COVER SHEET

for

AUDITED SEPARATE FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	3	1	0	1	2	4

COMPANY NAME

REPOWER ENERGY DEVELOPMENT CORPORATION

(A Subsidiary of Pure Energy Holdings C

orporation)

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

3RD FLOOR JTKC CENTRE, 2155 DON CHINO R

OCES AVE. MAKATI CITY, PHILIPPINES

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
rolando.domingo@purenergy.com.ph	(02) 8813-8892	0917-830-1613

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
49	June 30	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Rolando P. Domingo	rolando.domingo@pureenergy.com.ph	(02) 8813-8892	0917-830-1613

CONTACT PERSON'S ADDRESS

3F JTKC Centre, 2155 Chino Roces Ave., Pio Del Pilar, Makati City

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 shall not excuse the corporation from liability for its deficiencies.*

REPOWER
ENERGY
DEVELOPMENT
CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR SEPARATE FINANCIAL STATEMENTS

The management of **Repower Energy Development Corporation** (the Company) is responsible for the preparation and fair presentation of the separate 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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 separate financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the separate financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: Renato Z. Locsin
Chairman of the Board

Signature: Eric Peter Y. Roxas
President and Chief Executive Officer

Signature: Rolando P. Domingo
Chief Financial Officer

Signed this APR 13 2026 day of _____, 2026

SUBSCRIBED AND SWORN TO BEFORE ME, this APR 13 2026 day of _____ 20____ at Makati City, affiant exhibited to me his/her competent evidence of identity no. _____ issued at _____ on _____.

ATTY. SHERELOCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-110 until Dec. 31, 2026
Unit 3C LTA Building, 115 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 536506 / 12-16-2025 / Pasig City
PTR No. 10764057 / 01-02-2026 / Makati City
MCLE Compliance No. VIII-0024929/April 14, 2028

ATTY. SHERELOCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY PHILIPPINES

DOC NO. 345
PAGE NO. 70
BOOK NO. IV
SERIES OF 2026

REPOWER ENERGY DEVELOPMENT CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBIILITY FOR ANNUAL INCOME TAX RETURN

The Management of **Repower Energy Development Corporation** (the Company) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2025. Management is likewise responsible for all information and representations contained in the separate financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited separate financial statements for the years ended December 31, 2025 and 2024 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

(a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

(b) any disparity of figures in the submitted reports arising from the preparation of separate financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;

(c) the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature: Renato Z. Locsin
Chairman of the Board

Signature: Eric Peter Y. Roxas
President and Chief Executive Officer

Signature: Rolando P. Domingo
Chief Financial Officer

Signed this ____ day of _____, 2026

SUBSCRIBED AND SWORN TO BEFORE ME, this ____ day of APR 13 2026 20____ at Makati City. Affiant exhibited to me his/her competent evidence of identity no. _____ issued at _____ on _____

NOTARY PUBLIC ROLL NO. 70942 MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JOHN C. VILLEDAS
Notary Public for Makati City
Appt. No. M-118 until Dec. 31, 2026
Unit 601-1A Building, 115 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 566886 / 01-16-2025 / Pasig City
PTR No. 10764057 / 01-02-2026 / Makati City
MCLE Compliance No. VIII-0024929/April 14, 2028

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BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Accreditation No. 4782-SEC Group A
Issued August 11, 2022
Valid for Financial Periods 2021 to 2025

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8741 Paseo de Roxas
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Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Repower Energy Development Corporation
3rd Floor JTKC Centre
2155 Don Chino Roces Ave.
Makati City, Philippines

Opinion

We have audited the separate financial statements of Repower Energy Development Corporation (a subsidiary of Pure Energy Holdings Corporation) (the Company), which comprise the separate statements of financial position as at December 31, 2025 and 2024, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes to separate financial statements, including a summary material accounting policy information.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate 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 audits of financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of the separate financial statements of public entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the separate 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.

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 PSA 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, these could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

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

- Identify and assess the risks of material misstatement of the separate 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 auditors' report to the related disclosures in the separate 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 auditors' 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 separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REYES TACANDONG & CO.

DREO B. GUIEB
Partner
CPA Certificate No. 134498
Tax Identification No. 404-428-828-000
BOA Accreditation No. 4782/P-026; Valid until June 6, 2026
SEC Accreditation No. 134498-SEC Group A
Issued December 23, 2025
Valid for Financial Period 2025 to 2029
BIR Accreditation No. 08-005144-024-2024
Valid until March 26, 2027
PTR No. 10764021
Issued January 2, 2026, Makati City

April 13, 2026
Makati City, Metro Manila

REPOWER ENERGY DEVELOPMENT CORPORATION
SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2025**	2024
ASSETS			
Current Assets			
Cash	4	**₱15,608,758**	₱7,582,309
Dividends receivable	13	**190,770,000**	91,690,000
Due from related parties	13	**405,949,014**	313,930,707
Funds held in escrow	5	**–**	281,014,489
Other current assets		**1,363,766**	1,677,791
Total Current Assets		**613,691,538**	695,895,296
Noncurrent Assets			
Investment in an associate	6	**43,119,531**	41,629,138
Investment in subsidiaries	7	**2,571,485,868**	2,028,854,784
Property and equipment	8	**46,201,181**	48,842,499
Total Noncurrent Assets		**2,660,806,580**	2,119,326,421
		₱3,274,498,118	₱2,815,221,717
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	9	**₱7,482,768**	₱3,356,264
Due to related parties	13	**1,609,468,357**	1,206,030,484
Current portion of loan payable	10	**352,793**	312,801
Dividends payable	12	**48,994,114**	–
Total Current Liabilities		**1,666,298,032**	1,209,699,549
Noncurrent Liabilities			
Loan payable - net of current portion	10	**1,308,263**	1,661,056
Retirement liability	11	**2,523,739**	3,643,689
Total Noncurrent Liabilities		**3,832,002**	5,304,745
Total Liabilities		**1,670,130,034**	1,215,004,294
Equity			
Capital stock		**650,000,002**	650,000,002
Additional paid-in capital (APIC)	12	**909,472,734**	909,472,734
Retained earnings	12	**42,094,566**	40,775,005
Other comprehensive income (loss)	11	**2,800,782**	(30,318)
Total Equity		**1,604,368,084**	1,600,217,423
		₱3,274,498,118	₱2,815,221,717

See accompanying Notes to Separate Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
	Note	**2025**	2024
REVENUES			
Dividend income	7	**₱99,080,000**	₱99,390,000
Interest income	4	**560,996**	497,674
		99,640,996	99,887,674
COSTS AND EXPENSES			
Salaries and wages		**14,789,024**	18,756,240
Professional fees		**10,118,833**	5,704,573
Rental	15	**5,199,977**	3,302,829
Taxes and licenses		**2,527,953**	114,176
Write-off of construction in progress (CIP)	8	**2,304,663**	–
Representation		**2,186,016**	5,270,192
Transportation and meals		**1,999,794**	1,908,420
Utilities		**1,501,122**	2,571,418
Retirement benefits	11	**1,711,150**	798,955
Depreciation	8	**978,994**	583,505
Subscription		**634,975**	459,372
Repairs and maintenance		**92,649**	319,951
Others		**3,544,963**	1,998,669
		47,590,113	41,788,300
SHARE IN NET INCOME OF AN ASSOCIATE	6	**1,490,393**	1,263,999
INTEREST EXPENSE	10	**(221,715)**	–
INCOME BEFORE INCOME TAX		**53,319,561**	59,363,373
INCOME TAX EXPENSE	14	**–**	–
NET INCOME		**53,319,561**	59,363,373
OTHER COMPREHENSIVE INCOME (LOSS)			
Not to be reclassified to profit or loss in subsequent periods -			
Remeasurement gain (loss) on retirement liability	11	**2,831,100**	(259,932)
TOTAL COMPREHENSIVE INCOME		**₱56,150,661**	₱59,103,441

