Megaworld are the main proponents of township developments. With their years of experience and land banks around the country, they remain Aboitiz Land's competitors in this segment. Similar to the residential and commercial business, Aboitiz Land caters to several markets that encompass its township developments. For example, The Villages at Lipa caters to mid – to upper-mid-market residents, *The Outlets* at Lipa serves retail customers, while Lima Technology Center is home to industrial locators and soon, BPO offices.

(v) Sources of Raw Materials

Aboitiz Land and its Subsidiaries have a broad base of suppliers, both local and foreign. They are not dependent on one or a limited number of suppliers.

(vi) Major Customers

Aboitiz Land's residential projects currently target a diverse base of customers, ranging from the middle to upper-income bracket. The real estate group's industrial division, Aboitiz Economic Estates, serves various locators, with the slight exception of its industrial segment operated through CIPDI, which has commitments to Tsuneishi Holdings Corporation (THC) of Japan.

The Real Estate Group's businesses are not dependent upon a single customer or a few customers that a loss of anyone would have a material adverse effect on the performance of its sales and distribution. It has no single customer that will account for 20% or more of the group's total sale of goods and services.

(vii) Government Approvals

Aboitiz Land and its Subsidiaries secure various government approvals such as the environmental compliance certificate, development permits, license to sell, business permits, etc. as part of the normal course of its business.

(viii) Effect of Existing or Probable Governmental Regulations

The laws and regulations that govern the Real Estate Group's business operations include:

- (i) The Subdivision and Condominium Buyer's Protective Decree (P.D. 957) which outlines the necessary approvals and permits required for subdivision and condominium development projects. The Housing and Land Use Regulatory Board (HLURB) is the administrative agency of the government which, together with local government units, enforces these decrees and has jurisdiction to regulate the real estate trade and business;
- (ii) The Urban Development and Housing Act of 1992 (RA No. 7279), as amended recently by Republic Act No. 10884, requiring developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least fifteen percent (15%) of the total subdivision area or total subdivision project cost, and at least five percent (5%) of condominium area or project cost, at the option of the developer, within the same city or municipality whenever feasible, and in accordance with the standards set by HLURB and other existing laws. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development;
- (iii) The Condominium Act (RA No. 4726), as amended, providing additional regulation on the development and sale of condominium projects. The Condominium Act requires the annotation of the master deed or the declaration of restrictions on the title of the land on which the condominium project shall be located. The declaration of restrictions shall constitute a lien upon each condominium unit in the project, and shall bind all condominium owners in the project; and
- (iv) On 29 January 2021, the Anti-Money Laundering Act of 2001, as amended, was further amended by Republic Act No. 11521. Republic Act No. 11521 expanded the scope of the law to include real estate developers and brokers as covered persons. Aboitiz Land and its relevant subsidiaries engaged in the sale and/or lease of real properties are now considered covered persons under the amended law and are required to register with the AMLC, as well as to report single cash transaction involving an amount in excess of ₱7.5 mn and other suspicious transactions. The relevant Business Units under the Real Estate Group have taken steps to ensure compliance with the rules and regulations of the AMLC.

(ix) Major Risk/s Involved in the Business

Risks particular to the Aboitiz Land are as follows:

Aboitiz Land may not be able to lease its properties in a timely manner or collect rent at profitable rates or at all

Aboitiz Land's ability to sell or lease sites in its development projects could be affected by a number of factors including consumer confidence resulting to slow down on sales, changing customer needs, entry

of key players, more aggressive competitors (for pricing, payments, incentives, offers etc.) competition for tenants, changes in market rates, the inability to renew leases, the bankruptcy of tenants, the increase in operating expenditures, and efficiency in collection, property management, tenant relations, and loss of market.

For residential development, strategies and possible solutions are the expansion of digital initiatives in Sales and Marketing, broadening digital platforms outside existing social media and property listing platforms, offering special discounts to *Vecinos*, improving marketing communication, and more strategic target market segmentation.

Aboitiz Land may not be able to complete its development projects within budgeted project costs or on time or at all

Property development projects require substantial capital expenditures prior to and during the construction period for, among other things, land acquisition and construction. The construction of property projects may take a year or longer before generating positive net cash flow through sales or pre-sales. As a result, Aboitiz Land's cash flows and results of operations may be significantly affected by its project development schedules and any changes to those schedules. The schedules of Aboitiz Land's projects depend on a number of factors, including the performance and efficiency of its third-party contractors and its ability to finance construction. Other factors that could adversely affect Aboitiz Land's project development schedules include:

- (i) natural catastrophes and adverse weather conditions and/or a Pandemic;
- (ii) changes in market conditions, economic downturns, and decreases in business and consumer sentiment in general;
- (iii) delays in obtaining government approvals and permits;
- (iv) changes in relevant regulations and government policies;
- (v) relocation of existing residents and/or demolition of existing constructions;
- (vi) shortages of materials, equipment, contractors and skilled labor;
- (vii) labor disputes;
- (viii) construction accidents;
- (ix) errors in judgment on the selection and acquisition criteria for potential sites;
- (x) Cyber Attacks and/or leaked of personal and sensitive information;
- (xi) Internal contractor issues;
- (xii) Unforeseen geographic situations; and
- (xiii) other unforeseen problems or circumstances

Construction delays or failure to complete the construction of a project according to its planned specifications, schedule and budget may harm Aboitiz Land's reputation as a property developer or lead to cost overruns or loss of or delay in recognizing revenues and lower margins. If a property project is not completed on time, the purchasers of pre-sold units within the project may be entitled to compensation for late delivery. If the delay extends beyond a certain period, the purchasers may be entitled to terminate their pre-sale agreements and claim damages. There is no assurance that Aboitiz Land will not experience any significant delays in the completion or delivery of its projects in the future or that it will not be subject to any liabilities for any such delays.

The occurrence of these risks and the consequence of Aboitiz Land's ability to develop, will only be highly likely if a project is mis-scoped. In order to mitigate these risks, Aboitiz Land's project development and operations plans have been and are continuously being updated. By taking lessons learned from older projects, creating standards for processes, implementing policies, and execution of Aboitiz Land's scope of work all the way from the acquisition stage, through the planning, launch, construction, and turn-over stages, Aboitiz Land is able to mitigate these risks. A consistent review of the project risks and management plans at each milestone project point allows the risk treatment plans to be updated in order to keep up with the market and regulatory changes, as well as manage internal stakeholder or third-party engagement, while maintaining project health.

V. INFRASTRUCTURE

Overview of the Business

The infrastructure and infrastructure-related investments of the Aboitiz Group are primarily undertaken through Aboitiz InfraCapital, Inc. (AIC, or “Aboitiz InfraCapital”) and AEV CRH Holdings, Inc. (AEV CRH), the holding company of Republic Cement and Building Materials, Inc. (RCBM).

(A) Aboitiz Infracapital

Aboitiz InfraCapital is the infrastructure arm of the Aboitiz Group. It is a key player in the Philippine infrastructure sector, with investments in Water Infrastructure, Airports, and Digital Infrastructure. Through its diversified portfolio, Aboitiz InfraCapital endeavors to build sustainable and smart infrastructure ecosystems that drive economic growth and improve the quality of life for Filipinos.

In late 2025, AEV transferred the Economic Estates business from Aboitiz InfraCapital to Aboitiz Land, the real estate development arm of the Aboitiz Group, as part of the Aboitiz Group’s efforts to better align its businesses with their respective strategic platforms. The transfer consolidated estate development activities under a dedicated real estate platform and is expected to enable Aboitiz InfraCapital to sharpen its focus on its core infrastructure businesses.

In 2025, AEV entered into a strategic partnership with Global Infrastructure Partners (GIP), a part of BlackRock, through the sale of a 40% equity interest in Aboitiz InfraCapital, while retaining a 60% controlling interest. The transaction represented a major milestone in Aboitiz InfraCapital’s growth, bringing in a globally recognized infrastructure investor and strengthening the company’s ability to expand its portfolio, pursue strategic opportunities, and deliver long-term value through infrastructure investments.

Currently, Aboitiz InfraCapital’s core businesses are as follows:

Water Infrastructure

Aboitiz Infracapital is a provider of water supply, wastewater treatment, and water-related infrastructure through its investments in Apo Agua Infraestructura, Inc. (Apo Agua), LIMA Water Corporation, and Balibago Waterworks System, Inc. (BWSI). Apo Agua operates the Davao City Bulk Water Supply Project (DCBWSP), utilizing a pioneering “water-energy nexus” system powered by a run-of-river hydroelectric plant. Lima Water provides end-to-end water and wastewater services at LIMA Estate, a duly-proclaimed special economic zone by the Philippine Economic Zone Authority (“PEZA”), located at Malvar, Batangas. Lima Water also provides technical operations & maintenance services to West Cebu and Mactan Economic Zone II (MEZ2) special economic zones, both located in Cebu. BWSI, a minority investment, manages 90 water distribution franchises across the country, expanding access to clean and sustainable water solutions.

Airports

Aboitiz InfraCapital is a major investor in Philippine airport infrastructure, playing a crucial role in modernizing regional air travel. It fully owns Aboitiz InfraCapital Cebu Airport Corporation (ACAC), the developer and operator of Mactan-Cebu International Airport (MCIA), after completing its acquisition in 2024. Additionally, it fully owns both Aboitiz InfraCapital Laguindingan Airport Corporation (ALAC) and Aboitiz InfraCapital Bohol Airport Corporation (ABAC), the concessionaire for the expansion, operation and maintenance of the Laguindingan International Airport and Bohol-Panglao International Airport Public-Private Partnership (PPP) projects, respectively.

Digital Infrastructure

Aboitiz InfraCapital is actively investing in telecommunications and data infrastructure to support the country’s growing digital economy. Through Unity Digital, it has acquired and deployed hundreds of

telecommunications towers nationwide, supporting major telcos in expanding mobile connectivity. Meanwhile, its proposed data center venture with ECX aims to provide cutting-edge hyperscale solutions to meet the increasing demand for cloud computing and digital services. Aboitiz InfraCapital endeavors to build resilient and future-ready digital infrastructure to bridge connectivity gaps across the Philippines.

(B) Republic Cement Group

AEV CRH Holdings, Inc. (AEV CRH) is AEV's partnership with CRH plc, a global leader in the manufacture and supply of building materials and products. AEV CRH acquired Republic Cement & Building Materials, Inc. (RCBM, or "Republic Cement") together with its Subsidiaries and Affiliates (the "Republic Cement Group") in 2015. Republic Cement believes that it is one of the country's leading local cement manufacturing and distribution companies with five integrated plants and one grinding facility in operation across Luzon, Visayas, and Mindanao.

(i) Products and Services

(A) Aboitiz InfraCapital

Incorporated on 13 January 2015, Aboitiz InfraCapital is the investment vehicle of the Aboitiz Group for all infrastructure-related investments. Aboitiz InfraCapital's current portfolio consists of investments in (i) water infrastructure, (ii) digital infrastructure, and (iii) regional airports.

Water Infrastructure

Aboitiz InfraCapital established itself as a provider of water supply, water distribution, wastewater treatment, and water-related infrastructure in the country through its acquisition of equity interests in (i) Apo Agua in 2015, (ii) Lima Water in 2017, and (iii) BWSI in 2017.

Apo Agua Infraestructura, Inc. (Apo Agua)

Apo Agua was Incorporated on 8 August 2014, with the overall objective of providing a sustainable, reliable, and safe supply of bulk water to the Davao City Water District (DCWD).

On 17 March 2015, Apo Agua entered into a Joint Venture Agreement and Bulk Water Purchase Agreement with DCWD for the Davao City Bulk Water Supply Project (DCBWSP). A unique component of the project is a pioneering innovation that utilizes the "water-energy nexus" concept. The bulk water treatment facility is powered by its own run-of-river hydroelectric power plant. The project is also designed to prevent irreversible and damaging environmental effects such as salt-water intrusion, drying-up of wells, and land subsidence brought about by over-extraction of groundwater.

In February 2024, Apo Agua's bulk water treatment facility commenced full commercial operations and delivery of bulk water to DCWD.

Aboitiz InfraCapital owns a 70% equity interest in Apo Agua.

LIMA Water Corporation (Lima Water)

Lima Water was incorporated on 28 May 1999. It provides end-to-end water and wastewater services at LIMA Estate, a duly proclaimed special economic zone by the Philippine Economic Zone Authority (PEZA), located in Malvar, Batangas.

LIMA Water supplies potable water to industrial locators within the PEZA-registered LIMA Estate, with a daily water production capacity of 14,500 cubic meters.

LIMA Water also operates a centralized wastewater treatment plant with a capacity of over 26,000 cubic meters per day, ensuring the proper treatment of wastewater generated within the LIMA Estate.

On 1 August 2017, Aboitiz InfraCapital acquired and assumed full operational control of LIMA Water from its affiliate, AboitizLand.

In 2022, LIMA Water introduced the SMART Water Network technology in LIMA Estate to actively manage non-revenue water (NRW) or leakages in the water distribution system. Having resulted in a significant reduction in NRW in LIMA Estate, the same technology was implemented in MEZ 2 and West Cebu economic estates in Cebu.

Aboitiz InfraCapital owns a 100% equity interest in LIMA Water.

Balibago Waterworks System, Inc. (BWSI)

BWSI was incorporated on 20 May 1958 with the primary purpose to acquire, establish, develop, manage, and operate an effective waterworks utility system within its franchise area of 900 hectares. Its franchise area includes Barangay Balibago in Angeles City and Barangay Dau in the town of Mabalacat. BWSI is currently operating 90 water distribution franchises across the country.

On 3 August 2017, Aboitiz InfraCapital acquired a minority stake in BWSI previously held by SFELAPCO. Additional purchases of BWSI shares were made by Aboitiz InfraCapital in 2019.

Aboitiz InfraCapital owns a 16.33% equity interest in BWSI.

Regional Airports

Bohol-Panglao International Airport

Aboitiz InfraCapital was granted original proponent status by the Department of Transportation (DOTr) for its unsolicited proposal to expand, operate, and maintain the new Bohol-Panglao International Airport on 3 September 2018. Aboitiz InfraCapital believes this international airport located on the island of Panglao has significant growth prospects given Bohol's strong tourism potential, especially with the international market. The new Bohol-Panglao International Airport replaced the old Tagbilaran Airport and was inaugurated on 28 November 2018 with an estimated capacity of 2 mn passengers per annum.

Aboitiz InfraCapital submitted updated unsolicited proposals for the Bohol-Panglao International Airport on 2 December 2022. The NEDA Board approved the project and the parameters, terms, and conditions for negotiation on 13 October 2023.

On 18 December 2024, Aboitiz InfraCapital through its wholly-owned subsidiary, ABAC, signed a 30-year concession agreement for the Bohol-Panglao International Airport PPP project. With an estimated cost of ₱4.53 bn, AIC will modernize, expand, operate, and maintain the Bohol-Panglao International Airport. Once its modernization is complete, the modernized Bohol-Panglao International Airport is expected to accommodate 3.9 million passengers and 35,000 air traffic movements annually.

On 16 June 2025, DOTr and Civil Aviation Authority of the Philippines (CAAP) handed over the operations of the Bohol-Panglao International Airport to ABAC in accordance with the concession agreement.

Laguindingan International Airport

On 10 August 2018, Aboitiz InfraCapital submitted an unsolicited proposal for the upgrade, expansion, operations and maintenance of the Laguindingan International Airport in Misamis Oriental, which is the gateway to the Northern Mindanao Development Corridor. On 26 February 2019, Aboitiz InfraCapital was granted original proponent status by the CAAP for its unsolicited proposal on Laguindingan International Airport. The proposal involves the operations and maintenance, including the much-needed upgrade works, of the Laguindingan International Airport. The airport has been

operational since 2013 with a design capacity of 1.6 mn passengers per annum. According to CAAP, in 2018, the Laguindingan International Airport served more than 2 mn passengers.

Aboitiz InfraCapital submitted an updated unsolicited proposal for the Laguindingan International Airport on 2 December 2022. The NEDA Board approved the project and the parameters, terms, and conditions for negotiation on 19 July 2023.

On 28 October 2024, Aboitiz InfraCapital through its wholly-owned subsidiary, ALAC, signed a 30-year concession agreement for the Laguindingan International Airport PPP project. With an estimated cost of ₱12.75 bn, the Laguindingan International Airport project includes upgrading, expanding, operating, and maintaining the airport in two phases to meet growing passenger demand. Key developments include reconfiguring existing terminal spaces to improve processing capacity, constructing a new passenger terminal building, and undertaking maintenance and repair works to enhance operations. Aboitiz InfraCapital expects the Laguindingan International Airport's annual passenger capacity to increase from 1.6 mn to 3.9 mn in the first phase and further expand to 6.3 mn by the end of the second phase.

On 26 April 2025, DOTr and CAAP handed over the operations of the Laguindingan International Airport to ALAC in accordance with the concession agreement.

Mactan Cebu International Airport

On 2 September 2022, Aboitiz InfraCapital entered into a share subscription and transfer agreement with Megawide Construction Corporation (Megawide) and GMR Airports International BV (GAIBV) for Aboitiz InfraCapital to acquire a 33 and 1/3% minus 1 share equity ownership interest in GMR Megawide Cebu Airport Corporation (now, Aboitiz InfraCapital Cebu Airport Corporation or ACAC), the developer and operator of the MCIA. In the same agreement, Megawide and GAIBV issued exchangeable notes for the remaining 66 and 2/3 % plus 1 shares in ACAC's outstanding capital stock, which matured on 30 October 2024. The transaction was completed on 16 December 2022 for a total consideration of ₱9.5 bn. Simultaneously, Megawide and GAIBV have issued exchangeable notes to AIC for the aggregate amount of ₱15.5 bn. This transaction is aligned with Aboitiz InfraCapital's strategic direction to build on its presence in the airport sector.

On 28 April 2023, ACAC, executed an Amended and Restated Omnibus Loan and Security Agreement (the "AROLSA") with Aboitiz InfraCapital, Megawide, and GAIBV, as Sponsors, and BDO Unibank, Inc., Bank of the Philippine Islands, Land Bank of the Philippines, and Metropolitan Bank & Trust Company, as Lenders.

The AROLSA is an amendment and restatement of the Omnibus Loan and Security Agreement dated 17 December 2014, as further amended and restated on 26 January 2015, and further amended on 22 June 2018 and 4 May 2021 (the "OLSA"). The AROLSA amends certain commercial terms of the OLSA and extends enhanced credit facilities to the ACAC in the amount of up to ₱27.3 bn.

On 30 October 2024, Aboitiz InfraCapital became the legal and beneficial owner of 7,929,948,768 issued and outstanding shares of ACAC, effectively acquiring full ownership. This follows the maturity of the Exchangeable Notes issued by GAIBV and Megawide, which had a cumulative value of ₱15,526,400,000.00. Upon maturity, these notes were converted into 5,286,632,513 common shares, representing the remaining 66 2/3% plus one share of ACAC's outstanding capital stock, resulting in Aboitiz InfraCapital holding a 100% equity stake in the Company.

Digital Infrastructure

Towers

On 7 February 2019, Aboitiz InfraCapital signed a Memorandum of Understanding with the DICT. The Memorandum of Understanding recognized Aboitiz InfraCapital as a potential common tower provider with the necessary financial and operational capability to build and efficiently power its cell sites, and

allowed Aboitiz InfraCapital to secure contracts with telco operators. Aboitiz InfraCapital signed separate MOUs with Globe Telecom, Smart Communications, Dito Telecommunity, and NOW Telecom.

Aboitiz InfraCapital also entered into partnership agreements with Globe Telecom and DITO Telecommunity for the deployment of small cells in key cities nationwide. The sites are readily available in high-density urbanized areas like Cebu and Davao where improving network quality and services is difficult due to congestion and availability of sites. The sites serve as complementary offerings to the macro tower sites. Together with Globe Telecom and DITO Telecommunity, the Aboitiz InfraCapital has deployed over 500 sites as of 29 February 2024.

On 28 April 2021, Aboitiz InfraCapital partnered with leading global private markets firm, Partners Group, acting on behalf of its clients through its portfolio company Terra Digital Philippines Corporation, to establish a telecommunications infrastructure platform called Unity Digital. Through Unity Digital, Aboitiz InfraCapital and Terra Digital Philippines build, operate, and maintain passive telecommunication tower infrastructures across the country. This supports the Government's vision to improve the country's internet connectivity in unserved and underserved communities by increasing the number of cell sites of MNOs. Unity secured its Certificate of Registration as an Independent Tower Company from the DICT in February 2021.

On 15 December 2022, Unity Digital signed a Sale and Purchase Agreement and a Master Agreement with PLDT Inc. (PLDT), through its subsidiaries Smart Communications, Inc. (Smart) and Digitel Mobile Philippines (Digitel), for the acquisition of 650 telecommunications towers and related passive telecommunications infrastructure for PHP ₱9.2 bn, through a sale and leaseback transaction.

On 7 May 2023, Unity Digital signed an Asset Sale and Purchase Agreement and a Master Lease Agreement with Globe Telecom, Inc., for the acquisition of 447 telecommunications towers and related passive telecommunications infrastructure for ₱5.4 billion, through a sale and leaseback transaction.

Through these acquisitions, Unity Digital has continued to grow and scale, and further improve its services and enable Smart and Globe to provide safe, fast and reliable communication to its growing number of customers. The telecom towers that were purchased are situated in Luzon, Visayas, and Mindanao, which provides Unity Digital a high-quality portfolio of strategic locations across the country.

As of 31 December 2025, Unity had 2,482 operating points of service, including small cell poles.

Data Centers

On 5 October 2022, Aboitiz InfraCapital partnered with ECX, a pioneer in global hyperlocal to hyperscale data center solutions based in the United States. The joint venture aims to address the rising data usage in the Philippines by developing a data center platform that will house cloud service providers' IT equipment, enabling them to better support the Philippine market. As of 28 February 2026, the proposed data center business has not yet commenced operations and is still subject to the fulfillment of certain closing conditions.

(B) Republic Cement Group

AEV CRH Holdings, Inc. and CRH Aboitiz Holdings, Inc.

Incorporated in July 2015, AEV CRH and CRH Aboitiz are investment vehicles of AEV, in partnership with CRH plc. CRH Aboitiz acquired equity interests in Republic Cement Services, (Philippines) Inc. (RCSI) (formerly Lafarge Cement Services Philippines, Inc.) on 15 September 2015.

AEV CRH acquired a total of 99.09% equity interest in RCBM (formerly Lafarge Republic, Inc.) through (i) a private sale from its major shareholder representing 88.85% of RCBM's outstanding capital stock, and (ii) and a mandatory tender offer to acquire the remaining shares from the minority shareholders

in compliance with the requirements of the Securities Regulation Code. On 9 September 2015, AEV CRH accepted from the public a total of 596,494,186 shares representing 10.24% of the outstanding shares of RCBM, which was then listed on the PSE. The tendered shares brought up AEV CRH's total shares in RCBM to 99.09% as of 29 February 2016. RCBM voluntarily delisted from the PSE in April 2016.

AEV owns a 60% equity interest in AEV CRH and a 45% equity interest in CRH Aboitiz. In turn, AEV CRH owns 99.40% of RCBM's outstanding capital stock.

Republic Cement & Building Materials, Inc.

Incorporated on 3 May 1955, RCBM is primarily engaged in the manufacture, development, exploitation, and sale of cement, marble and a number of other building materials, and the processing or manufacture of materials for a range of industrial or commercial purposes.

RCBM's operating cement manufacturing plants are located in the following sites: (a) Barangay Minuyan, Norzagaray, Bulacan (Bulacan Plant); (b) Bo. Bigte, Norzagaray, Bulacan (Norzagaray Plant); (c) Bo. Mapulo, Taysan, Batangas (Batangas Plant); and (d) Barangay Dulumbayan, Teresa, Rizal (Teresa Plant). RCBM also has a cement grinding facility located in Bo. Dungo-an, Danao, Cebu (Danao Plant). RCBM serves a broad market in both the public and private sectors, including institutional cement customers, developers and contractors as well as distributors, dealers and retailers.

AEV CRH owns 99.40% of RCBM's total outstanding capital stock.

Republic Cement Mindanao, Inc.

RCMI was incorporated on 25 May 1957 to engage and deal in the production, purchase and sale of cement, concrete and allied products; quarrying, crushing and dealing in limestone in all its forms; and mixing, processing and sale of limestone with binder of any description.

On 6 April 2018, RCMI ceased to be a public company with the grant by the SEC of its Petition for Voluntary Revocation of Registration of Securities and Certificate of Permit to Sell Securities.

Since 1999, RCMI's business operations have been concentrated mainly on cement distribution and the contracting for the manufacture of cement by its former Affiliate, RCII. RCMI serves a broad market in both the public and private sectors, including institutional cement customers, developers and contractors as well as distributors, dealers and retailers.

RCBM owns a 99.97% equity interest in Republic Cement Mindanao, Inc. (RCMI) (formerly Lafarge Mindanao, Inc.). On 1 October 2020, the SEC approved the merger of RCMI and Republic Cement Iligan, Inc. (RCII), with RCMI as the surviving entity. On 31 December 2021, the SEC approved the increase in the authorized capital stock of RCMI, with RCMI issuing 20,000 redeemable preferred shares of the par value of ₱100,000.00 each to RCBM. In 2023, RCSI acquired 10,000 redeemable preferred shares in RCMI.

In 2025 RCBM owns 77.01% and RCSI owns 22.91% in RCMI.

Republic Cement Land & Resources, Inc. (formerly: Luzon Continental Land Corporation)

Republic Cement Land & Resources, Inc. (RCLR) was incorporated on 26 October 1998 primarily to acquire, develop and operate land, quarries, mining rights, buildings and other real or personal property used for mining, and process a range of ore and cement materials. RCLR was acquired by AEV CRH from Calumboyen Holdings, Inc. on 15 September 2015. It currently leases land and supplies limestone and other raw materials to its Affiliate, RCBM.

AEV CRH owns a 100% equity interest in RCLR.

Republic Cement Services, Inc.

RCSI, incorporated on 21 August 2001, is the managing company of the non-nationalized businesses of RCBM and RCMI. CRH Aboitiz owns a 100% equity interest in RCSI.

(ii) Distribution Methods

(A) Aboitiz InfraCapital

Water Infrastructure

LIMA Water supplies potable water to industrial locators within the PEZA-registered LIMA Estate, with a daily water production capacity of 14,500 cubic meters. Meanwhile, Apo Agua delivers bulk water to DCWD pursuant to a Bulk Water Purchase Agreement.

(B) Republic Cement Group

The cement sales of the Republic Cement Group are primarily made through distributors and dealers, with other sales made directly to contractors, developers, precast manufacturers and ready-mix concrete companies. RCBM Group's products are sold nationwide, with a majority of its sales coming from the Luzon region.

(iii) New Products and Services

(A) Aboitiz InfraCapital

Aboitiz InfraCapital is currently undertaking project development activities in relation to its various infrastructure projects.

(B) Republic Cement Group

The Republic Cement Group continues to develop high quality cement products for the builder's ease, efficiency, and flexibility.

(iv) Competition

(A) Aboitiz InfraCapital

The principal competitors of Aboitiz InfraCapital are the companies that participate in the proposals and bids for infrastructure projects and sectors it pursues. These include Metro Pacific Investments Corporation, San Miguel Corporation, and Filinvest Development Corporation.

(B) Republic Cement Group

While market shares change constantly, the main competitors of the Republic Cement Group for its cement products consist of the cement manufacturers in the Philippines, such as Holcim Philippines, Inc., Eagle Cement Corporation, Concrete Holdings Philippines, Inc., and Taiheiyo Cement Philippines, Inc., as well as traders who import cement into the Philippines.

The Republic Cement Group's brand names and product lines have long been respected in the local construction industry, enabling it to effectively compete in the market. The Republic Cement Group continuously innovates and improves its product lines and production efficiency, to respond to the growing needs of the quality-conscious Filipino builder.

(v) Sources of Raw Materials

(A) Aboitiz InfraCapital

Aboitiz Infracapital Group is not dependent upon one or a limited number of suppliers for essential raw materials and has supply transactions for goods and services with multiple suppliers.

(B) Republic Cement Group

The principal raw materials for the manufacture of cement consist of minerals such as limestone, silica sand and shale, which are quarried from the Republic Cement Group's or RCLR's sites, mining claims, or purchased from local suppliers or Affiliates. Cement manufacture is the result of a definite process – the crushing of minerals, grinding, mixing, calcining/sintering, cooling and adding of retarder or gypsum. Other raw materials, slag, coal, other fuel and spare parts are obtained locally and abroad.

The Republic Cement Group is not dependent upon one or a limited number of suppliers for essential raw materials.

Energy Requirements

Cement manufacture is an energy-intensive process requiring reliable and affordable power supply for uninterrupted production. The operating plants source their power requirements from the following power providers:

Company	Location	Power Provider
RCBM	Bulacan, Norzagaray, Teresa and Batangas Plants	AESI and Masinloc Power Partners Co. Ltd.
	Danao Plant	AESI
RCMI	Barangay Kiwalan, City of Iligan, Province of Lanao del Norte	WESM and PowerSource Philippines Energy, Inc.

The Republic Cement Group has its own generator sets in most of its operating plants to provide back-up power in case of power shortage or interruptions or poor power quality. In November 2014, RCII (now merged with RCMI) entered into a Power Supply Agreement with PowerSource Philippines Energy, Incorporated (PSPEI), wherein RCII invested in PSPEI as a minority shareholder.

(vi) Major Customers

(A) Aboitiz InfraCapital

Aboitiz InfraCapital is not dependent upon a single customer or a few customers that a loss of anyone would have a material adverse effect on the performance of its sales and distribution. It has no single customer that will account for 20% or more of the group's total sale of goods and services.

(B) Republic Cement Group

RCBM and its Subsidiaries are not dependent on any single or major customer. At present, the Republic Cement Group caters to diverse types of customers, including but not limited to, wholesalers, traders, ready mix companies, concrete products manufacturers, international and local contractors and real estate developers.

(vii) Government Approval

Aboitiz InfraCapital and its Subsidiaries and the Republic Cement Group secure numerous government approvals such as (but not limited to) environmental compliance certificates, development permits, licenses to sell, and business permits as part of the ordinary course of its business.

(A) Aboitiz InfraCapital

LIMA Water Corporation

In 2020, LIMA Water received its laboratory recognition from the Department of the Environment and Natural Resources (DENR) as an Environmental Testing Laboratory. The recognition authorizes the company's Laboratory Services Unit to generate environmental data in connection with the Environmental Impact Assessment system and monitoring to support the implementation of policies and guidelines.

Lima Water secured PEZA approval on its 3 year rate rebasing application which was implemented starting January 2026.

(B) Republic Cement Group

The Bureau of Product Standards of the Department of Trade and Industry granted RCBM the license to use the Philippine Standard Quality Certification Mark for its principal products. All other necessary licenses and permits required for the continuous production and sale of RCBM products have been secured, including new licenses as well as those that have to be renewed periodically.

(viii) Costs and Effects of Compliance with Environmental Laws

(A) Aboitiz InfraCapital

LIMA Water Corporation

Upholding strict compliance with existing environmental laws is of high value to LIMA Water's operations. These laws aim to pursue economic growth in a manner in which the environment is not compromised. As a consequence of the current status of the country's environment, standards set by the DENR are becoming more stringent, as set forth by DENR Administrative Order ("DAO") 08 series of 2016. Capital and operational expenditures are provisioned to comply with the parameters set forth in the new DAO.

Aside from water quality, DENR standards on air quality, hazardous and solid wastes are constantly adhered to as part of the Environmental Impact Assessment System. Through environmental monitoring, assessment and evaluation in line with existing standards and regulations, pollution mitigation is improved.

With LIMA Water fully committed to its environmental compliance, more initiatives and innovations are carried out to continuously adapt and further address the vulnerability of the environment due to economic advances.

(B) Republic Cement Group

RCBM and its Subsidiaries are committed to a policy of sustainable development, protection of the environment, and preservation of natural resources and energy. All the manufacturing plants are ISO 14001 certified, embracing environmental management systems as a way of life.

Each quarry site has set up a Mine Rehabilitation Fund as a reasonable environmental deposit to ensure availability of funds for the satisfactory compliance with the commitments and performance of the activities stipulated in the Environmental Protection and Enhancement Program or the Annual

Environmental Protection and Enhancement Program during each project phase, for the physical and social rehabilitation of areas and communities affected by the quarrying activities and for research on the social, technical and preventive aspects of rehabilitation.

Aligned with the Republic Cement Group's commitment to environmental protection, the upkeep and maintenance of dust control devices at the manufacturing sites are given top priority. In fact, three of the Republic Cement Plants recently invested in the state-of-the-art Baghouse System, which replaced the conventional Electrostatic Precipitators. These Baghouse Systems significantly lowers the dust emission to <50 mg/Nm³, which not only passed but is significantly below the Philippine standard limit of 150 mg/Nm³. Enhancing the Republic Cement Group's alternative fuels program has also lessened the group's dependence on fossil fuels such as coal and bunker fuel, thereby decreasing the Republic Cement Group's carbon footprint.

To ensure that the Republic Cement Group's continuing manufacturing activities do not result in added negative environmental impact, such as increase in emissions, the Republic Cement Group continues to invest their resources in housekeeping activities and periodic stationary sampling of air and water quality around the manufacturing sites. Continuous Emissions Monitoring Systems have also been installed in every manufacturing site to ensure that air emissions are kept within Philippine standard limits.

Moreover, under the Philippine Mining Act and its implementing rules and regulations, each of the Companies shall: (a) assist in the development of the host and neighboring communities in accordance with the Social Development and Management Program approved by the Mines and Geosciences Bureau to promote the general welfare of the inhabitants living thereat; and (b) assist in the development of mining technology and geosciences as well as the corresponding manpower training and development.

The Republic Cement Group's reforestation project have already reached to 1,713.34 hectares as of June 2025 planted with 1,681,633 seedlings/saplings of various indigenous/endemic species of forest trees, fruit-bearing trees, mangroves, and bamboo across all operating sites since its launching in 2013. Plantations covering 1,441 hectares are under the National Greening Program of the government which aims to foster sustainable development for environment stability, food sufficiency, poverty reduction, biodiversity conservation, and climate change mitigation and adaptation. About 272 hectares area under the Mining Forest Program where reforestation is conducted within the group's Mineral Production Sharing Agreement area. Reforestation/rehabilitation involves not only the planting of forest and fruit-bearing trees and bamboo but also incorporates the principles of agricultural farming systems. Idle areas particularly those devoid of mineral resources, including previous waste dumps are converted into agricultural lands where agricultural crops such as low-lying warm season vegetables (e.g., eggplant, string beans, pechay, okra, upo, ampalaya, alugbati, camote, etc.), fruits (calamansi, papaya, mango, guava, guyabano, etc.), rice and corn are cultivated within the mining tenements of our Bulacan, Teresa, Batangas, and Iligan sites. This endeavor could be seen as an alternative pathway to contribute to food security at the local level, at the very least. Further, the Republic Cement Group also embraces biodiversity conservation as all of its operating cement and quarry sites across the country have completed biodiversity assessment and continuously being monitored and reported to the Multi-partite Monitoring Team and the Mine Rehabilitation Fund Committee of the DENR.

(ix) Effect of Existing and Probable Governmental Regulations on the Business

Amended Public Service Act

The Amended PSA provides for an enumeration of public services that are considered as public utilities and further states that no other person or entity shall be deemed a public utility unless otherwise subsequently provided by law. Accordingly, business activities of Aboitiz InfraCapital that do not fall under the current enumeration of public utilities in the Amended PSA are not considered as such and the nationality requirements imposed on public utilities under the Constitution do not apply, subject to other nationality requirements under applicable laws.

Further, passive telecommunications tower infrastructure and components, such as poles, fiber ducts, dark fiber cables, and passive telecommunications tower infrastructure as defined by the Department of Information and Communications Technology have been excluded from the coverage of telecommunications, as defined in the Amended PSA, and are also not considered critical infrastructure under the Amended PSA. The Amended PSA provides for restrictions on ownership by foreign governments or foreign state-owned enterprises of public services classified as critical infrastructure. Consequently, the development and operation of telecommunication towers undertaken by Unity Digital may not be considered as an operation of a critical infrastructure under the Amended PSA.

Public-Private Partnership (PPP) Code

On 23 December 2023, the PPP Code took effect and repealed the Build-Operate-Transfer Law, the applicable law at the time Aboitiz InfraCapital's unsolicited proposals for its PPP regional airport projects were submitted. The implementing rules and regulations (IRR) of the PPP Code took effect on 6 April 2024. In this regard, the PPP Code affected the conduct of the approval and comparative challenge process of AIC's unsolicited proposals for the Laguindingan and Bohol-Panglao International Airports pursuant to the PPP Code's applicable transitory provisions.

(x) Major Risk/s Involved in the Business

Risks that are particular to Aboitiz InfraCapital and its Subsidiaries include:

Aboitiz InfraCapital may not be able to fully realize the benefits of implementing its infrastructure business

Aboitiz InfraCapital's ability to successfully grow and operate its infrastructure business is subject to various risks, uncertainties and limitations, including:

- (a) the need to procure materials, equipment and services at reasonable costs and in a timely manner;
- (b) reliance on the performance of third-party providers and consultants which have an impact on the overall operating performance of Aboitiz InfraCapital's business units;
- (c) the possible need to raise additional financing to fund infrastructure projects, which Aboitiz InfraCapital may be unable to obtain on satisfactory commercial terms or at all;
- (d) deficiencies or delays in the design, engineering, construction, installation, inspection, commissioning, management or operation of projects where applicable;
- (e) penalties if concession requirements are not satisfied;
- (f) the timely delivery by the Government of any rights of way for its projects;
- (g) its ability to complete projects according to budgeted costs and schedules;
- (h) market risks;
- (i) non-implementation of toll or fare adjustments provided under its concession;
- (j) regulatory risks; and
- (k) delays or denials of required approvals, including required concessional and environmental approvals.

Occurrence of any of the foregoing or a failure by Aboitiz InfraCapital to successfully operate its infrastructure business could have a material adverse effect on its business, financial condition and results of operations.

These risks are mitigated through a combination of (i) developing and implementing the appropriate plans and procedures covering relevant areas such as stakeholder management, procurement and operations; and (ii) engaging the appropriate experts and suppliers where necessary.

Aboitiz InfraCapital may not be successful in securing new concessions or projects

Aboitiz InfraCapital's future plans in relation to the infrastructure business contemplate the continued acquisition of new concessions and projects, successful participation in bids for projects as well as exploring opportunities in other sectors. Aboitiz InfraCapital's ability to expand its business and increase operating profits is dependent on many external factors and events that are outside of Aboitiz InfraCapital's control, including changes in governmental laws and policies of the current administration.

Item 2. Properties

The Company's head office is located at Ayala Triangle Gardens Tower 2, Paseo de Roxas, Corner Makati Avenue, Makati City, Metro Manila, Philippines. The office space occupied by AEV is leased from a third party. As a holding company, the Company does not utilize a significant amount of office space.

As of the date of this Annual Report, there are no definite plans of acquiring or disposing of such significant properties in the next 12 months. Nonetheless, the Company plans to continually participate in future projects that become available to it and will disclose the same in accordance with the applicable disclosure rules under the SRC.

On a consolidated basis, the Property, Plant and Equipment of the Group had a carrying value of ₱257.36 bn, and ₱240.61 bn, as of 31 December 2025, and 2024, respectively. The breakdown of the Company's Property, Plant and Equipment is as follows:

Property, Plant and Equipment as of 31 December	2025	2024
Power Plant Equipment and Steam Field Assets	₱174,524,273	₱137,812,104
Construction in progress	30,473,393	25,603,096
Buildings, Warehouses and Improvements	73,779,678	71,740,359
Transmission, Distribution and Substation Equipment	35,883,339	33,654,868
Machinery & Equipment	14,350,504	14,060,925
Office Furniture, Fixtures and Equipment	38,458,034	30,940,181
Leasehold Improvements	4,725,321	3,553,464
Land and Land Improvements	9,056,415	7,301,322
Transportation Equipment	4,345,090	4,096,579
Tools and Others	2,396,478	2,661,682
Less: Accumulated Depreciation and Amortization	137,098,199	116,805,248
Accumulated Impairment	4,257,655	4,200,519
TOTAL PPE	246,636,671	210,418,814
Right-Of-Use Assets	10,723,696	30,193,579
TOTALS	₱257,360,367	₱240,612,393

Note: Values for the above table are in thousand Philippine Pesos.

Property, Plant and Equipment with a carrying amount of ₱46.8 bn and ₱45.5 bn as of 31 December 2025 and 2024, respectively, are used to secure the Group's long-term debts. For further details refer to Note 19 (disclosure on Long-term Debts) of AEV's consolidated financial statements.

Item 3. Legal Proceedings

As of 23 March 2026, AEV and its Subsidiaries are currently involved in various legal proceedings in the ordinary conduct of their businesses. The Company believes that the results of these actions will not have a material effect on the Company's financial position and results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

Except for matters taken up during the annual meeting of stockholders, there was no other matter submitted to a vote of security holders during the period covered by this Annual Report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

(1) Market Information

AEV's common shares are traded on the PSE.

The high and low stock prices of AEV's common shares for each quarter for the past three years were as follows:

	2025		2024		2023	
	High	Low	High	Low	High	Low
First Quarter	35.20	31.15	53.00	45.30	60.00	48.40
Second Quarter	37.25	30.70	47.00	35.05	57.45	50.45
Third Quarter	34.95	28.50	38.15	32.60	56.00	45.70
Fourth Quarter	31.00	24.20	37.75	32.70	50.15	44.60

The closing price of AEV common shares, as of 23 March 2026 was ₱29.60 per share.

(2) Holders

As of 23 March 2026, AEV had 8,162 stockholders of record, including PCD Nominee Corporation (Filipino) and PCD Nominee Corporation (Foreign). Common shares outstanding as of the same date were 5,552,805,057 shares.

The top 20 stockholders of AEV as of 23 March 2026 were as follows:

	Stockholder	Nationality	Common Shares	% of Total Common Shares Issued
1	Aboitiz & Company, Inc.	Filipino	2,735,600,915	49.27%
2	PCD Nominee Corporation (Filipino)	Filipino	995,394,511	17.93%
3	Ramon Aboitiz Foundation Inc.	Filipino	426,804,093	7.69%
4	PCD Nominee Corporation (Non-Filipino)	Non-Filipino	164,828,773	2.97%
5	Sanfil Management Corporation	Filipino	120,790,211	2.18%
6	Windemere Management & Development Corporation	Filipino	49,666,352	0.89%
7	Donya 1 Management & Development Corporation	Filipino	43,136,359	0.78%
8	Bauhinia Management Inc.	Filipino	41,148,120	0.74%
9	Morefund Management & Development Corporation	Filipino	40,000,000	0.72%
10	Anso Management Corporation	Filipino	30,369,707	0.55%
11	MYA Management & Development Corporation	Filipino	22,494,414	0.41%
12	Luis Miguel O. Aboitiz	Filipino	20,092,133	0.36%

13	Dominus Capital Inc.	Filipino	11,600,000	0.21%
	FMK Capital Partners	Filipino	11,600,000	0.21%
14	Arrayanes Corporation	Filipino	10,750,070	0.19%
15	Parraz Development Corporation	Filipino	9,483,067	0.17%
16	UnionBank TISG For IMA#PH3Q201 692	Filipino	8,709,900	0.16%
17	Les Folatieres Holdings Inc.	Filipino	8,056,119	0.15%
18	Ramjay Management & Dev. Corp	Filipino	7,826,493	0.14%
19	ERA Management & Development Corporation	Filipino	7,697,658	0.14%
20	Jaime Jose Aboitiz	Filipino	7,626,859	0.14%
	SUB-TOTAL		4,773,675,754	85.97%
	Other Stockholders		779,129,303	14.03%
	TOTAL SHARES		5,552,805,057	100.00%
	NET ISSUED AND OUTSTANDING SHARES		5,552,805,057	100.00%

(3) Dividends

The cash dividends declared by AEV to common stockholders in 2026, 2025, and 2024 are shown in the table below:

Year	Cash Dividend Per Share	Declaration Date	Total Declared	Record Date	Payment Date
2026 (Special)	₱0.43	05/03/2026	₱2.39 billion	19/03/2026	27/03/2026
2026 (Regular)	₱1.10	05/03/2026	₱6.11 billion	19/03/2026	27/03/2026
2025 (Regular)	₱1.54	07/03/2025	₱8.54 billion	21/03/2025	28/03/2025
2024 (Regular)	₱1.40	05/03/2024	₱7.87 billion	19/03/2024	26/03/2024

In 2007, the Company adopted a policy of distributing at least one-third of its previous year's earnings as cash dividends to its stockholders, in all cases subject to the approval of the Company's Board of Directors in consideration of various factors and in compliance with legal requirements. In the past 3 years, the Company was able to declare cash dividends of at least one-third of its previous year's earnings.

The Company's non-listed Subsidiaries do not have formal dividend policies, but follow the general rule that, subject to the availability of unrestricted retained earnings and the absence of any restrictions under applicable laws or loan covenants, each Subsidiary may declare dividends upon approval by its respective Board of Directors.

For details on the dividend policy and dividend declarations for the past two years of AP, AEV's publicly-listed subsidiary, please refer to AP's Annual Report. For the dividends declared by the Company's non-listed Subsidiaries, please refer to AEV's consolidated financial statements.

As of 23 March 2026, there are no restrictions that limit the payment of dividends on common shares to stockholders of record.

(4) Recent Sales of Unregistered or Exempt Securities including Recent Issuances of Securities Constituting an Exempt Transaction

AEV does not have any recent sales of unregistered or exempt securities including recent issuances of securities constituting an exempt transaction.

Item 6. Management's Discussion and Analysis or Plan of Action (MD&A)

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations of AEV (the "Parent Company") and its Subsidiaries (collectively, the "Group") should be read in conjunction with the audited consolidated financial statements and accompanying disclosures set forth elsewhere in this report.

The critical accounting policies section discloses certain accounting policies and management judgments that are material to the Company's results of operations and financial condition for the periods presented in this report. The discussion and analysis of the Company's results of operations are presented in three comparative sections: the year ended 31 December 2025 compared with the year ended 31 December 2024, the year ended 31 December 2024 compared with the year ended 31 December 2023, and the year ended 31 December 2023 compared with the year ended 31 December 2022.

TOP FIVE KEY PERFORMANCE INDICATORS

Management uses the following indicators to evaluate the performance of AEV and its Subsidiaries:

1. EQUITY IN NET EARNINGS OF INVESTEEES

Equity in net earnings (losses) of investees represents the Group's share in the undistributed earnings or losses of its Associates and Joint Ventures for each reporting period subsequent to the acquisition of the said investment. This account reflects the result of the operating performance of an Associate or a Joint Venture and indicates its contribution to the Group's consolidated net income.

Manner of Computation: Investee's Net Income (Loss) x Investor's % ownership – Goodwill Impairment Cost.

2. EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

The Company computes EBITDA as earnings before extraordinary items, net finance expense, income tax provision, depreciation and amortization. It provides management and investors with a tool for determining the ability of the Group to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the Group's ability to service its debts and to finance its capital expenditure and working capital requirements.

3. CASH FLOW GENERATED

Using the Statement of Cash Flows, management determines the sources and usage of funds for the period and analyzes how the Group manages its profit and uses its internal and external sources of capital. This aids management in identifying the impact on cash flow when the Group's activities are in a state of growth or decline, and in evaluating management's efforts to control the impact.

4. CURRENT RATIO

Current Ratio is a measurement of liquidity, calculated by dividing total current assets by total current liabilities. It is an indicator of the Group's short-term debt-paying ability. The higher the ratio, the more liquid the Group.

5. NET DEBT-TO-EQUITY RATIO

Net Debt-to-Equity Ratio indicates how leveraged the Group is. It compares assets provided by creditors to assets provided by shareholders. It is determined by dividing total interest-bearing debt less cash by total equity.

KEY PERFORMANCE INDICATORS

(Amounts in thousands except financial ratio data)

	<u>JAN-DEC 2025</u>	<u>JAN-DEC 2024</u>	<u>Change</u>	<u>% of Change</u>
EQUITY IN NET EARNINGS OF INVESTEEES	₱23,848,491	₱14,531,542	₱9,316,949	64 %
EBITDA	95,596,662	83,641,669	11,954,993	14 %
CASH FLOW GENERATED:				
Net cash flows from operating activities	58,547,538	55,105,857	3,441,681	6 %
Net cash flows used in investing activities	(99,341,889)	(41,160,281)	(58,181,608)	141 %
Net cash flows from (used in) financing activities	46,507,648	(45,516,201)	92,023,849	202 %
Net Increase (Decrease) in Cash & Cash Equivalents	5,713,297	(31,570,625)	37,283,922	118 %
Cash & Cash Equivalents, Beginning	81,793,295	112,293,582	(30,500,287)	-27 %
Cash & Cash Equivalents, End	87,753,402	81,793,295	5,960,107	7 %
	31 DECEMBER 2025	31 DECEMBER 2024		
CURRENT RATIO	1.1	1.6	-0.5	-31 %
NET DEBT-TO-EQUITY RATIO	1.0	0.8	0.2	25 %

Equity earnings in investees increased by 64% from ₱14.5 billion (bn) in 2024 to ₱23.8 bn in 2025. The increase was primarily due to the following: (i) fresh contribution from Chromite Gas Holdings, Inc. (CGHI), (ii) full year contribution from CABPI, which was acquired in February 2024, and (iii) impairment loss on the RCBM investment recognized in 2024. These were partly offset by the following: (a) GNPD's recognition of depreciation and interest, and (b) lower earnings of UB.

Consolidated EBITDA for the 12-month period ended 31 December 2025 increased by 14% to ₱95.6 bn from ₱83.6 bn in 2024 primarily due to higher equity earnings.

Net Debt-to-Equity ratio as of 31 December 2025 increased to 1.0x from end-2024 level of 0.8x, as the increase in net debt was more than the increase in total equity. The Current Ratio as of 31 December 2025 was at 1.1x, a decline from the end-2024 level of 1.6x, as current liabilities increased more than current assets.

REVIEW OF JANUARY-DECEMBER 2025 OPERATIONS COMPARED TO JANUARY-DECEMBER 2024

RESULTS OF OPERATIONS

For the 12-month period ended 31 December 2025, AEV and its Subsidiaries posted a net income attributable to the equity holders of Parent Company ("Net Income to Equity Holders of AEV") of ₱18.3 bn, a 1% increase year-on-year ("YoY"). This translated to earnings per share of ₱3.30 for the period in review. The Power Group accounted for the bulk of the income contributions to AEV at 46%, while Banking and Financial Services and Food and Beverage Groups each accounted for 22%. Net income contributions from Real Estate and Infrastructure Groups were at 3% and -4%, respectively.

During 2025, the Group generated non-recurring losses of ₱7.2 bn mostly related to the Power Group's partial impairment of GMEC, compared to ₱7.4 bn recorded in 2024. Without these one-off losses, the Group's core net income for 2025 was ₱25.5 bn, flat compared to 2024. AEV recorded a 14% increase in consolidated EBITDA, from ₱83.6 bn in 2024 to ₱95.6 bn in 2025.

MATERIAL CHANGES IN LINE ITEMS OF REGISTRANT'S STATEMENTS OF INCOME AND OF COMPREHENSIVE INCOME

Income Statements (in PHP thousands)			Horizontal Analysis		Vertical Analysis	
	2025	2024	2025 vs 2024	%Change	2025	2024
REVENUES						
Sale of:						
Power	₱194,610,453	₱195,680,252	(₱1,069,799)	-1 %	62 %	65 %
Goods	97,197,956	91,677,860	5,520,096	6 %	31 %	30 %
Real estate	9,839,744	10,335,220	(495,476)	-5 %	3 %	3 %
Service fees and others	11,573,999	5,132,321	6,441,678	126 %	4 %	2 %
	313,222,152	302,825,653	10,396,499	3 %	100 %	100 %
COSTS AND EXPENSES						
Cost of generated & purchased power	115,334,388	115,273,191	61,197	— %	37 %	38 %
Cost of goods sold	79,615,544	76,070,825	3,544,719	5 %	25 %	25 %
Operating expenses	61,846,132	54,900,463	6,945,669	13 %	20 %	18 %
Cost of real estate sales	5,496,505	5,987,633	(491,128)	-8 %	2 %	2 %
	262,292,569	252,232,112	10,060,457	4 %	84 %	83 %
OPERATING PROFIT	50,929,583	50,593,541	336,042	1 %	16 %	17 %
Share in equity earnings	23,848,491	14,531,542	9,316,949	64 %	8 %	5 %
Interest income	3,325,551	3,517,196	(191,645)	-5 %	1 %	1 %
Interest expense	(26,919,111)	(22,544,384)	(4,374,727)	19 %	(9) %	(7) %
Other income (expense) - net	(11,009,708)	2,445,122	(13,454,830)	-550 %	(4) %	1 %
INCOME BEFORE INCOME TAX	40,174,806	48,543,017	(8,368,211)	-17 %	13 %	16 %
PROVISION FOR INCOME TAX	9,574,357	10,645,594	(1,071,237)	-10 %	3 %	4 %
NET INCOME	₱30,600,449	₱37,897,423	(₱7,296,974)	-19 %	10 %	13 %
ATTRIBUTABLE TO:						
Equity holders of the parent	₱18,304,506	₱18,127,511	₱176,995	1 %	6 %	6 %
Non-controlling interests	12,295,943	19,769,912	(7,473,969)	-38 %	4 %	7 %
	₱30,600,449	₱37,897,423	(₱7,296,974)	-19 %	10 %	13 %

The following discussion describes material changes in the line items of the Company's statement of income and of comprehensive income for 2025 compared to 2024.

Revenues

Sale of Power

The Group's revenue from sale of power decreased by 1% or ₱1.1 bn, from ₱195.7 bn in 2024 to ₱194.6 bn in 2025. The Group's sale of power comprised 65% and 62% as a percentage of total revenues in 2024 and in 2025, respectively.

Sale of Goods

The Group's revenue from sale of goods increased by 6% or ₱5.5 bn, from ₱91.7 bn in 2024 to ₱97.2 bn in 2025. The increase was primarily attributable to the growth in sales volume across all divisions of Aboitiz Foods. The Group's sale of goods comprised 30% and 31% as a percentage of total revenues in 2024 and in 2025, respectively.

Real Estate

The Group's revenue from real estate decreased by 5% or ₱495 mn, from ₱10.3 bn in 2024 to ₱9.8 bn in 2025. The decrease was primarily attributable to the reduced construction-based revenue

recognition as projects near completion. As a percentage of total revenues, the Group's revenue from real estate comprised 3% in both 2024 and in 2025.

Service Fees and Other Revenues

The Group's combined revenue from service fees and other sources increased by 126% or ₱6.4 bn, from ₱5.1 bn in 2024 to ₱11.6 bn in 2025. This increase was primarily attributable to the consolidation of Aboitiz Infracapital Cebu Airport Corp.'s (ACAC) revenues (which was consolidated beginning October 2024), and full year revenues of Apo Agua Infraestructura, Inc. (Apo Agua) (which commenced commercial operations in February 2024). As a percentage of total revenues, the Group's other revenues comprised 2% and 4% in 2024 and in 2025, respectively.

Costs and Expenses

Cost of Generated and Purchased Power

The Group's cost of generated and purchased power remained flat ₱115.3 bn in 2025. As a percentage of total costs and expenses, the Group's cost of generated and purchased power comprised 46% and 44% in 2024 and in 2025, respectively.

Cost of Goods Sold

The Group's cost of goods sold increased by 5% or ₱3.5 bn, from ₱76.1 bn in 2024 to ₱79.6 bn in 2025. The increase was primarily attributable to higher raw material costs due to increased production volumes of the Food Group. As a percentage of total costs and expenses, the Group's cost of goods sold comprised 30% in both 2024 and in 2025, respectively.

Operating Expenses

The Group's operating expenses increased by 13% or ₱6.9 bn, from ₱54.9 bn in 2024 to ₱61.8 bn in 2025. The increase was primarily attributable to the consolidation of ACAC's operating expenses (which was consolidated beginning October 2024), and higher repairs and maintenance, personnel and outside services costs of the Power Group. As a percentage of total costs and expenses, the Group's operating expenses comprised 22% and 24% in 2024 and in 2025, respectively.

Cost of Real Estate Sales

For 2025, the Group's cost of real estate sales decreased by 8% or ₱491 mn, from ₱6.0 bn in 2024 to ₱5.5 bn in 2025. The decrease was primarily driven by lower real estate sales. As a percentage of total costs and expenses, the Group's cost of real estate sales comprised 2% in both 2024 and in 2025.

Operating Profit

As a result of the foregoing, the Group's operating profit increased by 1% or ₱336 mn, from ₱50.6 bn in 2024 to ₱50.9 bn in 2025.

Interest Expense - net

For the period ended 31 December 2025, the Group's interest expense, net of interest income increased by 24%, or ₱4.6 bn, from ₱19.0 bn in 2024 to ₱23.6 bn in 2025. The increase was primarily attributable to the (i) interest expense on the short-term loans and the new AP bonds used to finance the acquisition of CGHI and CBK HEPP (Caliraya-Botocan-Kalayaan Hydroelectric Power Plant Complex), (ii) interest expense on the Aboitiz Renewables, Inc. (ARI) loans, and (iii) the consolidation of ACAC's interest expense which started in October 2024.

Other Income - net

For the period ended 31 December 2025, the Group recognized other expense, net of other income amounting to ₱11.0 bn compared to ₱2.4 bn other income in 2024. The decrease was primarily attributable to the partial recognition of impairment loss on goodwill from AboitizPower's investment in GMEC.

Income Before Income Tax

As a result of the foregoing, the Group's income before income tax decreased by 17% or ₱8.4 bn, from ₱48.5 bn in 2024 to ₱40.2 bn in 2025.

Provision for Income Tax

The Group's provision for income tax decreased by 10% or ₱1.1 bn, from ₱10.6 bn in 2024 to ₱9.6 bn in 2025. The decrease was primarily attributable to lower taxable income for the period.

Net Income

Net income attributable to non-controlling interests for 2025 decreased to ₱12.3 bn from ₱19.8 bn in 2024. This was primarily attributable to the decrease in consolidated net income of AboitizPower during 2025.

As a result of the foregoing, the Group's Net Income to Equity Holders of AEV increased by 1% or ₱177 mn, from ₱18.1 bn in 2024 to ₱18.3 bn in 2025.

STRATEGIC BUSINESS UNITS

The following discussion describes the performance of the Group's SBUs for 2025 compared to 2024.

Power

The Power Group's contribution to Net Income to Equity Holders of AEV, before elimination of transactions within the Group, was ₱10.4 bn in 2025, a 42% decrease from ₱18.0 bn in 2024. The decrease was primarily attributable to the non-recurring losses, mostly related to the partial impairment of goodwill arising from the acquisition of GMEC. This was partly offset by higher margins in the Generation segment, primarily attributable to AboitizPower's increase in contracted capacity.

Banking & Financial Services

The contribution of UB to Net Income to Equity Holders of AEV decreased by 17% YoY, from ₱6.0 bn in 2024 to ₱5.0 bn in 2025. Record topline revenues of UB, including the acquired Citi consumer business, helped mitigate the impact of one-time costs and provision for credit losses recognized during the year.

Food and Beverage

Before elimination of transactions within the Group, the contribution to Net Income to Equity Holders of AEV from the Food and Beverage segment, which includes Aboitiz Foods Holdings, Inc., and Aboitiz Foods Pte. Ltd. (which houses Gold Coin Management Holdings Pte. Ltd.) (collectively, the "Aboitiz Foods"), and CCEAP) was ₱7.6 bn in 2025. This was more than four times the ₱5.9 bn recorded in 2024, primarily driven by (i) the strong volumes and margins of all segments of Aboitiz Foods, and (ii) full year contributions from CCEAP.

Real Estate

The contribution of Aboitiz Land to Net Income to Equity Holders of AEV in 2025, before elimination of transactions within the Group, amounted to ₱637 mn, a 32% decrease from ₱943 mn in 2024. The decrease reflects the natural tapering of inventory, a proactive portfolio clean-up through the removal of non-performing accounts, and the reduced construction-based revenue recognition as projects near completion.

Infrastructure

The contribution of Aboitiz InfraCapital to Net Income to Equity Holders of AEV, before elimination of transactions within the Group, increased by 6% to ₱680 mn in 2025, compared to ₱644 mn in 2024. This was primarily driven by (i) Economic Estates' lot sales at TARI Estates in Tarlac, (ii) passenger traffic growth and the full year contribution of Mactan-Cebu International Airport (MCIA), (iii) the recent addition of Laguindingan International Airport and Bohol-Panglao International Airport, (iv) the continued expansion of Unity Digital Infrastructure, Inc.'s co-location services and tower portfolio, and (v) increased billed water volume of Apo Agua.

The contribution of RCBM to Net Income to Equity Holders of AEV amounted to a ₱1.7 bn loss in 2025 compared to ₱1.1 bn (₱8.6 bn) loss recorded in 2024, excluding the ₱7.4 bn asset impairment charges recognized in 2024.

CHANGES IN REGISTRANT'S RESOURCES, LIABILITIES AND SHAREHOLDERS' EQUITY

			Horizontal Analysis		Vertical Analysis	
(in PHP thousands)	31 Dec 2025	31 Dec 2024	2025 vs 2024	%Change	2025	2024
ASSETS						
Current Assets						
Cash and cash equivalents	₱87,753,402	₱81,793,295	₱5,960,107	7 %	9 %	9 %
Trade and other receivables	66,053,499	62,204,817	3,848,682	6 %	7 %	7 %
Inventories	46,402,629	45,003,105	1,399,524	3 %	5 %	5 %
Derivative asset	268,960	328,981	(60,021)	-18 %	— %	— %
Other current assets	25,682,902	23,168,806	2,514,096	11 %	3 %	3 %
Total Current Assets	226,161,392	212,499,004	13,662,388	6 %	22 %	24 %
Noncurrent Assets						
Property, plant and equipment	257,360,367	240,612,393	16,747,974	7 %	25 %	27 %
Investments and advances	317,952,550	250,139,819	67,812,731	27 %	31 %	28 %
Intangible assets	120,197,621	138,928,874	(18,731,253)	-13 %	12 %	16 %
Investment properties	13,211,054	14,541,088	(1,330,034)	-9 %	1 %	2 %
Deferred income tax assets	2,109,680	2,167,548	(57,868)	-3 %	— %	— %
Trade receivables-net of current portion	2,976,850	418,655	2,558,195	611 %	— %	— %
Net pension assets	276,580	304,261	(27,681)	-9 %	— %	— %
Other noncurrent assets	72,274,243	34,088,912	38,185,331	112 %	7 %	4 %
Total Noncurrent Assets	786,449,934	681,201,550	105,248,384	15 %	78 %	76 %
TOTAL ASSETS	₱1,012,611,326	₱893,700,554	₱118,910,772	13 %	100 %	100 %
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	74,350,232	58,793,450	15,556,782	26 %	7 %	7 %
Bank loans	100,192,052	40,959,206	59,232,846	145 %	10 %	5 %
Current portions of:						
Long-term debts	34,552,418	30,397,739	4,154,679	14 %	3 %	3 %
Concession rights payable	54,589	40,000	14,589	36 %	— %	— %
Lease liabilities	437,575	326,539	111,036	34 %	— %	— %
Derivative liability	89,476	250,118	(160,642)	-64 %	— %	— %
Income tax payable	1,595,444	1,879,056	(283,612)	-15 %	— %	— %
Total Current Liabilities	211,271,786	132,646,108	78,625,678	59 %	21 %	15 %

Noncurrent Liabilities						
Noncurrent portions of:						
Long-term debts	₱352,788,244	₱328,120,086	₱24,668,158	8 %	35 %	37 %
Lease liabilities	5,690,249	4,470,965	1,219,284	27 %	1 %	1 %
Trade payables	5,142,801	1,870,335	3,272,466	175 %	1 %	— %
Concession rights payable	1,468,676	57,238	1,411,438	2466 %	— %	— %
Customers' deposits	11,260,724	9,871,353	1,389,371	14 %	1 %	1 %
Decommissioning liability	5,486,345	5,259,205	227,140	4 %	1 %	1 %
Deferred income tax liabilities	14,303,882	13,843,898	459,984	3 %	1 %	2 %
Net pension liability	974,974	1,192,092	(217,118)	-18 %	— %	— %
Derivative liability-net of current portion	696,246	3,698	692,548	18728 %	— %	— %
Total Noncurrent Liabilities	397,812,141	364,688,870	33,123,271	9 %	39 %	41 %
Total Liabilities	609,083,927	497,334,978	111,748,949	22 %	60 %	
Equity Attributable to Equity Holders of the Parent						
Capital stock	5,694,600	5,694,600	—	— %	1 %	1 %
Additional paid-in capital	13,013,197	13,013,197	—	— %	1 %	1 %
Equity reserves	30,167,520	30,120,774	46,746	— %	3 %	3 %
Accumulated other comprehensive income	(2,010,130)	559,706	(2,569,836)	-459 %	— %	— %
Retained earnings						
Appropriated	88,800,000	88,800,000	—	— %	9 %	10 %
Unappropriated	158,489,216	148,736,030	9,753,186	7 %	16 %	17 %
Treasury stock at cost	(3,675,098)	(3,642,072)	(33,026)	1 %	— %	— %
	290,479,305	283,282,235	7,197,070	3 %	29 %	32 %
Non-controlling Interests	113,048,094	113,083,341	(35,247)	— %	11 %	13 %
Total Equity	403,527,399	396,365,576	7,161,823	2 %	40 %	44 %
TOTAL LIABILITIES AND EQUITY	₱1,012,611,326	₱893,700,554	₱118,910,772	13 %	100 %	100 %

Assets

Consolidated assets (as of 31 December 2025 compared to 31 December 2024) increased by 13% or ₱118.9 bn from ₱893.7 bn to ₱1.0 tn, due to the following:

- Cash & Cash Equivalents increased by 7% (₱87.8 bn as of 31 December 2025 compared to ₱81.8 bn as of 31 December 2024). The increase was primarily attributable to cash from operations and proceeds from loan availments, partly offset by new investments, payment of dividends and debt servicing.
- Trade and other receivables (current and noncurrent) increased by 10% (₱69.0 bn as of 31 December 2025 compared to ₱62.6 bn as of 31 December 2024) primarily attributable to increased receivables of the Power Group resulting from the recognition of additional receivables from the Feed-in-Tariff (FIT) and Ancillary Services Procurement Agreement (ASPA) adjustments in 2025, higher receivables from power supply contracts and residential customers following the suspension of disconnection due to the impact of typhoon in the covered areas.
- Property Plant and Equipment (PPE) increased by ₱16.7 bn (₱257.4 bn as of 31 December 2025 compared to ₱240.6 bn as of 31 December 2024) primarily attributable to AP's capital expenditures for additional substation and transmission equipment, and ongoing construction of power plants.
- Investments in and Advances to Associates and Joint Ventures increased by ₱67.8 bn (₱318.0 bn as of 31 December 2025 compared to ₱250.1 bn as of 31 December 2024) primarily attributable to the (i) ₱54.6 bn investment in CGHI, and (iii) recording of ₱23.8 bn share in net earnings of Associates and Joint Ventures. This increase was partially reduced by the ₱11.9 bn dividends from Associates and Joint Ventures.
- Other Current Assets (OCA) increased by 11% (₱25.7 bn as of 31 December 2025 compared to ₱23.2 bn as of 31 December 2024) primarily attributable to the reclassification of assets held for sale.

- Other Noncurrent Assets (ONCA) increased by 112% (₱72.3 bn as of 31 December 2025 compared to ₱34.1 bn as of 31 December 2024) primarily attributable to deposits made for the CBK HEPP asset acquisition.

The above increases were offset by the following decreases:

- Investment Property (IP) decreased by 9% (₱13.2 bn as of 31 December 2025 compared to ₱14.5 bn as of 31 December 2024) primarily attributable to reclassification of properties to assets held for sale.
- Intangible Assets increased by 10% (₱120.2 bn as of 31 December 2025 compared to ₱138.9 bn as of 31 December 2024) primarily attributable to the impairment of GMEC goodwill recognized during the year.

Liabilities

Total Liabilities (as of 31 December 2025 compared to 31 December 2024) increased by 22% or ₱111.7 bn from ₱497.3 bn to ₱609.1 bn due to the following:

- Bank loans increased by 145% (₱100.2 bn as of 31 December 2025 compared to ₱41.0 bn as of 31 December 2024) primarily attributable to short-term debt availments by the Power Group for the acquisition of CGHI and CBK HEPP assets.
- Long-term debt, which includes both current and noncurrent portions, increased by 8% (₱387.3 bn as of 31 December 2025 compared to ₱358.5 bn as of 31 December 2024) primarily attributable to the bond issuance and loan availments made by Power Group.
- Concession rights payable, which includes current and noncurrent portions, increased by 1467% (₱1.5 bn as of 31 December 2025 compared to ₱97 mn as of 31 December 2024) resulting from the acquisition of the concession rights to the Bohol and Laguindingan airports
- Lease liabilities, which includes current and noncurrent portions, increased by 28% (₱6.1 bn as of 31 December 2025 compared to ₱4.8 bn as of 31 December 2024) due to new lease agreements of the Group.
- Trade and other payables, inclusive of noncurrent portion, increased by 31% (₱79.5 bn as of 31 December 2025 compared to ₱60.7 bn as of 31 December 2024) primarily attributable to the contingent consideration related to CGHI acquisition, and higher trade payables of the Power and Food Groups.
- Income tax payable decreased by 15%, from ₱1.9 bn as of 31 December 2024 to ₱1.6 bn as of 31 December 2025 primarily attributable to lower taxable income for the period.
- Derivative liabilities (net of Derivative assets, current and noncurrent) changed from ₱75 mn net asset position as of 31 December 2024 to ₱426 mn liability as of 31 December 2025. This was primarily attributable to the AEV's loss on its currency and interest rate hedge.
- Customers' deposits increased by 14%, from ₱9.9 bn as of 31 December 2024 to ₱11.3 bn as of 31 December 2025, primarily attributable to the receipt of bill deposits from customers of the distribution units of the Power Group.
- Pension Liabilities (net of Pension assets) decreased by 21% (₱698 mn as of 31 December 2025 compared to ₱888 mn as of 31 December 2024) primarily attributable to the Group's contributions to the retirement funds for the period.

Equity

Equity attributable to equity holders of the parent (as of 31 December 2025 compared to 31 December 2024) increased by ₱7.2 bn from ₱283.3 bn to ₱290.5 bn, due to the ₱18.3 bn net income recorded in 2025. These are partly offset by the ₱8.6 bn cash dividends paid during 2025 and ₱2.6 bn decrease in other comprehensive income.

MATERIAL CHANGES IN LIQUIDITY AND CASH RESERVES OF REGISTRANT

For 2025, the Group continued to support its liquidity mainly from cash generated from operations, additional loans availed, and dividends received from Associates and Joint Ventures

Compared to the cash inflow during 2024, consolidated cash generated from operating activities for 2025 increased by ₱3.4 bn to ₱58.5 bn. The increase was primarily attributable to higher operating income and lower working capital requirements.

As of 31 December 2025, ₱99.3 bn net cash was used in investing activities compared to ₱41.2 bn used during 2024. The increase was primarily attributable to investments in CGHI and CBK HEPP, and additions to PPE during the current period.

Net cash generated from financing activities was ₱46.5 bn for 2025 compared to ₱45.5 bn used in 2024. The increase was primarily attributed to the proceeds from debt availments of AP to finance its acquisitions.

For 2025, net cash inflows surpassed cash outflows, resulting in a 7% increase in cash and cash equivalents from ₱81.8 bn as of year-end 2024 to ₱87.8 bn as of 31 December 2025.

FINANCIAL RATIOS

AEV's Current Ratio as of 31 December 2025 stood at 1.1x compared to end-2024's 1.6x as the increase in current liabilities was more than the increase in current assets. Net Debt-to-Equity ratio increased to 1.0:1 as of 31 December 2025 from year-end 2024's 0.8:1, as the increase in net debt was more than the increase in total equity.

KEY VARIABLES AND OTHER QUALITATIVE AND QUANTITATIVE FACTORS

To the best of the Company's knowledge, other than disclosed in the audited consolidated financial statements, no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons were created during the year. There were also no events that would trigger substantial direct or contingent financial obligations or cause any default or acceleration of an existing obligation.

Likewise, there were no other material changes made in such items as: accounting principles and practices, estimates inherent in the preparation of the consolidated financial statements, status of long-term contracts, changes in the composition of the issuer, and reporting entity resulting from business combinations or dispositions.

There were no changes in estimates of amounts reported in the prior financial year that would have a material effect in the current financial year.

There were no material, non-recurring adjustments made during the year that would require appropriate disclosures, other than those already disclosed in the audited consolidated financial statements. All other adjustments are of a normal recurring nature.

There are no material effects on the Group's financial condition or results of operations due to seasonality.

Lastly, there are no material commitments for capital expenditures except those disclosed in the consolidated audited financial statements and/or discussed in Outlook for the Upcoming Year/Known Trends, Events, and Uncertainties which may have a Material Impact on the Registrant.

OUTLOOK FOR THE UPCOMING YEAR/ KNOWN TRENDS, EVENTS, AND UNCERTAINTIES WHICH MAY HAVE MATERIAL IMPACT ON THE REGISTRANT

The Economic Research Unit of UB forecasts Philippine GDP growth to slow to 3.7% in 2026, a deceleration from the 4.4% growth recorded in 2025. UB's forecast takes off from the weaker-than-expected momentum in 2025, which was driven by a sharp contraction in the expenditure on public construction, which, in turn, weighed on investment, industrial activity, and, to a lesser extent, household spending. These headwinds are exacerbated by heightened global uncertainty linked to the ongoing geopolitical conflict in the Middle East, the trajectory and potential de-escalation of which remain highly uncertain. Persistent tensions present significant downside risks, including potential energy supply disruptions, higher commodity prices, and weakened global risk sentiment. For an oil-importing economy such as the Philippines, sustained elevated oil prices could further erode real incomes, dampen investment sentiment, and delay the recovery in domestic demand, reinforcing a more subdued near-term growth outlook.

In this environment, the policy mix is expected to remain cautious and firmly focused on inflation rather than overtly accommodative. While slower growth would typically warrant additional support, UB now expects the Bangko Sentral ng Pilipinas (BSP) to prioritize price stability amid elevated external risks. Inflation is projected to rise to around 5.0% in 2026, breaching the BSP's 2–4% target range, largely due to oil-driven cost pressures associated with Middle East tensions and lingering supply-side frictions. As a result, no further policy rate cuts are expected in 2026. Instead, UB sees a growing likelihood of a 75bp cumulative policy rate hike, potentially pushing the policy rate to around 5.0%, should inflation expectations become unanchored or external shocks intensify. This “tighter-for-longer” stance is reflected in elevated near-term bond yield assumptions, while the Peso outlook remains broadly stable but highly sensitive to oil prices, global risk sentiment, and evolving geopolitical developments. A prolonged or escalating conflict could further delay policy normalization and prolong macroeconomic uncertainty.

Amidst this economic backdrop, the Company has the following outlook for its businesses.

AboitizPower

AboitizPower is focused on providing reliable energy supply to its customers at a reasonable cost and with minimal impact on the environment and on the communities where it operates. AboitizPower believes that to effectively and sustainably address the country's power requirements, a mix of power generation technologies is necessary. For this reason, AboitizPower pursues both renewable energy projects and thermal technologies where and when it makes sense.

Despite the increased competition in the domestic power generation sector, AboitizPower believes it has the foundation to sustain its long-term growth through expanding its portfolio of baseload and renewable energy generation assets.

Given the current trajectory of power demand in the Philippines and the expected build progression of new plants over the next decade, AboitizPower believes its existing coal assets continue to play an integral role and constantly seeks improvements to ensure it operates these assets responsibly and in compliance with all relevant regulations. AboitizPower is closely and proactively monitoring the developments in climate-related regulations and initiatives, including the coal moratorium of the Department of Energy (DOE) and ongoing discussions on the early retirement of coal plants in the Philippines and Indonesia. Through its parent company, Aboitiz Equity Ventures, AboitizPower is the first Philippine company to sign up and commit to the Task Force on Climate-Related Financial Disclosure framework. AboitizPower has taken steps to proactively quantify the potential impacts of various climate regulations on its assets and continues to invest in efforts to manage risks that are above certain thresholds.

As of March 2026, AboitizPower has brought 817 MW of solar, BESS, and binary projects in its renewable energy pipeline into operation, with construction ongoing on an additional solar plant, five more BESS projects and a wind power plant. In 2025, AboitizPower was also awarded 639.5MW of

solar, floating solar and wind projects in the government's most recent Green Energy Auction. AboitizPower's growing renewable energy portfolio should enable it to maximize opportunities arising from the DOE's implementation of the Renewable Portfolio Standards, which mandates power distribution utilities, electric cooperatives, and retail electricity suppliers to source 35% of their energy supply from renewable energy facilities by 2030 and 50% by 2040.

AboitizPower continues to pursue investment opportunities that support the Philippines' long-term energy requirements and strengthen its power generation portfolio.

In 2025, AboitizPower formally entered the liquefied natural gas (LNG) sector following the completion of its acquisition of a 40% equity interest in Chromite Gas Holdings, Inc. (CGHI). CGHI holds a 67% interest in two gas-fired power plants and an LNG import and regasification terminal. The transaction was approved by the Philippine Competition Commission (PCC) on 23 December 2024 and was completed on 27 January 2025.

On 12 February 2025, AboitizPower started construction on Unit 3 of Therma Visayas Inc, which will add another 150MW of coal-fired baseload capacity to the supply-constrained Visayas Grid by 2027.

On 4 July 2025, AboitizPower, through its wholly owned subsidiary Aboitiz Renewables, Inc. (ARI), together with its consortium partners Electric Power Development Co., Ltd. (J-Power) and Sumitomo Corporation (collectively, the Thunder Consortium), was declared the highest-ranking bidder by the Power Sector Assets and Liabilities Management (PSALM) Corporation Privatization Bids and Awards Committee for the 797 MW Caliraya-Botocan-Kalayaan Hydroelectric Power Plant Complex. Following receipt of PCC approval on 28 November 2025, the transaction was completed on 19 December 2025, and the asset was turned over on 8 February 2026.

On 30 October 2025, AboitizPower announced the execution of definitive documents to acquire a 25% equity interest in Van Phong Power Company Limited (VPCL) from Sumitomo Corporation. VPCL owns and operates a 1,320 MW high-efficiency, low-emission coal-fired power plant located in Khánh Hòa Province, Vietnam. This transaction represents AboitizPower's first major investment outside the Philippines. The completion of the transaction remains subject to customary closing conditions, including the receipt of required regulatory approvals in Vietnam.

AboitizPower believes that its balance sheet gives it the capability to create or acquire additional generating capacity over the next few years. AboitizPower, together with its partners, has set aside ₱62 billion for 2026 capital expenditures, with a primary focus on progressing its RE and BESS pipeline, particularly those awarded under GEA 4.

Other known trends, events, and uncertainties which may have a material impact on AboitizPower have been discussed extensively in sections of AP's Annual Report (e.g. for an extensive discussion on regulatory issues, see Effect of Existing or Probable Government Regulations on the Business of AP's Annual Report).

UB and its Subsidiaries

Anchored on a stronger and more resilient balance sheet, UB is well positioned to sustain its growth trajectory. The anticipated decline in interest rates, coupled with the sustained momentum in consumer activity, is expected to create a supportive operating environment for the Bank. With continued focus on disciplined execution, deeper customer engagement and strategic participation in high-growth sectors of the Philippine economy, UB remains poised to capture emerging opportunities and drive long-term value.

UB will continue to strengthen its operational and risk frameworks while maintaining prudent expansion. Supported by a mature and scalable digital transformation framework, the Bank will continue to develop its digital capabilities, advance modernization efforts, and enhance operational efficiency through intelligent automation, data-driven insights, and expanded ecosystem connectivity.

Customer-focused innovation remains at the center of UB's strategy. The Bank is committed to developing products, services, and experiences that address the evolving needs of its customers.

With a clear roadmap, a strong capital position, and a resilient balance sheet, UB is committed to generating sustainable long-term returns. By enhancing productivity, expanding value-driven businesses, and managing capital with discipline, the Bank aims to deliver enduring shareholder value. In support of these priorities, UB and its Subsidiaries have allotted approximately ₱2 billion for capital expenditures in 2026.

Aboitiz Foods

AboitizFoods' positive growth prospects for 2026 is anchored on the stable global supply of its key raw materials and the full operations of its China and Vietnam segments. Capital expenditures of ₱5 billion in 2026 will focus on strategic growth initiatives, including the expansion of its feedmill operations in the Philippines, as well as the maintenance, digitalization, and enhancement of its operational efficiency to support long-term competitiveness.

Aboitiz InfraCapital

In 2026, Aboitiz InfraCapital (AIC) will focus on execution and operational excellence to advance the scale and profitability of its Water, Airport, and Digital Infrastructure platforms. In support of these initiatives, AIC has allotted approximately ₱8 billion for capital expenditures in 2026.

Airports

More than 16 million passengers traveled through AIC's airports in Mactan, Laguindingan, and Bohol in 2025. Cognizant of the inherent risks of traffic volatility and evolving policies, AIC will continue to prioritize operational efficiency, enhance its platform capabilities, and strengthen its partnerships with stakeholders.

Digital Infra

Unity Digital Infrastructure concluded 2025 with over 2,400 points of service. In 2026, AIC will continue to pursue its tower pipeline, further expand tenancy, and maintain network uptime to minimize service disruptions. These initiatives aim to improve the reliability and resilience of AIC's digital infrastructure, in support of the country's ongoing digital transformation.

Water

In 2025, AIC's water business produced over 300 million liters per day (MLD) for its customers. For 2026, demand for reliable water supply is expected to remain strong, presenting significant opportunities in this essential sector for AIC. To address the challenges of regulatory uncertainty and the capital-intensive nature of water infrastructure, AIC continues to pursue a disciplined investment approach while maintaining proactive engagement with key stakeholders. This strategy supports both operational resilience and sustainable expansion.

Republic Cement and Building Materials, Inc (RCBM)

Cement demand in the Philippines is estimated to have contracted by approximately 3% in 2025 due to the combined effects of the mid-term election-related construction spending ban, the suspension and review of projects linked to alleged ghost flood control projects, and the weaker private sector construction activity.

RCBM's demand outlook for cement remains cautious for 2026 as continued regulatory tightening, uncertainties around public construction and the "wait-and-see" approach in private construction will keep demand for cement subdued. Although the Philippine government's infrastructure budget in

2026 was set at ₱1.3 tr or 4.3% of the projected GDP, the Department of Public Works and Highways (DPWH) has temporarily deferred the bidding of new infrastructure projects and has implemented stricter controls on contractor billing and payments.

On the supply side, the continued influx of imported cement, primarily from Vietnam, China, and Indonesia, is expected to exacerbate an already well-supplied domestic market. Although cement imports declined by approximately 20% in 2025 compared to the prior year, total arrivals still reached 6.1 million tons, which remains significant. In response to the domestic injury caused by these imports, the Department of Trade and Industry has imposed a safeguard duty of ₱349 per ton on imported cement for a period of three years, in line with the Tariff Commission's recommendation.

Despite these challenges, RCBM remains committed to serving its key markets nationwide with high-quality products, while continuing to enhance operational efficiency and reduce costs. With a cement production capacity of 9.7 MTPA, RCBM is well positioned to meet market demand as industry conditions stabilize.

To mitigate the impact of a highly competitive market environment and rising input costs, RCBM continues to implement operational excellence initiatives and cost-control measures, including the increased use of alternative fuels and ongoing productivity improvements. RCBM also actively supports the Philippine government's Buy Local programs, including the recently enacted Tatak Pinoy Act and New Government Procurement Act, which provide preference and priority to locally produced materials in government procurement projects. In support of these efforts, RCBM has allocated approximately ₱650 million for capital expenditures in 2026.

Aboitiz Land

Aboitiz Land enters a new phase as the residential and housing solutions arm of the Aboitiz Group's real estate platform with the integration with Aboitiz Economic Estates. This integration strengthens Aboitiz Land's role in delivering well-planned homes and communities that support the growth of industrial and commercial estates, serving workers, families, and emerging townships across key economic corridors.

Looking ahead, Aboitiz Land remains confident in its growth prospects, anchored on its integration with Aboitiz Economic Estates and its clear mandate to provide housing solutions that complement industrial and commercial developments. By aligning residential planning with estate-led growth, Aboitiz Land is positioned to support inclusive communities while generating sustainable value for the real estate group and its stakeholders. Aboitiz Land also remains optimistic that the recent policy rate cuts by the BSP, which ease borrowing costs, will help stimulate demand for real estate investments, providing an opportunity for Aboitiz Land to further strengthen its market position. To advance the objectives of this newly integrated platform, Aboitiz Land has allocated approximately ₱6 billion for capital expenditures in 2026.

Long-Term Aspiration

AEV is advancing the next phase of its *Great Transformation*, a corporate initiative that places innovation at the center of its growth strategy. This phase focuses on effective execution and strengthening of the Group's business portfolio. It continues to guide the Group's evolution into a techglomerate, integrating technology and design thinking across its products, services, and processes.

YEAR ENDED 31 DECEMBER 2024 COMPARED TO YEAR ENDED 31 DECEMBER 2023

KEY PERFORMANCE INDICATORS

(Amounts in thousands except financial ratio data)

	JAN-DEC 2024	JAN-DEC 2023	Change	% of Change
EQUITY IN NET EARNINGS OF INVESTEEES	₱14,531,542	₱23,637,125	(₱9,105,583)	-39 %
EBITDA	83,641,669	81,182,234	2,459,435	3 %
CASH FLOW GENERATED:				
Net cash flows from operating activities	55,105,857	57,826,663	(2,720,806)	-5%
Net cash flows used in investing activities	(41,160,281)	(2,195,947)	(38,964,334)	1774%
Net cash flows used in financing activities	(45,516,201)	(44,282,137)	(1,234,064)	3%
Net Increase (Decrease) in Cash & Cash Equivalents	(31,570,625)	11,348,579	(42,919,204)	-378%
Cash & Cash Equivalents, Beginning	112,293,582	101,526,260	10,767,322	11 %
Cash & Cash Equivalents, End	81,793,295	112,293,582	(30,500,287)	-27 %
	31 DECEMBER 2024	31 DECEMBER 2023		
CURRENT RATIO	1.6	2.2	-0.6	-27 %
NET DEBT-TO-EQUITY RATIO	0.8	0.7	0.1	14 %

Equity earnings in investees decreased by 39% from ₱23.6 bn in 2023 to ₱14.5 bn in 2024. The decrease was primarily due to the following: (i) higher losses of RCBM attributed to weak market demand for cement, (ii) impairment loss on the RCBM investment, and (iii) lower earnings of GNPD due to the recognition of depreciation and interest, and lower plant availability due to planned outages. These were partly offset by the following: (i) higher earnings from UB, and (ii) fresh contributions from CCEAP (formerly Coca-Cola Beverages Philippines, Inc.), which AEV acquired in February 2024.

Consolidated EBITDA translated into substantial cash inflows coming from Subsidiaries' operations. These inflows, coupled with dividends received from Associates and Joint Ventures are the main source of internally-generated funds, which are then used to finance capital expenditures, additional investments into associates, dividends and debt service payments.

Net Debt-to-Equity ratio as of 31 December 2024 increased to 0.8x from end-2023 level of 0.7x, as the increase in net debt was more than the increase in total equity. The Current Ratio as of 31 December 2024 was at 1.6x, a decline from the end-2023 level of 2.2x, as current assets decreased while current liabilities increased.

REVIEW OF JANUARY-DECEMBER 2024 OPERATIONS COMPARED TO JANUARY-DECEMBER 2023

RESULTS OF OPERATIONS

For the 12-month period ended 31 December 2024, AEV and its Subsidiaries posted a net income attributable to the equity holders of parent Company ("Net Income to Equity Holders of AEV") of ₱18.1 bn, a 23% decrease YoY. This translated to earnings per share of ₱3.25 for the period in review. The Power Group accounted for the bulk of the income contributions to AEV at 79%, while Banking and Financial Services and Food and Beverage Groups each accounted for 26%. Net income contributions from Real Estate and Infrastructure Groups were at 4% and -35%, respectively.

During 2024, the Group generated non-recurring losses of ₱7.4 bn compared to ₱1.4 bn non-recurring gains recorded in 2023. Without these one-off losses, the Group's core net income for 2024 was ₱25.5 bn, 15% higher YoY. AEV recorded a 3% increase in consolidated EBITDA for 2024 compared to 2023, from ₱81.2 bn to ₱83.6 bn.

MATERIAL CHANGES IN LINE ITEMS OF REGISTRANT'S STATEMENTS OF INCOME AND OF COMPREHENSIVE INCOME

Income Statements (in PHP thousands)			Horizontal Analysis		Vertical Analysis	
	2024	2023	Change	% Change	2024	2023
REVENUES						
Sale of:						
Power	₱195,680,252	₱205,818,244	(₱10,137,992)	-5 %	65 %	66 %
Goods	91,677,860	92,323,721	(645,861)	-1 %	30 %	30 %
Real estate	10,335,220	9,476,487	858,733	9 %	3 %	3 %
Service fees and others	5,132,321	3,000,637	2,131,684	71 %	2 %	1 %
	302,825,653	310,619,089	(7,793,436)	-3 %	100 %	100 %
COSTS AND EXPENSES						
Cost of generated and purchased power	115,273,191	135,433,770	(20,160,579)	-15 %	38 %	44 %
Cost of goods sold	76,070,825	81,329,202	(5,258,377)	-6 %	25 %	26 %
Operating expenses	54,883,658	50,806,725	4,076,933	8 %	18 %	16 %
Cost of real estate sales	6,004,438	5,004,708	999,730	20 %	2 %	2 %
	252,232,112	272,574,405	(20,342,293)	-7 %	83 %	88 %
OPERATING PROFIT	50,593,541	38,044,684	12,548,857	33 %	17 %	12 %
Share in equity earnings	14,531,542	23,637,125	(9,105,583)	-39 %	5 %	8 %
Interest income	3,517,196	4,301,426	(784,230)	-18 %	1 %	1 %
Interest expense	(22,544,384)	(20,528,967)	(2,015,417)	10 %	(7) %	(7) %
Other income - net	2,445,122	6,060,374	(3,615,252)	-60 %	1 %	2 %
INCOME BEFORE INCOME TAX	48,543,017	51,514,642	(2,971,625)	-6 %	16 %	17 %
PROVISION FOR INCOME TAX	10,645,594	8,593,435	2,052,159	24 %	4 %	3 %
NET INCOME	₱37,897,423	₱42,921,207	(₱5,023,784)	-12 %	13 %	14 %
ATTRIBUTABLE TO:						
Equity holders of the parent	₱18,127,511	₱23,546,289	(₱5,418,778)	-23 %	6 %	8 %
Non-controlling interests	19,769,912	19,374,918	394,994	2 %	7 %	6 %
	₱37,897,423	₱42,921,207	(₱5,023,784)	-12 %	13 %	14 %

The following discussion describes material changes in the line items of the Company's statement of income for 2024 compared to 2023.

Revenues

Sale of Power

The Group's revenue from sale of power decreased by 5% or ₱10.1 bn, from ₱205.8 bn in 2023 to ₱195.7 bn in 2024. The decrease was primarily attributable to lower spot prices. The Group's sale of power comprised 66% and 65% as a percentage of total revenues in 2023 and in 2024, respectively.

Real Estate

The Group's revenue from real estate increased by 9% or ₱859 mn, from ₱9.5 bn in 2023 to ₱10.3 bn in 2024. The increase was primarily attributable to land sales and lease income from Lima Land. As a percentage of total revenues, the Group's revenue from real estate comprised 3% in both 2023 and 2024.

Service Fees and Other Revenues

The Group's combined revenue from service fees and other sources increased by 71% or ₱2.1 bn, from ₱3.0 bn in 2023 to ₱5.1 bn in 2024. This increase was primarily due to fresh contributions from Apo Agua Infraestructura, Inc., which started commercial operations in February 2024, and revenues from newly-acquired subsidiary, AGMCAC. As a percentage of total revenues, the Group's other revenues comprised 1% and 2% in 2023 and in 2024, respectively.

Costs and Expenses

Cost of Generated and Purchased Power

The Group's cost of generated and purchased power decreased by 15% or ₱20.2 bn, from ₱135.4 bn in 2023 to ₱115.3 bn in 2024. The decrease was primarily attributable to lower fuel costs. As a percentage of total costs and expenses, the Group's cost of generated and purchased power comprised 50% and 46% in 2023 and in 2024, respectively.

Cost of Goods Sold

The Group's cost of goods sold decreased by 6% or ₱5.3 bn, from ₱81.3 bn in 2023 to ₱76.1 bn in 2024. The decrease was primarily attributable to lower raw materials costs of the Food Group. As a percentage of total costs and expenses, the Group's cost of goods sold comprised 30% (and 30%) in both 2023 and in 2024.

Operating Expenses

The Group's operating expenses increased by 8% or ₱4.1 bn, from ₱50.8 bn in 2023 to ₱54.9 bn in 2024. The increase was primarily attributable to higher (i) contracted services, (ii) personnel costs, and (iii) repairs and maintenance. As a percentage of total costs and expenses, the Group's operating expenses comprised 19% and 22% in 2023 and in 2024, respectively.

Cost of Real Estate Sales

For 2024, the Group's cost of real estate sales increased by 20% or ₱1.0 bn, from ₱5.0 bn in 2023 to ₱6.0 bn in 2024. The increase was primarily driven by higher real estate sales. As a percentage of total costs and expenses, the Group's cost of real estate sales comprised 2% both in 2023 and in 2024.

Operating Profit

As a result of the foregoing, the Group's operating profit increased by 33% or ₱12.5 bn, from ₱38.0 bn in 2023 to ₱50.6 bn in 2024.

Interest Income

The Group's interest income decreased by 18% or ₱784 mn, from ₱4.3 bn in 2023 to ₱3.5 bn in 2024. This was primarily due to the cash outflow resulting from the acquisition of CCEAP.

Interest Expense

The Group's interest expense increased by 10% or ₱2.0 bn, from ₱20.5 bn in 2023 to ₱22.5 bn in 2024. The increase was primarily due to the full-year interest expense of the Company's ₱17.5 bn bonds issued in September 2023, and AboitizInfraCapital's increased debt availments in 2024.

