SECURITIES AND EXCHANGE COMMISSION
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Company Information

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Company Name: REPOWER ENERGY DEVELOPMENT CORPORATION
Industry Classification: E40100
Company Type: Stock Corporation

Document Information

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COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

ERIC PETER Y. ROXAS

Contact Person

(632) 8818 8892

Company Telephone Number

1	2

Month

3	1

Day

Fiscal Year

1	7	-	Q	

Form Type

September 30

Month Day

Annual Meeting

N/A

Secondary License Type, If Applicable

C	F	D	

Dept. Requiring this Doc.

-

Amended Articles Number/Section

13

Total No. of Stockholders

Total Amount of Borrowings

-

Domestic

-

Foreign

To be accomplished by SEC Personnel Concerned

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CASHIER

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended September 30, 2026

2. SEC Identification No. CS201310124

3. BIR Tax Identification No. 008-541-419-000

4. Exact name of issuer as specified in its charter Repower Energy Development Corporation

5. Province, country or other jurisdiction of incorporation or organization Philippines

6. Industry Classification Code [ ] (SEC Use Only)

7. Address of principal office 3rd Floor JTKC Center, 2155 Chino Roces Ave., Makati City
   Postal Code 1230

8. Issuer's telephone number, including area code (02) 8818-8892

9. Former name or former address, if changed since last report N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
COMMON	650,000,002

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

    Yes [✓] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein: Philippine Stock Exchange - ALL Outstanding Common Shares

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

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

    Yes [✓] No [ ]

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

    Yes [✓] No [ ]

SECTION 1

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2026 AND DECEMBER 31, 2025 AND
FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2026 AND 2025

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	September 30 2026	December 31 2025
ASSETS			
Current Assets			
Cash	6	**₱ 254,742,000**	₱ 123,920,533
Trade and other receivables	8	**251,985,829**	365,847,950
Due from related parties	20	**156,928,786**	156,418,728
Other current assets	9	**230,200,519**	153,040,726
Total Current Assets		**893,857,134**	799,227,937
Noncurrent Assets			
Investments in an associate	10	**43,119,531**	43,119,531
Property, plant and equipment	11	**6,987,169,452**	7,081,503,036
Advances to contractors and suppliers - net of current portion	12	**242,993,011**	192,180,383
Goodwill	4	**136,435,185**	136,435,185
Other noncurrent assets	9	**61,422,426**	61,102,006
Total Noncurrent Assets		**7,471,139,605**	7,514,340,141
		₱ 8,364,996,739	₱ 8,313,568,078
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	13	**₱ 342,136,451**	₱ 1,107,954,671
Current portion of loans payable	14	**375,359,716**	292,554,374
Due to related parties	20	**1,467,913,362**	1,062,945,257
Total Current Liabilities		**2,185,409,528**	2,463,454,302
Noncurrent Liabilities			
Loans payable - net of current portion	14	**3,368,202,461**	3,208,363,985
Retention payable - net of current portion	13	**14,563,914**	125,706,566
Retirement liability	15	**7,204,685**	7,359,816
Deferred tax liabilities	21	**4,044,923**	4,044,923
Total Noncurrent Liabilities		**3,394,015,983**	3,345,475,920
Total Liabilities		**5,579,425,511**	5,808,929,592
Equity			
Capital stock	16	**650,000,002**	650,000,002
Additional paid-in capital	16	**909,472,734**	909,472,734
Retained earnings	16	**1,067,322,512**	822,931,616
Other equity reserves		**(37,004,502)**	(37,004,502)
		2,589,790,746	2,345,399,850
Non-controlling interests	5	**195,780,482**	159,238,636
Total Equity		**2,785,571,228**	2,504,638,486
		₱ 8,364,996,739	₱ 8,313,568,078

See accompanying Notes to Consolidated Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	FOR THE NINE MONTHS ENDING SEPTEMBER 30		FOR THE THREE MONTHS ENDING SEPTEMBER 30	
		2026	2025	**2026**	2025
REVENUE					
Sale of electricity	22	**₱ 762,294,709**	₱ 526,715,076	**₱ 311,046,644**	₱ 167,106,348
COST OF SALE OF ELECTRICITY	17	**(250,365,471)**	(162,166,411)	**(115,337,235)**	(52,072,502)
GROSS INCOME		**511,929,238**	364,548,665	**195,709,409**	115,033,845
OPERATING EXPENSES	18	**(85,117,822)**	(54,756,851)	**(42,278,363)**	(15,329,628)
INTEREST EXPENSE	14	**(174,085,737)**	(84,181,314)	**(82,201,749)**	(26,101,502)
OTHER INCOME (CHARGES) - Net	19	**265,712**	449,676	**214,623**	253,501
INCOME BEFORE INCOME TAX		**252,991,391**	226,060,176	**71,443,920**	73,856,216
INCOME TAX EXPENSE	21				
Current		**2,098,649**	--	**865,458**	--
Deferred		**--**	--	**--**	--
		2,098,649	--	**865,458**	--
NET INCOME		**250,892,742**	226,060,176	**70,578,462**	73,856,216
OTHER COMPREHENSIVE INCOME		**--**	--	**--**	--
TOTAL COMPREHENSIVE INCOME		**₱ 250,892,742**	₱226,060,176	**₱ 70,578,462**	₱ 73,856,216
NET INCOME ATTRIBUTABLE TO:					
Equity holders of the Parent Company		**₱ 244,390,896**	₱ 214,588,921	**₱ 68,615,462**	₱ 70,615,913
Non-controlling interests	5	**6,501,846**	11,471,255	**1,963,000**	3,240,303
		₱ 250,892,742	₱ 226,060,176	**₱ 70,578,462**	₱ 73,856,216
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holders of the Parent Company		**₱ 244,390,896**	₱ 214,588,921	**₱ 68,615,462**	₱ 70,615,913
Non-controlling interests	5	**6,501,846**	11,471,255	**1,963,000**	3,240,303
		₱ 250,892,742	₱ 226,060,176	**₱ 70,578,462**	₱ 73,856,216
BASIC/DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	25	**₱0.38**	₱0.33	**₱0.11**	₱0.11
BASIC/DILUTED EARNINGS PER SHARE	25	**₱0.38**	₱0.33	**₱0.11**	₱0.11