See accompanying Notes to Separate Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION

SEPARATE STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31	
	Note	**2025**	2024
CAPITAL STOCK - ₱1 par value			
Authorized - 750,000,000 shares			
Issued and outstanding - 650,000,002 shares		**₱650,000,002**	₱650,000,002
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning of year		**909,472,734**	1,095,920,304
Equity restructuring	12	**–**	(186,447,570)
Balance at end of year		**909,472,734**	909,472,734
RETAINED EARNINGS (DEFICIT)			
Balance at beginning of year		**40,775,005**	(205,035,938)
Net income		**53,319,561**	59,363,373
Dividends declared	12	**(52,000,000)**	–
Equity restructuring	12	**–**	186,447,570
Balance at end of year		**42,094,566**	40,775,005
OTHER COMPREHENSIVE INCOME (LOSS)			
Cumulative Remeasurement Gain (Loss) on Retirement Liability	11		
Balance at beginning of year		**(30,318)**	229,614
Remeasurement gain (loss)		**2,831,100**	(259,932)
Balance at end of year		**2,800,782**	(30,318)
		₱1,604,368,084	₱1,600,217,423

See accompanying Notes to Separate Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION

SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	**2025**	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱53,319,561**	₱59,363,373
Adjustments for:			
Dividend income	7	**(99,080,000)**	(99,390,000)
Write-off of CIP	8	**2,304,663**	–
Retirement benefits	11	**1,711,150**	798,955
Share in net income of an associate	6	**(1,490,393)**	(1,263,999)
Depreciation	8	**978,994**	583,505
Interest income	4	**(560,996)**	(497,674)
Interest expense	10	**221,715**	–
Operating loss before working capital changes		**(42,595,306)**	(40,405,840)
Decrease (increase) in:			
Funds held in escrow		**281,014,489**	245,523,434
Other current assets		**314,025**	(378,936)
Increase (decrease) in trade and other payables		**1,120,618**	(145,834)
Net cash generated from operations		**239,853,826**	204,592,824
Interest received		**560,996**	497,674
Net cash provided by operating activities		**240,414,822**	205,090,498
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances made to related parties	13	**(847,183,462)**	(461,933,591)
Collection of due from related parties		**755,165,155**	310,898,201
Acquisitions of:			
Investment in subsidiaries - net of subscription payable	7	**(542,631,084)**	(134,851,063)
Property and equipment	8	**(642,339)**	(2,632,806)
Payment for the acquisition of MHCI shares	7	**–**	(59,251,096)
Net cash used in investing activities		**(635,291,730)**	(347,770,355)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from due to related parties	13	**1,098,266,448**	655,602,895
Payments of:			
Due to related parties	13	**(694,828,575)**	(507,994,026)
Loan payable	10	**(312,801)**	(44,543)
Interest payable	10	**(221,715)**	–
Net cash provided by financing activities		**402,903,357**	147,564,326
NET INCREASE IN CASH		**8,026,449**	4,884,469
CASH AT BEGINNING OF YEAR		**7,582,309**	2,697,840
CASH AT END OF YEAR	4	**₱15,608,758**	₱7,582,309

		Years Ended December 31	
	Note	**2025**	2024
NONCASH FINANCIAL INFORMATION			
Dividends declared	12	**₱52,000,000**	~~₱~~–
Equity restructuring	12	**–**	186,447,570
Conversion of due from related parties to investment in subsidiaries	7	**–**	14,634,592
Application of cash dividends against subscription payable	7	**–**	7,700,000
Acquisition of property and equipment through loan availment	8	**–**	2,018,400

See accompanying Notes to Separate Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION

NOTES TO SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

1. General Information

Repower Energy Development Corporation (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on May 29, 2013. Its shares were listed at the Philippine Stock Exchange (PSE) on July 24, 2023. REDC was organized primarily to develop and generate renewable energy resources. REDC was also authorized to secure and guarantee the obligations of its subsidiaries and other owned entities.

The Company is a subsidiary of Pure Energy Holdings Corporation (PEHC or Parent Company). PEHC is an investment holding company which engages primarily in renewable energy generation and water system management and distribution. PEHC is a 76%-owned subsidiary of DYT Equities Corporation (the Ultimate Parent Company). All the foregoing entities are incorporated in the Philippines.

The Company's principal office address is located at 3rd Floor JTKC Centre, 2155 Don Chino Roces Ave., Makati City, Philippines.

Approval of Separate Financial Statements

The separate financial statements of the Company as at and for the years ended December 31, 2025 and 2024 were approved and authorized for issue by the Board of Directors (BOD) on April 13, 2026, as reviewed and recommended for approval by the Audit Committee on the same date.

2. Summary of Material Accounting Policy Information

The material accounting policy information used in the preparation of the separate financial statements have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation and Statement of Compliance

The separate financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

The Company also prepares and issues consolidated financial statements for the same year as the separate financial statements. Users of these separate financial statements should read them together with the consolidated financial statements of the Company and its Subsidiaries (collectively referred to as the Group) in order to obtain full information on the financial position, financial performance and cash flows of the Group as a whole. The consolidated financial statements can be obtained in the registered office address of the Company or from SEC.

Measurement Bases
The separate financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All values are rounded to the nearest Peso, unless otherwise indicated.

The separate financial statements of the Company have been prepared on a historical cost basis except for investment in an associate is accounted for using equity method and retirement liability which is recorded at the present value of the defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or consideration paid in exchange for the incurrence of a liability.

Further information about the assumptions made in measuring fair values is included in Note 17.

Adoption of Amendments to PFRS Accounting Standards
The material accounting policies adopted are consistent with those of the previous financial years, there are no amendments to PFRS Accounting Standards that are applicable to the Company effective for annual periods beginning on or after January 1, 2025.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective or Adopted
Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2025 and have not been applied in preparing the separate financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments,* and PFRS 7, *Financial Instruments: Disclosures - Classification and Measurement of Financial Assets* - The amendment provides to clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled through cash using an electronic payment system. The amendments also clarify the requirements of assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features, and the characteristics of non-recourse loans and contractually linked instruments. The amendments also introduce additional disclosure requirements for equity instruments classified as financial asset measured at fair value through other comprehensive income (FVOCI) with contingent features. Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:

    - Amendments to PFRS 7, *Financial Instruments: Disclosures* - The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.

    - Amendments to PAS 7, *Statement of Cash Flows* - The amendments clarify that when accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or at cost, an investor restricts its reporting in the separate statements of cash flows to the cash flows between itself and the investee, such as dividends and advances.

Effective for annual periods beginning on or after January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* - This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The standard introduces new categories and sub-totals in the separate statements of comprehensive income, additional disclosures on management-defined performance measures, and enhanced requirements for grouping information. Full retrospective application is required. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS Accounting Standards is not expected to have any material effect on the separate financial statements of the Company. Additional disclosures will be included in the separate financial statements, as applicable.

Classification of Assets and Liabilities between Current and Noncurrent

The Company presents current and noncurrent assets, and current and noncurrent liabilities, as separate disclosure in the notes to separate financial statements.

Current Assets. The Company classifies an asset as current when:

- it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realize the asset within twelve months after the reporting period, or
- the asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Otherwise, the Company will classify all other assets as noncurrent.