Other Income - net

The Group's other income decreased by 60% or ₱3.6 bn, from ₱6.1 bn in 2023 to ₱2.4 bn in 2024. The decrease was primarily due to non-recurring gains resulting from AP's step-acquisition of SPI, and insurance claims recognized in 2023.

Income Before Income Tax

The Group's income before income tax decreased by 6% or ₱3.0 bn, from ₱51.5 bn in 2023 to ₱48.5 bn in 2024. The decrease was primarily due to lower equity earnings, higher interest expense and lower other income.

Provision for Income Tax

The Group's provision for income tax increased by 24% or ₱2.1 bn, from ₱8.6 bn in 2023 to ₱10.6 bn in 2024. The increase was primarily due to higher taxable income of the Power and Food Groups.

Net Income

As a result of the foregoing, the Group's Net Income to Equity Holders of AEV decreased by 23% or ₱5.4 bn, from ₱23.5 bn in 2023 to ₱18.1 bn in 2024.

STRATEGIC BUSINESS UNITS

The following discussion describes the performance of the Group's SBUs for 2024 compared to 2023.

Power

The Power Group's contribution to Net Income to Equity Holders of AEV, before elimination of transactions within the Group, was ₱18.0 bn in 2024, a 4% increase from ₱17.3 bn in 2023. The increase was primarily due to higher generation portfolio margins and higher energy sales from the fresh contributions from GNPD and additional capacities from the 159 megawatt-peak ("MWp") Laoag and 94 MWp Cayanga Solar Plants.

Banking & Financial Services

The contribution of UB to Net Income to Equity Holders of AEV increased by 32% YoY, from ₱4.5 bn in 2023 to ₱6.0 bn in 2024. The increase was primarily attributable to the Bank's higher income from core operations, and lower operating expenses.

Food and Beverage

Before elimination of transactions within the Group, the contribution to Net Income to Equity Holders of AEV from the Food and Beverage segment, which includes Aboitiz Foods, and CCEAP was ₱5.9 bn in 2024. This was more than four times the ₱1.3 bn recorded in 2023, primarily driven by (i) Aboitiz Foods, which continued to benefit from stabilizing commodity prices, optimized formulations in both feeds and flour, and strategic pricing adjustments, and (ii) fresh contributions from CCEAP.

Real Estate

The contribution of Aboitiz Land to Net Income to Equity Holders of AEV in 2024, before elimination of transactions within the Group, amounted to ₱943 mn, a 9% decrease from ₱1.0 bn in 2023. The decrease was primarily due to the absence of asset monetization gains, which were realized in 2023.

Infrastructure

The contribution of Aboitiz InfraCapital to Net Income to Equity Holders of AEV, before elimination of transactions within the Group, decreased by 73% to ₱644 mn in 2024, compared to ₱2.4 bn in 2023, which included ₱0.4 bn of non-recurring gain. This was primarily due to higher interest expense from Aboitiz InfraCapital's increased debt availments for its expansion.

The contribution of RCBM to Net Income to Equity Holders of AEV amounted to a ₱1.1 bn loss in 2024 compared to the ₱789 mn loss recorded in 2023. This was due to the continued year-on-year decline in sales volume and selling prices due to weak market demand for cement. In 2024, the Company also recorded impairment losses on RCBM of ₱7.5 bn.

CHANGES IN REGISTRANT'S RESOURCES, LIABILITIES AND SHAREHOLDERS' EQUITY

	31 Dec2024	31 Dec2023	Horizontal Analysis		Vertical Analysis	
			2024 vs 2023	% Change	2024	2023
ASSETS						
Current Assets						
Cash and cash equivalents	₱81,793,295	₱112,293,582	₱30,500,287)	-27 %	9%	13%
Trade and other receivables	62,204,817	58,202,031	4,002,786	7 %	7%	7%
Inventories	45,003,105	45,569,654	(566,549)	-1 %	5%	5%
Derivative asset	328,981	355,510	(26,529)	-7 %	—%	—%
Other current assets	23,168,806	37,963,070	(14,794,264)	-39 %	3%	5%
Total Current Assets	212,499,004	254,383,847	(41,884,843)	-16 %	24 %	31 %
Noncurrent Assets						
Property, plant and equipment	240,612,393	229,700,594	10,911,799	5 %	27 %	28 %
Investments and advances	250,139,819	224,141,125	25,998,694	12 %	28 %	27 %
Intangible assets	138,928,874	81,887,996	57,040,878	70 %	16 %	10 %
Investment properties	14,541,088	14,077,502	463,586	3 %	2 %	2 %
Deferred income tax assets	2,167,548	1,830,300	337,248	18 %	— %	— %
Trade receivables - net of current portion	418,655	377,214	41,441	11 %	— %	— %
Net pension assets	304,261	262,814	41,447	16 %	— %	— %
Other noncurrent assets	34,088,912	27,213,267	6,875,645	25 %	4 %	3 %
Total Noncurrent Assets	681,201,550	579,490,812	101,710,738	18 %	76 %	69 %
TOTAL ASSETS	₱893,700,554	₱833,874,659	₱59,825,895	7 %	100 %	100 %
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	58,793,450	56,145,901	2,647,549	5 %	7 %	7 %
Bank loans	40,959,206	41,040,449	(81,243)	— %	5 %	5 %
Current portions of:						
Long-term debts	30,397,739	15,218,412	15,179,327	100 %	3 %	2 %
Long-term obligation on PDS	40,000	40,000	—	— %	— %	— %
Lease liabilities	326,539	245,762	80,777	33 %	— %	— %
Derivative liability	250,118	506,335	(256,217)	-51 %	— %	— %
Income tax payable	1,879,056	724,243	1,154,813	159 %	— %	— %
Total Current Liabilities	132,646,108	113,921,102	18,725,006	16 %	15 %	14 %
Noncurrent Liabilities						
Noncurrent portions of:						
Long-term debts	₱328,120,086	₱316,356,779	₱11,763,307	4 %	37 %	38 %
Lease liabilities	4,470,965	3,101,890	1,369,075	44 %	1 %	— %
Trade payables	1,870,335	1,185,415	684,920	58 %	— %	— %
Long-term obligation on PDS	57,238	82,730	(25,492)	-31 %	— %	— %
Customers' deposits	9,871,353	9,112,905	758,448	8 %	1 %	1 %
Decommissioning liability	5,259,205	7,363,729	(2,104,524)	-29 %	1 %	1 %
Deferred income tax liabilities	13,843,898	6,234,460	7,609,438	122 %	2 %	1 %
Net pension liability	1,192,092	1,169,205	22,887	2 %	— %	— %
Derivative liability - net of current portion	3,698	—	3,698	-	— %	— %
Total Noncurrent Liabilities	364,688,870	344,607,113	20,081,757	6 %	41 %	41 %
Total Liabilities	497,334,978	458,528,215	38,806,763	8 %	56 %	
Equity Attributable to Equity Holders of the Parent						
Capital stock	5,694,600	5,694,600	—	— %	1 %	1 %
Additional paid-in capital	13,013,197	13,013,197	—	— %	1 %	2 %
Equity reserves	30,120,774	29,423,103	697,671	2 %	3 %	4 %
Accumulated other comprehensive income	559,706	(2,306,957)	2,866,663	-124 %	— %	— %
Retained earnings						
Appropriated	88,800,000	88,800,000	—	— %	10 %	11 %
Unappropriated	148,736,030	138,476,219	10,259,811	7 %	17 %	17 %
Treasury stock at cost	(3,642,072)	(1,145,431)	(2,496,641)	218 %	— %	— %
	283,282,235	271,954,731	11,327,504	4 %	32 %	33 %
Non-controlling Interests	113,083,341	103,391,713	9,691,628	9 %	13 %	12 %
Total Equity	396,365,576	375,346,444	21,019,132	6 %	44 %	45 %
TOTAL LIABILITIES AND EQUITY	₱893,700,554	₱833,874,659	₱59,825,895	7 %	100 %	100 %

Assets

Consolidated assets (as of 31 December 2024 compared to 31 December 2023) increased by 7% to ₱893.7 bn, due to the following:

- Trade and other receivables (current and noncurrent) increased by 7% (₱62.6 bn as of 31 December 2024 compared to ₱58.6 bn as of 31 December 2023) primarily due to higher receivables of the Power Group and the first-time consolidation of AGMCAC.
- Property Plant and Equipment increased by ₱10.9 bn (₱240.6 bn as of 31 December 2024 compared to ₱229.7 bn as of 31 December 2023) primarily due to the capital expenditures for the Power Group's renewable power projects.
- Investments in and Advances to Associates and Joint Ventures increased by ₱26.0 bn (₱250.1 bn as of 31 December 2024 compared to ₱224.1 bn as of 31 December 2023) primarily due to the (i) ₱29.1bn investment in CABPI, (ii) ₱5.0bn additional investment in UnionBank, and (iii) recording of ₱14.5 bn share in net earnings of Associates and Joint Ventures. This increase was partially reduced by the ₱15.3 bn dividends from Associates and Joint Ventures and the effect of the consolidation of AGMCAC.
- Derivative Assets (net of Derivative liabilities, current and noncurrent) changed from ₱151 mn net derivative liability as of 31 December 2023 to ₱75 mn net derivative asset as of 31 December 2024 mainly due to the Power Group's gains on its commodity and currency hedges.
- Intangible Assets increased by 10% (₱138.9 bn as of 31 December 2024 compared to ₱81.9 bn as of 31 December 2023) primarily due to the first-time consolidation of the service concession assets of AGMCAC.
- Other Noncurrent Assets (ONCA) increased by 25% (₱34.1 bn as of 31 December 2024 compared to ₱27.2 bn as of 31 December 2023) primarily due to the increase in advance payments to contractors for ongoing construction of renewable power projects, and TLI's prepaid rent related to the Pagbilao land lease agreement.

The above increases were offset by the following decreases:

- Cash & Cash Equivalents decreased by 27% (₱81.8 bn as of 31 December 2024 compared to ₱112.3 bn as of 31 December 2023) primarily due to new investments, and payment of dividends and interest.
- Other Current Assets (OCA) decreased by 39% (₱23.2bn as of 31 December 2024 compared to ₱38.0bn as of 31 December 2023) primarily due to the maturity of the AGMCAC exchangeable notes.

Liabilities

- Trade and other payables, inclusive of noncurrent portion, increased by 6% (₱60.7 bn as of 31 December 2024 compared to ₱57.3 bn as of 31 December 2023) primarily due to the first-time consolidation of insurance contract liabilities of an AP subsidiary.
- Income tax payable increased by 159%, from ₱724 mn as of 31 December 2023 to ₱1.9 bn as of 31 December 2024 primarily due to higher taxable income.

- Customers' deposits increased by 8%, from ₱9.1 bn as of 31 December 2023 to ₱9.9 bn as of 31 December 2024, primarily due to the Power Group's receipt of bill deposits from new customers.
- Decommissioning liability decreased by 29%, from ₱7.4 bn as of 31 December 2023 to ₱5.3 bn as of 31 December 2024, primarily due to adjustments in the decommissioning provisions on power plant assets.
- Deferred Income Tax Liabilities ("DTL", net of Deferred income tax assets) increased by 165% (₱11.7 bn as of 31 December 2024 compared to ₱4.4 bn as of 31 December 2023) primarily due to the first-time consolidation of AGMCAC and TLI's DTL on its prepaid rent.
- Pension Liabilities (net of Pension assets) decreased by 2% (₱888 mn as of 31 December 2024 compared to ₱906 mn as of 31 December 2023) primarily due to actuarial gains on the Group's defined benefit plans.

Equity

Equity attributable to equity holders of the parent (as of 31 December 2024 compared to 31 December 2023) increased by ₱11.3 bn from ₱272.0 bn to ₱283.3 bn, due to the ₱18.1 bn net income recorded during the year, and ₱1.2 bn in other comprehensive income and movement in equity reserves. These were partly offset by the ₱7.9 bn cash dividends paid in 2024.

MATERIAL CHANGES IN LIQUIDITY AND CASH RESERVES OF REGISTRANT

For 2024, the Group continued to support its liquidity mainly from cash generated from operations, additional loans availed, and dividends received from Associates and Joint Ventures

Compared to the cash inflow during 2023, consolidated cash generated from operating activities for 2024 decreased by ₱2.7 bn to ₱55.1 bn. The decrease was primarily due to higher working capital requirements despite higher operating income.

As of 31 December 2024, ₱41.2 bn net cash was used in investing activities compared to ₱2.2 bn used during 2023. In the current period, ₱36.1 bn was used for new investments and ₱25.2 bn in additional property, plant and equipment.

Net cash used in financing activities was ₱45.5 bn for 2024 compared to ₱44.3 bn in 2023. In the current period, cash was used primarily for payment of dividends and interest.

For 2024, net cash inflows surpassed cash outflows, resulting in an 27% decrease in cash and cash equivalents from ₱112.3 bn as of year-end 2023 to ₱81.8 bn as of 31 December 2024.

FINANCIAL RATIOS

AEV's Current Ratio as of 31 December 2024 stood at 1.6x compared to end-2023's 2.2x as current assets decreased while current liabilities increased. Net Debt-to-Equity ratio increased to 0.8:1 as of 31 December 2024 from year-end 2023's 0.7:1, as the increase in net debt was more than the increase in total equity.

YEAR ENDED 31 DECEMBER 2023 COMPARED TO YEAR ENDED 31 DECEMBER 2022

KEY PERFORMANCE INDICATORS

(Amounts in thousands except financial ratio data)

	JAN-DEC 2023	JAN-DEC 2022	Change	% of Change
EQUITY IN NET EARNINGS OF INVESTEEES	₱23,637,125	₱20,781,865	₱2,855,260	14%
EBITDA	81,182,234	71,176,30	10,005,930	14%
CASH FLOW GENERATED:				
Net cash flows from operating activities	57,826,663	30,180,674	27,645,989	92%
Net cash flows from (used in) investing activities	(2,195,947)	(74,477,629)	72,281,682	-97%
Net cash flows used in financing activities	(44,282,137)	(4,364,764)	(39,917,373)	-915%
Net Increase (Decrease) in Cash & Cash Equivalents	11,348,579	(48,661,719)	60,010,298	-123%
Cash & Cash Equivalents, Beginning	101,526,260	147,534,035	(46,007,775)	-31%
Cash & Cash Equivalents, End	112,293,582	101,526,260	10,767,322	11%
	31 DEC2023	31 DEC 312022		
CURRENT RATIO	2.2	1.9	0.3	16%
NET DEBT-TO-EQUITY RATIO	0.7	0.7	0	0%

Equity earnings in investees increased by 14% from ₱20.8 bn in 2022 to ₱23.6 bn in 2023. The increase was primarily due to fresh contributions from GNPD. This was partly offset by the following: (i) lower earnings of UB due to one-time integration cost of the acquired Citi business, and (ii) lower earnings of RCBM attributed to weak market demand for cement primarily due to higher inflation, delays in the rollout of government projects and unfavorable weather conditions in the Visayas and Mindanao regions at the beginning of 2023.

Consolidated EBITDA translated into substantial cash inflows coming from Subsidiaries' operations. These inflows, coupled with dividends received from Associates and Joint Ventures were the main source of internally-generated funds, which were then used to finance capital expenditures, additional investments into Associates, dividends, and debt service payments.

Net Debt-to-Equity ratio as of 31 December 2023 remained at end-2022 level of 0.7x. The Current Ratio as of 31 December 2023 was at 2.2x, an increase from the end-2022 level of 1.9x, as the decrease in current liabilities was more than the decrease in current assets.

REVIEW OF JANUARY-DECEMBER 2023 OPERATIONS COMPARED TO JANUARY-DECEMBER 2022

RESULTS OF OPERATIONS

For the 12-month period ended 31 December 2023, AEV and its Subsidiaries posted a net income attributable to the equity holders of parent Company ("Net Income to Equity Holders of AEV") of ₱23.5 bn, a 2% decrease YoY. This translated to earnings per share of ₱4.18 for the period in review. The Power Group accounted for the bulk of the income contributions to AEV at 67%, followed by the Banking and Financial Services, Infrastructure, Food, and Real Estate Groups at 18%, 6%, 5%, and 4%, respectively.

During 2023, the Group had non-recurring gains of ₱1.4 bn compared to ₱3.5 bn non-recurring gains recorded in 2022. Without these one-off gains, the Group's core net income for 2023 was ₱22.1 bn, 8% higher YoY. AEV recorded a 14% increase in consolidated EBITDA for 2023 compared to 2022, from ₱71.2 bn to ₱81.2 bn.

MATERIAL CHANGES IN LINE ITEMS OF REGISTRANT'S STATEMENTS OF INCOME AND OF COMPREHENSIVE INCOME

The following discussion describes material changes in the line items of the Company's statement of income and of comprehensive income for 2023 compared to 2022.

Revenues

Sale of Power

The Group's revenue from sale of power increased by 7% or ₱12.9 bn, from ₱193.6 bn in 2022 to ₱206.5 bn in 2023. The increase was primarily attributable to higher availability across AP's generation units. The Group's sale of power comprised 63% and 67% as a percentage of total revenues in 2022 and in 2023, respectively.

Sale of Goods

The Group's revenue from sale of goods decreased by 11% or ₱11.8 bn, from ₱103.6 bn in 2022 to ₱91.7 bn in 2023. The decrease was primarily due to lower sales volume for the Food Group. The Group's sale of goods comprised 34% and 30% as a percentage of total revenues in 2022 and in 2023, respectively.

Real Estate

The Group's revenue from real estate increased by 27% or ₱2.0 bn, from ₱7.4 bn in 2022 to ₱9.5 bn in 2023. The increase was primarily attributable to higher land sales and lease income from Lima Land. As a percentage of total revenues, the Group's revenue from real estate comprised 2% and 3% in 2022 and in 2023, respectively.

Other Revenues

The Group's combined revenue from service fees and other sources increased by 61% or ₱1.4 bn, from ₱2.2 bn in 2022 to ₱3.6 bn in 2023. This increase was primarily due to interest income on the service concession asset of SPI. As a percentage of total revenues, the Group's other revenues comprised 1% in both 2022 and in 2023.

Costs and Expenses

Cost of Generated and Purchased Power

The Group's cost of generated and purchased power increased by 4% or ₱5.4 bn, from ₱130.0 bn in 2022 to ₱135.4 bn in 2023. The increase was primarily attributable to higher volume of power generated and higher purchased power rates driven by higher WESM prices. As a percentage of total costs and expenses, the Group's cost of generated and purchased power comprised 48% and 50% in 2022 and in 2023, respectively.

Cost of Goods Sold

The Group's cost of goods sold decreased by 13% or ₱12.0 bn, from ₱93.4 bn in 2022 to ₱81.3 bn in 2023. The decrease was primarily attributable to lower raw materials costs of the Food Group. As a percentage of total costs and expenses, the Group's cost of goods sold comprised 34% and 30% in 2022 and in 2023, respectively.

Operating Expenses

The Group's operating expenses increased by 15% or ₱6.5 bn, from ₱44.3 bn in 2022 to ₱50.8 bn in 2023. The increase was primarily attributable to higher (i) personnel costs, (ii) professional fees, (iii) taxes and licenses, (iv) insurance of the Group's power plants, and (v) depreciation and amortization. As a percentage of total costs and expenses, the Group's operating expenses comprised 16% and 19% in 2022 and in 2023, respectively.

Cost of Real Estate Sales

For 2023, the Group's cost of real estate sales increased by 23% or ₱0.9 bn, from ₱4.1 bn in 2022 to ₱5.0 bn in 2023. The increase was primarily driven by higher real estate sales. As a percentage of total costs and expenses, the Group's cost of real estate sales comprised 1% and 2% in 2022 and in 2023, respectively.

Operating Profit

As a result of the foregoing, the Group's operating profit increased by 8% or ₱2.9 bn, from ₱35.1 bn in 2022 to ₱38.0 bn in 2023.

Income Before Income Tax

The Group's income before income tax increased by 17% or ₱7.5 bn, from ₱44.0 bn in 2022 to ₱51.5 bn in 2023. The increase was primarily due to higher operating profit, higher equity earnings and other income (AP's bargain purchase gain resulting from its acquisition of an additional stake in SPI, and recognition of business interruption claims).

Provision for Income Tax

The Group's provision for income tax increased by 60% or ₱3.2 bn, from ₱5.4 bn in 2022 to ₱8.6 bn in 2023. The increase was primarily due to higher taxable income of the Power Group.

Net Income

Net income attributable to non-controlling interests for 2023 increased to ₱19.4 bn from ₱14.6 bn in 2022. This was primarily due to the increase in consolidated net income of AP in 2023.

As a result of the foregoing, the Group's Net Income to Equity Holders of AEV decreased by 2% or ₱0.5 bn, from ₱24.0 bn in 2022 to ₱23.5 bn in 2023.

STRATEGIC BUSINESS UNITS

The following discussion describes the performance of the Group's SBUs for 2023 compared to 2022.

Power

The contribution of AP to the Net Income to Equity Holders of AEV, before elimination of transactions within the Group, was ₱17.3 bn in 2023, a 28% increase from ₱13.5 bn in 2022. The variance was primarily due to fresh contributions from GNPD and higher availability across AP's power generation units. Energy volume sold in 2023 increased by 17% to 35,372 GWh from 30,251 GWh in 2022.

Banking & Financial Services

The contribution of UB to the Net Income to Equity Holders of AEV decreased by 29%, from ₱6.3 bn in 2022 to ₱4.5 bn in 2023. The decrease was primarily due to higher credit loss provision, and higher operating expenses resulting from the full-year impact of the costs associated with the integration of Citi's consumer business and UnionDigital, which only became part of Unionbank in the second half of 2022.

Food

The contribution of the Food Group to the Net Income to Equity Holders of AEV, before elimination of transactions within the Group, was ₱1.3 bn in 2023, a reversal from the ₱14 mn loss in 2022. This reversal was primarily due to better margins from its Flour and Agribusiness segments driven by the decrease in raw material costs and better pricing strategy. These gains were partially offset by the lower contributions from the Farms and Meats segments, which were dragged down by the lower selling prices for both live hogs and meats combined with higher production costs pertaining to the carrying costs of underutilized farms.

Real Estate

The contribution of Aboitiz Land to the Net Income to Equity Holders of AEV, before elimination of transactions within the Group, amounted to ₱1.0 bn in 2023, a 19% increase from ₱865 mn in 2022. The increase was primarily due to higher revenues from higher sales performance and construction activity, coupled with gains from sale of properties.

Infrastructure

The contribution of Aboitiz InfraCapital to the Net Income to Equity Holders of AEV, before elimination of transactions within the Group, increased by 26% to ₱2.4 bn in 2023, compared to ₱1.9 bn in 2022. The increase was primarily due to higher land sales and lease income from Aboitiz InfraCapital's Economic Estates and incremental contributions from the airports business segment.

The contribution of RCBM to the Net Income to Equity Holders of AEV amounted to a ₱789 mn loss in 2023 compared to the ₱323 mn loss recorded in 2022. This was due to lower sales volume attributed to weak market demand for cement primarily due to higher inflation, delays in the rollout of government projects, and unfavorable weather conditions in the Visayas and Mindanao regions at the beginning of 2023.

CHANGES IN REGISTRANT'S RESOURCES, LIABILITIES AND SHAREHOLDERS' EQUITY

Assets

Consolidated assets (as of 31 December 2023 compared to 31 December 2022) increased by 3% to ₱833.8 bn, primarily due to the following:

- Cash & Cash Equivalents increased by 11% (₱112.3 bn as of 31 December 2023 compared to ₱101.5 bn as of 31 December 2022) primarily due to cash generated from operations, cash dividends from Associates and Joint Ventures, and proceeds from the issuance of retail bonds and maturing short-term cash deposits of AEV.

- Investments in and Advances to Associates and Joint Ventures increased by ₱28.3 bn (₱224.1 bn as of 31 December 2023 compared to ₱195.9 bn as of 31 December 2022) primarily due to (i) ₱6.0 bn additional investment in UnionBank, (ii) ₱1.4 bn additional investment in Unity, (iii) ₱5.2 bn other comprehensive income, and (iv) the recording of ₱23.6 bn share in net earnings of Associates and Joint Ventures. This increase was partially offset by the ₱4.6 bn dividends received from Associates and Joint Ventures and ₱3.4 bn effect of the step acquisition to Subsidiary of SPI.

The above Increases were offset by the following decreases:

- Trade and other receivables (current and noncurrent) decreased by 5% (₱58.6 bn as of 31 December 2023 compared to ₱61.6 bn as of 31 December 2022) primarily due to higher collection efficiency in AP, and lower sales of the Food Group.
- Other Current Assets (OCA) decreased by 18% (₱38.0 bn as of 31 December 2023 compared to ₱46.3 bn as of 31 December 2022) primarily due to the decrease in short-term cash deposits partly offset by the reclassification of exchangeable notes from Other Noncurrent Assets to OCA.
- Other Noncurrent Assets (ONCA) decreased by 17% (₱28.1 bn as of 31 December 2023 compared to ₱33.7 bn as of 31 December 2022) primarily due to the reclassification of exchangeable notes from ONCA to OCA, partly offset by the first-time consolidation of SPI's service concession contract asset.

Liabilities

Total Liabilities as of 31 December 2023 increased to ₱458.5 bn compared to ₱457.6 bn as of 31 December 2022 primarily due to the following:

- Bank loans decreased by 10% (₱41.0 bn as of 31 December 2023 compared to ₱45.4 bn as of 31 December 2022) primarily due to short-term debt payments by the Power and Food Groups during 2023.
- Long-term debt, which includes both current and noncurrent portions, increased by 9% (₱331.6 bn as of 31 December 2023 compared to ₱303.5 bn as of 31 December 2022) primarily due to the issuance of retail bonds by AEV amounting to ₱17.4 bn, TLI new loan to prepay its lease obligation to PSALM, and loan availments of other Subsidiaries. These were partly offset by principal payments made on existing loans during 2023.
- Long-term obligation on Power Distribution System, which includes current and noncurrent portions, decreased by 16% (₱123 mn as of 31 December 2023 compared to ₱145 mn as of 31 December 2022) as regular annual payments were made.
- Lease liabilities, which include current and noncurrent portions, decreased by 88% (₱3.3 bn as of 31 December 2023 compared to ₱27.9 bn as of 31 December 2022) due to the prepayment by TLI of its obligation to PSALM in 2023.
- Trade and other payables, inclusive of noncurrent portion, decreased by 5% (₱57.3 bn as of 31 December 2023 compared to ₱60.5 bn as of 31 December 2022) primarily due to the decrease in insurance contract liabilities.
- Income tax payable increased by 30%, from ₱556 mn as of 31 December 2022 to ₱724 mn as of 31 December 2023 primarily due to higher taxable income.
- Derivative liabilities (net of Derivative assets, current and noncurrent) moved from ₱2.4 bn net asset position as of 31 December 2022 to ₱151 mn liability as of 31 December 2023. This was primarily due to losses in the Power Group's cash flow hedges.

- Customers' deposits increased by 10%, from ₱8.3 bn as of 31 December 2022 to ₱9.1 bn as of 31 December 2023, primarily due to the Power Group's receipt of bill deposits from new customers.
- Decommissioning liability increased by 30%, from ₱5.7 bn as of 31 December 2022 to ₱7.4 bn as of 31 December 2023, primarily due to the recognition of additional decommissioning provisions on power plant assets.
- Deferred Income Tax Liabilities (net of Deferred income tax assets) increased by 58% (₱4.4 bn as of 31 December 2023 compared to ₱2.8 bn as of 31 December 2022) primarily due to the first-time consolidation of STEAG.
- Pension Liabilities (net of Pension assets) increased by 237% (₱906 mn as of 31 December 2023 compared to ₱269 mn as of 31 December 2022) primarily due to actuarial losses on the Group's defined benefit plans.

Equity

Equity attributable to equity holders of the parent (as of 31 December 2023 compared to 31 December 2022) increased by ₱16.9 bn from ₱255.1 bn to ₱272.0 bn, due to the ₱23.5 bn net income recorded during the year, and ₱2.2 bn in other comprehensive income. These were partly offset by the ₱8.3 bn cash dividends paid during 2023.

MATERIAL CHANGES IN LIQUIDITY AND CASH RESERVES OF REGISTRANT

For 2023, the Group continued to support its liquidity primarily from cash generated from operations, additional loans availed, and dividends received from Associates and Joint Ventures.

Compared to the cash inflow during 2022, consolidated cash generated from operating activities for 2023 increased by ₱27.6 bn to ₱57.8 bn. The increase was primarily due to lower working capital requirements and higher operating income.

As of 31 December 2023, ₱2.2 bn net cash was used in investing activities compared to ₱74.5 bn used during 2022. In the current period, ₱19.4 bn of short-term cash deposits were liquidated, partly offset by ₱7.5 bn investments in Associates. In the same period in 2022, ₱13.9 bn was invested in short-term cash deposits to maximize interest income, while ₱30.7 bn was invested in Associates.

Net cash used in financing activities was ₱44.3 bn during 2023 compared to ₱4.4 bn during 2022. This was due to higher interest payments, payment of short-term loans, and prepayment of TLI's lease obligations to PSALM.

For 2023, net cash inflows surpassed cash outflows, resulting in an 11% increase in cash and cash equivalents from ₱101.5 bn as of year-end 2022 to ₱112.3 bn as of 31 December 2023.

FINANCIAL RATIOS

AEV's Current Ratio as of 31 December 2023 stood at 2.2x compared to end-2022's 1.9x as the decrease in current liabilities was more than the decrease in current assets. Net Debt-to-Equity ratio remained at year-end 2022's 0.7:1.

Item 7. Financial Statements

The audited consolidated financial statements of AEV will be incorporated herein by reference. The schedules listed in the accompanying Index to Supplementary Schedules will be filed as part of the Annual Report.

Item 8. Information on Independent Accountant and Other Related Matters

(A) External Audit Fees

The following table sets out the aggregate fees paid by the Company for each of the last two years for professional fees rendered by SGV:

Fee Type	Year ended 31 December 2025	Year ended 31 December 2024
Audit and Audit Related Fees		
Audit Fees	₱632,500.00	₱625,000.00
Audit-Related Fees	3,401,224.00	3,457,500.00
Total	₱4,033,724.00	₱4,082,500.00
Non-Audit Service Fees		
Other Assurance Fees	-	₱3,307,500.00-
Consultancy Fees	₱157,360.00	2,240,870.00
Total	₱157,360.00	₱5,548,370.00
Total Audit and Non-Audit Fees	₱4,191,084.00	₱9,630,870.00

The audit-related fees include assurance and services that are related to the review of AEV's financial statements pursuant to its bond issuances. Non-audit fees were incurred for services related to tax compliance, including the preparation of tax forms and transfer pricing documentation. In 2024, non-audit fees were incurred for a cybersecurity threat assessment engagement.

As a policy, the Board Audit Committee makes recommendations to the Board concerning the choice of external auditor and pre-approves audit plans, scope, and frequency before the audit is conducted.

Audit services of external auditors for the years 2025 and 2024 were pre-approved by the Board Audit Committee. The Committee had also reviewed the extent and nature of these services to ensure that the independence of the external auditors is preserved.

(B) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has engaged the services of SGV during the two most recent fiscal years. There are no disagreements with SGV on accounting and financial disclosure.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

(a) Directors and Officers for 2025 - 2026

The overall management and supervision of the Company is undertaken by its board of directors (the “Board”). The Company’s executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning the Company’s business operations, financial condition and results of operations for its review.

(1) Directors for 2025 - 2026

The Company’s Board is composed of nine directors, three of whom are Independent Directors, five are Non-Executive Directors, and one is an Executive Director. Below is the profile of each director for 2025 - 2026 with their corresponding positions, offices, and business experience held for the past five years. Unless otherwise indicated, the directors were elected during AEV’s 2025 ASM to serve for a term of one year.

ENRIQUE M. ABOITIZ (Chairman of the Board, Non-Executive Director)

Age: 72

Citizenship: Filipino

Date of First Appointment: 10 May 1999

Tenure: 26 years

Committee Memberships:

Member	Board Sustainability, Governance, and Related Party Transactions Committee
	Board Executive Committee

Present Positions:

Chairman of the Board of Directors	Aboitiz Equity Ventures Inc.*
Independent Director	International Container Terminal Services, Inc.*
Director	Aboitiz & Company, Inc.
	Amanpulo Holdings Company
	AWC Wine Distribution
	Batangas Bay Towage Inc.
	BlueVoyant Philippines, Inc.
	Nice Tech Holding AG
	QEV Technologies, S.L.
	Seven Seas Resorts and Leisure, Inc.

Previous Positions:

Chairman of the Board of Directors	Aboitiz Power Corporation*
	Aboitiz Land, Inc.
	Jebesen PTC, Inc.
President and Chief Executive Officer	Aboitiz Transport System Corp (now 2GO Group, Inc.)
Director	Marina Board
	Philippine Stock Exchange

	Union Bank of the Philippines

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Science in Business Administration, Major in Economics, from Gonzaga University, Spokane, Washington, U.S.A.

Mr. Aboitiz is not connected with any government agency or instrumentality.

MIKEL A. ABOITIZ (Vice-Chairman, Non-Executive Director)

Age: 71
 Citizenship: Filipino
 Date of First Appointment: 15 May 2017
 Tenure: 8 years

Committee Memberships:

Member	Board Executive Committee

Present Positions:

Vice Chairman of the Board	Aboitiz Equity Ventures Inc.*
Trustee and Chairman	Ramon Aboitiz Foundation, Inc.
Director	Aboitiz & Company, Inc.

Previous Positions:

Chairman of the Board of Directors	Aboitiz & Company, Inc. (2019 to 2025)
Vice Chairman of the Board	Aboitiz Power Corporation* (1998 to 2019)
	City Savings Bank, Inc. (2015 to 2016)
President and Chief Executive Officer	City Savings Bank, Inc. (2001 to 2014)
Senior Vice President	Aboitiz Equity Ventures Inc.* (2004 to 2015)

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Science in Business Administration from Gonzaga University, Spokane, Washington, U.S.A.

Mr. Aboitiz is not connected with any government agency or instrumentality.

ERRAMON I. ABOITIZ (Non-Executive Director)

Age: 69
 Citizenship: Filipino
 Date of First Appointment: 9 May 1994
 Tenure: 31 years

Committee Memberships:

Member	Board Audit Committee

	Board Executive Committee

Present Positions:

Director	Aboitiz Equity Ventures Inc.*
	Aboitiz Power Corporation*
Chairman of the Board of Directors	Aboitiz & Company, Inc.
	Union Bank of the Philippines*
	Endeavor Philippines
Chairman of the Board of Trustees	Asian Institute of Management

Previous Positions:

Board Observer	Aboitiz & Company, Inc.
President and Chief Executive Officer	Aboitiz Equity Ventures Inc.* (2009 to 2019)
	Aboitiz Power Corporation* (2018 to 2019)
Director / Chairman of the Board	Aboitiz Power Corporation* (2009 to 2019)
Executive Vice President and Chief Operating Officer	Aboitiz Equity Ventures Inc.* (1994 to 2008)
Trustee	Philippine Disaster Recovery Foundation

*Publicly Listed Company

Educational and Professional Background:

- Bachelor of Science Degree in Business Administration, Major in Accounting and Finance, from Gonzaga University, Spokane, Washington, U.S.A.
- Honorary Doctorate Degree in Management from the Asian Institute of Management
- Awardee – Management Man of the Year by the Management Association of the Philippines (2011)
- Awardee – Entrepreneur of the Year by Ernst & Young (2011)

Mr. Aboitiz is not connected with any government agency or instrumentality.

SABIN M. ABOITIZ (Executive Director)

Age: 61

Citizenship: Filipino

Date of First Appointment: 21 May 2018

Tenure: 7 years

Committee Memberships:

Chairman	Board Executive Committee
Member	Board Sustainability, Governance, and Related Party Transactions Committee
	Board Risk and Reputation Management Committee

Present Positions:

President and Chief Executive Officer	Aboitiz Equity Ventures Inc.*
Chairman of the Board	Aboitiz Power Corporation*
	Aboitiz Foundation, Inc.

	Aboitiz Land, Inc.
	CRH Aboitiz Holdings, Inc.
	Advanced Data Innovation, Inc.
	AEV Aviation, Inc.
Director / President	AEV CRH Holdings, Inc.
Director	Aboitiz Infracapital, Inc.
	Aboitiz Impact Ventures, Inc.
	Aboitiz Construction International, Inc.
	Aboitiz Construction, Inc.
	AEV International Pte Ltd.
	Lima Land, Inc.
	Pilmico Animal Nutrition Corporation
	Pilmico Foods Corporation
	Republic Cement & Building Materials, Inc.
	Republic Cement Services, Inc.
	Unity Digital Infrastructure Inc.
	Union Bank of the Philippines*
	Aboitiz Foods Holdings, Inc.
	Aboitiz Data Innovation Pte. Ltd.
	CCEP Aboitiz Beverages Philippines Inc.
	Metaphil, Inc.
Head	Private Sector Advisory Council
ASEAN Business Advisory Council (ABAC) PH Member	Asia Pacific Economic Cooperation

Previous Positions:

Executive Vice President and Chief Operating Officer	Aboitiz Equity Ventures Inc.* (2015 – 2019)
Senior Vice President	Aboitiz Equity Ventures Inc.* (2015)
First Vice President	Aboitiz Equity Ventures Inc.* (2014 – 2015)

*Publicly Listed Company

Educational and Professional Background:

- Bachelor of Science Degree in Business Administration, Major in Finance from Gonzaga University, Spokane, U.S.A.

Mr. Aboitiz is not connected with any government agency or instrumentality.

ANA MARIA A. DELGADO (Non-Executive Director)

Age: 45

Citizenship: Filipino

Date of First Appointment: 11 December 2018

Tenure: 7 years

Committee Memberships:

Member	Board Audit Committee

Present Positions:

Director	Aboitiz Equity Ventures Inc.*
	Union Bank of the Philippines*
	UnionDigital Bank Inc.
	UBP Investment Corp.
	Bankers Association of the Philippines
Chairman	City Savings Bank Inc.
President and Chief Executive Officer	Union Bank of the Philippines*

*Publicly Listed Company

Previous Positions:

Non-Executive Director	Singlife Philippines Inc.
Advisor	Advanced Data Innovation, Inc.
Director	Aboitiz Land Inc.
	Aboitiz InfraCapital, Inc.
	Advanced Data Innovation, Inc.
	AEV CRH Holdings, Inc.
	CRH Aboitiz Holdings, Inc.
	Republic Cement & Building Materials
	Republic Cement Services, Inc.
	Visayan Electric Company, Inc.
Assistant Vice President for Product Management	Citibank, N.A. (2006 to 2008)

Educational and Professional Background:

- Bachelor of Arts degree in Art History/Painting from Boston College
- Master's Degree in Business Administration from New York University Stern School of Business

Ms. Delgado is not connected with any government agency or instrumentality.

LUIS MIGUEL O. ABOITIZ (Non-Executive Director)

Age: 61

Citizenship: Filipino

Date of First Appointment: 28 April 2025

Tenure: 9 Months

Committee Memberships:

Chairman	Board Risk and Reputation Management Committee
Member	Board Cyber and Information Security Committee
	Board Executive Committee

Present Positions:

Chairman of the Board	Aboitiz Impact Ventures, Inc.
	AB Capital Securities, Inc.
Director	Aboitiz & Company, Inc.
	Aboitiz Equity Ventures Inc.*

Director and President	DDLS Aboitiz, Inc. (Lumify Work Philippines)
Trustee	Pacific Basin Economic Council
	Philippine Business for Social Progress
	Santa Clara University

Previous Positions:

Director / Vice Chairman of the Board	Aboitiz Power Corporation*
Executive Vice President – Chief Strategy Officer	
Executive Vice President and Chief Operating Officer – Corporate Business Group	
Senior Vice President-Power Marketing and Trading	

*Publicly Listed Company

Educational and Professional Background:

- Bachelor of Science in Computer Science and Engineering Santa Clara University, California, U.S.A.
- Master's degree in Business Administration University of California, Berkeley, U.S.A.

Mr. Aboitiz is not connected with any other publicly-listed company. He is not connected to any government agency or instrumentality.

CESAR G. ROMERO (Lead Independent Director)

Age: 60

Citizenship: Filipino

Date of First Appointment: 25 April 2022

Tenure: 3 years

Committee Memberships:

Chairman	Board Audit Committee
Member	Board Sustainability, Governance, and Related Party Transactions Committee
	Board Risk and Reputation Management Committee
	Board Cyber and Information Security Committee

Present Positions:

Independent Director	Aboitiz Equity Ventures Inc.*
	Aboitiz Power Corporation*
	Robinsons Retail Holdings, Inc.*

*Publicly Listed Company

Previous Positions:

President and Chief Executive Officer	Pilipinas Shell Petroleum Corporation (2016 – 2021)

Vice President Global Retail Network	Shell's Global Downstream Business (2013 – 2018)
Vice President of Retail Sales and Operations East	Shell's Global Downstream Business (2009 – 2013)
Vice President of Supply East	Shell's Global Downstream Business (2007 – 2009)
Vice President for Downstream Management Consultancy	Shell's Global Downstream Business (2005 – 2007)
Business Assistant to the Executive Director	Shell's Global Downstream Business (2005 – 2007)
Shell's Scenario Planning Team	Shell International (1995)
Refinery Engineer	Pilipinas Shell Petroleum Corporation (1987)

Educational and Professional Background:

- Bachelor of Science in Mechanical Engineering (Cum Laude) from the University of the Philippines
- Master's Degree in Business Administration (with High Distinction) from the University of Michigan
- Various management development courses at the London Business School and the Wharton Business School

Mr. Romero is not connected with any government agency or instrumentality.

JOANNE G. DE ASIS (Independent Director)

Age: 75

Citizenship: Filipino

Date of First Appointment: 26 April 2021

Tenure: 4 years

Committee Memberships:

Chairman	Board Sustainability, Governance, and Related Party Transactions Committee
Member	Board Audit Committee
	Board Risk and Reputation Management Committee

Present Positions:

Independent Director	Aboitiz Equity Ventures Inc.*
	Del Monte Pacific Ltd.*
	Easycall Communications Philippines, Inc.,
Senior Adviser	Morgan Stanley & Co.
Founder and Chairman	Globe Capital Partners LLC, U.S.A.
Advisory Board Member	Annenberg Foundation Trust at Sunnylands, U.S.A
Advisor	APEC Business Advisory Council
Member	Private Sector Advisory Council

**Publicly Listed Company*

Previous Positions:

Managing Director	Credit Suisse First Boston, New York City, U.S.A & London, U.K (1989 – 1998)
Director, International	Dillon Read & Company, New York City, U.S.A (1986 –

	1988)
Vice President	Morgan Stanley International, London, U.K (1981 – 1986)
Associate	Morgan Stanley & Co. New York City, U.S.A (1977 – 1981)
Advisory to the Treasury Department	Bangko Sentral ng Pilipinas (1984 – 1985)
Professor	Maryknoll College, Communication Arts (1972)

Educational and Professional Background:

- Bachelor of Arts, Major in Communication Arts, from Maryknoll College
- Master of Business Administration from the Columbia University in New York, U.S.A.
- Executive Management Program from Stanford University in Palo Alto California, U.S.A.

Ms. De Asis is not connected with any government agency or instrumentality.

PETER D. MAQUERA (Independent Director)

Age: 63

Citizenship: Filipino

Date of First Appointment: 26 October 2023

Tenure: 2 years

Committee Memberships:

Chairman	Board Cyber and Information Security Committee
Member	Board Sustainability, Governance, and Related Party Transactions Committee
	Board Audit Committee
	Board Risk and Reputation Management Committee

Present Positions:

Chief Executive Officer	Microsoft Philippines
Trustee/Director	Makati Business Club
	American Chamber of Commerce
	Affinity Express Holdings, Inc.
	Antech Holdings Singapore Ltd.

Previous Positions:

Senior Vice President	Globe Telecom, Inc.* (2017 – 2022)
President and Director	Globe Telecom International Business Holdings (2018 – 2022)
Deputy CEO and Director	Livelt Investments, Ltd. (2010 – 2017)
Trustee	IT & Business Process Association of the Philippines Semiconductor and Electronics Industries in the Philippines Foundation, Inc.
Trustee/Director	FPS Tech Philippines, Inc.
Director	Advanced Nutritional Technologies, Ltd.

*Publicly Listed Company

Educational and Professional Background:

- Undergraduate Degree in Engineering from the University of Southern California, U.S.A.
- Master of Business Administration from the University of Southern California, U.S.A.

Mr. Maquera is not connected with any other publicly-listed company. He is not connected to any government agency or instrumentality.

Performance Assessment and Attendance Reports of the Board

In accordance with AEV's Revised Manual on Corporate Governance as amended on 23 February 2022, (the "Revised Manual"), the members of the Board and Board Committees conduct an annual self-assessment of their collective and individual performance. In addition, the directors assess the performance of the Company's corporate officers such as the Chairman of the Board, the Chief Executive Officer, the Chief Risk Officer, the Chief Compliance Officer, the Corporate Secretary, and the Group Internal Audit Head.

The assessment forms are prepared and regularly reviewed by the Chief Compliance Officer in order to elicit relevant and valuable insights on the following assessment criteria: (1) compliance with best governance practices and principles; (2) participation and contribution to the Board and committee meetings; and (3) performance of their duties and responsibilities as provided in the Company's Revised Manual, Charters, Amended Articles of Incorporation, and Amended By-Laws.

In 2025, the AEV directors conducted a self-evaluation based on the following criteria: (1) Communication, (2) Network, (3) Understanding of the Business, (4) Understanding of Political Landscape, (5) Tracks Geopolitical and Local Dynamics, (6) Stakeholder Awareness, (7) Active Participation, (8) Contributes to the Diversity of Discussion, and (9) Board Committee Involvement. Assessment results are presented to the SGRPT Committee as part of the nomination and selection process of incumbent Board members.

The Corporate Governance Code and the Revised Manual requires that at least once in every three years, the conduct of the Board performance assessment must be supported by an independent third-party facilitator. AEV complied with this requirement in 2023 with the engagement of Complete Coherence, a leadership development and coaching company based in the United Kingdom. The results of the assessment, as well as the recommendations from Complete Coherence, were presented and discussed at the Board meeting on 12 December 2023.

For more discussion on the Board's (i) performance assessment, and (ii) attendance record at Board, Board Committee, and stockholders' meetings for the year 2025, please refer to Board Matters portion of Part IV – Corporate Governance of this Annual Report.

Procedure for Nomination of Independent Directors

The procedure for the nomination, qualification, and election of Independent Directors is in accordance with Rule 38 of the Securities Regulation Code ("SRC Rule 38"), AEV's Amended By-Laws approved in 2025, and AEV's Guidelines for the Nomination and Election of Independent Directors approved by the Board of Directors in 2017 (the "Amended Guidelines").

In accordance with Section 1, Article II of the Company's Amended By-laws, nominations for election of members of the Board of Directors (including Independent Directors) by stockholders shall be accepted starting January 1 of the year in which such nominee is to be elected. Nominations shall be closed by February 15 of the same year, except as may be provided by the Board of Directors in appropriate guidelines that it may promulgate from time to time in compliance with law.

SRC Rule 38 further requires the Board SGRPT Committee (in its capacity as the Board Nomination and Compensation Committee) to meet and pre-screen all nominees and submit a final list of nominees to the Corporate Secretary, so that such list will be included in the Company's SEC Form 20-IS (Information Statements). Only nominees whose names appear on the final list shall be eligible for election at the 2026 ASM. No other nominations shall be entertained after the final list of nominees has been prepared. The name of the person or group of persons who nominates an Independent Director shall be identified including any relationship with the nominee.

On 2 March 2026, after the Board SGRPT reviewed and pre-screened all nominees, it approved and submitted the final list of nominees to the Corporate Secretary.

Messrs. Cesar G. Romero, Peter D. Maquera, Eric Ramon O. Recto, and Pier Luigi Sigismondi are the nominees for Independent Directors of AEV for the 2026 ASM. They are neither officers nor employees of the Company or any of its Affiliates, and do not have any relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibilities of an Independent Director.

AEV stockholders, Mr. Stephen Tan, Mr. Albert Y. Chua, Ms. Richel Mahayag, and Ms. Meccah Jane Santiago have nominated Messrs. Romero, Maquera, Recto, and Sigismondi, respectively, as the Company's Independent Directors. None of the nominating stockholders have any relation to the respective Independent Director they are nominating.

Other Nominees for the Election as Members of the Board of Directors

Included in the final list of nominees approved and submitted by the Board SGRPT Committee to the Corporate Secretary are the following nominees that qualified as candidates to the AEV Board of Directors for the 2026-2027 term:

Enrique M. Aboitiz
Erramon I. Aboitiz
Sabin M. Aboitiz
Ana Maria A. Delgado
Luis Miguel O. Aboitiz

All other information regarding the positions and offices held by nominees are integrated in Part III. Item 9 (a) (1) above. Messrs. Eric Ramon O. Recto and Pier Luigi Sigismondi, are being nominated to the Board of Directors for the first time.

The following are their profiles, including the positions and offices held for the past five years:

ERIC RAMON O. RECTO	
Age: 62	
Citizenship: Filipino	
<u>Present Positions:</u>	
Vice Chairman of the Board/ Lead Independent Director	Aboitiz Power Corporation*
Chairman of the Board	Philippine Bank of Communications*
	Pylon Holdings Corporation
	Eight-8-Ate Holdings, Inc.
Chairman of the Board and President	Bedfordbury Development Corporation
Chairman of the Board and Chief	Atok-Big Wedge Co., Inc.*

Executive Officer	
Vice Chairman	Alphaland Corporation
Director	DITO CME Holdings Corp.*
	Miescor Infrastructure Development Corporation
	PXP Energy Corporation*
Independent Director	PH Resorts Group Holdings, Inc.*
	Manila Water Company, Inc.*
	Sun Life of Canada (Philippines), Inc.
Senior Adviser	Stonepeak Infrastructure Partners

Previous Positions:

Chairman of the Board and Chief Executive Officer	Alphaland Corporation
President	Top Frontier Investment Holdings, Inc.
Director	Manila Electric Company (Meralco)*
	Maynilad Water Services, Inc.*
	Metro Pacific Investments Corporation
	San Miguel Corporation*
Independent Director	Davao Insular Hotel Company Inc.
	Energy Development Corporation
	Philippine National Bank*
	Waterfront Cebu City Casino Hotel Inc.
Undersecretary	Department of Finance

*Publicly Listed Company

Educational and Professional Background:

- Bachelor of Science Degree in Industrial Engineering from the University of the Philippines – Diliman
- Master in Business Administration, with concentration in Finance and Operation Management from the Johnson Graduate School of Management at Cornell University in Ithaca, New York, U.S.A.

Mr. Recto is not connected to any government agency or instrumentality.

PIER LUIGI SIGISMONDI

Age: 60

Citizenship: Italian

Present Positions:

Independent Non-Executive Director	SATS, Ltd.*
Non-Executive Director	Mastronardi Produce Ltd.*
	DeOleo S.A.*
Senior Advisor	McKinsey & Company
Corporate Advisor	Temasek International Advisors Pte. Ltd.

Previous Positions:

Non-Executive Director	Rexel SA*
Board Member	Ben & Jerry's

	Singapore Food Agency
EVP & President	Dole Sunshine Company, Singapore* (2019 – 2023)
EVP & President, South-East Asia & Australasia, Singapore	Unilever* (2016 – 2018)
Chief Supply Chain Officer, London	Unilever* (2009 – 2015)
Vice President Operations and R&D, Mexico	Nestle S.A. (2005 – 2009)

**Publicly Listed Company*

Educational and Professional Background:

- Executive programs at Singularity University and Harvard Business School
- Master of Science in Industrial Engineering from the Georgia Institute of Technology
- Degree in Computer Science and Systems Engineering from the Universidad Simon Bolivar in Venezuela

Except for his prior service as a board member of the Singapore Food Agency and as a member of a Singapore public policy advisory council, Mr. Sigismondi is not connected with any government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.

(2) Officers for 2025-2026

Below is the list of AEV officers for 2025 - 2026 with their corresponding positions and offices held for the past five years. Unless otherwise indicated, the officers assumed their positions during AEV's organizational meeting in 2025 for a term of one year.

ENRIQUE M. ABOITIZ Chairman – Board of Directors <i>Refer to Item 5 (a) (1) for the profile of Mr. Enrique M. Aboitiz</i>					
MIKEL A. ABOITIZ Vice Chairman – Board of Directors <i>Refer to Item 5 (a) (1) for the profile of Mr. Mikel A. Aboitiz</i>					
SABIN M. ABOITIZ Director / President and Chief Executive Officer <i>Refer to Item 5 (a) (1) for the profile of Mr. Sabin M. Aboitiz</i>					
JOSE EMMANUEL U. HILADO Senior Vice President/ Chief Financial Officer/ Corporate Information Officer/ Chief Risk Officer Age: 62 Citizenship: Filipino <u>Committee Memberships:</u> <table border="1" data-bbox="322 1751 1350 1856"> <tr> <td rowspan="3">Ex-Officio Member</td><td>Board Risk and Reputation Management Committee</td></tr> <tr> <td>Board Executive Committee</td></tr> <tr> <td>Board Cyber and Information Security Committee</td></tr> </table>		Ex-Officio Member	Board Risk and Reputation Management Committee	Board Executive Committee	Board Cyber and Information Security Committee
Ex-Officio Member	Board Risk and Reputation Management Committee				
	Board Executive Committee				
	Board Cyber and Information Security Committee				

Present Positions:

SVP – Chief Financial Officer / Company Information Officer/ Chief Risk Officer	Aboitiz Equity Ventures Inc.*
Trustee and Treasurer	Aboitiz Foundation, Inc.
Director and Treasurer	AEV CRH Holdings, Inc.
Director	Union Bank of the Philippines*
	AEV International Pte Ltd.
	Archipelago Insurance Pte. Ltd.
	Republic Cement and Building Materials, Inc.
	Aboitiz Data Innovation Pte. Ltd.
	Aboitiz Renewables, Inc.
	CCEP Aboitiz Beverages Philippines, Inc.
	AboitizPower International Pte. Ltd.
	AEV Aviation Inc.
	UnionDigital Bank Inc.
Director and Chairman of the Board	UBX Philippines Corp.
Treasurer	Aboitiz InfraCapital Inc.
	CRH Aboitiz Holdings, Inc.
	Aboitiz Construction International, Inc.
Trustee	University of St. La Salle - Bacolod

Previous Positions:

Senior Executive Vice President – Chief Finance Officer (Oct. 2022 - Dec. 2022)	Union Bank of the Philippines*
Senior Executive Vice President – Treasurer and Head of Global Market (Jan. - Sep. 2022)	
Senior Executive Vice President – Chief Finance Officer and Treasurer (Jul. 2017 - Jan. 2022)	
Director (Jul. 2017 - May 2023)	First Union Plans, Inc.
Director (Jul. 2017 - May 2023)	UBP Investments Corporation
Director (Jan. 2016 - May 2017)	East West Leasing Corporation
Chairman of the Board of Directors (Jun. 2015 - May 2017)	East West Insurance Brokerage Inc.
Director (Feb. 2015 - May 2017)	East West Ageas Life
Senior Executive Vice President & COO - Cluster Head Investments / Markets (Sep. 2014 - May 2017)	East West Banking Corporation*
Director (Mar. 2012 - Mar. 2013)	Bankard Inc.
Director (Mar. 2010 - Mar. 2012)	Rizal Commercial Banking Corporation (RCBC) Savings Bank
Director (Jan. 2009 - Jun. 2014)	Rizal Commercial Banking Corporation Int'l. Finance Ltd. (RCBC IFL) Hong Kong
Senior Executive Vice President & Treasurer (Oct. 2008 - June 2014)	Rizal Commercial Banking Corporation*
Senior Vice President & Head of Trading & Investments (Jul. 2007 - Oct. 2008)	Banco de Oro Unibank Inc.

Senior Vice President & Treasurer (Sep. 2003 - Jun. 2007)	Banco de Oro Private Bank
First Vice President & Head of Fixed Income Portfolio (Sep. 2001 – Aug. 2008)	Banco de Oro Universal Bank*
First Vice President & Head of Treasury Marketing & Domestic Trading (Sep. 1999 - Aug. 2001)	Equitable PCIBank
Vice President & Head of FX Trading & Treasury Marketing (Jul. 1997 - Aug. 1999)	Equitable Banking Corporation
Vice President - International Banking (Sep. 1991 - Jun. 1997)	Far East Bank and Trust Company
Senior Manager - Human Resources Division (Oct. 1987 - Sep. 1991)	Far East Bank and Trust Company
Admin Officer - Purchasing Department (Dec. 1985 - Oct. 1987)	Far East Bank and Trust Company
Staff Assistant - Operations Group (Jun. 1985 - Dec. 1985)	Far East Bank and Trust Company

*Publicly Listed Company

Educational and Professional Background:

- Bachelor of Science in Business Economics from the University of the Philippines
- Executive Master of Business Administration from Kellogg-HKUST
- BAP Certified Treasury Professional from Ateneo Graduate School
- Member:
 - Bankers Association of the Philippines' Open Market Committee
 - Financial Executive Institute of the Philippines (FINEX)
 - Money Market Association
 - ACI Philippines
 - Philippine Interpretations Committee

Mr. Hilado is not connected with any government agency or instrumentality.

CONNIE G. CHU¹⁴

Senior Vice President – Chief Legal and Compliance Officer/ Corporate Secretary / Data Protection Officer

Age: 50

Citizenship: Filipino

Committee Memberships:

Ex-Officio Member	Board Sustainability, Governance, and Related Party Transactions Committee
	Board Executive Committee

Present Positions:

Senior Vice President – Chief Legal and Compliance Officer/ Corporate Secretary / Data Protection Officer	Aboitiz Equity Ventures Inc.*
Assistant Corporate Secretary	CCEP Aboitiz Beverages Philippines, Inc.

¹⁴ Effective 1 January 2026, Ms. Chu assumed an expanded role as Data Protection Officer in addition to her existing appointment as the Company's Senior Vice President – Chief Legal and Compliance Officer / Corporate Secretary.

Private Sector Representative – Ease of Doing Business and Anti-Red Tape Advisory Council	Department of Trade and Industry

Previous Positions:

Registered Foreign Lawyer	Cleary Gottlieb Steen & Hamilton (2008 to 2022)
Associate	Romulo Mabanta Buenaventura Sayoc & De Los Angeles (2003 – 2007)

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Arts in Political Science from the University of San Carlos (*Magna Cum Laude*)
- Juris Doctor degree from the Ateneo de Manila University (*Class Salutatorian with honors*)
- Master of Laws degree from New York University School of Law (*with distinction*)
- Corporate Counsel Program at Harvard Law School

Ms. Chu is a member in good standing of the Integrated Bar of the Philippines and the New York State Bar. She is not a director of any publicly listed company.

MARIA VERONICA C. SO

Senior Vice President – Group Treasurer

Age: 53

Citizenship: Filipino

Committee Memberships: N.A.

Present Positions:

Senior Vice President – Group Treasurer	Aboitiz Equity Ventures Inc.*

Previous Positions:

Group Treasurer	Aboitiz Power Corporation* (2020 to 2024)
First Vice President – Deputy Group Treasurer	Aboitiz Equity Ventures Inc.* (2020 to 2021)
Vice President – Treasurer Services	Aboitiz Equity Ventures Inc.* (2019 to 2020)
Various treasury and finance positions	Globe Telecom, Inc.* (2001 to 2017)

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Science Degree in Business Management from the Ateneo de Manila University
- Master's Degree in Business Management from the Asian Institute of Management

Ms. So is not connected with any government agency or instrumentality. She is not a director of any publicly-listed company.

CHARMAINE R.A. VALMONTE¹⁵

First Vice President – Chief Information and Security Officer / Data Protection Officer

Age: 56

Citizenship: Filipino

Committee Membership:

Ex-Officio Member	Board Cyber and Information Security Committee

Present Position:

First Vice President - Chief Information and Security Officer / Data Protection Officer	Aboitiz Equity Ventures Inc.*

Previous Positions:

Vice President for IT Risk Management & Resiliency	UnionBank of the Philippines* (2015 to 2019)
Information Security, Investigations. and Business Continuity Liaison	IBM Philippines (2013 to 2015)
Senior Manager for Global Security Organization	ADP (Philippines) (2012 to 2013)

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor of Science in Business Administration, Management from Cameron University in Lawton, Oklahoma
- Master of Arts in Organizational Management from the University of Phoenix
- Qualified Technical Expert (QTE)
- Certified Information Systems Security Professional (CISSP)
- Certified in IT governance and risk management frameworks (CRISC, CGEIT)

Ms. Valmonte is not connected with any government agency or instrumentality. She is not a director of any publicly-listed company.

MARIA LOURDES Y. TANATE¹⁶

Vice President – Group Internal Audit Head

Age: 60

Citizenship: Filipino

Committee Memberships: N.A.**Present Positions:**

Vice President – Group Internal Audit Head	Aboitiz Equity Ventures Inc. *

¹⁵ Effective 1 January 2026, Ms. Valmonte was replaced by Ms. Chu as the Company's Data Protection Officer. She continues to serve as the Company's First Vice President - Chief Information Security Officer.

¹⁶ Ms. Tanate retired on 31 December 2025, and was succeeded by Ms. Mariane M. Nacional as the Company's Vice President – Group Internal Audit.

Previous Positions:

Chief Audit Executive	Aboitiz Transport System (ATSC) Corporation (now 2GO Group, Inc.) (2009 to 2011)
Assistant Vice President for Finance	Aboitiz Transport System (ATSC) Corporation (now 2GO Group, Inc.) (2005 to 2009)
Senior Manager for Finance and Freight	Aboitiz Transport System (ATSC) Corporation (now 2GO Group, Inc.) (2000 to 2005)
Manager and Head of Corporate Planning and Credit & Economic Research Departments	Prime Bank (1996 to 2000)
Senior Assistant Cashier	Far East Bank & Trust Company (1986 to 1993)

Educational and Professional Background:

- Cum Laude with a degree of Bachelor of Arts in Economics from the University of the Philippines (Diliman)
- Master's in Business Administration from the University of the Philippines (Diliman)
- Master's in Engineering and Technology Management from the University of Queensland, Australia

Ms. Tanate is not connected with any government agency or instrumentality. She is also not a director of any publicly-listed company.

MARIANE M. NACIONAL¹⁷

Vice President – Group Internal Audit

Age: 47

Citizenship: Filipino

Committee Memberships: N.A.

Present Positions:

Vice President – Group Internal Audit	Aboitiz Equity Ventures Inc. *

Previous Positions:

Vice President for Financial Systems	Aboitiz Foods Holdings, Inc. (2023 to 2025) Pilmico Foods Corporation (2017 to 2023)
Internal Control Head and later Financial Controller	Avon Philippines (2014 to 2017)
Internal Audit Manager	Aboitiz Equity Ventures Inc.* (2012 to 2014)
Senior Internal Auditor and later Internal Audit Manager	Aboitiz Transport System Corporation (2001 to 2011)
Associate Auditor	SGV & Co. (1999 to 2001)

**Publicly Listed Company*

Educational and Professional Background:

- Bachelor's degree in Accountancy from the Bicol University
- Certified Management Accountant (CMA)

¹⁷ Ms. Nacional was appointed as the Company's Vice President – Group Internal Audit effective 1 January 2026.

- Certified Internal Auditor (CIA)
- Certification in Control Self-Assessment (CCSA) from The Institute of Internal Auditors
- Certified Public Accountant (CPA)
- Certified Information Systems Auditor (CISA) exam passer

Ms. Nacional is not connected with any government agency or instrumentality. She is also not a director of any publicly-listed company.

MAILENE M. DE LA TORRE

Vice President – Governance and Compliance, and Assistant Corporate Secretary

Age: 44

Citizenship: Filipino

Committee Memberships: N.A.

Present Positions:

Vice President – Governance and Compliance, and Assistant Corporate Secretary	Aboitiz Equity Ventures Inc.*
Corporate Secretary	Various subsidiaries of the Aboitiz Group
Assistant Corporate Secretary	Various subsidiaries of the Aboitiz Group

Previous Positions:

Assistant Vice President – Governance and Compliance, and Assistant Corporate Secretary	Aboitiz Equity Ventures Inc.* (2018 to 2023)
Assistant Corporate Secretary	Aboitiz Power Corporation*
Senior Associate General Counsel for Governance and Compliance	Aboitiz Equity Ventures Inc.* (2016 to 2018)
Associate General Counsel for Legal and Corporate Services	Aboitiz Equity Ventures Inc.* (2010 to 2014)
Associate	Esguerra & Blanco Law Office (2007 to 2010)

*Publicly Listed Company

Educational and Professional Background:

- Bachelor of Arts Degree in Political Science (*Cum Laude*) from the University of the Philippines Diliman
- Bachelor of Laws degree from University of the Philippines Diliman
- Graduate Member of the Institute of Corporate Directors (ICD)
- Member of the Society of Corporate Compliance & Ethics

Ms. de la Torre is a member in good standing of the Integrated Bar of the Philippines. She is not connected with any government agency or instrumentality. She is not a director of a publicly-listed company.

SAMMY DAVE A. SANTOS

Senior Associate General Counsel for Governance and Compliance, and Assistant Corporate Secretary

Age: 41

Citizenship: Filipino

Committee Memberships: N.A.

Present Positions:

Senior Associate General Counsel for Governance and Compliance, and Assistant Corporate Secretary	Aboitiz Equity Ventures Inc.*
Corporate Secretary	Various subsidiaries of the Aboitiz Group
Assistant Corporate Secretary	Good Governance Advocates and Practitioners of the Philippines (GGAPP)
	Various subsidiaries of the Aboitiz Group

Previous Positions:

Assistant Corporate Secretary	Aboitiz Power Corporation* (2019 to 2023)
Associate General Counsel for Governance and Compliance	Aboitiz Equity Ventures Inc.* (2017 to 2020)
Legal Counsel	Alliance Select Foods International* (2016 to 2017)
Counsel	Privatization Group and Office of Special Concerns of the Department of Finance (2016)
Junior Associate	Quiason Makalintal Barot Torres Ibarra Sison & Damaso (2014 to 2016)

*Publicly Listed Company

Educational and Professional Background:

- Bachelor of Arts in Humanities with Professional Certificate in Industrial Economics from the University of Asia and the Pacific, Manila
- Master of Science in Industrial Economics from the University of Asia and the Pacific, Manila
- Juris Doctor degree from the Ateneo de Manila University, Manila

Mr. Santos is a member in good standing of the Integrated Bar of the Philippines. He is not connected with any government agency or instrumentality. He is not a director of a publicly-listed company.

Period in which the Directors Should Serve

The Company's directors serve for a period of one year.

Term of Office of a Director

Pursuant to the Company's Amended By-Laws, the directors are elected at each ASM by stockholders entitled to vote. Each director holds office until the next annual election for a term of one year and until his/her successor is duly qualified and elected, unless he/she resigns, dies, or is removed prior to such election. In case of any vacancies in the Board, the provisions of the RCC under Sections 27 and 28 shall apply.

(3) Significant Employees

AEV considers the contribution of every employee important to the fulfillment of its goals.

(4) Family Relationships

Messrs. Enrique, Erramon, and Sabin Aboitiz, are brothers. Mr. Mikel A. Aboitiz is the uncle of Ms. Ana Maria A. Delgado. Other than these, no other officers or directors are related within the fourth degree of consanguinity.

(5) Involvement in Certain Legal Proceedings as of 23 March 2026

To the knowledge and/or information of AEV, none of its nominees for election as directors, its current members of the Board or its executive officers have been involved in any of the following during the past five years up to 23 March 2026:

- a. 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 years prior to that time;
- b. 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;
- c. 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
- d. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission 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.

(6) Certain Relationships and Related Transactions

Please refer to **Part III Item 12. Certain Relationships and Related Transactions** of this Annual Report.

(7) Parent Company

AEV's parent company is Aboitiz & Company, Inc. It owns 49.27% of the voting shares of AEV as of 23 March 2026.

(a) Resignation or Refusal to Stand for Re-election by Members of the Board of Directors

No director has resigned nor declined to stand for re-election to the Board since the date of AEV's last ASM because of a disagreement with AEV on matters relating to its operations, policies, and practices.

Item 10. Compensation of Directors and Executive Officers

(a) Summary of Compensation of Executive Officers

Information as to the aggregate compensation paid or accrued to AEV's Chief Executive Officer and four most highly compensated executive officers, as well as other directors and officers during the last two completed fiscal years and the ensuing fiscal year are as follow:

Name of Officer and Principal Position	Year	Salary	Bonus	Other Compensation
CHIEF EXECUTIVE OFFICER AND FOUR MOST HIGHLY COMPENSATED OFFICERS 1. SABIN M. ABOITIZ <i>President and Chief Executive Officer</i> 2. JOSE EMMANUEL U. HILADO <i>Senior Vice President and Chief Financial Officer / Chief Risk Officer</i> 3. MARIA VERONICA C. SO <i>Senior Vice President – Group Treasurer</i> 4. CONNIE G. CHU <i>(DPO beginning 2026)</i> <i>Senior Vice President – Chief Legal and Compliance Officer/ Corporate Secretary/ Data Protection Officer</i> 5. MARIA LOURDES Y. TANATE <i>(included in 2024 only)</i> <i>Vice President – Group Internal Audit Head</i> 6. CHARMAINE ROSE VALMONTE <i>(not included in 2024, DPO in 2025)</i> <i>First Vice President – Chief Information and Security Officer / Data Protection Officer</i>				
All above named officers as a group	Actual 2025	₱226,478,996.00	₱22,409,323.00	₱17,463,097.00
	Actual 2024	₱201,834,083.00	₱20,089,685.00	₱17,149,482.00
	Projected 2026	₱248,810,148.00	₱24,611,633.00	₱19,139,523.00
All other directors and officers- as a group unnamed	Actual 2025	₱19,707,710.00	₱2,507,698.00	₱47,714,225.00
	Actual 2024	₱14,397,464.00	₱1,927,001.00	₱44,727,470.00
	Projected 2026	₱21,678,481.00	₱2,758,467.00	₱52,485,647.00

The 2025 Amended By-Laws of the Company as approved by the Securities and Exchange Commission (SEC) on 1 August 2025 defined corporate officers as follows: the Chairman of the Board; the Vice Chairman; the Chief Executive Officer; the Chief Operating Officer; the Treasurer, the Corporate Secretary; the Assistant Corporate Secretary; and such other officers as may be appointed by the Board. For the year 2025, the Company's Summary of Compensation of Executive Officers covers the compensation of officers as reported under Part III Item 9 (a)(1) of this Annual Report.

Except for the regular company retirement plan, which by its very nature will be received by the officers concerned only upon retirement from the Company, the above-mentioned officers do not receive any other compensation in the form of warrants, options, and/or profit-sharing.

There is no compensatory plan or arrangement between the Company and any executive in case of resignation or any other termination of employment or from a change-in-control of the Company.

(b) Compensation of Directors

(1) Standard Arrangements

AEV directors are compensated in accordance with the Company's Amended By-laws and receive a monthly allowance of ₱150,000.00 while the Chairman of the Board receives a monthly allowance of ₱200,000.00. In addition, each director/member and the Chairmen of the Board and the Board Committees receive a per diem for every Board or Board Committee meeting attended as follows:

Type of Meeting	Directors	Chairman of the Board
Board Meeting	₱150,000.00	₱225,000.00

Type of Meeting	Committee Member	Chairman of the Committee
Board Committee Meeting (except Audit Committee)	₱100,000.00	₱150,000.00
Audit Committee Meeting	₱100,000.00	₱200,000.00

The total compensation for the relevant year of each of the Company's directors as of 31 December 2025 is as follow:

Name of Director	Total Compensation Received by Directors ¹⁸
ENRIQUE M. ABOITIZ, <i>Chairman of the Board</i>	₱6,300,000
MIKEL A. ABOITIZ, <i>Vice Chairman of the Board</i>	₱4,000,000
ERRAMON I. ABOITIZ, <i>Director</i>	₱7,500,000
SABIN M. ABOITIZ*, <i>President and Chief Executive Officer</i>	₱5,850,000
LUIS MIGUEL O. ABOITIZ, <i>Director</i>	₱4,700,000
ANA MARIA A. DELGADO*, <i>Director</i>	₱4,300,000
JUSTO A. ORTIZ*, <i>Director</i> ¹⁹	₱1,750,000
CESAR G. ROMERO, <i>Lead Independent Director</i>	₱6,200,000
JOANNE G. DE ASIS, <i>Independent Director</i>	₱5,750,000
PETER D. MAQUERA, <i>Independent Director</i>	₱5,800,000

*A portion of the director's compensation was paid to their nominating company.

(2) Other Arrangements

Other than payments in accordance with the Company's Amended By-laws as previously described, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There is no compensatory plan or arrangement between AEV and any executive officer that results or will result from the resignation or any other termination of employment or from a change in the management or control of AEV.

(d) Warrants and Options Outstanding

AEV does not grant any stock options to its directors or officers.

¹⁸ Consisting of the monthly allowance and per diem. Per diem is based on the directors' attendance in the Board and Board Committee meetings for the period 1 January to 31 December 2025.

¹⁹ As a member of the Board of Directors for the term 2024-2025, this amount includes monthly allowance and per diem of Mr. Ortiz from 1 January 2025 until his term ended in April 2025.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners (more than 5% of the voting shares) as of 23 March 2026:

Title of Class of Shares	Name, Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held and Nature of Ownership (Record and/or Beneficial)	Percentage of Ownership
Common	1. Aboitiz & Company, Inc. ("ACO") ²⁰ Aboitiz Corporate Center, Gov. Manuel A. Cuenco Avenue, Kasambagan, Cebu City (Stockholder)	ACO	Filipino	2,735,600,915 (Record and Beneficial)	49.27%
Common	2. PCD Nominee Corporation (Filipino) ²¹ 37 th Floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue cor. Paseo de Roxas, Makati City, 1226 Metro Manila (Stockholder)	PCD participants acting for themselves or for their customers. ²²	Filipino	995,394,511 (Record)	17.93%
Common	3. Ramon Aboitiz Foundation, Inc. ("RAFI") 35 Lopez Jaena St., Cebu City (Stockholder)	RAFI	Filipino	426,804,093 (Record and Beneficial)	7.69%

(2) Security Ownership of Management as of 23 March 2026 (Record and Beneficial)

Name of Owners and Position	Title of Class of Shares	No. of Shares and Nature of Ownership (Direct and/or Indirect)		Citizenship	Percentage of Ownership
Enrique M. Aboitiz Chairman of the Board	Common	6,000	Direct	Filipino	0.00%
		1,042,610	Indirect		0.02%
Mikel A. Aboitiz Vice Chairman of the Board	Common	10	Direct	Filipino	0.00%
		126,524,836	Indirect		2.25%
Erramon I. Aboitiz Director	Common	1,001,000	Direct	Filipino	0.02%
		77,074,387	Indirect		1.39%
Sabin M. Aboitiz Director/President and Chief Executive Officer	Common	14,415,651	Direct	Filipino	0.26%
		31,266,461	Indirect		0.56%

²⁰ ACO, the major shareholder of Aboitiz Equity Ventures Inc., is a corporation wholly-owned by the Aboitiz family. No single stockholder, natural or juridical, owns 5% or more of the shareholdings of ACO.

²¹ PCD Nominee Corporation (Filipino) is not related to AEV. The beneficial owners of the shares held through a PCD participant are the beneficial owners thereof to the extent of the number of shares registered under the respective accounts with the PCD participant.

²² Each beneficial owner of shares through a PCD participant is the beneficial owner of such a number of shares he owns in his account with the PCD participant. AEV has no record relating to the power to decide how the shares held by PCD Nominee Corporation (Foreign and Filipino) are to be voted. Of the 995,394,511 shares held by PCD Nominee Corporation (Filipino), at least 365,265,269 shares or 6.58% of the voting stock of AEV are for the account of Papa Securities Corporation (PapaSec). AEV is not related to PapaSec.

Ana Maria A. Delgado Director	Common	500	Direct	Filipino	0.00%
		32,023,888	Indirect		0.58%
Luis Miguel O. Aboitiz Director	Common	20,092,133	Direct	Filipino	0.36%
		59,925,646	Indirect		1.08%
Cesar G. Romero Lead Independent Director	Common	50	Direct	Filipino	0.00%
		0	Indirect		0.00%
Joanne G. De Asis Independent Director	Common	100	Direct	Filipino	0.00%
		0	Indirect		0.00%
Peter D. Maquera Independent Director	Common	0	Direct	Filipino	0.00%
		20,100	Indirect		0.00%
Jose Emmanuel U. Hilado Senior Vice President / Chief Financial Officer / Corporate Information Officer / Chief Risk Officer	Common	0	Direct	Filipino	0.00%
		307,000	Indirect		0.00%
Connie G. Chu ²³ Senior Vice President – Chief Legal and Compliance Officer / Corporate Secretary / Data Protection Officer	Common	0	Direct	Filipino	0.00%
		116,000	Indirect		0.00%
Maria Veronica C. So Senior Vice President – Group Treasurer	Common	0	Direct	Filipino	0.00%
		9,617	Indirect		0.00%
Charmaine R.A. Valmonte ²⁴ First Vice President - Chief Information and Security Officer / Data Protection Officer	Common	0	Direct	Filipino	0.00%
		20,000	Indirect		0.00%
Maria Lourdes Y. Tanate ²⁵ Vice President – Group Internal Audit	Common	0	Direct	Filipino	0.00%
		74,386	Indirect		0.00%
Mariane M. Nacional ²⁶ Vice President – Group Internal Audit	Common	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Mailene M. de la Torre Vice President – Governance and Compliance / Assistant Corporate	Common	0	Direct	Filipino	0.00%

²³ Effective 1 January 2026, Ms. Chu assumed an expanded role as Data Protection Officer in addition to her existing appointment as the Company's Senior Vice President – Chief Legal and Compliance Officer / Corporate Secretary.

²⁴ Effective 1 January 2026, Ms. Valmonte was replaced by Ms. Chu as the Company's Data Protection Officer. She continues to serve as the Company's First Vice President - Chief Information Security Officer.

²⁵ Ms. Tanate retired on 31 December 2025, and was succeeded by Ms. Mariane M. Nacional as the Company's Vice President – Group Internal Audit.

²⁶ Ms. Nacional was appointed as the Company's Vice President – Group Internal Audit effective 1 January 2026.

Secretary		0	Indirect		0.00%
Sammy Dave A. Santos Assistant Corporate Secretary	Common	0	Direct	Filipino	0.00%
		0	Indirect		0.00%

(3) Voting Trust Holders of Five Per Centum (5%) or More of Common Equity

No person holds, under a voting trust or similar agreement, more than five percent (5%) of AEV's common equity.

(4) Changes in Control

There are no arrangements that may result in a change in control of AEV during the period covered by this report.

Item 12. Certain Relationships and Related Transactions

AEV and its Subsidiaries (the "Group"), in their regular conduct of business, have entered into related party transactions (RPT) consisting of professional and technical services, rental, money market placements, aviation services, construction and maintenance services, and power sales and purchases. These are made on an arm's length basis.

ACO, the parent company of AEV, and certain Associates have service contracts with AEV for corporate center services rendered, such as human resources, internal audit, legal, treasury and corporate finance, among others. These services are obtained from AEV to enable the Group to realize cost synergies. AEV maintains a pool of highly qualified professionals with business expertise specific to the businesses of the Group. Transactions are priced on an arm's length basis, and covered with service level agreements to ensure quality of service.

Associates of ACO and the Group are leasing office spaces from Cebu Praedia Development Corporation (CPDC), a Subsidiary of AEV. Rental rates are comparable with prevailing market prices. These transactions are covered with lease contracts for a period of three years.

The Group has cash deposits and money market placements with Union Bank of the Philippines, Inc. ("UnionBank", or the "Bank") and City Savings Bank, Inc., AEV's banking Associates. These are earning interest at prevailing market rates.

Power Subsidiaries sell to certain Associates based on their respective power supply agreements. Meanwhile, power Subsidiaries purchase from certain Associates based on existing power purchase agreements.

A wholly-owned construction and steel fabrication Subsidiary of ACO renders its construction and maintenance services to the Group.

Aviation services are rendered by AEV Aviation, Inc., a Subsidiary of AEV, to certain Associates.

The Company's retirement benefit fund (the "Fund") is in the form of a trust being maintained and managed by an independent committee composed of select officers of the Company. The Fund has investments in the equity of the Company, AboitizPower, and UnionBank.

No other transaction, without proper disclosure, was undertaken by the Company in which any director or executive officer, any nominee for election as director, any beneficial owner (direct or indirect) or any member of his/her immediate family was involved or had a direct or indirect material interest. Other than what has been discussed in this Annual Report and the Company's 2025 Annual

Financial Statements, there are no other related party transactions entered into by the Company with related parties, including transactions with directors or self-dealings by the Company's directors.

AEV employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are determined and brought to the attention of management.

AEV's RPT Policy ensures that RPTs are conducted at arms-length and at market prices, and undergo the appropriate approval process.

In 2025, the SGRPT Committee (1) continued to ensure that RPTs are taken on an arm's-length basis and within market rates, with sufficient documentation, and coursed through the appropriate levels of approval and (2) ensured the submission of the RPT Certification for Directors and Officers in compliance with the Company's RPT Policy.

For detailed discussion on RPTs, please refer to the notes of the Company's consolidated financial statements.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

Strong corporate governance remains at the core of how AEV drives long-term value creation as it continues its strategic transition toward becoming an active portfolio manager. This evolving role places greater emphasis on disciplined capital allocation, strategic portfolio oversight, and the ability to guide its businesses through an increasingly complex and rapidly changing operating environment.

Through this transformation, AEV is strengthening its capacity to manage a diversified portfolio of businesses while advancing its ambition of becoming the Philippines' first techglomerate—leveraging technology, innovation, and data-driven insights to improve performance, unlock new growth opportunities, and create lasting impact for stakeholders.

At the helm of this journey is AEV's Board of Directors, which provides the strategic guidance and governance discipline necessary to support the Company's evolving role. The Board exercises active oversight over key matters such as portfolio strategy, capital deployment, risk management, and leadership succession, ensuring that decisions are aligned with the Group's long-term strategic priorities.

By upholding the highest standards of accountability, transparency, and ethical leadership, the Board strengthens AEV's governance framework and reinforces the trust placed in the Company by its shareholders and stakeholders. Through this disciplined approach to governance and oversight, the Board plays a critical role in enabling AEV's transition into an active portfolio manager and in sustaining the Group's ability to create value responsibly and sustainably.

Notable accomplishments of the AEV Board for the year 2025 are as follows:

- Continued to assess the Aboitiz Group's short-term and long-term business strategies to operationalize and direct its growth aspirations towards becoming an active portfolio manager.
- Alignment of the AEV and SBU 2026 Budget and Strategy.
- Authorized the transfer of the Company's headquarters to Makati City
- Reviewed and amended the Company's Articles of Incorporation and By-Laws to update the Company's principal place of business and to delegate the authority to list the Company's common and/or preferred shares.
- Reviewed and ensured the sufficiency of the internal controls system and enterprise risk management framework of AEV.
- Authorized and held AEV's Virtual Annual Stockholders' Meeting.
- Reviewed and approved the amendments to the Board and Committee Charters.
- Conducted monthly virtual learning sessions to comply with the SEC-mandated annual Corporate Governance Seminar and implement the Company's continuous learning program for the Company's directors and officers.

Stockholders Rights and Equitable Treatment

AEV endeavors to uphold the fundamental rights of its stockholders by ensuring transparency, inclusivity, and fairness in its corporate governance framework. This is reflected in policies and initiatives that empower all stockholders, regardless of the size of their holdings, to actively participate in decision-making processes, access material information, and receive equitable treatment in all aspects of their ownership.

Stockholders' Rights

Stockholders of AEV are entitled to the following key rights:

- *Right to Attend and Participate in Stockholders' Meetings* – Stockholders receive timely notices of annual and special stockholders' meetings, enabling them to participate in discussions, ask questions, and vote on corporate matters based on the one-share, one-vote policy.

- *Right to Vote* – Stockholders may vote in person, in absentia, or through proxy, ensuring their voices are heard in company affairs.
- *Right to Nominate and Elect Directors* – Shareholders may nominate and elect members of the Board, including via cumulative voting, and may also remove or replace directors when necessary.
- *Right to Access Corporate Records* – Stockholders may inspect corporate books and records, including financial statements, in accordance with relevant laws and regulations.
- *Right to Dividends* – Stockholders are entitled to receive dividends proportionate to their shareholdings, subject to applicable policies and regulatory requirements.
- *Right to Ratify Corporate Actions* – Shareholders may approve major corporate decisions, including amendments to governance policies, mergers, and acquisitions.
- *Right to be Informed* – Stockholders are provided with timely and comprehensive disclosures on the company's financial and operational performance, as well as material corporate actions that may affect their investments

Right to Actively Participate at Stockholders Meetings

AEV remains steadfast in its commitment to ensuring transparency, fairness, and inclusivity in its Annual and Special Stockholders' Meetings (ASMs). It upholds stockholders' rights by providing timely and accurate information, enabling them to make well-informed decisions.

To facilitate informed participation, AEV includes comprehensive financial, non-financial, and operational performance summaries of the Company, its Subsidiaries, and Associates in its Information Statements and Annual Reports. These essential documents are distributed ahead of ASMs and are readily accessible on the Company's website. Additionally, AEV ensures full disclosure by providing stockholders with Director profiles—covering both new and incumbent members—along with a summary of Board and Board Committee performance assessments, attendance records, compensation details, and key achievements for the year.

AEV enhances accessibility by publishing ASM notices in at least two widely circulated newspapers at least 21 days before the meeting. These notices include quick response (QR) codes linking directly to the Definitive Information Statements, ensuring seamless access to relevant materials. Furthermore, stockholders receive meeting notices at least 28 days in advance, outlining all agenda items for discussion. No new items are introduced during the meeting, and the notices explicitly state the rationale behind each agenda item, fostering transparency and accountability.

Recognizing the importance of convenience and inclusivity, AEV provides accessible platforms for stockholders to attend and participate in ASMs. In 2025, AEV conducted a fully digital stockholders' meeting, allowing stockholders to cast their votes through remote communication or via an online voting portal at least a month before the scheduled meeting.

Stockholder engagement is further reinforced through an open forum during meetings, where stockholders can raise concerns, ask questions, and provide feedback on business matters via the ASM online portal or live interaction when time permits. There are no restrictions on communication between stockholders, Directors, or the Corporate Secretary, ensuring a free and open exchange of ideas.

AEV's commitment to transparency extends beyond the meeting itself. Meeting minutes—documenting key discussions, questions raised, responses provided, issues addressed, motions made, agreements reached, and voting results—are published on the Company's website under the Investor Relations page by the next working day. Additionally, all approved items are promptly disclosed to the Philippine Stock Exchange (PSE), the Philippine Dealing & Exchange Corp. (PDEX), and the Securities and Exchange Commission (SEC) by the following business day.

As part of its ongoing efforts to strengthen stockholder engagement, AEV has continued to expand its communication channels through its Investor Relations Office and its external stock transfer service provider, Stock Transfer Service, Inc. This underscores AEV's dedication to fostering an open, transparent, and participatory corporate governance framework.

For a more detailed discussion on the other rights of the stockholders of the Company, please refer to the 2025 Consolidated Annual and Sustainability Report, the 2025 Integrated Annual Corporate Governance Report (IACGR), and the Governance page of the AEV website, which will become available at www.aboitz.com on or before 30 May 2026.

BOARD MATTERS

Board of Directors

The Board of Directors serves as the steward of AEV's long term strategy and governance, providing independent oversight and strategic leadership as the Company advances its transition toward becoming an **active portfolio manager**. In this role, the Board focuses on guiding portfolio strategy, ensuring disciplined capital allocation, and overseeing the performance and resilience of the Group's businesses in an increasingly dynamic operating environment.

As AEV strengthens its role at the center of the Group, the Board actively oversees the development and management of the Company's portfolio, ensuring that investments and strategic initiatives support sustainable growth and long term value creation. Through regular engagement with management, the Board reviews the performance and strategic direction of portfolio companies and ensures that each business contributes meaningfully to the Group's broader strategic objectives.

The Board also plays a critical role in maintaining a strong governance framework across the Group. It ensures that effective risk management systems, internal controls, and performance oversight mechanisms are in place to support responsible decision making and operational discipline. Consistent with global governance standards, the Board oversees the integration of Environmental, Social, and Governance (ESG) principles across the Group and promotes responsible and sustainable business practices.

Individually and collectively, the members of the AEV Board are expected to uphold and embody the Aboitiz core values. Through principled leadership and sound judgment, the Directors foster a culture of integrity, accountability, and responsible stewardship in pursuit of the Group's long term aspirations.

In 2025, the AEV Board was composed of three Independent Directors, five Non Executive Directors, and one Executive Director. The Chairman of the Board, Mr. Enrique M. Aboitiz, serves as a highly experienced Non Executive Director. As he is not involved in the Company's day to day operations, he is able to focus on providing strategic leadership to the Board and ensuring that it effectively discharges its duties and responsibilities.

To further strengthen independent oversight, the Board appointed Mr. Cesar G. Romero as Lead Independent Director in 2025. Mr. Romero brings extensive professional experience and deep familiarity with AEV's businesses and the industries in which the Group operates, enabling him to provide independent perspective and leadership in matters requiring objective judgment.

The members of the AEV Board are the following:

ABOITIZ EQUITY VENTURES INC.'S BOARD OF DIRECTORS					
Director (Age, Nationality)	Designation /Directorship	Year First Elected	Tenure	Board and Committee Memberships and Attendance for 2025	Directorships in Other Listed Philippine Companies Outside the Aboitiz Group
ENRIQUE M. ABOITIZ 72 years old Filipino	Chairman of the Board (NED)	10 May 1999	26	(C) BOD (18/19) (M) ExCom (n.a.) (M) SGRPT (3/3)	• International Container Terminal Services, Inc. (ID)
MIKEL A. ABOITIZ 71 years old Filipino	Vice-Chairman (NED)	15 May 2017	8	(VC) BOD (16/19) (M) ExCom (n.a)	None
ERRAMON I. ABOITIZ 69 years old Filipino	Director (NED)	9 May 1994	31	(M) BOD (19/19) (M) ExCom (n.a) (M) AudCom (4/5)	None
SABIN M. ABOITIZ 61 years old Filipino	President and CEO (ED)	21 May 2018	7	(M) BOD (19/19) (C) ExCom (n.a) (M) SGRPT (3/3) (M) Risk (3/4)	None

ANA MARIA A. DELGADO 45 years old Filipino	Director (NED)	11 Dec 2018	7	(M) BOD (16/19) (M) AudCom (5/5)	None
LUIS MIGUEL O. ABOITIZ 61 years old Filipino	Director (NED)	28 April 2025	0	(M) BOD (15/15)* (C) Risk (3/3)* (M) Cyber (3/3)* (M) ExCom (n.a)	None
CESAR G. ROMERO 60 years old Filipino	Lead Independent Director	25 April 2022	3	(M) BOD (18/19) (C) AudCom (5/5) (M) SGRPT (3/3) (M) Risk (4/4) (M) Cyber (3/3)**	Robinsons Retail Holdings, Inc. (ID)
JOANNE G. DE ASIS 75 years old Filipino	Independent Director	26 April 2021	4	(M) BOD (18/19) (C) SGRPT (3/3) (M) AudCom (5/5) (M) Risk (4/4)	- EasyCall Communications Philippines Inc. (ID) - Del Monte Pacific Ltd. (ID)
PETER D. MAQUERA 63 years old Filipino	Independent Director	26 October 2023	2	(M) BOD (18/18) (C) Cyber (4/4) (M) AudCom (5/5) (M) SGRPT (3/3) (M) Risk (4/4)	None

Legend: C- Chairman; VC – Vice Chairman; M – Member; –D - Independent Director; NED - Non-Executive Director; Ex - Executive Director; BOD - Board of Directors; SGRPT - Board Sustainability, Governance, and Related Party Transactions Committee; ExCom - Board Executive Committee; AudCom - Board Audit Committee; Risk - Board Risk and Reputation Management Committee; RPT - Board Related Party Transactions Committee; Cyber - Board Cyber and Information Security Committee

*Mr. Aboitiz started attending the Board and Committee meeting after his election at the 2025 ASM in April 2025

** appointed as a Committee Member after the 2025 ASM or after the first quarter meetings took place.

Board Performance

In 2025, the Chairman of the AEV Board led the conduct of the following performance review and assessment:

Type of Assessment	Respondents and Scope	Criteria
1. Director Self-Assessment <i>Completed: September 2025</i>	Respondents: Members of the Board Scope: Individual and the collective performance of the members of the Board and Board committees.	(1) compliance with best governance practices and principles; (2) participation and contribution to the Board and committee meetings; and (3) performance of their duties and responsibilities as provided in the company's Revised Manuals, Charters, Amended Articles, and Amended By-Laws.
2. Key Officers Evaluation <i>Completed: September 2025</i>	Respondents: Members of the Board Scope: Chairman, Chief Executive Officer, Internal Audit Head, Risk Officer, Corporate Secretary, and Compliance Officer	
3. Director Evaluation <i>Completed: November 2025</i>	Respondents: Members of the Board Scope: Self-Assessment	(1) Communication, (2) Network, (3) Understanding of the Business, (4) Understanding of Political Landscape, (5) Tracks Geopolitical and Local Dynamics, (6) Stakeholder Awareness, (7) Active Participation, (8) Contributes to the Diversity of

		Discussion, and (9) Board Committee Involvement.
4. Board and Committee Charter Assessment <i>Completed: October 2025</i>	Respondents: Board and Committee Members	(1) Membership and composition, (2) duties and responsibilities, (3) conduct of meetings, (4) support and resources

In addition, the Corporate Governance Code requires that at least once in every three years, the conduct of the Board performance assessment must be supported by an independent third-party facilitator. AEV complied with this requirement in 2023 with the engagement of Complete Coherence, a leadership development and coaching company based in the United Kingdom. The results of the assessment, as well as the recommendations from Complete Coherence, were presented and discussed at the Board meeting on 12 December 2023.

Board Committees

The Board is supported by several Committees that assist in the effective discharge of its oversight responsibilities. These include the (i) Audit Committee, (ii) Sustainability, Governance and Related Party Transactions Committee, (iii) Risk and Reputation Management Committee, (iv) Cyber and Information Security Committee, and (v) Executive Committee. Each Committee reports regularly to the Board and plays a critical role in providing focused oversight over key governance, risk management, and operational areas of the Group.