See accompanying Notes to Consolidated Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		For the Months Ended September 30	
	Note	**2026**	2025
CAPITAL STOCK - ₱1 par value	16		
Balance at beginning of year		**₱ 650,000,002**	₱650,000,002
Balance at end		**650,000,002**	650,000,002
ADDITIONAL PAID-IN CAPITAL	16		
Balance at beginning of year		**909,472,734**	909,472,734
Balance at end		**909,472,734**	909,472,734
RETAINED EARNINGS	16		
Balance at beginning of year		**822,931,616**	568,647,241
Net income		**244,390,896**	214,588,921
Balance at end		**1,067,322,512**	783,236,162
OTHER EQUITY RESERVES			
Balance at beginning of year		**(37,004,502)**	(39,222,991)
Balance at end		**(37,004,502)**	(39,222,991)
OTHER COMPREHENSIVE INCOME		**--**	162,663
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**2,589,790,746**	2,303,648,570
NON-CONTROLLING INTERESTS	5		
Balance at beginning of year		**159,238,636**	142,915,812
Additions		**52,000,000**	--
Net Income		**6,501,846**	11,471,255
Dividends		**(21,960,000)**	--
Balance at end of year		**195,780,482**	154,387,067
		₱ 2,785,571,228	₱ 2,458,035,637

See accompanying Notes to Consolidated Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

		For the Months Ended September 30	
	Note	**2026**	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax from continuing operations		**₱ 250,892,742**	₱226,060,177
Adjustments for:			
Depreciation and amortization	11	**185,857,261**	107,132,124
Interest expense	14	**174,085,737**	84,181,314
Provision for impairment of input value-added tax		**3,964,849**	--
Provision for expected credit loss on trade receivables and contract assets		**9,148,293**	--
Interest income		**(265,712)**	(449,676)
Operating income before working capital changes		**623,683,170**	416,923,939
Decrease (increase) in:			
Fund held in escrow		**--**	281,014,489
Trade and other receivables		**113,862,121**	(224,202,451)
Other current assets		**(77,159,793)**	(66,936,534)
Increase (decrease)			
Trade and other payables		**(615,464,128)**	(120,334,239)
Retention payable		**(150,354,092)**	7,326,995
Net cash generated from (used for) operations		**(105,432,722)**	534,460,677
Interest received	6	**265,712**	449,676
Income taxed paid		**(865,458)**	--
Net cash provided by (used in) operating activities		**(106,032,468)**	534,910,353
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property, plant and equipment - net of retention	11	**(123,988,931)**	(1,477,312,854)
Due from related parties - net		**(510,058)**	26,084,095
Advances to contractors		**(117,613,601)**	(5,436,210)
Net cash used in investing activities		**₱ (242,112,590)**	₱ (1,456,664,969)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Availment of loans payable - net of debt issue cost incurred	14	**419,225,049**	810,967,485
Due to related parties	20	**404,968,105**	286,801,914
Payments of:			
Interest payable	14	**(160,912,740)**	(54,613,177)
Loans payable	14	**(184,313,890)**	(126,954,420)
Net cash used in financing activities		**478,966,525**	916,201,802
NET INCREASE (DECREASE) IN CASH		**130,821,467**	(5,552,813)
CASH AT BEGINNING OF YEAR		**123,920,533**	89,416,469
CASH AT END OF YEAR		**₱ 254,742,000**	₱ 83,863,656

1. General Information

Repower Energy Development Corporation (REDC or the Parent Company)

REDC was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on May 29, 2013 and was 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.

REDC is a subsidiary of Pure Energy Holdings Corporation (PEHC). 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.

Subsidiaries

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries (collectively referred to as "the Group") which are all engaged in the renewable energy generation and distribution:

	Effective Percentage of Ownership					
	2025		2024		2023	
Name of Subsidiaries	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
Tibag Hydropower Corporation (THC)	100%	–	100%	–	100%	–
Cabanglasan Hydropower Corporation (CHC)	100%	–	100%	–	100%	–
Bicol Hydropower Corporation (BHC)	100%	–	100%	–	100%	–
Baguio Asin Hydropower Corporation (BAHC)	100%	–	100%	–	100%	–
Maramag Hydropower Corporation (MHC)	100%	–	-	–	-	–
Philippine Power and Development Company (PPDC)	99%	–	99%	–	99%	–
Majayjay Hydropower Company, Inc. (MHCI)	99%	–	99%	–	99%	–
Labayat 1 Hydropower Corporation (L1HC)	82%	–	82%	–	60%	–
Piapi Hydropower Corporation (PHC)	60%	–	60%	–	60%	–

As at September 30, 2026, the operating subsidiaries of the Parent Company are PPDC, MHCI, L1HC, THC, BHC, and CHC. As at September 30, 2026, PHC, BAHC, and MHC are at its pre-operating stages.

Registered Address

The Parent Company and its Subsidiaries' principal office address is located at 3rd Floor JTKC Center, 2155 Chino Roces Ave., Makati City.

Associates

Details of the Group's associates and its percentages of ownership as at December 31, 2025 and 2024 are as follows:

Name of Associates	Nature of Business	Effective Percentage of Ownership	
		Direct	Indirect
Blue Energy Holdings and Management Corporation (BEHMC)	Holding and Investments	30%	-
BEHMC Lower Labayat Hydropower Corp. (BLLHC)*	Power Generation Through Renewable Energy	-	30%
BEHMC Upper Tignoan Hydropower Corp. (BUTHC)*	Power Generation Through Renewable Energy	-	30%

**100%-owned by BEHMC*

The associate's principal office address is located at Unit 308 Greenhills Mansion 37 Annapolis St., Greenhills San Juan City.

Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 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 policies adopted were consistently applied in the preparation of the consolidated financial statements for the periods presented.

Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS, 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.

Measurement Bases

The consolidated financial statements are presented in Philippine Peso, the Group's functional currency. All values are stated in absolute amounts and rounded to the nearest Peso, unless otherwise indicated.

The consolidated financial statements of the Group have been prepared on a historical cost basis except for investment in associate which is accounted for using equity method and retirement liability which is recorded at the aggregate 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 24.

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 Group effective for annual periods beginning on or after January 1, 2025.