Current Liabilities. The Company classifies a liability as current when:

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period, or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise, the Company will classify all other liabilities as noncurrent.

Financial Assets and Liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the separate statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

Classification of Financial Instruments. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. The classification of a financial asset largely depends on the Company's business model and on the purpose for which the financial instruments are acquired or incurred and whether these are quoted in an active market.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

As at December 31, 2025 and 2024, the Company does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit losses (ECL), if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate.

Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2025 and 2024, the Company's cash, funds held in escrow, dividends receivable and due from related parties are classified under this category.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

As at December 31, 2025 and 2024, the Company's trade and other payables (excluding statutory payables), dividends payable, due to related parties and loan payable are classified under this category.

Reclassification
The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

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:

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the financial 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 Company has transferred its right to receive cash flows from the financial 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 Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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

Investment in an Associate
The Company's investment in an associate, where there is significant influence, are accounted for under the equity method. These also include investments where the Company holds 20% or more of the voting stocks but does not have control over the associate or where, even though the Company holds 20% or less, the Company has significant influence over operating and financial policies of the associate. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

Under the equity method, investment in an associate is carried in the separate statements of financial position at cost plus post acquisition changes in the Company's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The separate statements of comprehensive income reflect the share of the results of operations of the associates. Where there has been a change recognized directly in the equity of the associates, the Company recognizes its share of any changes and discloses this, when applicable, in the separate statements of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associates are eliminated to the extent of the interest in the associates.

The share in net income or loss of the associates is shown as "Equity share in net income (loss) of associates" account in the separate statements of comprehensive income.

The financial statements of the associates are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

Upon loss of significant influence over an associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Investment in Subsidiaries

The Company's investment in subsidiaries is accounted for in the separate financial statements at cost less any impairment in value.

Under the cost method, the Company recognizes income from the investment only to the extent that the Company received distributions from accumulated profits of the subsidiaries after the date of acquisition. Distributions received in excess of such profits are regarded as a reduction of the cost of the investment.

A subsidiary is an entity in which the Company has control. Specifically, the Company controls an investee if it has:

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

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

An assessment of the carrying amount of the investment in a subsidiary is performed when there is an indication that the investment has been impaired.

Property and Equipment

Property and equipment, except land and CIP, are carried at cost less accumulated depreciation and amortization and any impairment losses. Land and CIP are carried at cost less any impairment losses. CIP is not depreciated until such time that the relevant assets are ready for use.

The initial cost of property and equipment consists of its purchase price and costs directly attributable to bringing the property and equipment to its working condition for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to current operations. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the property, plant and equipment follows:

Asset Category	Number of Years
Transportation equipment	7
Office equipment	2 - 7
Furniture and fixtures	7

The estimated useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of property and equipment.

CIP represents properties under construction and is stated at cost, including cost of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for operational use.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized to profit or loss.

Impairment of Nonfinancial Assets

The carrying amounts of the Company's nonfinancial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash generating unit (CGU) is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of the Company. Impairment losses are recognized in profit or loss in the period incurred.

The recoverable amount of a nonfinancial asset is the greater of its value in use or its fair value less costs to sell. Value in use is the present value of future cash flows expected to be derived from an asset while the fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties less cost of disposal.
In assessing value in use, the estimated future cash flows are discounted to their present values 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 recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized.

Capital Stock and Additional Paid-In Capital (APIC)
Capital stock is measured at par value for all shares issued. Excess of proceeds and/or fair value of considerations received over the par value of shares issued, if any, is recognized as additional paid-in capital. Incremental costs incurred directly attributable to the issuance of new shares are recognized in equity as deduction from proceeds, net of tax.

Retained Earnings
Retained earnings represents the cumulative results of operations, net of dividend declaration.

Other Comprehensive Income (Loss)
Other comprehensive income (loss) pertains to cumulative remeasurement gain (loss) on retirement liability, that is not to be recognized in profit or loss for the year.

Revenue Recognition
Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company perform its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue sources.

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 the payment is established.

Interest Income. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset, net of final tax.

Expense Recognition
Expenses are recognized in separate statements of comprehensive income when it is probable that a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Operating Expenses. Operating expenses constitute costs of administering the business. These are expensed as incurred.
Interest Expense. Interest expense is recognized as it accrues based on the effective interest method.

Other Expenses. Other expenses are recognized as incurred.

Leases

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, the Company has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Company also assesses whether a contract contains a lease for each potential separate lease component.

Short-term Lease. The Company applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term lease is recognized as expense on a straight-line basis over the lease term.

Employee Benefits

Short-term Benefits. The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The Company has unfunded, non-contributory defined benefit plan covering all qualified employees. The retirement benefits are determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Company recognizes service costs, comprising of current service costs, and interest expense in profit or loss. Interest is calculated by applying the discount rate to the retirement liability.

Interest on the retirement liability is the change during the period in the retirement liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the retirement liability. Interest is calculated by applying the discount rate to the retirement liability.

Remeasurement gains and losses are recognized immediately in OCI in the period in which they arise. Remeasurement gains and losses are not reclassified to profit or loss in subsequent periods.

The retirement liability is the present value of the retirement liability on which the obligations are to be settled directly. The present value of the retirement liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from unused net operating loss carryover (NOLCO) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting 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 tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at the reporting date.

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

Related Parties and Related Party Transactions

Related party transactions consist of transfers of resources, services or obligations between the Company and its related parties.

Parties are considered to be related if one party has the ability to directly or indirectly, control or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled, or under common control with the Company; (b) associates; (c) individuals owning directly or indirectly, an interest in the voting power of the Company that give them significant influence over the Company and close members of the family of any such individual; and (d) members of the key management personnel of the Company.

In considering each possible related party relationship, attention is directly to the substance of the relationship and not merely on the legal form.

Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation 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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, 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 an interest expense.

Contingencies

Contingent liabilities are not recognized in the separate financial statements. These are disclosed in the notes to separate financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the separate financial statements but are disclosed in the notes to separate financial statements when an inflow of economic benefits is probable.

Events After the Reporting Date

Events after the reporting date that provide additional information about the Company's separate statements of financial position at the end of reporting date (adjusting events) are reflected in the separate financial statements. Events after the reporting date that are non-adjusting events are disclosed in the notes to separate financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Company's separate financial statements requires management to make judgments and accounting estimates that affect the amounts reported in the separate financial statements and accompanying notes. The judgments and accounting estimates used in the separate financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The judgement, accounting estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

Judgment

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the separate financial statements.

Determining the Lease Commitments - Company as a Lessee. The Company has a non-cancellable lease agreement for its office space for a period of one (1) year. The Company has assessed that this is short-term. Accordingly, an ROU asset has not been recognized.

Rental expense on the lease qualifying under the short-term recognition exemption in 2025 and 2024 are disclosed in Note 15.

Accounting Estimates and Assumptions

Assessing the Impairment of Financial Assets at Amortized Cost. The Company determines the allowance for ECL 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 are 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 are provided based on lifetime expected credit loss.

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's financial assets at amortized cost are considered to have low credit risk, and therefore the loss allowance is determined as 12 months ECL. The Company has assessed that the ECL for 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 counterparties with good credit standing and relatively low risk of defaults. Accordingly, no impairment loss was recognized in 2025 and 2024.

The carrying amounts of financial assets at amortized cost as at December 31, 2025 and 2024 are disclosed in Notes 4, 5 and 13.

Assessing the Impairment of Investments in Subsidiaries and an Associate. The Company assesses the impairment of investments in subsidiaries and an associate whenever events or changes in circumstances indicate that the carrying amount of investment in subsidiaries may not be recoverable.