The mandate of each Board committee, including key accomplishments in 2025, are described below:

- a. The **Sustainability, Governance, and Related Party Transactions (SGRPT) Committee** plays a vital role in overseeing the Group's commitment to sustainability, good governance, and transparency. In 2024, the AEV Board approved the integration of the Environmental, Social, and Corporate Governance (ESCG) Committee and the Related Party Transactions (RPT) Committee to streamline oversight and enhance governance efficiency. The SGRPT Committee ensures responsible environmental stewardship, meaningful social development, sound corporate governance, and fair related party transactions while also fulfilling the functions of the Nomination and Remuneration Committees. Supported by Ex-Officio Members from compliance, human resources, sustainability, and external relations, the Committee benefits from expert insights to align governance decisions with the Group's strategic objectives. In 2025, the voting members of the Committee were composed of all the three (3) Independent Directors, one (1) Non-Executive Director who is the Chairman of the Board, and (1) Executive Director. For RPT matters, however, the voting members of the Committee are limited to the three (3) Independent Directors. The Chairman of the Committee is an Independent Director who is not a chairman of any other committee.

Key Areas of Focus in 2025

Sustainability	• Completion of the Group-wide ESG Materiality Re-assessment. • Ensured that the Company's ESG programs were implemented. • Refinement of the Group's 10-year Aboitiz ESG Roadmap. • Development of a new Sustainability Management Policy. • Reviewed ongoing environmental initiatives such as the Carbon PH Project.
Compliance	• Reviewed and monitored AEV's compliance with new laws and regulations • Reviewed and monitored the status of whistleblowing reports.
Corporate Governance	• Monitored the compliance with the Company's Corporate Governance Policies.
Nomination and Compensation	• Ensured that the nomination, selection, election, remuneration, and assessment of each company's directors and officers are aligned with the Revised Manual on Corporate Governance. • Approved the final list of nominees for directors for election after reviewing all the qualifications as provided in the Amended By-Laws, Revised Manuals, and other relevant SEC rules.

	- Reviewed the qualifications of all persons nominated to appointed positions by the Board. - Reviewed and approved the 2025 Group-wide merit increase guidelines.
Completion of RPT Certification	Updated and monitored compliance with the submission of the RPT Certification by Directors and Key Officers of AEV to comply with relevant BIR regulations on the reporting guidelines for transactions of individuals and juridical entities with related parties
Fairness of RPTs	Continued to ensure that RPTs are on an arm's length basis and within market rates, with sufficient documentation, and coursed through the appropriate levels of approval

- b. The **Board Audit Committee** serves as the Board's representative in overseeing audit-related matters, ensuring transparency, accountability, and robust financial governance across the Group. Composed primarily of Independent Directors, including its Chairman, the Committee upholds objectivity and independent oversight. The Chief Financial Officer (CFO) and the Internal Audit Head, who functions as the Chief Audit Executive, regularly attend meetings as resource persons, providing critical insights into financial and audit matters. To reinforce its independence, the Committee holds executive sessions at the end of each meeting, convening without the presence of management to facilitate candid discussions and strengthen oversight effectiveness. In 2025, the Committee was composed of all the three (3) Independent Directors and two (2) Non-Executive Directors. The Chairman of the Committee is the Lead Independent Director who is not a chairman of any other Board Committees.

Key Areas of Focus in 2025

Financial Reports	- Reviewed, discussed, and approved for public disclosure the quarterly unaudited consolidated financial statements in 2025 - Endorsed for approval by the full Board the 2024 audited financial statements of AEV
External Auditors	- Reviewed the performance of SGV as AEV's external auditor. - Endorsed to the Board the appointment of SGV as AEV's External Auditor for 2025. - Reviewed and approved the overall scope and audit plan of SGV. - Reviewed and approved the audit plan, fees, and terms of engagement, which covers audit and non-audit services provided by SGV.
Internal Auditors	- Reviewed and approved the annual audit program for 2025 which also covers the adequacy of resources, qualifications and competency of the staff, and independence of the internal auditor. - Confirmed that the internal audit function is executed effectively and internal auditors have conducted their responsibilities objectively and in an unbiased manner.
Committee Charter	Updated the Board Audit Committee and Internal Audit Charters to improve the Company's control performance by having an adequate and effective internal control system

- c. The **Board Risk and Reputation Management Committee** provides oversight of the Company's enterprise risk management and reputation management, including its corporate brands and communication strategies. The Committee ensures the establishment and maintenance of a robust risk management framework, supported by a strong governance structure that enables proactive risk identification, mitigation, and response. Through its oversight, the Committee reinforces the Company's commitment to safeguarding its reputation, enhancing stakeholder trust, and aligning risk management practices with the Group's strategic objectives. In 2025, the Risk and Reputation Management Committee of AEV was composed of all the three (3) Independent Directors, one (1) Executive Director, and one (1) Non-Executive director who is also the Chairman of the Committee. The Chairman of the Risk and Reputation Management Committee of AEV is a Non-Executive Director who is not the Chairman of the Board or any other Board Committees.

Key Areas of Focus in 2025

Enterprise Risk Management	- Established quantitative risk appetite and tolerance - Monitored the Company's top risks - Conducted deep-dive reviews of the top risks identified by each SBU
Risk Finance	Reviewed and monitored the utilization of AEV's captive insurance vehicle.
Reputation	Focused on formally quantifying the financial value of the Aboitiz brand using globally recognized standards
Committee Charter	Reviewed and amended the Committee Charter.

- d. The **Board Cyber and Information Security Committee** provides strategic direction and oversight in establishing a comprehensive governance framework for information security and cybersecurity across the Company and its strategic business units. This includes ensuring the implementation of robust processes, policies, controls, and management systems to safeguard digital assets, mitigate cyber risks, and uphold the integrity and resilience of the Company's information infrastructure. In 2025, the Cyber and Information Security Committee of AEV was composed of two (2) Independent Directors, and one (1) Non-Executive Director. The Chairman of the Cyber and Information Security Committee of AEV is an Independent Director who is not the Chairman of the Board or any other Board Committees.

Key Areas of Focus in 2025

Governance, Policy, and Charter Revisions:	Clarified the authority of the AEV Chief Information Security Officer across federated business units, approved revisions to the Group Cybersecurity Manual granting the CISO authority to mandate security controls, integrated the Cyber Risk Framework into the Group Risk Management Manual, and proposed evolving the committee into a broader Working Tech and Cyber Board to oversee Technology, Cybersecurity, and AI starting in 2026.
Phishing Resistance and Human Risk Mitigation	Strengthened controls against human error and insider threats by introducing a penalty framework for repeat phishing test failures or data mishandling and by deploying targeted spear phishing simulations to increase employee vigilance.
Incident Response and Break Glass Exercises	Mandated regular cybersecurity incident simulations, including monthly Incident Response Plan drills and a ransomware tabletop exercise, which highlighted the need to improve Business Impact Analysis and Business Continuity Plan documentation.
Geopolitical Risk and Advanced Threat Monitoring	Received intelligence briefings on geopolitical cyber risks related to the West Philippine Sea conflict and monitored advanced threats such as DNS tunneling, nation state cyber intrusions, and emerging quantum computing risks.
Infrastructure Hardening, MFA, and AI Security	Oversaw the rollout of Multi Factor Authentication and a unified identity model, implemented a Great Device Reset to improve endpoint security compliance, and strengthened controls on the use of Artificial Intelligence while leveraging AI tools to enhance threat intelligence capabilities.

- e. The **Executive Committee** supports the Board in overseeing the Company's day-to-day operations, ensuring agility in management, strategic decision-making, and adherence to governance policies, particularly during the intervals between Board meetings. The Committee provides a mechanism for swift and effective decision-making when necessary. However, as the Board convened monthly in 2025, there was no need for Executive Committee meetings during the year.

For a more detailed discussion on the AEV Board and Board Committees matters, please refer to the 2025 Annual Integrated Report Report, the 2025 IACGR, and the Governance page of the AEV website, which will become available at www.aboitiz.com on or before 30 May 2026.

GOVERNANCE PRACTICES

Compliance with Governance Policies

AEV has a Revised Manual and a Code of Ethics and Business Conduct (“Code of Ethics”) to guide the attainment of its corporate goals and the implementation of its strategies. The Revised Manual is generally aligned to the principles and recommendations laid down by the SEC under the Corporate Governance Code for Publicly-Listed Companies to further strengthen the Company’s corporate governance practices. The Board regularly reviews the Revised Manual to ensure that the same remains relevant and responsive to the needs of the organization. Any amendments to the Revised Manual are promptly submitted to the SEC for confirmation and approval.

Supporting the Revised Manual are various company policies approved and periodically reviewed by the Board, including the Code of Ethics. AEV ensures that the Code of Ethics is effectively communicated and embedded across the organization. New team members are introduced to the Code as part of their onboarding process, and all team members are required to review the Code and affirm that they have read and understood its provisions. Consistent with the commitments set out in the Code, all team members are expected to act professionally, fairly, and with integrity in all business dealings, and to comply with applicable laws and regulations, including those relating to anti bribery and anti corruption.

The Chief Compliance Officer, in coordination with the Human Resources Department, regularly monitors and evaluates compliance by the Board, management, and employees with the Revised Manual, the Code of Ethics, other company policies, and applicable laws and regulations. The Chief Compliance Officer also oversees the implementation of policies relating to conflicts of interest and the proper handling of confidential and proprietary information throughout the organization.

The Chief Compliance Officer regularly reports to the SGRPT Committee on the Company’s compliance with applicable laws and regulations, as well as on adherence by the Board, management, and employees to internal governance policies.

To further support the implementation of the Revised Manual and the Code of Ethics, the Company maintains a Whistleblowing Policy that allows the reporting of suspected violations of company policies or illegal conduct. Reports may be submitted through a whistleblowing portal administered by an independent third party to ensure confidentiality and protection of whistleblowers. Matters raised through this platform are reviewed by the SGRPT Committee and, when appropriate, escalated to the full Board.

As of the date of this report, there were no major deviations from the Revised Manual and other governance related policies.

For a full discussion on the Company’s corporate governance initiatives, please refer to the 2025 Annual Integrated Report, the 2025 IACGR, and the Governance page of the AEV website, which will become available at www.aboitiz.com on or before 30 May 2026.

DISCLOSURE AND TRANSPARENCY

Pursuant to its commitment to transparency and accountability, AEV’s website, www.aboitiz.com has its own dedicated corporate governance webpage which serves as a resource center and library for its stakeholders. AEV also publishes a consolidated Annual and Sustainability Report and IACGR on its website at www.aboitiz.com.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

None.

(b) Reports on SEC Form 17-C

Reports filed by the AEV on SEC Form 17-C from April 2025 – March 2026 are as follows:

Date Reported	Disclosure Details
April 28, 2025	Results of the 2025 Annual Stockholders' Meeting
April 28, 2025	[Amend-1] Amendments to Articles of Incorporation (Article Seventh)
April 28, 2025	[Amend-1] Amendments to By-Laws
April 28, 2025	[Amend-1] Amendments to Articles of Incorporation (Article Third)
April 29, 2025	Results of Organizational Meeting of Board of Directors
April 29, 2025	Matters approved by the Board during its Regular Board Meeting dated April 29, 2025
April 29, 2025	First Quarter 2025 Financial and Operating Results of Aboitiz Equity Ventures Inc.
May 6, 2025	Aboitiz Equity Ventures Inc.'s Prepayment of 2022 Series A Bonds
June 11, 2025	Full Payment of 2022 Series A Bonds
July 24, 2025	Press Release: Global Infrastructure Partners and Aboitiz Group Strategic Partnership
August 1, 2025	[Amend-2] Amendments to Articles of Incorporation (Article Seventh)
August 1, 2025	[Amend-2] Amendments to By-Laws
August 1, 2025	[Amend-2] Amendments to Articles of Incorporation (Article Third)
August 1, 2025	Change in Business Address
August 5, 2025	Changes in Officers
August 8, 2025	Second Quarter 2025 Financial and Operating Results of Aboitiz Equity Ventures Inc.
August 8, 2025	Press Release: Joint Venture with House of Investments Accelerates TARI Estate Expansion in Tarlac
November 4, 2025	Third Quarter 2025 Financial and Operating Results of Aboitiz Equity Ventures Inc.
December 4, 2025	Imposition of administrative penalty and remedial measures on Gold Coin Feedmill Ha Nam Co., Ltd.
December 15, 2025	Changes in Officers
December 23, 2025	Aboitiz Equity Ventures Inc. and Aboitiz InfraCapital, Inc. (AIC) sells 40% ownership stake in AIC to Global Infrastructure Partners, a part of BlackRock, through GIP EM ONYX PTE. LTD. (GIP)
	Press Release: Aboitiz Equity Ventures and Global Infrastructure Partners Sign P13.7bn Deal
January 9, 2026	Press Release: Gold Coin Management Holdings Pte. Ltd. completes the acquisition of Diasham Resources Pte. Ltd.
January 30, 2026	Confirmation of Credit Rating by PhilRatings for AEV's Outstanding Bonds

February 11, 2026	Press Release: Aboitiz Economic Estates and YGC's House of Investments Advance TARI Estate Expansion After PCC Clearance
February 25, 2026	Matters approved by the Board during its Regular Board Meeting dated February 25, 2026
February 27, 2026	Final List of Nominees Qualified to be Members of the Board of Directors of Aboitiz Equity Ventures Inc.
March 5, 2026	Matters approved by the Board during its Special Board Meeting dated March 5, 2026
March 5, 2026	Declaration of Regular Cash Dividends
March 5, 2026	Declaration of Special Cash Dividends
March 5, 2026	Full Year 2025 Financial and Operating Results of Aboitiz Equity Ventures Inc.
	Press Release: AEV Reports PHP25.5 Billion Core Net Income in 2025
March 5, 2026	Notice and Agenda of 2026 Annual Stockholders' Meeting
March 10, 2026	Sale of Aboitiz Equity Ventures Inc.'s Shares in Singapore Life (Philippines), Inc.
March 12, 2026	Press Release: First Locators Begin Construction at TARI Estate as Aboitiz-House of Investments Partnership Advances Development

(c) Sustainability Report

Please refer to Annex "F" (Reporting Template for Sustainability Report).

The 2025 Aboitiz Group Annual Report and Sustainability Report (the "2025 Annual Integrated Report") will be available for download at the Company's website at: <https://abotiz.com/corporate-governance/abotiz-integrated-report>

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, AEV has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Makati on APR 15 2026.

By:



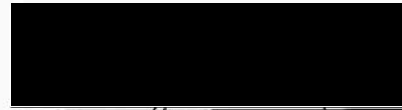
SABIN M. ABOITIZ
Principal Executive Officer and Principal
Operating Officer



JOSE EMMANUEL U. HILADO
Principal Financial Officer



CONNIE G. CHU
Corporate Secretary



BEVERLY B. TOLENTINO
Controller/Principal Accounting Officer

Before me, a notary public in and for the city named above, personally appeared:

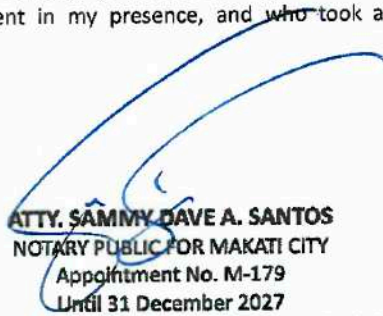
NAME	PASSPORT	DATE/PLACE OF ISSUE
SABIN M. ABOITIZ		
JOSE EMMANUEL U. HILADO		
CONNIE G. CHU		
BEVERLY B. TOLENTINO		

who were identified by me through competent evidence of identity to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took an oath/affirmation before me as to such instrument.

Witness my hand and seal this April 15, 2026.

Doc. No. 34;
Page No. 8;
Book No. I;
Series of 2026.




ATTY. SAMMY DAVE A. SANTOS
NOTARY PUBLIC FOR MAKATI CITY
Appointment No. M-179
Until 31 December 2027
PTR No. 10783372 / 19 January 2026; Makati City
IBP No. 535290 / 15 December 2025; RSM
MCLE Compliance No. VIII-0036126
Roll No. 63272

ANNEX “A” – CORPORATE STRUCTURE

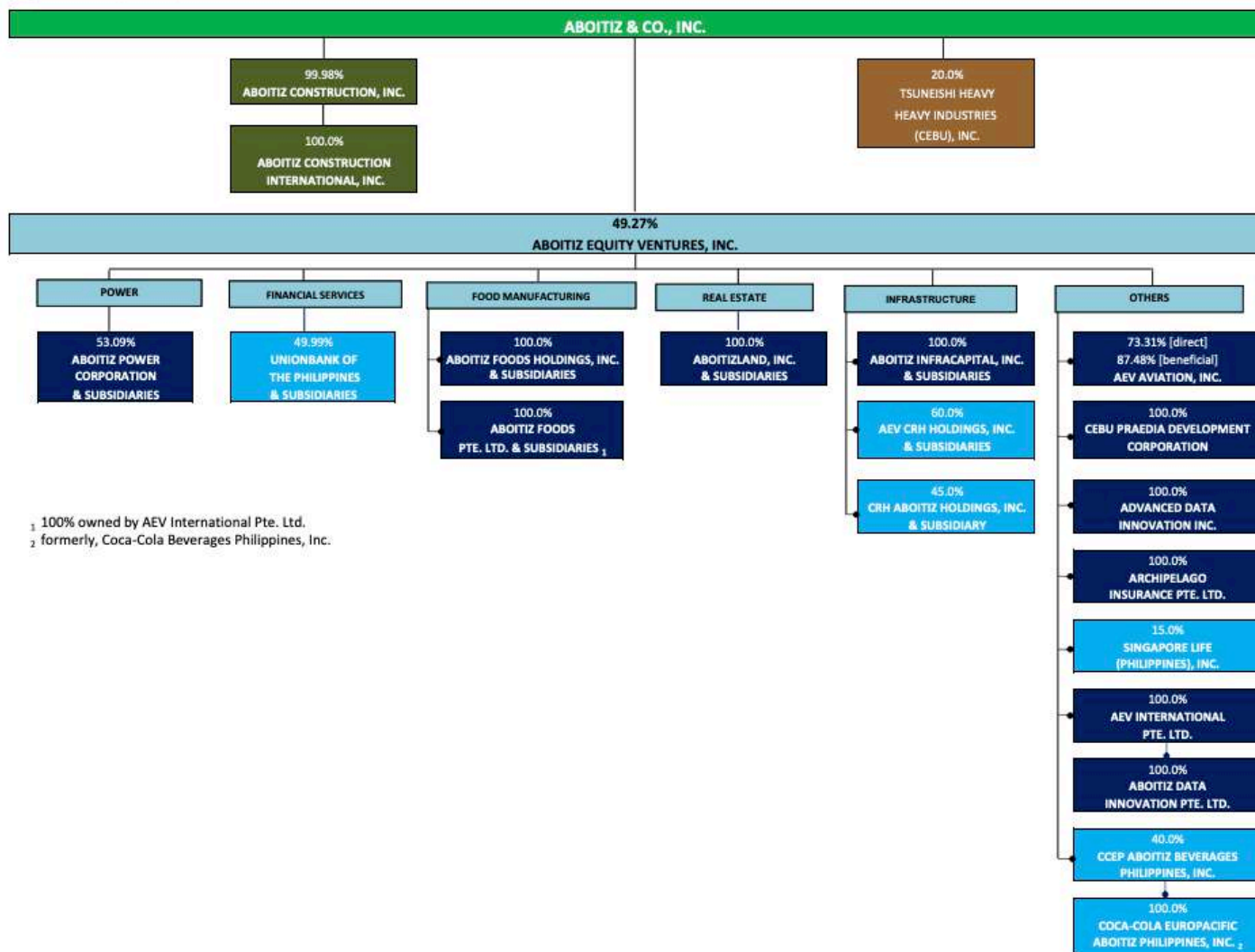
ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

CONGLOMERATE MAPPING

As of December 31, 2025

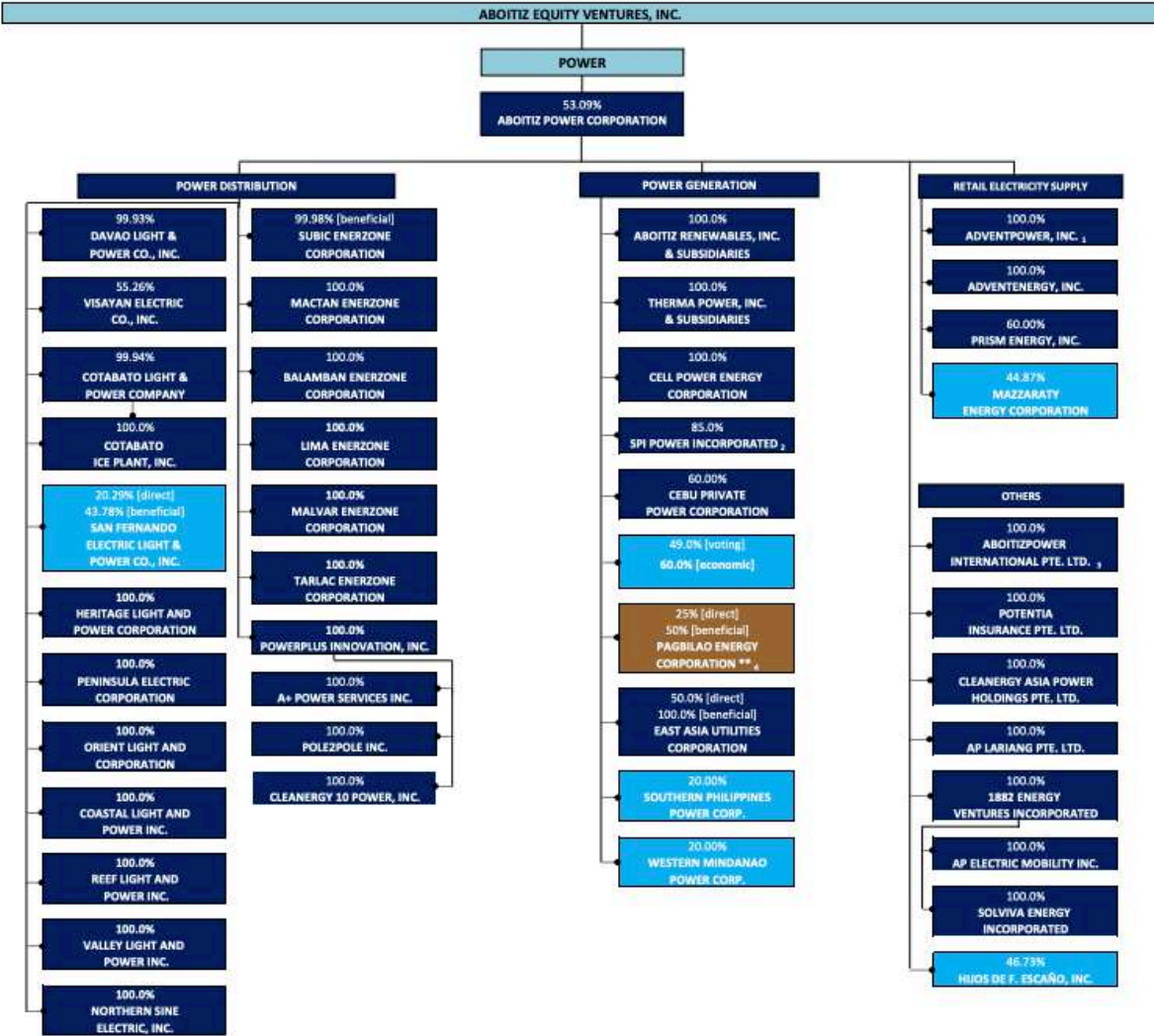
Legend:

- Parent Company
- Reporting Company
- Co-Subsidiary
- Subsidiary
- Associate or Joint Venture
- Other Related Parties



ABOITIZ EQUITY VENTURES, INC. - POWER
CONGLOMERATE MAPPING
As of December 31, 2025

Legend:
Reporting Company
Subsidiary
Associate or Joint Venture



^{**} Joint Operations
¹ formerly, Aboitiz Energy Solutions, Inc.
² formerly, STEAG State Power, Inc.
³ Owns 40% of Abaqo International Pte. Ltd.

ABOITIZ EQUITY VENTURES, INC. - POWER
CONGLOMERATE MAPPING
As of December 31, 2025

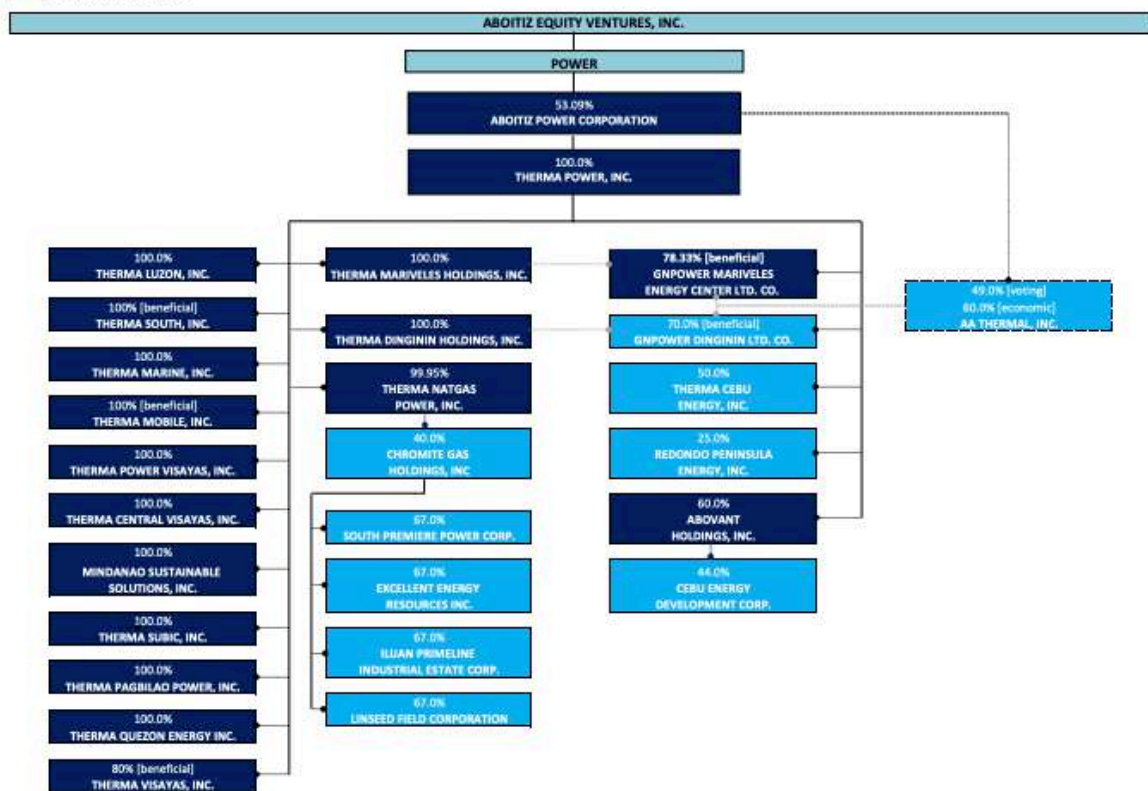
Legend:
Reporting Company
Subsidiary
Associate or Joint Venture



*** Engages in retail electricity supply business

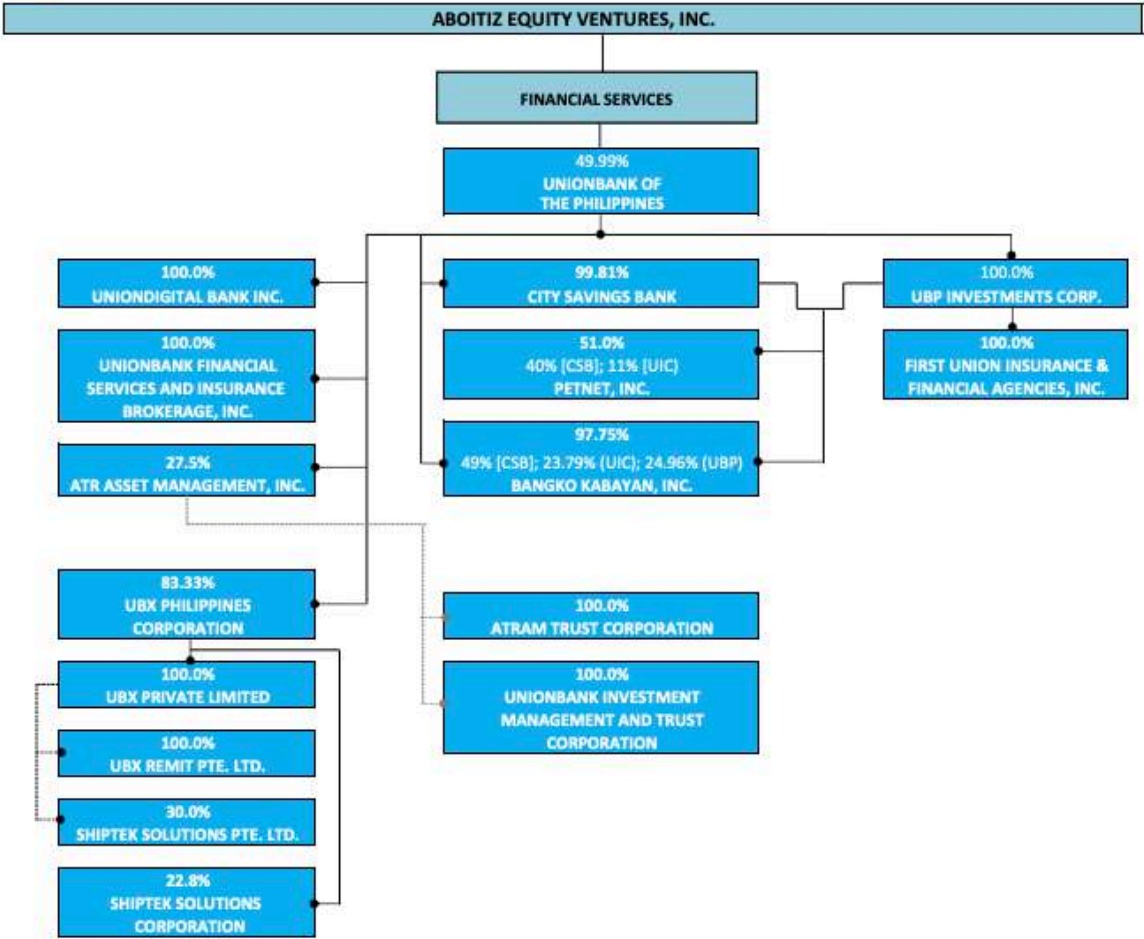
ABOITIZ EQUITY VENTURES, INC. - POWER
CONGLOMERATE MAPPING
As of December 31, 2025

Legend:
 Reporting Company
 Subsidiary
 Associate or Joint Venture
 Other Related Parties



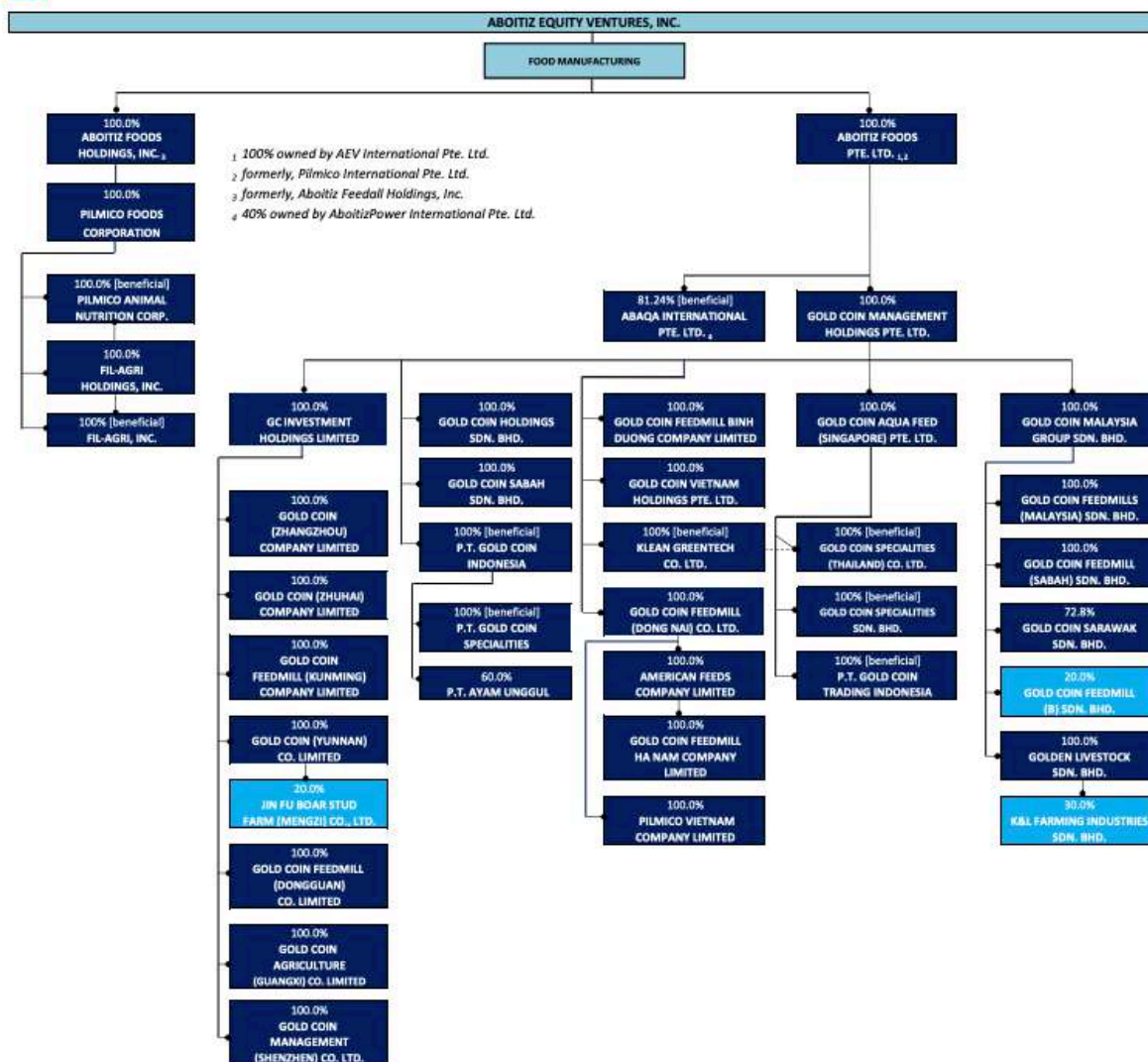
ABOITIZ EQUITY VENTURES, INC. - FINANCIAL SERVICES
CONGLOMERATE MAPPING
As of December 31, 2025

Legend:
Reporting Company
Subsidiary
Associate or Joint Venture



ABOITIZ EQUITY VENTURES, INC. - FOOD MANUFACTURING
CONGLOMERATE MAPPING
As of December 31, 2025

Legend:
 Reporting Company
 Subsidiary
 Associate or Joint Venture



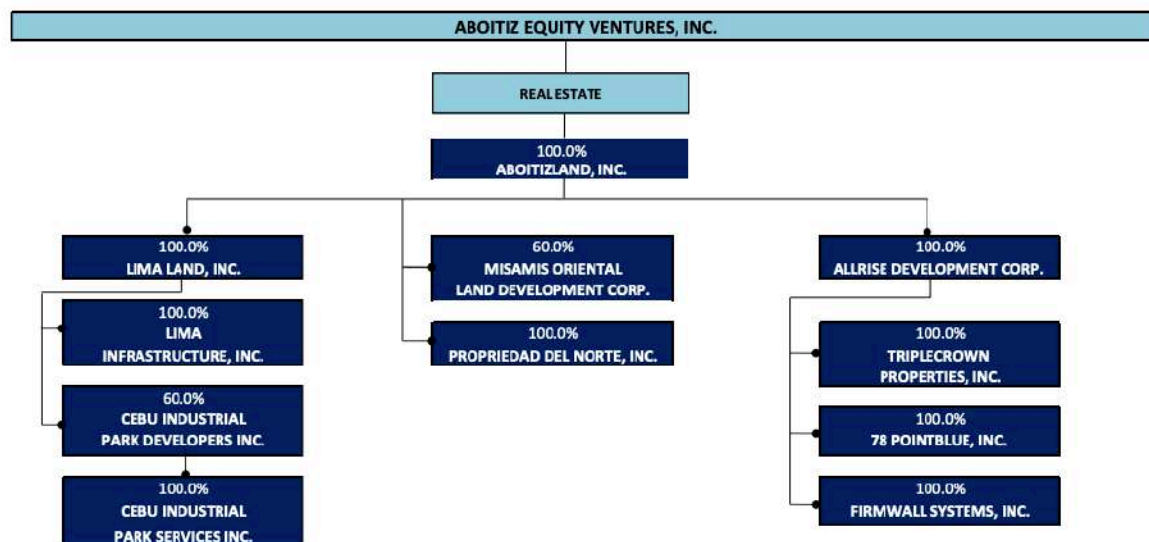
ABOITIZ EQUITY VENTURES, INC. - REAL ESTATE

CONGLOMERATE MAPPING

As of December 31, 2025

Legend:

- Reporting Company
- Subsidiary
- Associate or Joint Venture



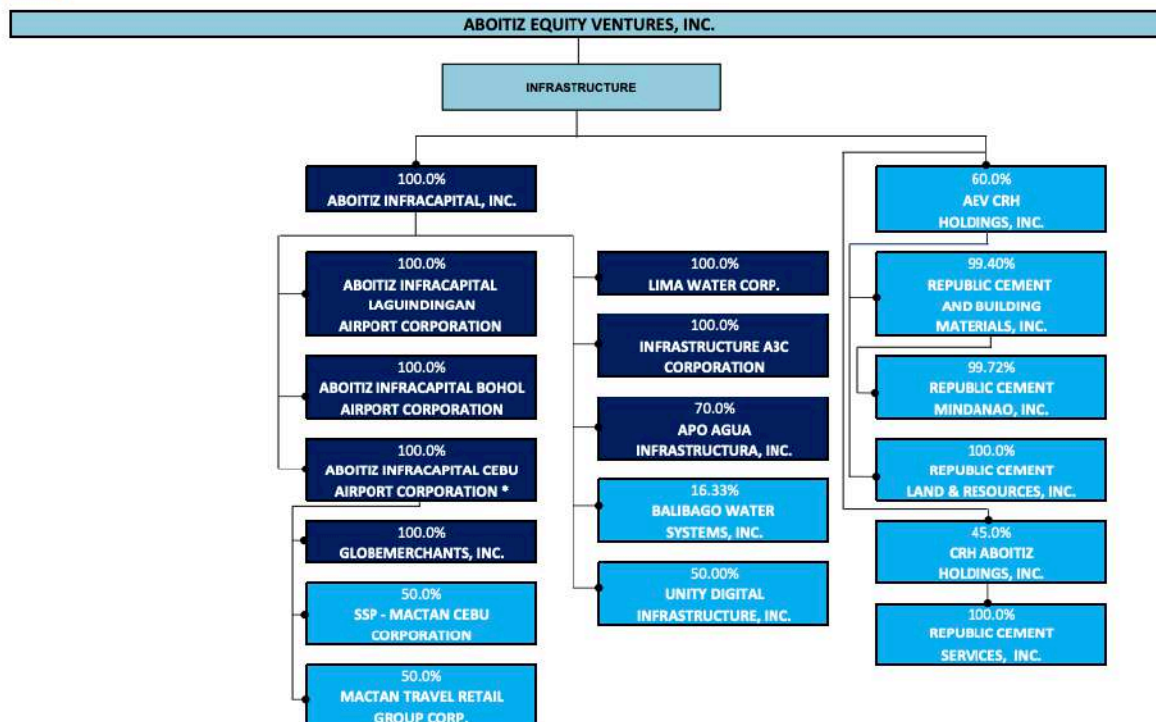
ABOITIZ EQUITY VENTURES, INC. - INFRASTRUCTURE

CONGLOMERATE MAPPING

As of December 31, 2025

Legend:

- Reporting Company
- Subsidiary
- Associate or Joint Venture



* formerly, Aboitiz GMR Megawide Cebu Airport Corporation

ANNEX “B”

AEV Patents, Copyrights, and Franchises

AEV and its Subsidiaries own, or have pending applications for the registration of intellectual property rights for various trademarks associated with their corporate names and logos.

The following table sets out information regarding the trademark applications which AEV has filed with the Philippine Intellectual Property Office (“Philippine IPO”) and intellectual property offices abroad.

Philippine IPO

Trademarks	Owner	Registration No. / Date Issued	Description	Status
Aboitiz word mark (Class Nos. 30, 35, 36, 37, 39, 40 and 42)	Aboitiz Equity Ventures Inc.	04-2018-018635 17 March 2019	Application for the word mark “Aboitiz”.	Registered.
Aboitiz word mark (Additional activities under Class Nos. 36, 37)	Aboitiz Equity Ventures Inc.	04-2019-000086 8 August 2019	Application for the word mark “Aboitiz” to cover additional services under Class Nos. 36 and 37.	Registered.
Advancing Business and Communities Logo (Class Nos. 35 and 36)	Aboitiz Equity Ventures Inc.	04-2018-021743 7 November 2019	Application for the device mark “Advancing Business and Communities”, with color claim.	Registered.
Aboitiz Equity Ventures word mark (Class Nos. 35 and 36)	Aboitiz Equity Ventures Inc.	04-2018-021492 3 March 2020	Application for the word mark “Aboitiz Ventures”.	Registered.
Aboitiz Equity Ventures Logo (Class Nos. 35 and 36)	Aboitiz Equity Ventures Inc.	04-2018-021742 6 October 2019	Application for the device mark “Aboitiz Equity Ventures”, with color claim.	Registered.
Techglomerate word mark (Class No. 35)	Aboitiz Equity Ventures Inc.	4-2022-00518217 15 October 2022	Application for the word mark “Techglomerate”.	Registered.

International Trademarks Application (Non-Madrid)

Trademarks	Owner	Country of Application	Status
Aboitiz (Word Mark) (Class No. 30)	Aboitiz Equity Ventures, Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 35)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 36)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 37)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 39)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 40)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Word Mark) (Class No. 42)	Aboitiz Equity Ventures Inc.	Malaysia	Registered.
Aboitiz (Class No. 42)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.

(Class No. 40)			
Aboitiz (Class No. 39)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 37)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 36)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 35)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.
Aboitiz (Class No. 30)	Aboitiz Equity Ventures Inc.	Sri Lanka	Pending.

International Trademarks Application (Madrid Protocol)

Trademarks	Owner	Country of Application	Status
Aboitiz (Word Mark) (#1504418) (Class Nos. 30, 35, 36, 37, 39, 40, and 42)	Aboitiz Equity Ventures Inc.	WIPO	Registered.
Aboitiz (Word Mark) (Class Nos. 30, 35, 36, 37, 39, 40, and 42)	Aboitiz Equity Ventures Inc.	Laos	Registered.
Aboitiz (Word Mark) (Class Nos. 30, 35, 36, 37, 39, 40, and 42)	Aboitiz Equity Ventures Inc.	Singapore	Registered.
Aboitiz (Word Mark) (Class Nos. 30, 35, 36, 27, 29, 40 and 42)	Aboitiz Equity Ventures Inc.	Brunei	Registered.
Aboitiz (Word Mark) (Class Nos. 30, 35, 36, 27, 29, 40 and 42)	Aboitiz Equity Ventures Inc.	Thailand	Registered.
Aboitiz (Word Mark) (Class Nos. 30, 35, 36, and 37)	Aboitiz Equity Ventures Inc.	Vietnam	Registered.
Aboitiz (Word Mark) (Class Nos. 30, 35, 36, 27, 29, 40 and 42)	Aboitiz Equity Ventures Inc.	Cambodia	Registered.

AEV has other pending trademark applications under the Madrid Protocol for the following countries: China and Indonesia.



Internal Control and Compliance System Attestation
For the year ended, December 31, 2025

Aboitiz Equity Ventures Inc.'s (AEV) corporate governance system includes a combination of internal and external mechanisms such as the structure of the board of directors and our committees, the oversight it exercises over management, and the formulation of sound policies and effective controls.

- The Board of Directors is responsible for providing governance and overseeing the implementation of adequate internal control mechanisms and risk management processes;
- Management is primarily responsible for designing and implementing an adequate (effective and efficient) internal control system and risk management processes as well as in ensuring compliance with statutory and regulatory requirements of the law;
- Management is responsible for developing a system to monitor and manage risks;
- SGV & Co., the Company's external auditor is responsible for assessing and expressing an opinion on the conformity of the audited financial statements with the Philippine Financial Reporting Standards and the overall quality of the financial reporting process;
- Internal Audit adopts a risk-based audit approach in developing an annual audit master plan and conducts reviews to assess the adequacy of the Company's internal control system; and
- The Company's Group Internal Audit Head that acts as the equivalent of a Chief Audit Executive reports functionally to the Board Audit Committee to ensure independence and objectivity, allowing Internal Audit to fulfill its responsibilities.

Based on the above assurance provided by the internal auditors as well as the external auditors as a result of their reviews, we attest that AEV's internal control and compliance system, which covers governance, risk management, and control processes, are generally adequate.

A large black rectangular box redacting the signature of Sabin M. Aboitiz.

Sabin M. Aboitiz
 President & Chief Executive Officer

A large black rectangular box redacting the signature of Connie G. Chu.

Connie G. Chu
 SVP Chief Legal and Compliance Officer

A large black rectangular box redacting the signature of Mariane M. Nacional.

Mariane M. Nacional
 VP Group Internal Audit Head



The Board Audit Committee Report to the Board of Directors

Aboitiz Equity Ventures, Inc.

The Board Audit Committee is pleased to present its report for the financial year ended December 31, 2025.

Audit Committee Responsibility

In giving effect to its duly approved charter, the Audit Committee assisted the Board of Directors in fulfilling its oversight responsibility to the public, governmental and/or regulatory bodies and other stakeholders in helping:

- a) Ensure the integrity of the Company's financial reporting processes, including ensuring the integrity of financial reports and other financial information provided by the Company to the public, governmental and/or regulatory bodies;
- b) Ensure excellence in the Company's control performance by having an adequate and effective internal control system, governance processes and risk management processes and reviewing the performance on the Company's internal audit function;
- c) Review the annual independent audit of the Company's financial statements and the external auditors' qualifications and independence;
- d) Ensure compliance with applicable laws and regulations which may represent material financial exposure to the Company; and
- e) Provide an avenue of communication among the Company's independent auditors, management, the internal auditing department and the Company.

The Committee has established a constructive and collaborative relationship with the Company's senior leadership to give support, but not to pre-empt any responsibility in making final audit-related decisions.

Committee Membership

The Audit Committee is composed of five (5) members, three (3) of whom are independent directors including its Chairman.

Cesar G. Romero, Independent Director, is the Chairman of the Committee. Other members of the committee are Joanne De Asis (Independent Director), Peter D. Maquera (Independent Director), Erramon I. Aboitiz (Non-Executive Director) and Ana Maria A. Delgado (Non-Executive Director).

Meetings and Attendance

The Audit Committee carried out its function through its meetings with management, internal auditors, independent external auditors, advisers, and others where appropriate.

The audit charter provides for the Committee to hold at least four (4) regular meetings a year, with the authority to convene special meetings when deemed required.

In 2025, four (4) regular and two (2) special meetings were held. The attendance by each member of the committee is so indicated below:

Member	Feb 19, 2025 <i>Special Meeting (Virtual)</i>	Mar 5, 2025 <i>Regular Meeting (Virtual)</i>	Apr 29, 2025 <i>Regular Meeting (Virtual)</i>	May 26, 2025 <i>Special Meeting (Virtual)</i>	Jul 28, 2025 <i>Regular Meeting (Virtual)</i>	Nov 4, 2025 <i>Regular Meeting (Virtual)</i>
CESAR G. ROMERO <i>Chairman, Independent Director</i>	✓	✓	✓	✓	✓	✓
PETER D. MAQUERA <i>Independent Director</i>	✓	X	✓	✓	✓	✓
JOANNE DE ASIS <i>Independent Director</i>	✓	✓	✓	✓	✓	✓
ERRAMON I. ABOITIZ, JR. <i>Non-Executive Director</i>	✓	✓	✓	✓	✓	X
ANA MARIA A. DELGADO <i>Non-Executive Director</i>	✓	X	✓	✓	X	✓

Attendees to these committee meetings also include the Group Internal Audit Head and, by invitation, the Chief Risk Officer, the Chief Financial Officer, Controller and other key leaders whenever deemed appropriate and necessary.

Executive sessions, without the presence of management, are scheduled after every regular committee meeting as part of the meeting agenda to allow for unfiltered and candid discussions.

One-on-one sessions between the Board Audit Committee Chairman and the AEV Group Internal Audit head are also held regularly at least once a quarter.

Financial Reports

The Board Audit Committee reviewed, discussed, and approved for public disclosure the 2025 quarterly unaudited consolidated financial statements. The Committee endorsed for approval by the full Board the 2025 annual audited financial statements of Aboitiz Equity Ventures, Inc., its subsidiaries and alliances. Included in the review were the Management Discussion and Analysis of Financial Condition and Results of Operations following prior review and discussion with management, accounting, and the company's independent external auditor, Sycip Gorres Velayo & Co.

(SGV)—member practice of Ernst & Young (EY) in the Philippines.

The activities of the Audit Committee are performed in the context—

- That management has the primary responsibility for the financial statements and the financial reporting process; and
- That the company's independent external auditor is responsible for expressing an unqualified opinion on the conformity and consistency of application of the Company's audited financial statements with Philippine Financial Reporting Standards.

External Auditors

The 2025 overall scope and audit plan of SGV were reviewed and approved during the November 4, 2025 regular Audit Committee meeting. The audit plan, fees and terms of engagement which covers audit-related services provided by SGV were also reviewed and found to be reasonable.

The results of the SGV audits and its assessment of the overall quality of the financial reporting process were presented and discussed during the first Audit Committee meeting the following year, March 3, 2026.

Non-audit services (NAS) were provided by SGV in 2025. The fees were related to the BIR 1709, transfer pricing consulting activities and AEV International SG corporate tax services including the conduct of training with regard to the adoption of new accounting standards and regulations.

All NAS provided by SGV has been approved in compliance with the new IESBA requirement for pre-concurrence for all proposed NAS before it is entered into or the provision of the services begin from those charged with governance, which in the case of AEV is its Board Audit Committee.

The Board Audit Committee, after evaluation of the performance of the external auditor in 2025 and finding it to be in accordance with the Standards, favorably endorsed to the full Board the re-appointment of SGV as external auditor for 2026. The full board, in its special meeting held March 5, 2026 approved the re-appointment of SGV with Jhoanna Feliza C. Go as the signing partner for AEV.

This re-appointment of SGV as the independent external auditor is subject to the final approval of the shareholders of AEV during the Annual General Stockholders meeting scheduled on April 27, 2026.

Internal Auditors

The Audit Committee is satisfied with the internal audit function and has assessed that it is operating effectively and generally covers the risks pertinent to the company in its audits. The Committee has reviewed and approved the annual audit program for the year which also covers the adequacy of resources, qualifications and competency of the staff and independence of the internal auditor.

With reference to the Global Internal Audit Standards – Domain II, Principle 2 Maintain Objectivity which states that *“Internal auditors maintain an impartial and unbiased attitude when performing internal audit services and making decisions”*, the Committee confirms that the function is executed effectively and internal auditors have conducted their responsibilities objectively and in an unbiased manner. The Committee further confirms that, to the best of its knowledge and belief, the auditors have no personal or other impediments that would prevent them from objectively planning, conducting, reporting, or otherwise participating and reaching independent conclusions in their audit assignments in 2025. Internal audit is organizationally positioned to be independent—functionally reporting to the Board Audit Committee and administratively to the President and Chief Executive Officer.

The Board Audit Committee is satisfied with the content and quality of reports prepared and issued by the internal auditors during the year under review.

The Group Internal Audit (GIA) remains to be the single-point-of-contact for the Audit Committee. It takes the lead in setting the standards, initiatives and overall direction of the group audit teams which, in turn, focus their reviews on the top risks of their respective business units. Except for AboitizPower, AboitizFoods, UnionBank and other financial business units, information systems and technology-related risks however, still remain to be an area covered by the Aboitiz Equity Ventures, Inc. group information systems auditors including the management of its outsourcing/co-sourcing activities.

Based on audit reports and highlights presented to the Committee and with the contribution provided by management and other key leaders on the issues raised to their attention, the Committee concurs with internal audit’s assessment that, generally, there is reasonable assurance that the existing system of internal controls, risk management and governance allow for a generally adequate management of identified risks and effectively supports the improvement of the management of the Company as a whole.

With cybersecurity risk still considered as one of the top risks of the company, continuous focus is given to continuously improve and further strengthen governance and controls over the implementation of security standards for information systems and related technologies. Internal audit prioritized business unit compliance reviews to the minimum information technology and operational technology security standards set and agreed upon at corporate level.

External Quality Assessment

The Internal Audit team of Aboitiz Equity Ventures, Inc., after undergoing an External Quality Assessment (EQA) review by the authorized validators of the Institute of Internal Auditors (IIA) Philippines that are duly accredited by the Institute of Internal Auditors (IIA) International, received the official EQAR results in 2017.

It is the opinion of the IIA that on the overall, the internal audit team of Aboitiz Equity Ventures, Inc., “**Generally Conforms**” to the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics for internal audit practitioners. **Generally Conforms** is the highest rating awarded in connection with an EQA and the internal audit team has been commended for this achievement.

The EQA, much like any global certification, is not required. Acquiring it helps build the reputation not just of internal audit but of Aboitiz as a company that not only conforms, complies and follows but adopts and implements the *Standards* and best practices of the internal audit function. The EQA certification is valid for 5 years or until 2022 only.

An EQA was not done the past years in view of the ongoing federalization in the internal audit function. Focus was on the set-up and transitioning of the resident internal audit teams for Aboitiz InfraCapital Inc., AboitizFoods and AboitizLand. Transitioning was also done for the information technology audit function from AEV group internal audit to the resident internal audit teams.

Nevertheless, AEV group internal audit continually works on its internal Quality Assurance Improvement Program and encourages its adoption especially to the newly organized resident internal audit teams.

Review of the Audit Charters

Annual review of the audit charters—Board Audit Committee charter and Internal Audit charter—was conducted. For the charter review on November 4, 2025, there were no proposed changes presented. Thus, the latest updated version of the Internal Audit Charter approved by the Board Audit Committee on October 25, 2024 and Board Audit Committee Charter approved by the AEV Board on January 28, 2025 remains in effect.

The 2025 version of the Charters were already aligned to the new Global Internal Audit Standards (formerly known as the International Standard for the Professional Practice of Internal Auditing or ISPPIA). This new Global IA Standards was published January 9, 2024 and took effect on January 9, 2025.

The charters reinforce the oversight responsibilities of the Board Audit Committee in helping ensure excellence in control performance by having an adequate and effective internal control system, governance and risk management processes.

The review and updating of the charters are done at least once a year, endorsed by the

Audit Committee, approved by the Board and included in the report to the stockholders.

Self-Assessment

The Committee conducted its annual self-assessment in accordance with the guidelines of SEC Memo Cir. No. 19, series of 2016 and the Company's Manual on Corporate Governance . The assessment result showed that the Committee complied with the requirements set forth in the Audit Charter and met the necessary and most important requirements set by global standards and best practices.

Risk Management

The partnership between the risk management team and internal audit has remained solid and vital in continuously providing objective assurance to the board on the effectiveness of the risk management function in the organization.

The top strategic risks, emerging risks and project risks are key inputs in the preparation and prioritization of internal audit's master plan for the following year. The risk management plan, presented, discussed and approved by the Board Risk and Reputation Committee empowers the business to adequately identify and address the risks to ensure that the organization's plans, strategies and business objectives are achieved.

The internal audit team presents to the Board Risk and Reputation Committee the results of the annual Strategic Risk Management Plan validation reviews conducted across the different business units. The reviews give an assurance to management and the Board on the existence status and effectiveness assessment, where verifiable, of the risk treatments plans to address the identified risks for the year.

After considering, analyzing and reviewing all pertinent information on the integrity of financial reporting, effectiveness of internal controls, risk management, governance and compliance within the Aboitiz group of companies, the Committee is of the view that, in all material aspects, the duties and responsibilities as so outlined in its Charter have been satisfactorily performed.

In behalf of the Board Audit Committee,



Cesar G. Romero

Independent Director

Board Audit Committee Chairman

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	E	O	2	5	3	6			

COMPANY NAME

A	B	O	I	T	I	Z		E	Q	U	I	T	Y		V	E	N	T	U	R	E	S	,		I	N	C	.	

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

A	y	a	l	a		T	r	i	a	n	g	l	e		T	o	w	e	r	2	,		P	a	s	e	o		
d	e		R	o	x	a	s	,		C	o	r	n	e	r		M	a	k	a	t	i		A	v	e	n	u	e
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P	h	i	l	i	p	p	i	n	e	s																			

Form Type

A	A	F	S

Department requiring the report

C	R	M	D

Secondary License Type, If Applicable

-	N	A	-

COMPANY INFORMATION

Company's Email Address

www.aboitiz.com

Company's Telephone Number

(02) 8886-2800

Mobile Number

N/A

No. of Stockholders

8166

Annual Meeting (Month / Day)

April 28

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Beverly Tolentino

Email Address

beverly.tolentino@aboitiz.com

Telephone Number/s

N/A

Mobile Number

+63 917 598 3228

CONTACT PERSON'S ADDRESS

c/o Aboitiz Equity Ventures, Inc. - Ayala Triangles Tower 2, Makati City, Metro Manila, Philippines

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

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





SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



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Company Information

SEC Registration No.: CEO0002536

Company Name: ABOITIZ EQUITY VENTURES INC.

Industry Classification: K74140

Company Type: Stock Corporation

Document Information

Document ID: OST104072026811158886

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2025

Submission Type: Parent

Remarks: None

Acceptance of this document is subject to review of forms and contents



Catherine Jumamoy <catherine.jumamoy@aboitiz.com>

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Mon, Apr 6, 2026 at 4:51 PM

#OneAboitiz

Gladys Montehermoso Bernaje

Manager - Tax and Payroll Management
Aboitiz Equity Ventures Inc.

+63 917 810 2539



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Hi ABOITIZ EQUITY VENTURES, INC.,

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- EAFS003828269AFSTY122025.pdf
- EAFS003828269TCRTY122025-95.pdf
- EAFS003828269OTHTY122025.pdf
- EAFS003828269TCRTY122025-99.pdf
- EAFS003828269TCRTY122025-52.pdf

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- <None>

Transaction Code: **AFS-0-22QX2R3P0PYXQVZVXM2SZ3TYY022YQ3422**Submission Date/Time: **Apr 06, 2026 04:48 PM**Company TIN: **003-828-269**

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**SECURITIES & EXCHANGE COMMISSION
SEC Building, EDSA Greenhills
Mandaluyong, Metro Manila**

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

The management of **Abotiz Equity Ventures, Inc. (Parent)** 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.

A black rectangular box redacting the signature of Enrique M. Aboitiz Jr.

ENRIQUE M. ABOITIZ JR.
Chairman of the Board

A black rectangular box redacting the signature of Sabin M. Aboitiz.

SABIN M. ABOITIZ
President & Chief Executive Officer

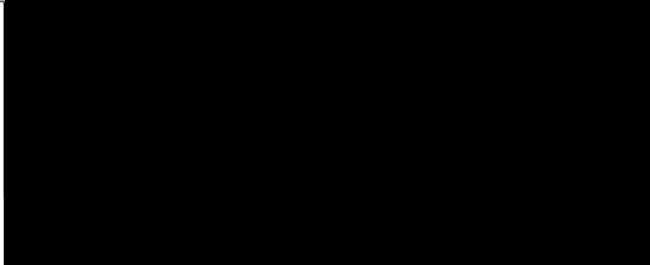
A black rectangular box redacting the signature of Jose Emmanuel U. Hilado.

JOSE EMMANUEL U. HILADO
Senior Vice President - Chief Financial Officer

Signed this **6th** day of **February, 2026**.

Republic of the Philippines)
MAKATI CITY
) S.S.

Before me, a notary public in and for the city named above, personally appeared:

Name	Passport/CTC	Date/Place Issued
Enrique M. Aboitiz Jr.		
Sabin M. Aboitiz		
Jose Emmanuel U. Hilado		

who are personally known to me and to me known to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

FEB 06 2026

Witness my hand and seal this _____ day of _____ 2026.

Doc. No. 273
Page No. 54
Book No. 4
Series of 2026


ATTY. ADONAI JAN R. ASLARONA
Notary Public
Until December 31, 2026
IBP O.R No. 591537/01-07-2026/Pampanga
Appointment No. M-30 (2025-2026)
Roll of Attorney No. 84603
MCLE Compliance No. VIII-0033436
PTR No. 10769145/1-06-2026/Makati City
Unit 1009 Philippine AXA Life Centre, Sen. Gil Puyat
Avenue Corner, Tindalo Street, Makati City 1286

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Aboitiz Equity Ventures, Inc.
Ayala Triangle Gardens Tower 2,
Paseo de Roxas, corner Makati Avenue
Makati City, Metro Manila
Philippines

Report on the audit of the financial statements

Opinion

We have audited the parent company financial statements of Aboitiz Equity Ventures, Inc. (the Company), which comprise the parent company balance sheets 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 each of the three years in the period ended December 31, 2025, 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 Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2025 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 Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (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 our audit of the financial statements in the Philippines, and 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 Company's ability to continue as a going concern. In preparing the parent company 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.



Those charged with governance are responsible for overseeing the 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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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, actions taken to eliminate threats or safeguards applied.



Report on the Supplementary Information Required Under Revenue Regulations 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 15-2010 in Note 27 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 financial statements. Such information is the responsibility of the management of the Company. 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 basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is
Jhoanna Feliza C. Go.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go

Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

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

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

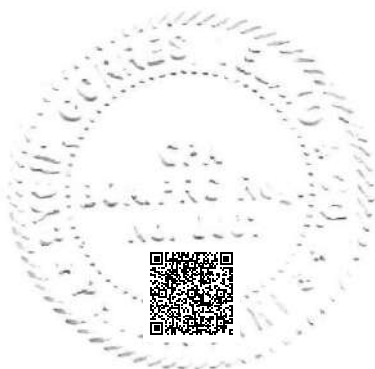
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-103-2025, October 1, 2025, valid until September 30, 2028

PTR No. 10765055, January 2, 2026, Makati City

March 5, 2026



ABOITIZ EQUITY VENTURES, INC.
PARENT COMPANY BALANCE SHEETS

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱9,743,468,936	₱7,832,397,106
Trade and other receivables (Notes 5 and 16)	1,261,397,622	72,073,030
Derivative asset (Note 23)	—	11,937,646
Noncurrent asset held for sale (Note 10)	949,629,963	949,629,963
Other current assets	2,313,854	—
Total Current Assets	11,956,810,375	8,866,037,745
Noncurrent Assets		
Investments (Notes 7 and 8)	175,045,620,068	170,495,101,518
Property and equipment (Note 9)	738,678,237	212,811,253
Financial assets at fair value to other comprehensive income (FVOCI) (Note 11)	46,832,128	986,292,223
Financial assets at fair value through profit or loss (FVTPL) (Note 23)	129,678,660	71,111,642
Pension asset (Note 20)	197,498,000	187,962,475
Other noncurrent assets (Note 6)	1,605,072,398	1,419,540,480
Total Noncurrent Assets	177,763,379,491	173,372,819,591
TOTAL ASSETS	₱189,720,189,866	₱182,238,857,336
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Note 13)	₱9,171,801,370	₱—
Accounts payable and accrued expenses (Notes 12 and 13)	1,588,428,252	714,499,945
Current portion of:		
Lease liability (Note 24)	12,421,823	45,653,249
Long-term debts (Note 13)	90,458,198	11,562,568,581
Derivative liability (Note 23)	12,678,122	—
Total Current Liabilities	10,875,787,765	12,322,721,775
Noncurrent Liabilities		
Noncurrent portion of:		
Lease liability (Note 24)	482,294,259	8,251,796
Long-term debts (Note 13)	54,708,253,212	52,659,624,026
Derivative liability (Note 23)	696,245,999	—
Deferred income tax liabilities (Note 21)	230,808,976	220,542,654
Total Noncurrent Liabilities	56,117,602,446	52,888,418,476
Total Liabilities	66,993,390,211	65,211,140,251

(Forward)



	December 31	
	2025	2024
Equity		
Capital stock (Note 14)	₱5,694,599,621	₱5,694,599,621
Additional paid-in capital (Note 14)	12,693,153,652	12,693,153,652
Net unrealized mark-to-market (MTM) gains on investments in financial assets at FVOCI (Note 11)	5,682,128	12,109,969
Actuarial losses on defined benefit plan (Note 20)	(151,212,002)	(192,758,543)
Cash flow hedge reserve (Note 23)	(405,845,999)	—
Retained earnings (Notes 15)		
Appropriated	88,800,000,000	88,800,000,000
Unappropriated	19,765,520,608	13,662,684,339
Treasury stock at cost (Note 14)	(3,675,098,353)	(3,642,071,953)
Total Equity	122,726,799,655	117,027,717,085
TOTAL LIABILITIES AND EQUITY	₱189,720,189,866	₱182,238,857,336

See accompanying Notes to Parent Company Financial Statements.



ABOITIZ EQUITY VENTURES, INC.**PARENT COMPANY STATEMENTS OF INCOME**

	Years Ended December 31		
	2025	2024	2023
REVENUE			
Dividend income (Note 16)	₱18,201,728,751	₱12,901,950,500	₱10,255,285,854
Management, professional and technical fees (Note 16)	1,588,673,459	964,274,694	1,166,808,248
	19,790,402,210	13,866,225,194	11,422,094,102
COST OF SERVICES (Note 17)	792,506,684	308,646,493	519,404,526
GROSS PROFIT	18,997,895,526	13,557,578,701	10,902,689,576
General and administrative expenses (Note 18)	(926,460,624)	(1,563,316,480)	(1,663,714,850)
Interest income (Notes 4, 11 and 16)	546,456,382	911,820,967	2,140,138,332
Interest expense (Notes 13 and 24)	(4,098,525,173)	(4,074,853,131)	(3,521,401,774)
	(4,478,529,415)	(4,726,348,644)	(3,044,978,292)
OTHER INCOME (CHARGES)			
Foreign exchange gain (loss) - net	(130,358,535)	195,891,352	494,663,618
Service income (Note 16)	46,008,635	39,145,964	101,335,117
Rent income (Notes 10 and 16)	11,639,110	28,691,340	24,943,320
Realized MTM gain on disposal of financial assets at FVOCI	228,700,576	—	—
Unrealized MTM gain (loss) on financial assets at FVTPL	1,510,356	2,655,863	(1,568,913)
Write-off of investments and advances, project costs and other assets	(18,423,481)	(69,922,539)	(94,945,025)
Valuation losses on derivative transactions-net (Note 23)	(10,812,768)	(143,647,354)	(119,005,341)
Impairment loss on investment (Notes 7 and 8)	(25,084,962)	(8,750,000,000)	—
Loss on sale of investment properties and property and equipment (Notes 9 and 10)	(3,458,135)	(5,712,250)	(10,147,017)
Loss on lease termination (Note 24)	(7,979,436)	—	—
Others (Note 16)	124,014,490	123,730,246	103,623,870
	215,755,850	(8,579,167,378)	498,899,629
INCOME BEFORE INCOME TAX	14,735,121,961	252,062,679	8,356,610,913
PROVISION FOR INCOME TAX (Note 21)	80,965,905	167,458,959	64,728,014
NET INCOME	₱14,654,156,056	₱84,603,720	₱8,291,882,899
EARNINGS PER COMMON SHARE (Note 15)			
Basic and diluted, for net income for the year	₱2.64	₱0.02	₱1.47

See accompanying Notes to Parent Company Financial Statements.



ABOITIZ EQUITY VENTURES, INC.**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2025	2024	2023
NET INCOME	₱14,654,156,056	₱84,603,720	₱8,291,882,899
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that may be reclassified subsequently to parent company statements of income:			
Cash flow hedge reserve (Note 23)	(405,845,999)	809,423,217	(809,423,217)
Net unrealized MTM gains (losses) on FVOCI investments (Note 11)	(6,427,841)	3,193,643	45,707,429
	(412,273,840)	812,616,860	(763,715,788)
Items that will not be reclassified to parent company statements of income:			
Actuarial gains (losses) on defined benefit plan (Note 20)	55,395,388	705,043	(155,568,719)
Income tax effect	(13,848,847)	(202,532,065)	241,247,984
	41,546,541	(201,827,022)	85,679,265
TOTAL COMPREHENSIVE INCOME	₱14,283,428,757	₱695,393,558	₱7,613,846,376

See accompanying Notes to Parent Company Financial Statements.



ABOITIZ EQUITY VENTURES, INC.
PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	Capital Stock (Note 14)	Additional Paid-in Capital (Note 14)	Net Unrealized Mark-to-Market gains (losses) on financial assets at FVOCI (Note 11)	Actuarial Losses on Defined Benefit Plan (Note 20)	Cash Flow Hedge Reserve (Note 23)	Retained Earnings		Treasury Stock (Note 14)	Total
						Appropriated (Note 15)	Unappropriated (Note 15)		
Balances at January 1, 2023	₱5,694,599,621	₱12,693,153,652	(₱36,791,103)	(₱76,610,786)	₱—	₱79,800,000,000	₱30,430,329,203	(₱647,672,411)	₱127,857,008,176
Net income for the year	—	—	—	—	—	—	8,291,882,899	—	8,291,882,899
Other comprehensive income (loss)	—	—	45,707,429	(116,676,539)	(607,067,413)	—	—	—	(678,036,523)
Total comprehensive income for the year	—	—	45,707,429	(116,676,539)	(607,067,413)	—	8,291,882,899	—	7,613,846,376
Purchase of treasury shares (Note 14)	—	—	—	—	—	—	—	(497,758,571)	(497,758,571)
Appropriation during the year (Note 15)	—	—	—	—	—	9,000,000,000	(9,000,000,000)	—	—
Cash dividends - ₱1.47 per common share (Note 15)	—	—	—	—	—	—	(8,276,431,423)	—	(8,276,431,423)
Balances at December 31, 2023	₱5,694,599,621	₱12,693,153,652	₱8,916,326	(₱193,287,325)	(₱607,067,413)	₱88,800,000,000	₱21,445,780,679	(₱1,145,430,982)	₱126,696,664,558
Balances at January 1, 2024	₱5,694,599,621	₱12,693,153,652	₱8,916,326	(₱193,287,325)	(₱607,067,413)	₱88,800,000,000	₱21,445,780,679	(₱1,145,430,982)	₱126,696,664,558
Net income for the year	—	—	—	—	—	—	84,603,720	—	84,603,720
Other comprehensive income	—	—	3,193,643	528,782	607,067,413	—	—	—	610,789,838
Total comprehensive income for the year	—	—	3,193,643	528,782	607,067,413	—	84,603,720	—	695,393,558
Purchase of treasury shares (Note 14)	—	—	—	—	—	—	—	(2,496,640,971)	(2,496,640,971)
Cash dividends - ₱1.40 per common share (Note 15)	—	—	—	—	—	—	(7,867,700,060)	—	(7,867,700,060)
Balances at December 31, 2024	₱5,694,599,621	₱12,693,153,652	₱12,109,969	(₱192,758,543)	₱—	₱88,800,000,000	₱13,662,684,339	(₱3,642,071,953)	₱117,027,717,085
Balances at January 1, 2025	₱5,694,599,621	₱12,693,153,652	₱12,109,969	(₱192,758,543)	₱—	₱88,800,000,000	₱13,662,684,339	(₱3,642,071,953)	₱117,027,717,085
Net income for the year	—	—	—	—	—	—	14,654,156,056	—	14,654,156,056
Other comprehensive income (loss)	—	—	(6,427,841)	41,546,541	(405,845,999)	—	—	—	(370,727,299)
Total comprehensive income for the year	—	—	(6,427,841)	41,546,541	(405,845,999)	—	14,654,156,056	—	14,283,428,757
Purchase of treasury shares (Note 14)	—	—	—	—	—	—	—	(33,026,400)	(33,026,400)
Cash dividends - ₱1.54 per common share (Note 15)	—	—	—	—	—	—	(8,551,319,787)	—	(8,551,319,787)
Balances at December 31, 2025	₱5,694,599,621	₱12,693,153,652	₱5,682,128	(₱151,212,002)	(₱405,845,999)	₱88,800,000,000	₱19,765,520,608	(₱3,675,098,353)	₱122,726,799,655

See accompanying Notes to Parent Company Financial Statements.


ABOITIZ EQUITY VENTURES, INC.
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱14,735,121,961	₱252,062,679	₱8,356,610,913
Adjustments for:			
Impairment loss on investment (Notes 7 and 8)	25,084,962	8,750,000,000	—
Interest expense (Notes 13 and 24)	4,098,525,173	4,074,853,131	3,521,401,774
Depreciation and amortization (Notes 9, 17 and 18)	134,657,818	97,255,276	97,655,209
Write-off of investments and advances, project costs and other assets	18,423,481	69,922,539	94,945,025
Amortization of computer software (Notes 6, 17 and 18)	25,053,116	46,117,299	29,507,537
Loss (gain) on sale of:			
Investment properties and property and equipment (Notes 9 and 10)	3,458,135	5,712,250	10,147,017
Loss on lease termination (Note 24)	7,979,436	—	—
Unrealized foreign exchange loss (gain)	227,128,453	(617,855,676)	(122,781,770)
Interest income (Notes 4, 5 and 16)	(546,456,382)	(911,820,967)	(2,140,138,332)
Unrealized MTM losses (gain) on derivatives (Note 23)	24,615,768	(11,937,646)	149,843,068
Unrealized MTM (gain) loss on financial assets at FVTPL	(1,510,356)	(2,655,863)	1,568,913
Dividend income (Note 16)	(18,201,728,751)	(12,901,950,500)	(10,255,285,854)
Realized MTM gains on disposal of financial assets at FVOCI	(228,700,576)	—	—
Operating income before working capital changes	321,652,238	(1,150,297,478)	(256,526,500)
Decrease (increase) in:			
Trade and other receivables	(234,453,837)	392,229,946	(94,385,451)
Other operating assets	(194,693,793)	(92,392,061)	(63,010,810)
Increase (decrease) in:			
Accounts payable and accrued expenses	(33,777,870)	16,323,713	119,126,297
Net cash flows used in operations	(141,273,262)	(834,135,880)	(294,796,464)
Dividends received	17,166,496,049	12,899,698,417	10,253,185,523
Income and final taxes paid	(52,527,275)	(67,166,918)	(81,227,638)
Net cash flows generated from operating activities	16,972,695,512	11,998,395,619	9,877,161,421
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	539,740,177	997,264,124	2,353,154,471
Proceeds from sale of:			
Financial assets at FVOCI, FVTPL and debt investments at amortized cost	1,012,636,463	—	—
Investment in associate (Notes 8)	—	1,629,000,000	—
Investment properties and property and equipment (Notes 9 and 10)	4,290,647	8,754,557	215,084,597
Proceeds from (additions to):			
Financial assets at FVOCI, FVTPL and debt investments at amortized cost	(57,121,625)	1,253,918,344	1,352,707,679
Redemption of preferred shares by a subsidiary (Note 7)	4,141,000,000	19,060,000	19,060,000
Short-term and other deposits	611,455,258	—	19,800,569,271
Other noncurrent assets	(22,409,871)	978,293,980	(922,475,979)
Acquisitions of:			
Investments (Notes 7 and 8)	(8,716,518,550)	(36,690,999,385)	(6,852,561,949)
Property and equipment (Note 9)	(179,318,156)	(35,667,008)	(69,451,326)
Computer software development (Note 6)	(400,000)	(7,032,751)	(42,956,517)
Net cash flows from (used in) investing activities	(2,666,645,657)	(31,847,408,139)	15,853,130,247

(Forward)



	Years Ended December 31		
	2025	2024	2023
CASH FLOWS USED FINANCING ACTIVITIES			
Dividends paid on common shares (Note 14)	(₱8,551,319,788)	(₱7,867,700,060)	(₱8,276,431,423)
Proceeds from:			
Long-term debt	11,420,458,247	—	17,233,529,984
Short-term debt	14,171,801,370	—	—
Payments of:			
Long-term debt	(20,713,170,000)	(3,450,000,000)	(6,953,300,000)
Interest	(3,666,594,632)	(3,929,013,732)	(3,511,153,381)
Short-term debt	(5,000,000,000)	—	—
Lease liabilities, including accretion of interest (Note 24)	(76,744,136)	(45,626,389)	(30,075,152)
Acquisition of treasury shares (Note 14)	(33,026,400)	(2,496,640,971)	(497,758,571)
Net cash flows used in financing activities	(12,448,595,339)	(17,788,981,152)	(2,035,188,543)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,857,454,516	(37,637,993,672)	23,695,103,125
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	53,617,314	571,303,435	(266,341,032)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,832,397,106	44,899,087,343	21,470,325,250
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱9,743,468,936	₱7,832,397,106	₱44,899,087,343

See accompanying Notes to Parent Company Financial Statements.



ABOITIZ EQUITY VENTURES, INC.

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

Aboitiz Equity Ventures, Inc. (the Company) was incorporated in the Republic of the Philippines on September 11, 1989. It is registered with the Philippine Securities and Exchange Commission (SEC) and is the publicly listed holding and management company of the Aboitiz Group of Companies. Through its subsidiaries and associates, it is engaged in various business activities, mainly in the Philippines, including electricity generation and distribution, banking and financial services, food manufacturing, real estate development and infrastructure. The ultimate parent of the Company is Aboitiz & Company, Inc. (ACO), a company incorporated in the Philippines.

The registered office address of the Company is Ayala Triangle Gardens Tower 2, Paseo de Roxas, corner Makati Avenue, Makati City, Metro Manila, Philippines.

The financial statements of the Company were authorized for issue in accordance with a resolution by the Board of Directors (BOD) on March 5, 2026.

2. Basis of Preparation and Summary of Significant Accounting Policies

Basis of Preparation

The parent company financial statements have been prepared on a historical cost basis, except for investments in certain debt and equity securities and derivatives which are measured at fair value. The parent company financial statements are presented in Philippine peso, which is the Company's functional currency, and all values are rounded to the nearest peso except as otherwise indicated.

The Company also prepares and issues consolidated financial statements for the same period as the parent company financial statements, presented in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. These may be obtained at Ayala Triangle Gardens Tower 2, Paseo de Roxas, corner Makati Avenue, Makati City, Metro Manila, Philippines.

Statement of Compliance

The parent company financial statements, which are prepared for submission to the Philippine SEC and the Bureau of Internal Revenue (BIR), have been prepared in compliance with PFRS Accounting Standards.

Changes in Accounting Policies and Disclosures

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* which specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Adoption of these amendments did not have any impact on the parent company financial statements.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Company intends to adopt the following pronouncements when they become effective.



Effective beginning on or after January 1, 2026

- 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 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.

- Annual Improvements to PFRS Accounting Standards—Volume 11

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

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

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

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

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



- Amendments to PFRS 9

- Lessee Derecognition of Lease Liabilities

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

- Transaction Price

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

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

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

- Amendments to PAS 7, *Cost Method*

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

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

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

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

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



On December 15, 2021, the FRSC 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 Insurance Contracts that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

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

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

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

The Company is currently assessing the impact the amendments will have on current practice.

- *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. 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 Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (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.



Material Accounting Policy Information

Current versus Noncurrent Classification

The Company presents assets and liabilities in the parent company balance sheet based on current/noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after reporting period

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as noncurrent.

Deferred income tax assets and liabilities are classified as non-current assets and liabilities.

Fair Value Measurement

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

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

The 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
- 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 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 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.

Cash and Cash Equivalents

Cash and cash equivalents in the parent company balance sheet consist of cash on hand and with banks, and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. They are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, at FVOCI and at fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at its transaction price.

In order for a debt 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 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 market place (regular way trades) are recognized on the trade date, i.e., the date that the 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 FVTPL

Financial assets at amortized cost

The 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 statement of income when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost as at December 31, 2025 consist of cash in banks, cash equivalents, short-term cash deposits, trade and other receivables and debt investments in the parent company balance sheets. The Company assessed that the contractual cash flows of its debt financial assets are SPPI and are expected to be held to collect all contractual cash flows until their maturity. As a result, the Company concluded these debt financial assets to be measured at amortized cost.

Financial Assets at FVOCI

A financial asset is measured at FVOCI if both of the following conditions are met:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (OCI) within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in the parent company statement of income upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the ECL model.

The Company may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. Amounts recognized in OCI are not



subsequently transferred to the parent company statement of income. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in the parent company statement of income, unless the dividend clearly represents a recovery of part of the cost of the investment.

Dividends are recognized in the parent company statement of income only when:

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

As of December 31, 2025 and 2024, the Company has investments in debt securities that are measured at FVOCI.

Financial assets at FVTPL

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

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

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

The Company's investments in equity shares are measured at FVTPL as of December 31, 2025 and 2024.

Impairment of Financial Assets

The Company applied the ECL model on the impairment of the following debt instruments financial assets not measured at FVTPL:

- those that are measured at amortized cost and FVOCI;
- loan commitments; and
- financial guarantee contracts.

ECL calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions.

Amount of ECL to be recognized is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the 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.



The following stages are applicable to those financial assets being assessed for ECL depending on its credit quality:

Stage 1: 12-month

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

Stage 2: Lifetime ECL

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

Stage 3: Credit-impaired

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

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

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

The Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade', or when the exposure is less than 30 days past due.

Determining the Stage for Impairment

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

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

The simplified approach, where changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL, is applied to trade receivables. The Company has established a provision matrix for customer segments that is based on historical credit loss



experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the parent company balance sheet) when:

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

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

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

The Company assesses at each reporting date whether there is an objective evidence that a financial or group of financial asset is impaired. Objective evidences of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Company triggers its assessment whether its financial asset is in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities are all classified and measured at amortized cost.



The Company's financial liabilities include "Accounts payable and accrued expenses", "Short-term and Long-term debts" and "Lease liability".

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the parent company statement of income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the parent company statement of income. This category generally applies to interest-bearing loans and borrowings.

Derecognition

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

Derivative Financial Instruments and Hedge Accounting

The Company enters into derivative and hedging transactions, primarily foreign currency forwards to for the purpose of managing the foreign currency risk associated with the Company's operations.

Derivative financial instruments, including embedded derivatives, are initially recognized at fair value on the date in which a derivative transaction is entered into or bifurcated, and are subsequently remeasured at FVTPL, unless designated as an effective hedge. Changes in fair values of derivative instruments not accounted as hedges are recognized immediately in the parent company statement of income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

An embedded derivative within a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as either at amortized cost or at fair value depending on whether the cash flows of the hybrid contract are solely payments of principal and interest and the assessment of the business model within which the financial asset is held. On the other hand, an embedded derivative with a financial liability or a non-financial host is separated from the host and accounted for as a separate derivative if:

- Its economic characteristics and risks are not closely related to the host;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid contract is not measured at fair value through profit or loss.

Separated embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modified the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.



For purposes of hedge accounting, hedges can be designated as either as cash flow hedges or fair value hedges depending on the type of risk exposure it hedges.

At the inception of a hedge relationship, the Company 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 Company 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 Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

A hedging instrument may be a derivative (except for some written options) or non-derivative financial instrument measured at FVTPL unless it is a financial liability designated as at FVTPL for which changes due to credit risk are presented in OCI. For a hedge of foreign currency risk, the foreign currency risk component of a non-derivative financial instrument, except equity investments designated as FVTOCI, may be designated as the hedging instrument.

Cash flow hedge

Under a cash flow hedge, the effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in profit or loss. 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 Company designates certain foreign currency-denominated cash and cash equivalents as hedging instrument to hedge the variability in cash flows due to fluctuations in PHP/USD exchange rate associated with the highly probable foreign currency-denominated acquisition. The Company's risk management strategy and how it is applied to manage risks is explained in Note 22.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to the parent company statement of income 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 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 OCI must be accounted for depending on the nature of the underlying transaction as described above.



Financial Guarantee Contracts and Loan Commitments

Financial guarantees are contracts issued by the Company that require it to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are initially recognized in the parent company financial statements at fair value. Subsequently, these are measured at the higher of:

- the amount of the loss allowance determined in accordance with the ECL model; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of PFRS 15.

Loan commitments provided by the Company are measured as the amount of the loss allowance. The Company has not provided any commitment to provide loans that can be settled net in cash or by delivering or issuing another financial instrument or that are issued at below-market interest rates.

For loan commitments and financial guarantee contracts, the loss allowance is recognized as a provision. However, for financial instruments that include both a loan and an undrawn commitment (i.e. loan commitment) component where the Company cannot separately identify the expected credit losses on the loan commitment component from those on the loan component, the expected credit losses on the loan commitment should be recognized together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses should be recognized as a provision.

Redeemable Preferred Shares (RPS)

The component of the RPS that exhibits characteristics of a liability is recognized as a liability in the parent company balance sheet, net of transaction costs. The corresponding dividends on those shares are charged as interest expense in the parent company statement of income. On issuance of the RPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long-term liability on the amortized cost basis until extinguished on redemption.

Investments

Investments in subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. 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. Investments in subsidiaries are carried at cost less any impairment in value.

Business combination of entities under common control is accounted for using a method similar to pooling of interest. Under the pooling of interest method, any excess of acquisition cost over the net asset value of the acquired entity is recorded in equity.



Investments in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Company's investments in subsidiaries and associates are accounted for under the cost method of accounting in the parent company financial statements. These investments are carried in the parent company balance sheet at cost less any impairment in value. The Company recognizes income from the investments only to the extent that the Company receives distributions from accumulated profits of the subsidiaries and associates arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

The reporting dates of the associates and the Company are identical and the associates' accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

Property and Equipment

Property and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and amortization and accumulated impairment in value. The initial cost of property and equipment comprises its purchase price, including import duties, if any, and nonrefundable taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Cost includes the cost of replacing part of such property and equipment when that cost is incurred if the recognition criteria are met. Repairs and maintenance costs are recognized in the parent company statement of income as incurred.

Depreciation and amortization are calculated on a straight-line basis over the useful lives of the assets as follows:

Category	Number of Years
Transportation equipment	5
Office equipment, furniture and fixtures	3-5
Leasehold improvements	5
Computer equipment	3

Leasehold improvements are amortized over the shorter of the lease terms and the lives of the improvements.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Fully depreciated assets are retained in the accounts until these are no longer in use. When assets are retired or otherwise disposed of, both the cost and related accumulated depreciation and amortization and any allowance for impairment losses are removed from the accounts and any resulting gain or loss is credited or charged to current operations. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the parent company statement of income in the year the asset is derecognized.



The assets' residual values, useful lives and depreciation and amortization method are reviewed, and adjusted if appropriate, at each financial year-end.

When each major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied.

Leases

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

Company as a lessee

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

Right-of-use asset

The Company recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use asset are depreciated on a straight-line basis over the shorter of the lease term of 3 years and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use asset are also subject to impairment.

The Company's right-of-use asset is presented as part of property and equipment.

Lease liabilities

At the commencement date of the lease, the 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because 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 lease payments (e.g., changes to future payments resulting from a change in an index



or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the parent company statement income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Investment Properties

Investment properties, which pertain to buildings and building improvements, are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are carried at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in fair values of investment properties are included in the parent company statement of income in the year in which they arise.

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 parent company statement of income in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development with a view to sale. For a transfer from investment property to owner-occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Company as an owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the parent company statement of income. When the Company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the parent statement of income.

Noncurrent Assets Held for Sale

An entity shall classify a noncurrent asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Noncurrent assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Cost to sell are the incremental cost directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when:

- The sale is highly probable;
- The asset is available for immediate sale in its present condition;



- Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn;
- Management must be committed to the plan to sell the asset; and
- The sale is expected to be completed within one year from the date of the classification.

Assets classified as held for sale are presented separately as current items in the statement of financial position.

The Company reclassified assets from investment properties to noncurrent assets held for sale since the carrying amount of the assets will be principally recovered through a sale transaction rather than through continuing use and the criteria above had been satisfied. Investment properties are not depreciated or amortized once classified as held for sale.

Computer Software Development Cost

Costs incurred in the development of computer software are capitalized and included under "Other noncurrent assets". The costs are amortized using the straight-line method over a period of two to three years.

The carrying value of computer development costs is reviewed for impairment annually when the asset is not yet in use or otherwise when events or changes in circumstances indicate that carrying value may not be recoverable.

Project Costs

Project costs include projects in the development phase which meet the "identifiability" requirement under PAS 38, Intangible Assets, as they are separable and susceptible to individual sale and are carried at acquisition cost. These assets are transferred to the proper account based on the nature of the underlying project upon its commencement. During the period of development, the asset is tested for impairment annually.

Impairment of Nonfinancial Assets

Investments, property and equipment, computer software development costs, project costs, other current assets and noncurrent assets

The Company assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's 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 group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the parent company statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A 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 accumulated depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation and amortization charge are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value for all shares issued. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Capital stock includes common stock and preferred stock.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are debited to the "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against equity.

Retained Earnings

Retained earnings include accumulated earnings of the Company and reduced by dividends on capital stock. Dividends on capital stock are recognized as a liability and deducted from equity when they are approved by the BOD. Dividends for the year that are approved after the financial reporting date are dealt with as an event after the financial reporting date. Retained earnings may also include effect of changes in accounting policy as may be required by the transition provisions of new and amended standards.

Treasury Shares

The Company's own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognized in the parent company statement of income on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Foreign Currency Transactions

The parent company financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency based on the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences arising from settlement or restatement are taken to the parent company statement of income.



Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent.

The following specific recognition criteria must also be met before revenue is recognized:

Dividend income

Dividend income is recognized when the Company's right to receive payment is established.

Rendering of services

Management, professional and technical fees are recognized over time when the related services are rendered based on agreed hourly billing rates. Customer payments for which services have not yet been rendered are classified as unearned revenue under "Trade and other payables" account in the parent company balance sheet.

Rent income

Rent income arising from operating leases is accounted for on a straight-line basis over the related lease terms.

Interest income

Interest income is recognized as it accrues taking into account the effective yield on the asset.

Costs and Expenses

Costs and 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. Expenses are recognized when incurred.

Pension Benefits

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the parent company statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.



Net interest on the net defined benefit liability is the change during the period in the net defined benefit liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability is recognized as expense in the parent company statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to the parent company statement of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods 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 balance sheet date.

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

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable 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 at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.



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

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit 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 to 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 as at the balance sheet 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 or directly in equity.

Value-added Tax (VAT)

Revenues, expenses and assets are recognized net of the amount of VAT, if applicable.

VAT from sales of goods and/or services (output VAT) is recognized as payable, while VAT passed on from purchases of goods or services (input VAT) is recognized as an asset in the parent company balance sheet. 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 balance sheet up to the extent of the recoverable amount.

Provisions

Provisions are recognized when the 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 Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the parent company statement of income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingencies

Contingent liabilities are not recognized in the parent company financial statements. These are disclosed 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 disclosed when an inflow of economic benefits is probable.



Events after the Reporting Period

Post year-end events that provide additional information about the Company's financial position at the balance sheet date (adjusting events) are reflected in the parent company financial statements. Post year-end events that are not adjusting events are disclosed when material.

Dividends on Common Shares

Dividends on common shares are recognized as a liability and deducted from retained earnings when approved by the respective shareholders of the Company. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

Earnings Per Common Share

Basic earnings per common share are computed by dividing net income for the year by the weighted average number of common shares issued and outstanding during the year, after retroactive adjustments for any stock dividends declared and stock rights exercised during the year.

Diluted earnings per share amounts are calculated by dividing the net income for the year by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares that would be issued for outstanding common stock equivalents.

Operating Segments

For management purposes, the Company is the parent of the Aboitiz Equity Ventures, Inc. Group that is organized into five major operating segments (power, food manufacturing, financial services, real estate and infrastructure) according to the nature of the products and the services provided. The Group's identified operating segments are consistent with the segments reported to the BOD which is the Group's Chief Operating Decision Maker (CODM).

3. Significant Accounting Judgement, Estimates and Assumptions

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

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

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

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



Judgments

In the process of applying the Company's accounting policies, management has made judgments, apart from those involving estimations which have the most significant effect on the amounts recognized in the parent company financial statements.

Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed follow:

Estimating allowance for impairment losses on investments

Investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In 2025 and 2024, the Company recognized impairment losses amounting to ₱25.1 million and ₱8.8 billion, respectively. The carrying amounts of the investments amounted to ₱175.0 billion and ₱170.5 billion as of December 31, 2025 and 2024, respectively (see Notes 7 and 8).

Assessment for ECL on financial assets at amortized cost

The Company determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets at day one to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Company has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized in 2025 and 2024. The carrying amounts of financial assets at amortized cost, comprised of cash and cash equivalents and trade and other receivables, amounted to ₱11.0 billion and ₱7.9 billion as of December 31, 2025 and 2024, respectively.



Assessing impairment of nonfinancial assets

The Company assesses whether there are any indicators of impairment for nonfinancial assets at each reporting date. These nonfinancial assets (property and equipment, other current assets, computer software development costs and other noncurrent assets) are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Determining the recoverable amount of these assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect its parent company financial statements. Future events could cause the Company to conclude that the property and equipment, other current assets, computer software development costs and other noncurrent assets are impaired. Any resulting impairment loss could have a material adverse impact on the parent company balance sheets and parent company statements of income. The aggregate carrying values of these assets as of December 31 are as follows:

	2025	2024
Property and equipment (see Note 9)	₱738,678,237	₱212,811,253
Other current assets	2,313,854	—
Other noncurrent assets (see Note 6)	1,593,840,833	1,407,321,126
	₱2,334,832,924	₱1,620,132,379

Write-offs recognized on project costs in 2025 and 2024 amounted to ₱18.42 million and ₱69.92 million, respectively. No impairment indicators were noted on the other nonfinancial assets in 2025 and 2024, accordingly, no impairment loss was recognized.

Recognition of deferred income tax assets

The Company reviews the carrying amounts of deferred income tax assets at each reporting date and reduces 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 assets to be utilized.

Details of the Company's recognized and unrecognized deferred income tax assets are discussed in Note 21.

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the parent company balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 23 for further disclosures.

Fair value of investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognized in the parent company statements of income. The Group engaged an independent valuation specialist to assess the fair values of these properties. For these assets, the valuation methodology used was Sales Comparison Approach. This method considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison (see Note 10).