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 consolidated 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 amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). 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 - Cost Method* – 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 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 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 consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries. The Parent Company has control when it is exposed, or has a right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

Subsidiaries are entities controlled by the Parent Company. Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control, and continue to be consolidated until the date such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the controlling equity ownership (i.e., acquisition of non-controlling interest or partial disposal of interest over a subsidiary) that do not result in a loss of control are accounted for as equity transactions.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests represent the portion of net results and net assets not held by the Parent Company. They are presented in the consolidated statements of financial position within equity, apart from equity attributable to equity holders of the Parent Company and are separately disclosed in the consolidated statements of comprehensive income.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

If the Parent Company loses control over a subsidiary, it:

• Derecognizes the assets and liabilities of the former subsidiary from the consolidated statements of financial position;

• Recognizes any investment retained in the former subsidiary when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant PFRS Accounting Standards. That retained interest is remeasured, and the remeasured value is regarded as the fair value on initial recognition of a financial asset in accordance with PFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture; and

• Recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

Business Combinations. Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are recognized as expense.

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

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PFRS 9 is measured at fair value with changes in fair value recognized either in profit or loss or other comprehensive income. If the contingent consideration is not within the scope of PFRS 9, it is measured in accordance with the appropriate PFRS Accounting Standards. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill. Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the fair value of net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

If the initial accounting for business combination can be determined only provisionally by the end of the period by which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the Group accounts the combination using provisional values. Adjustments to these provisional values as a result of completing the initial accounting shall be made within 12 months from the acquisition date. The carrying amount of an identifiable asset, liability or contingent liability that is recognized as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date and goodwill or any gain recognized shall be adjusted from the acquisition date by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted.

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

Where goodwill forms part of a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Classification of Assets and Liabilities between Current and Noncurrent

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

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

a. it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
b. it holds the asset primarily for the purpose of trading;
c. it expects to realize the asset within twelve months after the reporting period, or
d. 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 Group will classify all other assets as noncurrent.

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

a. it expects to settle the liability in its normal operating cycle;
b. it holds the liability primarily for the purpose of trading;
c. the liability is due to be settled within twelve months after the reporting period, or
d. 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 Group will classify all other liabilities as noncurrent.

Financial Assets and Liabilities

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated 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. 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.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transactions price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification of Financial Instruments. The Group 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 fair value through other comprehensive income (FVOCI). The classification of a financial asset largely depends on the Group'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 other financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Group's business model.

As at September 30, 2026 and December 31, 2025, the Group has no financial assets and liabilities at FVPL and financial assets at FVOCI.

Financial Assets at Amortized Cost. A financial asset 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 loss (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 September 30, 2026 and December 31, 2025, the Group's cash, funds held in escrow, trade receivables, contract assets, due from related parties, and receivables from contractors, restricted cash and refundable deposits (presented under "Other assets" account) 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 Group 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 September 30, 2026 and December 31, 2025, the Group's trade and other payables (excluding statutory payables), retention payable, loans payable and due to related parties are classified under this category.

Reclassification

The Group 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).

Impairment of Financial Assets at Amortized Cost

The Group records an allowance for expected credit loss (ECL) on financial assets at amortized cost based on the difference between the contractual cash flows due in accordance with the contract and

all the cash flows that the Group expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables and contract assets, the Group applies the simplified approach to calculate ECL based on the lifetime ECL. A provision matrix is used, incorporating the Group's historical credit loss experience and forward-looking factors specific to the debtors and the economic environment.

For other financial assets at amortized cost, ECL is assessed based on liquidity of counterparties, utilizing available financial information. The Group applies a 12-month ECL approach, unless there has been a significant increase in credit risk since initial recognition, in which case, the allowance will be based on lifetime ECL.

When credit risk improves and ECL decreases, the allowance is adjusted, and the reversals are recognized in profit or loss. However, the asset's value cannot exceed its amortized cost at the reversal date.

Financial assets are written off when there is no reasonable expectation of recovering it, typically when the counterparty lacks sufficient assets or income to repay the amount owed.

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 Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Group has transferred its right to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group 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.

Offsetting Financial Assets and Liabilities
Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

Classification of Financial Instrument between Liability and Equity
A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;

- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or

- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. Otherwise, the financial instrument is classified as equity.

Advances to Contractors and Suppliers
Advances to contractors and suppliers pertain to the advance payments for the rehabilitation and development of the Group's hydropower plants. These are applied on every payment of progress billing depending on the percentage of completion. Advances to contractors and suppliers are classified as current assets when the corresponding goods or services are expected to be delivered or performed for no more than 12 months after the financial reporting period. Otherwise, these are classified as noncurrent assets.

Input VAT
Input VAT represents the value-added tax incurred on the purchase of goods and services. Revenues, expenses and assets are recognized net of VAT, except where VAT cannot be recovered from the tax authority. Recoverable VAT is presented as part of "Other current assets" in the consolidated statements of financial position.

Creditable Withholding Taxes (CWT)
CWT represents the amount withheld by the Group's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source.

Investments in Associates
The Group's investments in associates, where there is significant influence, are accounted for under the equity method. These also include investments where the Group holds 20% or more of the voting stocks but does not have control over the associate or where, even though the Group holds 20% or less, the Group 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, investments in associates are carried in the consolidated statements of financial position at cost plus post-acquisition changes in the Group'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 consolidated 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 Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group 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 consolidated statements of comprehensive income.

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

Upon loss of significant influence over an associate, the Group 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.

Property, Plant and Equipment

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

The initial cost of property, plant and equipment consists of its purchase price, including import duties, and other costs directly attributable to bring the asset to its working condition and location for its intended use. Cost also includes the cost of replacing parts when the asset recognition criteria are met and the present value of the estimated cost of dismantling and removing the asset and restoring the site where the asset is located. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs.

Expenditures incurred after the property, plant 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, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment.

The cost of replacing a component of an item of property, plant and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

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

Asset Category	Number of Years
Hydropower plants	25
Buildings	15 to 25
Furniture, fixtures and office equipment	3 to 5
Transportation equipment	5 to 15

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

Construction in progress 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 Group'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 Group. 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

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 Equity Reserves
Other equity reserves represent net excess of the consideration given up over the carrying amount of the non-controlling interest acquired and cumulative remeasurement gains on retirement liability. The cumulative remeasurement gains relate to items recognized in other comprehensive income that is not to be recognized in profit or loss.

Earnings Per Share
The Group presents basic and diluted earnings per share data for its common shares.

Basic earnings per share is calculated by dividing the net income attributable to common shareholders of the Parent Company by the weighted average number of common shares issued and outstanding during the year.

Diluted earnings per share amounts are computed in the same manner, adjusted for the dilutive effect of any potential common shares. There were no dilutive common shares as at September 30, 2026 and December 31, 2025.