Factors that the Company considered in deciding when to perform impairment review include the following, among others:

- significant decline in business and operating performance in relation to expectations; and
- significant changes in the business operations and strategies of the Company and its subsidiaries and associate.

Based on management assessment, there are no indicators for impairment that will warrant impairment assessment. Accordingly, no impairment loss was recognized in 2025 and 2024.

The carrying amounts of investment in subsidiaries and an associate as at December 31, 2025 and 2024 are disclosed in Notes 6 and 7.

Estimating the Useful Lives of Property and Equipment. The Company reviews annually the estimated useful lives of property, plant and equipment based on expected asset's utilization, market demands and future technological development consistent with the Company's pursuit of constant modernization of the equipment to ensure the availability, reliability and cost efficiency of the equipment. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in estimated useful lives could cause a significant increase in depreciation and amortization of property, plant and equipment.

There was no change were made on the estimated useful lives of property and equipment in 2025 and 2024. The carrying amount of property and equipment as at December 31, 2025 and 2024 are disclosed in Note 8.

Assessing the Impairment of Nonfinancial Assets. The Company assesses impairment on nonfinancial assets (excluding investment in subsidiaries and an associate) whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In assessing whether there is any indication that an asset may be impaired, the Company considers the external and internal sources of information. External sources of information include but are not limited to unexpected significant decline in market value and any other significant changes with an adverse effect on the Company, whether it had taken place during the period or will take place in the near future in the market, economic or legal environment in which the entity operates or in the market to which the asset is dedicated. Internal sources of information include evidence of physical damage on an asset, significant changes with an adverse effect on the Company whether it had taken place during the period, or are expected to take place in the near future, to the extent to which, or in a manner in which, an asset is used or is expected to be used, and any other evidence that indicates that the economic performance of an asset is, or will be, worse than expected.

The carrying amounts of nonfinancial assets (excluding investment in subsidiaries and an associate) of the Company as at December 31, 2025 and 2024 are disclosed in Note 8.

Estimating the Retirement Liability. The determination of the obligation and cost for provision for retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions, which include among others, discount rates and expected rates of salary increase, are indicated in Note 11. Actual results that differ from the assumptions are accumulated and are recognized in other comprehensive income.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement benefit liability.

The carrying amount of retirement liability as at December 31, 2025 and 2024 is disclosed in Note 11.

Recognizing Deferred Tax Assets. The Company reviews the carrying amount of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

The Company's unrecognized deferred tax assets as at December 31, 2025 and 2024 is disclosed in Note 14.

4. Cash

This account consists of:

	2025	2024
Cash on hand	**₱20,000**	₱20,000
Cash in banks	**15,588,758**	7,562,309
	₱15,608,758	₱7,582,309

Cash in banks earn interest at prevailing bank deposit rates and are immediately available for use in the current operations.

Interest income recognized in profit or loss is as follows:

	Note	2025	2024
Cash in banks		**₱173,262**	₱21,108
Funds held in escrow	5	**387,734**	476,566
		₱560,996	₱497,674

5. Funds Held in Escrow

The Company appointed a universal bank as the custodian bank (the Custodian Bank) to manage and administer the net proceeds of the initial public offering (IPO).

The net IPO proceeds are kept separate and distinct from all other funds in custody of the Custodian Bank. The Custodian Bank maintains independent books of records of all the transactions of the escrow account and shall release the proceeds to the Company, subject to the issuance of a letter of instructions, and a written certification under oath, signed by the Chief Financial Officer of the Company, stating the purpose of which the company shall use the funds, and such purpose is exclusively in accordance with the approved use of proceeds.

In 2025, the Company's BOD approved a reallocation of a portion of the IPO proceeds originally intended for IPO expenses ₱2,662,833 and authorized its use for operating and working capital requirements, including scheduled loan amortization payments. The planned use of proceeds, as reallocated, remained within the overall approved purpose of the IPO.

The escrow deposit maintained under escrow account with the Custodian Bank amounted to nil and ₱281,014,489 as at December 31, 2025 and 2024, respectively. Net withdrawals from fund held in escrow amounted to ₱280,400,000 and ₱246,000,000 in 2025 and 2024, respectively.

Interest income earned amounted to ₱387,734 and ₱476,566 in 2025 and 2024, respectively (see Note 4).

6. **Investment in an Associate**

This account consists of the Company's 30% ownership interest in Blue Energy Holdings and Management Corporation (BEHMC) as at December 31, 2025 and 2024. BEHMC was incorporated, registered and organized in the Philippines with a principal place of business at 5F, JTKC Centre, Chino Roces Avenue, Makati City. BEHMC is engaged in investing activities, provided it shall not act as a stockbroker or dealer in securities.

The balance and movement in this account are as follows:

	2025	2024
Acquisition Cost	**₱15,000,000**	₱15,000,000
Advances For Future Stock Subscriptions	**40,191,200**	40,191,200
Cumulative Equity Share in Net Loss of an Associate		
Balance at beginning of year	**(13,562,062)**	(14,826,061)
Equity share in net income	**1,490,393**	1,263,999
Balance at end of year	**(12,071,669)**	(13,562,062)
Carrying Amount	**₱43,119,531**	₱41,629,138

Summarized financial information of the associate is as follows:

	2025	2024
Total current assets	**₱66,805,886**	₱51,582,687
Total noncurrent assets	**473,314,752**	471,327,804
Total current liabilities	**170,859,376**	157,022,066
Total noncurrent liabilities	**359,500,159**	361,095,297
Total equity	**9,761,104**	4,793,128
Total revenue	**48,651,143**	37,573,959
Total net income	**4,967,975**	4,213,331
Total comprehensive income	**4,967,975**	4,213,331

The reconciliation of the net assets and the carrying amount of investment in associate follows:

	2025	2024
Equity at end of year	**₱9,761,103**	₱4,793,128
Percentage of ownership	**30%**	30%
	2,928,331	1,437,938
Advances for future stock subscription	**40,191,200**	40,191,200
Carrying amount of investment	**₱43,119,531**	₱41,629,138

Advances for Future Stock Subscriptions

As at report date, the associate has not yet filed with the SEC an application for the increase in authorized capital stock.

7. Investment in Subsidiaries

This account consists of investments in the following subsidiaries as at December 31, 2025 and 2024:

	2025		2024	
	Ownership	**Amount**	Ownership	Amount
Cabanglasan Hydropower Corporation (CHC)	**100%**	**₱1,100,000,000**	100%	₱587,500,000
Labayat 1 Hydropower Corporation (L1HC)	**82%**	**485,472,200**	82%	485,472,200
Majayjay Hydropower Corporation, Inc. (MHCI)	**99%**	**223,430,138**	99%	223,430,138
Tibag Hydropower Corporation (THC)	**100%**	**150,000,000**	100%	150,000,000
Philippine Power & Development Company (PPDC)	**99%**	**145,598,560**	99%	145,598,560
Bicol Hydropower Corporation (BHC)	**100%**	**68,693,430**	100%	68,693,430
Maramag Hydropower Corporation (MHC)	**100%**	**32,192,001**	–	–
Baguio Asin Hydropower Corporation (BAHC)	**100%**	**12,500,000**	100%	12,500,000
Piapi Hydropower Corporation (PHC)	**60%**	**6,000,000**	60%	6,000,000
		2,223,886,329		1,679,194,328
Deposits for future stock subscription:				
THC		**268,715,810**		268,715,810
PHC		**47,375,000**		47,375,000
CHC		**31,508,729**		33,569,646
		347,599,539		349,660,456
		₱2,571,485,868		₱2,028,854,784

The balance and movements in this account are as follows:

	Note	**2025**	2024
Balance at beginning of year		**₱2,028,854,784**	₱1,871,669,129
Additions		**542,631,084**	142,551,063
Conversion from advances	13	**–**	14,634,592
Balance at end of year		**₱2,571,485,868**	₱2,028,854,784

CHC

CHC was incorporated and registered in the Philippines and is organized to carry on and conduct business in all renewable energy sources. CHC's principal place of business is at is at 3F JTKC Centre, 2155 Chino Roces Ave., Makati City.