Legal contingencies

The estimate of probable costs for the resolution of possible claims has been developed in consultation with outside counsel handling the Company's defense in these matters and is based upon an analysis of potential results. No provision for probable losses arising from legal contingencies was recognized in the parent company financial statements as of December 31, 2025 and 2024.

4. Cash and Cash Equivalents

	2025	2024
Cash on hand and in banks	₱176,435,383	₱65,061,416
Short-term investments	9,567,033,553	7,767,335,690
	₱9,743,468,936	₱7,832,397,106

Cash in banks earn interest at floating rates based on daily bank deposit rates. Short-term investments are made for varying periods of up to three months depending on the immediate cash requirements of the Company.

Interest income earned from cash in banks and short-term investments amounted to ₱0.5 billion in 2025, ₱0.8 billion in 2024 and ₱2.0 billion in 2023.

5. Trade and Other Receivables

	2025	2024
Trade receivables (see Note 16)	₱171,276,079	₱33,761,054
Dividend receivable	1,041,000,000	5,767,298
Interest receivable (see Notes 4 and 16)	27,425,561	20,709,356
Recoverable deposits	19,151,498	6,471,535
Others	2,544,484	5,363,787
	₱1,261,397,622	₱72,073,030

Trade receivables are non-interest bearing and are normally on a 30-60 days' term. Other receivables mainly represent unsettled claims due from various third parties.

As of December 31, 2025, dividend receivable pertains to dividends declared by Aboitiz Foods Holding, Inc. payable (AFHI) payable in the first quarter of 2026 and as of December 31, 2024 pertains to dividends declared by AEV Aviation, Inc. (AVI) paid in the first quarter of 2025.

As of December 31, 2025 and 2024, interest receivable is composed of accrued interest on short-term investments amounting to ₱27.4 million and ₱20.7 million, respectively.

For terms and conditions relating to due from affiliates, refer to Note 16.



6. Other Noncurrent Assets

	2025	2024
Prepaid income taxes	₱1,571,476,626	₱1,364,207,035
Computer software development cost	18,370,512	43,023,639
Recoverable deposits	11,231,565	12,219,354
Project costs	3,966,399	—
Deferred input VAT	27,296	90,452
	₱1,605,072,398	₱1,419,540,480

The following table shows the movements of computer software development cost:

	2025	2024
Costs:		
At the beginning of year	₱156,446,922	₱151,752,668
Additions	400,000	7,032,751
Disposals	(12,303,245)	(2,338,497)
At the end of the year	144,543,677	156,446,922
Accumulated amortization		
At the beginning of year	113,423,283	69,644,481
Amortization (see Notes 17 and 18)	25,053,116	46,117,299
Disposals	(12,303,234)	(2,338,497)
At the end of the year	126,173,165	113,423,283
Net book value	₱18,370,512	₱43,023,639

Recoverable deposits represent security deposits under the Company's lease agreement.

7. Investments in Subsidiaries

Subsidiaries	Nature of Business	Percentage of Ownership			
		2025		2024	
		Direct	Indirect	Direct	Indirect
Advanced Data Innovation Inc. (ADI)	Data Processing	100.00	—	100.00	—
AEV International Pte. Ltd (AEV International) **	Holding	100.00	—	100.00	—
Archipelago Insurance Pte. Ltd (AIPL)**	Insurance	100.00	—	100.00	—
AboitizLand, Inc. (AboitizLand)	Real Estate	100.00	—	100.00	—
Propiedad del Norte, Inc. (PDNI)	Real Estate	—	100.00	—	100.00
Aboitiz Foods Holdings, Inc. (AFHI)	Food Manufacturing	100.00	—	100.00	—
Cebu Praedia Development Corporation (CPDC)	Real Estate	100.00	—	100.00	—
Aboitiz Power Corporation (AP)	Power	53.09	—	53.09	—
AEV Aviation, Inc. (AVI)	Service	73.31	26.69	73.31	26.69
Aboitiz Infracapital, Inc. (AIC)	Infrastructure	100.00	—	100.00	—
Tenfold Ventures Corporation (TVC)*	Services	100.00	—	100.00	—
Aboitiz Impact Ventures, Inc. (AIV)*	Holding	100.00	—	100.00	—

* No commercial operations.

** Incorporated in Singapore. All other companies are incorporated in the Philippines.



The details of the Company's investments in subsidiaries accounted for under the cost method are as follows:

	2025	2024
AIC	₱40,794,222,125	₱44,728,802,125
AboitizLand	18,159,800,000	9,659,800,000
AEV International	10,222,143,163	10,222,143,163
AP	7,716,829,647	7,716,829,647
AFHI	3,128,022,728	3,128,022,728
CPDC	1,276,546,023	1,276,546,023
PDNI	650,000,000	650,000,000
AVI	341,191,264	341,191,264
TVC	62,150,000	62,150,000
ADI	58,358,550	48,240,000
AIV (net of impairment loss amounting to ₱25.0 million and nil as of December 31, 2025 and 2024, respectively)	—	25,020,000
AIPL	21,739,130	21,739,130
	₱82,431,002,630	₱77,880,484,080

Capital infusions to AIC

In March 2025, the Company infused additional capital to AIC amounting to ₱206.4 million. On various dates in 2024, the Company infused additional capital to AIC amounting to ₱1.4 billion.

Redemption of preferred shares to AIC

On December 26, 2025, AIC redeemed a portion of its preferred shares totaling to ₱4.1 billion.

Capital infusions to Aboitizland

On December 2025, the Company infused additional capital to Aboitizland amounting to ₱8.50 billion allocated between common shares and preferred shares amounting to ₱0.08 billion and ₱8.42 billion, respectively.

Capital infusions to ADI

On various dates in 2025, the Company infused additional capital to ADI amounting to ₱10.1 million. On November 8, 2024, the Company infused additional capital to ADI amounting to ₱23.2 million.

Redemption of preferred shares to AVI

On March 27, 2024, AVI redeemed a portion of its preferred shares totaling to ₱19.06 million.

Impairment loss on AIV shares

On November 30, 2025, the Company impaired its entire investment on AIV shares due to the lack of significant operational and business activity of the investee.



8. Investments in Associates

	Nature of Business*	Percentage of Ownership	
		2025	2024
AEV CRH Holdings, Inc. (AEV CRH)	Holding	60.00	60.00
Union Bank of the Philippines (UBP)	Banking	49.99	49.99
CRH Aboitiz Holdings, Inc. (CRH Aboitiz)	Holding	45.00	45.00
CCEP Aboitiz Beverages Philippines, Inc. (CABPI)**	Holding	40.00	40.00
Singlife Philippine, Inc. (SLPI)**	Insurance	15.00	15.00

* All companies are incorporated in the Philippines.

** The Company has significant influence by virtue of board seats of SLPI.

*** Incorporated in 2023

The details of the Company's investments in and advances to associates accounted for under the cost method follow:

	2025	2024
UBP	₱47,137,625,387	₱47,137,625,387
CABPI	29,145,356,978	29,145,356,978
AEV CRH (net of allowance for impairment loss of ₱8.8 billion as of December 31, 2025 and 2024)	15,922,578,942	15,922,578,942
SLPI	240,000,000	240,000,000
CRH ABOITIZ	169,056,131	169,056,131
	₱92,614,617,438	₱92,614,617,438

Investment in CABPI

On August 2, 2023, the Company and Coca-Cola Europacific Partners plc (CCEP) entered into a Letter of Intent with the Coca-Cola Company to acquire 100% ownership in Coca-Cola Beverages Philippines, Inc. (CCBPI).

On February 23, 2024, after all of the closing conditions have been met, CCEP and AEV completed the acquisition of CCBPI through CABPI based on a 60%:40% ownership structure between CCEP and AEV and the Company infused capital to CABPI amounting to ₱29.15 billion.

Investment in AEV CRH and CRH ABOITIZ

The Company holds 60% of the equity shares of AEV CRH. Management assessed that since the Company does not have the ability to direct the relevant activities which most significantly affect the returns of the subsidiaries of AEV CRH, it cannot consolidate AEV CRH group. This is a result of the contractual arrangements that give the other partner the power to direct the relevant non-nationalized activities of these companies. Consequently, the Company recognizes AEV CRH as an associate.

On September 10, 2024, the Company infused additional capital to AEV CRH amounting to ₱1.1 billion. In 2024, the Company recognized impairment loss on its investment in AEV CRH amounting to ₱8.8 billion since the expected market recovery and projected growth did not materialize. No impairment loss was recognized in 2025.



Acquisition of UBP shares

In 2024, the Company exercised its option to avail from UBP's stock rights offering amounting to ₱5.0 billion.

The fair value of the investment in UBP for which there is a published price quotation amounted to ₱44.1 billion and ₱59.7 billion as of December 31, 2025 and 2024, respectively.

Sale of CDPEI shares

On November 4, 2024, the Company sold its CDPEI shares to Ayala Land Inc. amounting to ₱1.6 billion.

9. Property and Equipment

December 31, 2025

	Transportation Equipment	Office Equipment, Furniture and Fixtures	Leasehold Improvements	Computer Equipment	Right-of-Use Asset (see Note 24)	Total
Cost:						
At January 1	₱109,641,843	₱22,297,497	₱172,365,149	₱168,862,086	₱130,528,064	₱603,694,639
Additions	21,476,786	22,728,800	130,771,408	4,341,163	517,961,665	697,279,822
Disposals	(18,972,751)	(12,882,488)	(143,394,567)	(45,907,643)	(130,528,064)	(351,685,513)
Reclassification	—	(296,100)	296,100	—	—	—
At December 31	112,145,878	31,847,709	160,038,090	127,295,606	517,961,665	949,288,948
Accumulated Depreciation and Amortization						
At January 1	42,240,684	15,440,376	109,059,898	155,252,617	68,889,811	390,883,386
Depreciation and amortization (see Notes 17 and 18)	20,968,813	5,021,896	52,928,903	8,718,366	47,019,840	134,657,818
Disposals	(11,971,938)	(12,873,631)	(142,758,182)	(45,804,916)	(101,521,826)	(314,930,493)
At December 31	51,237,559	7,588,641	19,230,619	118,166,067	14,387,825	210,610,711
Net Book Values	₱60,908,319	₱24,259,068	₱140,807,471	₱9,129,539	₱503,573,840	₱738,678,237

December 31, 2024

	Transportation Equipment	Office Equipment, Furniture and Fixtures	Leasehold Improvements	Computer Equipment	Right-of-Use Asset (see Note 24)	Total
Cost:						
At January 1	₱109,842,896	₱117,041,721	₱166,824,708	₱234,664,251	₱130,528,064	₱758,901,640
Additions	26,951,363	317,010	7,291,936	1,106,699	—	35,667,008
Disposals	(27,152,416)	(94,989,402)	(1,751,495)	(66,358,067)	—	(190,251,380)
Reclassifications/others	—	(71,832)	—	(550,797)	—	(622,629)
At December 31	109,641,843	22,297,497	172,365,149	168,862,086	130,528,064	603,694,639
Accumulated Depreciation and Amortization:						
At January 1	35,990,551	106,199,280	93,357,986	208,484,410	25,380,456	469,412,683
Depreciation and amortization	20,706,404	4,213,232	16,408,940	12,417,345	43,509,355	97,255,276
Disposals	(14,456,271)	(94,972,136)	(707,028)	(65,649,138)	—	(175,784,573)
At December 31	42,240,684	15,440,376	109,059,898	155,252,617	68,889,811	390,883,386
Net Book Values	₱67,401,159	₱6,857,121	₱63,305,251	₱13,609,469	₱61,638,253	₱212,811,253

As of December 31, 2025 and 2024, no property and equipment are used to secure the Company's long-term debts (see Note 13).



10. Noncurrent asset held for sale

On December 17, 2024 the BOD authorized the sale, transfer and conveyance of the property located in 110 Legazpi Street and Gallardo Street, Barangay San Lorenzo, Legazpi Village, Makati City, Metro Manila. Accordingly, the Company reclassified the investment properties as noncurrent asset held for sale presented under "Current assets" in the balance sheet with carrying amount of ₱949.63 million.

Rent income earned from these properties amounted to ₱11.33 million and ₱28.60 million in 2025 and 2024, respectively. No significant costs were incurred in maintaining these investment properties. There were no restrictions on the realizability of these investment properties.

11. Financial Assets at Fair Value Through Other Comprehensive Income

The Company's financial assets at FVOCI consist of the following:

	2025	2024
Private bonds and commercial papers	₱46,832,128	₱986,292,223

The debt securities from private bonds have interest rates ranging from 4.20% to 6.68% per annum in 2025 and 2024, respectively.

The Company recognized net unrealized mark-to-market gain (loss) on FVOCI investments amounting to (₱6.4 million) and ₱3.2 million in 2025 and 2024, respectively. These amounts were included under 'Other comprehensive income (loss)' in the parent company statements of comprehensive income.

The Company recognized interest income from FVOCI investments amounting to ₱87.1 million, ₱52.3 million and ₱160.3 million in 2025, 2024 and 2023, respectively.

In 2025 and 2024, the Company made several withdrawals from FVOCI investments amounting to ₱1.0 billion (\$17.4 million) and ₱1.7 billion (\$30.9 million), respectively.

12. Accounts Payable and Accrued Expenses

	2025	2024
Deposits	₱611,455,258	₱—
Accrued interest (see Note 13)	433,730,108	262,734,300
Accrued expenses	427,217,151	389,099,386
VAT output payable	71,841,984	40,273,173
Withholding taxes payable	42,364,706	20,682,226
Others	1,819,045	1,710,860
	₱1,588,428,252	₱714,499,945

Deposits represent advance payments received from third party which are subject to specified conditions that must be satisfied prior to the closing of the transaction.

Accrued expenses include payroll, travel and transportation expenses.



13. Short-term loan and Long-term debts

Short-term loan

On various dates in 2025, the Company executed an agreement with BDO Unibank, Inc. for a 358 days loan in the amount of ₱9.2 billion at an annual fixed rate of 5.40% and 90 days loan in the amount of ₱5.0 billion at an annual fixed rate of 5.25%. In May and June 2025, ₱9.2 billion and ₱5.0 billion were drawn from this facility. In September 2025, the Company paid ₱5.0 billion. Total interest expense recognized in 2025 amounted to ₱355.4 million.

Long-term debts

	2025	2024
Term loan	₱20,941,700,000	₱9,750,000,000
2023 Retail bonds	11,633,530,000	17,450,000,000
2022 Retail bonds	10,900,000,000	20,000,000,000
2021 Retail bonds	5,000,000,000	10,000,000,000
2020 Retail bonds	—	696,700,000
2019 Retail bonds	1,650,000,000	1,650,000,000
2015 Retail bonds	5,071,350,000	5,071,350,000
	55,196,580,000	64,618,050,000
Less deferred transaction costs	397,868,590	395,857,393
	54,798,711,410	64,222,192,607
Less current portion	90,458,198	11,562,568,581
Noncurrent portion	₱54,708,253,212	₱52,659,624,026

2020 Term Loan - ₱10.0 billion

In April 2020, the Company executed an agreement with Metropolitan Bank and Trust Company (MBTC) for a 7-year loan in the amount of 10.0 billion at an annual fixed rate of 4.45%. In November 2020, ₱10.0 billion was drawn from this facility. In 2025 and 2024, the Company paid ₱100.0 million. As of December 31, 2025, the Company already paid a total of ₱350.0 million.

2025 Term Loan - JPY30.0 billion

In September 11, 2025, the Company signed a JPY30.0 billion, 7-year, floating rate, amortizing term loan with Mizuho Bank, Ltd., Singapore Branch and MUFG Bank, Ltd., Lauban Branch as lenders. The facility was fully utilized amounting to ₱11.6 billion on September 19, 2025. The loan was also fully swapped to fixed rate peso with MUFG Bank. On September 11, 2025, AEV entered into a forward starting cross currency swap contract to hedge the floating rate Yen exposure on a JPY30.0 billion 7-year loan to fixed rate peso.

2023 Retail Bonds - ₱17.45 billion

In September 2023, the Company issued a total of ₱17.45 billion bonds, broken down into ₱5.81 billion 2-year bonds due 2025 at a fixed rate equivalent to 6.34%, ₱5.83 billion 5-year bond due 2028 at a fixed rate equivalent to 6.48% and a ₱5.81 billion 10-year bond due 2033 at a fixed rate equivalent to 6.80%. On September 22, 2025, the Company paid ₱5.81 billion 2-year bonds.



2022 Retail Bonds - ₱20.0 billion

In December 2022, the Company issued a total of ₱20 billion bonds, broken down into ₱9.10 billion 3.5-year bonds due 2026 at a fixed rate equivalent to 6.87% and a ₱10.90 billion 7-year bond due 2029 at a fixed rate equivalent to 7.53%. On June 9, 2025, the Company paid the ₱9.10 billion 3.5-year bonds due 2026 with pre-termination fee amounting to ₱22.75 million.

2021 Retail Bonds - ₱10.0 billion

In August 2021, the Company issued a total of ₱10 billion bonds, broken down into ₱5 billion 4-year due 2025 at a fixed rate equivalent to 3.3% and a ₱5.0 billion 7-year bond due 2028 at a fixed rate equivalent to 4.1%. On August 11, 2025, the Company paid the ₱5.0 billion 4-year bonds.

2020 Retail Bonds - ₱7.6 billion

In November 2020, the Company issued a total of ₱7.6 billion bonds, broken down into ₱6.9 billion 3-year and ₱697 million 5-year bonds at fixed interest rates ranging from 2.84% to 3.31%. The Company paid the ₱6.9 billion 3-year bonds in November 2023 and the ₱697 million 5-year bonds in November 2025.

2019 Retail Bonds - ₱5.0 billion

In June 2019, the Company issued a total of ₱5.0 billion bonds, broken down into ₱3.35 billion 5-year and ₱1.65 billion 10-year bonds at fixed interest rates ranging from 6.02% to 6.32%. In June 2024, the Company paid the ₱3.35 billion 5-year bonds.

2015 Retail Bonds - ₱24.0 billion

In August 2015, the Company issued a total of ₱24.0 billion bonds, broken down into ₱10.5 billion 5-year, ₱8.5 billion 7-year and ₱5.0 billion 12-year bonds at fixed interest rates ranging from 4.47% to 6.02%. In November 2020, the Company paid at maturity the 5-year bonds amounting to ₱10.5 billion. In August 2021, the Company prepaid the ₱8.5 billion 7-year bonds due in 2022 at 101% of its face amount.

All of the Company's issued retail bonds have been rated PRS Aaa by the Philippine Rating Services Corporation (PhilRatings).

The principal amount of the above bonds shall be payable on a lump sum basis on the respective maturity date at its face value. These bonds may be redeemed in advance by the Company based on stipulated early redemption option dates and on agreed early redemption price.

Total interest expense recognized amounted to ₱3.6 billion, ₱4.1 billion, ₱3.5 billion in 2025, 2024 and 2023, respectively.

	2025	2024	2023
Interest expense	₱3,482,165,440	₱3,919,022,084	₱3,379,476,393
Amortization of deferred financing cost	159,630,556	150,985,586	139,559,185
Total Interest expense	₱3,641,795,996	₱4,070,007,670	₱3,519,035,578



Loan covenants

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

Under the bond trust agreements, the Company shall not permit its debt-to-equity ratio to exceed 3:1 calculated based on the year-end debt and consolidated equity. These restrictions and requirements were complied with by the Company as of December 31, 2025 and 2024.

14. Capital Stock and Redeemable Preferred Shares

Information on the Company's authorized capital stock as of December 31, 2025 and 2024 are as follows:

	Number of shares
Authorized capital stock:	
Common shares, ₱1 par value	9,600,000,000
Preferred shares, ₱1 par value	400,000,000

Outstanding capital stock as of December 31, 2025 and 2024 are as follows:

	Number of Shares	
	2025	2024
Common shares issued	5,694,599,621	5,694,599,621
Less treasury shares	141,794,564	140,794,564
Balance at end of year	5,552,805,057	5,553,805,057

On November 16, 1994, the Company listed with the Philippine Securities Exchange (PSE) its 3,650,385,204 common shares with a par value of 1.00 per share to cover the initial public offering (IPO) of 821,486,204 common shares at an offer price of 5.70 per share. Gross proceeds from this issuance of new shares amounted to 4.6 billion. Transaction costs incidental to the IPO totaling ₱528.0 million were charged against "Additional paid-in capital" in the parent company balance sheet.

On May 23, 1995 and August 30, 1996, the Company distributed 20% stock dividend equivalent to 730.08 million shares and 30% stock dividend equivalent to 1.31 billion shares, respectively. Both stock dividends were issued at ₱1.00 per share. At the end of 1996, common shares issued totaled 5.69 billion.

The preferred shares are non-voting, non-participating, non-convertible, cumulative re-issuable and redeemable and may be issued from time to time by the BOD in one or more series and fixed before issuance thereof, the number of shares in each series, and all designations, relative rights, preferences and limitations of the shares in each series. Preferred shares that are redeemed by the Company may be re-issued.



There were no preferred shares issued as of December 31, 2025 and 2024.

As of December 31, 2025 and 2024, the Company has 8,166 and 8,210 shareholders, respectively.

Treasury Shares

The Company purchased 1.0 million and 66.0 million treasury shares amounting to ₱33.0 million and ₱2,496.6 million in 2025 and 2024, respectively. This brings total treasury shares held by the Company to 141.8 million and 140.8 million with corresponding acquisition cost of ₱3.7 billion and ₱3.6 billion as of December 31, 2025 and 2024, respectively.

15. Retained Earnings

On March 7, 2025, the BOD approved the declaration of a regular cash dividend of ₱1.54 per share ₱8.6 billion to all stockholders of record as of March 21, 2025. These dividends were taken out of the unrestricted retained earnings as of December 31, 2024, and will be paid on March 28, 2025.

On March 5, 2024, the BOD approved the declaration of a regular cash dividend of ₱1.40 per share ₱7.9 billion to all stockholders of record as of March 19, 2024. These dividends were taken out of the unrestricted retained earnings as of December 31, 2023, and were paid on March 26, 2024.

On March 3, 2023, the BOD approved the following:

- a. Declaration of a regular cash dividend of ₱1.47 per share ₱8.3 billion to all stockholders of record as of March 17, 2023. These dividends were taken out of the unrestricted retained earnings as of December 31, 2022, and were paid on March 30, 2023.
- b. Appropriation of ₱20.0 billion of the retained earnings as of December 31, 2022 for debt payment of AEV and the reversal of appropriation of ₱11.0 billion for the prepayment of US dollar loans (see Note 13).

On March 4, 2022, the BOD approved the appropriation of ₱70.6 billion of the Company's retained earnings as of December 31, 2021 for the additional capital infusion to finance on-going projects, and for debt payment of AEV.

On March 6, 2020, the BOD approved appropriation of ₱5.0 billion of the retained earnings as of December 31, 2019 for the additional capital infusion to finance on-going projects.

On March 8, 2018, the BOD approved appropriation of ₱4.20 billion of the retained earnings as of December 31, 2018 for the additional capital infusion to finance on-going projects.

As mentioned in Note 13, the Company shall not permit its DE ratio to exceed 3:1 calculated based on the Company's year-end debt and consolidated equity.



Earnings per Common Share

Earnings per common share amounts were computed as follows:

	2025	2024	2023
a. Net income	₱14,654,156,056	₱84,603,720	₱8,291,882,899
b. Weighted average number of common shares issued and outstanding	5,552,805,057	5,572,732,032	5,625,005,607
c. Earnings per common share (a/b)	₱2.64	₱0.02	₱1.47

There are no dilutive potential common shares as of December 31, 2025, 2024 and 2023.

16. Related Party Disclosures

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

In the normal course of business, the Company enters into transactions with related parties, principally consisting of the following:

- Interest-bearing short-term and long-term advances granted to certain affiliates. Annual interest rates, which are determined on arm's length basis, range from nil in 2025, 6.13% - 6.72% in 2024, and 2.40% - 6.43% in 2023. In 2024, the Company extended advances to CPDEI amounting to ₱86.9 million.
- Professional and technical fees charged to related parties at arm's length basis.
- Rentals paid at current market rates to CPDC for the use of CPDC's properties by the Company's officers and employees.
- Aviation service fees paid at an arm's length basis to AVI for the use of aircraft during travel of the Company's officers and employees.
- Cash deposits and money market placements with UBP and City Savings Bank (CSB). At prevailing rates, these fixed-rate investments earned interest income amounting to ₱208.3 million, ₱311.6 million and ₱396.2 million in 2025, 2024 and 2023, respectively. Outstanding balances amounted to ₱3.5 billion and ₱2.9 billion as of December 31, 2025 and 2024, respectively.
- In January 2020, AEV International issued a US Dollar-denominated Regulation S-only senior unsecured notes, at an aggregate principal amount of US\$ 400 million and a tenor of 10 years (the "Notes"). The Notes are unrated, have a fixed coupon rate of 4.2% payable semiannually, and are unconditionally and irrevocably guaranteed by the Company as the guarantor. The Notes are listed on the Singapore Exchange.



The parent company balance sheets and statements of income include the following accounts resulting from these related party transactions (amounts in thousands):

Due from Affiliates

	Advances/Interest Income			Outstanding Balance		Terms	Conditions
	2025	2024	2023	2025	2024		
<i>Subsidiaries</i>							
Advent Energy, Inc. (AEI)	₱—	₱2,304	₱19,025	₱—	₱—	Interest bearing	Unsecured; no impairment
<i>Associates</i>							
CDPEI	—	96,021	100,080	—	—	Interest bearing	Unsecured; no impairment
	₱—	₱98,325	₱119,105	₱—	₱—		

Revenues - Management, Professional and Technical Fees

	Revenue			Trade Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
<i>Parent Company</i>							
ABOITIZ & COMPANY, INC.	₱14,197	₱13,610	₱12,611	₱432	—	30-day; interest-free	Unsecured; no impairment
<i>Under Common Ownership</i>							
ABOITIZ CONSTRUCTION, INC.	12,350	7,246	8,764	3,479	—	30-day; interest-free	Unsecured; no impairment
ABOITIZ CONSTRUCTION INTERNATIONAL INC.	1	73	—	81	81	30-day; interest-free	Unsecured; no impairment
<i>Subsidiaries</i>							
ABOITIZ POWER CORPORATION	12,419	33,987	67,544	734	1,157	30-day; interest-free	Unsecured; no impairment
ADVENTPOWER, INC.	1,513	1,068	439	—	—	30-day; interest-free	Unsecured; no impairment
ABOITIZ RENEWABLES, INC.	2,718	580	1,530	32	—	30-day; interest-free	Unsecured; no impairment
AP RENEWABLES, INC.	897	4,921	21,531	—	66	30-day; interest-free	Unsecured; no impairment
ABOITIZ INFRACAPITAL CEBU AIRPORT CORPORATION	4,190	1,485	—	1,501	1,544	30-day; interest-free	Unsecured; no impairment
ABOITIZ DATA INNOVATION PTE.LTD.	572	419	—	1,797	1,155	30-day; interest-free	Unsecured; no impairment
BALAMBAN ENERZONE CORPORATION	125	247	370	—	—	30-day; interest-free	Unsecured; no impairment
CEBU PRIVATE POWER CORPORATION	—	—	2,728	—	—	30-day; interest-free	Unsecured; no impairment
COTABATO LIGHT & POWER COMPANY	625	1,926	3,072	—	—	30-day; interest-free	Unsecured; no impairment
DAVAO LIGHT AND POWER CO., INC.	152,373	158,472	14,335	—	—	30-day; interest-free	Unsecured; no impairment
HEDCOR SIBULAN, INC.	939	2,223	5,890	—	—	30-day; interest-free	Unsecured; no impairment
HEDCOR, INC.	1,088	5,103	11,971	—	—	30-day; interest-free	Unsecured; no impairment
LUZON HYDRO CORPORATION	748	469	3,694	—	—	30-day; interest-free	Unsecured; no impairment
MACTAN ENERZONE CORPORATION	125	303	423	—	—	30-day; interest-free	Unsecured; no impairment
SUBIC ENERZONE CORPORATION	250	1,064	1,615	—	—	30-day; interest-free	Unsecured; no impairment
THERMA LUZON, INC.	25,941	4,107	16,906	14	—	30-day; interest-free	Unsecured; no impairment
THERMA MARINE, INC.	1,453	5,785	12,629	—	—	30-day; interest-free	Unsecured; no impairment
THERMA MOBILE INC.	599	549	5,802	—	—	30-day; interest-free	Unsecured; no impairment
THERMA SOUTH, INC.	25,705	3,348	14,871	—	—	30-day; interest-free	Unsecured; no impairment
THERMA VISAYAS, INC.	515,556	76,718	299,735	—	—	30-day; interest-free	Unsecured; no impairment
VISAYAN ELECTRIC CO., INC.	382,599	332,342	373,617	—	—	30-day; interest-free	Unsecured; no impairment

(Forward)



	Revenue			Trade Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
ABOITIZ INFRACAPITAL INC	₱8,841	₱9,760	₱3,833	—	—	30-day; interest-free	Unsecured; no impairment
APO AGUA INFRASTRUCTURA, INC.	7,446	3,786	10,265	—	—	30-day; interest-free	Unsecured; no impairment
ABOITIZLAND, INC.	25,184	14,148	30,046	—	—	30-day; interest-free	Unsecured; no impairment
AEV AVIATION, INC.	3,242	2,739	2,407	—	—	30-day; interest-free	Unsecured; no impairment
ABOITIZ POWER DISTRIBUTED ENERGY, INC.	—	21	66	—	—	30-day; interest-free	Unsecured; no impairment
ADVENTENERGY INC.	1,173	755	521	—	—	30-day; interest-free	Unsecured; no impairment
CEBU INDUSTRIAL PARK DEVELOPERS, INC.	1,310	1,572	5,435	57	—	30-day; interest-free	Unsecured; no impairment
EAST ASIA UTILITIES CORPORATION	599	967	2,536	—	—	30-day; interest-free	Unsecured; no impairment
HEDCOR BUKIDNON, INC	812	632	4,299	—	—	30-day; interest-free	Unsecured; no impairment
HEDCOR SABANGAN, INC.	556	457	3,725	—	—	30-day; interest-free	Unsecured; no impairment
HEDCOR TUDAYA, INC.	812	430	1,846	—	—	30-day; interest-free	Unsecured; no impairment
LIMA ENERZONE CORPORATION	125	335	536	—	—	30-day; interest-free	Unsecured; no impairment
LIMA LAND INC.	8,065	8,245	17,487	928	—	30-day; interest-free	Unsecured; no impairment
LIMA WATER CORPORATION	2,435	2,143	3,916	—	—	30-day; interest-free	Unsecured; no impairment
MALVAR ENERZONE CORPORATION	125	209	131	—	—	30-day; interest-free	Unsecured; no impairment
PRISM ENERGY, INC.	918	827	279	223	—	30-day; interest-free	Unsecured; no impairment
SAN CARLOS SUN POWER INC	514	414	532	—	—	30-day; interest-free	Unsecured; no impairment
THERMA POWER - VISAYAS, INC.	—	—	2,352	—	—	30-day; interest-free	Unsecured; no impairment
CEBU PRAEDIA DEVELOPMENT CORPORATION	1,054	3,518	3,519	—	—	30-day; interest-free	Unsecured; no impairment
PILMICO FOODS CORPORATION	8,633	21,733	27,489	1,475	—	30-day; interest-free	Unsecured; no impairment
PILMICO ANIMAL NUTRITION CORPORATION	8,546	14,788	12,057	8,717	—	30-day; interest-free	Unsecured; no impairment
ADVANCED DATA INNOVATION INC	1,547	992	—	—	1,091	30-day; interest-free	Unsecured; no impairment
<i>Associate or Joint Venture</i>							
REPUBLIC CEMENT & BUILDING MATERIALS, INC.	21,255	11,255	12,839	25,018	118	30-day; interest-free	Unsecured; no impairment
SAN FERNANDO ELETRIC LIGHT & POWER CO., INC.	136,800	73,499	96,811	64,796	—	30-day; interest-free	Unsecured; no impairment
CEBU ENERGY DEVELOPMENT CORP.	76,900	69,500	84,100	—	—	30-day; interest-free	Unsecured; no impairment
UNION BANK OF THE PHILIPPINES	25,266	14,022	23,156	17,333	3,348	30-day; interest-free	Unsecured; no impairment
SN ABOITIZ POWER - MAGAT, INC.	14,986	11,890	3,884	—	—	30-day; interest-free	Unsecured; no impairment
SN ABOITIZ POWER - BENGUET, INC.	14,986	11,890	3,212	—	—	30-day; interest-free	Unsecured; no impairment
MANILA-OSLO RENEWABLE ENTERPRISE INC	14,986	1,138	307	—	—	30-day; interest-free	Unsecured; no impairment
CITY SAVINGS BANK	179	—	740	77	—	30-day; interest-free	Unsecured; no impairment
PETNET, INC.	—	—	50	—	—	30-day; interest-free	Unsecured; no impairment
SN ABOITIZ POWER - GENERATION, INC.	—	5	—	—	—	30-day; interest-free	Unsecured; no impairment
UNITY DIGITAL INFRASTRUCTURE INC.	6,480	3,739	2,375	99	—	30-day; interest-free	Unsecured; no impairment
SN ABOITIZ POWER - RES, INC	—	5	—	—	—	30-day; interest-free	Unsecured; no impairment
<i>Other Related Parties</i>	33,024	16,932	14,963	20,609	108	30-day; interest-free	Unsecured; no impairment
	₱1,583,782	₱958,391	₱1,255,791	₱147,402	₱8,668		



Rental and Aviation Services (see Notes 17 and 18)

	Expense			Accounts Payable		Terms	Conditions
	2025	2024	2023	2025	2024		
<i>Subsidiaries</i>							
AVI	₱26,475	₱22,678	₱17,366	₱—	₱—	30-day; interest-free	Clean; no collateral
CPDC	7,481	12,126	22,860	—	—	30-day; interest-free	Clean; no collateral
	₱33,956	₱34,804	₱40,226	₱—	₱—		

Cash Deposits and Placements

	Interest Income			Outstanding Balance (in millions)		Terms	Conditions
	2025	2024	2023	2025	2024		
UBP	₱1,221	₱9,762	₱112,837	₱171	₱60	90 days or less; interest-bearing	No impairment
CSB	207,061	301,869	283,336	3,368	2,857	90 days or less; Interest-bearing	No impairment
	₱208,282	₱311,631	₱396,173	₱3,539	₱2,917		

The above transactions are settled in cash.

Other Transactions

The Company billed its affiliates for reimbursement of expenses amounting to ₱135.0 million, ₱136.0 million, and ₱122.3 million in 2025, 2024, and 2023, respectively, and incur expenses amounting to ₱12.8 million, ₱10.2 million, and ₱36.4 million in 2025, 2024, and 2023, respectively, from various transactions billed by affiliates to the Company.

In 2025 and 2024, the Company billed its affiliates for rental and sale of property, plant and equipment amounting to ₱3.79 million and ₱6.5 million, respectively.

In 2025, the Company received cash dividends from the following affiliates:

	Per share	Amount
<i>Subsidiaries</i>		
AP	₱2.35	₱8,990,617,388
AIC	0.34	4,358,702,721
AFHI	0.73	1,606,711,329
AIPL	\$40.00	1,173,300,000
AboitizLand	5.39	406,572,279
CPDC	0.01	7,000,000
<i>Associates</i>		
UBP	1.00	1,657,857,164
		₱18,200,760,881



In 2024, the Company received cash dividends from the following affiliates:

	Per share	Amount
<i>Subsidiaries</i>		
AP	₱2.30	₱8,799,327,656
AboitizLand	13.34	892,756,739
AIPL	\$30.00	878,490,000
CPDC	0.02	31,000,000
AVI	0.02	5,767,298
<i>Associate</i>		
UBP	0.80	1,194,340,826
CRH Aboitiz	6.5	1,098,864,852
		₱12,900,547,371

The Company has foreign exchange trading transaction for the purchase of dollar with PETNET, a subsidiary of UBP, amounting to ₱4.4 million and ₱24.9 million in 2025 and 2024, respectively.

The Company's retirement benefit fund ("Fund") is in the form of a trust being maintained and managed by ACO under the supervision of the Board of Trustees (BOT) of the plan.

The Company's retirement benefit fund ("Fund") is in the form of a trust being maintained and managed by ACO under the supervision of the Board of Trustees (BOT) of the plan. The Fund has a carrying amount and a fair value of ₱928.2 million and ₱890.1 million as of December 31, 2025 and 2024, respectively (see Note 20). The assets and investments of the Fund are as follows (amounts in thousands):

	2025	2024
Equity investments at FVTPL	₱806,198	₱745,390
Financial assets at amortized cost	109,848	127,574
Debt investments at FVOCI	12,139	17,142
	₱928,185	₱890,106

Fixed-income investments represent money market placements and investment in bonds and preferred shares with maturities ranging from less than a year up to five years. Investment in debt and equity securities mainly comprise quoted equity securities which are carried at their fair values.

The Company's retirement benefit fund for its employees has investments in the equities of the Company and one of its subsidiaries. The carrying values of these investments as of December 31, 2025 and 2024 and the gains of the Fund arising from such investments for the years then ended are as follows (amounts in thousands):

	2025		2024	
	Carrying Value	Gain (Loss)	Carrying Value	Gain (Loss)
AEV common shares	₱75,871	(₱31,016)	₱71,448	(₱16,420)
AP common shares	348,891	60,920	352,065	931



The above investments of the Fund were approved by the BOT. The voting rights over these equity securities are exercised by the chairman of the BOT.

Compensation of Key Management Personnel

	2025	2024	2023
Short-term benefits	₱281,851,806	₱248,308,912	₱194,946,356
Post-employment benefits	12,429,242	12,416,272	12,332,456
	₱294,281,048	₱260,725,184	₱207,278,812

17. Cost of Services

	2025	2024	2023
Salaries and wages (see Note 19)	₱503,261,237	₱180,058,840	₱295,770,496
Depreciation and amortization (see Note 9)	82,850,205	19,681,408	18,778,680
Repairs and maintenance	66,661,451	26,405,698	52,466,898
Employees' benefits (see Note 19)	28,433,094	9,308,175	30,906,893
Training and development	25,094,522	7,890,217	16,663,839
Outside services	26,244,793	34,818,895	45,737,383
Amortization of computer software (see Note 6)	15,005,777	8,968,531	8,762,012
Communication, light and water	14,241,288	5,098,768	8,484,108
Office and medical supplies	4,994,851	2,707,987	8,251,708
Rent (see Note 16)	4,491,271	2,230,119	20,280,489
Professional fees	3,869,719	9,361,235	10,648,799
Others	17,358,476	2,116,620	2,653,221
	₱792,506,684	₱308,646,493	₱519,404,526

18. General and Administrative Expenses

	2025	2024	2023
Salaries and wages (see Note 19)	₱336,965,967	₱745,826,003	₱690,258,620
Professional fees	227,991,831	247,589,593	334,337,462
Transportation and travel	81,046,646	102,502,692	114,788,479
Depreciation and amortization (see Note 9)	51,807,613	77,573,868	78,876,529
Employees' benefits (see Notes 19 and 20)	49,371,199	22,171,173	29,774,452
Repairs and maintenance	44,634,155	109,375,671	124,224,134

(Forward)



	2025	2024	2023
Entertainment, amusement and recreation	₱28,270,677	₱34,868,613	₱47,352,374
Insurance	16,858,413	26,511,853	13,783,535
Training and development	16,802,407	32,682,255	39,454,419
Outside services	14,492,289	17,849,129	47,786,042
Advertising	13,450,933	7,596,499	25,230,562
Amortization of computer software (see Note 6)	10,047,339	37,148,768	20,745,525
Communication, light and water	9,535,464	21,119,728	20,087,542
Taxes and licenses	8,368,917	19,924,833	18,339,024
Office and medical supplies	3,344,375	11,216,815	19,537,294
Rent (see Note 16)	3,007,197	9,237,428	6,602,561
Bank charges	152,335	8,123,596	8,406,478
Donations and contributions	3,766	10,013,750	8,632
Others	10,309,101	21,984,213	24,121,186
	₱926,460,624	₱1,563,316,480	₱1,663,714,850

“Others” include books and periodicals, freight and handling, and miscellaneous expenses that do not have specific account classification.

19. Personnel Expenses

	2025	2024	2023
Salaries and wages (see Notes 17 and 18)	₱840,227,204	₱925,884,843	₱986,029,116
Employees' benefits (see Notes 17, 18 and 20)	77,804,293	31,479,348	60,681,345
	₱918,031,497	₱957,364,191	₱1,046,710,461

20. Pension Benefit Plan

Under the existing regulatory framework, Republic Act (RA) 7641, otherwise known as *The Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity. It further states that the employees' retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The Company has a funded, noncontributory, defined benefit pension plan (“Plan”) covering all regular and full-time employees and requiring contributions to be made to separately administered fund. This Fund is in the form of a trust being maintained and managed by ACO, under the supervision of the BOT of the Plan. The BOT, whose members are also officers of the Company, is responsible for the investment of the Fund assets. Taking into account the Plans’ objectives, benefit obligations and risk capacity, the BOT periodically defines the investment strategy in the form of a long-term target structure.



The following tables summarize the components of net benefit expense recognized in the parent company statements of income and the funded status and amounts recognized in the parent company balance sheets for the Plan.

Net benefit expense

	2025	2024	2023
Retirement expense recognized in the parent company statements of income:			
Current service cost	₱57,400,759	₱67,809,575	₱60,471,045
Past service income	—	(50,697,320)	—
Net interest income	(11,540,896)	(11,786,115)	(24,645,747)
	₱45,859,863	₱5,326,140	₱35,825,298
Remeasurement effects recognized in the parent company statements of comprehensive income:			
Actuarial gain (loss) on defined benefit plan	₱25,214,244	₱56,620,436	(₱49,594,661)
Return on assets excluding amount included in net interest cost	30,181,144	(55,915,393)	(105,974,058)
	₱55,395,388	₱705,043	(₱155,568,719)

Pension asset

	2025	2024
Present value of obligation	₱730,687,879	₱702,143,801
Fair value of plan assets	(928,185,879)	(890,106,276)
Pension asset	(₱197,498,000)	(₱187,962,475)

Changes in the present value of the defined benefit obligation are as follows:

	2025	2024
At January 1	₱702,143,801	₱749,298,863
Net benefit costs in parent company statements of income:		
Current service costs	57,400,759	67,809,575
Past service benefit	—	(50,697,320)
Interest cost	43,111,629	45,857,090
	100,512,388	62,969,345
Benefits paid	(42,811,863)	(31,697,033)
Transfers	(3,942,203)	(21,806,938)
Remeasurements in other comprehensive income:		
Actuarial gain due to experience adjustments	(17,626,606)	(56,054,964)
Actuarial gain due to changes in demographic and financial assumptions	(7,587,638)	(565,472)
	(25,214,244)	(56,620,436)
At December 31	₱730,687,879	₱702,143,801



Changes in the fair value of plan assets are as follows:

	2025	2024
At January 1	₱890,106,276	₱941,882,435
Interest income included in net interest cost	54,652,525	57,643,205
Actual return excluding amount included in net interest cost	30,181,144	(55,915,393)
Benefits paid	(42,811,863)	(31,697,033)
Transfers	(3,942,203)	(21,806,938)
At December 31	₱928,185,879	₱890,106,276

Changes in pension asset recognized in the parent company balance sheets are as follows:

	2025	2024
At January 1	(₱187,962,475)	(₱192,583,572)
Retirement expense for the year	45,859,863	5,326,140
Actuarial gains recognized for the year	(55,395,388)	(705,043)
At December 31	(₱197,498,000)	(₱187,962,475)

The fair value of plan assets by each class at the end of the reporting period are as follows:

	2025	2024
Cash and fixed-income investments	₱179,770,560	₱177,675,544
Financial assets at FVOCI	12,139,052	17,142,269
Financial assets at FVTPL:		
Power	394,908,894	332,505,837
Holding	46,617,094	53,185,138
Financial institution	110,165,025	121,199,617
Others	254,507,459	238,499,752
Liabilities of the fund	(69,922,205)	(50,101,881)
Fair value of plan assets	₱928,185,879	₱890,106,276

All equity instruments held have quoted prices in the active market. The remaining plan assets do not have quoted market prices in active market.

The principal assumptions used in determining the net pension asset for the Company's plan are shown below:

	2025	2024
Discount rate	6.37%	6.14%
Salary increase rate	7.00%	7.00%

The sensitivity analysis below has been determined based on reasonable possible changes of each significant assumption on the defined benefit obligation assuming all other assumptions were held constant:

		2025	2024
	Increase (decrease) in basis points	Effect on defined benefit obligation	Effect on defined benefit obligation
Discount rates	100	₱61,207,603	₱30,876,465
	(100)	(35,367,033)	(35,138,467)
Future salary increases	100	(₱38,080,406)	(₱37,739,381)
	(100)	34,292,717	33,861,619



The Company does not expect to contribute to the retirement fund in 2026.

The average duration of the defined benefit obligation as of December 31, 2025 and 2024 is 8.55 years and 8.99 years, respectively.

The BOT reviews the performance of the plans on a regular basis. It assesses whether the retirement plans will achieve investment returns which, together with contributions, will be sufficient to pay retirement benefits as they fall due. The Group (to which the Company belongs) also reviews the solvency position of the different member companies on an annual basis and estimates, through the actuary, the expected contribution to the Plan in the subsequent year.

21. Income Tax

The "Provision for income tax" account consists of:

	2025	2024	2023
Current:			
Corporate income tax	₱32,021,155	₱89,560,719	₱48,131,914
Final tax	52,527,274	67,166,918	81,227,638
	84,548,429	156,727,637	129,359,552
Deferred	(3,582,524)	10,731,322	(64,631,538)
	₱80,965,905	₱167,458,959	₱64,728,014

The current provisions for income tax in 2025, 2024 and 2023 represent MCIT.

The net deferred income tax asset represent the tax effects of the following:

	2025	2024
Deferred income tax asset recognized in the parent company statements of income:		
Deferred income tax assets:		
NOLCO	₱416,594,196	₱416,594,196
Unamortized past service cost	25,935,409	34,708,721
Lease liabilities	126,486,912	13,476,261
	569,016,517	464,779,178
Deferred income tax liabilities:		
Unrealized foreign exchange gains	(385,205,528)	(385,205,528)
Pension asset	(99,778,501)	(111,243,467)
Unrealized valuation gain on derivatives	(2,984,412)	(2,984,412)
Fair value gain on noncurrent asset held for sale	(235,648,202)	(234,731,710)
ROU asset	(126,612,851)	(15,409,563)
	(850,229,494)	(749,574,680)
	(281,212,977)	(284,795,502)
Deferred income tax asset recognized in other comprehensive income:		
Remeasurement effects on defined benefit plan	50,404,001	64,252,848
	(₱230,808,976)	(₱220,542,654)



Revenue Memorandum Circular (RMC) No. 69-2023

On June 20, 2023, the Bureau of Internal Revenue issued RMC No. 69-2023 reverting the MCIT rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the “Corporate Recovery and Tax Incentives for Enterprises (CREATE)” Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023, upon the effectivity of CREATE Act in 2021.

Consequently, the Company recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

As of December 31, 2025, the Company has the following MCIT that can be claimed as deduction from future income tax liabilities:

MCIT

Period of Recognition	Availment Period	Amount	MCIT Applied in Previous Years	MCIT Applied	Expired	Balance
2022	2023-2025	₱40,683,530	₱—	₱—	₱40,683,530	₱—
2023	2024-2026	48,131,914	—	—	—	48,131,914
2024	2025-2027	89,560,719	—	—	—	89,560,719
2025	2026-2028	32,021,155	—	—	—	32,021,155
		₱210,397,318	₱—	₱—	₱40,683,530	₱169,713,788

Bayanihan to Recover as One Act (Bayanihan 2)

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 of Bayanihan 2 which states that the NOLCO incurred for taxable years 2021 and 2020 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.

As of December 31, 2025, the Company has NOLCO in the following taxable years which can be claimed as deduction against the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan 2, as follows:

Period of Recognition	Availment Period	Amount	Expired	Applied	Amount
2020	2021-2025	₱2,951,472,045	₱2,951,472,045	₱—	₱—
2021	2022-2026	1,360,940,683	—	—	1,360,940,683
		₱4,312,412,728	₱2,951,472,045	₱—	₱1,360,940,683

As of December 31, 2025, the Company has NOLCO which can be claimed as deduction against the regular taxable income for the next three (3) consecutive taxable years as follows:

Period of Recognition	Availment Period	Amount	NOLCO Applied	Amount
2023	2024-2026	₱1,929,004,047	₱—	₱1,929,004,047
2024	2025-2027	1,259,377,977	—	1,259,377,977
2025	2026-2028	3,363,483,260	—	3,363,483,260
		₱6,551,865,284	₱—	₱6,551,865,284



As of December 31, 2025, the Company did not recognize deferred income tax assets on its NOLCO and MCIT amounting to ₱6.2 billion and ₱169.7 million, respectively, since management believes that it is not probable that the Company will be able to benefit from the carryforward benefits of unused NOLCO and excess MCIT.

The reconciliation of the provision for income tax on income before income tax computed at the statutory tax rate to the provision for income tax reported in the parent company statements of income follows:

	2025	2024	2023
Provision for income tax at the statutory tax rate of 25%	₱3,683,780,490	₱63,015,670	₱2,089,152,728
Add (deduct) income tax effects of the following:			
Unrecognized deferred tax assets	992,441,589	3,372,110,430	537,168,334
Nondeductible expenses	20,882,639	42,179,986	104,108,112
Nontaxable income	(4,550,432,188)	(3,225,487,625)	(2,563,821,463)
Income subjected to final tax	(65,706,625)	(84,359,502)	(101,879,697)
	₱80,965,905	₱167,458,959	₱64,728,014

22. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash in banks and cash equivalents, investment in debt and equity securities, long-term debts, and lease liabilities. The main purpose of these financial instruments is to raise finance for the Company's operations and its investments in existing subsidiaries and associates and in new projects. The Company has other financial assets and liabilities such as trade and other receivables and accounts payable and accrued expenses which arise directly from operations.

The main risks arising from the Company's financial instruments are interest rate risk resulting from movements in interest rates that may have an impact on outstanding long-term loans; credit risk involving possible exposure to counterparty default on its cash and cash equivalents and investment in debt and equity securities; liquidity risk in terms of the proper matching of the type of financing required for specific investments; and foreign exchange risk in terms of foreign exchange fluctuations that may significantly affect its foreign-currency-denominated placements.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company's credit risk on its cash in banks and cash equivalents, trade and other receivables and due from subsidiaries pertains to possible default by the counterparty, with a maximum exposure equal to the carrying amount of these assets. With respect to cash equivalents, the risk is mitigated by the short-term and/or liquid nature of its short-term investments mainly in bank deposits and placements, which are placed with financial institutions of high credit standing. With respect to accounts receivables and advances to subsidiaries and associates, credit risk is controlled by the application of credit approval, limit and monitoring procedures. It is the Company's policy that all



debtors who wish to trade on credit terms are subject to credit procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company has no significant concentration risk to a counterparty or company of counterparties.

As of December 31, 2025 and 2024, the credit quality is considered to be of high grade as these are expected to be collectible without incurring any credit losses.

The Company trades with related parties and recognized, creditworthy third parties.

Counterparty risk

The Company's counterparty risk encompasses issuer risk on investment securities and credit risk on cash in bank. The Company manages its counterparty risk by transacting with counterparties of good financial condition and selecting investment grade securities.

The Company's maximum counterparty exposure related to its cash and cash equivalents accounts have a balance of ₱9.7 billion and ₱7.8 billion as of December 31, 2025 and 2024, respectively.

Liquidity risk

Liquidity risk is the potential of not meeting obligations as they come due because of an inability to liquidate assets or obtain adequate funding. The Company maintains sufficient cash and cash equivalents to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet maturing obligations and pay dividend declarations. The Company, in general, matches the appropriate long-term funding instruments with the general nature of its equity investments.

In managing its short-term fund requirements, the Company's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term borrowings. With regards to its long-term financing requirements, the Company's policy is that not more than 25.0% of long-term borrowings should mature in any 12-month period.

Cash and cash equivalents and trade and other receivables, which are all short-term in nature, have balances of ₱11.0 billion and ₱7.9 billion as of December 31, 2025 and 2024, respectively. These financial assets will be used to fund short-term and operational liquidity needs of the Company.

The following table summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments including interest (amounts in thousand pesos):

December 31, 2025

	Total Carrying Value	Contractual undiscounted payments				
		Total	On demand	Less than 1 year	1 to 5 years	More than 5 years
Accounts payable and accrued expenses*	₱860,947	₱860,947	₱—	₱860,947	₱—	₱—
Short-term loans**	9,171,801	9,444,840	—	9,444,840	—	—
Lease liabilities	494,716	806,395	—	45,866	250,814	509,715
Long-term debts**	54,798,711	68,586,615	—	3,416,105	55,983,375	9,187,135
Total	₱65,326,175	₱79,698,797	₱—	₱13,767,758	₱56,234,189	₱9,696,850

*Excludes statutory liabilities

**Includes future interest payments



December 31, 2024

	Total Carrying Value	Contractual undiscounted payments				
		Total	On demand	Less than 1 year	1 to 5 years	More than 5 years
Accounts payable and accrued expenses*	₱651,834	₱651,834	₱—	₱651,834	₱—	₱—
Lease liabilities	53,905	56,054	—	47,908	8,146	—
Long-term debts**	64,222,193	78,317,837	—	9,208,296	62,215,041	6,894,500
Total	₱64,927,932	₱79,025,725	₱—	₱9,908,038	₱62,223,187	₱6,894,500

*Excludes statutory liabilities

**Includes future interest payments

Market risk

The Company's activities expose it primarily to the financial risks of changes in interest rates. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Company's exposure to market risk for changes in interest rates relates primarily to its long-term debts obligations. To manage this risk, the Company determines the mix of its debt portfolio as a function of the level of current interest rates, the required tenor of the loan, and the general use of the proceeds of its various fund raising activities.

As of December 31, 2025 and 2024, all of the Company's long-term debts are with fixed rates, ranging from 3.30% to 7.53%.

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Company that are non-interest bearing, are not subject to interest rate risk.

As of December 31, 2025 and 2024, the Company's long-term debt had annual floating interest rates ranging from 1.30% to 2.26% and nil, respectively.

Foreign exchange 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 its highly probable forecast acquisition. To mitigate the risk of incurring foreign exchange losses, foreign currency holdings are matched against the potential need for foreign currency in financing equity investments and new projects. The Company manages its foreign currency risk by hedging transactions that are expected to occur within the next 12 months.

The Company enters into a foreign-currency forward contracts to economically hedge its US dollar-denominated cash and cash equivalents and short-term cash deposits and JPY long-term debt. As discussed in Note 23, the Company has cash and cash equivalents designated as cash flow hedges of the foreign currency risks arising from a highly probable forecasted acquisition.



	2025		2024	
	US Dollar	Peso Equivalent ¹	US Dollar	Peso Equivalent ²
Financial assets				
Cash and cash equivalents	\$56,379,827	₱3,314,570,003	\$84,851,135	₱4,908,213,893
Investments in financial assets at FVTPL, FVOCI and debt investments	796,600	46,832,128	17,050,605	986,292,223
	\$57,176,427	₱3,361,402,131	\$101,901,740	₱5,894,506,116

¹\$1=₱58.79

²\$1=₱57.85

As a result of the translation of these foreign currency denominated assets, the Company reported net foreign exchange gain (loss) of ₱130.4 million and ₱195.9 million in 2025 and 2024, respectively.

The following table demonstrates the sensitivity to a reasonable possible change in the US dollar exchange rates, with all other variables held constant, of the Company's income before income tax as of December 31, 2025 and 2024:

	Increase (decrease) in US dollar rate against the Peso	Effect on income before income tax
2025		
US dollar denominated accounts	US Dollar strengthens by 5%	₱168,070,107
	US Dollar weakens by 5%	(168,070,107)
2024		
US dollar denominated accounts	US Dollar strengthens by 5%	₱294,725,306
	US Dollar weakens by 5%	(294,725,306)

The following table presents the Company's JPY denominated liabilities:

	2025		2024	
	JPY	Peso Equivalent ¹	JPY	Peso Equivalent
Financial liabilities				
Long-term debts	¥30,000,000,000	₱11,291,700,000	¥—	₱—

¹¥1 = ₱0.38

The following table demonstrates the sensitivity to a reasonable possible change in the JPY exchange rates, with all other variables held constant, of the Company's income before income tax as of December 31, 2025 and 2024:

	Increase (decrease) in JPY rate against the Peso	Effect on income before income tax
2025		
JPY denominated accounts	JPY strengthens by 5%	(₱564,585,000)
	JPY weakens by 5%	564,585,000
2024		
JPY denominated accounts	JPY strengthens by 5%	₱—
	JPY weakens by 5%	—



Capital Management

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

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

No changes were made in the objectives, policies or processes during the years ended December 31, 2025 and 2024.

The Company is required to maintain a certain level of equity under its bond trust agreement (see Note 13).

The Company monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. The Company's policy is to keep the gearing ratio at 70% or below. The Company determines net debt of long-term debts less cash and cash equivalents and advances to related parties.

Gearing ratios of the Company are as follows (amounts in thousand pesos):

	2025	2024
Short-term loans	₱9,171,801	₱—
Long-term debts (including lease liabilities)	55,293,427	64,276,098
Cash and cash equivalents	(9,743,469)	(7,832,397)
Net debt (a)	54,721,759	56,443,701
Equity	122,726,800	117,027,717
Equity and net debt (b)	₱177,448,559	₱173,471,418
Gearing ratio (a/b)	30.84%	32.54%

23. Financial Instruments

Fair Value of Financial Instruments

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

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



Set out below is a comparison by category of carrying amounts and fair value of all of the Company's long-term debts whose fair value is different from its carrying amount (amount in thousand pesos):

	2025		2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liability:				
Long-term debts:				
Fixed rate	₱54,798,711	₱43,791,208	₱64,222,193	₱63,427,608

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

Cash and cash equivalents, trade and other receivables, accounts payable and accrued expenses and derivative liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and accounts payable and accrued expenses approximate their fair value due to the relatively short-term maturity of these financial instruments.

Investments in financial asset at FVTPL and FVOCI

These securities are carried at fair values based on quoted market prices.

Fixed-rate borrowings

The fair values of fixed rate interest bearing loans are based on the discounted value of future cash flows using the applicable rates for similar types of loans ranging from 5.72% to 6.88% and 6.27% to 7.69% in 2025 and 2024, respectively.

Derivative financial instruments

The fair value of the foreign currency forward is calculated by reference to prevailing exchange rate differential and spot exchange rate as of valuation date, taking into account its remaining term to maturity.

Starting 2021, the Company started to enter foreign currency forward contracts to economically hedge the Company's exposure on foreign currency fluctuation.

As of December 31, 2025 and 2024, the outstanding notional amount of the forward contracts amounted \$51.0 million and \$50.0 million, respectively. As of December 31, 2025 and 2024, derivative asset (liability) amounted to (₱12.7) million and ₱11.9 million, respectively.

The net losses from the net fair value changes of derivatives not designated as accounting hedges are included under "Other income (expense) - net" in the parent company statements of income. Realized gain (loss) on derivatives financial instruments amounted to ₱13.8 million gain and ₱155.6 million loss in 2025 and 2024, respectively. In addition, the Company recognized unrealized fair value gain (loss) on derivatives amounting to ₱24.6 million loss and ₱11.9 million gain in 2025 and 2024, respectively.

Cash flow hedges

On September 11, 2025, AEV signed a JPY30Bn, 7-year, floating rate, amortizing term loan with Mizuho Bank, Ltd., Singapore Branch and MUFG Bank, Ltd., Labuan Branch as lenders. The facility



was fully utilized on September 19, 2025. The loan was also fully swapped to fixed rate peso with MUFG Bank.

On September 11, 2025, AEV entered into a forward starting cross currency swap contract to hedge the floating rate Yen exposure on a JPY30Bn 7-year loan to fixed rate peso.

There is an economic relationship between this hedge and the hedged item given that the terms of the hedging instrument match the terms of the hedged item, the economic relationship is easily observable, and the offsetting nature is readily apparent. The hedge ratio is 1:1 as the notional amount of the hedging instrument exactly matches the notional amount of the hedged portion of the hedged item.

In 2023 certain USD-denominated cash and cash equivalents in various banks aggregating to \$589.05 million are designated as hedging instrument for the foreign currency risk of the \$589.05 million portion of \$720.00 million highly probable forecasted acquisition. In 2024, the hedging instrument was settled, resulting in the reversal of the foreign currency revaluation loss amounting to ₱809.42 million recognized in 2023 statement of comprehensive income under "Cash flow hedge reserve".

A possible source of ineffectiveness could be the impact of the time value of money due to the timing of the highly probable forecasted acquisition. Nonetheless, since the expected acquisition is highly probable within the next twelve months, the impact of the time value of money might be considered insignificant.

No ineffectiveness was recognized in profit or loss by the Company in 2025 pertaining to the cash flow hedge.

As of December 31, 2025 and 2024, the Company held the following financial instruments that are measured and carried or disclosed at fair value (amounts in thousand pesos):

December 31, 2025

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Investments in equity				
at FVTPL	₱129,679	₱129,679	₱—	₱—
at FVOCI	46,832	46,832	—	—
Derivative liability	708,924	—	708,924	—
Disclosed at fair value:				
Long-term debts - fixed rate	43,791,208	—	—	43,791,208

December 31, 2024

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Investments in equity				
at FVTPL	₱71,112	₱71,112	₱—	₱—
at FVOCI	986,292	986,292	—	—
Derivative asset	11,938	—	11,938	—
Disclosed at fair value:				
Long-term debts - fixed rate	63,427,608	—	—	63,427,608



During the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

24. Lease Agreements

The Company entered into a lease agreement with Manta Equities, Inc. (MEI) for its use of administrative and office space and parking space for a period of ten (10) years from April 1, 2013 to May 31, 2023 and nine (9) years and three months from March 1, 2014 to May 31, 2023, respectively. Both lease contracts have an escalation rate of 5.0%

In 2023, the Company renewed the lease with MEI for the use of its administrative and office space and parking space for a period of three (3) years from June 1, 2023 to May 31, 2026. The lease contract has an escalation rate of 5.0%. The Company terminated the contract effective June 1, 2025. Loss on pre-termination recognized in 2025 parent company statement of income amounted to ₱8.0 million which includes penalties paid amounting to ₱23.3 million.

The Company entered into an operating lease agreement with Ayala Land Inc. for its use of administrative office space and parking space for a period of 16 years commencing on June 2, 2025 up to July 31, 2040. The lease contract has an escalation of 3.0% per annum.

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the year:

2025

	Right-of-use assets	Lease Liability
As at January 1	₱61,638,253	₱53,905,045
Additions	517,961,665	517,961,665
Amortization expense	(47,019,840)	—
Interest expense	—	20,620,309
Termination	(29,006,238)	(44,301,801)
Payments	—	(53,469,136)
As at December 31	₱503,573,840	₱494,716,082

2024

	Right-of-use assets	Lease Liability
As at January 1	₱105,147,608	₱94,685,973
Amortization expense	(43,509,355)	—
Interest expense	—	4,845,461
Payments	—	(45,626,389)
As at December 31	₱61,638,253	₱53,905,045

The carrying amount of the Company's right-of-use assets is presented as part of "Property and equipment".



Set out below, are the amounts recognized in the parent company statements of income:

	2025	2024	2023
Amortization expense of right-of-use asset	₱47,019,840	₱43,509,355	₱39,048,682
Interest expense on lease liabilities	20,620,309	4,845,461	2,366,196
Rent expense – low value assets	—	3,477,389	2,560,324
Rent expense – short-term leases	7,498,468	7,990,158	24,322,727
	₱75,138,617	₱59,822,363	₱68,297,929

25. Notes to Statements of Cash Flows

The following are the cash flow movements of the Company's financing liabilities (in thousands):

December 31, 2025

	January 1, 2025	Net cash flows	Non-cash Change					December 31, 2025
			Amortized deferred financing costs	Foreign exchange movement	Accreted interest	Interest expense	Reclassification and Others	
Current interest-bearing loans	₱11,562,569	(₱2,441,369)	₱50,601	₱—	₱—	₱—	₱90,458	₱9,262,259
Current lease liabilities	45,653	(76,744)	—	—	20,620	—	22,893	12,422
Accrued interest	262,734	(3,666,595)	—	—	—	3,837,591	—	433,730
Non-current interest-bearing loans	52,659,624	2,320,458	109,029	(290,400)	—	—	(90,458)	54,708,253
Non-current lease liabilities	8,252	—	—	—	—	—	474,042	482,294
	₱64,538,832	(₱3,864,250)	₱159,630	(₱290,400)	₱20,620	₱3,837,591	₱496,935	₱64,898,958

December 31, 2024

			Non-cash Change				
	January 1, 2024	Net cash flows	Amortized deferred financing costs	Accreted interest	Interest expense	Reclassification and Others	December 31, 2024
Current interest-bearing loans	₱3,434,817	(₱3,450,000)	(₱35,418)	₱—	₱—	₱11,613,170	₱11,562,569
Current lease liabilities	40,781	(45,626)	—	4,845	—	45,653	45,653
Accrued interest	272,726	(3,929,014)	—	—	3,919,022	—	262,734
Non-current interest-bearing loans	64,086,390	—	186,404	—	—	(11,613,170)	52,659,624
Non-current Lease liabilities	53,905	—	—	—	—	(45,653)	8,252
	₱67,888,619	(₱7,424,640)	₱150,986	₱4,845	₱3,919,022	₱—	₱64,538,832



26. Events After the Reporting Period and Other Matters

To comply with the requirements of Section 43 of the Corporation Code, on March 5, 2026, the BOD approved the declaration of a regular cash dividend of ₱1.53 per share (₱8.5 billion) to all stockholders of record as of March 19, 2026. These dividends will be taken out of the unrestricted retained earnings as of December 31, 2025, and will be paid on March 27, 2026.

27. Supplementary Information Required Under Revenue Regulations (RR) 15-2010

On November 25, 2010, the Bureau of Internal Revenue (BIR) issued RR 15-2010, requiring additional tax disclosures on the notes to the financial statements that will be submitted as an attachment to tax returns.

The Company reported and/or paid the following types of taxes in 2025:

Value-added tax (VAT)

The Company's sales are subject to output VAT while its importations and purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12.0%.

a. Net Sales/Receipts and Output VAT declared in the Company's VAT returns for 2025

	Net Sales/ Receipts	Output VAT
Taxable sales:		
Sale of goods	₱—	₱—
Sale of services	1,628,392,510	195,407,101
	<u>₱1,628,392,510</u>	<u>₱195,407,101</u>

Zero-rated sales of goods and services consist of those rendered to persons or entities whose exemptions are provided under special laws or international agreements to which the Philippines is a signatory.

b. Input VAT claimed per 2025 VAT Returns

Balance at January 1	₱—
Current year's domestic purchases/payments for:	
Goods other than for resale or manufacture	6,523,222
Capital goods subject to amortization	60,049
Capital goods not subject to amortization	2,473,601
Services lodged under cost of services sold and other accounts	63,930,876
	<u>72,987,748</u>
VAT input applied against VAT output	<u>72,987,748</u>
Balance at December 31	<u>₱—</u>



Other Taxes and Licenses

Taxes and licenses, local and national, include real estate taxes, licenses and permit fees for 2025:

License and permits fees	₱6,354,542
Documentary stamps taxes	2,014,375
	₱8,368,917

Withholding Taxes

Withholding taxes on compensation and benefits	₱227,464,162
Final withholding taxes	98,200,307
Expanded withholding taxes	47,812,755
	₱373,477,224

Tax Assessments and Cases

The Company has no pending tax cases outside the administration of the BIR.



COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	E	0	2	5	3	6				

COMPANY NAME

A	B	O	I	T	I	Z		E	Q	U	I	T	Y		V	E	N	T	U	R	E	S	,		I	N	C	.		
A	N	D		S	U	B	S	I	D	I	A	R	I	E	S															

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

A	y	a	l	a		T	r	i	a	n	g	l	e		G	a	r	d	e	n	s		T	o	w	e	r		2
,		P	a	s	e	o		d	e		R	o	x	a	s	,		C	o	r	n	e	r		M	a	k	a	t
i		A	v	e	n	u	e	,		M	a	k	a	t	i		C	i	t	y	,		M	e	t	r	o		M
a	n	i	l	a	,		P	h	i	l	i	p	p	i	n	e	s												

Form Type

A	C	F	S

Department requiring the report

C	R	M	D

Secondary License Type, If Applicable

N	/	A	

COMPANY INFORMATION

Company's Email Address

AEV_BoardSecretariat@aboitiz.com

Company's Telephone Number

(2) 8886-2800

Mobile Number

None

No. of Stockholders

8166

Annual Meeting (Month / Day)

April 28

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Timothy Joseph P. Abay

Email Address

timothy.abay@aboitiz.com

Telephone Number/s

(02) 8886-2496

Mobile Number

Not available

CONTACT PERSON'S ADDRESS

c/o Aboitiz Equity Ventures, Inc., Ayala Triangle Gardens Tower 2, Paseo de Roxas, Corner Makati Avenue, Makati City, Metro Manila, Philippines

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

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





SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph



The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: April 07, 2026 08:55:35 AM

Company Information

SEC Registration No.: CEO0002536

Company Name: ABOITIZ EQUITY VENTURES INC.

Industry Classification: K74140

Company Type: Stock Corporation

Document Information

Document ID: OST104072026811158918

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2025

Submission Type: Consolidated

Remarks: None

Acceptance of this document is subject to review of forms and contents



Catherine Jumamoy <catherine.jumamoy@aboitiz.com>

Fwd: Your BIR AFS eSubmission uploads were received

Gladys Montehermoso <gladys.montehermoso@aboitiz.com>
To: Catherine Jumamoy <catherine.jumamoy@aboitiz.com>

Mon, Apr 6, 2026 at 4:51 PM

#OneAboitiz

Gladys Montehermoso Bernaje

Manager - Tax and Payroll Management
Aboitiz Equity Ventures Inc.

+63 917 810 2539



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Hi ABOITIZ EQUITY VENTURES, INC.,

Valid files

- EAFS003828269ITRTY122025.pdf
- EAFS003828269AFSTY122025.pdf
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- EAFS003828269OTHTY122025.pdf
- EAFS003828269TCRTY122025-99.pdf
- EAFS003828269TCRTY122025-52.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-22QX2R3P0PYXQVZVXM2SZ3TYY022YQ3422**Submission Date/Time: **Apr 06, 2026 04:48 PM**Company TIN: **003-828-269**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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**SECURITIES & EXCHANGE COMMISSION
SEC Building, EDSA Greenhills
Mandaluyong, Metro Manila**

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

The management of **Aboitiz Equity Ventures, Inc.** is responsible for the preparation and fair presentation of the consolidated 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 consolidated 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 consolidated 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 consolidated 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.

A solid black rectangular box used to redact the signature of Enrique M. Aboitiz Jr.

ENRIQUE M. ABOITIZ JR.
Chairman of the Board

A solid black rectangular box used to redact the signature of Sabin M. Aboitiz.

SABIN M. ABOITIZ
President & Chief Executive Officer

A solid black rectangular box used to redact the signature of Jose Emmanuel U. Hilado.

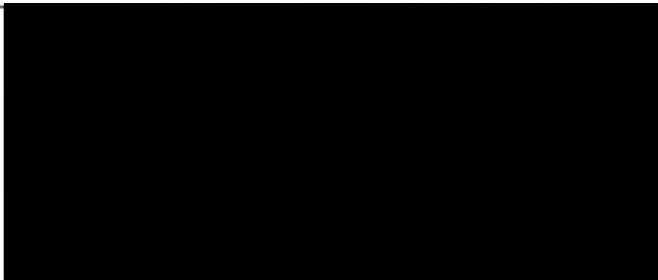
JOSE EMMANUEL U. HILADO
Senior Vice President - Chief Financial Officer

Signed this **6th** day of **February, 2026**.

Republic of the Philippines)

MAKATI CITY

Before me, a notary public in and for the city named above, personally appeared:

Name	Passport/CTC	Date/Place Issued
Enrique M. Aboitiz Jr.		
Sabin M. Aboitiz		
Jose Emmanuel U. Hilado		

who are personally known to me and to me known to be the same persons who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this FEB 06 2026 day of _____ 2026.

Doc. No. 291
Page No. 56
Book No. 4
Series of 2026!


ATTY. ADONAI JAN R. ASLARONA
Notary Public
Until December 31, 2026
IBP O.R No. 591537/01-07-2026/Pampanga
Appointment No. M-39 (2025-2026)
Roll of Attorney No. 84603
MCLE Compliance No. VIII-0033436
PTR No. 10769145/1-06-2026/Makati City
Unit 1009 Philippine AXA Life Centre, Sen. Gil Puyat
Avenue Corner, Tindalo Street, Makati City 1226

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Aboitiz Equity Ventures, Inc.
Ayala Triangle Gardens Tower 2,
Paseo de Roxas, corner Makati Avenue
Makati City, Metro Manila
Philippines

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Aboitiz Equity Ventures, Inc. and its subsidiaries (the Group), which comprise the consolidated balance sheets 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 each of the three years in the period ended December 31, 2025, 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 each of the three years in the period ended December 31, 2025 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 the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion



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 each 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 these matters. 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 matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Recoverability of Goodwill

Under PFRS Accounting Standards, the Group is required to annually test the amount of goodwill for impairment. As of December 31, 2025, the goodwill attributable to the cash-generating units (CGUs) of GNPowder Mariveles Energy amounted to Center Ltd. Co. and Gold Coin Management Holdings Pte. Ltd. amounted to ₱40.0 billion or 4% of total consolidated assets, which is considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to estimation uncertainty, specifically discount and growth rates, revenue assumptions, and material price inflation.

The Group's disclosures about goodwill are included in Note 14 to the consolidated financial statements.

Audit Response

We involved our internal specialist in assessing the methodologies and assumptions used. We compared the key assumptions used, such as growth rate and revenue assumptions against the historical performance of the CGUs, industry outlook and other relevant external data. We tested the parameters used in the determination of the discount rates against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of goodwill.

Revenue Recognition of Distribution Utilities

The distribution utilities' revenue from the sale of electricity amounting to ₱60.2 billion for the year ended December 31, 2025 accounts for 19% of the Group's consolidated revenues and is material to the Group. This matter is significant to the audit because the revenue recognized depends on the electric consumption captured, the rates applied across different customers, and the systems involved in the billing process. Electric consumption captured is based on the meter readings taken on various dates for the different types of customers (i.e., industrial, commercial, and residential customers) within the franchise areas of operations of the distribution utilities.



The Group's disclosures related to this matter are provided in Notes 2 and 26 to the consolidated financial statements.

Audit Response

We obtained an understanding and evaluated the design and tested the controls over the billing and revenue process which includes the capture and accumulation of meter data in the billing system and calculation of billed amounts, and uploading of billed amounts from the billing system to the financial reporting system.

We performed a test calculation of the rates using the Energy Regulatory Commission-approved rates and formulae, then compared them with the rates used in billing statements.

Accounting for Investment in an Associate (Union Bank of the Philippines)

The Group has an investment in Union Bank of the Philippines (UBP), which is a universal bank that is publicly listed in the Philippine Stock Exchange and accounted for under the equity method. For the year ended December 31, 2025, the Group's share in the net income of UBP amounted to ₱5.0 billion and accounts for 16% of the Group's consolidated net income. The Group's share in UBP's net income is significantly affected by the level of provisioning of its loans and receivables applying the expected credit loss (ECL) model. This matter is significant to our audit because the application of the ECL model requires significant management judgment and estimates.

The Group's disclosures on investments in associates are in Notes 2 and 10 to the consolidated financial statements.

Audit Response

We obtained the financial information of UBP for the year ended December 31, 2025 and recomputed the Group's share in net income of UBP and assessed the disclosures of the investment in associate in the consolidated financial statements.

We obtained an understanding of the methodologies and models used for UBP's different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*, to reflect an unbiased and probability-weighted outcome, and to consider the time value of money and the best available forward-looking information. We also inspected and considered the results of the model validation on the risk rating performed by management's specialist.

We (a) assessed UBP's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, credit risk management policies and practices in place; (c) tested UBP's application of internal credit risk rating system, by reviewing the ratings of sample credit exposures; (d) tested loss given default by inspecting historical recoveries and related costs, write-offs and collateral valuations, and the effects of credit enhancements provided by any party; (e) tested exposure at default considering outstanding commitments and repayment scheme; (f) checked the forward-looking information used for overlay through statistical test and corroboration using publicly available



information and our understanding of UBP's lending portfolios and broader industry knowledge; and (g) tested the effective interest rate used in discounting the ECL.

Further, we checked the data used in the ECL models by reconciling data from source system reports to the data warehouse and from the data warehouse to the loss allowance models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets of debt financial assets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis.

We recalculated impairment provisions on a sample basis. We involved our internal specialists in the performance of the above procedures.

Accounting for Investment in Joint Venture

As disclosed in Note 10 to the consolidated financial statements, on January 27, 2025, Therma NatGas Power Inc., a wholly owned subsidiary of the Company, together with Meralco PowerGen Corporation, completed an investment agreement with the parties holding 40% and 60% interests in Chromite Gas Holdings, Inc. ("CGHI"), respectively. CGHI contemporaneously completed the acquisition of a 67% stake in South Premiere Power Corporation, Excellent Energy Resources, Inc., Linseed Field Corporation and Ilijan Primeline Industrial Estate Corporation.

The Company accounted for its interest in CGHI as an investment in a joint venture in accordance with PFRS 11, *Joint Arrangements*. In 2025, the fair values of the share in net assets acquired and the related purchase price allocation were finalized.

We considered the accounting for this acquisition to be a key audit matter due to the significance of the amounts involved and the significant management judgment and estimation required in determining the fair values of the share in net assets acquired, particularly relating to the fair values of acquired property and equipment and intangible assets as at the acquisition date, based on the information available.

Audit Response

We reviewed the share purchase agreements and other related contracts covering the acquisition of interest and assessed whether the acquisition has been appropriately accounted for. We reviewed the purchase price allocation and evaluated management's basis for determining the fair values of the share in net assets acquired using information available as of the acquisition date. We assessed the competence, capabilities, and objectivity of the external appraiser engaged by management to prepare the appraisal reports used in the purchase price allocation, by considering their qualifications, relevant experience and reporting responsibilities. We involved our internal specialist in evaluating the valuation methodologies and key assumptions used in determining the fair values of the acquired property and equipment and intangible assets. In addition, we assessed the adequacy of the related disclosures in Note 10 to the consolidated financial statements.



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 financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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



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

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



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.

The engagement partner on the audit resulting in this independent auditor's report is Jhoanna Feliza C. Go.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go

Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

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

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

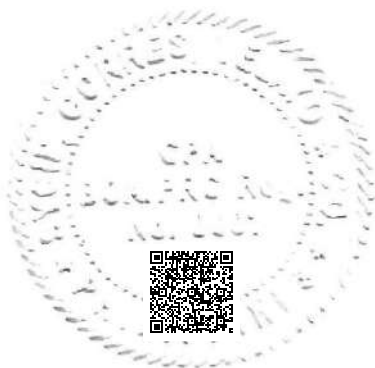
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-103-2025, October 1, 2025, valid until September 30, 2028

PTR No. 10765055, January 2, 2026, Makati City

March 5, 2026



ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES**CONSOLIDATED BALANCE SHEETS****(Amounts in Thousands)**

	December 31, 2025	December 31, 2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱87,753,402	₱81,793,295
Trade and other receivables (Note 5)	66,053,499	62,204,817
Inventories (Note 6)	46,402,629	45,003,105
Derivative asset (Note 37)	268,960	328,981
Other current assets (Notes 7 and 8)	25,682,902	23,168,806
Total Current Assets	226,161,392	212,499,004
Noncurrent Assets		
Property, plant and equipment (Notes 13 and 22)	257,360,367	240,612,393
Investments and advances (Note 10)	317,952,550	250,139,819
Intangible assets (Note 14)	120,197,621	138,928,874
Investment properties (Notes 15 and 31)	13,211,054	14,541,088
Deferred income tax assets - net (Note 32)	2,109,680	2,167,548
Trade receivables - net of current portion (Note 5)	2,976,850	418,655
Derivative asset - net of current portion (Note 37)	90,989	—
Net pension assets (Note 30)	276,580	304,261
Other noncurrent assets (Notes 8 and 16)	72,274,243	34,088,912
Total Noncurrent Assets	786,449,934	681,201,550
TOTAL ASSETS	₱1,012,611,326	₱893,700,554
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 17, 35 and 40)	₱74,350,232	₱58,793,450
Bank loans (Note 18)	100,192,052	40,959,206
Current portions of:		
Long-term debts (Note 19)	34,552,418	30,397,739
Concession rights payable (Note 14)	54,589	40,000
Lease liabilities (Notes 22)	437,575	326,539
Derivative liability (Note 37)	89,476	250,118
Income tax payable	1,595,444	1,879,056
Total Current Liabilities	211,271,786	132,646,108

(Forward)

	December 31, 2025	December 31, 2024
Noncurrent Liabilities		
Noncurrent portions of:		
Long-term debts (Note 19)	₱352,788,244	₱328,120,086
Lease liabilities (Notes 22)	5,690,249	4,470,965
Trade payables (Notes 17 and 35)	5,142,801	1,870,335
Concession rights payable (Note 14)	1,468,676	57,238
Customers' deposits (Note 20)	11,260,724	9,871,353
Decommissioning liability (Note 21)	5,486,345	5,259,205
Deferred income tax liabilities - net (Note 32)	14,303,882	13,843,898
Net pension liability (Note 30)	974,974	1,192,092
Derivative liability - net of current portion (Note 37)	696,246	3,698
Total Noncurrent Liabilities	397,812,141	364,688,870
Total Liabilities	609,083,927	497,334,978
Equity Attributable to Equity Holders of the Parent		
Capital stock (Note 23)	5,694,600	5,694,600
Additional paid-in capital (Note 23)	13,013,197	13,013,197
Equity reserve (Notes 2, 9 and 10)	30,167,520	30,120,774
Accumulated other comprehensive income (loss) (Note 25)	(2,010,130)	559,706
Retained earnings (Notes 10 and 24)		
Appropriated	88,800,000	88,800,000
Unappropriated	158,489,216	148,736,030
Treasury stock at cost (Note 23)	(3,675,098)	(3,642,072)
	290,479,305	283,282,235
Non-controlling Interests	113,048,094	113,083,341
Total Equity	403,527,399	396,365,576
TOTAL LIABILITIES AND EQUITY	₱1,012,611,326	₱893,700,554

See accompanying Notes to Consolidated Financial Statements.



ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME****(Amounts in Thousands, Except Earnings Per Share Amounts)**

	Years Ended December 31		
	2025	2024	2023
REVENUES			
Sale of:			
Power (Note 26)	₱194,610,453	₱195,680,252	₱205,818,244
Goods	97,197,956	91,677,860	92,323,721
Real estate (Notes 15 and 26)	9,839,744	10,335,220	9,476,487
Service fees and others (Notes 16, 35 and 40)	11,573,999	5,132,321	3,000,637
	313,222,152	302,825,653	310,619,089
COSTS AND EXPENSES			
Cost of generated and purchased power (Notes 27, 28, 35 and 40)	115,334,388	115,273,191	135,433,770
Cost of goods sold (Notes 6 and 28)	79,615,544	76,070,825	81,329,202
Operating expenses (Notes 28, 35, 38 and 39)	61,846,132	54,900,463	50,806,725
Cost of real estate sales (Notes 6, 15 and 28)	5,496,505	5,987,633	5,004,708
	262,292,569	252,232,112	272,574,405
OPERATING PROFIT	50,929,583	50,593,541	38,044,684
Share in net earnings of associates and joint ventures (Note 10)	23,848,491	14,531,542	23,637,125
Interest income (Notes 4, 7, 16, 35 and 36)	3,325,551	3,517,196	4,301,426
Interest expense (Notes 22 and 36)	(26,919,111)	(22,544,384)	(20,528,967)
Other income (expense) - net (Notes 5, 31 and 35)	(11,009,708)	2,445,122	6,060,374
INCOME BEFORE INCOME TAX	40,174,806	48,543,017	51,514,642
PROVISION FOR INCOME TAX (Note 32)	9,574,357	10,645,594	8,593,435
NET INCOME	₱30,600,449	₱37,897,423	₱42,921,207
ATTRIBUTABLE TO:			
Equity holders of the parent	₱18,304,506	₱18,127,511	₱23,546,289
Non-controlling interests	12,295,943	19,769,912	19,374,918
	₱30,600,449	₱37,897,423	₱42,921,207
EARNINGS PER SHARE (Note 33)			
Basic and diluted, for net income for the year attributable to equity holders of the parent	₱3.30	₱3.25	₱4.19

See accompanying Notes to Consolidated Financial Statements.



ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the parent	₱18,304,506	₱18,127,511	₱23,546,289
Non-controlling interests	12,295,943	19,769,912	19,374,918
	30,600,449	37,897,423	42,921,207
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Items that may be reclassified to consolidated statements of income:</i>			
Movement in cumulative translation adjustments	(5,911,161)	2,727,757	474,598
Movement in cash flow hedges, net of tax	(222,824)	941,569	(3,523,081)
Share in movement in cumulative translation adjustments of associates and joint ventures	529,418	1,238,868	(523,502)
Share in movement in net unrealized mark-to-market gains on FVOCI investments of	269,097	205,175	5,920,629
Movement in net unrealized mark-to-market gains (losses) on FVOCI investments (Note 25)	(128,177)	65,198	95,640
	(5,463,647)	5,178,567	2,444,284
<i>Items that will not be reclassified to consolidated statements of income:</i>			
Share in movement in actuarial gains (losses) on defined benefit plans of associates and joint ventures, net of tax (Note 10)	(233,992)	3,954	(227,641)
Movement in actuarial gains (losses) on defined benefit plans, net of tax (Note 30)	214,671	195,473	(436,800)
	(19,321)	199,427	(664,441)
TOTAL COMPREHENSIVE INCOME	₱25,117,481	₱43,275,417	₱44,701,050
ATTRIBUTABLE TO:			
Equity holders of the parent	₱15,734,670	₱20,994,174	₱25,664,257
Non-controlling interests	9,382,811	22,281,243	19,036,793
	₱25,117,481	₱43,275,417	₱44,701,050

See accompanying Notes to Consolidated Financial Statements.



ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

(Amounts in Thousands, Except Dividends Per Share Amounts)

	Attributable to equity holders of the parent							Total	Non-controlling Interest	Total
	Capital Stock: Common (Note 23)	Additional Paid-in Capital (Note 23)	Equity Reserve (Notes 2 and 9)	Accumulated Other Comprehensive Income (Loss) (Notes 24 and 25)	Retained Earnings		Treasury Stock (Note 23)			
					Appropriated (Note 24)	Unappropriated (Note 24)				
Balances at January 1, 2025	₱5,694,600	₱13,013,197	₱30,120,774	₱559,706	₱88,800,000	₱148,736,030	(₱3,642,072)	₱283,282,235	₱113,083,341	₱396,365,576
Net income for the year	—	—	—	—	—	18,304,506	—	18,304,506	12,295,943	30,600,449
Other comprehensive loss	—	—	—	(2,569,836)	—	—	—	(2,569,836)	(2,913,132)	(5,482,968)
Total comprehensive income (loss) for the year	—	—	—	(2,569,836)	—	18,304,506	—	15,734,670	9,382,811	25,117,481
Cash dividends - ₱1.54 per share (Note 24)	—	—	—	—	—	(8,551,320)	—	(8,551,320)	—	(8,551,320)
Acquisition of treasury shares (Note 23)	—	—	—	—	—	—	(33,026)	(33,026)	—	(33,026)
Contributions from non-controlling interests (Note 43)	—	—	—	—	—	—	—	—	3,813,594	3,813,594
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	(13,272,956)	(13,272,956)
Acquisition of non-controlling interests	—	—	46,746	—	—	—	—	46,746	41,304	88,050
Balances at December 31, 2025	₱5,694,600	₱13,013,197	₱30,167,520	(₱2,010,130)	₱88,800,000	₱158,489,216	(₱3,675,098)	₱290,479,305	₱113,048,094	₱403,527,399
Balances at January 1, 2024	₱5,694,600	₱13,013,197	₱29,423,103	(₱2,306,957)	₱88,800,000	₱138,476,219	(₱1,145,431)	₱271,954,731	₱103,391,713	₱375,346,444
Net income for the year	—	—	—	—	—	18,127,511	—	18,127,511	19,769,912	37,897,423
Other comprehensive income	—	—	—	2,866,663	—	—	—	2,866,663	2,511,331	5,377,994
Total comprehensive income for the year	—	—	—	2,866,663	—	18,127,511	—	20,994,174	22,281,243	43,275,417
Cash dividends - ₱1.40 per share (Note 24)	—	—	—	—	—	(7,867,700)	—	(7,867,700)	—	(7,867,700)
Acquisition of treasury shares (Note 23)	—	—	—	—	—	—	(2,496,641)	(2,496,641)	—	(2,496,641)
Share in equity reserve from associate (Note 10)	—	—	186,463	—	—	—	—	186,463	—	186,463
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	(11,374,238)	(11,374,238)
Acquisition of non-controlling interests (Note 9)	—	—	511,208	—	—	—	—	511,208	(1,144,093)	(632,885)
Changes in non-controlling interests	—	—	—	—	—	—	—	—	(71,284)	(71,284)
Balances at December 31, 2024	₱5,694,600	₱13,013,197	₱30,120,774	₱559,706	₱88,800,000	₱148,736,030	(₱3,642,072)	₱283,282,235	₱113,083,341	₱396,365,576



Attributable to equity holders of the parent

	Capital Stock: Common (Note 23)	Additional Paid-in Capital (Note 23)	Equity Reserve (Notes 2 and 9)	Accumulated Other Comprehensive Income (Loss) (Notes 24 and 25)	Retained Earnings		Treasury Stock (Note 23)	Total	Non-controlling Interest	Total
					Appropriated (Note 24)	Unappropriated (Note 24)				
Balances at January 1, 2023	₱5,694,600	₱13,013,197	₱29,491,200	(₱4,424,925)	₱79,800,000	₱132,206,361	(₱647,672)	₱255,132,761	₱95,024,520	₱350,157,281
Net income for the year	—	—	—	—	—	23,546,289	—	23,546,289	19,374,918	42,921,207
Other comprehensive income (loss)	—	—	—	2,117,968	—	—	—	2,117,968	(338,125)	1,779,843
Total comprehensive income for the year	—	—	—	2,117,968	—	23,546,289	—	25,664,257	19,036,793	44,701,050
Cash dividends - ₱1.47 per share (Note 24)	—	—	—	—	—	(8,276,431)	—	(8,276,431)	—	(8,276,431)
Acquisition of treasury shares (Note 23)	—	—	—	—	—	—	(497,759)	(497,759)	—	(497,759)
Appropriation during the year (Note 24)	—	—	—	—	9,000,000	(9,000,000)	—	—	—	—
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	(13,065,431)	(13,065,431)
Acquisition of non-controlling interests	—	—	(68,097)	—	—	—	—	(68,097)	—	(68,097)
Changes in non-controlling interests	—	—	—	—	—	—	—	—	2,395,831	2,395,831
Balances at December 31, 2023	₱5,694,600	₱13,013,197	₱29,423,103	(₱2,306,957)	₱88,800,000	₱138,476,219	(₱1,145,431)	₱271,954,731	₱103,391,713	₱375,346,444

See accompanying Notes to Consolidated Financial Statements.



ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱40,174,806	₱48,543,017	₱51,514,642
Adjustments for:			
Interest expense (Note 36)	26,919,111	22,544,384	20,528,967
Depreciation and amortization (Notes 13, 14, 22 and 28)	17,615,577	15,402,746	15,127,901
Impairment loss (recovery) on property, plant and equipment, and other assets (Notes 13 and 16)	82,221	(367,427)	224,774
Net unrealized foreign exchange losses (gains)	(43,301)	(81,254)	125,684
Write-off of goodwill and project development costs (Notes 14 and 31)	14,022,692	429,485	308,871
Loss (gain) on sale/disposal of:			
Property, plant and equipment and other assets (Notes 13 and 31)	(9,789)	278,080	(90,108)
Fair value through profit or loss (FVTPL) investments (Note 31)	(334,766)	160	(61,408)
Investment and advances (Notes 9 and 10)	—	(153,203)	—
Unrealized mark-to-market losses on derivatives	43,926	6,424	74,766
Unrealized valuation gain on financial assets (Note 31)	(23,259)	(1,903,856)	(84,425)
Dividend income (Note 31)	(1,210)	(1,502)	(8,107)
Net unrealized valuation gains on investment property (Notes 15 and 31)	(178,836)	(381,525)	(781,512)
Interest income (Note 36)	(3,325,551)	(3,517,196)	(4,301,426)
Share in net earnings of associates and joint ventures (Note 10)	(23,848,491)	(14,531,542)	(23,637,125)
Loss (gain) from bargain purchase and remeasurement of previously held interest (Notes 9 and 31)	—	1,862,483	(1,745,655)
Operating income before working capital changes	71,093,130	68,129,274	57,195,839
Decrease (increase) in:			
Trade and other receivables	(8,985,848)	2,351,710	2,433,677
Inventories	(1,024,511)	315,669	4,015,391
Other current assets	(2,899,935)	(2,041,603)	7,043,517
Increase (decrease) in:			
Trade and other payables	7,705,829	(5,097,962)	(7,163,456)
Customers' deposits	2,127,354	664,579	795,777
Net cash flows generated from operations	68,016,019	64,321,667	64,320,745
Income and final taxes paid	(9,468,481)	(9,215,810)	(6,494,082)
Net cash flows from operating activities	58,547,538	55,105,857	57,826,663
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash dividends received (Note 10)	12,908,209	15,208,747	4,491,446
Interest received	3,455,899	3,554,558	4,392,197
Proceeds from sale of:			
FVTPL and FVOCI investments	2,331,829	1,264,981	2,640,588
Property, plant and equipment	130,637	124,936	593,585

(Forward)



	Years Ended December 31		
	2025	2024	2023
Acquisition through business combination, net of cash acquired (Note 9)	(P357,961)	P403,989	(P570,098)
Additions to:			
FVTPL, including exchangeable notes and FVOCI investments (Notes 10 and 16)	(57,122)	—	(406,902)
Property, plant and equipment and investment properties (Notes 13 and 15)	(27,483,669)	(25,196,343)	(21,762,234)
Investments in and advances to associates (Note 10)	(47,287,096)	(36,136,458)	(7,508,169)
Proceeds from (additions to) short-term cash deposits	(56,428)	1,330,146	19,372,653
Payment of deposits (Note 16)	(41,265,562)	—	—
Increase in intangible assets (Note 14)	(2,145,001)	(2,608,609)	(3,616,171)
Decrease (increase) in other noncurrent assets	482,926	(916,228)	177,158
Proceeds from collection of advances, sale of common shares and redemption of preferred shares of associates and joint ventures (Note 10)	1,450	1,810,000	—
Net cash flows used in investing activities	(99,341,889)	(41,160,281)	(2,195,947)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from avilment of long-term debts - net of transaction costs (Note 19)	70,519,340	13,045,546	49,326,661
Net proceeds from (settlements of) bank loans	59,380,429	(155,493)	(4,327,137)
Acquisition of treasury shares (Note 23)	(33,026)	(2,496,641)	(497,759)
Additional contributions from non-controlling interests (Note 9)	3,813,594	—	—
Acquisition of non-controlling interests (Note 9)	—	(632,885)	(128,882)
Cash dividends paid to non-controlling interest	(10,567,200)	(11,374,238)	(13,065,431)
Cash dividends paid to equity holders of the parent (Note 24)	(8,551,320)	(7,867,700)	(8,276,431)
Interest paid	(24,530,304)	(20,608,154)	(20,767,307)
Payments of:			
Long-term debts (Note 19)	(42,830,894)	(14,926,303)	(23,646,382)
Lease liabilities, including accretion of interest (Note	(692,971)	(500,333)	(22,899,469)
Net cash flows from (used in) financing activities	46,507,648	(45,516,201)	(44,282,137)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,713,297	(31,570,625)	11,348,579
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	246,810	1,070,338	(581,257)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	81,793,295	112,293,582	101,526,260
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P87,753,402	P81,793,295	P112,293,582

See accompanying Notes to Consolidated Financial Statements.



ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except Par Value, Earnings Per Share, Number of Shares, and When Otherwise Indicated)

1. Corporate Information

Aboitiz Equity Ventures, Inc. (the Company) was originally incorporated in the Philippines as Cebu Pan Asian Holdings, Inc. and registered with the Philippine Securities and Exchange Commission (SEC) on September 11, 1989. The Company changed its corporate name to the present one on December 29, 1993 and its ownership was opened to the general public through an initial public offering of its shares on November 16, 1994 (see Note 23).

The Company and its subsidiaries (collectively referred to as the “Group”) are engaged in various business activities such as power generation, retail electricity supply, power distribution, food manufacturing, banking and financial services, real estate development, and infrastructure in the Philippines and several countries in Asia (see Note 34). The Company is the publicly-listed holding and management company of the Group. The parent and the ultimate parent of the Company is Aboitiz & Company, Inc. (ACO).

The registered office address of the Company is 32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines.

On January 28, 2025, the Board of Directors (BOD) and the Stockholders of the Company approved the amendment in the Company's principal office address to Ayala Triangle Gardens Tower 2, Paseo de Roxas, corner Makati Avenue, Makati City. The application to amend the Company's article of incorporation reflecting the change was filed with the Philippine SEC. The application to amend the Company's article of incorporation reflecting the change was approved by the Philippine SEC on July 29, 2025.

The consolidated financial statements of the Group were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) of the Company on March 5, 2026.



2. Group Information, Basis of Preparation and Summary of Significant Accounting Policies

a. Group Information

The consolidated financial statements comprise the financial statements of the Company, subsidiaries controlled by the Company and a joint operation that is subject to joint control (collectively referred to as the Group). The following are the subsidiaries as of December 31:

	Nature of Business	Place of Incorporation	Percentage of Ownership			
			2025		2024	
			Direct	Indirect	Direct	Indirect
Aboitiz Power Corporation (AP) and Subsidiaries	Power	Philippines	53.09	—	53.09	—
AboitizPower International Pte. Ltd.	Holding	Singapore	—	100.00	—	100.00
Cleanergy Asia Power Holdings Pte. Ltd	Holding	Singapore	—	100.00	—	100.00
AP Lariang Pte. Ltd.	Holding	Singapore	—	100.00	—	100.00
Adventpower, Inc. (API)	Power	Philippines	—	100.00	—	100.00
Adventenergy, Inc. (AI)	Power	Philippines	—	100.00	—	100.00
Balamban Enerzone Corporation (BEZ)	Power	Philippines	—	100.00	—	100.00
<i>(Forward)</i>						
Mactan Enerzone Corporation (MEZ)	Power	Philippines	—	100.00	—	100.00
Malvar Enerzone Corporation (MVEZ)	Power	Philippines	—	100.00	—	100.00
East Asia Utilities Corporation (EAUC)	Power	Philippines	—	100.00	—	100.00
Lima Enerzone Corporation (LEZ)	Power	Philippines	—	100.00	—	100.00
Subic Enerzone Corporation (SEZ)	Power	Philippines	—	100.00	—	100.00
Tarlac Enerzone Corporation (TEZ)	Power	Philippines	—	100.00	—	100.00
Cell Power Energy Corporation*	Power	Philippines	—	100.00	—	100.00
Cotabato Light & Power Co., Inc. (CLP)	Power	Philippines	—	99.94	—	99.94
Cotabato Ice Plant, Inc.	Manufacturing	Philippines	—	100.00	—	100.00
Davao Light & Power Co., Inc. (DLP)	Power	Philippines	—	99.93	—	99.93
SPI Power Incorporated (SPI, see Note 9)	Power	Philippines	—	85.00	—	85.00
Cebu Private Power Corporation (CPPC)	Power	Philippines	—	60.00	—	60.00
Prism Energy, Inc. (PEI)	Power	Philippines	—	60.00	—	60.00
Visayan Electric Co., Inc. (VECO)	Power	Philippines	—	55.26	—	55.26
Potentia Insurance Pte Ltd	Insurance	Singapore	—	100.00	—	100.00
1882 Energy Ventures Incorporated	Holding	Philippines	—	100.00	—	100.00
AP Electric Mobility Inc.*	Electric vehicle operation	Philippines	—	100.00	—	100.00
Solviva Energy Incorporated formerly Solviva Energy OPC) (SOLVIVA)	Installation of solar panels	Philippines	—	100.00	—	—
Powerhouse Innovations Inc.	Technology company	Philippines	—	100.00	—	—
Heritage Light and Power Corporation*	Power	Philippines	—	100.00	—	100.00
Orient Light and Power Corporation	Power	Philippines	—	100.00	—	100.00
Peninsula Electric Corporation*	Power	Philippines	—	100.00	—	100.00
Coastal Light and Power Inc.*	Power distribution	Philippines	—	100.00	—	—
Reef Light and Power Inc.*	Power distribution	Philippines	—	100.00	—	—

(Forward)



	Nature of Business	Place of Incorporation	Percentage of Ownership			
			2025		2024	
			Direct	Indirect	Direct	Indirect
Valley Light and Power Inc.*	Power distribution	Philippines	–	100.00	–	–
Northern Sine Electric, Inc.*	Power distribution	Philippines	–	100.00	–	–
PowerPlus Innovation, Inc.*	Management services	Philippines	–	99.90	–	99.90
A+ Power Services Inc.	Power	Philippines	–	100.00	–	100.00
Pole2Pole Inc.	Power	Philippines	–	100.00	–	100.00
Cleanergy 10 Power, Inc.*	Power	Philippines	–	100.00	–	100.00
Aboitiz Renewables Inc. (ARI) and Subsidiaries	Power	Philippines	–	100.00	–	100.00
AP Renewables, Inc. (APRI)	Power	Philippines	–	100.00	–	100.00
Hedcor, Inc. (HI)	Power	Philippines	–	100.00	–	100.00
Amihan Frontier Energy, Inc.*	Power	Philippines	–	100.00	–	100.00
Hedcor Benguet, Inc.*	Power	Philippines	–	100.00	–	100.00
Hedcor Bukidnon, Inc. (Hedcor Bukidnon)	Power	Philippines	–	100.00	–	100.00
Hedcor Kabayan, Inc.*	Power	Philippines	–	100.00	–	100.00
PV Sinag Power, Inc.	Power	Philippines	–	100.00	–	100.00
Amihan Power, Inc. *	Power	Philippines	–	100.00	–	100.00
Aboitiz Solar Power, Inc.*	Power	Philippines	–	100.00	–	100.00
Hedcor Manolo Fortich, Inc.*	Power	Philippines	–	100.00	–	100.00
Hedcor Sabangan, Inc. (Hedcor Sabangan)	Power	Philippines	–	100.00	–	100.00
Hedcor Sibulan, Inc. (HSI)	Power	Philippines	–	100.00	–	100.00
Hedcor Tamugan, Inc. *	Power	Philippines	–	100.00	–	100.00
Hedcor Tudaya, Inc. (Hedcor Tudaya)	Power	Philippines	–	100.00	–	100.00
Aboitiz Power Distributed Renewables, Inc. (APX2)	Power	Philippines	–	100.00	–	100.00
AP Renewable Energy Corporation*	Power	Philippines	–	100.00	–	100.00
Aboitiz Power Distributed Energy, Inc.	Power	Philippines	–	100.00	–	100.00
RE Resources, Inc.*	Power	Philippines	–	100.00	–	100.00
Cleanergy, Inc. (CI)*	Power	Philippines	–	100.00	–	100.00
Luzon Hydro Corporation (LHC)	Power	Philippines	–	100.00	–	100.00
Bakun Power Line Corporation*	Power	Philippines	–	100.00	–	100.00
Sinag Solar Power Corporation *	Power	Philippines	–	100.00	–	100.00
Retensol, Inc. *	Power	Philippines	–	100.00	–	100.00
Aseagas Corporation (Aseagas)*	Power	Philippines	–	100.00	–	100.00
Cordillera Hydro Corporation (CHC)*	Power	Philippines	–	100.00	–	100.00
Visayas Cleanergy, Inc.*	Power	Philippines	–	100.00	–	100.00
Tagoloan Hydro Corporation*	Power	Philippines	–	100.00	–	100.00
Luzon Hydro Company Limited*	Power	Philippines	–	100.00	–	100.00
Electricidad, Inc. *	Power	Philippines	–	100.00	–	100.00
Maaraw Renewable Energy Corporation*	Power	Philippines	–	100.00	–	100.00
Wind Renewable Energy Corporation*	Power	Philippines	–	100.00	–	100.00
Luzon Alternative Energy Sources, Inc. *	Power	Philippines	–	100.00	–	100.00
Luzon Cleanergy Generation, Inc.*	Power	Philippines	–	100.00	–	100.00
Luzon Cleanergy, Inc.*	Power	Philippines	–	100.00	–	100.00
Maaraw Holdings Bais, Inc.*	Power	Philippines	–	100.00	–	100.00
Mindanao Cleanergy, Inc.*	Power	Philippines	–	100.00	–	100.00
North Luzon Green and Sustainable Energy, Inc.*	Power	Philippines	–	100.00	–	100.00

(Forward)



	Nature of Business	Place of Incorporation	Percentage of Ownership			
			2025		2024	
			Direct	Indirect	Direct	Indirect
North Luzon Green Power, Inc.*	Power	Philippines	–	100.00	–	100.00
North Luzon Natural Energy, Inc.*	Power	Philippines	–	100.00	–	100.00
Northern Sun Power, Inc.*	Power	Philippines	–	100.00	–	100.00
Northern Sun Radiance, Inc.*	Power	Philippines	–	100.00	–	100.00
South Cleanergy, Inc.*	Power	Philippines	–	100.00	–	100.00
South Luzon Energy Solutions, Inc.*	Power	Philippines	–	100.00	–	100.00
South Luzon Power Development, Inc.*	Power	Philippines	–	100.00	–	100.00
South Luzon Sustainable Energy, Inc.*	Power	Philippines	–	100.00	–	100.00
Cleanergy 1, Inc.*	Power	Philippines	–	100.00	–	100.00
Cleanergy 2, Inc.*	Power	Philippines	–	100.00	–	100.00
Cleanergy 1 Power, Inc.*	Power	Philippines	–	100.00	–	100.00
Cleanergy 2 Power, Inc.*	Power	Philippines	–	100.00	–	100.00
Cleanergy 3 Power, Inc.*	Power	Philippines	–	100.00	–	100.00
Cleanergy 4 Power, Inc.*	Power	Philippines	–	100.00	–	100.00
Cleanergy 5 Power, Inc.*	Power	Philippines	–	100.00	–	100.00
Cleanergy 6 Power, Inc.*	Power	Philippines	–	100.00	–	100.00
Cleanergy 7 Power, Inc.*	Power	Philippines	–	100.00	–	100.00
Cleanergy 8 Power, Inc.*	Power	Philippines	–	100.00	–	100.00
Cleanergy 9 Power, Inc.(C9PI)*	Power	Philippines	–	100.00	–	100.00
Inner Channel Wind Power Corporation *	Power	Philippines	–	100.00	–	100.00
Maaraw Holdings San Carlos, Inc. (MHSCI)	Holding	Philippines	–	100.00	–	100.00
San Carlos Sun Power, Inc. (Sacasun)	Power	Philippines	–	100.00	–	100.00
Hydro Electric Development Corporation*	Power	Philippines	–	99.97	–	99.97
Cornerstone Energy Development, Inc. (CEDI, see Note	Power	Philippines	–	100.00	–	60.00
El Faro 1 Inc.*	Power	Philippines	–	100.00	–	–
El Faro 2 Inc.*	Power	Philippines	–	100.00	–	–
El Faro 3 Inc.*	Power	Philippines	–	100.00	–	–
El Faro 4 Inc.*	Power	Philippines	–	100.00	–	–
El Faro 5 Inc.*	Power	Philippines	–	100.00	–	–
Haraya 1, Inc.*	Power	Philippines	–	100.00	–	–
Haraya 2, Inc.*	Power	Philippines	–	100.00	–	–
Haraya 3, Inc.*	Power	Philippines	–	100.00	–	–
Haraya 4, Inc.*	Power	Philippines	–	100.00	–	–
Haraya 5, Inc.*	Power	Philippines	–	100.00	–	–
Hiraya Verde 1 Inc.*	Power	Philippines	–	100.00	–	–
Hiraya Verde 2 Inc.*	Power	Philippines	–	100.00	–	–
Hiraya Verde 3, Inc.*	Power	Philippines	–	100.00	–	–
Hiraya Verde 4, Inc.*	Power	Philippines	–	100.00	–	–
Hiraya Verde 5, Inc.*	Power	Philippines	–	100.00	–	–
Verdetek 1, Inc.*	Power	Philippines	–	100.00	–	–
Verdetek 2, Inc.*	Power	Philippines	–	100.00	–	–
Verdetek 3, Inc.*	Power	Philippines	–	100.00	–	–
Verdetek 4, Inc.*	Power	Philippines	–	100.00	–	–
Ubay Solar Corporation*	Power generation	Philippines	–	100.00	–	–

(Forward)



	Nature of Business	Place of Incorporation	Percentage of Ownership			
			2025		2024	
			Direct	Indirect	Direct	Indirect
Therma Power, Inc. (TPI) and Subsidiaries	Power	Philippines	–	100.00	–	100.00
Mindanao Sustainable Solutions, Inc.*	Services	Philippines	–	100.00	–	100.00
Therma Luzon, Inc. (TLI)	Power	Philippines	–	100.00	–	100.00
Therma Marine, Inc. (Therma Marine)	Power	Philippines	–	100.00	–	100.00
Therma Mobile, Inc. (Therma Mobile)	Power	Philippines	–	100.00	–	100.00
Therma South, Inc. (TSI)	Power	Philippines	–	100.00	–	100.00
Therma Power-Visayas, Inc. (TPVI)	Power	Philippines	–	100.00	–	100.00
Therma Central Visayas, Inc.*	Power	Philippines	–	100.00	–	100.00
Therma Subic, Inc.*	Power	Philippines	–	100.00	–	100.00
Therma Mariveles Holdings, Inc.	Holding	Philippines	–	100.00	–	100.00
GNPower Mariveles Energy Center Ltd. Co. (GMEC)	Power	Philippines	–	78.33	–	78.33
Therma Dinginin Holdings, Inc.	Holding	Philippines	–	100.00	–	100.00
Therma NatGas Power Inc.*	Power	Philippines	–	100.00	–	100.00
Therma Pagbilao Power Inc.*	Power	Philippines	–	100.00	–	100.00
Therma Quezon Energy Inc.*	Power	Philippines	–	100.00	–	100.00
Therma Visayas, Inc. (TVI)	Power	Philippines	–	80.00	–	80.00
Abovant Holdings, Inc.	Holding	Philippines	–	60.00	–	60.00
Aboitiz Foods Holdings, Inc. and Subsidiaries	Holding	Philippines	100.00	–	100.00	–
Pilmico Foods Corporation (PFC) and Subsidiaries	Food manufacturing	Philippines	–	100.00	–	100.00
Filagri Holdings, Inc.	Holding	Philippines	–	100.00	–	100.00
Pilmico Animal Nutrition Corporation (PANC)	Food manufacturing	Philippines	–	100.00	–	100.00
Filagri, Inc.	Food manufacturing	Philippines	–	100.00	–	100.00
AboitizLand, Inc. (AboitizLand) and Subsidiaries	Real estate	Philippines	100.00	–	100.00	–
Propriedad del Norte, Inc. (PDNI)	Real estate	Philippines	–	100.00	–	100.00
Lima Land, Inc. (LLI)	Real estate	Philippines	–	100.00	–	100.00
Lima Infrastructure, Inc.	Real estate	Philippines	–	100.00	–	100.00
Cebu Industrial Park Developers, Inc. (CIPDI)	Real estate	Philippines	–	60.00	–	60.00
Cebu Industrial Park Services, Inc.	Services	Philippines	–	100.00	–	100.00
Misamis Oriental Land Development Corporation	Real estate	Philippines	–	60.00	–	60.00
ALLRise Development Corp.	Real estate	Philippines	–	100.00	–	100.00
78 Point Blue, Inc.	Real estate	Philippines	–	100.00	–	100.00
Triplecrown Properties, Inc. (TCP)	Real estate	Philippines	–	100.00	–	100.00
Firmwall Systems, Inc. (FSI)	Real estate	Philippines	–	100.00	–	100.00
AEV International Pte. Ltd. (AEV International) and Subsidiaries	Holding	Singapore	–	100.00	–	100.00
Aboitiz Foods Pte. Ltd. and Subsidiaries	Holding	Singapore	–	100.00	–	100.00
Abaqa International Pte Ltd.	Trading	Singapore	–	100.00	–	100.00
Gold Coin Management Holdings Pte. Ltd. (GCMH) and Subsidiaries	Holding	Singapore	–	100.00	–	100.00
GC Investment Holdings Limited	Holding	Hong Kong	–	100.00	–	100.00
Gold Coin (ZhangJiang) Company Ltd.	Feedmills	China	–	100.00	–	100.00
Gold Coin (Zhangzhou) Company Ltd.	Feedmills	China	–	100.00	–	100.00
Gold Coin Animal Husbandry (Zhangzhou) Co. Ltd*	Feedmills	China	–	100.00	–	100.00
Gold Coin (Zhuhai) Company Ltd.	Feedmills	China	–	100.00	–	100.00
Gold Coin Feedmill (Kunming) Co. Ltd.	Feedmills	China	–	100.00	–	100.00

(Forward)



	Nature of Business	Place of Incorporation	Percentage of Ownership			
			2025		2024	
			Direct	Indirect	Direct	Indirect
Gold Coin Feedmill (Dongguan) Co. Ltd.	Feedmills	China	–	100.00	–	100.00
Gold Coin (Yunnan) Co. Limited*	Feedmills	China	–	100.00	–	100.00
Gold Coin Agriculture (Guangxi) Co. Ltd.	Feedmills	China	–	100.00	–	100.00
Gold Coin Management (Shenzhen) Co. Ltd.	Holding	China	–	100.00	–	100.00
Gold Coin Sabah Sdn. Bhd.	Holding	Malaysia	–	100.00	–	100.00
Gold Coin Feedmill (Dong Nai) Co. Ltd.	Feedmills	Vietnam	–	100.00	–	100.00
American Feeds Company Limited	Feedmills	Vietnam	–	100.00	–	100.00
Gold Coin Feedmill Ha Nam Co. Ltd. (GCFHN)	Feedmills	Vietnam	–	100.00	–	100.00
Pilmico Vietnam Company Limited (PVCL)	Feedmills	Vietnam	–	100.00	–	100.00
Glen Arbor Holdings (Singapore) Pte. Ltd. (GAHS)	Holding	Singapore	–	100.00	–	100.00
Gold Coin Group Limited	Holding	Hong Kong	–	100.00	–	100.00
Gold Coin Holdings Sdn Bhd	Holding	Malaysia	–	100.00	–	100.00
Gold Coin Feedmill Binh Duong Company (GCFBDC)	Feedmills	Vietnam	–	100.00	–	100.00
KLEAN Greentech Co. Ltd.	Feedmills	Thailand	–	100.00	–	100.00
Gold Coin Vietnam Holdings Pte. Ltd.	Holding	Singapore	–	100.00	–	100.00
Gold Coin Aqua Feed Incorporated	Holding	British Virgin Island	–	100.00	–	100.00
Gold Coin Aqua Feed (Singapore) Pte. Ltd.	Holding	Singapore	–	100.00	–	100.00
Gold Coin Specialities Sdn. Bhd. (GCSSB)	Feedmills	Malaysia	–	100.00	–	100.00
Gold Coin Specialities (Thailand) Co. Ltd.	Feedmills	Thailand	–	100.00	–	100.00
P.T. Gold Coin Trading Indonesia	Feedmills	Indonesia	–	100.00	–	100.00
P.T. Gold Coin Indonesia	Feedmills	Indonesia	–	100.00	–	100.00
P.T. Gold Coin Specialities	Feedmills	Indonesia	–	99.90	–	99.90
PT Ayam Unggul (PTAYAM)	Feedmills	Indonesia	–	60.00	–	60.00
FEZ Animal Nutrition Pte Ltd	Holding	Singapore	–	100.00	–	100.00
FEZ Animal Nutrition Pakistan (Private Limited)	Holding	Pakistan	–	100.00	–	100.00
Gold Coin Malaysia Group Sdn. Bhd. (GCMG)	Holding	Malaysia	–	100.00	–	100.00
Gold Coin Feedmills (Malaysia) Sdn. Bhd.	Feedmills	Malaysia	–	100.00	–	100.00
Gold Coin Feedmill (Sabah) Sdn. Bhd.	Feedmills	Malaysia	–	100.00	–	100.00
Gold Coin Sarawak Sdn. Bhd.	Feedmills	Malaysia	–	72.80	–	72.80
Bintawa Fishmeal Factory Sdn. Bhd.	Feedmills	Malaysia	–	72.86	–	72.86
Golden Livestock Sdn Bhd.	Holding	Malaysia	–	100.00	–	100.00
Pilmico Aqua Pte. Ltd.	Holding	Singapore	–	100.00	–	100.00
Aboitiz Data Innovation Pte. Ltd.	Data Analytics	Singapore	–	100.00	–	100.00
Archipelago Insurance Pte Ltd (AIPL)	Insurance	Singapore	100.00	–	100.00	–
AEV Aviation, Inc. (AEV Aviation)	Service	Philippines	73.31	26.69	73.31	26.69
Advanced Data Innovation Inc.	Data Analytics	Philippines	100.00	–	100.00	–

(Forward)



	Nature of Business	Place of Incorporation	Percentage of Ownership			
			2025		2024	
			Direct	Indirect	Direct	Indirect
Cebu Praedia Development Corporation (CPDC)	Real estate	Philippines	100.00	–	100.00	–
Tenfold Ventures Corporation	Services	Philippines	100.00	–	100.00	–
Aboitiz Infracapital, Inc. (AIC) and Subsidiaries	Holding	Philippines	100.00	–	100.00	–
Lima Water Corporation (LWC)	Water Infrastructure	Philippines	–	100.00	–	100.00
Aboitiz Infracapital Cebu Airport Corporation (ACAC, formerly Aboitiz GMR Megawide Cebu Airport Corporation)	Airport	Philippines	–	100.00	–	100.00
GlobemERCHANTS, Inc.	Retail	Philippines	–	100.00	–	100.00
Aboitiz Infracapital Laguindingan Airport Corporation (ALAC)	Airport	Philippines	–	100.00	–	–
Aboitiz Infracapital Bohol Airport Corporation (ABAC)	Airport	Philippines	–	100.00	–	–
Infrastructure A3C Corporation (A3C)	Water Infrastructure	Philippines	–	100.00	–	–
Apo Agua Infraestructura, Inc. (Apo Agua)	Water Infrastructure	Philippines	–	70.00	–	70.00

* No commercial operations as of December 31, 2025.

b. Basis of Preparation and Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for derivative financial instruments, investments in certain debt and equity securities, and investment properties which are measured at fair value, and agricultural produce and biological assets which are measured at fair value less estimated costs to sell. The consolidated financial statements are presented in Philippine peso, which is the Company's functional currency, and all values are rounded to the nearest thousands, except for earnings per share and exchange rates and as otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group are prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and a joint operation that is subject to joint control.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

Transactions with Non-controlling Interests (NCI)

Non-controlling interests represent the portion of total comprehensive income or loss and net assets in the subsidiaries not held by the Group and are presented separately in the consolidated statement of income and consolidated statement of comprehensive income and within equity in the consolidated balance sheets, separately from the equity attributable to equity holders of the parent.



Transactions with non-controlling interests are accounted for as equity transactions. On acquisitions of non-controlling interests, the difference between the consideration and the book value of the share of the net assets acquired is reflected as being a transaction between owners and recognized directly in equity. Gain or loss on disposals to non-controlling interest holders is also recognized directly in equity.

Changes in Accounting Policies and Disclosures

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

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

- Amendments to PAS 21, Lack of exchangeability

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

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- 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.

- 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 judgments, significant judgments 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 judgment that depends on an entity’s particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- Annual Improvements to PFRS Accounting Standards—Volume 11

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



- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.
- Amendments to PFRS 9
 - Lessee Derecognition of Lease Liabilities
The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.
 - Transaction Price
The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.
- Amendments to PAS 7, *Cost Method*
The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.



Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

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

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

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

On December 15, 2021, the FRSC 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 Insurance Contracts that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

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

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

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



The Group is currently assessing the impact the amendments will have on current practice.

- 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. 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 Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (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.



Material Accounting Policy Information

Business Combination 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 non-controlling interest in the acquiree. For each business combination, the acquirer measures the noncontrolling interest in the acquiree pertaining to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by PFRS Accounting Standards. Acquisition costs incurred are expensed and included in administrative expenses.

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

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability that is within the scope of PFRS 9 will be recognized either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest (based on the proportionate share of the Group in the identifiable net assets of the acquiree) over the Group's interest in the fair values of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized as "bargain purchase gain" in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units 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 forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment of goodwill

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

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, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized.

Common control business combination

Business combination of entities under common control is accounted for similar to pooling of interest method, which is scoped out of PFRS 3. Under the pooling of interest method, any excess of acquisition cost over the net asset value of the acquired entity is recorded in equity.

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for a least twelve months after reporting period

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or



- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as noncurrent.

Deferred income tax assets and liabilities are classified as non-current assets and liabilities.

Fair Value Measurement

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

- 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 by the Group.

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described 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
- 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.

The Group's valuation team (the Team) determines the policies and procedures for fair value measurement of its investment properties. External valuers (the Valuers) are involved in the periodic valuation of these assets. The respective subsidiary's Team decides the selection of the Valuers after discussion with and approval by its Chief Financial Officer (CFO). Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Team also determines, after discussions with the chosen valuers, which valuation techniques and inputs to use for each case.

At each balance sheet date, the Team analyzes the movements in the values of the investment properties which are required to be re-measured or re-assessed in accordance with the subsidiary's accounting policies. The Team, in coordination with the Valuers, also compares each of the changes in the fair value of each property with relevant external sources to determine whether the change is reasonable.

On the re-appraisal year, the Team and Valuers present the valuation results and the major assumptions used in the valuation to its CFO.

Investments in Associates and Joint Ventures

The Group's investments in its associates and joint ventures are accounted for using the equity method.

The aggregate of the Group's share in the profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture. The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Foreign Currency Translation

The consolidated financial statements are presented in Philippine peso, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities



denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the consolidated statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. 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.

As at the balance sheet date, the assets and liabilities of subsidiaries and associates whose functional currencies are not the Philippine peso, are translated into the Group's presentation currency at the rate of exchange ruling at the balance sheet date, and their statements of income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to other comprehensive income as cumulative translation adjustment. On disposal of any of these subsidiaries or associates, the cumulative translation adjustment recognized in other comprehensive income relating to the disposed entity is recognized in the consolidated statement of income.

Cash and Cash Equivalents

Cash and cash equivalents in the consolidated balance sheet consist of cash on hand and with banks, and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. They are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Financial Instruments - Classification and Measurement

Classification of financial assets

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

- financial assets measured at amortized cost
- financial assets measured at fair value through profit or loss (FVTPL)
- financial assets measured at fair value through other comprehensive income (FVOCI), where cumulative gains or losses previously recognized are reclassified to profit or loss
- financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are not reclassified to profit or loss

Contractual cash flows characteristics

If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Group assesses whether the cash flows from



the financial asset represent solely payment of principal and interest (SPPI) on the principal amount outstanding.

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

Business model

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

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

Financial assets at amortized cost

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



The Group's debt financial assets as of December 31, 2025 and 2024 consist of cash in banks, including restricted cash, cash equivalents and trade and other receivables. The Group assessed that the contractual cash flows of its debt financial assets are SPPI and are expected to be held to collect all contractual cash flows until their maturity. As a result, the Group concluded these debt financial assets to be measured at amortized cost.

Financial assets at FVOCI

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

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

Dividends are recognized in profit or loss only when:

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

As of December 31, 2025 and 2024, the Group has investments in debt securities that are measured at FVOCI.

Financial assets at FVTPL

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



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

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

The Group's investments in quoted equity securities and in unquoted equity shares are measured at FVTPL as of December 31, 2025 and 2024. The Group's exchangeable note is classified under this category as well (see Notes 7 and 10).

Classification of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

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

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

- if a host contract contains one or more embedded derivatives; or
- if a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.



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

The Group's financial liabilities measured at amortized cost (which was initially recognized at fair value net of directly attributable transaction costs) as of December 31, 2025 and 2024 include trade and other payables, customers' deposits, bank loans, lease liabilities, long-term obligation on PDS and long-term debts (see Note 36).

Reclassifications of financial instruments

The Group reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Group and any previously recognized gains, losses or interest shall not be restated. The Group does not reclassify its financial liabilities.

The Group does not reclassify its financial assets when:

- A financial asset that was previously a designated and effective hedging instrument in a cash flow hedge or net investment hedge no longer qualifies as such;
- A financial asset becomes a designated and effective hedging instrument in a cash flow hedge or net investment hedge; and
- There is a change in measurement on credit exposures measured at FVTPL.

Derivative Financial Instruments

Derivative financial instruments, including embedded derivatives, are initially recognized at fair value on the date in which a derivative transaction is entered into or bifurcated, and are subsequently remeasured at FVTPL, unless designated as effective hedge. Changes in fair values of derivative instruments not accounted as hedges are recognized immediately in the consolidated statement of income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

An embedded derivative within a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as either at amortized cost or at fair value depending on whether the cash flows of the hybrid contract are solely payments of principal and interest and the assessment of the business model within which the financial asset is held. On the other hand, an embedded derivative with a financial liability or a non-financial host is separated from the host and accounted for as a separate derivative if: its economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.



Separated embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modified the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group uses derivative financial instruments, such as foreign currency forward, IRS and commodity swap contracts to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

For the purpose of hedge accounting, the Group's hedges are classified as cash flow hedges. Hedges are classified as cash flow hedge 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.

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 Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

The Group's hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in profit or loss. 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 foreign currency forward contracts as hedges of its exposure to foreign currency risk in forecast transactions, as well as commodity swap contracts for its exposure to volatility in the commodity prices. The Group also designates its foreign currency-denominated cash and cash equivalents, that have been set aside in anticipation of a highly probable foreign-currency denominated acquisition, as hedging instrument. The ineffective portion are recognized in other operating income or expenses as realized gain or loss on derivative instruments.

The Group designated all of the foreign currency forwards, commodity swap contracts and foreign-currency denominated cash and cash equivalents as hedging instruments. 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 nonfinancial 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 nonfinancial asset or nonfinancial 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 the consolidated statement of income 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 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 OCI must be accounted for depending on the nature of the underlying transaction as described above.

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when, and only when:

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



When the Group retains the contractual rights to receive the cash flows of a financial asset but assumes a contractual obligation to pay those cash flows to one or more entities, the Group treats the transaction as a transfer of a financial asset if the Group:

- has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset;
- is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and
- has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In transactions where the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and it retains control over the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. The extent of the Group's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset. When the Group's continuing involvement takes the form of guaranteeing the transferred asset, the extent of the Group's continuing involvement is the lower of (i) the amount of the asset and (ii) the maximum amount of the consideration received that the Group could be required to repay ('the guarantee amount'). When the Group's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase. However, in the case of a written put option on an asset that is measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price. When the Group's continuing involvement takes the form of a cash - settled option or similar provision on the transferred asset, the extent of the Group's continuing involvement is measured in the same way as that which results from non-cash settled options.

Modification of contractual cash flows

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

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



Financial liabilities

A financial liability (or a part of a financial liability) is derecognized when the obligation under the liability is discharged, 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 or a part of it are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.

Impairment of Financial Assets

The Group recognizes ECL for the following financial assets that are not measured at FVTPL:

- debt instruments that are measured at amortized cost and FVOCI;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

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

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

Stage 1: 12-month ECL

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

Stage 2: Lifetime ECL - not credit-impaired

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



Stage 3: Lifetime ECL - credit-impaired

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

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

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

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade', or when the exposure is less than 30 days past due.

Determining the stage for impairment

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

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

The simplified approach, where changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL, is applied to trade receivables. The Group has established a provision matrix for customer segments that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



Financial Guarantee Contracts and Loan Commitments

Financial guarantees are contracts issued by the Group that require it to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are initially recognized in the consolidated financial statements at fair value. Subsequently, these are measured at the higher of:

- the amount of the loss allowance determined in accordance with the ECL model; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of PFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans that can be settled net in cash or by delivering or issuing another financial instrument or that are issued at below-market interest rates.

For loan commitments and financial guarantee contracts, the loss allowance is recognized as a provision. However, for financial instruments that include both a loan and an undrawn commitment (i.e. loan commitment) component where the Group cannot separately identify the expected credit losses on the loan commitment component from those on the loan component, the expected credit losses on the loan commitment should be recognized together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses should be recognized as a provision.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet 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. This is generally not the case with master netting agreements, and the related assets and liabilities are presented at gross in the consolidated balance sheet.

Redeemable Preferred Shares (RPS)

The component of the RPS that exhibits characteristics of a liability is recognized as a liability in the consolidated balance sheet, net of transaction costs. The corresponding dividends on those shares are charged as interest expense in the consolidated statement of income. On issuance of the RPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long-term liability on the amortized cost basis until extinguished on redemption.



Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Wheat grains	– purchase cost on a specific identification basis
Other raw materials and production supplies, fuel, materials, parts and sundries	– purchase cost on a moving average method
Finished goods and work in progress	– cost of direct materials, labor and a portion of manufacturing overhead based on normal operating capacity but

NRV of wheat grains and other raw materials and finished goods is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. NRV of fuel and materials, parts and supplies is the current replacement costs. An allowance for inventory losses and inventory shrinkage is provided, when necessary, based on management's review of inventory turnover in accordance with prescribed policies.

Real estate inventories

Real estate inventories include land, land and land improvements and residential lots for sale. Real estate inventories are carried at the lower of cost and NRV (i.e., estimated selling price less estimated costs to complete and sell). Cost includes costs incurred for the acquisition, development and improvement of the properties. The costs of inventory recognized in the consolidated statement of income is determined with reference to the specific costs incurred on the real estate sold and an allocation on a pro-rata basis on any non-specific costs.

Land and Improvements

Land and improvements consist of properties for future development and are carried at the lower of cost and NRV. NRV is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale. Cost includes those costs incurred for development and improvement of the properties. Cost of land and improvements is transferred to real estate inventories upon commencement of the real estate project.

Agricultural Activity

Agricultural produce

Agricultural produce (livestock and poultry) are measured at fair value less estimated costs to sell at point of harvest.



Biological assets

Biological assets are measured on initial recognition, and at each balance sheet date, at fair value less estimated costs to sell except when, on initial recognition, market-determined prices or values are not available and for which alternative estimates of fair value are determined to be clearly unreliable. In such cases, those biological assets are measured at accumulated costs less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such biological assets becomes reliably measurable, those biological assets are measured at fair value less estimated costs to sell.

Gains or losses arising on initial recognition of a biological asset (for market hogs, piglets, growing stock, broilers and others) at fair value less estimated costs to sell and from changes in their fair values less estimated costs to sell are included in the consolidated statement of income for the period in which they arise.

Biological assets measured at fair value less estimated costs to sell continue to be measured as such until disposed. Expenditures on biological assets subsequent to initial recognition, excluding the costs of day-to-day servicing, are capitalized.

Property, Plant and Equipment

Except for land, property, plant and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment in value.

Land is stated at cost less any accumulated impairment in value.

Depreciation and amortization of the Group's property, plant and equipment and assets under finance leases is calculated on a straight-line basis over the useful lives of the assets as follows:

Category	Estimated Useful Life (in years)
Buildings, warehouses and improvements	10 - 50
Power plant and equipment	2 - 50
Steam field assets	20 - 25
Transmission, distribution and substation equipment	12 - 40
Machinery and equipment	2 - 30
Transportation equipment	2 - 10
Office furniture, fixtures and equipment	2 - 25
Leasehold improvements	3 - 20
Tools and others	2 - 20

Leasehold improvements are amortized over the shorter of the lease terms and the lives of the improvements.



Leases

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

Group as a lessee

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.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Category	Number of Years
Land	10-50
Building	2-50
Power plant	20-38
Manufacturing plant, equipment and others	2-20

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

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 the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.



In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because 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 lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Service Concession Arrangements

Public-to-private service concession arrangements where: (a) the grantor controls or regulates what services the entities in the Group must provide with the infrastructure, to whom it must provide them, and at what price; and (b) the grantor controls - through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement, are accounted for under the provisions of Philippine Interpretation IFRIC 12, *Service Concession Arrangements*. Infrastructures used in a public-to-private service concession arrangement for its entire useful life (whole-of-life assets) are within the scope of this Interpretation if the conditions in (a) are met.

This interpretation applies to both: (a) infrastructure that the entities in the Group constructs or acquires from a third party for the purpose of the service arrangement; and (b) existing infrastructure to which the grantor gives the entity in the Group access for the purpose of the service arrangement.



Infrastructures within the scope of this Interpretation are not recognized as property, plant and equipment of the Group. Under the terms of contractual arrangements within the scope of this Interpretation, an entity acts as a service provider. An entity constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time.

An entity recognizes and measures revenue in accordance with PFRS 15 for the services it performs. If an entity performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable shall be allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

When an entity provides construction or upgrades services, the consideration received or receivable by the entity is recognized at the stand-alone selling price of the related service. An entity accounts for revenue and costs relating to construction or upgrade services in accordance with PFRS 15. Revenue from construction contracts is recognized based on the percentage-of-completion method, measured by reference to the percentage of costs incurred to date to estimated total costs for each contract. The applicable entities account for revenue and costs relating to operation services in accordance with PFRS 15.

An entity recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. An entity recognizes an intangible asset to the extent that it receives a right (a license) to charge users of the public service.

When the applicable entities have contractual obligations it must fulfill as a condition of its license (a) to maintain the infrastructure to a specified level of serviceability or (b) to restore the infrastructure to a specified condition before it is handed over to the grantor at the end of the service arrangement, it recognizes and measures these contractual obligations in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, i.e., at the best estimate of the expenditure that would be required to settle the present obligation at the balance sheet date.

Borrowing cost attributable to the construction of the asset if the consideration received or receivable is an intangible asset, is capitalized during the construction phase. In all other cases, borrowing costs are expensed as incurred.

Intangible Asset

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



Service concession right

The Group's intangible asset - service concession right pertains mainly to its right to charge users of the public service in connection with the service concession and related arrangements. This is recognized initially at the fair value which consists of the cost of construction services and the fair value of future fixed fee payments in exchange for the license or right. Following initial recognition, the intangible asset is carried at cost less accumulated amortization and any accumulated impairment losses.

The intangible asset - service concession right is amortized using the straight-line method over the estimated useful economic life which is the service concession period except for ACAC's amortization policy which is determined on the method reflecting the asset's usage based on passenger volume and usage of the airport activities over the concession period, and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated economic useful life is ranging from 18 to 25 years. The amortization period and the amortization method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible asset.

Concession Asset

The concession asset is recognized initially at cost and includes the following:

- a. Upfront fees paid to the Grantors;
- b. Directly attributable costs related to the acquisition of the concession asset; and
- c. Cost of infrastructure constructed (concession rights) and under construction (contract assets), including related borrowing costs, in accordance with the terms and conditions of the Concession Agreement. These are not recognized as property and equipment of the Parent Company but as an intangible asset.

Subsequent costs and expenditures related to infrastructures arising from the Parent Company's commitments to the Concession Agreement are recognized as additions to the concession asset and are stated at cost. Capital expenditures necessary to support the Parent Company's operation as a whole are recognized as property and equipment and accounted for in accordance with the Parent Company's accounting policy on property and equipment. When the Parent Company has contractual obligations that it must fulfill as a condition of its license to: (i) maintain the infrastructure to a specified level of serviceability or, (ii) to restore the infrastructure to a specified condition before it is handed over to the grantor at the end of the service concession arrangement, it recognizes and measures these contractual obligations in accordance with the accounting policy on Provisions. Repairs and maintenance and other expenses that are routine in nature are expensed and recognized in the parent company statement of comprehensive income as incurred.



Following initial recognition, the service concession asset is carried at cost less any accumulated amortization and any accumulated impairment losses. The Parent Company's amortization policy is determined on the method reflecting the asset's usage based on passenger volume and usage of the airport activities over the concession period. The current amortization used reflects the pattern in which the concession's future economic benefits are expected to be consumed by the Parent Company and is applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits.

The concession asset will be derecognized upon turnover to the Grantor. There will be no gain or loss upon derecognition as the concession asset, which is expected to be fully amortized upon turnover, will be handed over to the Grantor with no consideration.

The carrying value of the service concession asset is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the financial reporting period.

Intangible assets - customer contracts

The Group's intangible assets - customer contracts pertain to contracts entered by subsidiaries relating to the provision of utility services to locators within an industrial zone.

These are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The intangible assets - customer contracts are amortized using the straight-line method over the remaining life of the contract, and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and method are reviewed at least at each financial year end. The amortization expense is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible asset.

Franchise

The Group's franchise pertains to VECO's franchise to distribute electricity within an area granted by the Philippine Legislature, acquired in the business combination in 2013. The franchise is initially recognized at its fair value at the date of acquisition. Following initial recognition, the franchise is carried at cost less accumulated amortization and any accumulated impairment losses. The Group's franchise is amortized using the straight-line method over the estimated economic useful life, and assessed for impairment whenever there is an indication that the franchise may be impaired. The estimated economic useful life of the franchise is 40 years. The amortization period and amortization method for franchise are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the franchise are accounted for by changing the amortization period or method, as appropriate, and treated as a change in accounting estimates. The amortization expense on franchise is



recognized in the consolidated statement of income in the expense category consistent with its function.

Project development costs

Project development costs include power plant projects in the development phase which meet the “identifiability” requirement under PAS 38, *Intangible Assets*, as they are separable and susceptible to individual sale and are carried at acquisition cost. These assets are transferred to “Property, plant and equipment” when construction of each power plant commences. During the period of development, the asset is tested for impairment annually.

Research and Development Expenditure

The Group’s policy is to record research expenses in the consolidated statement of income in the period when they are incurred.

Development costs are recognized as an intangible asset on the consolidated balance sheet if the Group can identify them separately and show the technical viability of the asset, its intention and capacity to use or sell it, and how it will generate probable future economic benefits.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Investment Properties

Investment properties, which pertain to land, land improvements and buildings, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in fair values of investment properties are included in the consolidated statement of income in the year in which they arise.

Noncurrent Assets Held for Sale

An entity shall classify a noncurrent asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Noncurrent assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Cost to sell are the incremental cost directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when:

- The sale is highly probable;
- The asset is available for immediate sale in its present condition;



- Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn;
- Management must be committed to the plan to sell the asset; and
- The sale is expected to be completed within one year from the date of the classification.

Assets classified as held for sale are presented separately as current items in the statement of financial position.

The Group reclassified assets from investment properties to noncurrent assets held for sale since the carrying amount of the assets will be principally recovered through a sale transaction rather than through continuing use and the criteria above had been satisfied. Investment properties are not depreciated or amortized once classified as held for sale.

Impairment of Nonfinancial Assets

Property, plant and equipment, intangible assets, investments and advances and other current and noncurrent assets excluding restricted cash and PSALM deferred adjustment

The Group assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's 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 exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each balance sheet date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A 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 accumulated depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.



Decommissioning liability

The decommissioning liability arose from the Group's obligation, under its contracts, to decommission, abandon and perform surface rehabilitation at the end of the useful lives of the steam field assets or upon abandonment of the plant. A corresponding asset is recognized as part of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the consolidated statement of income as an "Accretion of decommissioning liability" under the "Interest expense" account. The estimated future costs of decommissioning are reviewed annually and adjusted prospectively.

Changes in the estimated future costs or in the discount rate applied are added or deducted from the cost of property, plant and equipment. The amount deducted from the cost of property, plant and equipment, shall not exceed its carrying amount.

If the decrease in the liability exceeds the carrying amount of the property, plant and equipment, the excess shall be recognized immediately in the consolidated statement of income.

Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value for all shares issued. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Capital stock includes common stock and preferred stock.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Company, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are debited to the "Additional paid-in capital" account, net of tax. If additional paid-in capital is not sufficient, the excess is charged against an equity reserve account.

Retained Earnings

Retained earnings include accumulated earnings of the Company and reduced by dividends on capital stock. Dividends on capital stock are recognized as a liability and deducted from equity when they are approved by the BOD. Dividends for the year that are approved after the balance sheet date are dealt with as an event after the balance sheet date. Retained earnings may also include effect of changes in accounting policy as may be required by the transition provisions of new and amended standards.



Treasury Shares

The Group's own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Revenue Recognition

The following specific recognition criteria must also be met before revenue is recognized:

Sale of Power

Contracts with customers for the Power Group generally include power generation and ancillary services, power distribution and retail supply.

For power generation and ancillary services where capacity and energy dispatched are separately identified, these two obligations are to be combined as one performance obligation since these are not distinct within the context of the contract as the buyer cannot benefit from the contracted capacity alone without the corresponding energy and the buyer cannot obtain energy without contracting a capacity. The combined performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer.

Revenue from power generation and ancillary services is recognized in the period actual capacity is generated. Revenue is recognized over time since the customer simultaneously receives and consumes the benefits as the seller supplies power.

In contracts with fixed capacity payments which are determined at contract inception, the fixed capacity payments for the entire contract period is determined at day 1 and is recognized over time. Specifically, on contracts where capacity payments are fixed but escalates throughout the contract period without any reference to market indices, the fixed escalation is recognized on a straight-line basis over the contract period.

Some contracts with customers provide unspecified quantity of energy, includes provisional Energy Regulatory Commission (ERC) rates, and volume and prompt payment discounts that give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved.

Power distribution and retail supply also qualify as a series of distinct goods or services that are substantially the same and have the same pattern of transfer accounted for as one performance obligation. Revenue is recognized over time based on amounts billed.



Sale of Goods

Revenue from the sale of goods is recognized at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery. The Group has concluded that it is the principal in its revenue arrangements because it controls the goods before transferring them to the customer.

Sale of Real Estate

Contracts with customers for the Real Estate Group's real estate segment generally include sale of lot, sale of house and lot and sale of unfurnished and fully furnished condominium units.

For the sale of lot, the lot and the development made on the lot are separately identifiable promises but are combined as one performance obligation since these are not distinct within the context of the contract as the development of lot is used as an input to deliver a combined output.

For the sale of house and lot, the house and lot are separately identifiable promises but are combined as one performance obligation since these are not distinct within the context of the contract. The obligation to deliver the house duly constructed in a specific lot is fully integrated in the lot in accordance with the approved plan.

If the sale of lot, house and lot and unfurnished and fully furnished condominium units occurs at completion, the Real Estate Group shall recognize revenue at a point in time when control of the asset is transferred to the customer, generally on delivery of the properties. Otherwise, if the sale occurs prior to completion, the Real Estate Group shall recognize revenue over time, using the output method (i.e., POC) as the appropriate measure of progress, satisfying the criterion of which the Real Estate Group's performance does not create an asset with an alternative use and the Real Estate Group has an enforceable right to payment for performance completed to date. This is based on the monthly project accomplishment report prepared by the project engineers which integrates the surveys of performance to date of the construction activities.

The buyer could enforce its rights to the promised property if the developer seeks to sell the unit to another buyer. This contractual restriction on the developer's ability to direct the promised property for another use is considered substantive as the property is not interchangeable with other properties that the entity could transfer to the buyer without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. The Real Estate Group also has enforceable right to payment for performance completed to date notwithstanding contract terminations.



In determining the transaction price for real estate sales, the Real Estate Group considers the existence of significant financing component. Contracts with real estate customers provide two alternative payment options, spot cash and installment payments, after the contracts are signed. For both payment options, the Real Estate Group concluded that there is a significant financing component because the timing between when the customer pays for the property and when the Real Estate Group transfers the property to the customer do not match and the period between transfers are more than a year. The transaction price for such contracts is determined by discounting the amount of promised consideration using the appropriate discount rate. The Real Estate Group also concluded that there is a significant financing component for those contracts where the customer elects to pay in advance considering the length of time between the customer's payment and the transfer of property to the customer, as well as the prevailing interest rates in the market.

Cost to obtain contract

The incremental costs of obtaining contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Cost of real estate sales" account in the consolidated statement of income.

Rendering of services

Service revenues are recognized when the related services are rendered based on agreed hourly billing rates. Customer payments for which services have not yet been rendered are classified as unearned revenue under "Trade and other payables" account in the consolidated balance sheet.

Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the related lease terms.

Dividend income

Dividend income is recognized when the Group's right to receive payment is established.

Interest income

Interest income is recognized as it accrues taking into account the effective yield on the asset.

Pension Benefits

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.



The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.



Borrowing Costs

Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods 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 balance sheet date.

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

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable 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 at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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



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

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to 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 as at the balance sheet 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 or directly in equity.

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

Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

For its VAT-registered activities, 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 balance sheet. 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 balance sheet up to the extent of the recoverable amount.



For its non-VAT registered activities, the amount of VAT passed on from its purchases of goods or service is recognized as part of the cost of goods/asset acquired or as part of the expense item, as applicable.

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, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of income, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the probability of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Events After the Reporting Period

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

Earnings Per Common Share

Basic earnings per common share are computed by dividing net income for the year attributable to the common shareholders of the parent by the weighted average number of common shares issued and outstanding during the year, after retroactive adjustments for any stock dividends declared and stock rights exercised during the year.

Diluted earnings per share amounts are calculated by dividing the net income for the year attributable to the common shareholders of the parent by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares that would be issued for outstanding common stock equivalents. The Group does not have dilutive common stock equivalents.



Operating Segments

For management purposes, the Group is organized into five major operating segments (power, food manufacturing, financial services, real estate and infrastructure) according to the nature of the products and the services provided. The Group's identified operating segments are consistent with the segments reported to the BOD which is the Group's Chief Operating Decision Maker (CODM). Financial information on operating segments is presented in Note 34.

3. Summary of Significant Accounting Judgments, Estimates and Assumptions

The consolidated financial statements prepared in accordance with PFRS Accounting Standards require management to make judgment, estimates and assumptions that affect amount reported in the consolidated financial statements and related notes. The judgment, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates. Judgments, estimates and assumptions are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under circumstances. The following items are those matters which the Group assess to have significant risk arising from judgements and estimation uncertainties:

Judgments

In the process of applying the Group'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 consolidated financial statements:

Determining functional currency

Based on the economic substance of the underlying circumstances relevant to the companies in the Group, the functional currency of the companies in the Group has been determined to be the Philippine peso, except for certain subsidiaries and associates whose functional currencies are the US dollar (US\$), Singapore dollar, Vietnamese Dong, Indonesian Rupiah, Renminbi, Malaysian Ringgit or Thai Baht. The Philippine peso is the currency of the primary economic environment in which most of the companies in the Group operate and it is the currency that mainly influences their revenues and costs.

Service concession arrangements - Companies in the Group as Operators

Based on management's judgment, the provisions of Philippine Interpretation IFRIC 12 apply to ACAC's Concession Agreement with the Department of Transportation (DOTr) and Mactan Cebu International Airport Authority (MCIAA), ALAC's and ABAC's Concession Agreement with DOTr and the Civil Aviation Authority of the Philippines (CAAP), SEZ's Distribution Management Service Agreement (DMSA) with Subic Bay Metropolitan Authority (SBMA); MEZ's Built-Operate-Transfer agreement with MCIAA; LHC's Power Purchase Agreement (PPA) with the National Power Corporation (NPC) and Apo Agua's Treated Bulk Water concession agreement with Davao City Water



District (DCWD). ACAC, ALAC, ABAC, SEZ, MEZ, LHC and Apo Agua's service concession agreements were accounted for under the intangible asset model.

Management has also determined that the provisions of Philippine Interpretation IFRIC 12 apply to SPI's PPA with NPC. SPI's service concession agreement was accounted for under the financial asset model.

Refer to the accounting policy on service concession arrangements for the discussion of intangible asset and financial asset models.

Determination of control, joint control or significant influence over an investee

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. On the other hand, joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In the absence of control or joint control over an investee, there is a presumption that there is significant influence when an investor has 20% or more ownership over an investee.

Management has determined that by virtue of its majority ownership of voting rights in its subsidiaries as of December 31, 2025 and 2024, the Company had the ability to exercise control over these investees (see Note 2).

Nonconsolidation of certain investees

The Group has 40% interest in CGHI which has 67% interest in South Premiere Power Corporation, Excellent Energy Resources, Inc., Linseed Field Corporation and Ilijan Primeline Industrial Estate Corporation.

The Group has 83.33% interest in Manila-Oslo Renewable Enterprise, Inc. (MORE) which has a 60% ownership interest in SN Aboitiz Power-Magat (SNAP-Magat), Inc., SN Aboitiz Power-Benguet (SNAP-Benguet), Inc., SN Aboitiz Power-RES, Inc. (SNAP-RES), and SN Aboitiz Power-Generation, Inc. (SNAP-Generation).

The Group has 60% and 70% interest in AA Thermal and GN Power Dinginin Ltd. Co. (GNPD), respectively.



The Group does not consolidate CGHI, MORE, AA Thermal and GNPD since it does not have the ability to direct the relevant activities which most significantly affect the returns of CGHI, MORE and its investees, AA Thermal and GNPD, and their respective investees. This is as a result of the agreements among the shareholders and partners which, among others, stipulate that the management and operation of CGHI, MORE, AA Thermal and GNPD are vested in their respective BOD or “Management Committee” and the affirmative vote of the other shareholders or partners are required for the approval of certain company actions which include financial and operating undertakings.

The Group has 60% interest in AEV CRH Holdings, Inc. (AEV CRH) which has 99.09% ownership interest in Republic Cement and Building Materials, Inc. (RCBM), 99.63% ownership interest in Republic Cement Mindanao, Inc. (RCMI), 94.63% ownership interest in Republic Cement Iligan, Inc. (RCII) and 100% ownership interest in Luzon Continental Land Corporation (LCLC).

The Group does not consolidate AEV CRH since it does not have the ability to direct the relevant activities which most significantly affect the returns of AEV CRH and its investees. This is a result of the contractual arrangements that give the other party the power to direct the relevant non-nationalized activities of the subsidiaries of AEV CRH.

Consequently, the Group accounts for CGHI, MORE and GNPD, as joint ventures, and AEV CRH, as an associate, using the equity method in the consolidated financial statements.

Determining a joint operation

The Group has 50% interest in Pagbilao Energy Corporation (PEC). The Group assessed that the joint arrangement is a joint operation as the financial and operating activities of the operation are jointly controlled by the participating shareholders and are primarily designed for the provision of output to the shareholders.

Classification of financial instruments

The Group exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definition of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated balance sheets.

Contractual cash flows assessment

For each financial asset, the Group assesses the contractual terms to identify whether the instrument is consistent with the concept of SPPI.



'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Evaluation of business model in managing financial instruments

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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 i) each distinct good or services in the series are transferred over time and ii) 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 power generation and ancillary services where capacity and energy dispatched are separately identified, these two obligations are to be combined as one performance obligation since these are not distinct within the context of the contract as the buyer cannot benefit from the contracted capacity alone without the corresponding energy and the buyer cannot obtain energy without contracting a capacity.

The combined performance obligation qualifies as a series of distinct goods or services that are substantially the same and have the same pattern of transfer since the delivery of energy every month are distinct services which are all recognized over time and have the same measure of progress.

Power distribution and retail supply also qualify as a series of distinct goods or services which is accounted for as one performance obligation since the delivery of energy every month are distinct services which are recognized over time and have the same measure of progress.

For sale of developed lots, the lot and the development made on the lot are separately identifiable promises but are combined as one performance obligation since these are not distinct within the context of the contract as the lot development is used as an input to deliver a combined output. For the sale of house and lot, the house and lot are separately identifiable promises but are combined as one performance obligation since these are not distinct within the context of the contract. The obligation to deliver the house duly constructed in a specific lot is fully integrated in the lot in accordance with the approved plan.

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. The Group has generally concluded that it is the principal in its revenue arrangements.



The Group concludes that:

- revenue from power generation, power distribution, ancillary services and retail supply are to be recognized over time, since customers simultaneously receives and consumes the benefits as the Group supplies power;
- when a contract is judged to be for the construction of a property, revenue is recognized using the POC method as construction progresses. The POC is made reference to the stage of completion of projects and contracts determined on the basis of the estimated completion of physical proportion of the contract work;
- for sale of goods, revenue is recognized at a point in time, generally on the delivery of goods.

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 entity's 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 power generation and ancillary services, the Group determined that the output method is the best method in measuring progress since actual electricity is supplied to customers. The Group recognizes revenue based on:

For power generation and ancillary services:

- a. For the variable energy payment, actual kilowatt hours consumed which are billed on a monthly basis.
- b. For fixed capacity payments, the Group allocates the transaction price on a straight-line basis over the contract term. The allocated fixed payments are also billed on a monthly basis.

For power distribution and retail supply, the Group uses the actual kilowatt hours consumed, which are also billed on a monthly basis.

The Group recognizes revenues from real estate sales over time using output method in measuring progress. The use of output method is the best method in measuring progress since the entitlement of the customers to the output performed as of date is easily measured and observed on the basis that POC for the construction of real estate properties is determined using the estimated completion of physical proportion of the contract work.

Determining method to estimate variable consideration and assessing the constraint

The Group includes some or all the amounts of variable consideration estimated but only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Group considers both the likelihood and magnitude of the revenue reversal in evaluating the extent of variable consideration the Group will subject to constraint.



Factors such as i) highly susceptibility to factors outside the Group's influence, ii) timing of resolution of the uncertainty, and iii) having a large number and broad range of possible considerations amount are considered.

For Power Group, some contracts with customers provide unspecified quantity of energy, provisional ERC rates, and volume and prompt payment discounts that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The expected value method of estimation takes into account a range of possible outcomes while the most likely amount is used when the outcome is binary. It is determined that the expected value method is the appropriate method to use in estimating the variable consideration given the large number of customer contracts that have similar characteristics and the range of possible outcomes.

Allocation of variable consideration

Variable consideration may be attributable to the entire contract or to a specific part of the contract. For power generation, power distribution, ancillary services and retail supply revenue streams which are considered as series of distinct goods or services that are substantially the same and have the same pattern of transfer, the Group allocates the variable amount that is no longer subject to constraint to the satisfied portion (i.e., month) which forms part of the single performance obligation, and forms part of the monthly billing of the Group.

Distinction among real estate inventories, land and improvements and investment properties

The Group determines whether a property is classified as real estate inventories, land and improvements or investment properties:

- Real estate inventories comprise properties that are held for sale in the ordinary course of business. Principally, these are residential properties that the Group develops and intends to sell before or on completion of construction.
- Land and improvements comprise land and related improvements that are part of the Group's strategic land banking activities for development or sale in the medium or long-term. These properties are neither developed nor available for sale and therefore not yet considered as part of real estate inventories.
- Investment properties comprise land, land improvements and buildings (principally composed of offices, commercial warehouses and retail properties) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation.

The Group considers each property separately in making its judgment.



Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows:

Estimating allowance for impairment losses on investments and advances

Investments and advances are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or impairment recovery for any significant change in the expected historical or projected future operating results of the investees. In 2025 and 2024, the management performed impairment review on certain investments. No additional impairment loss was recognized based on this review.

The carrying amounts of the investments in and advances to associates and joint ventures amounted to ₱318.0 billion and ₱250.1 billion as of December 31, 2025 and 2024, respectively. The allowance for impairment losses amounted to ₱680.7 million as of December 31, 2025 and 2024 (see Note 10).

Assessing impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as of December 31, 2025 and 2024 amounted to ₱42.4 billion and ₱62.1 billion, respectively (see Note 14). An impairment of goodwill amounting to ₱13.7 billion was recognized in 2025, nil in 2024 and ₱0.4 billion in 2023.

Estimating useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which assets are expected to be available for use. The estimated useful lives of property, plant and equipment 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 the assets. In addition, the estimation of the useful lives of property, plant and equipment is based on collective assessment of internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the factors and circumstances mentioned above. As of December 31, 2025 and 2024, the net book values of property, plant and equipment, excluding land, right-of-use asset and construction in progress, amounted to ₱210.1 billion and ₱180.4 billion, respectively (see Note 13).



Estimating residual value of property, plant and equipment

The residual value of the Group's property, plant and equipment is estimated based on the amount that the entity would obtain from disposal of the asset, after deducting estimated costs of disposal, if the asset is already of the age and in the condition expected at the end of its useful life. The estimated residual value of each asset is reviewed periodically and updated if expectations differ from previous estimates. As of December 31, 2025 and 2024, the net book values of property, plant and equipment, excluding land, amounted to ₱237.9 billion and ₱203.4 billion, respectively (see Note 13).

Assessing impairment of nonfinancial assets

The Group assesses whether there are any indicators of impairment for nonfinancial assets at each balance sheet date. These nonfinancial assets (other current assets, property, plant and equipment, intangible assets (excluding goodwill), and other noncurrent assets) are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Determining the recoverable amount of these assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect its consolidated financial statements. Future events could cause the Group to conclude that the other current assets, property, plant and equipment, intangible assets (excluding goodwill) and other noncurrent assets are impaired. Any resulting impairment loss could have a material adverse impact on the consolidated balance sheets and consolidated statements of income. The aggregate net book values of these assets as of December 31 are as follows:

	2025	2024
Property, plant and equipment (see Note 13)	₱257,360,367	₱240,612,393
Other current assets (see Note 7)	15,575,126	14,852,709
Intangible assets excluding goodwill (see Note 14)	77,790,355	76,841,878
Other noncurrent assets (see Note 16)	64,831,103	23,614,438
	₱415,556,951	₱355,921,418

Impairment losses and write-offs recognized on these nonfinancial assets in 2025, 2024 and 2023 amounted to ₱447.4 million, ₱62.1 million and ₱102.0 million, respectively.



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 balance sheet 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 balance sheet date:* as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- *Undrawn loan commitments:* as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.
- *Financial guarantee contracts:* as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

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.

Inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), defined as follows:

- *Probability of default*
The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining life of the obligation. PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures. The 12-months and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at the balance sheet date and future economic conditions that affect credit risk.
- *Loss given default*
Loss Given Default represents the Group's expectation of the extent of loss on a defaulted exposure, taking into account the mitigating effect of collateral, its expected value when realized and the time value of money. LGD varies by type of counterparty, type of seniority of claim and



availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD.

- *Exposure at default*

EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

The ECL is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the balance sheet date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by customer segment.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies including contracted debt sales and price.

The assumptions underlying the ECL calculation, such as how the maturity profile of the PDs change, are monitored and reviewed on a quarterly basis.

Simplified approach for trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the industrial segment, the historical default rates are adjusted. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.



The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

The macro-economic variables include the following key indicators for the Philippines: unemployment rates, inflation rates, gross domestic product growth and net personal income growth.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Group has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.



An increase in the Group's allowance for ECL of trade and other receivables will increase the Group's recorded expenses and decrease current assets. As of December 31, 2025 and 2024, allowance for ECL amounted to ₱5.2 billion and ₱5.3 billion, respectively. Trade and other receivables, net of allowance for ECL, amounted to ₱69.0 billion and ₱62.6 billion as of December 31, 2025 and 2024, respectively (see Note 5).

Estimating allowance for inventory obsolescence

The Group estimates the allowance for inventory obsolescence based on the status of inventories. The amounts and timing of recorded expenses for any period would differ if different judgments or different estimates are made. An increase in allowance for inventory obsolescence would increase recorded expenses and decrease current assets. As of December 31, 2025 and 2024, allowance for inventory obsolescence amounted to ₱11.7 million and ₱12.4 million, respectively. The carrying amounts of inventories, including land and improvements, net of valuation allowance, amounted to ₱46.4 billion and ₱45.0 billion as of December 31, 2025 and 2024, respectively (see Note 6).

Estimating the incremental borrowing rate (IBR)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The carrying amount of the lease liabilities amounted to ₱6.1 billion and ₱4.8 billion as of December 31, 2025 and 2024, respectively (see Note 22).

Estimating decommissioning liability

Under the Geothermal Resource Service Contract (GRSC), the Group has a legal obligation to decommission, abandon and perform surface rehabilitation on its steam field asset at the end of its useful life. The Group also has a legal obligation under its land lease agreements to decommission the power plants at the end of its lease term. The Group recognizes the present value of the obligation to decommission the plant, abandon and perform surface rehabilitation of the steam field asset and capitalizes the present value of this cost as part of the balance of the related property, plant and equipment, which are being depreciated and amortized on a straight-line basis over the useful life of the related asset.



These costs are accrued based on in-house estimates, which incorporates estimates of the amount of obligations and interest rates, if appropriate. Assumptions used to compute the provision are reviewed and updated annually. Each year, the provision is increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with charges being recognized as accretion expense, included under "Interest expense" in the consolidated statements of income.

Changes in the decommissioning liability that result from a change in the current best estimate of cash flows required to settle the obligation or a change in the discount rate are added to (or deducted from) the amount recognized as the related asset and the periodic unwinding of the discount on the liability is recognized in the consolidated statement of income as it occurs.

While the Group has made its best estimate in establishing the decommissioning provision, because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning activities, the ultimate provision requirements could either increase or decrease significantly from the Group's current estimates.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Decommissioning liability amounted to ₱5.5 billion and ₱5.3 billion as of December 31, 2025 and 2024, respectively (see Note 21).

Recognition of deferred income tax assets

The Group reviews the carrying amounts of deferred income tax assets at each balance sheet date and reduces deferred income tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized. The Group has deferred income tax assets amounting ₱8.9 billion and ₱7.9 billion as of December 31, 2025 and 2024, respectively (see Note 32).

Details of the Group's recognized and unrecognized deferred income tax assets are discussed in Note 32.

Pension benefits

The costs of defined benefit pension plans, as well as the present value of the pension obligation, are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each balance sheet date.



Net benefit expense amounted to ₱710.7 million in 2025, ₱610.4 million in 2024 and ₱554.8 million in 2023. The net pension assets as of December 31, 2025 and 2024 amounted to ₱276.6 million and ₱304.3 million, respectively. Net pension liabilities as of December 31, 2025 and 2024 amounted to ₱975.0 million and ₱1,192.1 million, respectively (see Note 30).

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

Further details about the assumptions used are provided in Note 30.

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 36 for further disclosures.

Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognized in the consolidated statements of income. The Group engaged an independent valuation specialist to assess the fair values of these properties. For these assets, the valuation methodology used was Sales Comparison Approach. This method considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison (see Note 15).

Legal contingencies

The estimate of probable costs for the resolution of possible claims has been developed in consultation with outside counsels handling the Group's defense in these matters and is based upon an analysis of potential results. No provision for probable losses arising from legal contingencies was recognized in the consolidated financial statements for the years ended December 31, 2025, 2024 and 2023.



4. Cash and Cash Equivalents

	2025	2024
Cash on hand and in banks	₱27,973,599	₱21,401,913
Short-term deposits	59,779,803	60,391,382
	₱87,753,402	₱81,793,295

Cash in banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods up to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Interest income earned from cash and cash equivalents amounted to ₱3.0 billion in 2025, ₱3.2 billion in 2024 and ₱3.7 billion in 2023, respectively (see Note 36).

5. Trade and Other Receivables

	2025	2024
Trade receivables (see Note 35)		
Power (see Note 36)	₱38,428,816	₱30,541,572
Food manufacturing	10,645,937	9,812,643
Real estate	15,568,320	14,589,347
Holding and others	2,674,423	1,582,132
	67,317,496	56,525,694
Nontrade receivables	6,254,435	9,116,179
Dividends receivable (see Note 10)	—	1,012,000
Advances to contractors	—	491,140
Others	628,540	783,651
	74,200,471	67,928,664
Less allowance for expected credit losses	5,170,122	5,305,192
	69,030,349	62,623,472
Less noncurrent portion	2,976,850	418,655
	₱66,053,499	₱62,204,817

Trade receivables, except real estate receivables, are generally non-interest bearing and on 10 - 30 days' terms. Noncurrent portion of trade receivable includes the receivable from additional revenue earned as a result of Energy Regulatory Commission (ERC) Resolution No. 28, series of 2025 providing feed-in-tariff (FIT) rate adjustments for years 2021 to 2025, and receivable from the sale of asset to ERC, collectible within 5 years (see Note 26).



For terms and conditions relating to related party receivables, refer to Note 35.

Advances to contractors refer to noninterest-bearing advance payments made for acquisition of inventories and services which are offset against progress billings to be made by the suppliers.

Nontrade receivable relates mostly to claims from insurance and advances to partners in GMEC. In 2025, GMEC also declared dividends to non-controlling interests amounting to ₱2.71 billion which was offset against GMEC's receivables from its partners.

Nontrade receivables also includes, reimbursable expenses from contractors and customers of the real estate group.

Other receivables include accrued interest income.

Trade Receivables of Real Estate Group

Trade receivables consist mostly of installment contract receivables from real estate customers. Installment contract receivables are collectible in monthly installments over a period of two to three years and are noninterest-bearing. Current and noncurrent portion of these receivables amounted to ₱15.1 billion and ₱0.5 billion, respectively, as of December 31, 2025, and ₱14.2 billion and ₱0.4 billion, respectively, as of December 31, 2024.

Trade receivables of real estate group include contract assets amounting to ₱9.8 billion and ₱9.0 billion as of December 31, 2025 and 2024, respectively. Contract assets represent excess of recognized revenues from contracts with real estate customers determined based on percentage-of-completion, against amounts billed to customers.

The rollforward analysis of allowance for expected credit losses is presented below:

December 31, 2025

	Trade Receivables				Total
	Power	Food Manufacturing	Real Estate	Holding and Others	
At beginning of year	₱3,512,890	₱1,591,638	₱159,352	₱41,312	₱5,305,192
Provision (reversal) (see Note 28)	(318,769)	359,884	2,171	25,212	68,498
Write-off	(68,298)	(242,334)	(611)	—	(311,243)
Effect of foreign exchange rates and others	37,662	70,179	(166)	—	107,675
At end of year	₱3,163,485	₱1,779,367	₱160,746	₱66,524	₱5,170,122



December 31, 2024

	Trade Receivables				Total
	Power	Food Manufacturing	Real Estate	Holding and Others	
At beginning of year	₱3,376,162	₱1,493,838	₱156,201	₱—	₱5,026,201
Step-acquisition to subsidiary (see Note 9)	—	—	—	36,426	36,426
Provision (see Note 28)	22,495	124,800	3,151	4,886	155,332
Write-off	(182,920)	(3,697)	—	—	(186,617)
Effect of foreign exchange rates and others	297,153	(23,303)	—	—	273,850
At end of year	₱3,512,890	₱1,591,638	₱159,352	₱41,312	₱5,305,192

6. Inventories and Land and Improvements

Inventories

	2025	2024
At cost:		
Fuel	₱2,523,317	₱4,018,971
Materials, parts and supplies	11,352,535	11,626,792
Real estate inventories	11,828,722	10,915,852
Raw materials	3,560,313	2,024,700
Land and improvements	7,714,404	7,921,009
Finished goods (see Note 28)	1,745,361	1,507,679
Work in progress	52,807	39,217
At NRV:		
Wheat grains and other raw materials	7,092,536	6,440,110
Materials, parts and supplies	532,634	508,775
	₱46,402,629	₱45,003,105

The cost of inventories recognized as part of cost of generated power in the consolidated statements of income amounted to ₱35.2 billion in 2025, ₱40.6 billion in 2024 and ₱56.0 billion in 2023 (see Note 28). The cost of inventories recognized as part of operating expenses in the consolidated statements of income amounted to ₱437.9 million in 2025, ₱416.4 million in 2024 and ₱548.9 million in 2023 (see Note 28).



Cost of inventories carried at NRV amounted to ₱7.6 billion, ₱6.9 billion and ₱7.5 billion as of December 31, 2025, 2024 and 2023, respectively.

A summary of the movement in real estate inventories is set out below:

	2025	2024
At January 1	₱10,915,852	₱10,751,854
Construction/development costs incurred	4,455,109	3,237,111
Contract cost asset related to capitalized sales commissions	52,410	123,867
Transfers from land and improvements	965,369	1,952,397
Reversal of capitalized commission related to forfeited units	(10,592)	(3,762)
Amortization of capitalized contract cost asset (recognized as cost of real estate inventories sold)	(46,032)	(124,319)
Cost of real estate inventories sold	(4,508,488)	(4,896,660)
Transfers from investments properties (see Note 15)	5,094	—
Others	—	(124,636)
At December 31	₱11,828,722	₱10,915,852

A summary of the movement in land and improvement is set out below:

	2025	2024
At January 1	₱7,921,009	₱8,401,135
Additions	388,845	2,349,407
Transfers to real estate inventories	(965,369)	(1,952,397)
Transfers to investment properties (see Note 15)	369,919	(456,340)
Other transfers/adjustments	—	(420,796)
At December 31	₱7,714,404	₱7,921,009



7. Other Current Assets

	2025	2024
Restricted cash	₱6,673,694	₱6,198,924
Prepaid expenses	6,556,265	6,184,365
Asset held for sale	2,635,525	1,088,760
Advances to NGCP	1,806,179	551,506
Input VAT	1,603,909	2,373,179
Concession contract asset (see Note 16)	1,358,605	1,352,797
Biological assets (see Note 8)	1,262,840	1,118,864
Insurance assets	1,156,462	2,329,626
Advances to suppliers	826,986	560,601
Short-term cash deposits	269,298	212,870
Others	1,533,139	1,197,314
	₱25,682,902	₱23,168,806

Restricted cash represents proceeds from sale of power under the control of trustees of certain subsidiaries' lenders as per loan agreement (see Note 19). The asset will be used to pay the current portion of loans payable, interest payments and operating costs in the following period.

Advances to NGCP pertain to TVI's cost of construction and installation of substation and transmission facilities which are subject for reimbursement.

Short-term cash deposits are fixed-term deposits with maturities of more than three months to less than one year from dates of acquisition. These earn interest at the respective bank deposit rates. Interest income earned from short-term cash deposits amounted to ₱164.0 million in 2025, ₱53.4 million in 2024 and ₱277.0 million in 2023, respectively (see Note 36).

Prepaid expenses mainly include prepaid taxes and prepayments for insurance.

"Others" include income tax refundable.



8. Biological Assets

	2025	2024
Presented under Other Current Assets (see Note 7):		
Market hogs	₱749,952	₱515,234
Piglets	104,095	416,143
Growing stocks	392,533	187,487
Poultry layers	16,260	—
	1,262,840	1,118,864
Presented under Other Noncurrent Assets:		
Bearers and breeders (see Note 16)	207,124	303,246
	₱1,469,964	₱1,422,110

As of December 31, 2025 and 2024, biological assets are measured at fair value under Level 3 input. Fair values are determined based on average market selling prices at balance sheet date. Market hogs, piglets, growing stocks and poultry layers are measured at fair value less estimated costs to sell.

Significant changes in market prices would result in a significantly higher (lower) fair value of the biological assets.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the fair value of the biological assets assuming if all other assumptions were held constant:

	Basis Points	Increase (Decrease) in Present Value of Fair Value of Biological Assets	
		2025	2024
Market price	100	₱146,996	₱142,211
	-100	(146,996)	(142,211)

For the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.



The reconciliation of changes in the carrying amount of consumable biological assets follows:

	2025	2024
At beginning of year	₱1,422,110	₱1,270,836
Additions	1,475,679	1,395,372
Sales at fair value	(1,036,966)	(779,451)
Transferred to breeding herd	(383,863)	(429,200)
Increase (decrease) in fair value (see Note 31)	(5,773)	596
Others	(1,223)	(36,043)
At end of year	₱1,469,964	₱1,422,110

Consumable biological assets are included under “Other current assets” account while bearers and breeders are included under “Other noncurrent assets” account in the consolidated balance sheets (see Notes 7 and 16).

9. Acquisitions and Disposals of Shares of Stock of Subsidiaries

a. AP’s acquisition of Ubay Solar Corporation (Ubay)

On December 12, 2025, ARI and Ignis Philippines Development, Inc. (IPDI) entered into a deed of assignment of shares of stock wherein IPDI assigned and transferred 100% of existing shares in Ubay Solar Corp. to ARI for a total consideration of ₱504.72 million (US\$8.55 million). Out of the total consideration, ₱82.7 million (US\$1.40 million) is paid upon execution of the deed while the remaining shall be paid upon completion of certain milestones.

The acquisition was accounted for under the acquisition method. The following are the fair values of the identifiable assets and liabilities assumed on acquisition date:

Total consideration	₱504,720
Net assets acquired:	
Assets acquired	
Cash and cash equivalents	146,759
Other current assets	184,553
Property and equipment	672,682
Other noncurrent assets	105,292
Liabilities assumed	(604,566)
Goodwill (Gain on bargain purchase)	₱—



As of December 31, 2025, the Group is still in the process of completing the determination of fair values of the underlying net assets of Ubay. As allowed by PFRS Accounting Standards, the Group has provisionally assessed the fair value of the assets and liabilities assumed. The provisional fair values will be finalized within one year from the acquisition date once relevant information has been obtained.

b. AP's acquisition of additional CEDI Interest

In January 2025, ARI acquired the remaining 40% non-controlling interest in CEDI from Mainstream Renewable Power (MRP), which resulted in 100% ownership of CEDI. The transaction was accounted for as an equity transaction.

The excess of the carrying amount over the consideration paid, totaling ₱88.0 million was recognized directly in equity as an adjustment to the equity reserve. The total consideration paid amounted to ₱1.00, while the carrying amount of the non-controlling interest acquired was ₱88.0 million.

Additionally, as part of the transaction, MRP condoned a ₱107.0 million loan previously extended to CEDI.

c. AIC's acquisition of ACAC

ACAC is engaged in the business of building, rehabilitating, renovating, constructing, developing, operating, and maintaining the Mactan Cebu International Airport (MCIA), including the commercial assets thereof and all allied businesses for the operation and maintenance of said airport facility.

On December 16, 2022, AIC entered into a Deed of Assignment with Megawide Construction Corporation (MCC) and GMR Airports International B.V. (GAIBV) for the assignment of a portion of their rights, titles, and interest in ACAC. On said date, MCC and GAIBV ceded ACAC common shares for ₱1.1 billion. AIC also subscribed to common shares of ACAC and infused equity amounting to ₱1.7 billion. This subscription together with the assignment by MCC and GAIBV of a portion of its interest in GMCAC resulted in AIC acquiring 33 and 1/3% minus one share ownership in GMCAC.

On December 16, 2022, AIC also entered into an Exchangeable Note agreement with MCC and GAIBV where MCC and GAIBV will issue unsecured and non-interest bearing notes from MCC and GAIBV amounting to ₱7.8 billion each for the funds advanced by AIC to the two entities.

On October 30, 2024, the Exchangeable Notes issued to AIC by MCC and GAIBV matured. Upon maturity, these notes were converted into common shares, representing the remaining 66 and 2/3% plus 1 share of the outstanding capital stock of ACAC. As a result, AIC became the legal and beneficial owner of 100% of the issued and outstanding capital stock of ACAC.



The following are the fair values of the identifiable assets and liabilities assumed on acquisition date:

Assets:	
Cash and cash equivalents	₱403,989
Trade and other receivables	880,216
Inventories	25,727
Other current assets	929,176
Concession contract assets	53,786,544
Property and equipment	280,173
Other noncurrent assets	2,746,417
	59,052,242
Liabilities:	
Trade and other payables	2,236,262
Income tax payable	17,282
Deferred income tax liabilities	6,340,272
Pension liability	32,318
Long-term debt	26,081,142
Other noncurrent liabilities	92,055
	34,799,331
Total identifiable net assets at fair value	₱24,252,911
Total consideration	₱17,510,156
Fair value of previously-held interest	7,879,570
	25,389,726
Less: Total identifiable net assets at fair value	24,252,911
Goodwill	₱1,136,815
Cash flow on acquisition:	
Cash paid	₱—
Net cash acquired with the subsidiary	403,989
Net cash outflow	₱403,989



Remeasurement of the previously-held interest as at the date of acquisition follows:

Fair value of previously-held interest	₱7,879,570
Carrying value of the previously held-interest	9,742,053
Loss on the remeasurement of previously-held interest	(₱1,862,483)

In 2024, as permitted under PFRS 3, *Business Combinations*, the identifiable assets acquired and liabilities assumed were recognized on a provisional basis because the Group had not yet finalized the valuation of certain intangible assets. Provisional goodwill recognized amounted to ₱11.8 million as of December 31, 2024.

In 2025, the Group obtained new information about facts and circumstances that existed as of the acquisition date, resulting in the finalization of the purchase price allocation. As a result, other noncurrent assets were adjusted by ₱1.1 billion. Consequently, goodwill increased by ₱1.1 billion (see Note 14).

The measurement period adjustments were recognized retrospectively as if they had been known at the acquisition date. Comparative information as of December 31, 2024 has been restated accordingly. After these adjustments, the final goodwill arising from the acquisition amounted to ₱1.1 billion as at December 31, 2025.

In 2024, ACAC contributed ₱859 million to the consolidated revenue and ₱243 million to the net income of the Group. If the combination had taken place at the beginning of 2024, the Group's revenue would have been ₱306.3 billion and net income would have been ₱37.9 billion.

The loss on the remeasurement of previously-held interest is presented as part of "Other income" in the 2024 consolidated statement of income (see Note 31).

d. AP's step-acquisition of SPI

SPI is the first coal-fired power plant in Mindanao operating with a 232 MW capacity.

Prior to the acquisition, AP holds a 34% stake in SPI. La Filipina Uy Gongco Corporation holds the other 15% while the majority of shares are owned by Steag GmbH (Germany), SPI's parent company, at 51%.

On September 15, 2022, SPI GmbH entered into a Share Purchase Agreement with AP, for AP to purchase an additional 35.4% stake in SPI. The total purchase price for the shares is US\$36.1 million, plus locked box interest at a simple rate of 4% per annum (on the basis of a 365-day year) from January 1, 2021 to March 31, 2022.

In June 2023, all of the closing conditions have been met for AP to complete the acquisition of the 35.4% ownership interest in SPI from SPI GmbH. As a result of the acquisition, AP's ownership in SPI increased to 69.4% and SPI (formerly an associate) became a subsidiary of AP.



The following are the fair values of the identifiable assets and liabilities assumed on acquisition date:

Assets:	
Cash and cash equivalents	₱1,562,017
Trade and other receivables	1,108,962
Inventories	2,254,849
Other current assets	409,700
Concession contract asset	9,937,575
Property and equipment	373,078
Pension asset	24,322
Other noncurrent assets	452,748
	<u>16,123,251</u>
Liabilities:	
Trade and other payables	1,477,444
Income tax payable	71,203
Deferred income tax liabilities, net	1,311,276
Lease liabilities	17,972
Long-term debt	2,687,509
	<u>5,565,404</u>
Total identifiable net assets at fair value	<u>₱10,557,847</u>
Total consideration	₱2,132,115
Fair value of previously-held interest in SPI	3,589,668
Fair value of NCI	3,230,701
	<u>8,952,484</u>
Less: Total identifiable net assets at fair value	<u>10,557,847</u>
Bargain purchase gain	<u>₱1,605,363</u>
Cash flow on acquisition:	
Cash paid	₱2,132,115
Net cash acquired with the subsidiary	1,562,017
Net cash outflow	<u>(₱570,098)</u>



Remeasurement of the previously-held interest in SPI as at the date of acquisition follows:

Carrying value of the previously held-interest	₱3,449,376
Fair value of previously-held interest	3,589,668
Gain on the remeasurement of previously-held interest	₱140,292

In 2023, SPI contributed ₱4.5 billion to the consolidated revenue and ₱878.4 million to the net income of the Group. If the combination had taken place at the beginning of 2023, the Group's revenue would have been ₱211.4 billion and net income would have been ₱36.8 billion.

The gain on bargain purchase including gain on remeasurement is presented as part of "Other income" in the 2023 consolidated statement of income (see Note 31). The gain on this acquisition arose from changes to the fair value of the net identifiable assets during the period prior to the closing date.

In May 2024, AP purchased the remaining 15.6% interest of SPI GmbH for US\$11.0 million (₱632.9 million) which resulted AP to own 85% equity interest in SPI.

This transaction was treated as an acquisition from a non-controlling shareholder.

Accordingly, the excess of consideration paid over the value of the net assets acquired was recorded under "equity reserve". This excess was determined as follows:

Carrying value of the additional interest in SPI	₱1,595,842
Less consideration paid to non-controlling shareholder	632,885
Excess	962,957
Less: Non-controlling interest	451,749
Recognized under "equity reserve"	₱511,208



10. Investments and Advances

	2025	2024
Acquisition cost:		
Balance at beginning of year	₱163,644,975	₱138,229,708
Additions during the year	55,296,166	36,720,080
Step acquisition to subsidiary (see Note 9)	—	(9,494,813)
Disposal	—	(1,810,000)
Balance at end of year	218,941,141	163,644,975
Accumulated share in net earnings:		
Balances at beginning of year	86,141,921	87,112,553
Share in net earnings for the year	23,848,491	14,531,542
Step acquisition to subsidiary	—	(316,133)
Disposals during the year	—	153,203
Cash dividends received and receivable	(11,894,999)	(15,339,244)
Balance at end of year	98,095,413	86,141,921
Equity reserve	1,200,599	1,200,599
Share in net unrealized mark-to-market gains on FVOCI investments of associates and joint ventures	(513,781)	(782,878)
Share in cumulative translation adjustments of associates and joint ventures	2,265,584	1,736,166
Share in actuarial losses on retirement benefit plan of associates and joint ventures	(1,355,675)	(1,121,683)
	318,633,281	250,819,100
Less allowance for impairment losses	680,731	680,731
	317,952,550	250,138,369
Advances to associates	—	1,450
	₱317,952,550	₱250,139,819



The Group's investees and the corresponding equity ownership are as follows:

	Nature of Business	Percentage of ownership	
		2025	2024
MORE ¹ (see Note 3)	Holding	83.33	83.33
GNPD ^{1, 2 and 3}	Power generation	70.00	70.00
AEV CRH (see Note 3)	Holding	60.00	60.00
AA Thermal ^{2 & 2}	Holding	60.00	60.00
Union Bank of the Philippines (UBP)	Banking	49.99	49.99
Hijos de F. Escaño, Inc. (Hijos)	Holding	46.73	46.73
CRH ABOITIZ Holdings, Inc. (CRH ABOITIZ)	Holding	45.00	45.00
Mazzaraty Energy Corporation (MEC)	Retail electricity supplier	44.87	44.87
San Fernando Electric Light & Power Co., Inc. (SFELAPCO)	Power distribution	43.78	43.78
Pampanga Energy Ventures, Inc. (PEVI)	Holding	42.84	42.84
Cebu Energy Development Corp. (CEDC)	Power generation	44.00	44.00
Redondo Peninsula Energy, Inc. (RP Energy) *	Power generation	25.00	25.00
Gold Coin Feed Mills (B) Sdn. Bhd.**	Feedmills	20.00	20.00
Southern Philippines Power Corporation (SPPC)	Power generation	20.00	20.00
Western Mindanao Power Corporation (WMPC)	Power distribution	20.00	20.00
Balibago Water Systems, Inc. (BWSI) ⁴	Water distribution	16.33	16.33
Singlife Philippines Inc. [SLPI] ⁴	Insurance	15.00	15.00
Unity Digital Infrastructure Inc. ¹	Services	50.00	50.00
Sinag Naraw Power, Inc.*	Power	44.00	44.00
Jin Fu Boar Stud Farm (Mengzi) Co., Ltd***	Food manufacturing	20.00	20.00
4 Barracuda Energy Corp. (4BEC)	Power generation	41.00	41.00
Aura Energy Holdings Inc. (AEHI)	Holding	50.00	50.00
Lihangin Wind Energy Corp. (LWEC)	Power generation	35.00	35.00
CCEP Aboitiz Beverages Philippines Inc. (CABPI)	Holding	40.00	40.00
Aboitiz Upgrade Solar Inc. (AUSI)*	Power generation	50.00	50.00
Therma Cebu Energy Inc. (TCEI) ¹	Power generation	50.00	50.00
SSP - Mactan Cebu Corporation (SSP)	Retail	50.00	50.00
Mactan Travel Retail Group Corp. (MTRGC)	Retail	50.00	50.00
Chromite Gas Holdings Inc. (CGHI) ¹	Power generation	40.00	—

¹Joint ventures.

²Economic interest.

³Includes 30% economic interest through AA Thermal.

⁴Significant influence by virtue of the board seat held by the Group.

*No commercial operations as of December 31, 2025.

**Registered in Malaysia and is part of GCMH Group.

***Registered in China and is part of GCMH Group.



Unless otherwise indicated, the principal place of business and country of incorporation of the Group's associates and joint ventures are in the Philippines. All investees above are associates except as otherwise indicated.

All ownership percentages presented in the table above are direct ownership of the Group except for GNPD and SFELAPCO. As of December 31, 2025 and 2024, AA Thermal has an indirect ownership in GNPD of 50% while the Group's direct ownership in GNPD is 40% resulting to the Group's effective ownership in GNPD of 70%. PEVI has direct ownership in SFELAPCO of 54.83% while the Group's direct ownership in SFELAPCO is 20.29% resulting to the Group's effective ownership in SFELAPCO of 43.78%.

As of December 31, 2025 and 2024, the undistributed earnings of the associates and joint ventures included in the Group's retained earnings are not available for distribution to the stockholders unless declared by the associates and joint ventures (see Note 24).

2025

CGHI

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

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

On January 27, 2025, the parties completed the transaction wherein the Company's total acquisition price for its proportionate share in the Investment in CGHI amounted to ₱54.6 billion. The acquisition price includes contingent consideration amounting to ₱8.0 billion, and other costs directly related to the acquisition (see Note 17).



AUSI

In 2025, APX2 entered into a subscription agreement to subscribe to AUSI, for a total subscription price of ₱209.4 million for 50% ownership in a joint venture with Upgrade Energy Philippines, Inc.

UDII

In 2025, the Group made capital contributions to UDII amounting to ₱405.5 million.

2024

CABPI

On August 2, 2023, the Company and Coca-Cola Europacific Partners PLC (CCEP) entered into a Letter of Intent with The Coca-Cola Company to acquire 100% ownership in Coca-Cola Europacific Aboitiz Philippines, Inc. (CCEAP) (formerly, Coca-Cola Beverages Philippines, Inc.).

On February 23, 2024, after all of the closing conditions have been met, CCEP and the Company completed the acquisition of CCEAP through CABPI based on a 60%:40% ownership structure between CCEP and the Company.

The Company infused capital to CABPI amounting to ₱29.1 billion.

AEV CRH

On September 10, 2024, the Company made additional capital infusion to AEV CRH amounting to ₱1.1 billion.

UBP

In 2024, the Company exercised its option to avail from UBP's stock rights offering amounting to ₱5.0 billion.

ARI

In 2024, ARI entered into a subscription agreement to subscribe to 4BEC, AEHI and LWECE for a total subscription price of ₱175.2 million, ₱169.8 million and ₱77.8 million, respectively.

UDII

In 2024, the Group made capital contributions to UDII amounting to ₱480.9 million.

BWSI

In February 2024, the Group acquired additional common shares from various shareholders for a consideration of ₱32.4 million.