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 Group perform its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

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

Variable Consideration. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur and when the associated uncertainty with the variable consideration is subsequently resolved. Revenue from feed-in-tariff (FIT) rate differential is recognized based on the difference between the market rate and the estimated FIT rate applicable to the plant.

Significant Financing Component. The Group typically receives payments for the FIT rate differential within five (5) years after the actual delivery of electricity. Considering the length of time between the customer's payment and the fulfilment of the performance obligation, the Group assessed that these transactions include a significant financing component. Consequently, the transaction price is discounted using a rate that would be applicable in a separate financing transaction between the Group and the customer at contract inception.

The following specific recognition criteria must also be met before revenue is recognized:

Sale of Electricity. Revenue from sale of electricity is recognized based on the actual delivery of electricity, net of any adjustments.

Interest Income. Interest expense is recognized in profit or loss using the effective interest method.

Other Income. Income from other sources is recognized when earned during the period.

Contract Balances

Contract Assets. Contract assets are recognized when the Group has already rendered the services to the customer but where the Group is yet to bill them. Contract assets are subject to impairment assessment in accordance with impairment of financial assets at amortized cost.

Contract Liabilities. Contract liabilities are recognized if a payment is due to a customer resulting in excess collections over the approved feed-in-tariff (FIT) rate.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when 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.

Cost of Sale of Electricity. Cost of sale of electricity are recognized as expense when the related services are rendered.

Operating Expenses. Operating expenses constitute costs of administering the business. These are expensed 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 Group assesses whether, throughout the period of use, the Group 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 Group 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 Group also assesses whether a contract contains a lease for each potential separate lease component.

Group as Lessee

Short-term Leases. The Group applies the short-term lease recognition exemption to its short-term leases of head office space and staff houses (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 are recognized as expense on a straight-line basis over the lease term.

Employee Benefits

Short-term Benefits. The Group 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 or profit sharing plans if the Group 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 Group has an unfunded, noncontributory defined benefit plan covering all qualified employees. The retirement benefits cost is 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 Group 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 aggregate of the present value of the retirement liability to each qualified employee. 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.

Borrowing Costs

Borrowing costs is recognized in profit or loss using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of such asset. The capitalization of interest expense commences when expenditures for the asset and interest are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when all such activities are substantially complete.

Capitalized borrowing cost will be deducted from taxable income through depreciation of the related asset.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates 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 and unused tax losses 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 income 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 income will allow the deferred tax assets to be recovered.

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

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

Related Parties and Related Party Transactions

Related party transactions consist of transfers of resources, services or obligations between the Group 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 Group; (b) associates; (c) individuals owning directly or indirectly, an interest in the voting power of the Group that give them significant influence over the Group and close members of the family of any such individual; and (d) members of the key management personnel of the Group.

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

Segment Reporting

The Group's operating segments are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services to different markets. Financial information on operating segments is presented in Note 25 to the consolidated financial statements. The Chief Executive Officer (CEO), the chief operating decision maker, reviews management reports on a regular basis. The measurement policies the Group used for segment reporting under PFRS 8 are the same as those used in the consolidated financial statements. There have been no changes in the measurement methods used to determine reported segment profit or loss from prior periods.

For purposes of management reporting, the Group's operating segment is related to its renewable energy generation operations.

Provisions

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

Events After the Reporting Period

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

3. Significant Judgments, Accounting Estimates and Assumptions

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

While the Group has assessed 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 judgments, 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

Judgment In the process of applying the Group'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 consolidated financial statements.

Estimating the Variable Considerations. The Group estimates the amount of consideration for its sale of electricity. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty is subsequently resolved.

In estimating the variable consideration, the Group uses the expected value method which is calculated as the sum of probability-weighted amounts in a range of possible consideration amounts.

The estimated variable consideration is updated at the end of each reporting period to faithfully represent the circumstances present at the end of the reporting period. Any changes in transaction price arising from resolution of uncertain events or other changes in circumstances are recognized as revenue or as a reduction to revenue, in the period in which the transaction price changes.

In 2025, 2024 and 2023, the Group recognized FIT rate differential based on the approved FIT rate increment which will be generally recovered for a period of five (5) years from actual delivery of electricity.

The carrying amounts of FIT rate differential receivables presented as "Contract assets" and amounts of related revenues are disclosed in Notes 8 and 22.

Determining Lease Commitments - Group as a Lessee. The Group has entered into various lease agreements for head office space and staff houses. The Group has elected not to recognize ROU assets on the lease qualifying under the short-term recognition exemption. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Rent expense on the lease qualifying under the short-term recognition exemption in 2025, 2024 and 2023 are disclosed in Note 22.

Defining Default and Credit-Impaired Financial Assets. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit- impaired, when it meets one or more of the following criteria:

a. Quantitative Criteria - the borrower is more than 30 days past due on its contractual payments, which is consistent with the Group's definition of default.

b. Qualitative Criteria - The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is experiencing financial difficulty or is insolvent;
- The borrower is in breach of financial covenants;
- It is probable that the borrower will enter bankruptcy or other financial reorganization.

The definitions above have been applied to all financial instruments held by the Group consistently for internal credit risk management purposes. The default definition has been applied consistently, as well, to the determination of ECL.

Accounting Estimates and Assumptions

Estimating the ECL on Trade Receivables and Contract Assets. The Group's trade receivables and contract assets are subject to the ECL model.

The Group applies the simplified approach in measuring ECL for trade receivables and contract assets since its customers can be graded as low risk. At the end of the reporting year, a loss allowance is recognized at an amount equal to lifetime since there has not been a significant increase in credit risk since initial recognition.

Provision for ECL in 2025, 2024 and 2023 and the carrying amounts of trade receivables and contract assets as at December 31, 2025 and 2024 are disclosed in Notes 8 and 9.

Assessing the Impairment of Other Financial Assets at Amortized Cost. The Group 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 Group 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 Group's financial assets at amortized cost are considered to have low credit risk, and therefore the allowance is determined as 12 months ECL. The Group 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 Group only with reputable banks and counterparties with good credit standing and relatively low risk of defaults. Accordingly, no impairment loss was recognized in 2025, 2024 and 2023.

The carrying amounts of financial assets at amortized costs as at December 31, 2025 and 2024 are disclosed in Notes 6, 7, 8, 9 and 20.

Determining Subsidiaries with Material Non-controlling Interests and Material Associates. The Group is required to disclose certain financial information on its subsidiaries with material NCI and material associates.