In 2025 and 2024, the Company invested additional ₱188,120,000 and ₱97,000,000, respectively, to CHC to partially fund the equity portion of the Pulanai River Hydroelectric Power Project pursuant to the final prospectus. These amounts were presented as part of CHC's deposit for future stock subscription.

In 2025 and 2024, the Company invested additional ₱322,319,083 and ₱37,851,063, respectively, to CHC as deposit for future stock subscription.

In 2025 and 2024, the Company converted its deposit for future stock subscription aggregating ₱512,500,000 and ₱437,500,000, respectively, as part of its investment in CHC upon SEC's approval on CHC's application for increase in authorized capital stock.

L1HC

L1HC was incorporated and registered in the Philippines and is organized to develop, manage and operate hydroelectric power plants in Real, Quezon Province. The L1HC's principal place of business is at 3F JTKC Centre, 2155 Chino Roces Ave., Makati City.

The summarized financial information of L1HC, a material partly-owned subsidiary, is presented below. This information is based on the amounts before intercompany eliminations.

	2025	2024
Current assets	**₱325,889,726**	₱219,397,392
Noncurrent assets	**767,916,612**	800,387,396
Current liabilities	**116,336,628**	87,033,555
Noncurrent liabilities	**200,614,597**	246,171,015
Net assets	**₱776,855,113**	₱686,580,218
Revenue	**₱181,896,252**	₱142,258,010
Expenses	**69,124,647**	58,393,864
Income from operations	**112,771,605**	83,864,146
Interest expense	**(24,193,504)**	(24,974,073)
Other income	**1,526,029**	32,042
Income tax benefit	**98,746**	87,339
Net income	**90,202,876**	59,009,454
Other comprehensive income (loss)	**72,019**	(20,827)
Total comprehensive income	**₱90,274,895**	₱58,988,627
Net cash flows generated from (used in):		
Operating activities	**₱95,698,519**	₱75,384,629
Investing activities	**(64,727,859)**	(24,208,009)
Financing activities	**(32,662,367)**	(59,940,489)
Net decrease in cash	**(1,691,707)**	(8,763,869)
Cash at beginning of the year	**10,063,394**	18,827,263
Cash at end of year	**₱8,371,687**	₱10,063,394

MHCI
MHCI was incorporated and registered in the Philippines and is organized to carry on and conduct business in generating renewable energy sources. MHCI's principal place of business is at 3F JTKC Centre, 2155 Chino Roces Ave., Makati City.

In 2024, the Company settled its payable to the previous stockholders of MHCI from the acquisition of MHCI shares amounting to ₱59,251,096.

THC
THC was incorporated and registered in the Philippines and is organized to carry on and conduct business in all renewable energy sources. THC's principal place of business is at 3F JTKC Centre, 2155 Don Chino Roces Ave., Brgy. Pio Del Pilar, Makati City, Metro Manila, Philippines.

PPDC
PPDC was incorporated and registered in the Philippines as an independent power producer. PPDC is a pioneer in the Mini Hydropower Plant (MHP) operation since 1928. PPDC's principal place of business is located at 3F JTKC Centre, 2155 Chino Roces Avenue, Makati City.

BHC
BHC was incorporated and registered in the Philippines and is organized to carry on and conduct business in power generation by building and operating mini-hydropower plants. BHC's principal place of business is at Romar Bldg., Elias Angeles Street, Naga City.

MHC
In 2025, the Company acquired 100% ownership interest in MHC for ₱32,192,001. MHC was incorporated and registered in the Philippines and is organized to carry on and conduct business in all renewable energy sources. MHC's principal place of business is at is at 3F JTKC Centre, 2155 Chino Roces Ave., Makati City.

BAHC
BAHC was incorporated and registered in the Philippines and is organized to carry on and conduct business in all renewable energy sources. BAHC's principal place of business is at is at 3F JTKC Centre, 2155 Chino Roces Ave., Makati City.

PHC
PHC was incorporated and registered in the Philippines and is organized to carry on and conduct business in all renewable energy sources. PHC's principal place of business is at is at 3F JTKC Centre, 2155 Chino Roces Ave., Makati City.

Status of Operations
As at December 31, 2025, CHC, PHC, BAHC and MHC are in the pre-development stage. L1HC, MHCI, THC, PPDC and BHC are already on its commercial operations.

Dividend income
The Company's subsidiaries declared cash dividends as follows:

	2025	2024
MHCI	**₱99,080,000**	₱–
PPDC	**–**	99,390,000
	₱99,080,000	₱99,390,000

In 2024, dividends receivable amounting to ₱7,700,000, were applied against the subscription payable to PPDC. Dividends receivable amounted to ₱190,770,000 and ₱91,690,000 as at December 31, 2025 and 2024, respectively (see Note 13).

8. Property and Equipment

The balance and movements in this account are as follows:

	2025					
	Land	**Transportation Equipment**	**Office Equipment**	**Furniture and Fixtures**	**Construction in Progress**	**Total**
Cost						
Balance at beginning of year	**₱4,016,744**	**₱4,348,000**	**₱2,968,555**	**₱207,003**	**₱41,173,041**	**₱52,713,343**
Additions	**–**	**50,000**	**592,339**	**–**	**–**	**642,339**
Write-off	**–**	**–**	**–**	**–**	**(2,304,663)**	**(2,304,663)**
Balance at end of year	**4,016,744**	**4,398,000**	**3,560,894**	**207,003**	**38,868,378**	**51,051,019**
Accumulated Depreciation						
Balance at beginning of year	**–**	**1,873,705**	**1,826,760**	**170,379**	**–**	**3,870,844**
Depreciation	**–**	**381,640**	**575,495**	**21,859**	**–**	**978,994**
Balance at end of year	**–**	**2,255,345**	**2,402,255**	**192,238**	**–**	**4,849,838**
Carrying Amount	**₱4,016,744**	**₱2,142,655**	**₱1,158,639**	**₱14,765**	**₱38,868,378**	**₱46,201,181**

	2024					
	Land	Transportation Equipment	Office Equipment	Furniture and Fixtures	Construction in Progress	Total
Cost						
Balance at beginning of year	₱4,016,744	₱1,825,000	₱2,440,349	₱207,003	₱39,573,041	₱48,062,137
Additions	–	2,523,000	528,206	–	1,600,000	4,651,206
Balance at end of year	4,016,744	4,348,000	2,968,555	207,003	41,173,041	52,713,343
Accumulated Depreciation						
Balance at beginning of year	–	1,616,055	1,530,477	140,807	–	3,287,339
Depreciation	–	257,650	296,283	29,572	–	583,505
Balance at end of year	–	1,873,705	1,826,760	170,379	–	3,870,844
Carrying Amount	₱4,016,744	₱2,474,295	₱1,141,795	₱36,624	₱41,173,041	₱48,842,499

Construction in progress (CIP) pertains to the development costs of the Company's mini hydropower plant projects which include the Pulanai River and Maramag Hydroelectric Power Plants which are expected to be completed until 2028. The estimated development costs to complete the projects amounted to ₱6,175,605,963 as at December 31, 2025.