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

	2025	2024
UBP	₱105,250,111	₱101,828,768
GNPD/ATI	83,291,575	80,646,155
CGHI	58,979,922	—
CABPI	33,094,603	30,775,577
AEV CRH*	14,598,642	16,250,407
MORE	10,340,363	9,577,390
CEDC	4,018,279	3,184,468
UDII	3,288,691	3,241,647
SFELAPCO/PEVI	1,287,461	1,326,424
BWSI	971,929	784,674
CRH ABOITIZ	587,736	605,128
SSP	404,474	424,386
WMPC	153,861	130,104
SPPC	136,327	76,626
RP Energy	90,357	89,482
MTRGC	66,410	86,271
Others	1,391,809	1,110,862
	₱317,952,550	₱250,138,369

**In 2024, AEV CRH recognized impairment loss related to the operation of its subsidiary*

The fair value of the investment in UBP for which there is a published price quotation amounted to ₱44.1 billion and ₱59.7 billion as of December 31, 2025 and 2024, respectively. Following is the summarized financial information of significant associates and joint ventures:

	2025	2024	2023
UBP			
Total current assets	₱111,441,594	₱111,441,594	₱126,151,838
Total noncurrent assets	1,048,023,871	1,033,986,055	1,027,195,779
Total current liabilities	(916,950,441)	(891,807,831)	(919,036,162)
Total noncurrent liabilities	(39,662,164)	(57,565,582)	(50,493,627)
Equity attributable to equity holders of UBP	₱202,060,759	₱195,207,637	₱174,991,166
Gross revenue	₱84,360,178	₱83,740,116	₱78,566,313
Operating profit	62,072,154	59,950,746	56,737,049
Net income attributable to equity holders of the parent	9,940,961	11,929,971	9,072,217
Total comprehensive income attributable to equity holders of UBP	10,169,528	12,365,322	20,513,716
Group's share in net income	₱4,969,487	₱5,959,418	₱4,500,591



	2025	2024	2023
CABPI			
Total current assets	₱29,772,696	₱27,980,071	₱—
Total noncurrent assets	128,608,698	121,340,049	—
Total current liabilities	(40,907,640)	(37,066,450)	—
Total noncurrent liabilities	(36,431,332)	(37,478,089)	—
Equity attributable to equity holders of CABPI	₱81,042,422	₱74,775,581	₱—
Gross revenue	₱137,390,829	₱102,752,745	₱—
Operating profit	10,236,596	7,562,305	—
Net income	5,976,400	4,065,000	—
Total comprehensive income attributable to equity holders of parent	6,158,874	4,240,069	—
Group's share in net income	₱2,390,560	₱1,626,000	₱—
AEV CRH			
Total current assets	₱10,912,417	₱11,044,497	₱9,836,627
Total noncurrent assets	60,800,034	63,057,330	81,686,075
Total current liabilities	(10,431,321)	(11,326,757)	(14,938,523)
Total noncurrent liabilities	(40,428,453)	(38,247,744)	(36,255,491)
Equity attributable to equity holders of AEV CRH	₱21,043,834	₱24,696,248	₱40,482,913
Gross revenue	₱17,644,513	₱20,512,102	₱24,964,668
Operating profit (loss)	(2,487,018)	(1,233,018)	354,411
Impairment loss	—	(7,450,000)	—
Net loss attributable to equity holders of AEV CRH	(3,694,159)	(19,186,817)	(1,322,467)
Group's share in net loss	(₱1,662,372)	(₱8,644,151)	(₱793,480)
GNPD			
Total current assets	₱26,086,818	₱31,021,307	₱37,860,527
Total noncurrent assets	94,301,555	106,042,446	102,063,473
Total current liabilities	(15,497,562)	(17,898,321)	(20,008,286)
Total noncurrent liabilities	(39,162,629)	(45,692,821)	(53,417,232)
Equity	₱65,728,182	₱73,472,611	₱66,498,482
Gross revenue	₱50,224,792	₱53,961,357	₱58,164,067
Operating income	19,331,348	348,598	24,923,576
Net income	9,589,520	15,654,783	23,776,067
Other comprehensive loss	—	841	(6,954)
Group's share in net income	₱3,877,386	₱6,261,162	₱9,497,339



	2025	2024	2023
Additional information:			
Cash and cash equivalents	₱10,474,310	₱18,849,818	₱27,311,823
Current financial liabilities	15,481,851	17,837,816	20,016,908
Noncurrent financial liabilities	32,597,317	42,149,062	51,862,000
Depreciation and amortization	4,374,444	3,952,810	112,107
Interest income	186,807	23,845	25,789
Interest expense	4,031,867	4,066,720	(198,984)
Income tax expense	177,260	854,108	16,391
CGHI			
Total current assets	₱69,338	₱—	₱—
Total noncurrent assets	147,491,380	—	—
Total current liabilities	(12,580,011)	—	—
Total noncurrent liabilities	(6,846,270)	—	—
Equity	₱128,134,437	₱—	₱—
Gross revenue	₱12,124,774	₱—	₱—
Operating profit	11,580,537	—	—
Net income	11,580,537	—	—
Group's share in net income	₱4,361,523	₱—	₱—
Additional information:			
Cash and cash equivalents	₱69,338	₱—	₱—
Current financial liabilities	12,580,011	—	—
Noncurrent financial liabilities	6,846,270	—	—
Depreciation and amortization	—	—	—
Interest income	519	—	—
Interest expense	—	—	—
Income tax expense	—	—	—
MORE			
Total current assets	₱242,452	₱564,415	₱48,213
Total noncurrent assets	12,499,144	11,000,723	12,130,146
Total current liabilities	(162,240)	(56,642)	(35,112)
Total noncurrent liabilities	(169,621)	(14,788)	(39,100)
Equity	₱12,409,735	₱11,493,708	₱12,104,147
Gross revenue	₱381,266	₱309,419	₱301,889
Operating profit	6,612,901	3,932,378	2,027,514
Net income	6,616,026	3,909,703	2,017,867
Other comprehensive income (loss)	—	27,046	(11,142)
Group's share in net income	₱3,261,374	₱3,261,374	₱1,678,268



	2025	2024	2023
Additional information:			
Cash and cash equivalents	₱28,590	₱54,045	₱28,611
Current financial liabilities	162,239	45,653	35,112
Noncurrent financial liabilities	169,622	14,261	39,100
Depreciation and amortization	19,947	18,306	15,091
Interest income	1,398	1,032	605
Interest expense	(6,804)	(5,759)	(3,845)
Income tax expense	(8,627)	17,986	8,311
CEDC			
Total current assets	₱5,832,746	₱6,001,671	₱5,157,526
Total noncurrent assets	8,272,408	8,887,997	9,526,258
Total current liabilities	(2,019,355)	(4,249,862)	(3,713,509)
Total noncurrent liabilities	(2,953,347)	(3,435,956)	(4,092,414)
Equity	₱9,132,452	₱7,203,850	₱6,877,861
Gross revenue	₱9,873,279	₱10,258,533	₱12,165,195
Operating profit	3,729,788	3,454,676	4,375,718
Net income	2,952,984	2,666,441	2,366,269
Other comprehensive income (loss)	(5,925)	(5,566)	62,732
Group's share in net income	₱1,312,550	₱1,156,464	₱1,064,071
SFELAPCO			
Total current assets	₱1,630,741	₱1,376,062	₱1,451,888
Total noncurrent assets	4,404,290	4,148,066	3,285,675
Total current liabilities	(1,485,309)	(951,027)	(920,385)
Total noncurrent liabilities	(958,967)	(956,616)	(839,992)
Equity	₱3,590,755	₱3,616,485	₱2,977,186
Gross revenue	₱6,968,609	₱6,632,055	₱6,415,512
Operating profit	743,683	668,235	678,618
Net income	655,438	561,381	591,967
Other comprehensive income (loss)	68,832	3,753	(50,746)
Group's share in net income	₱334,777	₱297,422	₱263,941
CRH ABOITIZ			
Total current assets	₱1,102,608	₱1,457,831	(₱2,144)
Total noncurrent assets	1,756,872	1,784,595	255,185
Total current liabilities	(885,658)	(1,098,044)	(679)
Total noncurrent liabilities	(861,048)	(1,097,794)	1
Equity attributable to equity holders of CRH ABOITIZ Parent Company	₱1,112,774	₱1,046,588	₱252,363



	2025	2024	2023
Gross revenue	₱168,395	₱24,733	₱4,068
Operating profit	170,740	58,492	2,780
Net income attributable to equity holders of the parent	24,885	34,097	9,763
Group's share in net income (loss)	(₱17,511)	₱15,344	₱4,393

BWSI

Total current assets	₱1,579,137	₱1,016,329	₱1,008,364
Total noncurrent assets	4,089,848	3,717,746	3,396,381
Total current liabilities	(1,001,106)	(1,244,663)	(1,156,857)
Total noncurrent liabilities	(772,972)	(678,628)	(606,902)
Equity	₱3,894,907	₱2,810,784	₱2,640,986
Gross revenue	₱2,748,945	₱2,791,985	₱2,415,528
Gross profit	1,476,471	1,552,694	1,237,169
Net income	696,638	576,159	548,218
Group's share in net income	₱113,761	₱94,087	₱83,041

WMPC

Total current assets	₱908,140	₱877,589	₱849,438
Total noncurrent assets	176,410	202,335	206,963
Total current liabilities	(195,711)	(317,330)	(175,751)
Total noncurrent liabilities	(117,835)	(101,668)	(100,800)
Equity	₱771,004	₱660,926	₱779,850
Gross revenue	₱927,859	₱1,088,440	₱1,498,713
Operating profit	276,487	237,065	469,616
Net income	202,348	75,627	202,133
Group's share in net income	₱20,750	₱13,209	₱41,968

SPPC

Total current assets	₱725,594	₱317,267	₱458,880
Total noncurrent assets	182,130	124,857	127,670
Total current liabilities	(171,726)	(2,389)	(122,918)
Total noncurrent liabilities	(54,365)	(57,541)	(54,212)
Equity	₱681,633	₱382,194	₱409,420



	2025	2024	2023
Gross revenue	₱—	₱—	₱—
Operating loss	(72,661)	(46,736)	(4,940)
Net income (loss)	288,226	(18,783)	206,701
Other comprehensive income	—	—	—
Group's share in net income (loss)	₱41,107	(₱5,370)	₱39,656
AA Thermal			
Total current assets	₱3,026	₱4,142	₱10,467
Total noncurrent assets	16,775,941	16,775,941	16,775,941
Total current liabilities	(653)	(765)	(853)
Total noncurrent liabilities	—	—	(195)
Equity	₱16,778,314	₱16,779,318	₱16,785,360
Gross revenue	₱—	₱—	₱—
Operating loss	(1,052)	(807)	—
Net loss	(1,003)	(13,042)	(660)
Other comprehensive income	—	—	—
Group's share in net loss	(₱17,596)	(₱396)	₱—
UDII			
Total current assets	₱1,437,691	₱899,954	₱2,066,606
Total noncurrent assets	20,803,438	18,460,413	14,671,204
Total current liabilities	(876,050)	(813,472)	(691,674)
Total noncurrent liabilities	(14,736,743)	(12,234,282)	(9,994,261)
Equity	₱6,628,336	₱6,312,613	₱6,051,875
Gross revenue	₱2,276,134	₱1,650,047	₱642,486
Operating profit	653,778	302,275	(51,105)
Net income	(487,002)	(636,283)	(331,258)
Other comprehensive income	5,431	868	—
Group's share in net income	(₱243,501)	(₱318,141)	(₱165,629)
Additional information:			
Cash and cash equivalents	₱544,408	₱292,182	₱324,967
Current financial liabilities	724,901	661,435	691,674
Noncurrent financial liabilities	11,530,762	9,627,578	9,988,751
Depreciation and amortization	815,634	13,994	346,120
Interest income	2,138	5,464	10,187
Interest expense	1,028,726	828,906	279,137
Income tax expense	12,230	22,530	—



	2025	2024	2023
ACAC			
Total current assets	₱—	₱—	₱2,227,470
Total noncurrent assets	—	—	35,697,263
Total current liabilities	—	—	(1,326,949)
Total noncurrent liabilities	—	—	(26,590,782)
Equity	₱—	₱—	₱10,007,002
Gross revenue	₱—	₱3,780,793	₱3,586,969
Operating profit	—	1,414,698	1,382,424
Net income	—	143,328	1,064,941
Group's share in net income	₱—	₱47,298	₱354,945
Others*			
Total current assets	₱1,782,301	₱1,162,367	₱1,278,440
Total noncurrent assets	4,377,263	3,561,283	9,388,572
Total current liabilities	(440,957)	(382,532)	(1,035,247)
Total noncurrent liabilities	(1,398,053)	(395,628)	(4,167,944)
Gross revenue	₱202,921	₱149,355	₱142,126
Net loss	(54,115)	(51,217)	(238,190)

*The financial information of insignificant associates and joint ventures are indicated under "Others".
For ACAC, 2024 share in net income refers to the period January 1 - October 30, 2024 only.

The amounts for SFELAPCO are based on appraised values which are adjusted to historical amounts upon equity take-up of the Group. Using cost method in accounting for property, plant and equipment, net income amounted to ₱726.3 million, ₱639.0 million and ₱602.0 million in 2025, 2024, and 2023, respectively.



11. Material partly - owned subsidiary

As of December 31, 2025 and 2024, the Company has 53.09% interest in AP, a holding company incorporated in the Philippines.

The summarized consolidated financial information as of December 31, 2025, 2024 and 2023 of AP is provided below:

	2025	2024	2023
<i>Consolidated comprehensive income</i>			
Revenue	₱198,479,280	₱197,492,257	₱207,099,897
Cost of service	115,334,388	115,273,191	135,433,770
Operating expenses	45,639,184	41,024,154	39,881,048
Finance costs - net	15,842,740	12,626,479	12,494,368
Other income - net	7,417,908	17,374,513	24,451,588
Profit before tax	29,080,876	45,942,946	43,742,299
Income tax	6,619,884	8,212,936	7,276,865
Profit for the year	₱22,460,992	₱37,730,010	₱36,465,434
Total comprehensive income	₱17,191,708	₱42,727,043	₱33,083,566

Other financial information

Total comprehensive income attributable to non-controlling interests	₱2,853,685	₱4,022,576	₱3,353,505
Dividends paid to non-controlling interests	5,328,053	2,911,123	1,567,246

Consolidated balance sheet

	2025	2024	2023
Total current assets	₱126,989,529	₱123,026,353	₱115,803,427
Total noncurrent assets	495,808,323	394,589,714	371,219,879
Total current liabilities	156,955,681	78,985,995	64,634,489
Total noncurrent liabilities	251,201,997	222,733,390	228,414,452
Equity	₱214,640,174	₱215,896,682	₱193,974,365
Non-controlling interest	₱13,915,833	₱12,664,657	₱13,836,299

Consolidated cash flow

Operating cash flows	₱51,722,480	₱46,128,685	₱50,268,979
Investing cash flows	(104,433,623)	(12,702,189)	(15,086,375)
Financing cash flows	54,966,916	(31,380,181)	(45,434,740)



In 2025, GMEC declared dividends to non-controlling interests amounting to ₱2.7 billion which was offset against GMEC's receivables from its partners.

In 2024, non-controlling interests include the return of contributions of other partners of GMEC amounting to ₱687.3 million.

12. Joint Operation

Name of Joint Operation	Nature of Business	Percentage of Ownership		
		2025	2	2
PEC*	Power generation	50.00	50.00	50.00

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

On May 15, 2014, the Group, through TPI, entered into a shareholders' agreement with TPEC Holdings Corporation (TPEC) for the development, construction and operation of the 400 MW Pagbilao Unit III in Pagbilao, Quezon through Pagbilao Energy Corporation (PEC). TPI and TPEC both agreed to provide their respective capital contributions and subscribe to common shares such that each stockholder owns 50% of the issued and outstanding shares of stock of PEC.

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

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

13. Property, Plant and Equipment

	2025	2024
Property, plant and equipment	₱246,636,671	₱210,418,814
Right-of-use asset (see Note 22)	10,723,696	30,193,579
	₱257,360,367	₱240,612,393



December 31, 2025

	Building, Warehouses and Improvements	Power Plant and Equipment and Steamfield assets (see Note 21)	Transmission, Distribution and Substation Equipment	Machinery and Equipment	Transportation Equipment	Solar Panels and Electrical equipment	Office Furniture, Fixtures and Equipment and Leasehold Improvements	Land	Tools and Others	Construction in Progress	Total
Cost											
At January 1	₱71,740,357	₱137,812,104	₱33,654,868	₱14,060,925	₱4,096,580	₱30,940,180	₱3,553,464	₱7,301,322	₱2,661,683	₱25,603,098	₱331,424,581
Acquisition to subsidiary (see Note 9)	—	—	—	—	—	—	—	672,682	—	—	672,682
Additions	294,192	1,953,758	2,142,809	266,920	453,102	404,858	1,334,778	980,254	153,193	20,875,958	28,859,822
Disposals	(16,620)	(106,998)	(804)	(180,047)	(257,195)	(797,486)	(322,442)	(4,051)	(9,682)	(73,297)	(1,768,622)
Reclassifications/transfers (see Note 21)	1,761,749	34,865,409	86,466	202,706	52,603	7,910,482	159,521	106,208	(408,716)	(15,932,366)	28,804,062
At December 31	73,779,678	174,524,273	35,883,339	14,350,504	4,345,090	38,458,034	4,725,321	9,056,415	2,396,478	30,473,393	387,992,525
Accumulated depreciation and amortization											
At January 1	20,325,469	62,855,904	9,898,981	8,263,386	2,446,694	10,080,857	1,614,480	263,174	1,056,303	—	116,805,248
Depreciation and amortization (see Note 28)	2,598,229	7,141,856	1,089,556	896,431	393,832	1,137,641	1,010,019	38,486	107,141	—	14,413,191
Disposals	(15,123)	(59,300)	(54)	(177,220)	(229,904)	(254,691)	(319,965)	(1,923)	(5,900)	—	(1,064,080)
Reclassifications/transfers	342,689	6,779,661	—	(129,637)	35,779	30,168	14,271	759	(129,850)	—	6,943,840
At December 31	23,251,264	76,718,121	10,988,483	8,852,960	2,646,401	10,993,975	2,318,805	300,496	1,027,694	—	137,098,199
Accumulated Impairment											
At January 1	18,804	1,257,137	93,117	20,598	2,088	95,302	58,755	—	—	2,654,718	4,200,519
Impairment (see Note 31)	3,937	—	23,398	9,565	263	26	19,947	—	—	—	57,136
At December 31	22,741	1,257,137	116,515	30,163	2,351	95,328	78,702	—	—	2,654,718	4,257,655
Net Book Values	₱50,505,673	₱96,549,015	₱24,778,341	₱5,467,381	₱1,696,338	₱27,368,731	₱2,327,814	₱8,755,919	₱1,368,784	₱27,818,675	₱246,636,671



December 31, 2024

	Building, Warehouses and Improvements	Power Plant and Equipment and Steamfield assets (see Note 21)	Transmission, Distribution and Substation Equipment	Machinery and Equipment	Transportation Equipment	Solar Panels and Electrical equipment	Office Furniture, Fixtures and Equipment and Leasehold Improvements	Land	Tools and Others	Construction in Progress	Total
Cost											
At January 1	₱69,371,172	₱137,954,568	₱30,965,981	₱12,670,059	₱3,879,990	₱18,777,958	₱3,635,196	₱5,644,057	₱2,372,537	₱23,428,168	₱308,699,686
Step-acquisition to subsidiaries	—	—	—	—	38,914	574,170	—	—	—	—	613,084
Additions	311,171	542,908	874,847	342,094	411,340	867,070	14,176	2,654,455	145,481	20,272,202	26,435,744
Disposals	(139,411)	(491,510)	(428)	(432,759)	(249,720)	(469,430)	(124,727)	—	(28,040)	—	(1,936,025)
Reclassifications/transfers	2,197,425	(193,862)	1,814,468	1,481,531	16,056	11,190,412	28,819	(997,190)	171,705	(18,097,272)	(2,387,908)
At December 31	71,740,357	137,812,104	33,654,868	14,060,925	4,096,580	30,940,180	3,553,464	7,301,322	2,661,683	25,603,098	331,424,581
Accumulated depreciation and amortization											
At January 1	20,075,918	54,309,013	8,919,261	7,583,975	2,292,475	8,933,532	1,594,754	229,779	783,045	—	104,721,752
Acquisition of subsidiaries	—	—	—	—	21,199	311,712	—	—	—	—	332,911
Depreciation and amortization (see Note 28)	2,563,614	6,044,832	1,000,888	903,003	344,446	1,273,242	166,913	32,364	380,492	—	12,709,794
Disposals	(117,865)	(200,643)	(32)	(409,805)	(200,731)	(465,179)	(126,009)	—	(12,745)	—	(1,533,009)
Reclassifications/transfers	(2,196,198)	2,702,702	(21,136)	186,213	(10,695)	27,550	(21,178)	1,031	(94,489)	—	573,800
At December 31	20,325,469	62,855,904	9,898,981	8,263,386	2,446,694	10,080,857	1,614,480	263,174	1,056,303	—	116,805,248
Accumulated Impairment											
At January 1	18,804	1,692,757	93,117	20,598	2,088	95,302	251	—	—	2,645,029	4,567,946
Impairment (reversal) (see Note 31)	—	(435,620)	—	—	—	—	58,504	—	—	9,689	(367,427)
At December 31	18,804	1,257,137	93,117	20,598	2,088	95,302	58,755	—	—	2,654,718	4,200,519
Net Book Values	₱51,396,084	₱73,699,063	₱23,662,770	₱5,776,941	₱1,647,798	₱20,764,021	₱1,880,229	₱7,038,148	₱1,605,380	₱22,948,380	₱210,418,814



In 2025 and 2024, the Group has determined that an impairment test has to be performed on certain segments of its Property, plant and equipment. In performing an impairment test calculation, the Group determined the recoverable amount of the relevant Property, plant and equipment through value-in-use. These assessments resulted to the VECO's the recognition of impairment losses mainly coming from amounting VECO amounting amounting to ₱43.6 million in 2025 and TPVI amounting to ₱55.1 million in 2024.

In 2024, Sacasun reassessed the provision for impairment of the power plant previously recognized in 2017. The reassessment was finalized in 2024 in consideration of the delay of construction of the south-line transmission which curtailed the electricity dispatch of the power plant. The reassessment in 2024 resulted in the reversal of the previously recognized allowance for impairment loss amounting to ₱490.73 million.

Reclassifications and others include adjustment from decommissioning liability, cumulative translation adjustments, and reclassification of construction-in-progress account to proper asset accounts.

In 2025 and 2024, power plant equipment and steam field assets decreased by ₱0.2 billion and ₱2.5 billion, respectively, due to the change in accounting estimate on decommissioning liability (see Note 21).

In 2025, reclassifications from ROU asset to Power plant equipment and steam field assets amounting to ₱24.72 billion pertain to the transfer of the Pagbilao Power Plant to TLI (see Note 22).

In 2025 and 2024, additions to "Construction in progress" include capitalized borrowing costs, net of interest income earned from short-term deposits, amounting to ₱0.8 billion and ₱2.5 billion, respectively (see Note 19). The rate used to determine the amount of borrowing costs eligible for capitalization ranged from 5.50% to 7.0% and 4.69% to 7.06% which are the effective interest rate of the specific borrowings in 2025 and 2024, respectively.

Property, plant and equipment with carrying amounts of ₱46.8 billion and ₱45.5 billion as of December 31, 2025 and 2024, respectively, are used to secure the Group's long-term debts (see Note 19).

As of December 31, 2025 and 2024, the Group has significant purchase commitments amounting to ₱6.3 billion and ₱6.7 billion, respectively (see Note 40)



14. Intangible Assets

December 31, 2025

	Goodwill	Service concession rights	Franchise	Project development costs	Customer contracts	Software and licenses	Total
Cost:							
Balances at beginning of year	₱62,086,996	₱76,112,031	₱3,078,431	₱2,713,891	₱99,746	₱2,680,421	₱146,771,516
Additions during the year	—	2,741,547	—	885,399	—	415,069	4,042,015
Write-off/Impairment (see Note 31)	(13,657,541)	—	—	(365,151)	—	—	(14,022,692)
Exchange differences/Others	(6,022,189)	14,250	—	(447,731)	—	323,663	(6,132,007)
Balances at end of year	42,407,266	78,867,828	3,078,431	2,786,408	99,746	3,419,153	130,658,832
Accumulated amortization:							
Balances at beginning of year	—	5,494,611	891,463	—	99,746	1,356,822	7,842,642
Amortization (see Note 28)	—	2,163,130	76,961	—	—	378,478	2,618,569
Balances at end of year	—	7,657,741	968,424	—	99,746	1,735,300	10,461,211
Net book values	₱42,407,266	₱71,210,087	₱2,110,007	₱2,786,408	₱—	₱1,683,853	₱120,197,621

December 31, 2024

	Goodwill	Service concession rights	Franchise	Project development costs	Customer contracts	Software and licenses	Total
Cost:							
Balances at beginning of year	₱59,346,119	₱21,410,024	₱3,078,431	₱2,502,911	₱99,746	₱1,988,169	₱88,425,400
Additions during the year	—	887,865	—	1,523,714	—	565,556	2,977,135
Acquisition of a subsidiary (see Note 9)	1,155,071	53,786,544	—	—	—	6,636	54,948,251
Write-off (see Note 31)	—	—	—	(429,485)	—	—	(429,485)
Exchange differences/Others	1,585,806	27,598	—	(883,249)	—	120,060	850,215
Balances at end of year	62,086,996	76,112,031	3,078,431	2,713,891	99,746	2,680,421	146,771,516
Accumulated amortization:							
Balances at beginning of year	—	4,538,984	814,502	—	99,746	1,084,172	6,537,404
Amortization (see Note 28)	—	955,627	76,961	—	—	272,650	1,305,238
Balances at end of year	—	5,494,611	891,463	—	99,746	1,356,822	7,842,642
Net book values	₱62,086,996	₱70,617,420	₱2,186,968	₱2,713,891	₱—	₱1,323,599	₱138,928,874



Goodwill

Goodwill acquired through business combinations have been attributed to the following cash-generating unit (CGU).

	2025	2024
GMEC	₱25,879,106	₱45,691,872
GCMH	14,144,263	13,793,139
ACAC (see Note 9)	1,136,815	1,136,815
LEZ	467,586	467,586
PVCL	425,930	433,273
HI	220,228	220,228
LLI	61,202	61,202
GCFBDC	59,047	60,065
TCP & PB	13,089	13,089
BEZ	—	191,471
ICWPC	—	18,256
	₱42,407,266	₱62,086,996

The recoverable amount of the CGUs has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period.

Key assumptions used in value in use calculation for December 31, 2025 and 2024

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Discount rates and growth rates

The discount rate applied to cash flow projections are from 5.68% to 13.90% in 2025 and from 6.93% to 13.58% in 2024, and cash flows beyond the five-year period are extrapolated using 2% growth rate%.

Revenue assumptions

In 2025, for LEZ and HI, the projected free cash flows assumed an average annual revenue growth rate of 2% to 3% based on expected electricity sold. Revenue assumptions are based on forecast animal feeds sales at an average annual growth of 3% to 6% for GCMH and GCFBD. For PVCL, animal feeds sales are projected to grow at an average of 46% in the first 2 years, then, at 8% in the next 3 years.

In 2024, for LEZ and HI, the projected free cash flows assumed an average annual revenue growth rate of 2% to 3% based on expected electricity sold. Revenue assumptions are based on forecast animal feeds sales at an average annual growth of 6% for GCMH and 1% for GCFBD. For PVCL, revenues are projected to grow at an 87% in the first year, then at an average of 11% in the next 4 years.



Materials price inflation

In 2025, the assumption used to determine the value assigned to the materials price inflation is 2.7% in 2026, 3.2% in 2027, 3.6% in 2028, and 4.0% in 2029 and 2030. The starting point of 2025 is consistent with external information sources.

In 2024, the assumption used to determine the value assigned to the materials price inflation is 3.4% in 2025, 3.2% in 2026, 3.4% in 2027, 3.6% in 2028, and 3.8% in 2029.

Foreign exchange rates

In 2025, the assumption used to determine foreign exchange rate is a strengthening Philippine peso which starts at a rate of ₱57.15 to a dollar in 2026, then appreciates annually at an average of 0.5% until 2030.

In 2024, the assumption used to determine foreign exchange rate is weakening Philippine peso which starts at a rate of ₱55.97 to a dollar in 2025, then depreciates annually at an average of 1% until 2029.

In 2025, management identified several impairment indicators, including reduced plant reliability and increased market volatility which negatively impacted key assumptions. The pre-tax discount rate applied to free cash flow projections is 10.11% (2024: 11.33%). In 2025, the projected free cash flows assumed an average annual revenue growth of -0.60% over the remaining useful life of the asset. As a result, the impairment assessment determined that the recoverable amount of the net assets is lower than their carrying value, resulting to an impairment loss of ₱13.47 billion in 2025, which is presented as part of "Other income - net" in the consolidated statement of income. No impairment loss has been recognized in 2024 and 2023.

In 2025, internal and external impairment indicators such as compression of operating margin, reduction in industrial demand, and the transition to rooftop solar energy of some of its customer base were identified for BEZ. The projected free cash flows have been updated to reflect these factors. As a result, management recognized an impairment of ₱191.47 million in 2025.

Based on the impairment testing, no other impairment of goodwill was recognized in 2025 and 2024.

With regard to the assessment of value-in-use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount. However, management will continuously review impairment of goodwill, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.



Service Concession Rights

Service concession arrangements entered into by the Group are as follows:

- ACAC was granted a concession by the DOTr) and Mactan-Cebu International Airport (MCIA) Authority (Grantor) for the construction, renovation, expansion, and the operation and maintenance of the MCIA terminals, and the associated airport commercial assets and facilities.

The concession agreement is for a 25-year period, which commenced on November 1, 2014 subject to further extension pursuant to the agreement. Under the agreement, ACAC is entitled to collect and receive the concession revenue consisting of revenues on account of passenger service charges, airport parking and tacking fees, other apron charges and revenues from commercial charges.

At the end of the concession period, ACAC shall hand-over the concession assets to the Grantor without cost, free from any liens and encumbrances including all improvements made to the airport facilities, commercial assets, works in progress and right to receive revenues.

The carrying amount of the concession assets arising from the service concession arrangement amounted to ₱53.1 billion and ₱53.8 billion as of December 31, 2025 and 2024, respectively.

- On November 24, 1996, LHC entered into a PPA with NPC, its sole customer, for the construction and operation of a 70-megawatt hydroelectric power generating facility (the Power Station) in Bakun River in Benguet and Ilocos Sur Provinces on a build-operate-transfer scheme. Under the PPA, LHC shall deliver to NPC all electricity generated over a cooperation period of 25 years until February 5, 2026.

On the Transfer Date, as defined in the PPA, LHC shall transfer to NPC, free from any lien or encumbrance, all its rights, title and interest in and to the Power Station and all such data as operating manuals, operation summaries/transfer notes, design drawings and other information as may reasonably be required by NPC to enable it to operate the Power Station.

Since NPC controls the ownership of any significant residual interest of the Power Station at the end of the PPA, the PPA is accounted for under the intangible asset model as LHC has the right to charge users for the public service under the service concession arrangement.

The Power Station is treated as intangible asset and is amortized over a period of 25 years, which is the service concession period in accordance with Philippine Interpretation IFRIC 12. The intangible asset with a carrying value of ₱308.9 million as of December 31, 2024, was already fully amortized as of December 31, 2025.



On February 7, 2026, LHC transferred the Power Station to NPC/PSALM pursuant to the expiration of the cooperation period under the PPA. PSALM received the Power Station from LHC and assumed ownership thereof.

- On May 15, 2003, the SBMA, AEV and DLP entered into a DMSA for the privatization of the SBMA Power Distribution System (PDS) on a rehabilitate-operate-and-transfer arrangement; and to develop, construct, lease, lease out, operate and maintain property, structures and machineries in the Subic Bay Freeport Zone (SBFZ).

Under the terms of the DMSA, SEZ was created to undertake the rehabilitation, operation and maintenance of the PDS (the Project), including the provision of electric power service to the customers within the Subic Bay Freeport Secured Areas of the SBFZ as well as the collection of the relevant fees from them for its services and the payment by SBMA of the service fees throughout the service period pursuant to the terms of the DMSA. The DMSA shall be effective for a 25-year period commencing on the turnover date.

For and in consideration of the services and expenditures of SEZ, it shall be paid by the SBMA the service fees equivalent to all the earnings of the Project, provided, however, that SEZ shall remit the amount of ₱40.0 million to the SBMA at the start of every 12-month period throughout the service period, regardless of the earnings of the Project. The said remittances may be reduced by the outstanding power receivables from SBMA, including streetlights power consumption and maintenance, for the immediate preceding year.

Since SBMA controls ownership of the equipment at the end of the agreement, the PDS are treated as intangible assets and are amortized over a period of 25 years up to year 2028, in accordance with Philippine Interpretation IFRIC 12.

The carrying value of the intangible asset arising from the service concession arrangement amounted to ₱373.9 million and ₱449.5 million as of December 31, 2025 and 2024, respectively.

- The transmission and distribution equipment of MEZ are located within Mactan Export Processing Zone (MEPZ) II. Since MCIAA controls ownership of the equipment at the end of the agreement, the equipment are treated as intangible assets and amortized over a period of 21 years up to year 2028, in accordance with Philippine Interpretation IFRIC 12.

The carrying amount of the intangible asset arising from the service concession arrangement amounted to ₱52.5 million and ₱52.6 million as of December 31, 2025 and 2024, respectively.



- Service concession rights consist of the costs of construction of the treated bulk water supply facility, required for the delivery of treated bulk water to the Davao City Water District, pursuant to the concession agreement.

The carrying amount of the intangible asset arising from the service concession arrangement amounted to ₱15.8 billion and ₱16.5 billion as of December 31, 2025 and 2024, respectively.

- In 2025, ABAC (“Concessionaire”) was granted a 30-year concession by the Civil Aviation Authority of the Philippines (CAAP) and DOTr (“Grantor”) for the upgrade, expansion and the operation and maintenance of the Bohol-Panglao International Airport.

In 2025, ALAC (“Concessionaire”) was granted a 30-year concession by CAAP and DOTr (“Grantor”) for the upgrade, expansion and the operation and maintenance of the Laguindingan International Airport.

The concessionaires will pay annual concession fees to the grantor over the 30-year period. ALAC and ABAC, accounts for these concession agreements under the intangible asset model initially recognizing “Service Concession Rights” and “Concession Rights Payable” amounting to ₱1.4 billion.

The carrying amount of the intangible asset arising from the service concession arrangement amounted to ₱1.2 billion for ALAC and ₱0.6 billion for ABAC as of December 31, 2025.

The amortization of intangible assets is included in “Depreciation and amortization” under “Operating Expenses” in the consolidated statements of income (see Note 28).



15. Investment Properties

December 31, 2025

	Land	Land Improvements	Buildings	Construction- in-Progress	Total
At January 1	₱9,117,037	₱692,341	₱4,514,500	₱217,210	₱14,541,088
Additions	9,733	7,844	207,147	188,184	412,908
Gain (Loss) on fair valuation (see Note 31)	(56,560)	—	235,396	—	178,836
Transfers to noncurrent assets held for sale (see Note 7)	(1,546,765)	—	—	—	(1,546,765)
Transfers to real estate inventories (see Note 6)	—	(5,094)	—	—	(5,094)
Transfers from (to) land and land improvement inventories (see Note 6)	(309,209)	(271,422)	396,438	(185,726)	(369,919)
At December 31	₱7,214,236	₱423,669	₱5,353,481	₱219,668	₱13,211,054

December 31, 2024

	Land	Buildings	Land Improvements	Construction- In-Progress	Total
At January 1	₱8,133,196	₱4,239,438	₱688,954	₱1,015,914	₱14,077,502
Additions	—	730,705	4,791	—	735,496
Gain on fair valuation (see Note 31)	219,792	161,733	—	—	381,525
Transfers/ adjustments	764,049	(617,376)	(1,404)	(798,704)	(653,435)
At December 31	₱9,117,037	₱4,514,500	₱692,341	₱217,210	₱14,541,088

Rental income earned from and direct operating expenses of investment properties amounted to ₱1.0 billion and ₱0.3 billion, respectively, in 2025; ₱1.4 billion and ₱0.6 billion, respectively, in 2024; and ₱1.0 billion and ₱0.5 billion, respectively, in 2023 (see Note 26).



Direct costs of services and maintenance of investment properties for leasing included under "Cost of real estate sales" in the consolidated statements of income amounted to ₱1.0 billion in 2025 and 2024 and ₱1.2 billion in 2023.

As of December 31, 2025 and 2024, the fair values of the properties are based on valuations performed by an accredited independent valuer. The valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The fair values of the Group's investment properties were determined as follows:

- In valuing the land, the Group used the Sales Comparison Approach. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison.
- The appraiser gathers data on actual sales and/or listings, offers, and renewal options, and identifies the similarities and differences in the data, ranks the data according to their relevance, adjusts the sales prices of the comparable to account for the dissimilarities with the unit being appraised, and forms a conclusion as to the most reasonable and probable market value of the subject property.

The elements of comparison include location, physical characteristics, available utilities, zoning, and highest and best use. The most variable elements of comparison are the site's physical characteristics, which include its size and shape, frontage, topography and location.

Reproduction cost is the current cost of constructing a replica of the existing structures, employing the same design and similar building materials. The current cost of an identical new item.

- In valuing the land improvements and buildings, the Group used the Cost Approach and Income Approach, as applicable.

Cost approach is a comparative approach to the value of property or another asset that considers as a substitute for the purchase of a given property, the possibility of constructing another property that is a replica of, or equivalent to, the original or one that could furnish equal utility with no undue cost resulting from delay. It is based on the reproduction or replacement cost of the subject property or asset, less total (accrued) depreciation. In the context of asset valuation, depreciation refers to the adjustments made to the cost of reproducing or replacing the asset to reflect physical deterioration, functional (technical) obsolescence and economic (external) obsolescence in order to estimate the value of the asset in a hypothetical exchange in the market when there is no direct sales evidence available. Sound value of an asset is determined by applying the two types of depreciation such as physical deterioration and functional obsolescence. Market Value reflects all the three types of depreciation.



Income approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value.

Fair value of investment properties is determined using Level 3 inputs.

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

	Fair value at December 31, 2025	Valuation technique	Significant unobservable inputs	Range (weighted average)
Land	₱7,214,236	Sales Comparison Approach	Price per square meter	₱1,100 - ₱235,500
			External factor (adjustment to the price per square meter)	(15%) - 0%
Buildings and land Improvements	5,777,150	Income Approach, Cost Approach,	Net income per square meter, Reproduction cost, Remaining economic life	₱40,168 - ₱555,837 per square meter ₱1,191,000 - ₱25,671,000 14 – 29 years
	Fair value at December 31, 2024	Valuation technique	Significant unobservable inputs	Range (weighted average)
Land	₱9,117,037	Sales Comparison Approach	Price per square meter	₱1,100 - ₱235,500
			External factor	(15%) - 0%
Buildings and land Improvements	5,206,841	Income Approach, Cost Approach,	Net income per square meter, Reproduction cost, Remaining economic life	₱40,168 - ₱555,837 per square meter ₱1,191,000 - ₱25,671,000 14 – 29 years

For land, significant increases (decreases) in price per square meter would result in a significantly higher (lower) fair value of the properties.



For buildings and land improvements, significant increases (decreases) in estimated replacement cost and remaining economic life would result in a significantly higher (lower) fair value of the properties.

For buildings and land improvements, significant increases (decreases) in net income per square meter would result in a significantly higher (lower) fair value of the properties.

16. Other Noncurrent Assets

	2025	2024
Prepaid rent and other deposits	₱43,497,035	₱4,918,999
Concession contract asset, net of current portion	6,728,387	7,533,867
Prepaid taxes	6,629,776	6,025,256
Input VAT and tax credit receivable, net of allowance for impairment loss of ₱30.4 million and ₱236.3 million in 2025 and 2024, respectively (see Note 28)	6,344,251	7,182,114
Advances to contractors and projects	5,636,806	2,847,660
Restricted cash	527,721	—
Deposit for future land acquisition	419,479	425,945
Bearers and breeders (see Note 8)	207,124	303,246
Financial assets at FVTPL	140,200	82,632
Financial assets at FVOCI (see Note 37)	46,832	2,292,223
Advances to NGCP - net of current portion (see Note 7)	—	565,752
Others	2,096,632	1,911,218
	₱72,274,243	₱34,088,912

Prepaid taxes are composed of creditable withholding taxes.

Prepaid rent and other deposits include the payment by C9PI to PSALM amounting to ₱41.27 billion in connection with the acquisition of the plant's assets including land lease agreement (see Note 43).

In 2024, prepaid rent and other deposits include TLI's advance payment for PSALM Pagbilao Land Lease Agreement amounting to ₱3.0 billion. This was subsequently reclassified to ROU assets upon commencement of lease in August 2025 (see Note 22).



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

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

Total finance income recognized as part of revenue in the 2025, 2024 and 2023 consolidated statements of comprehensive income amounted to ₱1.1 billion, ₱1.2 billion, and ₱0.7 billion respectively.

Interest income earned from financial assets amounted to ₱113.7 million in 2025, ₱240.0 million in 2024 and ₱340.4 million in 2023 (see Note 36).

17. Trade and Other Payables

	2025	2024
Trade payables (see Note 40)	₱42,242,559	₱28,614,217
Nontrade and other payables	15,947,365	13,249,569
Accrued expenses		
Interest	5,257,715	4,541,396
Taxes and fees	2,338,959	1,996,058
Others	2,817,778	3,206,693
Output VAT	6,009,988	4,797,168
Amounts due to contractors and other third parties	2,932,122	3,339,364
Customer deposits (see Note 20)	1,616,551	878,568
Unearned revenue	329,996	40,752
	79,493,033	60,663,785
Less noncurrent portion	5,142,801	1,870,335
	₱74,350,232	₱58,793,450

Trade payables are non-interest bearing and are usually on 30-90 days' terms.

Trade payables include contract liabilities amounting to ₱4.1 billion and ₱3.4 billion as of December 31, 2025 and 2024, respectively.



Nontrade and other payables include contingent liability related to the investment in CGHI (see Note 10) and insurance contract liabilities amounting to ₱4.5 billion and ₱6.3 billion as of December 31, 2025 and 2024, respectively.

Accrued taxes and fees represent accrual of real property tax, transfer tax and other fees. Accrued others mainly include personnel-related accruals, commissions, customer discounts, freight costs and professional fees.

Other payables under accrued expenses represent withholding taxes, payroll related liabilities and other accrual of expenses arising in the ordinary course of business and are generally payable within 12 months from the balance sheet date.

Amounts due to contractors and other third parties include liabilities arising from construction projects (see Notes 13).

18. Bank Loans

	2025	2024
Philippine peso loans	₱95,526,801	₱35,859,000
Malaysian ringgit loans	2,031,964	1,044,175
Chinese yuan loans	1,709,223	1,502,464
US dollar loans	695,012	2,164,488
Vietnamese dong loans	229,052	232,711
Indonesian rupiah loans	—	88,608
Other foreign currency-denominated loans	—	67,760
	₱100,192,052	₱40,959,206

The bank loans are unsecured short-term notes payable obtained from local and foreign banks with annual interest rates ranging from 2.85% to 6.87% and 3.05% to 8.10% in 2025 and 2024, respectively. These loans will mature on various dates within the next 12 months.

The loans are covered by the respective borrower's existing credit lines with the banks and are not subject to any significant covenants and warranties.

Interest expense on short-term loans amounted to ₱4.0 billion, ₱2.0 billion and ₱2.2 billion in 2025, 2024 and 2023, respectively (see Note 36).



19. Long-term Debts

	2025		2024	
	Annual Interest Rate	Amount	Annual Interest Rate	Amount
Company:				
Financial and non-financial institutions - unsecured	3.30% - 7.53%	₱55,196,580	3.30% - 7.53%	₱64,618,050
Subsidiaries:				
GMEC				
Financial institutions - unsecured	LIBOR + 1.7% - 4.85%	25,939,404	LIBOR + 1.7% - 4.85%	28,289,923
Therma Marine				
Financial institutions - secured	4.54% - 7.68%	1,787,499	4.54% - 7.68%	2,112,500
Hedcor Sabangan				
Financial institutions - secured	4.92 %	745,111	4.92%	862,985
TVI				
Financial institutions - secured	6.023% - 8.093%	25,359,290	5.56% - 9.00%	20,399,210
AP				
Financial and non-financial institutions - Peso - unsecured	3.82% - 6.86%	76,150,000	3.82% - 8.51%	54,050,000
TSI				
Financial institutions - secured	4.27%	14,358,862	4.27%	15,621,873
APRI				
Financial institutions - secured	BVAL* + 4.91% - 6.67%	10,335,567	4.91% - 6.67%	9,319,784
Hedcor Bukidnon				
Financial institutions - secured	5.59% - 7.06%	6,234,835	4.29% - 5.59%	6,866,618
HSI				
Fixed rate corporate notes - unsecured	5.21% - 5.42%	1,600,000	5.03% - 5.42%	2,100,000
PFC				
Financial institutions - unsecured	4.50% - 5.16%	2,812,000	4.50% - 5.16%	2,826,500
PANC				
Financial institutions - unsecured	4.50% - 7.04%	3,220,000	4.50% - 6.43%	3,290,000
HI				
Financial institutions - secured	5.00%	1,062,598	5.00%	1,151,299
API				
Financial institution - unsecured	4.87%	570,000	4.87%	576,000
Hedcor Tudaya				
Financial institutions - secured	4.92 %	518,045	4.92%	576,533
PVSINAG				
Financial institution - secured	7.06% - 8.02%	8,977,435	7.06% - 8.02%	9,393,862
ARI				
Financial institution - unsecured	6.65% - 6.91%	19,670,588	6.65% - 6.91%	19,929,412
TLI				
Financial institution - unsecured	7.40 %	33,700,000	7.40%	34,000,000
SPI				
Financial institution - secured	6.6 %	1,505,024	LIBOR + 1.50% - 5.00%	1,943,591

(Forward)



	2025		2024	
	Annual Interest Rate	Amount	Annual Interest Rate	Amount
CEDI				
Financial institution - unsecured	5.72%	₱2,436,000	8.00%	₱107,195
APREC				
Financial institution - unsecured	6.51 %	6,070,000	—%	—
ASPI				
Financial institution - unsecured	6.06 %	5,400,000	—%	—
Apo Agua				
Financial institutions - secured	7.07% - 7.65%	11,441,194	7.45% - 8.05%	11,493,920
LWC				
Financial institutions - secured	5.38% - 7.01%	234,735	5.47%	206,250
LLI				
Financial institution - unsecured	5.97% - 7.70%	11,412,500	5.76% - 7.70%	7,856,250
ACAC				
Financial and non-financial institutions - Peso - unsecured	5.39% - 7.18%	26,877,046	5.39% - 7.18%	27,230,249
ALAC				
Financial institutions - secured	6.76 %	775,000	— %	—
A3C				
Financial institutions - secured	6.29% - 7.25%	171,000	— %	—
AEV International				
Bonds - unsecured	4.20%	23,516,000	4.20%	23,138,000
GCMH				
Financial institution - unsecured	LIBOR + 1.44% - 5.19%	3,140,435	LIBOR + 1.44% - 5.19%	3,058,868
PTAYAM				
Financial institution - unsecured	—%	—	JIBOR + 3.48%	125,408
Gold Coin Feedmill (Dong Nai) Co. Ltd.				
Financial institution - unsecured	Cost of fund + 2%	819,822	Cost of fund + 2%	909,834
Gold Coin (Yunnan) Co. Limited				
Financial institution - unsecured	2.60 %	788,835	—%	—
Aboitizland				
Financial institution - secured	7.35%	1,400,000	7.35%	1,700,000
TCP				
Financial institution - unsecured	8.00 - 8.65%	86,350	7.50% - 8.95%	116,350
FSI				
Financial institution - unsecured	6.22% - 6.23%	107,037	2.78%	122,123
Joint Operation - PEC				
Financial institution - secured	5.77% - 6.27%	6,753,593	5.77% - 6.27%	7,719,459
Total		391,172,385		361,712,046
Deferred financing costs		(3,831,723)		(3,194,221)
		387,340,662		358,517,825
Less current portion		34,552,418		30,397,739
Noncurrent portion		₱352,788,244		₱328,120,086

*Bloomberg Valuation Service (BVAL)



The Company

On September 11, 2025, the Company signed a JPY30.0 billion, 7-year, floating rate, amortizing term loan with Mizuho Bank, Ltd., Singapore Branch and MUFG Bank, Ltd., Labuan Branch as lenders. The facility was fully utilized amounting to ₱11.6 billion on September 19, 2025. The loan was also fully swapped to fixed rate peso with MUFG Bank. On September 11, 2025, AEV entered into a forward starting cross currency swap contract to hedge the floating rate Yen exposure on a JPY30.0 billion 7-year loan to fixed rate peso.

In September 2023, the Company issued a total of ₱17.45 billion bonds, broken down into ₱5.81 billion 2-year bonds due 2025 at a fixed rate equivalent to 6.34%, ₱5.83 billion 5-year bonds due 2028 at a fixed rate equivalent to 6.48% and ₱5.81 billion 10-year bond due 2033 at a fixed rate equivalent to 6.80%. On September 22, 2025, the Company paid ₱5.81 billion 2-year bonds.

In December 2022, the Company issued a total of ₱20.0 billion bonds, broken down into ₱9.1 billion 3.5-year bonds due 2026 at a fixed rate equivalent to 6.87% and a ₱10.1 billion 7-year bond due 2029 at a fixed rate equivalent to 7.53%. On June 9, 2025, the Company paid the ₱9.10 billion 3.5-year bonds due 2026 with pre-termination fee amounting to ₱22.75 million.

In August 2021, the Company issued a total of ₱10.0 billion bonds, broken down into ₱5.0 billion 4-year and ₱5.0 billion 7-year bonds at fixed interest rates ranging from 3.30% to 4.1%. On August 11, 2025, the Company paid the ₱5 billion 4-year bonds.

In November 2020, the Company issued a total of ₱7.6 billion bonds, broken down into ₱6.9 billion 3-year and ₱0.7 billion 5-year bonds at fixed interest rates ranging from 2.84% to 3.31%. The Company paid the ₱6.9 billion 3-year bonds on November 2023 and the ₱697 million 5-year bonds on November 2025.

In June 2019, the Company issued a total of ₱5.0 billion bonds, broken down into ₱3.4 billion 5-year and ₱1.6 billion 10-year bonds at fixed interest rates ranging from 6.02% to 6.32%. In June 2024, the Company paid the ₱3.35 billion 5-year bonds.

In August 2015, the Company issued a total of ₱24.0 billion bonds, broken down into ₱10.5 billion 5-year, ₱8.5 billion 7-year and ₱5.0 billion 12-year bonds at fixed interest rates ranging from 4.47% to 6.02%. In November 2020, the Company paid at maturity the 5-year bonds amounting to ₱10.5 billion. In August 2021, the Company prepaid the ₱8.5 billion 7-year bonds due in 2022 at 101% of its face amount.

All of the Company's issued retail bonds have been rated PRS Aaa by the Philippine Rating Services Corporation (PhilRatings).



The principal amount of the above bonds shall be payable on a lump sum basis on the respective maturity date at its face value. These bonds may be redeemed in advance by the Company based on stipulated early redemption option dates and on agreed early redemption price.

GMEC

In August 2017, GMEC entered into a Notes Facility Agreement (NFA) with local banks with BDO Capital and Investment Corporation as Lead Arranger, with the maximum principal amount of US\$800.0 million, the proceeds of which will be used to refinance GMEC's existing loan obligation and for other general corporate purposes.

In September 2017, US\$600.0 million was drawn from the NFA, out of which US\$462.4 million was used to prepay the outstanding loans. In February 2018, the remaining principal amount of US\$200.0 million was drawn from the NFA.

Loans payable consist of the following dollar denominated loans:

	2025	2024	Interest Rate Per Annum	Payment Schedule
<i>NFA</i>				
Fixed Rate Loan	\$276,144	\$306,139	(i) Fixed rates of 2.5514% and 3.4049% plus 1.45% margin for the first seven-year period and (ii) Fixed Rate Loan Benchmark plus 1.45% margin for the subsequent	24 semi-annual payments starting from the first interest payment date
LIBOR Loan	165,074	182,926	Six-month LIBOR plus 1.70% margin	
<i>Working Capital</i>				
SCB	—	23,000	LIBOR plus 5.50% applicable margin	Payable within three months
Total borrowings	441,218	512,065		
Less current portion	47,756	47,756		
Loans payable - net of current portion	\$393,462	\$464,309		

TMI

In February 2021, TMI entered into a Loan Agreement with China Banking Corporation (CBC) for an aggregate principal amount of ₱2.6 billion to finance capital expenditures for the development and integration of a Battery Energy Storage System, working capital requirements, and for other financing and corporate purposes of TMI. Total amount drawn as of December 31, 2021 is ₱1.8 billion. In 2022, TMI made additional drawdown totaling ₱810.0 million.

Interest is payable semiannually and rate is fixed for the first five years from 4.54%-7.68%, with an adjustment for inflation on the five-year period thereafter. The principal amount is payable starting September 1, 2023 in 16 equal semi-annual installments.



HSAB

In December 2021, HSAB entered into an Omnibus Notes Facility and Security Agreement (Agreement) with Bank of the Philippine Islands (BPI, Lender) for a loan facility in the principal amount of ₱1.2 billion for capital expenditures and other general purposes.

Based on the loan agreement, borrowing shall be for a term of ten (10) years reckoned from initial borrowing date. HSAB shall pay the first principal amount in six months from the initial borrowing date and shall continue on every six months interval. HSAB may not re-borrow any part of the loan that has already been paid.

This loan is subject to an annual interest fixed at 4.92% for the first 5 years, and repriced on the five-year period thereafter.

TVI

In June 2015, TVI entered into an omnibus agreement with local banks for a project loan facility with an aggregate principal amount of ₱32.0 billion. As of December 31, 2025 and 2024, ₱31.5 billion has been drawn from the loan facility.

The loan is available in two tranches, as follows:

- Tranche A, in the amount of ₱25.6 billion, with interest rate fixed for the first eight years and will be repriced and fixed for another seven years.
- Tranche B, in the amount of ₱5.9 billion, with a fixed interest rate for fifteen years.

70% of the principal amount of the loan is payable in 20 equal semi-annual installments, with the remaining 30% payable in full on the final maturity date. TVI may prepay the loan in part or in full beginning on the end of the fourth year from the initial advance or on the project completion date, whichever is earlier.

In May 2025, TVI entered into an Amended and Restated Omnibus Agreement (the Agreement) with local banks for the Phase II Project Loan Facility with an aggregate principal amount of up to ₱15.98 billion. The loan is available in two tranches, with interest rates based on BVAL plus 175 basis points, subject to a floor of Overnight Reverse Repurchase Rate (ORRP) plus spread.

70% of the principal amount of the Phase II loan is payable in installments in accordance with the Phase II Principal Amortization Schedule, with the remaining 30% payable on the Final Maturity Date. The loan has a term of ten (10) years from the date of the Initial Advance. TVI may prepay the Phase II loans in part or in full beginning at the end of the fourth year from the initial advance or on the Phase II Project Completion Date, whichever is earlier. Any voluntary prepayment of Phase II Project Loans requires a proportionate prepayment of the Phase I Project Loans. Prepayments are subject to a penalty of 2% of the amount prepaid, except for mandatory prepayments such as those from insurance proceeds following a total loss.



Phase I and II loan are secured by a mortgage of all its assets with carrying amount of ₱46.8 billion and ₱39.4 billion as of December 31, 2025 and 2024, respectively, and a pledge of the TVI's shares of stock held by its shareholders. Total amount drawn as of December 31, 2025 amounted to ₱7.0 billion.

The carrying value of the loans amounted to ₱25.4 billion and ₱20.4 billion as of December 31, 2025 and 2024, respectively.

AP

On July 14, 2025, AP issued ₱30.0 billion fixed-retail bonds which comprise of Series A 5.88% 2-year ₱11.3 billion bonds due 2027, Series B 6.29% 5-year ₱9.5 billion bonds due 2030 and Series C 6.86% ₱9.2 billion 10-year bonds due 2035.

In March 2022, the AP issued ₱3.0 billion 5-year bond due 2027 and ₱7.0 billion 7-year bond due 2029 at an annual fixed rate equivalent to 5.31% and 5.74%, respectively.

In December 2021, AP issued a total of ₱12.0 billion bonds, broken down into a ₱4.8 billion 4-year bond due 2025 at a fixed rate equivalent to 4% p.a. and a ₱7.2 billion 7-year bond due 2028 at a fixed rate equivalent to 5.03% p.a. In December 2025, AP fully paid the 4-year bond amounting to ₱4.80 billion.

In July 2021, AP availed ₱6.0 billion 7-year fixed-rate notes due 2028 at an annual fixed rate equivalent to 4%.

In March 2021, AP issued another ₱8.0 billion 5-year bond due 2026 at an annual fixed rate equivalent to 3.82% as part of the first tranche of its ₱30.0 billion debt securities program.

In July 2020, AP issued the fourth and last tranche of its ₱30.0 billion debt securities program, totaling to ₱9.6 billion (the "Series E and F Bonds"). The Fixed Rate "Series E and F Bonds" has an interest rate of 3.125% and 3.935% per annum maturing in 2022 and 2025, respectively. In July 2022, AP fully paid the 2-year bond availed in 2020 amounting to ₱9.0 billion. In July 2025, AP prepaid the 5-year bond amounting to ₱550.0 million.

In November 2019, AP obtained a ₱5.0 billion 7-year long term loan from the BDO Unibank, Inc. at an annual fixed rate of 5.28% p.a.

In 2020, AP amended the "Mode of Payment" for the Principal from bullet payment to partial payments equal to 1% of total principal amount payable annually starting November 2020 and the remaining 94% upon maturity.



On July 13, 2021, AP reached a rate reduction agreement to amend the interest rates of the loan from fixed rate loan of 5.28% to the sum of a benchmark rate and a spread of 0.90%, divided by an applicable factor and 4.125% per annum, whichever is higher.

In October 2019, AP issued ₱7.3 billion 7-year bond due 2026 at an annual fixed rate equivalent to 5.28%.

In October 2018, AP issued a total of ₱10.2 billion bonds, broken down into a ₱7.7 billion 5.25-year bond due 2024 at an annual fixed rate equivalent to 7.51% and a ₱2.50 billion 10-year bond due 2028 at an annual fixed rate equivalent to 8.51%. In October 2022, AP prepaid the 5.25-year bond amounting to ₱7.7 billion.

In October 2025, AP prepaid the 10-year bond amounting to ₱2.5 billion. The recognized loss on extinguishment due to this prepayment amounted to ₱50.0 million.

In July 2017, AP issued a ₱3.0 billion 10-year bond due 2027 at an annual fixed rate equivalent to 5.34% p.a.

All of AP's issued retail bonds have been rated PRS Aaa by PhilRatings.

In 2025, the Company paid transaction costs for the availment of these retail bonds amounting to ₱362.5 million. The principal amount of the bonds shall be payable on a lump sum basis on the respective maturity date at its face value. These bonds may be redeemed in advance by AP based on stipulated early redemption option dates and on agreed early redemption price.

TSI

On October 14, 2013, TSI entered into an omnibus agreement with local banks for a project loan facility with an aggregate principal amount of ₱24.0 billion, which was fully drawn in 2014.

On October 28, 2015, TSI entered into an additional loan agreement with principal amount of ₱1.7 billion, which was fully drawn in 2016.

The loan is secured by a mortgage of all its assets with carrying amount of ₱25.26 billion and ₱26.65 billion as of December 31, 2025 and 2024, and a pledge of TSI's shares of stock held by the shareholders and TPI.

Fifty percent of the principal amount of the loan is payable at semi-annual installments within 12 years with a two-year grace period, with the remaining 50% payable in full on the final maturity date.



TSI may prepay the loan in part or in full beginning on the end of the third year from the initial advance or on the project completion date, whichever is earlier. is secured by a mortgage of all its assets with carrying amount of ₱19.71 billion and ₱28.60 billion as of December 31, 2025 and 2024, and a pledge of TSI's shares of stock held by the shareholders and TPI.

In 2021, TSI also entered into amendments of its existing loan agreements with local banks to obtain additional financing intended to finance the prepayment of its loan, to pay costs, expenses and fees in relation to the loan prepayment and amendments and to re-leverage and optimize the capital structure of TSI. Moreover, the parties have agreed to amend certain financial terms of the existing loan agreements, including but not limited to the interest rate and final maturity date, and shall take effect after the prepayment.

The amendments resulted to the following:

- a. TSI has drawn additional loan principal in the amount of ₱2.5 billion;
- b. Interest rate of 4.27% is fixed for the first five (5) years and will be repriced and fixed for the next seven (7) years;
- c. 58.5% of the outstanding principal amount is payable in 18 equal semi-annual installments, 16.5% of the remaining principal amount is payable in another 5 equal semi-annual installments, with the remaining 25% payable in the final maturity date of the loan in 2033.

In 2022, TSI entered into the Additional Facility Accession Agreement (Accession Agreement) with the additional facility lender. The Accession Agreement covers an aggregate amount of ₱1.0 billion, divided into the following:

- a. Second Top-up Facility amounting to 0.2 billion where 65.94% is payable in 21 equal semi-annual installments, 9.06% of principal amount is payable on the 22nd installment and the 25% in the final maturity date in 2033. The first principal payment on this facility was made in September 2022.
- b. CAPEX Facility of 0.8 billion where 75% is payable in 20 equal semi-annual installments and the remaining 25% of the principal amount is payable in the maturity date in 2033. The first principal payment on this facility was due in September 2023.
- c. Interest rate for Second Top-up Facility is 7.45% and interest rate for CAPEX facility ranges from 6.60% to 8.03% until repricing in 2026.

APRI

On December 23, 2021, APRI entered into a ₱12.0 billion loan facility agreement with BPI to refinance its existing term loan under the Omnibus Agreement; finance the design, development, construction, and operation of the 16 MW Binary Cycle Geothermal Plant to be developed in Tiwi, Albay (Project); and other general corporate purposes.



The loan is available in three tranches, as follows:

- a. A portion of the Facility in the amount equivalent to the total amount outstanding under the Omnibus Agreement, duly supported by a Statement of Account to be provided by the Intercreditor Agent, and to be used to finance the its payment of all outstanding obligations under the Omnibus Agreement.
- b. A portion of the Facility to be used by APRI for other general corporate purposes, in the amount equivalent to the resulting difference after deducting Tranche A and Tranche C from the maximum amount of the Facility.
- c. A portion of the Facility to be used by APRI to finance the Project up to the total amount of ₱1.4 billion.

Tranche A and B were already drawn from the initial borrowing date with the interest rate already fixed for 5 years. Maturity of all tranches shall be up to ten (10) years from initial drawdown date. 40% of the principal amount is payable in ten equal semi-annual installments, 20% is payable in succeeding four equal semi-annual installments, 30% is payable in succeeding five equal semi-annual installments, and the 10% balance is payable in the last installment.

The loan is secured by mortgage of its assets with carrying amount of ₱22.7 billion as of December 31, 2025, and pledge of APRI's shares of stock held by shareholders and assignment of Project Agreements and Project Accounts.

On April 28, 2025, APRI entered into Loan and Security with Bank of the Philippine Islands (Lender) for a loan facility in the principal amount of ₱2.5 billion to finance the construction and operation of the project and for general corporate purposes.

The borrowings are scheduled as follows:

- a. Tranche A up to ₱1.00B, wherein ₱500M is issued on May 7, 2025
- b. Tranche B up to ₱1.50B, issue on November 13, 2025

Based on the Agreement, all the borrowings shall be for a term of ten (10) years reckoned from Initial Borrowing Date. APRI shall pay all borrowings from Tranche A and Tranche B in semi-annual repayment dates, provided, that 20% of the total borrowings from Tranche A and Tranche B shall be payable on the maturity date.

Hedcor Bukidnon

On April 3, 2020, Hedcor Bukidnon entered into a loan agreement with BPI, up to the maximum principal amount of ₱225.0 million which was fully drawn in 2020, for the construction of the Transformer Facility and other general corporate purposes.



The term of the loan is 8 years and the loan shall be paid as follows: (i) payment of an aggregate amount equivalent to 70% of the total principal amount of the loans, by equal semi-annual amortizations beginning on the seventh interest payment date up to and including the maturity date; and (ii) payment of the amount equivalent to 30% of the total principal amount of the loans, on the maturity date.

On September 29, 2020, Hedcor Bukidnon entered into an omnibus agreement for a loan facility in the principal amount of ₱9.1 billion which was fully drawn in 2020 to refinance the project loan availed in 2015.

The term of the loan is 10 years and the loan shall be paid as follows: (i) payment of an aggregate amount equivalent to 70% of the total original amount of the loan, by equal semi-annual amortizations beginning on the first interest payment date up to and including the Maturity Date; and (ii) payment of the amount equivalent to 30% of the total original amount of the loan, on the maturity date. The interest rate shall be set on an interest rate setting date, and on the interest rate resetting date, as applicable.

HSI

In November 2016, HSI entered into a NFA with various institutions with Metrobank - Trust Banking Group as the Notes Facility Agent, for a loan facility with an aggregate principal amount of up to ₱4.1 billion to return equity to shareholders, and for other general corporate purposes.

The unsecured notes were issued in ten tranches with interest payable semi-annually at annual fixed rates ranging from 5.21% - 5.42% with various maturity dates from fifteen months to ten years from issue date.

Prior to maturity date, HSI may redeem in whole or in part the relevant outstanding notes on any interest payment date plus a one percent prepayment penalty.

PFC

PFC availed of ₱1.0 billion and ₱500 million loans from the NFA it signed on May 5, 2015, with Land Bank of the Philippines as the Note Holder on May 11, 2015 and July 13, 2015, respectively. The NFA provided for the issuance of an unsecured 12-year corporate notes.

In October 2019, PFC availed of ₱1.4 billion from the NFA it signed with LBP as the Note Holder. The NFA provided for the issuance of 10-year corporate notes issued as an exempt security.

PFC may early redeem in whole or in part the relevant outstanding notes on any interest payment date without premium or penalty. If prepayment is made on a different date, a certain fee shall be charged on the principal to be prepaid.



PANC

On June 30, 2022, PANC availed ₱600.0 million from SBC with an annual interest rate of 6.35%.

Principal maturity as follows:

- Annual principal repayment of ₱17.13 million starting June 30, 2026 until June 30, 2029;
- ₱137.16 million on June 30, 2030 and
- ₱197.16 million on June 30, 2031 till maturity date June 30, 2032

On July 8, 2022, PANC availed ₱400.0 million from SBC with an annual interest rate of 6.43%.

Principal maturity is as follows:

- Annual principal repayment of ₱11.42 million starting June 30, 2026 until June 30, 2029,
- ₱91.44 million on June 30, 2030 and ₱131.44 million on June 30, 2031 till maturity date June 30, 2032

On December 28, 2016, PANC availed of a total of ₱700.0 million loan from NFA signed on December 28, 2016 with Security Bank Corporation (SBC) as Note Holder.

On September 17, 2014, PANC availed of a total of ₱2.0 billion loan from NFA signed on September 17, 2014 with LBP as Note Holder.

The 2016 and 2014 notes are redeemable on a lump sum basis on their respective maturity dates at December 29, 2026 and September 22, 2026, respectively, at its face value. PANC may early redeem in whole or in part the relevant outstanding notes on any interest payment date without premium or penalty. If prepayment is made on a different date, a certain fee shall be charged on the principal to be prepaid.

HI

In December 2018, HI entered into a Notes Facility Agreement with a local bank to borrow ₱1.4 billion, which will mature in August 2033, to finance the rehabilitation and/or expansion of the Bineng hydropower plant, refinance its short-term loans and for other general corporate purposes. This loan is subject to a semi-annual principal payment with annual interest fixed at 5.0% for the first 5 years, and will be in the next five years. The debt is secured by a continuing suretyship from ARI.

API

In April 2020, API entered into a loan agreement with BPI with a principal amount of ₱600.0 million, which was fully drawn in 2020. The term of the loan is 10 years and interest is fixed at 4.87% for 5 years subject to reset 2 days prior to the 5th anniversary. The loan is payable in equal, semi-annual amortizations of at least one percent (1%) of the loan amount per annum, with balloon payment at maturity date.



HTI

In December 2021, HTI entered into an Omnibus Notes Facility and Security Agreement (Agreement) with BPI (Lender) for a loan facility in the principal amount of ₱752.0 million for capital expenditures and other general purposes.

Based on the loan agreement, borrowing shall be for a term of ten (10) years reckoned from initial borrowing date. HTI shall pay the first principal amount in six months from the initial borrowing date and shall continue on every six months interval. HTI may not re-borrow any part of the loan that has already been paid.

This loan is subject to an annual interest fixed at 4.92% for the first 5 years. For the remaining five years, interest rate will be repriced.

PV Sinag

In November 2022, PV Sinag entered into an Omnibus Notes Facility and Security Agreement with BPI for a loan facility in the principal amount of ₱3.6 billion for capital expenditures of project.

Based on the loan agreement, the borrowing shall be for a term of fifteen (15) years, reckoned from initial borrowing date. PV Sinag shall pay the first principal amount at the end of twelve (12) months after the First Issue Date, seventy percent (70%) of the principal amount outstanding shall be repaid in semi-annual installments, and the balance of thirty percent (30%) of the principal amount outstanding shall be paid on Maturity Date.

On March 15, 2023, PV Sinag made and executed an amended and restated Omnibus Notes Facility and Security Agreement with BPI.

The Note Holder hereby grants PV Sinag an aggregate amount up to ₱9.70 billion broken down as follows:

- a. up to ₱6.10 billion worth of Series B notes wherein ₱0.85 billion issued on March 14, 2024 and ₱5.25 billion issued on March 22, 2023 to fund the Laoag Solar Project; and
- b. up to ₱3.60 billion worth of Series A notes issued on November 11, 2022 to fund the Cayanga-Bugallon Solar Project

ARI

In December 2022, ARI entered into a Notes Facility Agreement with LBP as the issuer, with a principal amount of up to ₱20.0 billion worth of fixed-rate corporate notes, of which ₱12.0 billion was drawn on December 28, 2022, at an annual interest rate of 6.91%, to be repriced on the 5th anniversary of the first issue date.



On March 14, 2024, ARI drew the second tranche amounting to ₱8.00 billion at an annual interest rate of 6.6457% to be repriced on the 5th anniversary of the issuance date.

Interest is payable every six months, while the principal's maturity date is 10 years after the issue date, inclusive of 12-month grace period. Ten percent (10%) of the principal amount shall be paid in equal semi-annual installments commencing after the expiration of the grace period until maturity date. Thereafter, the remaining ninety percent (90%) of the principal amount shall be paid on maturity date.

TLI

On October 21, 2022, TLI entered into a term loan agreement with a local bank intended for the settlement of monthly payments to PSALM in the amount of P15.0 billion. Interest rate is 7.39% floating rate every five years. 2% of the principal is payable on the third year in equal semi-annual installments, 8.5% is payable on the fourth year, 4.95% is payable in 11 equal semi-annual installments and the 40% is payable on the final maturity date of the loan.

On November 8, 2023 TLI entered into loan agreements with local banks for the prepayment of the IPPA agreement with PSALM totaling to 19.0 billion. Interest rate is 7.39% floating rate every five years. 2.0% of the principal is payable on the third year in equal semi-annual installments, 8.5% is payable on the fourth year, 49.5% is payable in 11 equal semi-annual installments and the 40% is payable on the final maturity date of the loan.

SPI

In December 2014, SPI and BDO together with BDO Unibank Inc. Trust and Investments Group as Onshore Trustee, DB Trustees (Hong Kong) Limited as Offshore Trustee and SPI GmbH, AP and La Filipina Uygongco Corporation as Sponsors agreed to further amend and restate the Original Omnibus Agreement to incorporate the Second BDO Facility Agreement. The Original Omnibus Agreement as amended on September 2, 2010 and December 8, 2014 is hereinafter referred to as the "Omnibus Agreement". The Second BDO Facility Agreement covers a 10-year \$40.2 million term loan for general corporate expenses. The interest rate of the loan under the BDO Second Facility Agreement is fixed at 5% per annum and repayment for the principal is in accordance with a specified schedule with January 31, 2015 specified as first repayment date.

In November 2020, the Omnibus Agreement was amended through a Third Amendment Deed, to include an additional nine-year loan facility extended by the Senior Lender to the Company amounting to Forty Million United States Dollars (USD 40.0 million). The interest rate of the loan under the Third BDO Facility Agreement is presently at 6-Month Term SOFR plus 0.25% CAS plus 1.5% per annum and repayment for the principal is in accordance with a specified schedule with January 31, 2021 specified as first repayment date.



CEDI

In December 2024, Mainstream Renewable Power Philippines Holdings B.V. (MRPPHBV) and ARI entered a share purchase agreement, wherein, a stipulation under the agreement stated that a Deed of Waiver and Release of the outstanding amount owed by CEDI to Mainstream Renewable Power Limited (MRPL) under the MRPL Loan Agreement shall be obtained from MRPL. In January 2025, the Deed of Waiver and Release of the outstanding loan as of December 31, 2024 was made and executed between MRPL and the Company.

In November 2025, CEDI entered into an Omnibus Loan and Security Agreement with Bank of the Philippine Islands for a loan facility in the principal amount of ₱6.1 billion to finance the construction and operation of its wind power project, which shall be made available in multiple borrowing. In December 2025, CEDI has drawn ₱2.4 billion from the facility.

Based on the agreement, the loan shall be for a term of fifteen (15) years from the initial borrowing date, inclusive of a grace period on principal repayment. The first principal repayment shall be made on each interest payment date specified in the agreement. CEDI may not re-borrow any part of the loan that has already been paid.

CEDI has floater rate structure and shall have the option to exercise the floating rate conversion option with twelve months from initial borrowing date.

APREC

In July 2025, APREC entered into an Omnibus Loan and Security Agreement with Bank of the Philippine Islands for a loan facility in the principal amount of ₱7.4 billion to finance the construction and operation of its solar power project, which shall make available to APREC each advance under the Senior Term Loan Facility during the loan availability period, in accordance with the advance schedule. In 2025, APREC has drawn ₱6.1 billion from the facility.

ASPI

In August 2025, ASPI entered into an Omnibus Loan and Security Agreement with BDO Unibank, Inc for a loan facility in the principal amount of ₱5.5 billion to finance the construction, operation and maintenance of its solar power project, which shall make available to the borrower each advance under the Senior Term Loan Facility during the loan availability period, in accordance with the advance schedule. In 2025, ASPI has drawn ₱5.4 billion from the facility.

ASPI shall repay the Senior Term Loans in sculpted semi-annual payments but subject to an average loan life of eleven (11) years with a balloon payment not exceeding 30% of the loan amount commencing at the end of the grace period and within a period of fifteen (15) years from and after the initial advance date in accordance with the principal amortization schedule. Each payment shall be made on a principal amortization date. The last principal amortization date shall fall on the final maturity date.



ASPI shall pay interest on the unpaid principal amount of the loan on each interest payment date. ASPI has floater structure with a period of 2 years from initial advance date. The interest rate will be repriced on a quarterly basis and every interest payment date until ASPI decides to fix on any interest repricing date. If ASPI still maintains a floater structure by the end of the interest rate period, BDO will automatically convert the interest rate structure from floating to fixed.

Apo Agua

On November 29, 2018, the Apo Agua entered into an Omnibus Notes Facility and Security Agreement with Bank of the Philippine Islands, China Banking Corporation, Development Bank of the Philippines and Bank of Commerce for a project loan facility in the aggregate principal amount of up to ₱9.0 billion to design, develop, procure, construct, operate and maintain a water treatment plant at Brgy. Gumalang, Davao City.

The notes issued under the Agreement were drawn in seven (7) tranches with interest payable semi-annually at annual fixed rates ranging from 5.75% to 8.26% for the first five (5) years. For the remaining ten (10) years, interest rate will be repriced and fixed on fifth and tenth anniversary from the drawdown date.

On September 27, 2023, Apo Agua entered into another Omnibus Notes Facility and Security Agreement with BPI for an additional project loan facility amounting to ₱2.3 billion. Proceeds of which were used to finance the project completion, settlement of the short-term bridge loan facility with the same bank, and settlement of taxes and other finance related expenses.

On October 03, 2023, Apo Agua drew the entire amount from the Top-up Facility Agreement with an interest rate of 8.1% per annum. The interest rate will be repriced on the fifth and tenth anniversary from the drawdown date of the Omnibus Notes Facility and Security Agreement.

On November 30, 2023, the interest rates of the notes under the Agreement and the Top-up Facility Agreement were repriced to 7.45% and 8.05%, respectively.

On December 18, 2024, Apo Agua entered into another Omnibus Notes Facility and Security Agreement with LBP and SBC for an additional project loan facility amounting to ₱2.6 billion. Proceeds of which were used to finance the project completion, settlement of the short-term bridge loan facility, and settlement of taxes and other finance related expenses. On December 23, 2024, Apo Agua drew ₱850.0 million from the 2024 Omnibus Agreement with an interest rate of 7.07% per annum. On June 30, 2025, Apo Agua drew ₱500.0 million from the 2024 Omnibus Agreement with an interest rate of 6.99% per annum.

LWC

On December 15, 2021, LWC entered into a loan agreement with Rizal Commercial Banking Corporation amounting to ₱250 million with an interest rate of 5.47% and payable in 10 years. The first payment of the long-term loan was on June 20, 2023.



LLI

In 2025, LLI availed of ₱4.2 billion unsecured, long-term loan with BPI to refinance existing loans, finance existing projects and for general working capital purposes. The loan is payable over nine (9) years at fixed interest rate per annum.

In 2024, LLI availed of ₱2.3 billion unsecured, long term loan with MBTC, payable over eight (8) years at a fixed interest rate of 7.11% and 7.07% per annum for the first 5 years and subject to repricing for another three years.

In August 2024, LLI availed of ₱1.0 billion unsecured long term loan with BPI, payable over 10 years at a fixed interest rate, payable in 8 annual installments.

In December 2022, LLI availed an additional ₱1.6 billion unsecured, long term loan from MBTC, payable over ten (10) years at a fixed interest rate of 7.45% per annum for the first 5 years and subject to repricing for another five years.

In August 2022, LLI availed of ₱1.6 billion unsecured, long term loan with MBTC, payable over ten (10) years at a fixed interest rate of 6.59% per annum for the first 5 years and subject to repricing for another five years.

In December 2021, LLI availed of ₱2.0 billion long term loan with BPI, payable over 5 years at a fixed interest rate per annum.

ACAC

ACAC has an existing ₱22.9 billion and US\$73.9 million loan, which is part of the Omnibus Loan and Security Agreement (OLSA) it entered into with various financial institution. The proceeds from the loan were used to refinance the bridge facility which was used to partly finance the payment of the Upfront Premium and to finance the capital expenditures and other cost in relation to the Project.

On April 28, 2023, the Company further amended the existing amended and restated OLSA and the existing long-term debt were refinanced.

As of December 31, 2025 and 2024, the carrying amount of the PHP denominated long-term debt is based on the present value of the modified contractual cash flows (based on the amendments on April 28, 2023), discounted at the original effective interest rate. The carrying amount of the USD denominated long-term debt is based on the fair value of the new loan after extinguishment of the old loan in 2023, and subsequently amortized using the EIR method.

ALAC

In July 2025, ALAC entered into a ₱4.1 billion OLSA with BPI as the Senior Lender and Accounts Bank, Aboitiz InfraCapital, Inc. as the Sponsor, and BPI Asset Management and Trust Corporation as the Trustee, Facility Agent, and Common Terms Agent. As of December 31, 2025, ALAC made drawdowns during the year amounting ₱775 million.



The proceeds from the loan will be used to refinance the Bridge Loan Facility in full and to partially finance the capital expenditures and other project costs in relation to the upgrade, expansion, operation, and maintenance of the Laguindingan International Airport (including the First Capacity Augmentation). The facility is divided into Tranche A and Tranche B.

The following are pledged as collateral on the loan: (a) all Personal Properties (including machinery, vehicles, and equipment) owned by ALAC; (b) the Collateral Accounts and Receivables; (c) the Material Contracts (including the Concession Agreement, Technical Services Agreement, and EPC Agreement); and (d) 100% of the total issued and outstanding capital stock of the ALAC owned by the Sponsor.

A3C

In February 2025, A3C entered into a loan agreement with SBC for an aggregate principal amount of up to ₱171.0 million. The loan is unsecured, carries a fixed annual interest rate with sculpted principal amortizations payable semi-annually with up to 30% balloon payment at maturity in February 2035.

AEV International

In January 2020, AEV International issued a US dollar-denominated Regulation S-only senior unsecured notes, at an aggregate principal amount of US\$400 million and a tenor of 10 years (the "Notes"). The Notes are unrated, have a fixed coupon rate of 4.2% payable semiannually, and are unconditionally and irrevocably guaranteed by the Company as the guarantor. The Notes are listed on the Singapore Exchange.

GCMH and Subsidiaries

GCMH

GCMH obtained a loan from MUFG Bank, Singapore on June 14, 2024, amounting to USD 40.0 million. The loan bears a fixed interest rate of 5.19% per annum and matures on June 14, 2029.

On September 25, 2023, GCMH entered into a loan agreement with MUFG Bank, Singapore for CNY 94.0 million. The loan carries a fixed annual interest rate of 4.81% and will mature on September 20, 2028.

The loans are unsecured, with principal payable in full at maturity. Interest payments are made periodically as stipulated in the agreement.

Gold Coin Feedmill (Dong Nai) Co. Ltd.

Gold Coin Feedmill (Dong Nai) Co. Ltd. availed a loan from DBS Bank, Vietnam on August 3, 2023, totaling VND 400.0 billion. The loan bears a floating interest rate equivalent to cost of funds plus 2%. The loan matures on August 3, 2028.



The facility is unsecured. Interest is subject to periodic repricing based on prevailing market conditions. Principal repayments are scheduled on a quarterly basis beginning November 2025 until maturity.

Gold Coin (Yunnan) Co., Ltd.

Gold Coin (Yunnan) Co., Ltd. secured a loan from Bank of China on December 16, 2025, amounting to CNY 94.0 million. The loan carries a fixed interest rate of 2.60% per annum and matures on October 10, 2030.

This loan is secured by fixed assets of the borrowing entity. Principal and interest are payable on a quarterly basis starting April 2026 until maturity.

TCP

TCP entered into a various loan agreement with a third-party bank whereby the latter agreed to provide the Company an aggregate principal amount of loan up to 250.0 million to finance the construction of TCP's real estate projects in different sites in Makati with interest rate ranging from 8.00% – 8.65%

AboitizLand

On September 16, 2021, AboitizLand entered into a loan agreement with BPI with a principal amount of P2.0 billion, which was fully drawn in 2021. The term of the loan is 5 years and bears a fixed interest based on the higher of the BVAL reference rate plus margin and a floor rate which will reset at the end of the third year of the first drawdown using the same provision. At least 5% of the loan amount is payable on the 1st to the 3rd anniversary of the first drawdown, 15% on the 4th anniversary and balloon payment at maturity date. The loan is secured by landbank assets of the AboitizLand.

FSI

In December 2021, FSI entered into a loan agreement with the Development Bank of the Philippines for an aggregate principal amount of up to ₱107.0 million. The loan is unsecured, carries a fixed annual interest rate with principal payable in full at maturity in December 2031.

Long-term debt of Joint Operation

This pertains to TPI's share of the outstanding project debt of its joint operation.

In May 2014, PEC entered into an omnibus agreement with various local banks for a loan facility in the aggregate principal amount of up to ₱33.3 billion with maturity period of 15 years.

The loan facility is subject to a semi-annual interest payment with annual fixed interest ranging from 5.50% - 8.31%. The loans may be voluntarily prepaid in full or in part commencing on and from the third year of the date of initial drawdown with a prepayment penalty.



The loans are secured by a mortgage of substantially all its assets with carrying amount of ₱30.4 billion as of December 31, 2025, and a pledge of the shares of stock held by the joint operators.

Loan covenants

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

These restrictions and requirements were complied with by the Group as of December 31, 2025 and 2024. These restrictions and requirements were complied with by the Group as of December 31, 2025 and 2024 with certain subsidiary being able to secure a waiver on one of its financial covenant in 2025.

20. Customers' Deposits

	2025	2024
Bill and load	₱7,455,234	₱6,284,851
Lines and poles	2,009,369	1,913,923
Transformers	1,289,067	1,317,117
Others	2,123,605	1,234,030
Total	12,877,275	10,749,921
Less current portion (see Note 17)	1,616,551	878,568
Noncurrent portion	₱11,260,724	₱9,871,353

Transformers and lines and poles deposits are obtained from certain customers principally as cash bond for their proper maintenance and care of the said facilities while under their exclusive use and responsibility.

Effective April 1, 2010, the Amended Distribution Services and Open Access Rules (Amended DSOAR), increased the refund rate from 25% to 75% of the gross distribution revenue generated from the extension lines and facilities until such amounts are fully refunded.

Bill deposit serves to guarantee payment of bills by a customer which is estimated to equal one month's consumption or bill of the customer.

Both the Magna Carta and Distribution Services and Open Access Rules (DSOAR) also provide that residential and non-residential customers, respectively, must pay a bill deposit to guarantee payment of bills equivalent to their estimated monthly billing. The amount of deposit shall be adjusted after



one year to approximate the actual average monthly bills. A customer who has paid his electric bills on or before due date for three consecutive years, may apply for the full refund of the bill deposit, together with the accrued interests, prior to the termination of the service; otherwise, bill deposits and accrued interests shall be refunded within one month from termination of service, provided all bills have been paid.

In cases where the customer has previously received the refund of his bill deposit pursuant to Article 7 of the Magna Carta, and later defaults in the payment of his monthly bills, the customer shall be required to post another bill deposit with the distribution utility and lose his right to avail of the right to refund his bill deposit in the future until termination of service. Failure to pay the required bill deposit shall be a ground for disconnection of electric service.

Other customer deposits pertain mainly to deposits from real estate buyers.

Interest expense on customers' deposits amounted to ₱2.3 million in 2025, ₱2.2 million in 2024 and ₱2.5 million in 2023 (see Note 36).

The Group classified customers' deposits under noncurrent liabilities due to the expected long-term nature of these accounts. The portion of customers' deposit to be refunded within the next 12 months amounted to ₱1.0 billion and ₱0.9 billion as of December 31, 2025 and 2024, respectively, and are presented as part of "Trade and other payables" (see Note 17).

21. Decommissioning liability

Decommissioning liability includes the estimated costs to decommission, abandon and perform surface rehabilitation on steam field assets at the end of their useful lives, and the best estimate of the expenditure required to settle the obligation to decommission power plant at the end of its lease term (see Note 13).

	2025	2024
Balances at beginning of year	₱5,259,205	₱7,363,729
Accretion of decommissioning liability (see Note 36)	318,511	416,001
Additions	77,233	—
Change in accounting estimate (see Note 13)	(168,604)	(2,520,525)
Balances at end of year	₱5,486,345	₱5,259,205

The actual dismantling and removal cost could vary substantially from the above estimate because of new regulatory requirements, changes in technology, increased cost of labor, materials, and equipment or actual time required to complete all dismantling and removal activities. Adjustment, if any, to the estimated amount will be recognized prospectively as they become known and reliably



estimable. The change in accounting estimate is due to the updating of discount and inflation rates. The asset retirement obligation was discounted using interest rates ranging from 5.51% - 6.4% in 2025 and 5.19% - 6.11% in 2024.

22. Leases

Company

The Company entered into an operating lease agreement with Ayala Land Inc. for its use of administrative office space and parking space for a period of 16 years commencing on June 2, 2025 up to July 31, 2040. The lease contract has an escalation of 3.0% per annum.

TLI

In 2009, TLI was appointed by PSALM as Administrator of the coal-fired power plant in Pagbilao, Quezon under the IPP Administration Agreement, giving TLI the right to receive, manage and control the capacity of the power plant for its own account and at its own cost and risk; and the right to receive the transfer of the power plant at the end of the IPP Administration Agreement for no consideration.

In view of the nature of the IPP Administration Agreement, the arrangement has been accounted for as a lease. Accordingly, TLI recognized the right-of-use asset and related liability of ₱44.8 billion (equivalent to the present value of the minimum lease payments using TLI's incremental borrowing rates of 10% and 12% for dollar and peso payments, respectively) in the consolidated financial statements as part of "ROU - Power plant" and "Lease liabilities" accounts, respectively (see Notes 3 and 13).

In November 2023, TLI prepaid the full amount of the remaining lease payments amounting to ₱13.8 billion. This resulted to a reduction in the right-of-use asset account amounting to ₱3.6 billion.

In August 2025, TLI took over the ownership of the Pagbilao power plant. Consequently, TLI has reclassified the ROU power plant to "Power plant equipment and steam field assets" amounting to ₱24.0 billion (see Note 13).

In December 2024, TLI entered into a lease agreement with PSALM for the parcels of land situated in Pagbilao, wherein TLI prepaid the lease amounting to ₱3.0 million (see Note 16). The lease commenced on the transfer date of the power plant to TLI in August 2025.

APRI

On May 25, 2009, APRI entered into a lease agreement with PSALM for a parcel of land owned by the latter on which a portion of the assets purchased under the Asset Purchase Agreement (APA) is situated. The lease term is for a period of twenty-five (25) years commencing from the Closing Date as defined in the APA which falls on May 25, 2009. The rental fees for the whole term of 25 years



amounting to ₱492.0 million were paid in full after the receipt by APRI of the Certificate of Effectivity on the lease.

GMEC

In August 2007, a 25-year lease agreement with Authority of the Freeport Area of Bataan for land at Bataan Economic Zone, used as an access road and right of way for electric power transmission lines.

In January 2010, a 50-year land lease agreement with PMR Group Retirement Plan, Inc. (PGRPI), used for its power plant facilities. GMEC, upon mutual agreement of PGRPI, has the right and option to extend the lease for a period of twenty-five years. In August 2016, GMEC entered into another lease agreement with PGRPI for land to be used for staff house.

Sacasun

Sacasun entered into a contract for lease of land where the power plant is located. The contract pertains to rent for 23 years renewable upon mutual agreement by the parties.

HI, HTI, HBI, HSAB, LHC and HSI

HI, HTI, HBI, HSAB, LHC and HSI entered into contracts with various lot owners for lease of land where their power plants are located. Terms of contract are for a period of 1 to 50 years renewable upon mutual agreement by the parties.

TMI

TMI entered into a lease contract with the Philippine Fisheries Development Authority on April 26, 2022 for some portions of the breakwater area of the Navotas Fishport Complex for a period of 15 years. They also have a lease contract with Montgomery Real Estate Lessor for their administrative office for a period of 15 years.

EAUC

Lease agreement with PEZA for a piece of land located inside Mactan Economic Zone for its power plant facilities for a period of 25 years.

TPVI

TPVI entered into a contract for lease of land where the power plant is located. The contract pertains to rent for 25 years renewable upon mutual agreement by the parties. The lease term may be renewed or extended for another 5 years upon the mutual written agreement of the parties. In 2024, TPVI assigned to its affiliate the right to purchase the land. The sale was executed on October 9, 2024. This resulted to derecognition of the right-of-use asset with carrying value of ₱447.0 million.



SPI

Lease agreement covering its head office, which was renewed in May 2021 until June 2026, with escalation clause of 3% applicable annually starting on the second year of the term.

CEDI

CEDI entered into a foreign Land Use Agreement with the Philippine Government for the exclusive right to occupy the, manage and develop forest land for the construction of its project effective until December 31, 2043. The lease contract has an escalation rate of 10.0%.

AP, AIC, Aland and AFHI

AP, AIC, Aland and AFHI entered into an operating lease agreement with Ayala Land Inc. for its use of administrative office space and parking space for a period of 16 years from August 1, 2024 to July 31, 2040. The lease contract has an escalation of 3.0% per annum

APREC

APREC executed a lease agreement with various lessors on pieces of land where the plant is located in Olongapo City, Zambales for a period of 25 to 99 years. The lease term may be renewed or extended upon the mutual written agreement of the parties.

RERI

RERI executed a lease agreement with various lessors on pieces of land where the two (2) power plants are located in City of Tarlac for a period of 25 to 30 years. The lease term may be renewed or extended upon the mutual written agreement of the parties.

ASPI

ASPI executed a lease agreement for the eight (8) parcels of land located in Calatrava, Province of Negros Occidental for twenty-seven (27) years. The contract shall be renewable at the option of the Lessee and be effective for another five (5) years from renewal.

TVI

On January 13, 2025, TVI entered into a Special Use Agreement in Protected Areas (SAPA) with the Department of Environment and Natural Resources (DENR) for the use of 305,454 square meters of foreshore and offshore areas. The agreement has a tenure of twenty-five (25) years and is renewable for a similar term.



Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

2025

Right-of-use assets						
	Land	Building	Power Plant	Manufacturing Plant, Equipment and Others	Total	Lease Liability
As at January 1	₱4,175,313	₱1,134,394	₱24,720,181	₱163,691	₱30,193,579	₱4,797,504
Additions	4,824,518	1,025,053	—	1,625	5,851,196	1,645,210
Amortization expense	(299,770)	(262,802)	(285)	(20,960)	(583,817)	—
Capitalized amortization	(15,589)	—	—	—	(15,589)	—
Interest expense	—	—	—	—	—	391,198
Capitalized interest	—	—	—	—	—	50,235
Payments	—	—	—	—	—	(692,971)
Others	67,256	(70,916)	(24,719,896)	1,883	(24,721,673)	(63,352)
As at December 31	₱8,751,728	₱1,825,729	₱—	₱146,239	₱10,723,696	₱6,127,824

2024

Right-of-use assets						
	Land	Building	Power Plant	Manufacturing Plant, Equipment and Others	Total	Lease Liability
As at January 1	₱4,033,097	₱415,211	₱25,658,351	₱183,947	₱30,290,606	₱3,347,652
Additions	734,337	929,014	—	—	1,663,351	1,556,624
Amortization expense	(199,105)	(227,466)	(938,170)	(22,973)	(1,387,714)	—
Capitalized amortization	(28,480)	—	—	—	(28,480)	—
Interest expense	—	—	—	—	—	292,133
Capitalized interest	—	—	—	—	—	43,818
Payments	—	—	—	—	—	(500,333)
Others	(364,536)	17,635	—	2,717	(344,184)	57,610
As at December 31	₱4,175,313	₱1,134,394	₱24,720,181	₱163,691	₱30,193,579	₱4,797,504

The carrying amount of the Group's right-of-use assets as of December 31, 2025 and 2024 is presented as part of "Property, plant and equipment" account.

The Group also has certain leases of equipment, meeting rooms and event sites with lease terms of 12 months or less. The Group applies the short-term lease recognition exemption of these leases.



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

	2025	2024	2023
Amortization expense of right-of-use assets	₱583,817	₱1,387,714	₱1,498,564
Interest expense on lease liabilities	391,198	292,133	1,300,890
Rent expense - short-term leases	197,761	238,290	290,497
Rent expense - low value assets	20,496	6,909	10,965
	₱1,193,272	₱1,925,046	₱3,100,916

23. Capital Stock

Information on the Company's authorized capital stock as of December 31, 2025 and 2024 are as follows:

	Number of Shares
Authorized capital stock:	
Common shares, ₱1 par value	9,600,000,000
Preferred shares, ₱1 par value	400,000,000

Outstanding capital stock are as follows:

	Number of Shares	
	2025	2024
Common shares issued	5,694,599,621	5,694,599,621
Less treasury shares	141,794,564	140,794,564
Balance at end of year	5,552,805,057	5,553,805,057

On November 16, 1994, the Company listed with the Philippine Securities Exchange its 3,650,385,204 common shares with a par value of ₱1.00 per share to cover the initial public offering (IPO) of 821,486,204 common shares at an offer price of ₱5.70 per share. Gross proceeds from this issuance of new shares amounted to ₱4.6 billion. Transaction costs incidental to the IPO totaling ₱528.0 million were charged against "Additional paid-in capital" in the consolidated balance sheets.