Management determines subsidiaries with material NCI as those with assets greater than 5% of consolidated assets, or revenues and net income. Material associates are those where the carrying amount of investment or equity in net earnings is greater than 5% of the consolidated assets or net income at year end.

The Group has determined L1HC as a subsidiary with material NCI and BEHMC group as its material associate as at December 31, 2025 and 2024, which are disclosed in Notes 5 and 10.

Estimating the Useful Lives of Property, Plant and Equipment. The Group 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 Group'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 in the estimated useful lives of property, plant and equipment in 2025, 2024 and 2023. The carrying amount of property, plant and equipment as at December 31, 2025 and 2024 are disclosed in Note 11.

Assessing the Impairment of Nonfinancial Assets. The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considered important which could trigger an impairment review include the following:

• significant underperformance relative to expected historical or projected future operating results;

• significant changes in the manner of use of the acquired assets or the strategy for overall business; or

• significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for CGU to which the asset belongs. Based on management's assessment, certain nonfinancial assets were determined to be impaired in 2025. No impairment loss was recognized in 2024 and 2023.

Provision for impairment on input VAT in 2025 and the carrying amounts of nonfinancial assets as at December 31, 2025 and 2024 are disclosed in Notes 7, 9, 10, 11, 12 and 20. Assessing the Impairment of Goodwill. The Group tests annually whether any impairment in goodwill should be recognized, in accordance with the related accounting policy. The recoverable amount of CGU has been determined based on value in use calculations which require the use of estimates.

Based on the impairment assessment, the recoverable amount of the CGU as at December 31, 2025 and 2024, calculated based on value in use is greater than the corresponding carrying values (including goodwill) of the CGU. Accordingly, no impairment loss was recognized in 2025, 2024 and 2023. The assumptions used and the carrying amount of goodwill as at December 31, 2025 and 2024 are disclosed in Note 4.

Estimating 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 15 to the consolidated financial statements. Actual results that differ from the assumptions are accumulated and are recognized in other comprehensive income.

While the Group 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 15.

Recognizing Deferred Tax Assets. The Group 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 Group's unrecognized deferred tax assets as at December 31, 2025 and 2024 are disclosed in Note 21.

Assessing Legal Contingencies. The Group is currently involved in certain legal proceedings and claims. The Group determines the probable costs for these legal proceedings and claims based on an analysis of potential results. Management believes that these legal proceedings and claims will not have a material adverse effect on the Group's consolidated financial statements and results of operations.

4. **Business Combination and Goodwill**

MHC On December 2, 2025, the Parent Company acquired 100% ownership interest in MHC for P32,192,001.

The provisional fair values of the identifiable assets acquired and liabilities assumed in MHC as at the date of acquisition were as follows:

Assets acquired:	
Cash in bank	₱27,249
Property, plant and equipment	67,219,443
Other assets	20,000
	67,226,692
Liabilities assumed:	
Trade and other payables	294,789
Liabilities payable to the Parent Company	35,264,401
	35,559,190
Net Assets	₱31,707,502

Goodwill arising from business combination was computed as follows:

Fair value of consideration transferred at acquisition date	₱32,129,001
Less fair value of net assets	31,707,502
	₱484,499

The fair values of net identifiable assets acquired and the consideration are based on a provisional assessment pending the completion of an independent valuation. None of the goodwill recognized is expected to be deductible for tax purposes.

From the date of acquisition, MHC contributed nil to revenue and ₱19,075 of net loss to the Group in 2025. If the combination had taken place at the beginning of 2025, MHC's contribution to the Group's revenue would have been nil and MHC's contribution to the Group's net loss would have been ₱19,075.

Objective of Acquisitions

The acquisitions of MHCI, BHC and PPDC in prior years and MHC in 2025 were executed to expand the Group's hydroelectric power plant operations. The goodwill recognized for the acquisitions are attributable to the expected synergies from combining the operations of the subsidiaries and the technical expertise of the Parent Company.

Goodwill

Goodwill from the acquisition of the subsidiaries are as follows:

	September 2026	December 2025
MHCI	**₱86,599,545**	₱86,599,545
BHC	**35,298,843**	35,298,843
PPDC	**14,052,298**	14,052,298
MHC	**484,499**	484,499
	₱136,435,185	₱136,435,185

For purposes of impairment assessment, the Group determined the recoverable amount of goodwill based on value in use. Value in use is based on discounted cash flow model using the subsidiaries' financial forecasts for the next five (5) years.

The following key assumptions were used in computing the value in use of the CGU:
• Pre-tax weighted average cost of capital (WACC) that reflects the management's estimate of risks specific to the CGU. WACC used in discounting the future cash flows in 2025 ranges from 10.55% to 11.86%;
• Revenue growth rates based on expected operating results with reference to projected cash flows from stress testing;
• Operational costs determined based on average fixed and variable costs adjusted for inflationary increases but not reflecting any future restructurings or cost saving measures; and
• The growth rate applied in 2025 is 0%. This reflects the Group's management's expectations of stable performance without significant growth or decline in the operations of the Group that would affect future cash flows.

The Group has assessed that there is no goodwill impairment based on a discounted cash flow model using projected budget for the next five (5) years.

Management has assessed that any reasonably possible changes in the key assumptions on which the CGU's recoverable amount is based would not cause the carrying amount to exceed its recoverable amount. Accordingly, no impairment loss should be recognized.

Other Equity Reserves

Other equity reserves resulting from the Parent Company's increased ownership interest in subsidiaries include:

	2025	2024	2023
BHC	**₱30,981,599**	₱30,981,599	₱30,981,599
PPDC	**8,820,817**	8,820,817	8,820,817
	₱39,802,416	₱39,802,416	₱39,802,416

5. Material Non-controlling Interests

As at December 31, 2025 and 2024, L1HC's non-controlling interests hold 18% ownership interest.