In 2024, the Company acquired transportation equipment with a cost amounting to ₱2,523,000. This acquisition was financed through a bank loan amounting ₱2,018,400. The transportation equipment has been mortgaged as collateral for the loan (see Note 10).

In 2025, the Company assessed that construction in progress amounting to ₱2,304,663 are not recoverable. The write-off is presented as "Write-off of construction in progress" under "Costs and Expenses" account in the separate statements of comprehensive income.

Fully depreciated property and equipment being used by the Company amounted to ₱3,371,435 and ₱3,036,675 as at December 31, 2025 and 2024, respectively.

9. Trade and Other Payables

This account consists of:

	2025	2024
Trade	**₱1,843,118**	₱521,231
Statutory payables	**3,250,381**	85,058
Accrued expenses	**2,389,269**	2,639,126
Others	**–**	110,849
	₱7,482,768	₱3,356,264

Trade payables pertain mainly to expenses payable to its suppliers and contractors. These are non-interest bearing and are normally settled in 30 to 60-day terms.

Statutory payable pertain to employee benefits and taxes withheld by the Company on employees' compensation and on payments to suppliers, as well as final withholding taxes on dividends declared by the Company. These are remitted to the respective regulatory agencies in the following month.

Accrued expenses include accruals for salaries, utilities, professional fees and other expenses incurred by the Company. These are generally paid within the subsequent year.

10. **Loan Payable**

The balance and movements in this account are as follows:

	Note	**2025**	2024
Balance at beginning of year		**₱1,973,857**	₱–
Availment	8	**–**	2,018,400
Payments		**(312,801)**	(44,543)
Balance at end of year		**1,661,056**	1,973,857
Less current portion		**352,793**	312,801
Noncurrent portion		**₱1,308,263**	₱1,661,056

On December 27, 2024, the Company obtained a 5-year bank loan amounting to ₱2,018,400 to finance the acquisition of transportation equipment costing ₱2,523,000, with an annual rate of 4.9%. The loan is secured by mortgaging the transportation equipment as collateral (see Note 8). The loan is payable in equal monthly installments starting on December 27, 2024.

Interest expense charged to operations amounted to ₱221,715 and nil in 2025 and 2024, respectively.

The table below details changes in the Company's liabilities arising from financing activities:

		2025				
	Note	**Balance at beginning of year**	**Proceeds**	**Payments**	**Accrual of Interest**	**Balance at End of Year**
Due to related parties	13	**₱1,206,030,484**	**₱1,098,266,448**	**(₱694,828,575)**	**₱–**	**₱1,609,468,357**
Loan payable		**1,973,857**	**–**	**(312,801)**	**–**	**1,661,056**
Interest payable		**–**	**–**	**(221,715)**	**221,715**	**–**
		₱1,208,004,341	**₱1,098,266,448**	**(₱695,363,091)**	**₱221,715**	**₱1,611,129,413**

		2024				
	Note	Balance at beginning of year	Proceeds	Payments	Noncash changes	Balance at End of Year
Due to related parties	13	₱1,058,421,615	₱655,602,895	(₱507,994,026)	₱–	₱1,206,030,484
Loan payable		–	–	(44,543)	2,018,400	1,973,857
		₱1,058,421,615	₱655,602,895	(₱508,038,569)	₱2,018,400	₱1,208,004,341

Noncash changes pertain to accrual of interest and availment of loan to finance the acquisition of transportation equipment in 2024 (see Note 8).

11. **Retirement Liability**

The Company has unfunded and non-contributory defined benefit retirement plan covering all of its qualified employees. The retirement benefits are based on years of service and compensation on the last year of employment as determined by an independent actuary as at December 31, 2025.

The breakdown of retirement benefits expense are as follow:

	2025	2024
Current service costs	**₱1,488,885**	₱133,901
Interest expense	**222,265**	665,054
	₱1,711,150	₱798,955

The balance and movements of retirement liability recognized in the separate statements of financial position as at December 31 are as follows:

	2025	2024
Balance at beginning of year	**₱3,643,689**	₱2,584,802
Current service costs	**1,488,885**	133,901
Interest expense	**222,265**	665,054
Remeasurement loss (gain) on:		
Experience adjustments	**(2,806,657)**	169,769
Change in financial assumptions	**(24,443)**	90,163
Balance at end of year	**₱2,523,739**	₱3,643,689

The cumulative remeasurement gain (loss) recognized in OCI are as follows:

	2025	2024
Balance at beginning of year	**(₱30,318)**	₱229,614
Remeasurement gain (loss)	**2,831,100**	(259,932)
Balance at end of year	**₱2,800,782**	(₱30,318)

The rates used as principal assumptions for the purpose of the actuarial valuation are as follows:

	2025	2024
Discount rate	**6.4%**	6.1%
Salary projection rate	**5.0%**	5.0%

The sensitivity analysis based on reasonable possible changes of assumptions are presented below:

		Effect on Present Value of Retirement Liability	
	Change in Assumption	Discount Rate	Salary Projection Rate
December 31, 2025	**+1%**	**(₱73,735)**	**₱69,432**
	-1%	**86,283**	**(58,737)**
December 31, 2024	+1%	(₱160,062)	₱153,232
	-1%	183,746	(134,282)

The expected future benefit payments within the following years are as follows:

	2025	2024
Within one (1) year	**₱–**	₱–
After one (1) year but not more than five (5) years	**2,952,049**	5,604,414
More than five (5) years but not more than 10 years	**758,943**	8,328,189
More than 10 years	**9,433,153**	16,747,798

The weighted average duration of the retirement benefit obligation as at December 31, 2025 and 2024 are 3.74 and 2.95 years, respectively.

12. Equity

Equity Restructuring

On March 27, 2023, the Company's BOD approved the equity restructuring to wipe out the deficit as at December 31, 2022 amounting to ₱186,447,570 against its APIC. In May 2024, the Company received the certificate of approval of equity restructuring from the SEC.

Dividends

On November 11, 2025, the Company's BOD approved the declaration of cash dividends of ₱0.08 per share, amounting to ₱52,000,000, for shareholders of record as of December 11, 2025, with payment date of January 12, 2026. As at December 31, 2025, dividends payable amounted to ₱48,994,114, net of final tax on individual stockholders.

13. Related Party Transactions

The Company, in the normal course of business, has transactions with its related parties as follows:

		Transactions During the Year		Outstanding Balance	
Related Parties	Nature	**2025**	2024	**2025**	2024
Dividends Receivable					
Subsidiaries	Dividend income	**₱99,080,000**	₱99,390,000	**₱190,770,000**	₱91,690,000
Due from Related Parties					
Subsidiaries	Advances for working capital	**₱825,214,821**	₱407,667,893	**₱215,598,578**	₱170,765,538
Entities Under Common Control	Advances for working capital	**21,968,641**	54,265,698	**190,333,173**	143,147,906
Associate	Advances for working capital	**–**	–	**17,263**	17,263
				₱405,949,014	₱313,930,707
Dividends Payable	Dividends declared	**₱52,000,000**	₱–	**₱48,994,114**	₱–
Due to Related Parties					
Subsidiaries	Advances for working capital	**₱200,202,558**	₱106,444,056	**₱528,654,989**	₱390,600,517
Parent Company	Advances for working capital	**308,600,000**	106,086,330	**541,243,387**	296,351,320
Individual and Other Stockholders	Advances for working capital	**575,063,890**	373,966,105	**153,820,074**	250,406,772
Entities under Common Control	Advances for working capital	**14,400,000**	69,106,404	**385,749,907**	268,671,875
				₱1,609,468,357	₱1,206,030,484

Dividends Receivable

These are non-interest-bearing, unsecured, due and demandable, and collectible in cash.