On May 23, 1995 and August 30, 1996, the Company distributed 20% stock dividend equivalent to 730.08 million shares and 30% stock dividend equivalent to 1.31 billion shares, respectively. Both stock dividends were issued at ₱1.00 per share. At the end of 1996, common shares issued totaled 5.69 billion.



The preferred shares are non-voting, non-participating, non-convertible, cumulative re-issuable and redeemable and may be issued from time to time by the BOD in one or more series and fixed before issuance thereof, the number of shares in each series, and all designations, relative rights, preferences and limitations of the shares in each series. Preferred shares that are redeemed by the Company may be re-issued.

There were no preferred shares issued as of December 31, 2025 and 2024.

As of December 31, 2025 and 2024, the Company has 8,166 and 8,210 shareholders, respectively.

Treasury Shares

The Company purchased 1.0 million and 66.0 million treasury shares for a consideration of ₱33.0 million and ₱2.5 billion in 2025 and 2024, respectively. This brings total treasury shares held by the Company to 141.8 million and 140.8 million shares with corresponding acquisition costs of ₱3.7 billion and ₱3.6 billion, respectively.

24. Retained Earnings

On March 07, 2025, the BOD approved the declaration of a regular cash dividend of ₱1.54 per share ₱8.6 billion to all stockholders of record as of March 21, 2025. These dividends were taken out of the unrestricted retained earnings as of December 31, 2024, and were paid on March 28, 2025.

On March 05, 2024, the BOD approved the declaration of a regular cash dividend of ₱1.40 per share ₱7.9 billion to all stockholders of record as of March 19, 2024. These dividends were taken out of the unrestricted retained earnings as of December 31, 2023, and were paid on March 26, 2024.

On March 3, 2023, the BOD approved the following:

- a. Declaration of a regular cash dividend of ₱1.47 per share ₱8.3 billion to all stockholders of record as of March 17, 2023. These dividends were taken out of the unrestricted retained earnings as of December 31, 2022, and were paid on March 30, 2023.
- b. Appropriation of ₱20.0 billion of the Company's retained earnings as of December 31, 2022 for the debt payment of AEV and the reversal of appropriation of ₱11.0 billion for the prepayment of US dollar loans.

On March 4, 2022, the BOD approved the appropriation of ₱70.6 billion of the Company's retained earnings as of December 31, 2021 for the additional capital infusion to finance on-going projects, and for debt payment of AEV.

On March 6, 2020, the BOD approved appropriation of ₱5.0 billion of the retained earnings as of December 31, 2019 for the additional capital infusion to finance on-going projects.



On March 8, 2018, the BOD approved appropriation of ₱4.20 billion of the retained earnings as of December 31, 2018 for the additional capital infusion to finance on-going projects.

As mentioned in Note 19, the Company shall not permit its DE ratio to exceed 3:1 calculated based on the Group's year-end debts and consolidated equity.

The balance of retained earnings includes the accumulated equity in net earnings of subsidiaries, associates and joint arrangements amounting to ₱166.4 billion and ₱162.8 billion as of December 31, 2025 and 2024, respectively. Such amounts are not available for distribution until such time that the Company receives the dividends from the respective subsidiaries, associates and joint arrangements (see Note 10).

25. Other Comprehensive Income

	2025	2024
Cumulative Translation Adjustments		
Balance at beginning of year	₱1,607,947	₱558,087
Movements	(2,588,092)	1,049,860
Balance at end of year	(980,145)	1,607,947
Cash Flow Hedge Reserve		
Balance at beginning of year	34,627	(750,028)
Movements	(308,684)	784,655
Balance at end of year	(274,057)	34,627
Actuarial Losses on Defined Benefit Plans		
Balances at beginning of year	(797,941)	(893,806)
Movements	154,851	95,865
Balance at end of year	(643,090)	(797,941)
Net Unrealized Gains on Financial Assets at FVOCI		
Balance at beginning of year	129,457	64,259
Movements	(128,177)	65,198
Balance at end of year	1,280	129,457
Share in Cumulative Translation Adjustments of Associates and Joint Ventures		
Balance at beginning of year	913,959	252,571
Movements	229,494	661,388
Balance at end of year	1,143,453	913,959



	2025	2024
Share in Actuarial Losses on Defined Benefit Plans of Associates and Joint Ventures		
Balance at beginning of year	(P1,146,281)	(P1,145,207)
Movements	(192,627)	(1,074)
Balance at end of year	(1,338,908)	(1,146,281)
Share in Fair Value Changes on Financial Assets at FVOCI of Associates		
Balance at beginning of year	(824,734)	(1,035,505)
Movements	263,399	210,771
Balance at end of year	(561,335)	(824,734)
Revaluation surplus	642,672	642,672
	(P2,010,130)	P559,706

26. Revenues

a. Power

Sale from Distribution of Power

The Uniform Rate Filing Requirements (UFR) on the rate unbundling released by the ERC on October 30, 2001 specified that the billing for sale and distribution of power and electricity will have the following components: Generation Charge, Transmission Charge, System Loss Charge, Distribution Charge, Supply Charge, Metering Charge, the Currency Exchange Rate Adjustment and Interclass and Lifeline Subsidies. National and local franchise taxes, the Power Act Reduction (for residential customers) and the Universal Charge are also separately indicated in the customer's billing statements.

Pursuant to Section 43(f) of Republic Act (R.A.) No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), and Rule 15, section 5(a) of its Implementing Rules and Regulations (IRR), the ERC promulgated the Distribution Wheeling Rates Guidelines on December 10, 2004. These were subsequently updated and released on July 26, 2006 as the Rules for Setting Distribution Wheeling Rates (RDWR) for Privately Owned Utilities entering Performance Based Regulation (PBR).



Details of the PBR regulatory period and the date of implementation of the approved rates are as follows:

	CLP	DLP	VECO	SEZ
Current regulatory period	April 1, 2023 to March 31, 2027	July 1, 2024 to June 30, 2028	July 1, 2024 to June 30, 2028	October 1, 2025 to September 30, 2029
Date of implementation of approved distribution supply and metering charges	May 1, 2009	August 1, 2010	August 1, 2010	November 26, 2011

The reset process for the Third Regulatory Period to adjust the previously approved distribution supply and metering charges were deferred due to the changes on PBR rules.

The Energy Regulatory Commission has issued ERC Resolution No. 10, Series of 2021 Modifying the Rules for Setting the Distribution Wheeling Rates (RDWR) for Privately-Owned Distribution Utilities Entering Performance-Based Regulation (PBR) and ERC Resolution No. 11, Series of 2021 Adopting the Regulatory Asset Base (RAB) Roll-Forward Handbook for Privately-Owned Electricity Distribution Utilities.

Based on the RDWR, the regulatory periods shall be as follows:

- i. CLP: April 1, 2023 to March 31, 2027
- ii. DLP and VECO: July 1, 2024 to June 30, 2028
- iii. SEZ: October 1, 2025 to September 30, 2029

The reset process for the Fourth Regulatory Period has not started for all private DUs as the above-mentioned ERC rules have not been published, which is a condition for their effectivity.

Total sale from distribution of power amounted to ₱60.2 billion, ₱57.0 billion and ₱53.4 billion in 2025, 2024 and 2023, respectively.

Sale from Generation of Power and Retail Electricity

Energy Trading through the Philippine Wholesale Electricity Spot Market (WESM)

Certain subsidiaries are trading participants and direct members under the generator sector of the WESM. These companies are allowed to access the WESM Market Management System through its Market Participant Interface (MPI). The MPI is the facility that allows the trading participants to submit and cancel bids and offers, and to view market results and reports. Under its price determination methodology as approved by the ERC, locational marginal price method is used in computing prices for energy bought and sold in the market on a per node, per hour basis. In the case of bilateral power supply contracts, however, the involved trading participants settle directly with their contracting parties.



Total sale of power to WESM amounted to ₱18.6 billion in 2025, ₱33.8 billion in 2024 and ₱33.0 billion in 2023, respectively.

Power Supply Agreements

- i. Power Supply Contracts assumed under Asset Purchase Agreement (APA) and IPP Administration Agreement

Revenue recognition for customers under the power supply contracts assumed under the APA and IPP Administration Agreements are billed based on the contract price which is calculated based on the pricing structure approved by the ERC. Rates are calculated based on the time-of-use pricing schedule with corresponding adjustments using the GRAM and the ICERA.

- ii. Power Purchase/Supply Agreement and Energy Supply Agreement (PPA/PSA and ESA)

Certain subsidiaries have negotiated contracts with NPC, Private Distribution Utilities, Electric Cooperatives and Commercial and Industrial Consumers referred to as PPA/PSA or ESA. These contracts provide a tariff that allows these companies to charge for capacity fees, fixed operating fees and energy fees.

- iii. Feed-in-Tariff (FIT)

Certain subsidiaries were issued a FIT Certificate of Compliance from the ERC which entitles them to avail the FIT rate. These subsidiaries also signed agreements with the National Transmission Corporation (NTC), the FIT administrator. These agreements enumerate the rights and obligations under the FIT rules and FIT-All guidelines, in respect to the full payment of the actual energy generation of the generator, at a price equivalent to the applicable FIT rate, for the entire duration of its FIT eligibility period.

In 2025, ERC issued Resolution No. 28, Series of 2025, approved the adjustments to the FIT for the years 2021-2025. This resolution ensures that the local inflation and foreign exchange (forex) rate variations are accounted for in the rate calculations. The Company recognized FIT revenue adjustment of ₱1.0 billion in 2025.

However, industry groups have filed formal objections regarding a significant error in the calculations. Consequently, on February 26, 2025, ERC issued an advisory which provided detailed clarifications and revisions to address concerns on ERC Resolution No. 28, series of 2025. This was considered as an adjusting event after the balance sheet date and recognized additional power revenue of ₱1.0 billion in 2025.



Total sale of power under power supply agreements amounted to ₱63.2 billion in 2025, ₱52.4 billion in 2024 and ₱69.3 billion in 2023.

Ancillary Services Procurement Agreement (ASPA)

Certain subsidiaries have ASPA with the NGCP. Ancillary services are support services such as frequency regulating, contingency and dispatchable reserves, reactive power support, and black start capability which are necessary to support the transmission capacity and energy that are essential in maintaining power quality and security of the grid.

In 2025, SNAP M, SNAP B and TLI received the approval of the ERC for the ASPA Agreement with NGCP, which established the approved rates of contingency reserve and dispatchable reserve. The difference between the provisional authority and final approved applicable rates were booked as additional ASPA revenue in 2025. The difference between the provisional authority and final approved applicable rates were booked as additional ASPA revenue and equity share in net earnings of ₱448.7 million and ₱1.3 billion, respectively, in 2025.

Total sale of power under ASPA amounted to ₱9.8 billion in 2025, ₱6.6 billion in 2024 and ₱4.2 billion in 2023.

Retail Electricity Supply Agreements

Certain subsidiaries have negotiated contracts with contestable customers. These contracts provide supply and delivery of electricity where capacity fees, fixed operating fees and energy fees are at fixed price/kwh or time of use.

Total sale of power under retail electricity supply agreements amounted to ₱42.8 billion in 2025, ₱45.9 billion in 2024 and ₱46.1 billion in 2023, respectively.

b. Real estate revenues consist of the following:

	2025	2024	2023
Real estate sales	₱8,854,040	₱8,977,353	₱8,450,860
Rental income	985,704	1,357,867	1,025,627
	₱9,839,744	₱10,335,220	₱9,476,487



27. Purchased Power

Distribution

The Group's distribution utilities entered into contracts with NPC/PSALM and generation companies for the purchase of electricity, and into Transmission Service Agreements with NGCP for the transmission of electricity.

To avail of opportunities in the competitive electricity market, some of the Group's distribution utilities registered as direct participants of the WESM.

Total purchased power amounted to ₱32.7 billion, ₱28.6 billion, ₱26.5 billion in 2025, 2024 and 2023, respectively.

Generation

Purchased power takes place during periods when power generated from power plants are not sufficient to meet customers' required power as stated in the power supply contracts. Insufficient supply of generated energy results from the shutdowns due to scheduled maintenance or an emergency situation. The Group purchases power from WESM to ensure uninterrupted supply of power and meet the requirements in the power supply contracts.

The Group entered into Replacement Power Contracts with certain related parties (see Note 34). Under these contracts, the Group supplies power to counterparties when additional power is needed. Correspondingly, when faced with energy shortfalls, the Group purchases power from counterparties.

Total purchased power amounted to ₱10.7 billion, ₱9.7 billion, ₱15.4 billion in 2025, 2024 and 2023, respectively.

Retail Electricity Supply

The Group also purchases from WESM in order to supply its contestable customers.

Total purchased power amounted to ₱31.7 billion, ₱29.9 billion and ₱29.6 billion in 2025, 2024 and 2023, respectively.



28. Costs and Expenses

Cost of generated power consists of:

	2025	2024	2023
Fuel costs (see Note 6)	₱35,174,585	₱40,619,982	₱56,001,318
Steam supply costs (see Note 40)	4,390,549	5,694,787	6,891,818
Energy fees	484,157	630,737	832,137
Wheeling expenses	106,801	107,897	182,310
Ancillary charges	98,501	75,401	65,317
	₱40,254,593	₱47,128,804	₱63,972,900

Cost of goods sold consists of:

	2025	2024	2023
Raw materials used, purchases and changes in biological assets and inventories (see Notes 6 and 8)	₱72,281,791	₱68,228,481	₱73,770,484
Direct labor (see Note 29)	749,950	730,372	709,591
Manufacturing overhead			
Depreciation (see Note 13)	1,591,716	1,532,756	1,432,620
Repairs and maintenance	891,198	815,191	725,085
Indirect labor (see Note 29)	861,452	810,719	791,186
Power	859,088	858,290	777,967
Toll milling expenses	364,687	235,868	134,549
Fuel and lubricants	355,174	323,523	339,077
Outside services	352,255	363,619	504,311
Employees' benefits (see Notes 29 and 30)	350,458	308,347	269,708
Office and general supplies	166,997	148,792	145,299
Medicines and vaccines	135,575	100,525	50,112
Freight and handling	128,741	106,978	112,094
Insurance	126,211	136,489	141,186
Taxes and licenses	113,153	111,227	112,265
Rental	48,734	76,494	97,047
Pest control	36,985	31,074	28,754
Others	439,061	487,047	432,256
	6,821,485	6,446,939	6,093,516

(Forward)



	2025	2024	2023
Cost of goods manufactured	₱79,853,226	₱75,405,792	₱80,573,591
Finished goods inventory (see Note 6)			
Beginning of year	1,507,679	2,172,712	2,928,323
End of year	(1,745,361)	(1,507,679)	(2,172,712)
	₱79,615,544	₱76,070,825	₱81,329,202

Operating expenses consist of:

	2025	2024	2023
Depreciation and amortization (see Notes 13, 14 and 22)	₱15,858,948	₱13,840,286	₱13,625,030
Personnel costs (see Notes 29 and 30)	15,810,478	12,939,206	12,021,193
Outside services (see Note 35)	7,179,099	5,925,192	4,538,803
Repairs and maintenance	6,480,709	4,913,262	3,974,686
Taxes and licenses	4,210,152	4,165,400	4,194,498
Insurance	3,340,970	3,279,618	3,457,067
Freight and handling	1,788,007	1,797,202	1,754,691
Advertising	1,186,543	1,107,918	896,167
Transportation and travel	1,125,066	1,144,241	1,198,397
Information technology and communication	776,159	758,029	612,889
Management and professional fees (see Note 35)	724,356	1,127,137	1,255,816
Materials and supplies	427,934	406,403	541,679
Training and development	233,076	183,450	165,462
Rent	215,205	211,236	194,773
Commissions	156,361	91,843	83,144
Utilities	137,780	143,363	142,431
Provision for (reversal of) expected credit losses of trade receivables (see Note 5)	68,498	155,332	(5,326)
Fuel and lubricants	10,494	17,823	13,658
Others	2,116,297	2,693,522	2,141,667
	₱61,846,132	₱54,900,463	₱50,806,725

Other operating expenses consist of miscellaneous items, the most significant of which are materials and supplies.



Sources of depreciation and amortization are as follows:

	2025	2024	2023
Property, plant and equipment (see Note 13)	₱14,413,191	₱12,709,794	₱12,874,508
Right-of-use assets (see Note 22)	583,817	1,387,714	1,498,564
Intangible assets (see Note 14)	2,618,569	1,305,238	754,829
	₱17,615,577	₱15,402,746	₱15,127,901

Depreciation charged to cost of real estate sales amounted to ₱164.9 million, ₱29.7 million, and ₱70.3 million in 2025, 2024 and 2023, respectively.

29. Personnel Costs

	2025	2024	2023
Salaries and wages	₱12,339,132	₱10,257,608	₱11,354,518
Employee benefits (see Note 30)	4,966,505	3,808,809	2,437,160
	₱17,305,637	₱14,066,417	₱13,791,678

30. Pension Benefit Plans

Under the existing regulatory framework, Republic Act 7641, otherwise known as *The Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity. It further states that the employees' retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The Company and its subsidiaries have funded, noncontributory, pension benefit plans ("Plan") covering all regular and full-time employees and requiring contributions to be made to separately administered funds. The retirement benefit fund ("Fund") of each subsidiary is in the form of a trust being maintained and managed by AEV, under the supervision of the Board of Trustees (BOT) of the Plan. The BOT, whose members are also corporate officers, is responsible for the investment of the Fund assets. Taking into account the Plan's objectives, benefit obligations and risk capacity, the BOT periodically defines the investment strategy in the form of a long-term target structure.



The following tables summarize the components of net benefit expense recognized in the consolidated statements of income and the funded status and amounts recognized in the consolidated balance sheets for the respective plans.

Net benefit expense (recognized as part of personnel costs under operating expenses)

	2025	2024	2023
Retirement expense recognized in the consolidated statements of income:			
Service cost	₱662,361	₱541,174	₱543,006
Net interest cost	52,368	67,214	12,457
Remeasurement of other long-term employee benefits	(4,031)	1,963	(691)
	₱710,698	₱610,351	₱554,772

	2025	2024	2023
Remeasurement gains (losses) recognized in the consolidated statements of comprehensive income:			
Actuarial gains (losses) on defined benefit plan	₱263,749	₱13,556	(₱325,167)
Losses on assets excluding amount included in net interest cost	(61,720)	(1,155)	(226,561)
	₱202,029	₱12,401	(₱551,728)

Net pension liabilities

	2025	2024
Present value of obligation	₱6,231,540	₱5,851,509
Fair value of plan assets	(5,533,146)	(4,963,678)
Pension liability	₱698,394	₱887,831



Changes in the present value of the defined benefit obligation are as follows:

	2025	2024
At January 1	₱5,851,509	₱5,479,162
Net benefit costs in the consolidated statements of income		
Current service costs	676,711	593,381
Interest cost	361,472	350,125
Past service costs	(14,350)	(52,207)
Transfers and others	35,436	(1,500)
Remeasurement of other long-term employee benefits	(4,031)	1,963
Benefits paid	(411,458)	(538,177)
Remeasurements in other comprehensive income:		
Actuarial losses due to experience adjustments	(179,689)	(99,402)
Actuarial losses (gains) due to changes in financial assumptions	(84,060)	85,846
	6,231,540	5,819,191
Increase from step-acquisition of subsidiaries (see Note 9)	—	32,318
At December 31	₱6,231,540	₱5,851,509

Changes in the fair value of plan assets are as follows:

	2025	2024
At January 1	₱4,963,678	₱4,572,771
Actual contributions	648,281	620,202
Interest income included in net interest cost	309,104	282,911
Transfers and others	6,166	186
Actual return excluding amount included in net interest cost	(61,720)	(1,155)
Benefits paid	(332,363)	(511,237)
At December 31	₱5,533,146	₱4,963,678



Changes in net pension liability recognized in the consolidated balance sheets are as follows:

	2025	2024
At January 1	₱887,831	₱906,391
Contribution to retirement fund	(648,281)	(620,202)
Retirement expense for the year	710,698	610,351
Actuarial losses recognized for the year	(202,029)	(12,401)
Transfers and others	29,270	(1,686)
Benefits paid from Group operating funds	(79,095)	(26,940)
Increase from step-acquisition/disposal of subsidiaries (see Note 9)	—	32,318
At December 31	₱698,394	₱887,831

The fair value of plan assets by each class as at the end of the reporting period are as follows:

	2025	2024
Cash and fixed-income investments	₱2,162,424	₱2,098,048
Equity instruments:		
Power	556,071	538,386
Holding	83,266	990,953
Financial institution	1,209,782	255,480
Others	1,521,603	1,080,811
Fair value of plan assets	₱5,533,146	₱4,963,678

All equity and debt instruments held have quoted prices in active market. The remaining plan assets do not have quoted market prices in active market.

The plan assets have diverse investments and do not have any concentration risk.

The principal assumptions used in determining pension benefit obligations for the Group's plans are shown below:

	2025	2024	2023
Discount rate	5.93% - 7.50%	5.93% - 7.273%	5.83% - 7.93%
Salary increase rate	5% - 7%	5% - 7%	5% - 7%



The sensitivity analysis below has been determined based on reasonable possible changes of each significant assumption on the defined benefit obligation as of December 31, 2025 and 2024, assuming all other assumptions were held constant:

December 31, 2025

	Increase (decrease) in basis points	Effect on defined benefit obligation
Discount rates	100 (100)	(₱427,425) 439,052
Future salary increases	100 (100)	₱543,700 (513,297)

December 31, 2024

	Increase (decrease) in basis points	Effect on defined benefit obligation
Discount rates	100 (100)	(₱365,402) 420,245
Future salary increases	100 (100)	₱509,392 (446,815)

The pension benefit plans are funded by the Company and its subsidiaries. The Group expects to contribute approximately ₱706.9 million to the retirement benefit funds in 2026.

The average durations of the defined benefit obligation as of December 31, 2025 and 2024 are 5.20 - 18.65 years and 1.48 - 18.65 years, respectively.

The Board of Trustees reviews the performance of the plans on a regular basis. It assesses whether the retirement plans will achieve investment returns which, together with contributions, will be sufficient to pay retirement benefits as they fall due. The Group also reviews the solvency position of the different member companies on an annual basis and estimates, through the actuary, the expected contribution to the Plan in the subsequent year.



31. Other Income (Expense) - Net

	2025	2024	2023
Surcharges	₱561,635	₱616,315	₱632,134
Net unrealized fair valuation gains on investment properties (see Note 15)	178,836	381,525	781,512
Rental income	123,264	213,543	249,814
Non-utility operating income	83,568	126,774	99,236
Dividend income	1,210	1,502	8,107
Gain (loss) on sale/disposal of:			
Investments and advances	—	153,203	—
Property, plant and equipment and other assets	9,789	(278,080)	90,108
Financial assets at FVTPL	334,766	(160)	61,408
Write off of goodwill and project development costs (see Note 14)	(14,022,692)	(429,485)	(308,871)
Net foreign exchange gains (losses)	(272,719)	(526,692)	319,678
Recovery of (provision for) impairment losses on property, plant and equipment and other assets - net (see Notes 13 and 16)	(82,221)	367,427	(224,774)
Increase (decrease) in fair value of biological assets (see Note 8)	(5,773)	596	15,693
Unrealized valuation gain on financial assets	23,259	1,903,856	84,425
Gain (Loss) from bargain purchase and remeasurement of previously held interest (see Notes 9)	—	(1,862,483)	1,745,655
Others – net	2,057,370	1,777,281	2,506,249
	(₱11,009,708)	₱2,445,122	₱6,060,374

Included in “Net foreign exchange gain (loss)” are the net gains and losses relating to currency forward transactions (see Note 36). Unrealized valuation gain on financial assets include gain from fair value change of Exchangeable Note of AIC amounting to nil and ₱1.9 billion as of December 31, 2025 and 2024, respectively.

“Others” include derivative gain/loss arising from TLI’s commodity hedge amounting to ₱147.0 million in 2025, ₱4.2 million in 2024 and ₱194.0 million in 2023 and other service fees billed in 2025 amounting to ₱655.0 million, derivative gain/loss arising from ARI’s currency forward transactions amounting to nil in 2025, ₱308.8 million in 2024 and ₱121.0 million in 2023, insurance claims amounting to ₱297.0 million in 2025, ₱303.6 million in 2024 and ₱1.40 billion in 2023 and CEDI’s income from loan condonation amounting to ₱110.0 million. “Others” also include non-recurring items like sale of scrap and sludge oil, and reversal of provisions.



32. Income Taxes

The provision for income tax consists of:

	2025	2024	2023
Current			
Corporate income tax	₱8,743,717	₱9,422,619	₱6,797,600
Final tax	441,152	446,690	476,635
	9,184,869	9,869,309	7,274,235
Deferred	389,488	776,285	1,319,200
	₱9,574,357	₱10,645,594	₱8,593,435

A reconciliation between the statutory income tax rate and the Group's effective income tax rates follows:

	2025	2024	2023
Statutory income tax rate	25.00%	25.00%	25.00%
Tax effects of:			
Changes on unrecognized deferred income tax assets	4.51	2.83	7.46
Non-deductible interest expense	3.25	2.34	1.17
Non-deductible depreciation expense	1.18	0.09	0.66
Deductible lease payments	—	—	(3.93)
Nontaxable share in net earnings of associates and joint ventures	(14.84)	(7.48)	(13.77)
Income under ITH	(0.62)	(0.23)	(1.63)
Interest income subjected to final tax at lower rates - net	(1.55)	(1.31)	(1.32)
Others	6.89	0.70	3.04
	23.82%	21.94%	16.68%



Net deferred income tax assets at December 31 relate to the following:

	2025	2024
Deferred income tax assets:		
Unrealized foreign exchange losses	₱1,194,962	₱1,063,011
Net income from commissioning	1,243,291	1,230,826
NOLCO	433,393	623,278
Allowances for impairment and probable losses	612,384	572,205
Lease liabilities	(478,705)	(138,334)
Right-of-use assets	514,254	204,524
Accrued retirement benefits	28,973	48,787
Unamortized contributions for past service	34,015	43,875
Tax effects of items in other comprehensive income	149,338	52,157
Difference between the carrying amount of nonmonetary assets and related tax base	74,339	159,138
MCIT	35,534	49,796
Others	449,821	586,567
	4,291,599	4,495,830
Deferred income tax liabilities:		
Difference between the carrying amount of nonmonetary assets and related tax base	2,077,888	1,953,792
Revaluation prior to transfer to investment property	—	214,224
Consumable biological assets	—	99,395
Pension asset	6,558	2,689
Unrealized foreign exchange gain	3,591	1,420
Others	93,882	56,762
	2,181,919	2,328,282
	₱2,109,680	₱2,167,548



Net deferred income tax liabilities at December 31 relate to the following:

	2025	2024
Deferred income tax liabilities:		
Tax effects of items in other comprehensive income	₱201,034	₱—
Difference between the carrying amount of nonmonetary assets and related tax base	84,692	—
Unrealized gain on investment property	1,544,962	1,243,418
Unamortized franchise	527,502	546,742
Percentage-of-completion recognition of real estate sales and related costs	135,673	97,842
Consumable biological assets	97,951	—
Difference in treatment of PPA under financial and tax reporting	6,138,637	6,444,629
Unamortized customs duties and taxes capitalized	3,318	3,434
Unrealized foreign exchange gains	415,952	415,206
Pension asset	103,739	111,243
Right-of-use assets	7,255,070	6,168,658
Lease liability	(2,958,709)	(2,257,839)
Others	1,941,270	2,209,391
	15,491,091	14,982,724
Deferred income tax assets:		
Tax effects of items in other comprehensive income	85,613	206,745
NOLCO	511,448	417,670
Allowances for:		
Allowance for Impairment and probable losses	494,421	413,524
Pension asset	24,982	31,594
Unamortized past service cost	51,185	36,504
Unrealized foreign exchange losses	632	8,112
Others	18,929	24,677
	1,187,210	1,138,826
	₱14,303,882	₱13,843,898

In computing for deferred income tax assets and liabilities, the tax rates used were 25% and 10%, which are the rates expected to apply to taxable income in the years in which the deferred income tax assets and liabilities are expected to be recovered or settled and considering the tax rate for renewable energy developers as allowed by the Renewable Energy Act of 2008.

No deferred income tax assets were recognized on the Group's NOLCO and MCIT amounting to ₱27.83 billion and ₱348.2 million, respectively, as of December 31, 2025 and ₱31.31 billion and



₱797.3 million, respectively, as of December 31, 2024. Management expects that no sufficient taxable income and income tax payable will be generated in the future to allow all of the corresponding deferred income tax assets to be utilized.

The Group did not recognize deferred income tax liability on its undistributed retained earnings of its subsidiaries on the basis that there are no income tax consequences to the Group attaching to the payment of dividends to its shareholders or that the reversal of the temporary differences are not expected to reverse in the foreseeable future (see Note 24).

The Organisation for Economic Co-operation and Development (OECD) has issued the Global Anti-Base Erosion (GloBE) Model Rules ("Pillar Two Rules"), which impose a minimum effective tax rate of 15% on multinational enterprises with an annual consolidated revenues of EUR750 million or more in at least 2 out of the 4 immediately preceding fiscal years.

The Group is in-scope for Pillar Two. The Group assessed the applicable Pillar Two tax legislation in all the countries in which it operates to determine whether a Pillar Two 'top-up' tax liability needs to be recognized. Although certain jurisdictions where the Group operates have enacted Pillar Two legislation effective for the current audit period, the Group does not expect to incur any Pillar Two top-up tax exposure for the year 2025.

The Group assessed its potential Pillar Two 'top-up tax' exposure for the year ended December 31, 2025 by applying the Transitional Country-by-Country Report (CbCR) Safe Harbour (TCSH) tests to all relevant jurisdictions, using the most recent available financial information. Based on the assessment performed, the jurisdictions where the Group operates are expected to qualify for the TCSH relief. Accordingly, no impact to the consolidated financial statements of the Group is expected for the current audit period.

The Group has adopted the PAS 12 amendments which introduce a mandatory temporary exception from recognizing or disclosing information about deferred tax assets and liabilities arising from the implementation of the Pillar Two rules, which has been applied in the consolidated financials statements.



33. Earnings per Common Share

Earnings per common share amounts were computed as follows:

	2025	2024	2023
a. Net income attributable to equity holders of the parent	₱18,304,506	₱18,127,511	₱23,546,289
b. Weighted average number of common shares issued and outstanding	5,552,805	5,572,732	5,625,006
c. Earnings per common share (a/b)	₱3.30	₱3.25	₱4.19

There are no dilutive potential common shares as of December 31, 2025, 2024 and 2023.

34. Operating Segment Information

Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's 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.

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

- power segment, which is engaged in power generation and sale of electricity;
- financial services segment, which is engaged in banking and money remittance operations;
- food manufacturing segment, which is engaged in the production of flour and feeds and swine breeding; this segment also includes beverage in 2024 following the acquisition of CCEAP.
- real estate segment, which is engaged in real property development for sale and lease;
- infrastructure segment, which is engaged in the production of cement and other building materials, airport operations, supply of treated bulk water; and economic estates operation.
- the parent company and others, which include the operations of the Company and the service provider subsidiaries that cater mainly to the Group.

In addition, The Group presents geographical segments based on two categories, as follows:

- Philippines, which represents the Group's local operations; and



- Rest of Asia, which represents the foreign operations of the Group across several countries in Asia.

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

The Group has inter-segment revenues in the form of management fees as well as inter-segment sales of electricity and other services which are eliminated in consolidation. The transfers are accounted for at competitive market prices.

Segment assets do not include deferred income tax assets, pension asset and other noncurrent assets. Segment liabilities do not include deferred income tax liabilities, income tax payable and pension liability. Capital expenditures consist of additions of property, plant and equipment and intangible assets except goodwill. Adjustments as shown below include items not presented as part of segment assets and liabilities.

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

	2025							
	Power	Financial Services	Food and Beverage	Real Estate	Infrastructure	Parent Company and Others	Eliminations	Consolidated
REVENUES								
Third parties	₱197,653,989	₱—	₱97,202,418	₱2,948,565	₱14,561,121	₱856,059	₱—	₱313,222,152
Inter-segment	825,291	—	23,816,510	—	12,270	1,449,779	(26,103,850)	—
Total revenue	₱198,479,280	₱—	121,018,928	₱2,948,565	₱14,573,391	₱2,305,838	(₱26,103,850)	₱313,222,152
RESULTS								
Segment results	₱37,505,708	₱—	₱8,590,888	₱807,446	₱3,730,807	(₱40,197)	₱334,931	₱50,929,583
Unallocated corporate income (expenses) - net	(11,956,631)	—	545,938	181,772	65,316	285,484	(131,587)	(11,009,708)
INCOME FROM OPERATIONS								39,919,875
Interest expense	(17,987,956)	—	(1,086,229)	(71,091)	(2,696,622)	(5,077,229)	—	(26,919,127)
Interest income	2,145,216	—	347,741	22,035	86,319	724,256	—	3,325,567
Share in net earnings of associates and joint ventures	19,369,484	4,969,487	2,422,693	—	(1,844,580)	16,211,313	(17,279,906)	23,848,491
Provision for income tax	(6,619,884)	—	(2,054,997)	(271,963)	(500,316)	(127,197)	—	(9,574,357)
NET INCOME	₱22,455,937	₱4,969,487	₱8,766,034	₱668,199	(₱1,159,076)	₱11,976,430	(₱17,076,562)	₱30,600,449



2025								
	Power	Financial Services	Food and Beverage	Real Estate	Infrastructure	Parent Company and Others	Eliminations	Consolidated
OTHER INFORMATION								
Segment assets	₱126,989,526	₱—	₱41,068,401	₱18,879,081	₱28,275,881	₱16,892,123	(₱5,943,620)	₱226,161,392
Investments and advances	159,447,986	105,250,111	33,269,846	—	19,917,882	189,323,855	(189,257,130)	317,952,550
Unallocated corporate assets	336,360,338	—	1,169,863	4,294,827	88,099,361	38,573,537	(542)	468,497,384
Consolidated total assets								₱1,012,611,326
Segment liabilities	₱400,699,559	₱—	₱38,041,169	₱7,795,199	₱59,395,824	₱91,122,186	(₱5,540,556)	₱591,513,381
Unallocated corporate liabilities	7,458,118	—	936,834	760,070	7,146,234	1,269,290	—	17,570,546
Consolidated total liabilities								₱609,083,927
Capital expenditures	₱25,512,745	₱—	₱1,773,153	₱50,559	₱2,111,989	₱180,224	₱—	₱29,628,670
Depreciation and amortization	₱13,295,514	₱—	₱1,929,403	₱50,590	₱2,112,073	₱227,997	₱—	₱17,615,577
2024								
	Power	Financial Services	Food and Beverage	Real Estate	Infrastructure	Parent Company and Others	Eliminations	Consolidated
REVENUES								
Third parties	₱197,125,807	₱—	₱91,680,142	₱4,274,206	₱8,797,789	₱947,709	₱—	₱302,825,653
Inter-segment	366,450	—	17,509,606	662	119,647	1,229,689	(19,226,054)	—
Total revenue	₱197,492,257	₱—	₱109,189,748	₱4,274,868	₱8,917,436	₱2,177,398	(₱19,226,054)	₱302,825,653
RESULTS								
Segment results	₱41,194,911	₱—	₱6,782,365	₱1,177,149	₱2,041,913	(₱633,903)	₱31,106	₱50,593,541
Unallocated corporate income (expenses) - net	1,677,405	—	3,444	400,583	162,195	208,774	(7,279)	2,445,122
INCOME FROM OPERATIONS								53,038,663
Interest expense	(14,600,722)	—	(1,236,721)	(85,486)	(1,583,044)	(5,049,874)	11,463	(22,544,384)
Interest income	1,974,244	—	387,172	39,325	53,860	1,074,058	(11,463)	3,517,196
Share in net earnings of associates and joint ventures	15,693,423	5,959,418	1,649,402	(20,491)	(8,746,781)	23,236,842	(23,240,271)	14,531,542
Provision for income tax	(8,212,936)	—	(1,640,353)	(252,569)	(244,841)	(294,895)		(10,645,594)
NET INCOME	₱37,726,325	₱5,959,418	₱5,945,309	₱1,258,511	(₱8,316,698)	₱18,541,002	(₱23,216,444)	₱37,897,423
OTHER INFORMATION								
Segment assets	₱123,026,354	₱—	₱31,774,585	₱17,163,619	₱27,736,011	₱13,812,937	(₱1,014,502)	₱212,499,004
Investments and advances	95,909,573	101,828,768	30,878,228	—	21,392,515	187,412,958	(187,282,223)	250,139,819
Unallocated corporate assets	298,680,136	—	2,868,188	9,572,104	82,310,194	37,718,632	(87,523)	431,061,731
Consolidated total assets								₱893,700,554
Segment liabilities	₱294,013,185	₱—	₱32,044,216	₱8,502,854	₱56,637,328	₱90,233,153	(₱1,014,502)	₱480,416,234
Unallocated corporate liabilities	7,706,200	—	745,410	890,776	6,929,536	646,822	—	16,918,744
Consolidated total liabilities								₱497,334,978
Capital expenditures	₱23,561,036	₱—	₱2,720,287	₱42,671	₱1,435,966	₱44,992	₱—	₱27,804,952
Depreciation and amortization	₱12,538,419	₱—	₱1,858,391	₱49,834	₱739,083	₱217,019	₱—	₱15,402,746



2023								
	Power	Financial Services	Food and Beverage	Real Estate	Infrastructure	Parent Company and Others	Eliminations	Consolidated
REVENUES								
Third parties	₱206,757,277	₱—	₱92,296,802	₱3,588,082	₱6,409,380	₱1,567,548	₱—	₱310,619,089
Inter-segment	342,618	—	11,489,691	2,735	139,751	1,182,650	(13,157,445)	—
Total revenue	₱207,099,895	₱—	₱103,786,493	₱3,590,817	₱6,549,131	₱2,750,198	(₱13,157,445)	₱310,619,089
RESULTS								
Segment results	₱31,785,077	₱—	₱3,314,887	₱926,928	₱2,234,523	(₱270,943)	₱54,212	₱38,044,684
Unallocated corporate income (expenses) - net	4,633,817	—	(113,599)	613,680	403,815	522,661	—	6,060,374
INCOME FROM OPERATIONS								44,105,058
Interest expense	(14,161,649)	—	(1,469,629)	(73,669)	(376,042)	(4,467,504)	19,526	(20,528,967)
Interest income	1,667,281	—	201,533	32,425	156,758	2,262,955	(19,526)	4,301,426
Share in net earnings of associates and joint ventures	19,817,774	4,500,591	7,447	(30,765)	(658,582)	21,798,758	(21,798,098)	23,637,125
Provision for income tax	(7,276,865)	—	(689,184)	(81,776)	(317,069)	(228,541)	—	(8,593,435)
NET INCOME	₱36,465,435	₱4,500,591	₱1,251,455	₱1,386,823	₱1,443,403	₱19,617,386	(₱21,743,886)	₱42,921,207
OTHER INFORMATION								
Segment assets	₱115,803,428	₱—	₱35,978,249	₱17,107,95	₱36,927,280	₱53,030,773	(₱4,463,836)	₱254,383,847
Investments and advances	91,640,709	91,616,006	95,296	1,677,288	38,987,955	171,195,713	(171,071,842)	224,141,125
Unallocated corporate assets	279,579,168	—	34,279,506	9,061,533	23,489,257	9,656,545	(716,322)	355,349,687
Consolidated total assets								₱833,874,659
Segment liabilities	₱286,843,613	₱—	₱40,494,812	₱8,458,265	₱24,421,500	₱94,945,953	(₱4,763,836)	₱450,400,307
Unallocated corporate liabilities	6,205,328	—	452,277	791,284	234,533	444,486	—	8,127,908
Consolidated total liabilities								₱458,528,215
Capital expenditures	₱17,998,358	₱—	₱2,649,761	₱107,256	₱912,139	₱241,415	₱—	₱21,908,929
Depreciation and amortization	₱13,109,562	₱—	₱1,689,440	₱50,693	₱84,582	₱193,624	₱—	₱15,127,901

Revenues and noncurrent operating assets by geographical locations are summarized below:

	Revenue			Property, Plant and Equipment		Intangible Assets	
	2025	2024	2023	2025	2024	2025	2024
Philippines	₱260,005,380	₱250,956,365	₱257,356,479	₱239,787,739	₱203,456,661	₱77,703,560	₱76,808,607
Rest of Asia	95,868,265	86,117,367	80,877,760	6,848,932	6,962,153	86,795	33,271
	₱355,873,645	₱337,073,732	₱338,234,239	₱246,636,671	₱210,418,814	₱77,790,355	₱76,841,878



The revenue information above is based on the locations of customers. Noncurrent operating assets consist of property, plant and equipment and intangible assets.

35. Related Party Disclosures

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group enters into transactions with its parent, associates, joint ventures and other related parties, principally consisting of the following:

- a. Service contracts of certain associates with ACO, AEV and AP at fees based on agreed rates. Professional and technical fees paid by these associates and joint ventures to ACO, AEV and AP totaled ₱507.2 million, ₱418.2 million and ₱525.3 million in 2025, 2024 and 2023, respectively.
- b. Cash deposits and placements with UBP earn interest at prevailing market rates (see Note 4).
- c. Aviation services are rendered by AEV Aviation to certain associates.
- d. Lease of commercial office units by ACO and certain associates from CPDC.
- e. Power sales to and purchases from certain associates and joint ventures based on the Group's power supply and purchase agreements, respectively (see Notes 26 and 27).
- f. Services rendered by Aboitiz Construction, Inc. (ACI), a wholly owned subsidiary of ACO, to the Group for various construction projects.

The above transactions are settled in cash.



Significant outstanding account balances with related parties as of December 31, 2025 and 2024 are as follows:

a. Revenue - Management, Professional and Technical Fees

	Revenue			Accounts Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
Ultimate Parent							
ACO	₱14,197	₱13,610	₱17,880	₱—	₱—	30-day; interest-free	Unsecured; no impairment
Investees of ACO							
ACI	12,350	8,020	8,764	—	—	30-day; interest-free	Unsecured; no impairment
ACII	—	73	—	—	81	30-day; interest-free	Unsecured; no impairment
Associates and Joint Ventures							
RCBM (see Note 10)	21,255	13,087	12,839	23,381	118	30-day; interest-free	Unsecured; no impairment
SFELAPCO	170,726	98,868	122,686	64,794	4,978	30-day; interest-free	Unsecured; no impairment
CEDC	76,900	69,500	84,100	—	—	30-day; interest-free	Unsecured; no impairment
AEV CRH Holdings, Inc.	—	—	6	—	—	30-day; interest-free	Unsecured; no impairment
GNPD	103,229	153,224	44,910	20	37,551	30-day; interest-free	Unsecured; no impairment
SNAP-Magat	23,110	19,390	22,103	368	1,250	30-day; interest-free	Unsecured; no impairment
SNAP-Benguet	23,110	19,390	22,351	556	3,381	30-day; interest-free	Unsecured; no impairment
SNAP-Res, Inc.	—	5	—	—	—	30-day; interest-free	Unsecured; no impairment
MORE	15,986	1,138	325	—	—	30-day; interest-free	Unsecured; no impairment
UBP	25,266	21,890	145,359	13,956	13,950	30-day; interest-free	Unsecured; no impairment
CSB	179	—	—	69	1,688	30-day; interest-free	Clean; no impairment
PETNET	—	—	2,374	—	—	30-day; interest-free	Unsecured; no impairment
UNITY DIGITAL INFRASTRUCTURE, INC.	6,480	—	12,819	99	—	30-day; interest-free	Unsecured; no impairment
BALIBAGO WATER SYSTEMS, INC.	—	—	28,701	—	—	30-day; interest-free	Unsecured; no impairment
SNAP-Generation	—	5	1	—	—	30-day; interest-free	Unsecured; no impairment
Pagbilao Energy	14,400	—	—	15,840	—	30-day; interest-free	Unsecured; no impairment
RCSI	—	—	60	—	—	30-day; interest-free	Unsecured; no impairment
Total	₱507,188	₱418,200	₱525,278	₱119,083	₱62,997		



b. Cash Deposits and Placements with UBP

	Interest Income			Outstanding Balance		Terms	Condition
	2025	2024	2023	2025	2024		
AP and Subsidiaries	₱578,272	₱610,688	₱603,951	₱24,837,171	₱13,967,050	90 days or less; interest-bearing	No impairment
AEV	1,221	9,762	112,837	170,564	59,593	90 days or less; interest-bearing	No impairment
PILMICO and Subsidiaries	541	597	4,275	321,763	193,252	90 days or less; interest-bearing	No impairment
AboitizLand and Subsidiaries	6,231	1,594	953	469,157	472,472	90 days or less; interest-bearing	No impairment
AIC and Subsidiaries	3,641	2,924	4,229	1,821,759	1,654,434	90 days or less; interest-bearing	No impairment
CPDC	42	456	58	10,352	62,798	90 days or less; interest-bearing	No impairment
AEV AVIATION	3,867	3,123	1,923	118,050	93,967	90 days or less; interest-bearing	No impairment
AIPL	—	—	—	—	13,157	90 days or less; interest-bearing	No impairment
Weather Solutions, Inc.	474	413	318	10,735	10,060	90 days or less; interest-bearing	No impairment
Advanced Data Innovation, Inc.	18	22	36	2,772	49,838	90 days or less; interest-bearing	No impairment
	₱594,307	₱629,579	₱728,580	₱27,762,323	₱16,576,621		

c. Revenue - Aviation Services

	Revenue			Accounts Receivable			
	2025	2024	2023	2025	2024	Terms	Conditions
Investees of ACO							
ACI	₱175	₱175	₱185	₱—	₱55	30-day; interest-free	Unsecured; no impairment
Associates and Joint Ventures							
SNAP-Magat	8,961	12,504	9,880	4,928	—	30-day; interest-free	Unsecured; no impairment
SNAP-Benguet	2,466	1,857	1,972	1,232	—	30-day; interest-free	Unsecured; no impairment
UBP	1,500	1,500	1,500	—	—	30-day; interest-free	Unsecured; no impairment
CCBPI	3,091	3,098	—	1,835	64	30-day; interest-free	Unsecured; no impairment
Republic Cement Services	1,211	1,211	—	—	—	30-day; interest-free	Unsecured; no impairment
SFELAPCO	5,124	—	—	5,637	—	30-day; interest-free	Unsecured; no impairment
	₱22,528	₱20,345	₱13,537	₱13,632	₱119		



d. Revenue - Rental

	Revenue			Accounts Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
Ultimate Parent							
ACO	₱—	₱—	₱5,258	₱—	₱—	30-day; interest-free	Unsecured; no impairment
Investees of ACO							
ACI	859	1,921	1,842	—	18	30-day; interest-free	Unsecured; no impairment
Associates							
UBP	11,020	9,357	3,087	704	—	30-day; interest-free	Unsecured; no impairment
UDII	1,544	1,450	—	—	—	30-day; interest-free	Unsecured; no impairment
Tsuneishi Heavy Industries (Cebu), Inc.	848	—	—	—	—	30-day; interest-free	Unsecured; no impairment
PETNET	249	—	—	—	—	30-day; interest-free	Unsecured; no impairment
	₱14,520	₱12,728	₱10,187	₱704	₱18		

e. Revenue - Sale of Power

	Revenue (see Note 26)			Receivable		Terms	Conditions
	2025	2024	2023	2025	2024		
Associate and Joint Ventures							
SFELAPCO	₱2,457,617	₱458,136	₱237,293	₱1,785	₱58,870	30-day; interest-free	Unsecured; no impairment
RCBM	1,696,646	1,938,675	2,322,855	644,526	167,336	30-day; interest-free	Unsecured; no impairment
SNAP-Magat	560,105	732,134	732,471	67,739	7,659	30-day; interest-free	Unsecured; no impairment
GNPD	4,144,220	60,647	167,879	60,254	1,329	30-day; interest-free	Unsecured; no impairment
SNAP-RES	56,809	58,467	46,471	1,798	6,144	30-day; interest-free	Unsecured; no impairment
SNAP-Benguet	114,680	70,606	251,733	31,841	1,183	30-day; interest-free	Unsecured; no impairment
CEDC	28,245	—	—	1,286	—	30-day; interest-free	Unsecured; no impairment
WMPC	821	—	—	51	—	30-day; interest-free	Unsecured; no impairment
CABPI	938,523	223,709	—	—	46,970	30-day; interest-free	Unsecured; no impairment
Investees of ACO							
Tsuneishi Heavy Industries (Cebu), Inc.	456,186	411,485	193,177	4,336	25,812	30-day; interest-free	Unsecured; no impairment
Aboitiz Construction International, Inc.	15,374	11,401	3,844	—	1,722	30-day; interest-free	Unsecured; no impairment
Aboitiz Construction Inc.	—	115	—	—	11	30-day; interest-free	Unsecured; no impairment
	₱10,469,226	₱3,965,375	₱3,955,723	₱813,616	₱317,036		



g. Cost of Purchased Power

	Purchases (see Note 26)			Payable		Terms	Condition
	2025	2024	2023	2025	2024		
Associates and Joint Ventures							
CEDC	₱4,225,831	₱4,404,767	₱6,521,068	₱57,093	₱394,295	30-day; interest-free	Unsecured
SNAP-Magat	1,948,000	1,926,407	1,318,600	253,535	8,280	30-day; interest-free	Unsecured
SFELAPCO	153,132	130,266	113,305	14,366	14,760	30-day; interest-free	Unsecured
SNAP RES	174	20,684	—	77	412	30-day; interest-free	Unsecured
GNPD	16,317,304	15,462,401	15,740,852	1,270,078	1,770,940	30-day; interest-free	Unsecured
SNAP-Benguet	1,032,382	1,414,292	821,815	71,576	6,585	30-day; interest-free	Unsecured
WMPC	96,220	—	—	25,627	—	30-day; interest-free	Unsecured
	₱23,773,043	₱23,358,817	₱24,515,640	₱1,692,352	₱2,195,272		

h. Capitalized Construction and Rehabilitation Costs

	Purchases			Payable		Terms	Condition
	2025	2024	2023	2025	2024		
Fellow Subsidiary							
ACI	₱2,220,572	₱—	₱296,759	₱47,284	₱—	30-day; interest-free	Unsecured

Retirement Benefit Fund

The Company's retirement benefit fund is in the form of a trust being maintained and managed by ACO under the supervision of the BOT of the plan.

The Fund has a carrying amount and a fair value of ₱0.9 billion as of December 31, 2025 and 2024.

The assets and investments of the Fund are as follows:

	2025	2024
Equity investments at FVTPL	₱736,276	₱745,390
Financial assets at amortized cost	179,771	127,574
Debt investments at FVOCI	12,139	17,142
	₱928,186	₱890,106



The Company's retirement benefit fund for its employees has investments in the equities of the Company and one of its subsidiaries. The carrying values of these investments as of December 31, 2025 and 2024 and the gains and losses of the Fund arising from such investments for the years then ended are as follows:

	2025		2024	
	Carrying Value	Gain/(Loss)	Carrying Value	Gain/(Loss)
AEV common shares	₱75,871	(₱31,016)	₱71,448	(₱20,843)
AP common shares	348,891	60,920	352,065	2,242

The above investments of the Fund were approved by the BOT. The voting rights over these equity securities are exercised by the chairman of the BOT.

Compensation of Key Management Personnel

	2025	2024	2023
Short-term benefits	₱281,852	₱248,309	₱194,946
Post-employment benefits	12,429	12,416	12,333
	₱294,281	₱260,725	₱207,279

36. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, investments in FVTPL or FVOCI, bank loans, and long-term debts. The main purpose of these financial instruments is to raise finances for the Group's operations and its investments in existing subsidiaries and associates and in new projects. The Group has other financial assets and liabilities such as trade and other receivables, trade and other payables, customer deposits and lease liabilities which arise directly from operations.

The Group also enters into derivative transactions, particularly foreign currency forwards to economically hedge its foreign currency risk from foreign currency denominated liabilities and purchases, commodity swap contracts to hedge the price volatility of forecast coal purchases and interest rate swap agreement to hedge the variability in the interest cash flow of its floating rate loans.



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

The main risks arising from the Group's financial instruments are interest rate risk resulting from movements in interest rates that may have an impact on outstanding long-term debts; credit risk involving possible exposure to counter-party default on its cash and cash equivalents, investments in financial assets at FVOCI and trade and other receivables; liquidity risk in terms of the proper matching of the type of financing required for specific investments; and foreign exchange risk in terms of foreign exchange fluctuations that may significantly affect its foreign currency denominated placements and borrowings.

Market Risk

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

Interest rate risk

The Group's exposure to market risk from changes in interest rates primarily relates to its long-term debt obligations. To manage this risk, the Group determines the appropriate mix of its debt portfolio based on prevailing interest rate levels, loan tenor requirements, and the intended use of funds. Interest rate exposures are actively monitored, and the Group works closely with financial institutions to assess market developments and potential hedging solutions. Financing structures are regularly evaluated, including the use of fixed-rate borrowings, shorter repricing periods, and optimized prepayment terms, and interest rate assumptions are incorporated into project evaluations at the time of financing. As of December 31, 2025, 12.5% of the Group's long-term debt had annual floating interest rates ranging from 4.54% to 7.68%, and 87.5% are with fixed rates ranging from 2.60% to 8.95%. As of December 31, 2024, 7.5% of the Group's long-term debt had annual floating interest rates ranging from 4.54% to 8.05%, and 92.5% are with fixed rates ranging from 3.30% to 8.95%.

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

December 31, 2025

	Less than 1 year	1-5 years	More than 5 years	Total
Long-term debts				
Floating rate	₱4,574,604	₱22,586,188	₱21,086,640	₱48,247,432



December 31, 2024

	Less than 1 year	1-5 years	More than 5 years	Total
Long-term debts				
Floating rate	₱2,643,816	₱17,816,373	₱6,438,605	₱26,898,794

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

The interest expense recognized during the years ended December 31 is as follows:

	2025	2024	2023
Long-term debts (see Note 19)	₱21,894,190	₱19,624,450	₱16,435,031
Lease liabilities (see Note 22)	391,198	292,133	1,300,890
Other long-term obligations (see Note 21)	560,316	588,131	569,777
Bank loans	3,998,362	2,037,448	2,212,191
Loss on loan extinguishment	72,753	—	8,586
Customers' deposits (see Note 20)	2,292	2,222	2,492
	₱26,919,111	₱22,544,384	₱20,528,967

The interest income recognized during the years ended December 31 is as follows:

	2025	2024	2023
Cash and cash equivalents (see Note 4)	₱3,047,877	₱3,223,727	₱3,684,062
Short-term cash deposits (see Note 7)	163,995	53,430	276,960
Others (see Note 16)	113,679	240,039	340,404
	₱3,325,551	₱3,517,196	₱4,301,426



The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) as of December 31, 2025, 2024 and 2023:

	Increase (decrease) in basis points	Effect on income before tax
2025	200	(₱964,949)
	(100)	482,474
2024	200	(₱537,976)
	(100)	268,988
2023	200	(₱610,771)
	(100)	305,385

The Group's sensitivity to an increase/decrease in interest rates pertaining to derivative instruments is expected to be insignificant in 2025, 2024 and 2023 due to their short-term maturities and immateriality relative to the total assets and liabilities of the Group.

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

Commodity Price Risk

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

The Group's objective is to minimize the impact of commodity price fluctuations and this exposure is hedged in accordance with the Group's commodity price risk management strategy.

Based on a 36-month forecast of the required coal supply, the Group hedges the purchase price of coal using commodity swap contracts. The commodity swap contracts do not result in physical delivery of coal, but are designated as cash flow hedges to offset the effect of price changes in coal.

Currently, the management is monitoring the development of the situation in Ukraine which could directly impact the Group because of higher prices of fuel.

Foreign exchange risk

The Group is exposed to FX risk arising from fluctuations in exchange rates that may significantly affect the value of its foreign currency-denominated placements and borrowings. To manage this exposure, the Treasury team, together with the Chief Financial Officer, regularly monitors the Group's foreign currency position and implements hedging strategies in accordance with approved



treasury policies. Where appropriate, hedging instruments such as forward contracts and swaps are utilized to reduce the impact of currency volatility. In addition, foreign currency holdings are aligned with anticipated foreign currency requirements for equity investments and new projects to provide a natural hedge. These measures help mitigate potential foreign exchange losses and ensure that FX exposures remain within the Group's approved risk appetite and tolerance levels. As of December 31, 2025 and 2024, foreign currency denominated borrowings account for 12.6% and 16.5%, respectively, of total consolidated borrowings.

The following table presents the Group's foreign currency denominated assets and liabilities:

	2025		2024	
	US dollar	Philippine peso Equivalent ¹	US dollar	Philippine peso Equivalent ²
Financial assets:				
Cash and cash equivalents	\$286,949	₱16,869,732	\$419,424	₱24,261,581
Short-term cash deposits	4,581	269,317	3,680	212,870
Trade and other receivables	78,624	4,622,305	13,689	791,840
Investments in FVTPL and FVOCI	817	48,031	39,092	2,261,277
Total financial assets	370,971	21,809,385	475,885	27,527,568
Financial liabilities:				
Bank loans	1,822	107,115	14,419	834,067
Trade and other payables	187,333	11,013,307	58,271	3,370,686
Long-term debts	673,001	39,565,729	513,900	29,726,546
Total financial liabilities	862,156	50,686,151	586,590	33,931,299
Net foreign currency denominated assets	(\$491,185)	(₱28,876,766)	(\$110,705)	(₱6,403,731)

¹\$1= ₱58.79

²\$1= ₱57.85

The following table demonstrates the sensitivity to a reasonable possible change in the US dollar exchange rates, with all other variables held constant, of the Group's profit before tax :

	Increase (decrease) in US dollar rate against the Philippine peso	Effect on income before income tax
2025	US dollar strengthens by 5%	(₱1,443,838)
	US dollar weakens by 5%	1,443,838
2024	US dollar strengthens by 5%	(₱320,187)
	US dollar weakens by 5%	320,187



The increase in US dollar rate represents depreciation of Philippine peso while the decrease in US dollar rate represents appreciation of Philippine peso.

The following table presents LHC's and GMEC's foreign currency denominated assets and liabilities:

	2025		2024	
	Philippine Peso	US Dollar Equivalent ¹	Philippine Peso	US Dollar Equivalent ²
Financial assets:				
Cash and cash equivalents	₱8,912,474	\$151,598	₱6,989,954	\$120,839
Trade and other receivables	6,643,458	113,003	11,077,046	191,495
	15,555,932	264,601	18,067,000	312,334
Financial liability:				
Trade and other payables	7,254,337	123,394	8,480,737	146,611
Net foreign currency denominated assets	₱8,301,595	\$141,207	₱9,586,263	\$165,723

¹\$1= ₱58.79

²\$1= ₱57.85

The following tables demonstrate the sensitivity to a reasonable possible change in the US dollar exchange rate in relation to Philippine peso, with all variables held constant, of the Group's income before tax:

	Effect on income before tax
2025	
US dollar appreciates against Philippine peso by 5.0%	(\$7,060)
US dollar depreciates against Philippine peso by 5.0%	7,060
2024	
US dollar appreciates against Philippine peso by 5.0%	(\$8,286)
US dollar depreciates against Philippine peso by 5.0%	8,286



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

Equity price risk

Equity price risk is the risk that the fair value of traded equity instruments decreases as the result of the changes in the levels of equity indices and the value of the individual stock.

As of December 31, 2025 and 2024, the Group's exposure to equity price risk is minimal.

Credit Risk

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

Concentration risk

Credit risk concentration of the Group's receivables according to the customer category as of December 31, 2025 and 2024 is summarized in the following table:

	2025	2024
Power distribution:		
Industrial	₱12,425,914	₱11,415,839
Residential	3,783,690	3,363,528
Commercial	1,225,834	1,135,639
City street lighting	121,045	36,456
Power generation:		
Power supply contracts	16,300,872	9,956,115
Spot market	4,571,461	4,633,995
	₱38,428,816	₱30,541,572



The above receivables were provided with allowance for ECL amounting to ₱3.2 billion and ₱3.5 billion as of December 31, 2025 and 2024, respectively (see Note 5).

The aging analysis per class of financial assets, including contract assets, is as follows:

December 31, 2025

	Total	Current	Less than 30 days	31 days to 60 days	Over 60 days	Impaired
Cash and cash equivalents	₱87,753,402	₱87,753,402	₱—	₱—	₱—	₱—
Restricted cash	6,673,694	6,673,694	—	—	—	—
Short-term deposits	269,298	269,298	—	—	—	—
Trade and other receivables						
Trade receivables						
Power	38,428,816	24,426,861	3,423,095	1,184,455	6,230,920	3,163,485
Food manufacturing	10,645,937	8,316,701	304,621	234,760	10,488	1,779,367
Real estate	15,568,321	9,820,962	168,741	229,612	5,188,260	160,746
Holding and others	2,674,422	1,423,937	211,748	290,465	681,748	66,524
Other receivables	6,882,975	6,032,710	21,859	165,949	662,457	—
Concession contract asset	8,086,992	8,086,992	—	—	—	—
Financial assets at FVTPL:						
Quoted shares of stock	41,188	41,188	—	—	—	—
Unquoted shares of stock	99,012	99,012	—	—	—	—
Financial assets at FVOCI	46,832	46,832	—	—	—	—
Derivative asset	359,949	359,949	—	—	—	—
	₱177,530,838	₱153,351,538	₱4,130,064	₱2,105,241	₱12,773,873	₱5,170,122



December 31, 2024

	Total	Current	Less than 30 days	31 days to 60 days	Over 60 days	Impaired
Cash and cash equivalents	₱81,793,295	₱81,793,295	₱—	₱—	₱—	₱—
Restricted cash	6,198,924	6,198,924	—	—	—	—
Short-term deposits	212,870	212,870	—	—	—	—
Trade and other receivables						
Trade receivables						
Power	30,541,572	20,358,628	2,339,373	621,889	3,708,792	3,512,890
Food manufacturing	9,812,643	7,021,129	289,786	197,871	712,219	1,591,638
Real estate	14,589,347	8,406,183	146,765	164,550	5,712,497	159,352
Holding and others	1,582,132	926,304	98,760	64,561	451,195	41,312
Other receivables	11,402,970	9,726,346	22,905	206,576	1,447,143	—
Concession contract asset	8,886,664	8,886,664	—	—	—	—
Financial assets at FVTPL:						
Quoted shares of stock	45,224	45,224	—	—	—	—
Unquoted shares of stock	37,408	37,408	—	—	—	—
Financial assets at FVOCI	2,292,223	2,292,223	—	—	—	—
Derivative asset	328,981	328,981	—	—	—	—
	₱167,724,253	₱146,234,179	₱2,897,589	₱1,255,447	₱12,031,846	₱5,305,192

The following are the details of the Group's assessment of credit quality and related ECLs as at December 31, 2025 and 2024:

2025					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
Gross carrying amount	₱110,213,342	₱—	₱—	₱67,317,496	₱177,530,838
Loss allowance	—	—	—	5,170,122	5,170,122
Carrying amount	₱110,213,342	₱—	₱—	₱62,147,374	₱172,360,716

2024					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
Gross carrying amount	₱111,198,559	₱—	₱—	₱56,525,694	₱167,724,253
Loss allowance	—	—	—	5,305,192	5,305,192
Carrying amount	₱111,198,559	₱—	₱—	₱51,220,502	₱162,419,061



Trade and other receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments and accounts under dispute and legal proceedings.

The Group evaluated its cash and cash equivalents, restricted cash and short-term cash deposits as high-quality financial assets since these are placed in financial institutions of high credit standing.

With respect to other receivables, debt investments at amortized cost, FVOCI and FVTPL investments and derivative asset, the Group evaluates the counterparty's external credit rating in establishing credit quality.

Liquidity Risk

Liquidity risk is the risk that an entity in the Group will be unable to meet its obligations as they become due. The Group manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows.

Currently, the Group is maintaining a positive cash position, conserving its cash resources through renewed focus on working capital improvement and capital reprioritization. The Group meets its financing requirements through a mixture of cash generated from its operations and short-term and long-term borrowings. Adequate banking facilities and reserve borrowing capacities are maintained.

The Group is in compliance with all of the financial covenants per its loan agreements, none of which is expected to present a material restriction on funding or its investment policy in the near future. The Group has sufficient undrawn borrowing facilities, which could be utilized to settle obligations.

In managing its long-term financial requirements, the policy of the Group is that not more than 25% of long-term borrowings should mature in any twelve-month period. As of December 31, 2025 and 2024, the portion of the total long-term debt, inclusive of customers' deposits, that will mature in less than one year is 8.65% and 8.23%, respectively. For its short-term funding, the policy of the Group is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

Cash and cash equivalents and trade and other receivables, which are all short-term in nature, have balances of ₱87.8 billion and ₱66.1 billion as of December 31, 2025, respectively, and of ₱81.8 billion and ₱62.2 billion as of December 31, 2024, respectively (see Notes 4 and 5). These financial assets will be used to fund short-term and operational liquidity needs of the Group.

The table below analyzes the financial liabilities of the Group into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows and include interest.



December 31, 2025

	Total carrying value	Contractual undiscounted payments				
		Total	On demand	Less than 1 year	1-5 years	> 5 years
Financial liabilities:						
Operating						
Trade and other payables*	₱71,000,592	₱71,000,592	₱3,417,355	₱62,440,436	₱5,142,801	₱—
Customers' deposits	12,877,275	12,877,275	—	1,616,551	970,146	10,290,578
Financing						
Bank loans	100,192,052	100,402,953	—	100,402,953	—	—
Long-term debts	387,340,662	461,379,446	—	56,731,942	257,893,719	146,753,785
Lease liabilities	6,127,824	11,684,318	1,191	587,608	2,402,754	8,692,765
Concession rights payable	1,523,265	4,436,318	—	54,589	411,729	3,970,000
Others						
Derivative liabilities	785,722	785,722	—	89,476	696,246	—
	₱579,847,392	₱662,566,624	₱3,418,546	₱221,923,555	₱267,517,395	₱169,707,128

*Excludes statutory liabilities

December 31, 2024

	Total carrying value	Contractual undiscounted payments				
		Total	On demand	Less than 1 year	1-5 years	> 5 years
Financial liabilities:						
<i>Operating</i>						
Trade and other payables*	₱53,212,759	₱53,212,759	₱2,630,825	₱48,711,599	₱1,870,335	₱—
Customers' deposits	10,749,921	10,749,921	—	878,568	811,635	9,059,718
<i>Financing</i>						
Bank loans	40,959,206	41,059,180	—	41,059,180	—	—
Long-term debts	358,517,825	411,185,854	—	34,661,932	251,707,891	124,816,031
Lease liabilities	4,797,504	8,856,398	—	462,480	1,678,116	6,715,802
Concession rights payable	97,238	120,000	—	40,000	80,000	—
<i>Others</i>						
Derivative liabilities	253,816	253,816	—	250,118	3,698	—
	₱468,588,269	₱525,437,928	₱2,630,825	₱126,063,877	₱256,151,675	₱140,591,551

*Excludes statutory liabilities

Capital Management

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



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

Certain entities within the Group that are registered with the Board of Investments (BOI) are required to raise a minimum amount of capital in order to avail of their registration incentives. As of December 31, 2025 and 2024, these entities have complied with this requirement as applicable (see Note 39).

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

Gearing ratios of the Group as of December 31, 2025 and 2024 are as follows:

	2025	2024
Bank loans	₱100,192,052	₱40,959,206
Long-term obligations	393,468,486	363,315,329
Cash funds	(95,224,115)	(88,205,089)
Net debt (a)	398,436,423	316,069,446
Equity	403,527,399	396,365,576
Equity and net debt (b)	₱801,963,822	₱712,435,022
Gearing ratio (a/b)	49.68%	44.36%

Part of the Group's capital management is to ensure that it meets financial covenants attached to long-term borrowings. Breaches in meeting the financial covenants would permit the banks to immediately call loans and borrowings. The Group is in compliance with the financial covenants attached to its long-term debt as of December 31, 2025 and 2024 (see Note 19).

No changes were made in the objectives, policies or processes during the years ended December 31, 2025 and 2024.



Financial and Other Risk Relating to Livestock

The Group is exposed to financial risks arising from the change in cost and supply of feed ingredients and the selling price of hogs, all of which are determined by constantly changing market forces of supply and demand, and other factors. The other factors include environmental regulations, weather conditions and livestock diseases which the Group has little control. The mitigating factors are listed below:

- The Group is subject to risks relating to its ability to maintain animal health status considering that it has no control over neighboring livestock farms. Livestock health problems could adversely impact production and consumer confidence. However, the Group monitors the health of its livestock on a daily basis and proper procedures are put in place.
- The livestock industry is exposed to risk associated with the supply and price of raw materials, mainly grain prices. Grain prices fluctuate depending on the harvest results. The shortage in the supply of grain will result in adverse fluctuation in the price of grain and will ultimately increase production cost. The Group monitors the prices of grains regularly. The formulation of feeds at a least cost being done by the Group considers the appropriate nutrients the hogs need. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

37. Financial Instruments

Fair Value of Financial Instruments

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

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



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

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial asset:				
Concession contract asset	₱8,086,992	₱9,275,667	₱8,886,664	₱10,167,633
Financial liabilities				
Long-term debt - fixed rate	₱339,093,230	₱364,746,853	₱331,619,031	₱338,613,651
Concession rights payable	1,523,265	1,531,925	97,238	119,261
	₱340,616,495	₱366,278,778	₱331,716,269	₱338,732,912

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

Cash and cash equivalents (including restricted cash), short-term cash deposits, trade and other receivables, short-term loans and trade and other payables

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

Concession contract asset

The fair value of the concession contract asset is calculated by discounting expected future cash flows at prevailing market rates. Discount rate used in discounting the asset is 7.60% in 2025 and 7.89% in 2024.

Fixed-rate borrowings

The fair value of fixed rate interest-bearing loans is based on the discounted value of future cash flows using the applicable rates for similar types of loans. Interest-bearing loans were discounted using credit-adjusted interest rates ranging from 4.82% to 8.95% in 2025 and 4.82% to 8.05% in 2024. The disclosed fair value is determined using Level 3 inputs.

Variable-rate borrowings

Where the repricing of the variable-rate interest-bearing instruments is frequent (i.e., three-month repricing), the carrying value approximates the fair value. Otherwise, the fair value is determined by discounting the principal plus the known interest payment using current market rates.



Concession rights payable and Long-term obligation on PDS and PSALM deferred adjustment

The fair values of the long-term obligations on PDS and PSALM deferred adjustment are calculated by discounting expected future cash flows at prevailing market rates. Discount rates used in discounting the obligation ranges from 3.94% to 5.94% in 2025 and 3.94% to 5.94% in 2024.

Customers' deposits

The fair value of bill deposits approximate their carrying values as these deposits earn interest at the prevailing market interest rate in accordance with regulatory guidelines. The timing and related amounts of future cash flows relating to transformers and lines and poles deposits cannot be reasonably and reliably estimated for purposes of establishing their fair values using an alternative valuation technique.

Financial assets at FVTPL and FVOCI

These securities are carried at fair value.

Derivative asset and liabilities

The fair value of forward contracts is calculated by reference to prevailing spot exchange rate as of valuation date. The fair value of the IRS is determined by generally accepted valuation techniques with reference to observable market data such as interest rates.

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

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

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

As of December 31, 2025 and 2024, the outstanding notional amount of the forward contracts amounted \$51.0 million and \$50.0 million, respectively. As of December 31, 2025 and 2024, derivative asset (liability) amounted to (₱12.7 million) and ₱11.9 million, respectively.

Cash flow hedges

On September 11, 2025, AEV signed a JPY30Bn, 7-year, floating rate, amortizing term loan with Mizuho Bank, Ltd., Singapore Branch and MUFG Bank, Ltd., Labuan Branch as lenders. The facility was fully utilized on September 19, 2025. The loan was also fully swapped to fixed rate peso with MUFG Bank.



On September 11, 2025, AEV entered into a forward starting cross currency swap contract to hedge the floating rate Yen exposure on a JPY30Bn 7-year loan to fixed rate peso.

IRS

On September 29, 2017, GMEC entered into an IRS agreement to hedge the variability in the interest cash flows on the entire amount of its LIBOR Loan (see Note 19), which bears interest based on six-month US LIBOR. Under the swap agreement, GMEC pays a fixed rate of 2.18% and receives six-month US LIBOR rate, semi-annually from March 29, 2018 until September 27, 2024. The IRS settlement dates coincide with the semi-annual interest payment dates of the NFA. GMEC designated the swap as a cash flow hedge. Due to the demise of LIBOR effective June 30, 2023, GMEC has transitioned to the adoption of US\$ Secured Overnight Financing Rate (SOFR), computed in arrears and a credit adjustment of 35 basis points. GMEC did not renew the swap after its maturity in September 2024.

Foreign currency forward contracts

The Group enters into foreign currency forward contracts to economically hedge the Group's exposure on foreign currency fluctuation.

The net losses from the net fair value changes of derivatives not designated as accounting hedges are included under "Other income (expense) - net" in the consolidated statements of income. Realized gain (loss) on derivatives financial instruments amounted to ₱30.7 million gain in 2023.

TLI entered into forward contracts to hedge the foreign currency risk arising from forecasted US dollar denominated coal purchases. These forecasted transactions are highly probable, and they comprise about 20% of the TLI's total expected coal purchases. The forward contracts were designated as cash flow hedges.

Non-deliverable forward contracts

In 2022, the Group entered into non-deliverable forward (NDF) contracts with counterparty banks to manage foreign currency risks associated with US Dollar commitments for the completion of its renewable projects. The Group designated these NDF contracts as a cash flow hedge. In 2024, these NDF contracts matured and settled.

In 2024, the Group entered into another NDF contract to manage foreign currency risk associated with its Chinese Yuan (CNY) commitments.

As of December 31, 2025, the outstanding notional amount and fair value of the NDF contracts amounted to ₱4.90 billion and ₱481.6 million, respectively. As of December 31, 2024, the outstanding notional amount and fair value of the NDF contracts amounted to ₱4.90 billion and ₱481.6 million, respectively.



Foreign Currency-Denominated Cash and Cash Equivalents

On October 1, 2023, the Group designates its foreign currency-denominated cash and cash equivalents as a hedging instrument in anticipation of a planned foreign currency-denominated acquisition. This hedging instrument amounts to \$589.0 million (translated to ₱32.4 billion) and will be used to pay for the acquisition with an anticipated total costs of \$720.0 million (translated to ₱40.0 billion) in 2024.

In 2024, certain USD-denominated cash and cash equivalents in various banks aggregating to US\$98.3 million are designated as hedging instrument for the foreign currency risk of the US\$98.3 million portion of US\$712.3 million highly probable forecasted acquisition.

Commodity swap contracts

The Group entered into commodity swap contracts to hedge price volatility arising from fixed-price sales contracts. These swaps are designated as cash flow hedges to mitigate the impact of fluctuations in coal prices.

Option contracts

The Group entered into foreign currency option contracts to manage foreign currency risks related to its US Dollar investment of its projects.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign currency forward, IRS and commodity swap contracts match the terms of the expected highly probable foreign currency denominated forecasted purchases and floating rate loans. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign currency forward, IRS and commodity swap contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative technique and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Different reference prices linked to the hedged risk of the hedged items and hedging instruments
- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments



The Company is holding the following hedging instruments designated as cash flow hedges:

December 31, 2025

	Maturity					Total
	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	More than 2 years	
CCS - Derivative Liability						
Notional amount (in PHP)	—	—	—	—	11,634,000	11,634,000
Average fixed interest rate (%)	—	—	—	—	5.87%	
Commodity swaps - Derivative Asset						
Notional amount (in PHP)	82,868	219,353	222,793	716,940	1,490,804	2,732,758
Average forward rate (in PHP)	57	57	57	59	61	
Dollar Hold - Derivative Asset						
Notional amount (in PHP)	699,013	310,647	1,370,856	4,628,254	931,020	7,939,790
Average forward rate (in PHP)	58	58	58	58	58	
NDF - Derivative Liability						
Notional amount (in PHP)	1,008,561	—	46,278	—	—	1,054,839
Average forward rate (in PHP)	7	—	7	—	—	
Option Contracts - Derivative Asset						
Notional amount	—	—	79,876	90,989	—	170,865
Average rate	—	—	59	59	—	

December 31, 2024

	Maturity					Total
	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	More than 2 years	
Foreign Currency Forward Contracts - Derivative Assets						
Notional amount (in PHP)	—	476,789	966,041	700,037	—	2,142,867
Average forward rate (in PHP)	—	56	56	55	—	
Foreign Currency Swap - Derivative Assets						
Notional amount (in PHP)	—	—	1,940,241	—	—	1,940,241
Average forward rate (in PHP)	—	—	57	—	—	
NDF - Derivative Liability						
Notional amount (in PHP)	775,477	402,640	622,262	123,069	—	4,903,795
Average forward rate (in PHP)	7	7	7	7	—	
Dollar Hold - Derivative Asset						
Notional amount	64,452	—	—	—	—	64,452
Average rate	55.61-57.642	—	—	—	—	
Forwards - Derivative Liability						
Notional amount	330,000	—	—	—	—	330,000
Average forward rate	58.108-59.103	—	—	—	—	
NDF - Derivative Asset						
Notional amount (in PHP)	82,499	—	—	—	—	82,499
Average rate	55.88-57.642	—	—	—	—	



The impact of the hedged items and hedging instruments in the consolidated balance sheets and consolidated statements of income and comprehensive income is as follows:

December 31, 2025				
	Carrying amount	Change in fair value used for measuring ineffectiveness	Total hedging gain (loss) recognized in OCI	Ineffectiveness recognized in other comprehensive
CCS				
Derivative liability	(₱696,246)	(₱696,246)	(₱696,246)	₱—
Foreign currency forwards and dollar hold				
Derivative Asset	70,462	35,876	35,876	—
Option contracts				
Derivative Asset	170,865	170,865	—	—
Commodity swaps				
Derivative asset	16,943	16,943	16,943	—
Non-deliverable forwards				
Derivative asset	101,679	99,358	99,358	—
Derivative liability	(89,476)	(65,087)	(65,087)	—

As at December 31, 2024				
	Carrying amount	Change in fair value used for measuring ineffectiveness	Total hedging gain (loss) recognized in OCI	Ineffectiveness recognized in other comprehensive
Foreign currency forwards and dollar hold				
Derivative asset	₱41,505	₱27,170	₱27,170	₱—
Derivative liability	(27,617)	(7,417)	(7,417)	—
Commodity swaps				
Derivative asset	63,236	63,236	63,236	—
Non-deliverable forwards				
Derivative asset	224,240	224,240	224,240	—
Derivative liability	(226,199)	(226,199)	(226,199)	—



The movements in fair value changes of all derivative instruments for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
At beginning of year	₱75,165	(₱150,825)
Net changes in fair value of derivatives designated as cash flow hedges	(490,247)	207,317
Net changes in fair value of derivatives not designated as accounting hedges	(4,575)	138,059
Fair value of settled instruments	(6,116)	(119,386)
At end of year	(₱425,773)	₱75,165

The net losses from the net fair value changes of derivatives not designated as accounting hedges are included under “Other income (expense) - net”.

The changes in the fair value of derivatives designated as accounting hedges were deferred in equity under “Cash flow hedge reserve”.

The net movement of changes to cash flow hedge reserve is as follows:

	2025	2024
Balance at beginning of year (net of tax)	₱65,221	(₱215,114)
Changes in fair value recorded in equity	(402,285)	499,389
	(337,064)	284,275
Derecognition	(63,264)	(249,967)
Changes in fair value transferred to profit or loss	(34,720)	25,409
Balance at end of year before deferred tax effect	(435,048)	59,717
Deferred tax effect	25,830	5,504
Balance at end of year (net of tax)	(₱409,218)	₱65,221



The Group has not bifurcated any embedded derivatives as of December 31, 2025 and 2024.

The Group held the following financial instruments that are measured and carried or disclosed at fair value:

December 31, 2025

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Investments in financial assets:				
At FVTPL	₱140,200	₱140,200	₱—	₱—
At FVOCI	46,832	46,832	—	—
Derivative asset	359,949	—	359,949	—
Derivative liability	785,722	—	785,722	—
Disclosed at fair value:				
Concession contract asset	9,275,667	—	—	9,275,667
Long-term debt - fixed rate	364,746,853	—	—	364,746,853
Concession rights payable	1,531,925	—	—	1,531,925

December 31, 2024

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Investments in financial assets:				
At FVTPL	₱82,632	₱82,632	₱—	₱—
At FVOCI	2,292,223	2,292,223	—	—
Exchangeable notes	—	—	—	—
Derivative asset	328,981	—	328,981	—
Derivative liability	253,816	—	253,816	—
Disclosed at fair value:				
Concession contract asset	10,167,633	—	—	10,167,633
Long-term debt - fixed rate	338,613,651	—	—	338,613,651
Concession rights payable	119,261	—	—	119,261

During the years ended December 31, 2025 and 2024, there were no transfers between level 1 and level 2 fair value measurements and transfers into and out of level 3 fair value measurement.



38. Notes to Consolidated Statements of Cash Flows

The following are the cash flow movements of the Group's financing liabilities in 2025 and 2024:

	January 1, 2025	Net cash flows	Non-cash Changes					December 31, 2025
			Amortized deferred financing costs	Foreign exchange movement	Changes in fair values	Accreted interest	Others	
Current interest-bearing loans and borrowings, excluding lease liabilities	₱71,356,945	₱59,380,429	₱55,903	₱92,030	₱—	₱—	₱3,859,163	₱134,744,470
Current lease liabilities	326,539	(689,965)	—	9,533	(1,717)	47,696	745,489	437,575
Non-current interest-bearing loans and borrowings, excluding lease liabilities	328,120,086	27,688,446	590,027	567,725	—	—	(4,178,040)	352,788,244
Non-current lease liabilities	4,470,965	(3,006)	—	—	—	343,502	878,788	5,690,249
Total liabilities from financing activities	₱404,274,535	₱86,375,904	₱645,930	₱669,288	(₱1,717)	₱391,198	₱1,305,400	₱493,660,538

	January 1, 2024	Net cash flows	Non-cash Changes					December 31, 2024
			Amortized deferred financing costs	Foreign exchange movement	Changes in fair values	Accreted interest	Others	
Current interest-bearing loans and borrowings, excluding lease liabilities	₱56,258,861	(₱155,493)	₱—	₱74,250	₱—	₱—	₱15,179,327	₱71,356,945
Current lease liabilities	245,762	(493,759)	—	20,052	—	—	554,484	326,539
Non-current interest-bearing loans and borrowings, excluding lease liabilities	316,356,779	(1,880,757)	340,484	1,808,609	—	—	11,494,971	328,120,086
Non-current lease liabilities	3,101,890	(6,574)	—	—	—	292,133	1,083,516	4,470,965
Derivatives								
Total liabilities from financing activities	₱375,963,292	(₱2,536,583)	₱340,484	₱1,902,911	₱—	₱292,133	₱28,312,298	₱404,274,535

Noncash movements under investing activities include the following:

- Conversion of exchangeable notes for the acquisition of ACAC amounting ₱17.5 billion in 2024 (see Note 9); and,
- Additions to property, plant and equipment include right-of-use assets amounting to ₱5.9 billion and ₱1.7 billion in 2025 and 2024, respectively.



39. Registrations with the Board of Investments (BOI)

a. Power Segment

Certain power generation companies in the Group have been registered with the BOI. Accordingly, they are entitled to, among others, ITH incentives covering four (4) to seven (7) years. The ITH shall be limited only to sales/revenue generated from sales of electricity of the power plant and revenues generated from the sales of carbon emission reduction credits. To be able to avail of the incentives, the companies are required to maintain a minimum equity level. As of December 31, 2025 and 2024, these companies have complied with the requirements.

b. Food Manufacturing Segment

PFC

On October 9, 2015, the BOI approved the registration of PFC's feedmill plant expansion as "Expanding Producer of Animal Feeds" (2015-210) on a nonpioneer status under the Omnibus Investment Code of 1987. Among others, said registration entitles PFC to three-year ITH from January 2016 or actual start of commercial operations, whichever is earlier, and importation of capital equipment at zero duty for a period of five years.

On January 22, 2020, the BOI approved the registration of the PFC's feedmill plant expansion as "New Producer of Animal Feeds" (2020-016) on a nonpioneer status under the Omnibus Investment Code of 1987. Among others, said registration entitles PFC to four-year ITH from January 2021 or actual start of commercial operations, whichever is earlier, and importation of capital equipment at zero duty for a period of five years.

On December 14, 2023, the BOI partially approved PFC's request for the deferment of ITH availment for the taxable years 2021 and 2022 pursuant to Section 2, Rule 23 of the Implementing Rules and Regulations of RA 11534 or the CREATE Act and FIRB Resolution No. 24-21, Series of 2021, authorizing the BOI to implement temporary measures for exceptional circumstance such as COVID-19, among others. With this, PFC shall be entitled to its remaining ITH entitlement period equivalent to four (4) years or from January 1, 2023 to December 31, 2026.

On August 6, 2024, the BOI accepted PFC's intent to transfer its registration to Corporate Recovery and Tax Incentive for Enterprises (CREATE) Act. This is in accordance to Section 1 of BOI Memorandum Circular (MC Non. 2024-002), which allows BOI-registered business enterprises with existing projects registered with an Investment Promotion Agency prior to the effectivity of the CREATE Act that are pre-operating or operating, and have not actually availed of the ITH incentive under the terms and conditions of the BOI registration may be permitted to transfer registration under the CREATE Act in order to avail the incentive thereunder. With this, PFC was authorized to submit an Application for Transfer to the CREATE Act to the Project Evaluation and Registration Division (PERD), Resource Based Industries Service (RBIS).



On December 13, 2024, the BOI acknowledged receipt of PFC's application for transfer to CREATE Act and is now awaiting board's final approval.

On March 4, 2025, the BOI has approved PFC's application to the transfer of registration from EO226 to CREATE ACT under Tier I, without prejudice to upgrading Tier II, subject to the submission of the appropriate endorsement from the DA.

On September 8, 2025, the BOI approved and confirmed PFC's request for the amendment of (a) Tier Classification from Tier I to Tier II; and (b) ITH entitlement period from six years to seven years.

PANC

PANC has been registered with the BOI and granted the following incentives:

- ITH for a period of three to five years;

Type of Registration	BOI Approval Date	Start of ITH Period	ITH Period
Expanding Producer of Animal Feeds	June 24, 2016	July 2016 ¹	3 years
New Producer of Table Eggs and By- Products	April 7, 2015	October 2015 ¹	4 years
New Producer of Hogs and Pork Meat *	July 16, 2017	July 2017 ¹	3 years
New Operator of Slaughterhouse Integrated with Fabrication and Cold Storage/Blast Freezing Facility**	October 8, 2020	January 2025 ¹	5 years
New Producer of Pork Meat or Carcass and Culled Sows	July 13, 2023	August 2023 ¹	6 years

¹ Or actual start of commercial operations, whichever is earlier, but not earlier than registration date,

* ITH period for taxable year 2020 was deferred and can be availed for the period January 1, 2021 to June 30, 2022

** ITH period was amended from "January 1, 2021 to December 31, 2026" to "January 1, 2022 to December 31, 2027"

- Importation of capital equipment at zero duty for a period of five years from date of registration;
- Other tax and duty exemptions on purchase of certain inventories.

c. Infrastructure Segment

ACAC

ACAC has been registered with the BOI and granted the following incentives:

- ITH for three years years from actual start of operations;
- Importation of capital equipment at zero duty for a period of five years from date of registration;
- Importation of consigned equipment for a period of ten years from date of registration subject to posting of re-export bond;
- Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.



AAII

On January 24, 2018, the BOI approved Apo Agua's application for registration as new operator of Bulk Water Supply (Davao City Bulk Water Project) under the 2017 IPP on a non-pioneer status under Omnibus Investments Code of 1987. The BOI issued the Certificate of Registration on April 12, 2018 which entitles Apo Agua to an ITH of four years from February 2022 or actual start of commercial operations, whichever is earlier but availment shall in no case be earlier than the date of registration. On December 21, 2022, the BOI approved for the amendment of the start of commercial operation from August 2022 to May 2023.

40. Fuel Supply and Other Agreements

a. Steam Supply Agreement

On May 26, 2013, APRI's steam supply contract with Chevron Geothermal Philippines Holdings, Inc. (CGPHI) shifted to a Geothermal Resource Sales Contract (GRSC). The change is due to an existing provision under the government's existing contract with CGPHI when the Tiwi-Makban facilities were bidded out under the former's privatization program. Under the GRSC, the effective steam price of APRI payable to CGPHI will be at a premium to coal.

To ensure that APRI will continue to remain competitive in the market, a two-month interim agreement supplementing the GRSC was implemented on August 4, 2013 and extended until August 25, 2018. On August 24, 2018, a new contract was signed by the Company and Philippine Geothermal Production Company, Inc. which aims to ensure long-term operations of both parties. The Geothermal Resources Supply and Services Agreement took effect August 26, 2018 and shall continue in effect until October 22, 2034, unless earlier terminated or extended by mutual agreement of the Parties.

Total steam supply cost incurred by APRI, reported as part of "Cost of generated power" amounted to ₱4.4 billion in 2025, ₱5.7 billion in 2024 and ₱6.9 billion in 2023.

b. Coal Supply Agreements (CSA)

TLI, TVI, and TSI entered into various coal supply agreements. Outstanding coal supply agreements entered into as of December 31, 2023 have aggregate supply amounts of 3,691,050 metric tonnes/tons (MT) (equivalent dollar value is estimated to be at \$282.2 million), which are due for delivery from January 2024 to December 2025. Outstanding coal supply agreements entered into as of December 31, 2022 have aggregate supply amounts of 5,677,587 MT (equivalent dollar value is estimated to be at \$713.1 million), which are due for delivery from January 2023 to December 2025. Terms of payment are by letter of credit where payment is due at sight against presentation of documents, and by telegraphic transfer where payment is due within 7 days from receipt of original invoice.



GMEC entered into Coal Supply Agreements (CSAs) with Avra Commodities Pte. Ltd. (Avra) and PT Arutmin Indonesia (Arutmin) dated December 20, 2019 and December 23, 2019, respectively, for coal deliveries commencing on January 1, 2020. Avra shall annually deliver between a minimum of 500,000 metric tonnes to a maximum of 1,200,000 MT of coal until the CSA expires on December 31, 2024, while Arutmin shall annually deliver 1,650,000 metric tonnes of coal with an additional quantity of 160,000 metric tonnes at GMEC's option until the CSA expires on December 31, 2029. In addition, GMEC entered into a CSA with PT. Bayan Resources TBK (Bayan) on April 8, 2020. Bayan shall annually deliver between a minimum of 500,000 metric tonnes to a maximum of 1,000,000 until the CSA expires on April 30, 2030.

On December 12, 2019, SPI entered into a CSA with PT Bara Tabang for the supply of coal to meet the fuel requirements of the Power Plant on a fixed base and option tonnage. On December 15, 2021, the parties signed the Amendment Agreement to the CSA which extended the term until December 31, 2023 or until the last shipment under the fourth Contract Year. On December 6, 2022, the CSA was amended to include one shipment as additional contract quantity for contract year 2023, and to include coal specifications and pricing. On September 11, 2023, SPI signed a short-term CSA which covers two shipments to be delivered in October and November 2023 plus an option tonnage to be notified before October 2023. The option was exercised, and the shipment was delivered in December 2023. The September 11, 2023 CSA was amended on December 27, 2023 to cover additional shipments to be delivered in January and February 2024.

On September 15, 2023, SPI entered into a Coal Supply Agreement (CSA) with AVRA International DMCC for a spot cargo in September 2023.

c. Fuel Supply Agreements

TMI entered into Heavy Fuel Oil (HFO) Supply Agreement with Pilipinas Shell Petroleum Corporation (PSPC) On September 1, 2014. The said agreement provides for the supply and delivery of HFO by PSPC to TMI, subject to terms and conditions of the agreement. The actual quantities may vary from month to month and are contingent to the actual generation of the TMI's power plant. The actual aggregate HFO delivered to the TMI from PSPC as of December 31, 2025 and 2024 is 204.3 million liters for both years. Moreover, on December 1, 2016, TMI entered into a Lube Oil Supply Agreement with PSPC for the supply and delivery of lube oil products with an agreed aggregate volume of 3.8 million liters. The actual aggregate of lube oil products delivered to TMI from PSPC as of December 31, 2025 and 2024 is 1.9million liters and 1.8million liters, respectively.

EAUC has a Lube Oil Supply Agreement (LOSA) with PSPC dated December 1, 2016. The actual aggregate lube oil delivered to the Company from PSPC as of December 31, 2025 and 2024 are 607,583 liters and 497,583 liters, respectively. Total consumption of lube oil amounted to ₱14.0 million and ₱4.6 million in 2025 and 2024, respectively. On March 20, 2018, Heavy Fuel Oil



Supply Agreement with Phoenix Petroleum Philippines Inc. (PPPI) is to supply and deliver HFO on a consignment basis. The actual quantities may vary from month to month and are contingent on the actual generation of the EAUC's power plant. As of December 31, 2025, and 2024, the actual HFO consumed from the SA are 28.7 million liters and 11.8 million liters, respectively. Total consumption of HFO acquired from SPC amounted to ₱1,152.9 million in 2025 and ₱481.4 million in 2024.

d. Pagbilao IPP Administration Agreement

TLI and PSALM executed the IPP Administration Agreement wherein PSALM appointed TLI to manage the 700MW contracted capacity (the "Capacity") of NPC in the coal-fired power plant in Pagbilao, Quezon.

The IPP Administration Agreement includes the following obligations TLI would have to perform until the transfer date of the power plant (or the earlier termination of the IPP Administration Agreement):

- a. Supply and deliver all fuel for the power plant in accordance with the specifications of the original Energy Conservation Agreement (ECA); and
- b. Pay to PSALM the monthly payments (based on the bid) and energy fees (equivalent to the amount paid by NPC to the IPP).