The summarized financial information of L1HC, 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

	2025	2024	2023
Revenue	**₱181,896,252**	₱142,258,010	₱127,037,483
Expenses	**69,124,647**	58,393,864	63,800,729
Income from operations	**112,771,605**	83,864,146	63,236,754
Interest expenses	**(24,193,504)**	(24,974,073)	(27,825,123)
Other income	**1,526,029**	32,042	(1,707,171)
Income tax benefit	**98,746**	87,339	1,054,251
Net income	**90,202,876**	59,009,454	34,758,711
Other comprehensive income (loss)	**72,019**	(20,827)	107,964
Total comprehensive income	**₱90,274,895**	₱58,988,627	₱34,866,675
Net cash flows generated from (used in):			
Operating activities	**₱80,557,871**	₱90,525,277	₱144,123,401
Investing activities	**(64,727,859)**	(24,208,009)	(71,032,399)
Financing activities	**(32,662,367)**	(59,940,489)	(96,879,090)
Net decrease in cash	**(16,832,355)**	6,376,779	(23,788,088)
Cash at beginning of the year	**25,204,042**	18,827,263	42,615,351
Cash at end of year	**₱8,371,687**	₱25,204,042	₱18,827,263

Non-controlling interests in the consolidated statements of financial position are presented below:

	2026	2025	2024	2023
L1HC	**₱186,811,454**	₱150,729,166	₱134,735,536	₱124,117,583
PHC	**3,636,477**	3,822,354	3,846,767	3,868,922
Others	**5,332,550**	4,687,116	4,333,509	4,306,992
	₱195,780,482	₱159,238,636	₱142,915,812	₱132,293,497

The net income attributable to non-controlling interests in the consolidated statements of comprehensive income is presented below:

	2026	2025	2024	2023
L1HC	**₱ 6,042,288**	₱15,980,667	₱10,621,702	₱6,256,568
Others	**459,558**	1,254,269	613,354	809,538
	₱ 6,501,846	₱17,234,936	₱11,235,056	₱7,066,106

The total comprehensive income attributable to non-controlling interests in the consolidated statements of comprehensive income is presented below:

	2026	2025	2024	2023
L1HC	**₱6,042,288**	₱15,993,630	₱10,617,953	₱6,276,002
Others	**459,558**	1,249,194	614,362	811,676
	₱6,501,846	₱17,242,824	₱11,232,315	₱7,087,678

Dividends declared to non-controlling interest amounted to ₱920,000, ₱610,000 and ₱9,000,000 in 2025, 2024 and 2023, respectively. Dividends payable to noncontrolling interest amounted to ₱1,530,000 and ₱610,000 as at December 31, 2025 and 2024, respectively (see Note 13).

6. Cash

This account consists of:

	September 2026	December 2025
Cash on hand	**₱ 241,269**	₱106,087
Cash in banks	**254,500,731**	123,814,446
	₱254,742,000	₱123,920,533

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 (see Note 19):

	Note	**September 2026**	December 2025	December 2024
Contract assets	8	**₱ --**	₱3,164,861	₱791,235
Funds held in escrow	7	**--**	387,734	476,566
Cash in banks		**265,712**	239,856	86,587
		₱265,712	₱3,792,451	₱1,354,388

7. Funds Held in Escrow

The Parent Company appointed a universal bank as the custodian bank (the Custodian Bank) to manage and administer the 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 Parent Company, subject to the issuance of a letter of instructions, and a written certification under oath, signed by the Chief Financial Officer of the Parent Company, stating the purpose of which the Parent Company shall use the funds, and such purpose is exclusively in accordance with the approved use of proceeds.

In 2025, the Parent Company's BOD approved a reallocation of a portion of the IPO proceeds originally intended for IPO expenses amounting to ₱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 funds held in escrow amounted to ₱280,400,000 and ₱246,000,000 in 2025 and 2024, respectively.

Interest income earned amounted to ₱387,734, ₱476,566 and ₱137,923 in 2025, 2024 and 2023, respectively (see Note 6).

8. Trade and Other Receivables

This account consists of:

	Note	**September 2026**	December 2025
Trade		**₱ 229,576,066**	₱313,252,466
Contracts assets	22	**83,615,766**	117,446,892
Receivables from employees		**8,870,676**	4,904,852
		322,062,508	435,604,210
Allowance for ECL	18	**9,148,293**	9,148,294
		312,914,215	426,455,916
Less contract assets - noncurrent portion	9	**60,928,386**	60,607,966
		₱ 251,985,829	₱365,847,950

Trade receivables pertain to receivable from the sale of electricity under the Feed-in-Tariff (FIT) mechanism and in the Wholesale Electricity Spot Market (WESM) through Independent Electricity Market Operator of the Philippines (IEMOP). These are noninterest-bearing and are generally collectible within 30 to 90 days.

Contract assets pertain to unbilled FIT differential (see Note 22).

Interest income earned from contract assets amounted to nil, ₱3,164,861, and ₱791,235 in 2025, and 2024, respectively (see Note 6).

The carrying amount of trade and other receivables pledged as collateral for the Group's loan payable amounted to ₱421,551,064 and ₱191,484,589 as at December 31, 2025 and 2024, respectively (see Note 14).

Receivables from employees consist of cash advances which are noninterest-bearing and are settled in the subsequent month through liquidation.

9. Other Assets

This account consists of:

	Note	**September 2026**	December 2025
Other Current Assets			
Receivables from contractors		**₱ 58,331,048**	₱ 65,941,707
Restricted cash		**124,841,646**	46,102,994
Input VAT		**7,197,371**	32,694,676
Input VAT for refund		**35,242,513**	9,747,197
Prepayments		**10,410,078**	7,166,483
Current portion of advances to contractors and suppliers	12	**1,200,000**	1,200,000

	Note	**September 2026**	December 2025
(Forward)			
Creditable withholding tax		**7,977,930**	858,516
Others		**1,367,670**	1,732,041
		246,568,256	165,443,614
Allowance for impairment of input VAT		**16,367,737**	12,402,888
		₱ 230,200,519	₱ 153,040,726
Other Noncurrent Assets			
Contract asset - net of current portion	8	**₱ 60,928,386**	₱ 60,607,966
Refundable deposit		**494,040**	494,040
		₱ 61,422,426	₱ 61,102,006

Receivables from contractors pertain to unapplied advances which will be refunded to the Group.

Restricted cash pertains to cash set aside from the hold-out agreement with local banks to secure prompt payment of the loan used to partially finance the construction, rehabilitation and development of hydropower plants and cash set aside for the payment of financial and energy resources to host communities pursuant to Energy Regulation (ER) No. 1-94.

The compositions of restricted cash are as follows:

	Note	**September 2026**	December 2025
Debt service reserve account	14	**₱ 118,853,628**	₱ 41,911,515
ER No. 1-94	22	**5,988,018**	4,191,479
		₱ 124,841,646	₱ 46,102,994

Input VAT for refund pertains to previously declared input VAT incurred from the purchase of assets or services that are claimed for refund from the tax authority.

The allowance for impairment on input VAT pertains to the input VAT which the Group may not be able to utilize and those that are beyond the 2-year period for filing an administrative claim with the Bureau of Internal Revenue (BIR).