Due from Related Parties
These are noninterest-bearing, unsecured, due and demandable, collectible in cash, and unimpaired.

Due to Related Parties and Dividends Payable
These are non-interest bearing, unsecured and payable on demand in cash. The Company converted due from subsidiaries amounting to nil and ₱14,634,592 in 2025 and 2024, respectively, to investment in subsidiaries (see Note 7).

Compensation of Key Management Personnel
The Company paid short-term benefits to key management personnel amounting to ₱3,104,460 and ₱6,727,123 in 2025 and 2024, respectively.

14. Income Taxes

There is no provision for income tax in 2025 and 2024 because of the Company's net taxable loss position.

The Company did not recognize the following deferred tax assets since management assessed that it is not probable that there would be sufficient future taxable income against which the deferred tax assets can be utilized.

	2025	2024
NOLCO	**₱44,100,829**	₱45,487,964
Retirement liability	**630,935**	910,922
	₱44,731,764	₱46,398,886

Details of NOLCO are as follows:

Year	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Expiration Year
2025	₱–	₱41,469,750	₱–	₱41,469,750	2028
2024	35,719,153	–	–	35,719,153	2027
2023	71,875,705	–	–	71,875,705	2026
2022	29,848,786	–	29,848,786	–	2025
2021	27,338,709	–	–	27,338,709	2026
2020	17,169,503	–	17,169,503	–	2025
	₱181,951,856	₱41,469,750	₱47,018,289	₱176,403,317	

As mandated by Section 4 of Republic Act (RA) No. 11494 or the "Bayanihan to Recover as One Act" and as implemented under Revenue Regulation (RR) No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2021 and 2020 can be carried-over as a deduction from taxable income for the next five (5) consecutive taxable years following the year of such loss.

The reconciliation of income tax expense computed at statutory tax rate with the provision for income tax shown in the separate statements of comprehensive income are as follows:

	2025	2024
Income tax benefit computed at statutory tax rate	**₱13,329,890**	₱14,840,843
Add (deduct) tax effects of:		
Nontaxable dividend income	**(24,770,000)**	(24,847,500)
Expired NOLCO	**11,754,572**	–
Nondeductible expenses	**1,157,732**	1,317,549
Remeasurement gain (loss) on retirement liability	**707,775**	(64,983)
Equity share in net income of an associate	**(372,598)**	(316,000)
Interest income subjected to final tax	**(140,249)**	(124,419)
Change in unrecognized deferred tax assets	**(1,667,122)**	9,194,510
	₱–	**₱–**

The income tax rates used in preparing the separate financial statements as at and for the years ended December 31, 2025 and 2024 are 25% for RCIT.

15. Commitments

Company as a Lessee

The Company leases its office premises for administrative purposes with a lease term of one (1) year. The lease contract is renewable upon mutual agreement of both parties. The Company applied the "short-term lease" recognition exemption for these leases.

Rental expense incurred amounted to ₱5,199,977 and ₱3,302,829 in 2025 and 2024, respectively.

The future minimum lease payments within one year under the non-cancellable operating lease agreement amounted to ₱4,503,147 and ₱2,501,748 as at December 31, 2025 and 2024, respectively.

Hydropower Service Contract (HSC)

The Government, through the Department of Energy (DOE), awarded HSCs to the Company giving the Company the exclusive right to explore, develop and utilize hydropower resources within specified contract areas.

On February 7, 2024, the Company assigned its HSC in Mauban, Quezon to PHC. As at December 31, 2025, the Company has one (1) HSC in Real, Quezon which is under the pre-development stage.

Wind Energy Service Contract (WESC)

The Government, through the DOE, awarded WESCs to the Company for the exclusive right to explore, develop and utilize wind energy resources within specified contract areas.

In 2024, the Company assigned its WESCs in Real Offshore, Pandan Labayat, Mauban Offshore and Silang Maragondon Wind Farms to Airstream Renewables Corp. As a result, the Company no longer holds any wind energy service contract as at December 31, 2025.

The HSC and WESC contracts are for a period is for twenty-five (25) years which is divided into two (2) stages: the pre-development stage and the development or commercial stage.

The pre-development stage refers to preliminary assessment and feasibility study activities. The development or commercial stage commences from the confirmation of commerciality by the DOE and refers to the construction and installation of facilities up to the operation phase.

Legal Proceedings
The Company is involved in certain legal proceedings. Management believes that the ultimate liability, if any, with respect to such disputes will not materially affect the separate financial position of the Company.

16. Financial Risk Management Objectives and Policies and Capital Management

The Company's principal financial instruments consist mainly of financial assets and financial liabilities directly related to operations specifically cash, funds held in escrow, dividends receivable, due from related parties, trade and other payables (excluding statutory payables), loan payable, dividends payable and due to related parties.

Financial Risk Management Objectives and Policies
The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The BOD reviews and agrees on policies for managing each of these risks.

Credit Risk
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The carrying amount of financial assets at amortized cost recorded in the separate financial statements represents the Company's maximum exposure to credit risk.

The table below shows the credit quality and aging analysis of the Company's financial assets:

	2025					
			Past Due But Not Impaired			
	High Grade	**Standard Grade**	**1 - 30 Days**	**31 - 90 Days**	**More than 90 Days**	**Total**
12-month ECL:						
Cash in banks	**₱15,588,758**	**₱–**	**₱–**	**₱–**	**₱–**	**₱15,588,758**
Dividends receivable	**–**	**190,770,000**	**–**	**–**	**–**	**190,770,000**
Due from related parties	**–**	**405,949,014**	**–**	**–**	**–**	**405,949,014**
	₱15,588,758	**₱596,719,014**	**₱–**	**₱–**	**₱–**	**₱612,307,772**

	2024					
			Past Due But Not Impaired			
	High Grade	Standard Grade	1 - 30 Days	31 - 90 Days	More than 90 Days	Total
12-month ECL:						
Cash in banks	₱7,562,309	₱–	₱–	₱–	₱–	₱7,562,309
Funds held in escrow	281,014,489	–	–	–	–	281,014,489
Dividends receivable	–	91,690,000	–	–	–	91,690,000
Due from related parties	–	313,930,707	–	–	–	313,930,707
	₱288,576,798	₱405,620,707	₱–	₱–	₱–	₱694,197,505

The Company's financial assets are categorized based on the Company's collection experience with the counterparties as follows:

a. High Grade – settlements are obtained from counterparty following the terms of the contracts without much collection effort.

b. Standard Grade – some reminder follow–ups are performed to obtain settlement from the counterparty.

c. Past Due But Not Impaired – items with history of frequent defaults but are still being collected.

Cash in Banks and Funds Held in Escrow. The credit risk for cash in banks and funds held in escrow is considered negligible because the counterparties are reputable banks with high quality external credit ratings. Thus, the impairment loss is limited to 12-month ECL.

Dividends Receivable and Due from Related Parties. The exposure on dividends receivable and due from related parties, which are measured and classified as financial assets at amortized cost, are assumed to have low credit risk because the related parties have sufficient cash and other liquid assets to repay the loan immediately. Thus, the impairment loss is limited to 12-month ECL.

Liquidity Risk

Liquidity risk arises from the Company's inability to raise sufficient funds at the least possible cost to meet its financial commitments. The Company's objectives in liquidity management are: (a) to ensure that adequate funds are available to meet expiring obligations; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access additional funding when needed at the least possible cost.