TLI has the following rights, among others, under the IPP Administration Agreement:

- a. The right to receive, manage and control the Capacity of the power plant for its own account and at its own cost and risk;
- b. The right to trade, sell or otherwise deal with the Capacity (whether pursuant to the spot market, bilateral contracts with third parties or otherwise) and contract for or offer related ancillary services, in all cases for its own account and its own risk and cost. Such rights shall carry the rights to receive revenues arising from such activities without obligation to account therefore to PSALM or any third party;
- c. The right to receive the transfer of the power plant at the end of the IPP Administration Agreement (which is technically the end of the ECA) for no consideration; and
- d. The right to receive an assignment of NPC's interest to existing short-term bilateral Power Supply Contract from the effective date of the IPP Administration Agreement the last of which were scheduled to end in November 2011.

e. Engineering, Procurement, and Construction Contracts

- a. ASPI executed the following contracts for the Calatrava Solar Power Project.

On August 10, 2023, ASPI entered into an (i) Offshore Engineering, Design and Supply Contract with Sumec Complete Equipment and Engineering Co., Ltd. ("SCEECO") and (ii)



Onshore Installation, Construction, Testing and Commissioning with Consortium of Everstone and Sumec Philippines to perform the offshore and onshore parts, respectively. The Project is to be paid on the basis of the milestones achieved.

On November 9, 2023, ASPI entered into a Coordination Agreement with SCEECO to perform construction and repair related services.

b. APREC executed the following contracts for the Olongapo Solar Power Project.

On August 10, 2023, APREC entered into an (i) Offshore Engineering, Design and Supply Contract with China Energy Engineering Group Zhejiang Electric Power Design Institute Co., Ltd. ("China Energy") and (ii) Onshore Installation, Construction, Testing and Commissioning with GEDI Construction Development Corporation ("GEDI") to perform the offshore and onshore parts, respectively. The Project is to be paid on the basis of the milestones achieved.

On the same date, APREC also entered into a Coordination Agreement with China Energy to perform construction and repair related services.

c. RERI executed the following contracts for the Armenia Solar Power Project and San Manue Solar Power Project.

On November 9, 2023, RERI entered into (i) an Offshore Engineering, Design and Supply Contract with China Energy and (ii) Onshore Installation, Construction, Testing and Commissioning with Consortium of Anhui and JCE to perform the offshore and onshore parts, respectively, of the Armenia Solar Power Project.

On the same date, RERI entered into a Coordination Agreement with China Energy to perform construction and repair related services.

On August 29, 2024, RERI entered into (i) Offshore Engineering, Design and Supply Contract with China Energy and (ii) Onshore Installation, Construction, Testing, Commissioning, Completion and Remedying of Defects with GEDI to perform the offshore and onshore parts, respectively, of the San Manuel Solar Power Project.

The Projects are to be paid on the basis of the milestones achieved.

On August 29, 2024, RERI entered into a Coordination Agreement with China Energy to perform construction and repair related services to the San Manuel Solar Power Project.



d. Joint Venture Agreement

On March 17, 2015, Apo Agua entered into a Joint Venture Agreement (JVA) with the Davao City Water District (DCWD) in accordance with the Guidelines and Procedures for Entering into JVAs between Government and Private Entities issued by the National Economic Development Authority. Based on the JVA, Apo Agua shall undertake the development and operations of a treated bulk water supply facility while the DCWD shall assign a water permit to Apo Agua to enable it to operate the treated bulk water supply facility that shall generate revenues, primarily from the supply of treated bulk water to the DCWD. The principal place of business of the joint venture shall be in Davao City.

Pursuant to the JVA, Apo Agua entered into a Bulk Water Purchase Agreement (BWPA) with the DCWD for the supply and delivery of treated bulk water to the latter.

Under the BWPA, Apo Agua shall supply and deliver to the DCWD an agreed volume of Treated Bulk Water sourced from the Tamuga River, for a delivery period of thirty (30) years beginning on the first day of the operations of the Facility. Under the BWPA, the Apo Agua shall be entitled to a fixed rate per cubic meter of water delivered, subject to an annual rate adjustment that is based on the Annual Inflation Rate as determined by the National Statistical Coordination Board. The ownership, commissioning, operation, and management of the Facility required for the delivery of the Treated Bulk Water to the DCWD shall be vested in Apo Agua. Although the legal title to these assets shall remain with Apo Agua at the end of the concession period, the concession period is for the entire estimated useful life of the assets.

41. Contingencies

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



42. Other Matters

a. Renewable Energy Act of 2008

On January 30, 2009, R.A. No. 9513, *An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes*, which shall be 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 for in the Act, renewable energy (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 incentives, such as, ITH, duty-free importation of RE machinery, equipment and materials, zero percent VAT rate on sale of power from RE sources, and tax exemption of carbon credits, among others.

b. EPIRA of 2001

RA No. 9136 was signed into law on June 8, 2001 and took effect on June 26, 2001. The law provides for the privatization of NPC and the restructuring of the electric power industry. The Implementing Rules and Regulations (IRR) were approved by the Joint Congressional Power Commission on February 27, 2002.

R.A. No. 9136 and the IRR impact the industry as a whole. The law also empowers the ERC to enforce rules to encourage competition and penalize anti-competitive behavior.

R.A. No. 9136, the EPIRA, and the covering IRR provides for significant changes in the power sector, which include among others:

- i. The unbundling of the generation, transmission, distribution and supply and other disposable assets of a company, including its contracts with IPPs and electricity rates;
- ii. Creation of a WESM; and
- iii. Open and non-discriminatory access to transmission and distribution systems.



The law also requires public listing of not less than 15% of common shares of generation and distribution companies within 5 years from the effectivity date of the EPIRA. It provides cross ownership restrictions between transmission and generation companies and a cap of 50% of its demand that a distribution utility is allowed to source from an associated company engaged in generation except for contracts entered into prior to the effectivity of the EPIRA.

There are also certain sections of the EPIRA, specifically relating to generation companies, which provide for a cap on the concentration of ownership to only 30% of the installed capacity of the grid and/or 25% of the national installed generating capacity.

c. Temporary Restraining Order (TRO) affecting Power Generation Companies trading in WESM

On December 19, 2013, Bayan Muna representatives filed a Petition for Certiorari against the ERC and the Manila Electric Company (MERALCO) with the Supreme Court (SC). On December 20, 2013, National Association of Electricity Consumers for Reforms filed a Petition for Certiorari and/or Prohibition against MERALCO, ERC and DOE. These cases raised and questioned, among others, the alleged substantial increase in MERALCO's power rates for the billing period of November 2013, the legality of Sections 6, 29 and 45 of the EPIRA, the failure of ERC to protect consumers from the high energy prices and the perceived market collusion of the generation companies.

These cases were consolidated by the SC which issued a TRO for a period of 60 days from December 23, 2013 to February 21, 2014, preventing MERALCO from collecting the increase in power rates for the billing period of November 2013. The TRO was subsequently extended for another 60 days ending April 22, 2014 by the SC. Thereafter, the TRO was extended indefinitely.

MERALCO, in turn, filed a counter-petition impleading generation companies supplying power to the WESM. The SC also ordered all the parties in the consolidated cases to file their respective pleadings in response to MERALCO's counter-petition. The Supreme Court set the consolidated cases for oral arguments last January 21, February 4 and 11, 2014. After hearing, all parties were ordered to file their comments and/or memorandum. The case is now submitted for resolution.

As a result of the TRO, Meralco has not been able to fully bill its consumers for the generation costs for the supply month of November 2013; and in turn, it has not been able to fully pay its suppliers of generation costs. In a Decision dated August 3, 2021, the Supreme Court declared that the ERC's action of allowing MERALCO to stagger its collection of pass-through generation costs for the November 2013 billing month in view of the high increase in generation costs was valid, but declared as null and void the Order of the ERC setting aside the Luzon WESM prices and imposing regulated prices for the November 2013 billing period. The Supreme Court denied with finality the motions for reconsideration filed by NASECORE, ERC, and Bayan Muna, in a Resolution dated October 11, 2022.



d. Imposition of financial penalties on Therma Mobile by the Philippine Electricity Market Corporation (PEMC)

This case involves an investigation of Therma Mobile in the dispatch of its power barges during the November and December 2013 supply period. As a result of the Meralco price hike case brought before the SC, the SC ordered the ERC to investigate anti-competitive behavior and abuse of market power allegedly committed by some WESM participants.

PEMC conducted the investigation under the “Must-Offer” rules of the WESM Rules.

PEMC initially found that Therma Mobile violated the “Must-Offer Rule” during the period under investigation. In its letter dated January 30, 2015, the PEM Board imposed financial penalties amounting to ₱234.9 million on Therma Mobile. According to the PEM Board, the penalties will be collected from Therma Mobile through the WESM settlement process.

Therma Mobile maintains that there is no basis for the PEMC decision. It did not violate the Must-Offer Rule, for the period ended, as it was physically impossible for Therma Mobile to transmit more than 100MW to Meralco. Although Therma Mobile’s rated capacity is 234 MW (Net), it could only safely, reliably and consistently deliver 100MW during the November and December 2013 supply period because of transmission constraints. Therma Mobile’s engines and transmission lines were still undergoing major repairs to address issues on post rehabilitation.

On February 13, 2015, Therma Mobile filed a notice of dispute with the PEMC to refer the matter to dispute resolution under the WEM Rules and the WESM Dispute Resolution Market Manual.

Therma Mobile also filed a Petition for the Issuance of Interim Measures of Protection with the Regional Trial Court (RTC) of Pasig to hold off enforcement of the payment of the penalties during the pendency of the Therma Mobile and PEMC dispute resolution proceedings. Last February 24, 2015, the RTC issued in favor of Therma Mobile an ex parte 20-day Temporary Order of Protection directing PEMC to refrain from (a) demanding and collecting from Therma Mobile the ₱234.9 million financial penalty; (b) charging and accruing interest on the financial penalty; and (c) transmitting the PEMC-ECO investigation report to the ERC.

On April 1, 2015, the RTC granted the prayer for the issuance of Writ of Preliminary Injunction, which ruling was assailed by the PEMC and elevated to the Court of Appeals (CA) via Petition for Review. On December 15, 2015, the CA issued a Decision confirming the RTC’s findings. PEMC filed a Motion for Reconsideration, and in compliance with Resolution of the CA, has filed a comment on the said motion.



On June 6, 2016, PEMC filed a petition before the SC questioning the CA's Decision. TMO also filed its Comment on the Petition on November 14, 2016. On June 1, 2017, TMO received the SC Notice dated March 29, 2017. In the Resolution, the SC noted TMO's Comment and PEMC's Reply.

On April 18, 2023, TMO received the Memorandum of PEMC dated March 17, 2023. On August 2, 2023, TMO personally secured a copy of the Resolution dated December 1, 2022 of the SC, directing both parties to file their respective memoranda within thirty (30) days from receipt. On August 30, 2023, TMO filed its Memorandum.

On April 4, 2024, external counsel received a copy of the Notice of Resolution dated November 8, 2023 from the SC Third Division taking note of the Memoranda filed by both parties.

The case is pending resolution before the SC Third Division.

e. Therma Marine Cases

In 2013, ERC issued Final Approval of various ESAs of Therma Marine with some modifications on ERC's provisionally approved rates which directed both parties to devise a scheme for the refund of the difference between the final and the provisionally approved rates.

On November 25, 2013, ERC issued its order for Therma Marine to refund the amount of ₱180.0 million to its customers for a period of 6 months with equal installments per month.

On August 27, 2014, ERC issued an order directing NGCP to refund its customers the amount of ₱12.7 million and the corresponding VAT for a period of twelve months. As such, Therma Marine will refund the said amount to NGCP and the latter will refund the same to its customers.

In 2015, ERC issued Provisional Approvals (PA) on ESA contracts extensions with capacity fees lower than the previously approved rates. Therma Marine filed MRs on these PAs. During the last quarter of 2015, ERC issued Final Approvals on some of these ESA's sustaining the decision in the PA's, thus Therma Marine filed MRs on the final decisions. As of December 31, 2025, there has been no resolution on the MRs on the Final Approvals.

f. ERC Case No. 2013-077 MC

On August 29, 2013, MERALCO filed a petition for dispute resolution against TLI/APRI, among other Successor Generating Companies ("SGCs") under ERC Case No. 2013-077 MC. The case arose from a claim of refund of the alleged over charging of transmission line losses pursuant to the ERC Order dated March 4, 2013 and July 1, 2013 in ERC Case No. 2008-083 MC.



On September 20, 2013, TLI, together with the other SGCs, filed a Joint Motion to Dismiss arguing that MERALCO's petition should be dismissed for failure to state a cause of action and ERC's lack of jurisdiction over the subject matter of the case. The SGCs and Meralco have filed their respective comments, reply, rejoinder and sur-rejoinder after the filing of the Joint Motion to Dismiss. The Joint Motion to Dismiss has since then been submitted for resolution with the ERC. As of December 31, 2025, the ERC has yet to render its decision on the Joint Motion to Dismiss.

g. DLP Case

On December 7, 1990, certain customers of DLP filed before the then Energy Regulatory Board (ERB) a letter-petition for recovery claiming that with the SC's decision reducing the sound appraisal value of DLP's properties, DLP exceeded the 12% Return on Rate Base (RORB). The ERB's order dated June 4, 1998, limited the computation coverage of the refund from January 19, 1984 to December 14, 1984. No amount was indicated in the ERB order as this has yet to be recomputed.

The CA, in Court of Appeals General Register Special Proceeding (CA-GR SP) No. 50771, promulgated a decision dated February 23, 2001 which reversed the order of the then ERB, and expanded the computation coverage period from January 19, 1984 to September 18, 1989.

The SC in its decision dated November 30, 2006 per GR150253 reversed the CA's decision CA-GR SP No. 50771 by limiting the period covered for the refund from January 19, 1984 to December 14, 1984, approximately 11 months. The respondent/customers filed a Motion for Reconsideration with the SC, which was denied with finality by the SC in its Order dated July 4, 2007.

The SC, following its decision dated November 30, 2006, ordered the ERC to proceed with the refund proceedings instituted by the respondents with reasonable dispatch.

On March 17, 2010, the ERC directed DLP to submit its proposed scheme in implementing the refund to its customers. In compliance with the order, the DLP filed its compliance stating that DLP cannot propose a scheme for implementing a refund as its computation resulted to no refund.

A clarificatory meeting was held where DLP was ordered to submit its memoranda.

On October 4, 2010, in compliance with the ERC directive, DLP submitted its memoranda reiterating that no refund can be made. In a decision dated February 10, 2021, the ERC ruled in favor of DLP's position that no refund from DLP to its consumers.



h. LHC Franchise Tax Assessment

In 2007, the Provincial Treasurer of Benguet issued a franchise tax assessment against LHC, requiring LHC to pay franchise tax amounting to approximately ₱40.4 million, inclusive of surcharges and penalties covering the years 2002 to 2007. In 2008, LHC has filed for a petition for the annulment of the franchise tax assessment, based primarily on the fact that LHC is not liable for franchise tax because it does not have a franchise to operate the business. Section 6 of R.A. No. 9136 provides that power generation shall not be considered a public utility operation. As such, an entity engaged or which shall engage in power generation and supply of electricity shall not be required to secure a national franchise. Accordingly, no provision has been made in the consolidated financial statements. The case remains pending as of December 31, 2025.

i. Retail Competition and Open Access

The EPIRA mandates the implementation of Retail Competition and Open Access (RCOA) subject to the fulfilment of the conditions as provided in the EPIRA. The ERC was tasked under the EPIRA Implementing Rules and Regulations to declare, after due notice and public hearing, the initial implementation of RCOA. Through the RCOA, eligible customers will have the option to source their electricity from eligible suppliers that have secured Retail Electricity Supplier (RES) licenses from the ERC. End users with a monthly average peak demand of at least 1 Megawatt (MW) for the preceding 12 months are eligible to be contestable customers. The 1 MW qualification would gradually be reduced upon evaluation of the ERC.

In June 2011, after due notice and public hearings, the ERC declared December 26, 2011 as the date to mark the commencement of the full operation of RCOA in Luzon and Visayas. However, due to deficiencies in the rules and guidelines governing the RCOA at that time, the December 26, 2011 commencement date was deferred several times until an interim system commenced on July 26, 2013.

The DOE and ERC have issued and revised several circulars, rules and resolutions on the implementation of the RCOA and the issuance of RES licenses, including a Code of Conduct, Rules on Contestability, and Rules on RES Licensing.



On February 21, 2017, the SC issued a TRO enjoining the DOE and ERC from implementing the following issuances:

1. DOE Circular No. DC-2015-06-0010 or the DOE Circular Providing Policies to Facilitate the Full Implementation of RCOA in the Philippine Electric Power Industry;
2. ERC Resolution No. 5, Series of 2016 or the Rules Governing the Issuance of Licenses to RES and Prescribing the Requirements and Conditions Therefor;
3. ERC Resolution No. 10, Series of 2016 or a Resolution adopting the Revised Rules for Contestability;
4. ERC Resolution No. 11, Series of 2016 or a Resolution Imposing Restrictions on the Operations of DUs and RES in the Competitive Retail Electricity Market; and
5. ERC Resolution No. 28, Series of 2016 or the Revised Timeframe for Mandatory Contestability, Amending Resolution No. 10, Series of 2016, entitled Revised Rules of Contestability.

The TRO effectively enjoined the DOE and the ERC from imposing the mandatory migration of end-users with average monthly peak demand of at least 1MW and 750 kW on February 26, 2017 and June 26, 2017, respectively, and barring Local RESs and DUs from supplying electricity to the Contestable Market.

Due to the TRO, no new or renewed RES licenses were issued by the ERC due to the perceived risk of being declared in contempt by the SC. The renewal of PEI, AEI and AESI's RES licenses remain pending before the ERC. The application for RES licenses of TLI and APRI are likewise pending.

On November 29, 2017, DOE issued Department Circular No. 2017-12-0013, which provides, among other things, for voluntary participation of Contestable Customers in the Retail Market. On the same date, DOE issued Department Circular No. 2017-12-0014, which provides, among other things, the guidelines on the licensing of RES. Both DOE Circulars enjoin the ERC to promote the supporting guidelines to the DOE Circulars. Once the ERC promulgates these rules, approval of RES license applications and renewals can be expected.



43. Events after the Reporting Period

- a. To comply with the requirements of Section 43 of the Corporation Code, on March 5, 2026, the BOD approved the declaration of a regular cash dividend of ₱1.53 per share (₱8.5 billion) to all stockholders of record as of March 19, 2026. These dividends will be taken out of the unrestricted retained earnings as of December 31, 2025, and will be paid on March 27, 2026.
- b. Acquisition of Caliraya-Botocan-Kalayaan Hydroelectric Power Plant (CBK HEPP) Complex

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

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

On December 19, 2025, the Thunder Consortium paid total deposit amounting to ₱41.27 billion presented as other noncurrent asset (see Note 16).

On February 9, 2026, PSALM officially turned over the CBK HEPP Complex in Laguna to the Thunder Consortium. The Group is still in the process of finalizing its assessment on the accounting for the acquisition of the CBK HEPP Complex.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Aboitiz Equity Ventures, Inc.
Ayala Triangle Gardens Tower 2,
Paseo de Roxas, corner Makati Avenue
Makati City, Metro Manila
Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Aboitiz Equity Ventures, Inc. and Subsidiaries as at December 31, 2025 and 2024, and have issued our report thereon dated March 5, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go
Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

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

SEC Partner Accreditation No. 114122-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

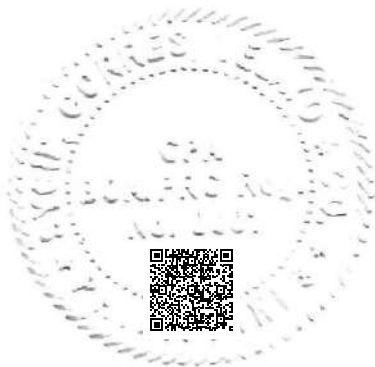
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-103-2025, October 1, 2025, valid until September 30, 2028

PTR No. 10765055, January 2, 2026, Makati City

March 5, 2026



**INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors
Aboitiz Equity Ventures, Inc.
Ayala Triangle Gardens Tower 2,
Paseo de Roxas, corner Makati Avenue
Makati City, Metro Manila
Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Aboitiz Equity Ventures, Inc. and Subsidiaries as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 6, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Jhoanna Feliza C. Go

Partner

CPA Certificate No. 0114122

Tax Identification No. 219-674-288

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

SEC Partner Accreditation No. 114122-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. 08-001998-103-2025, October 1, 2025, valid until September 30, 2028

PTR No. 10765055, January 2, 2026, Makati City

March 5, 2026



ABOITIZ EQUITY VENTURES, INC.
AND SUBSIDIARIES

Supplementary Schedules
to the Financial Statements
Required by the Securities and Exchange Commission
For the Year Ended December 31, 2025

and

Independent Auditor's Report

Philippine
Pesos

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

Supplementary Schedules Required By the Securities and Exchange Commission As of and for the Year Ended December 31, 2025

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C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	2
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E - Long-Term Debt	4
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Statement of Reconciliation of Retained Earnings Available for Dividend Declaration	8
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NA: NOT APPLICABLE

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS

AS OF DECEMBER 31, 2025
(Amounts in Thousands)

Name of Issuing Entity and Association of each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotation at Balance Sheet Date	Income Received and Accrued
CASH ON HAND AND IN BANKS, INCLUDING RESTRICTED CASH				
Australia and New Zealand Banking Group Limited (ANZ)	Not applicable	P 1,821,767	Not applicable	P 90,332
Asian United Bank	Not applicable	2,283	Not applicable	14
Banco de Oro	Not applicable	12,551,127	Not applicable	138,453
Bank of Commerce	Not applicable	1,428	Not applicable	-
Bank of the Philippine Islands	Not applicable	1,754,589	Not applicable	1,094
China Banking Corporation	Not applicable	36,499	Not applicable	11
Citibank	Not applicable	558,566	Not applicable	13,062
City Savings Bank	Not applicable	1,041,699	Not applicable	36,954
Development Bank of the Philippines	Not applicable	23,628	Not applicable	20
ING Bank N.V.	Not applicable	3,491	Not applicable	-
JP Morgan	Not applicable	15	Not applicable	-
Landbank of the Philippines	Not applicable	292,046	Not applicable	5
Metropolitan Bank and Trust Company	Not applicable	667,372	Not applicable	2,013
PB Com	Not applicable	38,305	Not applicable	13
Philippine National Bank	Not applicable	250,275	Not applicable	2,779
Security Bank Corporation	Not applicable	218,835	Not applicable	4,138
Union Bank of the Philippines	Not applicable	7,099,702	Not applicable	28,977
Agriculture Bank of China	Not applicable	117,401	Not applicable	30
Bank Central Asia	Not applicable	48,289	Not applicable	263
Bank Mandiri	Not applicable	771	Not applicable	60
Bank Muamalat	Not applicable	414,331	Not applicable	16,394
Bank of China	Not applicable	185,246	Not applicable	537
China Merchants Bank	Not applicable	10,385	Not applicable	10
Commerce International Merchant Bankers Berhad (CIMB)	Not applicable	33,331	Not applicable	-
EPCI Bank	Not applicable	51	Not applicable	-
Hongkong Shanghai Banking Corporation	Not applicable	3,845,540	Not applicable	66,535
Malayan Banking Berhad	Not applicable	15,625	Not applicable	4
Mizuho Corporate Bank, Ltd.	Not applicable	83,020	Not applicable	554
Rizal Commercial Banking Corporation	Not applicable	140,623	Not applicable	51
Robinson's Bank	Not applicable	-	Not applicable	3
Saigon Thuong Tin Commercial Joint Stock Bank (Sacombank)	Not applicable	37,889	Not applicable	133
Standard Chartered Bank	Not applicable	28,560	Not applicable	914
The Bank of China Construction	Not applicable	11,981	Not applicable	7
The Bank of Tokyo - Mitsubishi UFJ, Ltd.	Not applicable	229,965	Not applicable	23,238
Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)	Not applicable	206,885	Not applicable	5,270
Vietinbank	Not applicable	1,990	Not applicable	7
Development Bank of Singapore	Not applicable	105,554	Not applicable	5,049
Mitsubishi UFJ Financial Group (MUFG)	Not applicable	1,392,911	Not applicable	32,016
Sumitomo Mitsui Banking Corporation	Not applicable	713,078	Not applicable	23,311
China Trust Banking Corporation	Not applicable	653,684	Not applicable	4,827
One Network Bank	Not applicable	6,209	Not applicable	-
The Hongkong and Shanghai Banking Corporation	Not applicable	29,365	Not applicable	-
EastWest Bank	Not applicable	22,904	Not applicable	-
Standard Chartered Bank SG	Not applicable	588	Not applicable	-
Standard Chartered Bank PH	Not applicable	678	Not applicable	-
Bank Rakyat Indonesia	Not applicable	2,698	Not applicable	63
Bank of Investment and Development of Vietnam (BIDV)	Not applicable	116,275	Not applicable	2,218
Maybank	Not applicable	6,365	Not applicable	-
Cash on Hand, Cash in Vault and Revolving Fund	Not applicable	351,195	Not applicable	-

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS

AS OF DECEMBER 31, 2025
(Amounts in Thousands)

Name of Issuing Entity and Association of each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotation at Balance Sheet Date	Income Received and Accrued
T O T A L		P 35,175,014		P 499,359
Money Market Placements, Including Short-term Deposits				
Australia and New Zealand Banking Group Limited (ANZ Bank)	Not applicable	P 3,289,413	Not applicable	P 166,554
Banco de Oro	Not applicable	5,416,628	Not applicable	131,946
City Savings Bank	Not applicable	7,147,988	Not applicable	449,313
Security Bank Corporation	Not applicable	-	Not applicable	245,196
Union Bank of the Philippines	Not applicable	20,214,983	Not applicable	564,613
China Trust Banking Corporation	Not applicable	3,290,696	Not applicable	107,834
Bank of Tokyo - Mitsubishi UFJ	Not applicable	-	Not applicable	19,707
Standard Chartered Bank Singapore Ltd	Not applicable	13,118	Not applicable	768
UBS	Not applicable	-	Not applicable	9,124
The Development Bank of Singapore (DBS)	Not applicable	-	Not applicable	43,809
T O T A L		P 60,049,101		P 2,310,451
Trade Receivables				
Power	Not applicable	P 38,428,816	Not applicable	Not applicable
Food manufacturing	Not applicable	10,645,937	Not applicable	Not applicable
Real estate	Not applicable	15,568,320	Not applicable	Not applicable
Holding and others	Not applicable	2,674,423	Not applicable	Not applicable
T O T A L		P 67,317,496		
Other Receivables				
Nontrade receivables	Not applicable	P 6,254,435	Not applicable	Not applicable
Dividends receivable	Not applicable	0	Not applicable	Not applicable
Advances to contractors	Not applicable	-	Not applicable	Not applicable
Others	Not applicable	628,540	Not applicable	Not applicable
T O T A L		P 6,882,975		
Financial assets at FVTPL				
Quoted Shares of Stock				
Rizal Commercial Bank	1,382,672	P 35,880	P 35,880	P 968
Empire East Land, Inc.	4,377,063	455	455	-
Filinvest Development Corporation	160,316	729	729	-
Megaworld Properties, Inc.	1,842,750	3,833	3,833	-
Filinvest Land, Inc.	303,515	234	234	-
SAN MIGUEL CORP "B"	1	-	-	-
International Container Terminal Services, Inc.	100	57	57	-
JP Morgan	-	-	-	-
		P 41,188	P 41,188	P 968
Unquoted Shares of Stock				
Alta Vista Golf and Country Club	2	P 3,246	P 2,265	P -
Golf and Country Club of Iligan	1	1	-	-
Vistamar Country Club	1	90	-	-
Aboitiz Equity Ventures, Inc.	157,297	4,404	4,404	-
Apo Golf and Country Club	1	2	2	-
CEBECO1-VECO Subtransmission Company, Inc.	1	375	375	-
Cebu Holdings, Inc.	1	1,038	-	-
Cebu Country Club	3	9,600	-	-
Lever VC GP Limited	-	23,910	-	-
PICOP	164	8	8	-
Philrex Mining Corporation	2,618	5	5	-
Philippine Long Distance and Telephone Company	41,138	560	512	-
Equitable Banking Corporation	8,050	793	793	-
Manila Polo Club via UBP	-	54,980	-	-
	P 209,277	P 99,012	P 8,364	P -
Financial assets at FVOCI				
Union Bank of the Philippines	-	46,832,128	46,832,128	87,078,153
		P 46,832,128	P 46,832,128	P 87,078,153
T O T A L		P 46,972,328	P 46,881,680	P 87,079,121

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING THE CONSOLIDATION
OF FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025
(Amounts in Thousands)

Name and Designation of Debtor	Beginning Balance	Additions	Deductions		Current	Non-Current	Ending Balance
			Amounts Collected	Amounts Written Off			
TRADE							
Abaqa International Pte Ltd.	P 906,940	P -	P 868,656		P 38,284		P 38,284
Aboitiz Data Innovation Pte. Ltd.	52,299	660	52,143		816		816
Aboitiz Equity Ventures, Inc.	5,292	42,580	42,889		4,982		4,982
Aboitiz Food Pte. Ltd.		177	-		177		177
Aboitiz Infracapital, Inc.		12,425	12,235		190		190
Aboitiz Power Corporation		78,871	54,318		24,553		24,553
Aboitiz Renewables Inc.		9,244	8,990		254		254
Aboitiz Power Distributed Energy, Inc.	458	-	458		-		-
Aboitiz Power Distributed Renewable, Inc.	357	-	357		-		-
AboitizLand, Inc.	2,543	(4,036)	(14,595)		13,101		13,101
Advanced Data Innovation Inc.	27,909	10,110	38,019		-		-
Adventenergy, Inc	14,790	1,173	15,963		-		-
Adventpower, Inc.	5,434		5,434		-		-
AEV Aviation, Inc.	180	3,242	3,422		-		-
AP Renewables, Inc.		5,705	5,705		-		-
Apo Agua Infraestructura, Inc		10,477	9,229		1,248		1,248
Balamban Enerzone Corporation	355	367	720		2		2
Cebu Industrial Park Developers, Inc.		4,627	4,535		92		92
Cebu Praedia Development Corporation	12	13,182	12,964		230		230
Cotabato Light & Power Co., Inc.		1,359	1,350		9		9
Davao Light & Power Co., Inc.	301	158,687	158,953		35		35
East Asia Utilities Corporation		599	599		-		-
Globemerchants, Inc.		4,136	-		4,137		4,137
GNPower Mariveles Energy Center Ltd. Co.		3,652,065	3,126,311		525,754		525,754
Fil-Agri Holdings, Inc.	14	-	14		-		-
Gold Coin Feedmill Ha Nam Company Limited	12,559	-	12,559		-		-
Gold Coin Holdings Sdn Bhd		-	-		-		-
Gold Coin Management Holdings Pte. Ltd.		180	-		180		180
Hedcor Bukidnon, Inc.		5,888	5,888		-		-
Hedcor Sabangan, Inc.		2,156	2,156		-		-
Hedcor Sibulan, Inc.		2,539	2,539		-		-
Hedcor Tudaya, Inc.		2,412	2,412		-		-
Hedcor, Inc.	1,319	1,888	3,207		-		-
Lima Enerzone Corporation	5,180	12,636	-		17,816		17,816
Lima Land, Inc.		94,200	50,684		43,517		43,517
Lima Water Corporation		22,606	17,531		5,075		5,075
Luzon Hydro Corporation		2,348	2,348		-		-
Mactan Enerzone Corporation	1,056	18,109	19,138		26		26
Malvar Enerzone Corporation		125	125		-		-
Pilmico Animal Nutrition Corporation	23,932	3,518,929	2,985,669		557,192		557,192
Pilmico Foods Corporation	1,546	14,578,813	13,280,172		1,300,187		1,300,187
Pilmico Vietnam Company Limited		-	-		-		-
Prism Energy, Inc.		918	695		223		223
San Carlos Sun Power, Inc.		514	513		-		-
SPI Power Incorporated		2,719,118	2,503,455		215,663		215,663
Subic Enerzone Corporation		690	687		3		3
Tarlac Enerzone Corporation		-	-		-		-
Therma Luzon, Inc.		11,432,937	10,548,983		883,954		883,954
Therma Marine, Inc.		6,692	6,692		-		-
Therma Mobile, Inc.		599	599		-		-
Therma South, Inc.	2,865	4,017,747	3,722,847		297,766		297,766
Therma Visayas, Inc.	1,855	4,460,180	4,180,883		281,151		281,151
Visayan Electric Co., Inc.		390,367	390,320		47		47
NON-TRADE							
AboitizLand, Inc.		64,143			56		56
Pilmico Foods Corporation		2,650			126		126
Cebu Praedia Development Corporation		11			1,061		1,061
Aboitiz Equity Ventures, Inc.		1,583			620		620
Mactan Enerzone Corporation		401			19,539		19,539
Apo Agua Infraestructura, Inc		8,638			-		-
Adventpower, Inc.		31,321			31,321		31,321
Advanced Data Innovation Inc.		80			80		80
Abaqa International Pte Ltd.		1,334			11,128		11,128
Tarlac Enerzone Corporation		192,210			192,210		192,210
Pilmico Vietnam Company Limited		5,467			5,467		5,467
Pilmico Animal Nutrition Corporation		299			220		220
Aboitiz Food Pte. Ltd.		38			38		38
Visayan Electric Co., Inc.		123,686			2,543		2,543
Adventenergy, Inc		464			18,477		18,477
Lima Land, Inc.		42,489			5		5
Total	P 1,067,196	P 45,773,055	P 42,148,771	P -	P 4,499,555	P -	P 4,499,555

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE D - INTANGIBLE ASSETS AND OTHER ASSETS

AS OF DECEMBER 31, 2025

(Amount in Thousands)

Description	Beginning Balance	Additions At Cost	DEDUCTIONS		Other Changes Additions (Deductions)	Discontinued Operation	Ending Balance
			Charged to Costs and Expenses	Charged to Other Accounts			
A. Intangibles							
Goodwill	P 62,086,996	P -	P -	P (13,657,541)	P (6,022,189)	P -	P 42,407,266
Service concession rights	70,617,420	2,741,547	(2,163,130)	-	14,250	-	71,210,087
Franchise	2,186,968	-	(76,961)	-	-	-	2,110,007
Project development costs	2,713,891	885,399	-	(365,151)	(447,731)	-	2,786,408
Customer contracts	-	-	-	-	-	-	-
Software and licenses	1,323,599	415,069	(378,478)	-	323,663	-	1,683,853
B. Other Noncurrent Assets							
Restricted cash	-	527,721	-	-	-	-	527,721
Input VAT and tax credit receivable	7,182,114	-	-	-	(837,863)	-	6,344,251
Financial assets at FVTPL	82,632	57,568	-	-	-	-	140,200
Financial assets at FVOCI	2,292,223	-	-	-	(2,245,391)	-	46,832
Debt investments at amortized cost	-	-	-	-	-	-	-
Prepaid rent and other deposits	4,918,999	38,578,036	-	-	-	-	43,497,035
Advances to contractors and projects	2,847,660	2,789,146	-	-	-	-	5,636,806
Biological assets (see Note 8)	303,246	-	(96,122)	-	-	-	207,124
Prepaid taxes	6,025,256	604,520	-	-	-	-	6,629,776
Receivable from NGCP	565,752	-	-	-	(565,752)	-	-
Concession contract asset, net of current portion	7,533,867	-	-	-	(805,480)	-	6,728,387
Deposit for future land acquisition	425,945	-	-	-	(6,466)	-	419,479
Others	1,911,218	185,414	-	-	-	-	2,096,632
Total	P173,017,786	P46,784,420	(P2,714,691)	(P14,022,692)	(P10,592,959)	-	P192,471,864

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE E - LONG-TERM DEBT

AS OF DECEMBER 31, 2025
(Amounts in Thousands)

Name of Issuer and Type of Obligation	Amount Authorized by Indentures	Amount Shown as Current	Amount Shown as Long-Term	Remarks
Parent Company:				
BPI Capital Corporation	5,067,972	-	5,067,972	
BDO Capital & Investment Corporation	1,641,240	-	1,641,240	
Metropolitan Bank and Trust Company	9,629,163	-	9,629,163	
BDO Unibank, Inc.	27,322,266	90,458	27,231,808	
Mizuho Bank, Ltd	11,138,070		11,138,070	
Subsidiaries:				
Aboitiz Power Corporation	75,674,917	12,776,913	62,898,004	
Aboitiz Renewables, Inc.	19,550,721	221,182	19,329,539	
Hedcor, Inc.	1,057,796	87,929	969,867	
Cornerstone Energy Development, Inc.	2,407,506	-	2,407,506	
Therma Luzon, Inc.	33,516,366	1,625,081	31,891,285	
Therma South, Inc.	14,233,224	1,241,109	12,992,115	
Pagbilao Energy Corp. (Joint Operation)	6,699,563	1,005,783	5,693,780	
GNPower Mariveles Energy Center Ltd. Co.	25,758,882	2,937,002	22,821,880	
Therma Visayas, Inc.	25,150,076	2,003,163	23,146,913	
Therma Marine, Inc.	1,785,875	324,091	1,461,784	
AP Renewables, Inc.	10,279,784	1,065,025	9,214,759	
Hedcor Sibulan, Inc.	1,597,742	1,597,742	-	
Hedcor Bukidnon, Inc.	6,208,241	625,089	5,583,152	
Aboitiz Energy Solutions, Inc.	570,000	-	570,000	
Hedcor Sabangan, Inc.	741,252	100,501	640,751	
Hedcor Tudaya, Inc.	515,368	57,883	457,485	
PV Sinag Power, Inc.	8,921,522	520,911	8,400,611	
STEAG State Power, Inc.	1,494,821	462,502	1,032,319	
AP Renewable Energy Corporation	6,016,209	-	6,016,209	
Aboitiz Solar Power, Inc.	5,359,599	-	5,359,599	
Pilmico Foods Corporation	2,806,421	12,624	2,793,797	
Pilmico Animal Nutrition Corp.	3,214,031	2,246,725	967,306	
AEV International and Subsidiaries	28,206,508	365,513	27,840,994	
AboitizLand, Inc. and Subsidiaries	12,951,276	3,185,688	9,765,588	
Aboitiz Infra Capital and Subsidiaries	37,824,252	1,999,504	35,824,748	
Total	P387,340,662	P34,552,419	P352,788,244	

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE H - CAPITAL STOCK

AS OF DECEMBER 31, 2025
(Amounts in Thousands)

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
COMMON SHARES	9,600,000	5,552,805	-	2,737,173	889,291	1,926,341
PREFERRED SHARES	400,000	-	-	-	-	-

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE I - TRADE AND OTHER RECEIVABLES FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING THE CONSOLIDATION
OF FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025
(Amounts in Thousands)

Related Party	Balances			Volume					Terms
	Trade	Non-trade	Total	Sales	Rental	Interest	Advances	Others	
Abaqa International Pte Ltd.	P 38,284	P 11,128	P 49,412	P 1,334					30 days
Aboitiz Data Innovation Pte. Ltd.	816		816	660					30 days
Aboitiz Equity Ventures, Inc.	4,982	620	5,602	35,992	8,170				30 days
Aboitiz Food Pte. Ltd.	177	38	215	215					30 days
Aboitiz Infracapital, Inc.	190		190	12,219	197		9		30 days
Aboitiz Power Corporation	24,553		24,553	76,246	2,625				30 days
Aboitiz Renewables Inc.	254		254	9,244					30 days
Aboitiz Power Distributed Energy, Inc.	-		-	-					30 days
Aboitiz Power Distributed Renewable, Inc.	-		-	-					30 days
AboitizLand, Inc.	13,101	56	13,158	52,770	7,336				30 days
Advanced Data Innovation Inc.	-	80	80	10,190					30 days
Adventenergy, Inc.	-	18,477	18,477	1,637					30 days
Adventpower, Inc.	-	31,321	31,321	31,321					30 days
AEV Aviation, Inc.	-		-	3,242					30 days
AP Renewables, Inc.	-		-	5,705					30 days
Apo Agua Infraestructura, Inc.	1,248	-	1,248	19,115					30 days
Balamban Enerzone Corporation	2		2	42	325				30 days
Cebu Industrial Park Developers, Inc.	92		92	4,627					30 days
Cebu Praedia Development Corporation	230	1,061	1,292	13,194					30 days
Cotabato Light & Power Co., Inc.	9		9	585	774				30 days
Davao Light & Power Co., Inc.	35		35	152,085	6,602				30 days
East Asia Utilities Corporation	0		-	599					30 days
GlobemERCHANTS, Inc.	4,137		4,137	4,136					30 days
GNPower Mariveles Energy Center Ltd. Co.	525,754		525,754	3,652,065					30 days
Fil-Agri Holdings, Inc.	-		-	-					30 days
Gold Coin Feedmill Ha Nam Company Limited	-		-	-					30 days
Gold Coin Holdings Sdn Bhd	-		-	-					30 days
Gold Coin Management Holdings Pte. Ltd.	180		180	180					30 days
Hedcor Bukidnon, Inc.	-		-	5,888					30 days
Hedcor Sabangan, Inc.	-		-	2,156					30 days
Hedcor Sibulan, Inc.	-		-	2,539					30 days
Hedcor Tudaya, Inc.	-		-	2,412					30 days
Hedcor, Inc.	-		-	1,888					30 days
Lima Enerzone Corporation	17,816		17,816	11,872	765				30 days
Lima Land, Inc.	43,517	5	43,522	136,690					30 days
Lima Water Corporation	5,075		5,075	22,606					30 days
Luzon Hydro Corporation	-		-	2,348					30 days
Mactan Enerzone Corporation	26	19,539	19,565	18,185	325				30 days
Malvar Enerzone Corporation	-		-	125					30 days
Pilmico Animal Nutrition Corporation	557,192	220	557,412	3,519,227					30 days
Pilmico Foods Corporation	1,300,187	126	1,300,313	14,576,931	4,532				30 days
Pilmico Vietnam Company Limited	-	5,467	5,467	5,467					30 days
Prism Energy, Inc.	223		223	918					30 days
San Carlos Sun Power, Inc.	0		-	514					30 days
SPI Power Incorporated	215,663		215,663	2,719,118					30 days
Subic Enerzone Corporation	3		3	228	462				30 days
Tarlac Enerzone Corporation	-	192,210	192,210	192,210					30 days
Therma Luzon, Inc.	883,954		883,954	11,432,756			181		30 days
Therma Marine, Inc.	-		-	6,650			42		30 days
Therma Mobile, Inc.	-		-	552			47		30 days
Therma South, Inc.	297,766		297,766	4,017,747					30 days
Therma Visayas, Inc.	281,151		281,151	4,460,180					30 days
Visayan Electric Co., Inc.	47	2,543	2,590	507,577	6,476				30 days
Total	P 4,216,664	P 282,891	P 4,499,557	P 45,734,187	P 38,589	P -	P 279	P -	

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES

SCHEDULE J- TRADE AND OTHER PAYABLES TO RELATED PARTIES
WHICH ARE ELIMINATED DURING THE CONSOLIDATION
OF FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025
(Amounts in Thousands)

Related Party	Balances			Volume					Terms
	Trade	Non-trade	Total	Purchases	Rental	Interest	Advances	Others	
A+ Power Services Inc.	83	-	83	4,361					30 days
Abaqa International Pte Ltd.	P 3,924,013	P -	P 3,924,013	P 43,137,661					30 days
Aboitiz Equity Ventures, Inc.	13,353	-	13,353	1,340,426					30 days
Aboitiz Power Corporation	-	898	898	179					30 days
Aboitiz Power Distributed Energy, Inc.	210	-	210	10,311					30 days
Aboitiz Power Distributed Renewables, Inc.	654	-	654	9,330					30 days
AboitizLand, Inc.	18,915	22,082	40,997	55,206					30 days
Advanced Data Innovation Inc.	58,306	-	58,306	122,182					30 days
Adventenergy, Inc.	10,699	-	10,699	145,440					30 days
Adventpower, Inc.	91,312	-	91,312	171,654					30 days
AEV Aviation, Inc.	1,197	-	1,197	139,246					30 days
Balamban Enerzone Corporation	35	-	35	2,455					30 days
Cebu Praedia Development Corporation	2,120	-	2,120	7,676	38,588				30 days
Davao Light & Power Co., Inc.	167	-	167	3,074					30 days
Gold Coin (Zhuhai) Company Ltd.	7,409	-	7,409	57,805					30 days
Gold Coin Feedmill (Dong Nai) Co. Ltd.	-	126	126	0					30 days
Gold Coin Feedmill Ha Nam Co. Ltd.	12,969	-	12,969	113,079					30 days
Hedcor, Inc.	-	-	-	8,472					30 days
Lima Enerzone Corporation	2,063	5	2,068	24,790					30 days
Lima Land, Inc.	27,044	192,210	219,254	303,114					30 days
Lima Water Corporation	94	-	94	1,028					30 days
Mactan Enerzone Corporation	3,964	-	3,964	12,405					30 days
Pilmico Animal Nutrition Corporation	2,618	32,125	34,743	2,224			279		30 days
Pilmico Foods Corporation	-	24,201	24,201	0					30 days
Therma Luzon, Inc.	38,284	4,931	43,215	1,334					30 days
Therma Mobile, Inc.	-	26	26	0					30 days
Therma South, Inc.	435	6,207	6,642	40,330					30 days
Therma Visayas, Inc.	-	83	83	-					30 days
Visayan Electric Co., Inc.	720	0	720	20,407					30 days
Total	P 4,216,664	P 282,894	P 4,499,558	P 45,734,189	P 38,588	P -	P 279		

Aboitiz Equity Ventures, Inc.
Ayala Triangle Gardens Tower 2, Paseo de Roxas, Corner Makati Avenue, Makati City
Metro Manila, Philippines

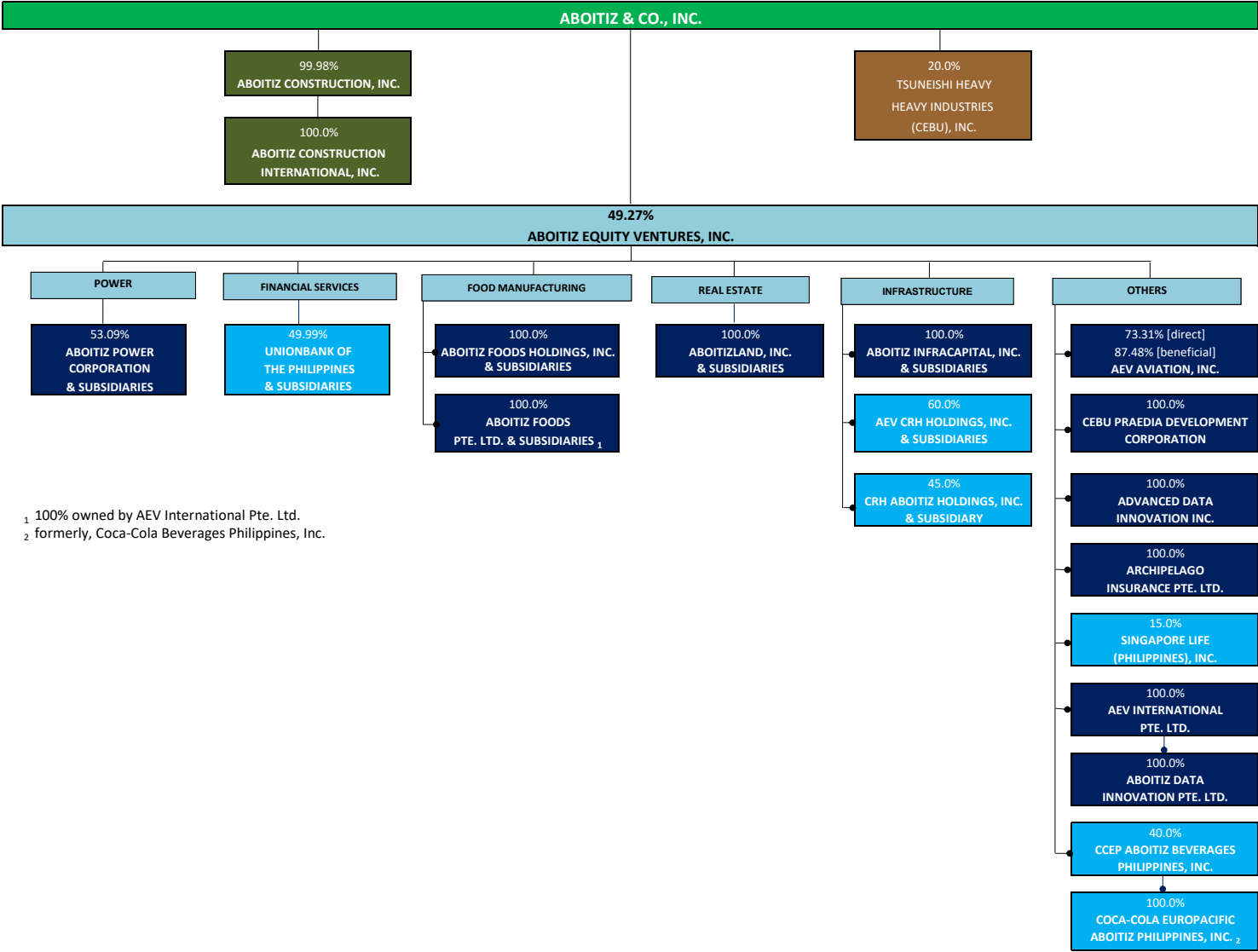
Statement of Reconciliation of Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2025
(Amounts in Philippine Currency and in Thousands)

Unappropriated Retained Earnings, beginning		13,662,684
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Unrealized valuation of investment property	-	
Others	-	
	<u>-</u>	
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(8,551,320)	
Retained Earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Provision for income tax - deferred on investment property	-	
Others	-	
Treasury shares	(3,675,098)	(12,226,418)
Unappropriated Retained Earnings, as adjusted		1,436,266
Add/Less: Net income (loss) for the current year		14,654,156
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of Investment Property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total	<u>-</u>	<u>-</u>
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment Property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total	<u>-</u>	<u>-</u>
Add: Category C.3: Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	
Sub-total	<u>-</u>	<u>-</u>
Adjusted Net Income/Loss		14,654,156
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Sub-total	<u>-</u>	<u>-</u>
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total	<u>-</u>	<u>-</u>
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in the deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to a deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Sub-total	<u>-</u>	<u>-</u>
Total Retained Earnings, end of the reporting period available for dividend		16,090,422

	FORMULA	DEC 2024	DEC 2025
LIQUIDITY RATIOS			
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.6	1.1
Acid test ratio	$\frac{\text{Cash + Marketable Securities} + \text{Accounts Receivable} + \text{Other Liquid Assets}}{\text{Current liabilities}}$	1.1	0.8
SOLVENCY RATIOS			
Debt to equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	1.3	1.5
Asset to equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	2.3	2.5
Net debt to equity ratio	$\frac{\text{Debt - cash \& cash equivalents}}{\text{Total equity}}$	0.8	1.0
Gearing ratio	$\frac{\text{Debt - cash \& cash equivalents}}{\text{Total equity} + (\text{Debt - cash \& cash equivalents})}$	44.4%	49.7%
Interest coverage ratio	$\frac{\text{EBIT}}{\text{Net interest expense}}$	3.6	3.3
PROFITABILITY RATIOS			
Operating Margin	$\frac{\text{Operating Profit}}{\text{Total revenues}}$	16.7%	16.3%
Return on Equity	$\frac{\text{Net income after tax}}{\text{Total equity (adjusted for cash dividend)}}$	6.7%	6.5%

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONGLOMERATE MAPPING
As of December 31, 2025

- Legend:
- Parent Company
 - Reporting Company
 - Co-Subsidiary
 - Subsidiary
 - Associate or Joint Venture
 - Other Related Parties



ABOITIZ EQUITY VENTURES, INC. - POWER

CONGLOMERATE MAPPING

As of December 31, 2025

Legend:

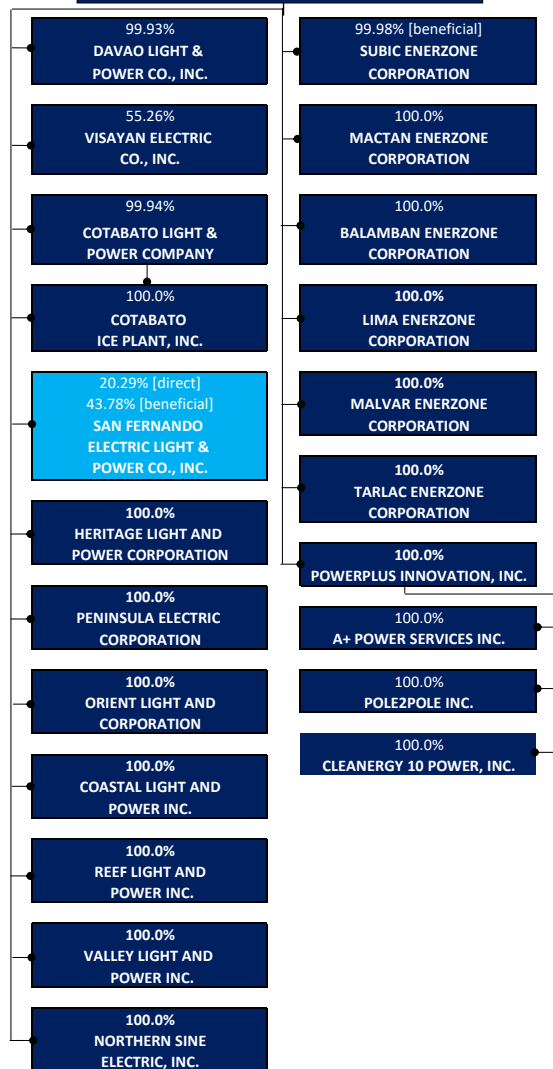
- Reporting Company
- Subsidiary
- Associate or Joint Venture

ABOITIZ EQUITY VENTURES, INC.

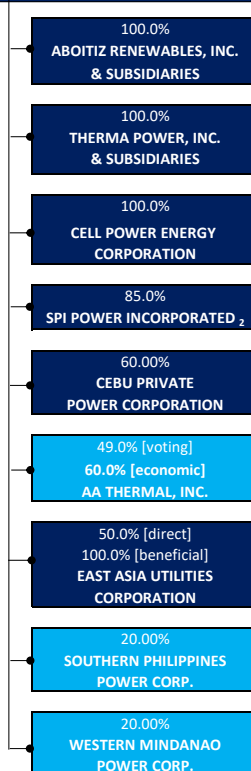
POWER

53.09%
ABOITIZ POWER CORPORATION

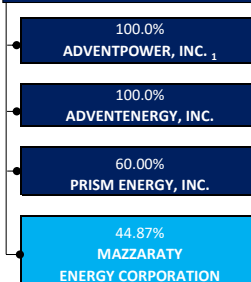
POWER DISTRIBUTION



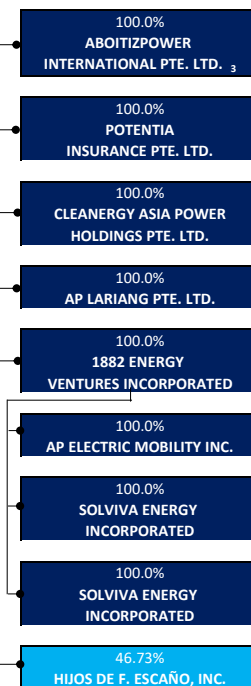
POWER GENERATION



RETAIL ELECTRICITY SUPPLY



OTHERS



** Joint Operations

¹ formerly, Aboitiz Energy Solutions, Inc.

² formerly, STEAG State Power, Inc.

³ Owns 40% of Abaga International Pte. Ltd.

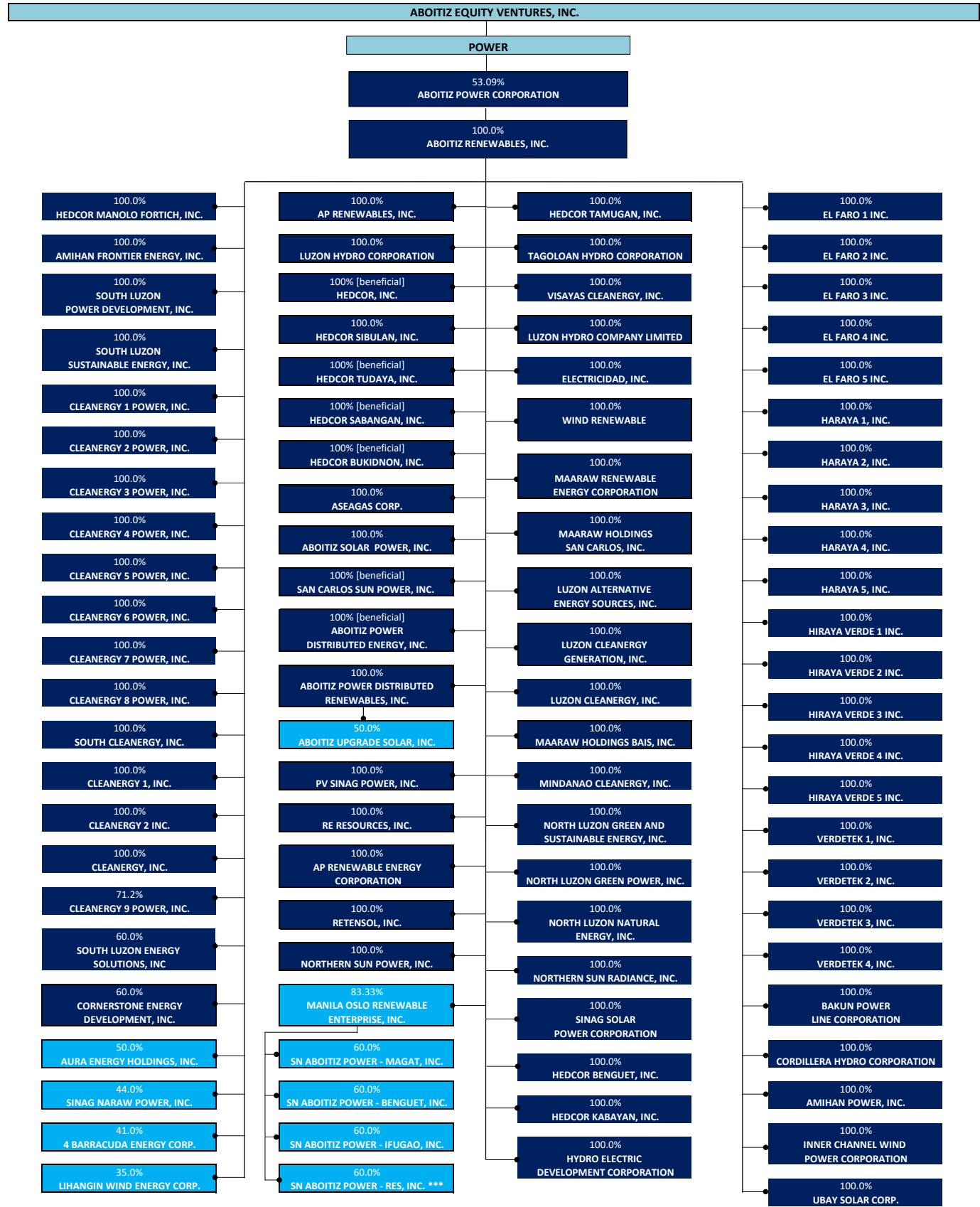
ABOITIZ EQUITY VENTURES, INC. - POWER

CONGLOMERATE MAPPING

As of December 31, 2025

Legend:

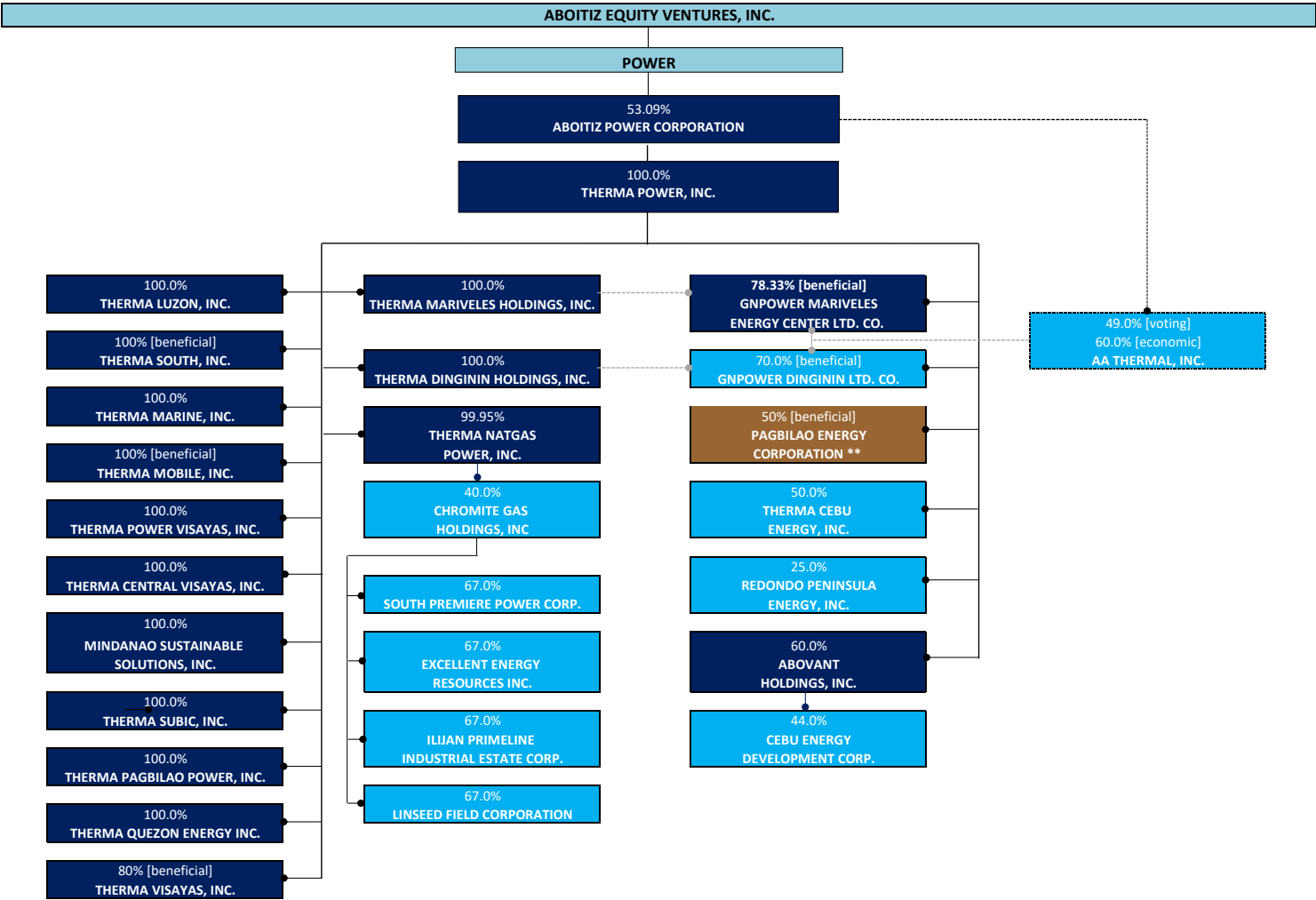
- Reporting Company
- Subsidiary
- Associate or Joint Venture



*** Engages in retail electricity supply business

ABOITIZ EQUITY VENTURES, INC. - POWER
CONGLOMERATE MAPPING
As of December 31, 2025

- Legend:
- Reporting Company
 - Subsidiary
 - Associate or Joint Venture
 - Other Related Parties



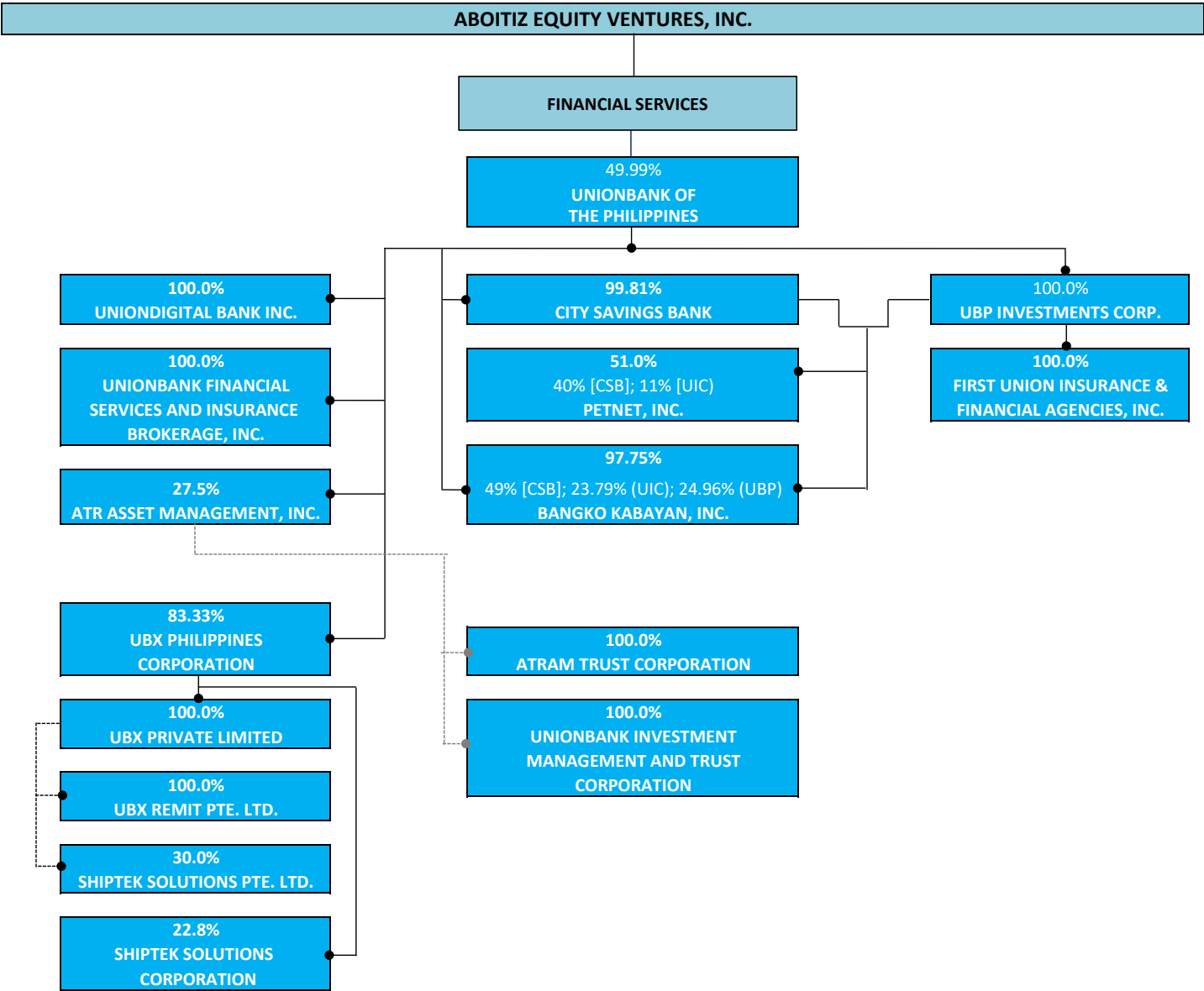
ABOITIZ EQUITY VENTURES, INC. - FINANCIAL SERVICES

CONGLOMERATE MAPPING

As of December 31, 2025

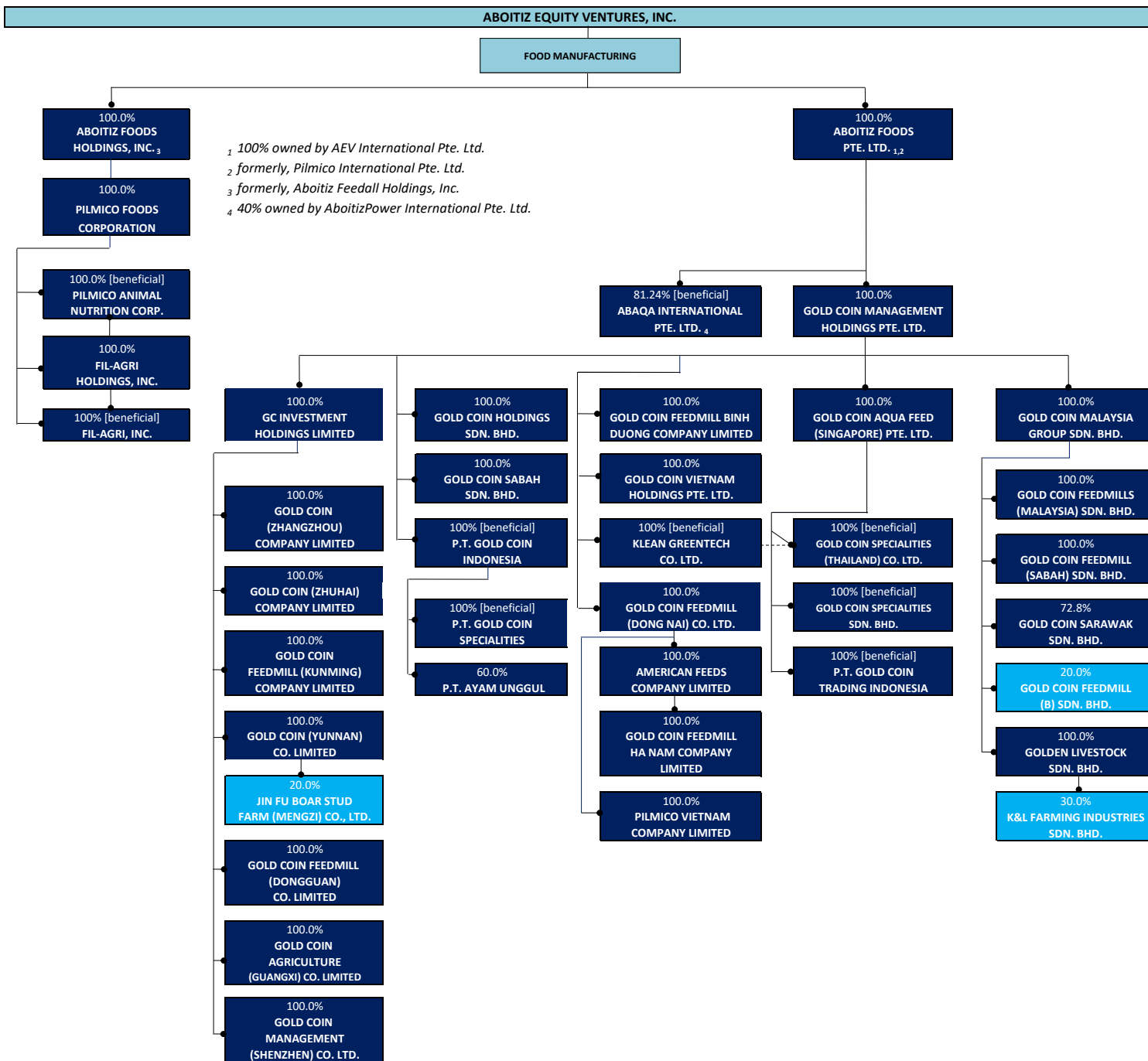
Legend:

- Reporting Company
- Subsidiary
- Associate or Joint Venture



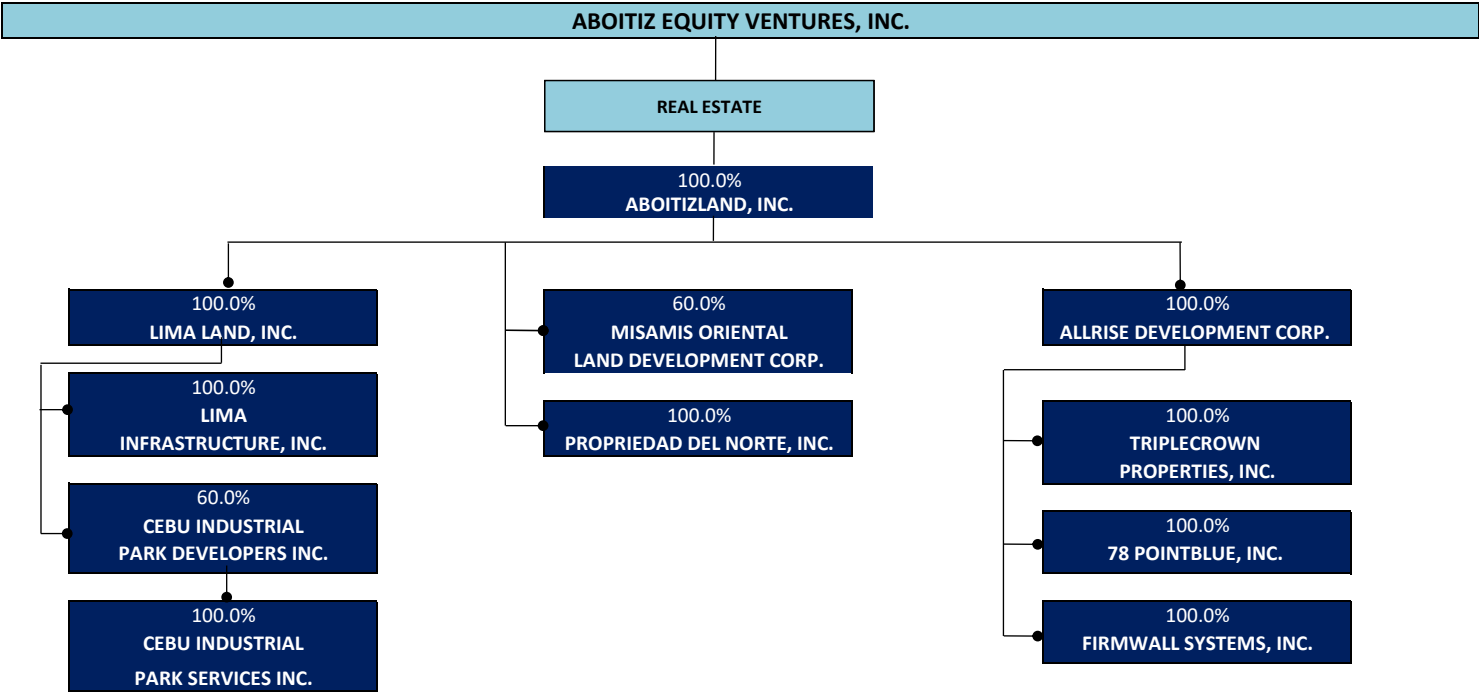
As of December 31, 2025

	Reporting Company	Subsidiary	Associate or Joint Venture
1. Name of the reporting company	1. Reporting Company		
2. Name of the subsidiary		2. Subsidiary	
3. Name of the associate or joint venture			3. Associate or Joint Venture



ABOITIZ EQUITY VENTURES, INC. - REAL ESTATE
CONGLOMERATE MAPPING
As of December 31, 2025

- Legend:
- Reporting Company
 - Subsidiary
 - Associate or Joint Venture



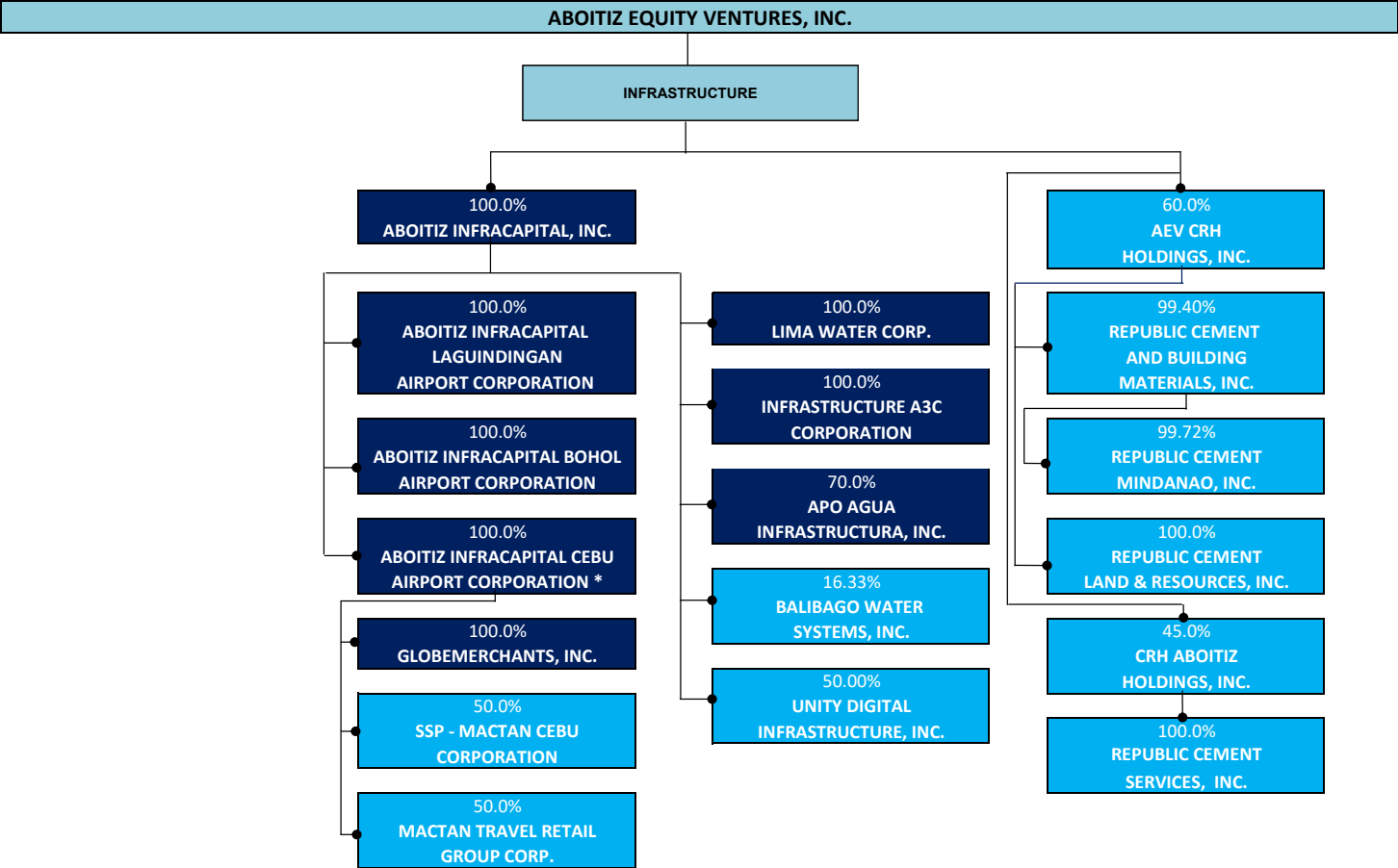
ABOITIZ EQUITY VENTURES, INC. - INFRASTRUCTURE
CONGLOMERATE MAPPING
As of December 31, 2025

Legend:

Reporting Company

Subsidiary

Associate or Joint Venture



* formerly, Aboitiz GMR Megawide Cebu Airport Corporation

Aboitiz Equity Ventures, Inc.**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION****For the year ended December 31, 2025**

(Amounts in Philippine Currency and in Thousands)

	2025	2024
Total Audit Fees	P81,023	P76,475
Non-audit services fees:		
Other assurance services	-	5,792
Tax services	14,543	14,306
All other services	15,958	19,240
Total Non-audit Fees	30,501	39,338
Total Audit and Non-audit Fees	P111,524	P115,813

Annex C. Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

We are pleased to present the 2025 Aboitiz Integrated Report (AIR). This comprehensive report highlights the financial, operational, governance, social, and environmental performance areas that are most material to Aboitiz Equity Ventures Inc. (AEV) and its stakeholders.

Covering the full year from January 1 to December 31, 2025, the report focuses on AEV's strategic business units: Power, Banking and Financial Services, Food and Beverages, Infrastructure, and Real Estate.

Following a rigorous materiality re-assessment using a double materiality lens, our performance is now managed through four strategic pillars: Culture & People, Economic Resilience & Governance, Climate & Energy Opportunities, and Social Inclusion, Customers & Digital Trust. These clusters form the foundation of the #OneAboitiz Sustainability Framework, ensuring that our efforts are directly linked to long-term value creation. All monetary values are presented in Philippine Pesos (PHP), AEV's functional currency.

This report is in compliance with the Securities and Exchange Commission Memorandum Circular No. 4 Series of 2019: "Sustainability Reporting Guidelines for Publicly Listed Companies."

Kindly refer to the 2025 AIR available for downloading at the [main Aboitiz Website](#). Please take note that the page number indicated in the references of each disclosure item are PDF pages.

Contextual Information

Company Details	
Name of Organization	Aboitiz Equity Ventures Inc.
Location of Headquarters	Ayala Triangle Gardens Tower 2, Paseo de Roxas, Corner Makati Avenue, Makati City, Metro Manila, Philippines
Location of Operations	The locations where the operations of the Aboitiz Group's businesses are found on pages 54-55 of the 2025 Aboitiz Integrated Report.
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	The reporting scope is found on the Reporting Standards and Guidelines section, pages 7-9, of the 2025 Aboitiz Integrated Report.

Business Model, including Primary Activities, Brands, Products, and Services	Kindly refer to pages 32-55 of the 2025 Aboitiz Integrated Report.
Reporting Period	January 1, 2025 to December 31, 2025
Highest Ranking Person responsible for this report	Mr. Sabin M. Aboitiz, President and Chief Executive Officer

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.¹

The discussion on the materiality assessment process can be found on pages 58-75 of the 2025 Aboitiz Integrated Report and on [Aboitiz | Sustainability](#).

The Aboitiz Group utilizes a disciplined, forward-looking materiality approach to align sustainability efforts with long-term value creation. In 2025, the Group conducted a Materiality Re-Assessment using a double materiality lens, ensuring alignment with global standards and IFRS S1 principles. This process evaluated both the Group's external impacts and the financial effects of sustainability risks on its performance.

The Assessment Process

- Identification: A broad universe of topics was sourced from international frameworks, peer benchmarks, and internal risk assessments.
- Engagement: Inputs were gathered from diverse stakeholders, business units, customers, and community representatives.
- Evaluation: Topics were scored based on impact severity, likelihood, and financial relevance across various time horizons.

The reassessment identified 16 priority material topics organized into four strategic clusters:

1. Culture & People
2. Economic Resilience & Governance
3. Climate & Energy Opportunities
4. Social Inclusion, Customers & Digital Trust

¹ See [GRI 102-46](#) (2016) for more guidance.

These outcomes are deeply embedded in the Group's governance, informing Board oversight, risk management, and strategic planning. By prioritizing these issues, the Aboitiz Group enhances its resilience and ensures transparent, consistent sustainability reporting for all stakeholders.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

AEV's financial performance is summarized on pages 24, 26-27 for Financial Highlights, and discussed in the CFOs' Message on pages 18-23 of the 2025 Aboitiz Integrated Report.

Economic and Governance practices of AEV are also available in the company website at [Aboitiz: Governance Practices](#).

A more detailed breakdown of AEV's financial information is found on the PART II – Operational and Financial Information section of AEV's SEC Form 20-IS, which can be downloaded at the [Aboitiz: Disclosures](#) page.

Disclosure	Amount	Units
Direct economic value generated (revenue)		PhP
Direct economic value distributed:		
a. Operating costs		PhP
b. Employee wages and benefits		PhP
c. Payments to suppliers, other operating costs		PhP
d. Dividends given to stockholders and interest payments to loan providers		PhP
e. Taxes given to government		PhP
f. Investments to community (e.g. donations, CSR)		PhP

A discussion on management of material topics in addressing material economic indicators are found on pages 58-75 of the 2025 Aboitiz Integrated Report and on [Aboitiz | Sustainability](#).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
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Climate-related risks and opportunities²

Our disclosures of Climate Strategy can be found in pages 36-37, 44-45, 52-53, 58-59, 62, 67, 75, 86-87 of the 2025 Aboitiz Integrated Report.

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around	Disclose the actual and potential impacts ³ of climate-related risks	Disclose how the organization identifies,	Disclose the metrics and targets used to assess and manage

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

³ For this disclosure, impact refers to the impact of climate-related issues on the company.

climate-related risks and opportunities	and opportunities on the organization's businesses, strategy, and financial planning where such information is material	assesses, and manages climate-related risks	relevant climate-related risks and opportunities where such information is material
Recommended Disclosures			
a) Describe the board's oversight of climate-related risks and opportunities	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	a) Describe the organization's processes for identifying and assessing climate-related risks	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
b) Describe management's role in assessing and managing climate-related risks and opportunities	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	b) Describe the organization's processes for managing climate-related risks	b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers		%

For Supply Chain Management Approach and other supply chain-related indicators, kindly refer to the 2025 AIR Appendix of Tables which can be downloaded at the [Aboitiz | Sustainability](#) page.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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Anti-corruption

For our disclosures relevant to Anti-Corruption refer to page 114 of the 2025 Aboitiz Integrated Report and page 160 of AEV's SEC Form 20-IS, which can be downloaded at the [Aboitiz: Disclosures](#) page. Refer to [AEV's Anti-Corruption Guidelines](#) for more details of our policy.

For the 2025 Incident Report and training data related to Anti-Bribery and Anti-Corruption and the Code of Conduct, this is viewable in the 2025 AIR Appendix of Tables, which can be downloaded at the [Aboitiz | Sustainability](#) page.

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to		%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to		%
Percentage of directors and management that have received anti-corruption training		%
Percentage of employees that have received anti-corruption training		%

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<i>Identify risk/s related to material topic of the organization</i>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
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Incidents of Corruption

Corruption-related reports or incidents are discussed on page 160 of AEV's SEC Form 20-IS, which can be downloaded at the [Aboitiz: Disclosures](#) page.

For the 2025 Incident Report, this is viewable in the 2025 AIR Appendix of Tables, which can be downloaded at the [Aboitiz | Sustainability](#) page.

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption		#
Number of incidents in which employees were dismissed or disciplined for corruption		#
Number of incidents when contracts with business partners were terminated due to incidents of corruption		#

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ENVIRONMENT

Information on environmental indicators material to the Aboitiz Group and environmental stewardship initiatives are found on the 2025 AIR Appendix of Tables, which can be downloaded at the [Aboitiz | Sustainability](#) page.

The Cost and Effects of Compliance with Environmental Laws can be found on page 64 of AEV's SEC Form 20-IS, which can be downloaded at the [Aboitiz: Disclosures](#) page.

A discussion on the Aboitiz Group's management approaches can be found on pages 58-75 of the 2025 Aboitiz Integrated Report.

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)		MWh
Energy consumption (gasoline)		MWh
Energy consumption (LPG)		MWh
Energy consumption (diesel)		MWh
Energy consumption (electricity)		MWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)		GJ
Energy reduction (LPG)		GJ
Energy reduction (diesel)		GJ
Energy reduction (electricity)		kWh
Energy reduction (gasoline)		GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
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Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal		Cubic meters
Water consumption		Cubic meters
Water recycled and reused		Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
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Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		tonne
renewable		tonne
non-renewable		tonne
Percentage of recycled input materials used to manufacture the organization's primary products and services		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	(identify all sites)	
Habitats protected or restored		ha
IUCN ⁴ Red List species and national conservation list species with habitats in areas affected by operations	(list)	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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⁴ International Union for Conservation of Nature

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
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Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions		Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions		Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)		Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
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Air pollutants

Disclosure	Quantity	Units
NO _x		kg
SO _x		kg
Persistent organic pollutants (POPs)		kg
Volatile organic compounds (VOCs)		kg
Hazardous air pollutants (HAPs)		kg
Particulate matter (PM)		kg

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Solid and Hazardous Wastes

Non-Hazardous Waste

Disclosure	Quantity	Units

Total non-hazardous waste generated		tonne
Reused		tonne
Recycled		tonne
Composted		tonne
Incinerated		tonne
Residuals/Landfilled		tonne

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
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What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
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Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated		tonne
Total weight of hazardous waste transported		kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
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What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>		

Effluents

Disclosure	Quantity	Units
Total volume of water discharges		Cubic meters
Percent of wastewater recycled		%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>

<i>organization or linked to impacts through its business relationship)</i>		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
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<i>Identify the opportunity/ies related to material topic of the organization</i>		

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations		PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations		#
No. of cases resolved through dispute resolution mechanism		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
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<i>Identify risk/s related to material topic of the organization</i>		
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SOCIAL

Information on social indicators material to the Aboitiz Group are found on the 2025 AIR Appendix of Tables, which can be downloaded at the [Aboitiz | Sustainability](#) page. Other practices of AEV are also available on the [Aboitiz | Sustainability](#) page and the [Aboitiz Policies and Protocols](#) page.

A discussion on the Aboitiz Group's social management approaches and talent analytics are found on pages 58-81 of the 2025 Aboitiz Integrated Report.

Our Corporate Social Responsibility approaches and performance is reported on pages 52-53 of the 2025 Aboitiz Integrated Report and are also available on the [Aboitiz | CSR](#) page.

Personnel Costs and Pension Benefit Plans of the Aboitiz Group can be found on pages 285-286 and pages 379-383 (actual PDF pages) of AEV's SEC Form 20-IS, which can be downloaded at the [Aboitiz: Disclosures](#) page.

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ⁵		#
a. Number of female employees		#
b. Number of male employees		#
Attrition rate ⁶		rate
Ratio of lowest paid employee against minimum wage		ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS			

⁵ Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

⁶ Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

PhilHealth			
Pag-ibig			
Parental leaves			
Vacation leaves			
Sick leaves			
Medical benefits (aside from PhilHealth))			
Housing assistance (aside from Pag-ibig)			
Retirement fund (aside from SSS)			
Further education support			
Company stock options			
Telecommuting			
Flexible-working Hours			
(Others)			

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees		hours
b. Male employees		hours
Average training hours provided to employees		
a. Female employees		hours/employee
b. Male employees		hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements		%
Number of consultations conducted with employees concerning employee-related policies		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce		%
% of male workers in the workforce		%
Number of employees from indigenous communities and/or vulnerable sector*		#

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Management Approach

<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours		Man-hours
No. of work-related injuries		#
No. of work-related fatalities		#
No. of work related ill-health		#
No. of safety drills		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor		#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor		
Child labor		
Human Rights		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

[Suppliers/ Contractors Fair Dealing & Selection Policy](#)

[Code of Ethics & Business Conduct](#)

For Supply Chain Management approach and other relevant indicators, kindly refer to the 2025 AIR Appendix of Tables which can be downloaded at the [Aboitiz | Sustainability](#) page

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance		
Forced labor		
Child labor		
Human rights		
Bribery and corruption		

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<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach

Identify the opportunity/ies related to material topic of the organization	

Relationship with Community

Our disclosures relevant to our Relationship with Community can be found on pages 52-53 of the 2025 Aboitiz Integrated Report and are also available on the [Aboitiz|CSR](#) page.

Relevant indicators can be found on the 2025 AIR Appendix of Tables which can be downloaded at the [Aboitiz | Sustainability](#) page.

There were no reported incidents for 2025 on violations involving rights of indigenous peoples.

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available:

Certificates	Quantity	Units
FPIC process is still undergoing		#
CP secured		#

What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
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Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction		N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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What are the Risk/s Identified?	Management Approach

<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*		#
No. of complaints addressed		#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
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What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*		#

No. of complaints addressed		#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
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Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*		#
No. of complaints addressed		#
No. of customers, users and account holders whose information is used for secondary purposes		#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance</i>

<i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
What are the Risk/s Identified?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>	
What are the Opportunity/ies Identified?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>	

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
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UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Driven by the purpose of Advancing Business and Communities, the Aboitiz Group integrates ESG considerations into its core strategy. Sustainability is not a standalone agenda but a primary driver of long-term value, operationalized through the #OneAboitiz Sustainability Framework.

The framework moves beyond compliance toward value co-creation, guided by three overarching goals:

- Driving Synergies: Leveraging the Aboitiz ecosystem.
- Empowering Communities: Expanding access and inclusion.
- Co-creating a Better Future: Partnering with stakeholders to unlock innovation.

The Group supports the UN SDGs, viewing the 17 goals as a shared blueprint for global peace and prosperity. By recognizing their interconnectedness and integrating them into business practices and community engagements, Aboitiz helps address societal gaps through its businesses and advocacies.

To learn more about our Sustainability Framework, Materiality Assessment Process, and Sustainability Governance please visit [Aboitiz | Sustainability](#)

Our Businesses	Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Banking and Financial Services	Banking and Financial Services	• Smart banking solutions • Accessibility for the unbanked market SDG 8 and 9	Potential negative environmental impacts to SDG 13. Potential negative impacts to SDG 10.	• Managing our operations by providing programs to address impacts to SDG 12 and 13. • Inclusive banking programs increased its reach to the unbanked population and this addressed SDG 10 goals.
Power	Power Generation &	• Ample and reliable power supply	Potential negative impacts of Carbon	• Managing Carbon footprint of our

	Distribution Service	• Reasonable and competitive price • Availability of a right mix of energy supply SDG 7	footprint to SDG 13 14 and 15	operations through compliance to regulatory standards and minimizing by promoting Carbon sequestration and biodiversity programs
Food	Food Products & Animal Nutrition Products	• High-quality food supply • Partnership entrepreneurship towards economic growth SDG 2 and 8	Potential negative impacts to SDG 12 and 13	• Managing the Carbon footprint of our operations through compliance to regulatory standards and responsible consumptions and production by converting agricultural waste to bunker fuel. • Supported local cooperatives and small farms to address goals for SDG 8
Real Estate	Real Estate Development	• Build deliberately designed townships • Boost economic growth through right mix of commercial, industrial and residential communities SDG 11	Potential negative impacts to SDG 13 14 and 15	• Managing impacts of land use and development based on regulatory standards and promoting programs to sustain life on land and water. • Utilizing renewable energy in our industrial estates. • Provide opportunities for

				decent work and economic growth through industrial, commercial and residential developments.
Infrastructure	Water Utilities	• Innovative Infrastructure Solutions • Access to clean water and transportation SDG 6 and 9	Potential negative impact to SDG 6	Managing impacts water distribution and use based on regulatory standards and promoting programs to sustain clean water and sanitation and maintaining watersheds to ensure availability of water supply.
Corporate Foundation	Corporate Social Responsibility	• Ensure that Filipino learners have access to resources to prepare future leaders • Empower Filipinos with digital tools and skills training • Co-create, implement, and enhance environmental programs to build a more sustainable future SDG 4, 8, and 13	Potential negative impact to SDG 4, 8, and 13	We engage regularly with our stakeholders to continue to deliver value while meeting stakeholder expectations and supporting broader societal needs.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*