The balance and movements in the allowance for impairment on input VAT are as follows:

	Note	**September 2026**	December 2025
Balance at beginning of year		**₱ 12,402,888**	₱ 1,241,757
Provision for impairment on input VAT	19	**3,964,849**	11,161,131
Balance at end of year		**₱ 16,367,737**	₱ 12,402,888

In 2023, the Group wrote off input VAT amounting to ₱1.7 million.

Prepayments include prepayments for insurance to be realized within one (1) year.

10. **Investments in Associates**

This account consists of the Group'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 movements in this account are as follows:

	September 2026	December 2025
Acquisition Cost	**₱15,000,000**	₱15,000,000
Advances For Future Stock Subscriptions	**40,191,200**	40,191,200
Accumulated Equity Share in Net Loss of an Associate		
Balance at beginning of year	**(12,071,669)**	(13,562,062)
Equity share in net income	**--**	1,490,393
Balance at end of year	**(12,071,669)**	(12,071,669)
Carrying Amount	**₱43,119,531**	₱43,119,531

Summarized financial information of the associates is as follows:

	2025	**2024**	2023
Total current assets	**₱66,805,886**	₱51,582,687	₱28,228,688
Total noncurrent assets	**473,314,752**	471,327,804	714,508,011
Total current liabilities	**170,859,376**	157,022,066	391,469,019
Total noncurrent liabilities	**359,500,159**	361,095,297	350,687,883
Total equity	**9,761,103**	4,793,128	579,797
Total revenue	**48,651,143**	37,573,959	-
Total net income	**4,967,976**	4,213,331	(12,041,314)
Total comprehensive income	**4,967,976**	4,213,331	(12,041,314)

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

	2025	2024
Net assets 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 subscriptions	**40,191,200**	40,191,200
Carrying amount of investments	**₱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.

11. Property, Plant and Equipment

Movements and balances of this account consist of:

	September 2026						
	Hydropower Plants	**Construction in Progress**	**Buildings**	**Land**	**Furniture, Fixtures and Office Equipment**	**Transportation Equipment**	**Total**
Cost							
Balance at beginning of year	**₱3,329,569,971**	**₱4,242,456,967**	**₱25,178,069**	**₱16,731,785**	**₱8,483,416**	**₱8,768,052**	**₱7,631,188,260**
Additions	**3,817,924,294**	**(3,742,774,333)**	**–**	**11,450,000**	**4,386,316**	**537,400**	**91,523,677**
Balance at end of year	**7,147,494,265**	**499,682,634**	**25,178,069**	**28,181,785**	**12,869,732**	**9,305,452**	**7,722,711,937**
Accumulated Depreciation and Amortization							
Balance at beginning of year	**533,948,397**	**–**	**6,685,650**	**–**	**5,477,415**	**3,573,762**	**549,685,224**
Depreciation and amortization	**183,838,401**	**–**	**955,132**	**–**	**300,740**	**762,988**	**185,857,261**
Balance at end of year	**717,786,798**	**–**	**7,640,782**	**–**	**5,778,155**	**4,336,750**	**735,542,485**
Carrying Amount	**₱ 6,429,707,467**	**₱ 499,682,634**	**₱ 17,537,287**	**₱ 28,181,785**	**₱ 7,091,577**	**₱ 4,968,702**	**₱ 6,987,169,452**

	December 2025						
	Hydropower Plants	Construction in Progress	Buildings	Land	Furniture, Fixtures and Office Equipment	Transportation Equipment	Total
Cost							
Balance at beginning of year	₱3,328,131,762	₱2,195,745,689	₱24,533,069	₱14,810,985	₱7,139,784	₱5,805,351	₱5,576,166,640
Additions	1,438,209	1,981,796,498	645,000	1,920,800	1,343,632	2,962,701	1,990,106,840
Effect of business combination	–	67,219,443	–	–	–	–	67,219,443
Write-off	–	(2,304,663)	–	–	–	–	(2,304,663)
Balance at end of year	3,329,569,971	4,242,456,967	25,178,069	16,731,785	8,483,416	8,768,052	7,631,188,260
Accumulated Depreciation and Amortization							
Balance at beginning of year	392,819,468	–	5,406,738	–	4,221,017	2,760,746	405,207,969
Depreciation and amortization	141,128,929	–	1,278,912	–	1,256,398	813,016	144,477,255
Balance at end of year	533,948,397	–	6,685,650	–	5,477,415	3,573,762	549,685,224
Carrying Amount	₱2,795,621,574	₱4,242,456,967	₱18,492,419	₱16,731,785	₱3,006,001	₱5,194,290	₱7,081,503,036

Property, Plant and Equipment as Loan Securities

Parcels of land, hydropower plants and construction in progress and transportation equipment with a carrying value aggregating ₱6,601,222,921 and ₱2,714,363,588 as at December 31, 2025 and 2024, respectively, were mortgaged as collateral for the Group's loans (see Note 14).

Construction in Progress

Construction in progress pertains to the development costs of the Group's hydropower plant. As at December 31, 2025, the projects under construction are as follows:

	Estimated Completion Date	Estimated Cost to Complete
Pulanai Hydropower Plant	2026	₱18,181,333
Piapi Hydropower Plant	2028	₱1,160,628,000
Asin Hydropower Plant	2028	2,660,000,000
Maramag Hydropower Plant	2028	6,157,424,630

The remaining contractual commitments to the contractors aggregated to ₱887,189,775 and ₱807,549,563 as at December 31, 2025 and 2024, respectively.

In 2025, the Group assessed that construction in progress amounting to ₱2,304,663 are not recoverable. As a result, the construction in progress was written off and is presented under "Other income (charges) – Net" account in the consolidated statements of comprehensive income (see Note 19).

Application of Advances to Contractors

The Group applied advances to contractors to construction in progress amounting to ₱160,996,965, ₱138,681,948, and ₱58,406,489 in 2025, 2024, and 2023, respectively (see Note 12).

Depreciation and Amortization

Depreciation and amortization charged to operations are as follows:

	Note	**Sept 2026**	Dec 2025	Dec 2024
Cost of sale of electricity	17	**₱ 183,838,401**	₱142,107,856	₱138,879,028
Operating expenses	18	**2,018,860**	2,369,399	3,303,280
		₱ 185,857,261	₱144,477,255	₱142,182,308

Capitalized Borrowing Cost

Capitalized borrowing costs amounted to ₱140,396,303, ₱62,294,622 and ₱25,151,272 in 2025, 2024 and 2023, respectively (see Note 14). Capitalization rates used were 7.4% to 8.4%, 7.6% to 8.7% and 5.6% to 8.9% in 2025, 2024 and 2023, respectively.