The table below summarizes the maturity profile of the financial liabilities of the Company based on remaining contractual undiscounted cash flows as at December 31, 2025 and 2024:

	2025					
	Due and Demandable	**Less than 1 year**	**1 to 2 Years**	**2 to 3 Years**	**Over 3 years**	**Total**
Trade and other payables*	**₱–**	**₱4,232,387**	**₱–**	**₱–**	**₱–**	**₱4,232,387**
Due to related parties	**1,609,468,357**	**–**	**–**	**–**	**–**	**1,609,468,357**
Dividends payable	**48,994,114**	**–**	**–**	**–**	**–**	**48,994,114**
Loan payable**	**–**	**534,516**	**534,516**	**534,516**	**489,973**	**2,093,521**
	₱1,658,462,471	**₱4,766,903**	**₱534,516**	**₱534,516**	**₱489,973**	**₱1,664,788,379**

**Excluding statutory payables amounting to ₱3,250,381 as at December 31, 2025.*
***Inclusive of future interests.*

	2024					
	Due and Demandable	Less than 1 year	1 to 2 Years	2 to 3 Years	Over 3 years	Total
Trade and other payables*	₱–	₱3,271,206	₱–	₱–	₱–	₱3,271,206
Due to related parties	1,206,030,484	–	–	–	–	1,206,030,484
Loan payable**	–	534,516	534,516	534,516	1,024,489	2,628,037
	₱1,206,030,484	₱3,805,722	₱534,516	₱534,516	₱1,024,489	₱1,211,929,727

**Excluding statutory payables amounting to ₱85,058 as at December 31, 2024.*
***Inclusive of future interests.*

The Company monitors its risk to a shortage of funds through analyzing the maturity of its financial investments and financial assets and cash flows from operations. The Company monitors its cash position by a system of cash forecasting. All expected collections, check disbursements and other payments are determined on a daily basis to arrive at the projected cash position to cover its obligations.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations and drive its expansion and growth in the future.

The Company regularly monitors its capital position and assesses business conditions to ensure early detection and determination of risks and its consequent adverse impact. The Company adopts measures, as deemed necessary and appropriate, to mitigate risks.

In determining reasonable leverage, the Company evaluates its cost of capital and manages its level of debt to maintain an optional cost of capital based in current conditions. The Company considers its equity as capital amounting to ₱1,604,368,084 and ₱1,600,217,423 as at December 31, 2025 and 2024, respectively.

The Company is not subject to externally imposed capital requirements.

No changes were made in the objectives, policies, and process in 2025 and 2024.

17. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Company's assets and liabilities measured at fair value and for which fair values are disclosed, and the corresponding fair value hierarchy as at December 31:

	2025		2024	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash	**₱15,608,758**	**₱15,608,758**	₱7,582,309	₱7,582,309
Funds held in escrow	**–**	**–**	281,014,489	281,014,489
Dividends receivable	**190,770,000**	**190,770,000**	91,690,000	91,690,000
Due from related parties	**405,949,014**	**405,949,014**	313,930,707	313,930,707
	₱612,327,772	**₱612,327,772**	₱694,217,505	₱694,217,505

	2025		2024	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Liabilities				
Trade and other payables*	**₱4,232,387**	**₱4,232,387**	₱3,271,206	₱3,271,206
Loan payable	**1,661,056**	**1,830,624**	1,973,857	2,316,630
Dividends payable	**48,994,114**	**48,994,114**	–	–
Due to related parties	**1,609,468,357**	**1,609,468,357**	1,206,030,484	1,206,030,484
	₱1,664,355,914	**₱1,664,525,482**	₱1,211,275,547	₱1,211,618,320

**Excluding statutory payables amounting to ₱3,250,381 and ₱85,058 as at December 31, 2025 and 2024, respectively.*

The following methods and assumptions were used in estimating the fair value of the Company's financial assets and liabilities:

Cash, Funds Held in Escrow, Dividends Receivable, Due from Related Parties, Trade and Other Payables (Excluding Statutory Payable), Dividends Payable and Due to Related Parties. Due to the short-term nature of transactions, the carrying amount of these instruments approximate the fair values as at reporting dates.

Loan Payable. The fair value of loan payable is the present value of all future cash flows discounted using applicable rates for similar types of loans. The fair value of the loan payable is classified under level 2 (significant observable inputs) of the fair value hierarchy. The discount rate used is 5.67% and 6.10% in 2025 and 2024, respectively.

There were no transfers between levels in the fair value hierarchy in 2025 and 2024.

BOA/PRC Accreditation No. 4782
April 14, 2024, valid until June 6, 2026
SEC Accreditation No. 4782-SEC Group A
Issued August 11, 2022
Valid for Financial Periods 2021 to 2025

BDO Towers Valero
8741 Paseo de Roxas
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Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Repower Energy Development Corporation
3rd Floor JTKC Centre
2155 Don Chino Roces Ave.
Makati City, Philippines

We have audited in accordance with Philippines Standards on Auditing, the separate financial statements of Repower Energy Development Corporation (the Company) as at December 31, 2025 and 2024 and for the years ended December 31, 2025 and 2024 have issued our report thereon dated April 13, 2026. Our audits were made for the purpose of forming an opinion on the separate financial statements taken as a whole.

The Supplementary Schedule on Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This is presented for purposes of complying with Revised Securities Regulation Code Rule 68 Part II, and is not part of the basic separate financial statements.

The supplementary schedule have been subjected to the audit procedures applied in the audit of the basic separate financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic separate financial statements taken as a whole.

REYES TACANDONG & CO.

DREO B. GUIEB
Partner
CPA Certificate No. 134498
Tax Identification No. 404-428-828-000
BOA Accreditation No. 4782/P-026; Valid until June 6, 2026
SEC Accreditation No. 134498-SEC Group A
Issued December 23, 2025
Valid for Financial Period 2025 to 2029
BIR Accreditation No. 08-005144-024-2024
Valid until March 26, 2027
PTR No. 10764021
Issued January 2, 2026, Makati City

April 13, 2026
Makati City, Metro Manila

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025

REPOWER ENERGY DEVELOPMENT CORPORATION

Address: 3rd Floor JTKC Centre, 2155 Don Chino Roces Ave., Makati City, Philippines

	Amount
Retained earnings available for dividend declaration, beginning of reporting period	₱54,337,067
Less: Category B: Items that are directly debited to unappropriated retaining earnings	
Dividend declaration during the period	(52,000,000)
Retained earnings, as adjusted	2,337,067
Add net income for the current year	53,319,561
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity share in net income of associate	(1,490,393)
Adjusted net income	51,829,168
Total retained earnings, end of the reporting period available for dividend	₱54,166,235

REPOWER ENERGY DEVELOPMENT CORPORATION

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Total Audit Fees	**₱2,630,000**	₱2,305,000
Non-audit services fees:		
Agreed-upon procedures for use of proceeds from the initial public offering	**180,000**	300,000
Total Non-audit Fees	**180,000**	300,000
Total Audit and Non-audit Fees	**₱2,810,000**	₱2,605,000

Gmail **REPOWER ENERGY DEVELOPMENT CORPORATION <2013repowerenergy@gmail.com>**

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Wed, Apr 15, 2026 at 11:28 AM
To: WISHEL.PUREENERGY@gmail.com
Cc: 2013REPOWERENERGY@gmail.com

Hi REPOWER ENERGY DEVELOPMENT CORPORATION,

Valid files

- EAFS008541419RPTTY122025.pdf
- EAFS008541419AFSTY122025.pdf
- EAFS008541419ITRTY122025.pdf

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Transaction Code: **AFS-0-MW1QZ1RW02N2SV2YXN444NZST0NVTN3W4R**
Submission Date/Time: **Apr 15, 2026 11:28 AM**
Company TIN: **008-541-419**

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- 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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