12. Advances to Contractors and Suppliers

Movements in this account are as follows:

	Note	**September 2026**	December 2025
Balance at beginning of year		**₱193,380,383**	₱317,143,590
Additions		**117,613,601**	37,233,758
Applications	11	**(66,800,973)**	(160,996,965)
Balance at end of year		**244,193,011**	193,380,383
Current portion	9	**1,200,000**	1,200,000
Noncurrent portion		**₱242,993,011**	₱192,180,383

This account consists of advance payments to contractors and suppliers for the construction and development of the Group's hydropower plants. These are applied against progress billings based on the percentage of completion.

13. Trade and Other Payables

This account consists of:

	Note	**September 2026**	**December 2025**
Trade		**₱ 120,453,149**	₱ 551,685,081
Accrued expenses		**112,317,529**	274,060,180
Current portion of retention payable		**22,003,797**	172,357,889
Dividend payable			
Equity holders of the Parent Company	16	**--**	48,994,114
Noncontrolling interests	5	**1,275,028**	1,530,000
Interest payable	14	**52,632,852**	39,459,855
Statutory payables		**710,789**	16,800,144
Contract Liability		**32,743,307**	--
Others		**--**	3,067,408
		₱342,136,451	₱1,107,954,671

Trade payables consist of payables to contractors and suppliers which are noninterest–bearing and are generally settled in varying periods within one year depending on the arrangements with suppliers and contractors.

Accrued expenses include accruals for professional fees, 1% government share in gross income, other employee benefits and accrued progress billings from the contractors, which are generally paid within the subsequent year.

Retention payable represents the portion of the contract price that is withheld until the construction works are substantially complete. Retention payable presented in the consolidated statements of financial position are as follows:

	September 2026	**December 2025**
Current	**₱22,003,797**	₱172,357,889
Noncurrent	**14,563,914**	125,706,566
	₱36,567,711	₱298,064,455

Interest payable pertains to accrued interest from loan payable to local creditor bank. These are expected to be settled in the following year (see Note 14).

Statutory payables include taxes withheld by the Group on employees' compensation and on payments to suppliers. These are remitted to the respective regulatory agencies in the following month.

14. **Loans Payable**

This account consists of loans from:

	September 2026	December 2025
Loans from local creditor banks	**₱3,784,928,986**	₱3,535,811,227
Unamortized debt issue cost	**(41,366,809)**	(34,892,868)
Carrying amount	**3,743,562,177**	3,500,918,35
Current portion	**375,359,716**	292,554,374
Noncurrent portion	**₱ 3,368,202,461**	₱3,208,363,985

Movements in this account are as follows:

	September 2026	December 2025
Balance at beginning of year	**₱3,500,918,359**	₱2,695,468,080
Availments	**439,540,000**	976,460,000
Payments	**(184,313,890)**	(169,521,836)
Debt issue cost incurred	**(6,108,352)**	(12,475,065)
Debt issue cost amortization	**(6,473,941)**	4,072,245
Amortization of fair value adjustment from business combination	**--**	6,914,935
Balance at end of year	**₱3,743,562,177**	₱3,500,918,359

Local Creditor Banks

The Group entered into various loan contracts with local creditor banks to finance and reimburse the construction, rehabilitation and development of its various projects, at interest rates ranging from 5.5% to 9.0% a year subject to repricing for various periods, and with terms ranging from five (5) to fifteen (15) years.

Restricted cash amounting to ₱41.9 million and ₱15.4 million as at December 31, 2025 and 2024, respectively, was set aside for the next quarterly payments of principal and interest of loan (see Note 9).

The carrying amounts and significant terms of the loans are as follows:

	Carrying Amounts				
	2025	2024	**Credit Facility**	**Payment Terms**	**Security**
CHC	**₱2,135,422,465**	₱1,169,668,030	₱2,600,000,000	15-year term loan payable in 60 quarterly installments	Hydropower plants and parcels of land aggregating ₱ 4,038,834,966 and ₱2,114,332,103 as at December 31, 20z25 and 2024, respectively (see Note 11), corporate suretyship of REDC, PEHC, and L1HC, shares of stock held by the majority of CHC's stockholders, REDC, and assignment of contractual rights, including but not limited to rights to receive revenue under Renewable Energy Payment Agreement (REPA), and hold out of one quarterly amortization in the debt service account maintained with the lending bank amounting to ₱ 41,911,515 and ₱15,386,342 as at December 31, 2025 and 2024, respectively (see Note 9).
THC	**809,806,646**	870,913,916	₱700,000,000 credit line with additional ₱200,000,000 upon commissioning of the plant	15-year loan payable in 46 quarterly installments	Real property mortgage and chattel mortgage covering all real properties and civil works together with improvements acquired or constructed; and guarantee from stockholders. The carrying amount of hydropower plant amounted to ₱1,219,769,884 and ₱1,272,944,892 as at December 31, 2025 and 2024, respectively (see Note 11). Trade and other receivables as collateral amounting to ₱158,508,717 and ₱59,996,655 as at December 31, 2025 and 2024, respectively (see Note 8).
L1HC	**237,183,563**	273,182,458	468,000,000	15-year loan payable in 52 equal quarterly installments	Chattel mortgage over the hydropower plants with carrying amounts aggregating ₱761,978,912 and ₱800,053,122 as at December 31, 2025 and 2024, respectively (see Note 11), assignment of trade and other receivables amounting to ₱84,357,030 and ₱15,823,194 as at December 31, 2025 and 2024, respectively (see Note 8) and deed of guarantee from stockholders.
PPDC	**162,580,300**	185,652,680	278,700,000	15-year loan payable in 48 equal quarterly amortizations	Trade and other receivables as collateral amounting to ₱ 87,944,812 and ₱63,043,647 as at December 31, 2025 and 2024, respectively (see Note 8). Hydropower plants and parcels of land as collateral aggregating ₱ 310,605,253 and ₱326,894,416 as at December 31, 2025 and 2024, respectively (see Note 11).
MHCI	**100,273,387**	116,158,452	246,463,000	15-year loan payable in 40 quarterly installments	Real and chattel property mortgages aggregating ₱ 264,605,741 and ₱282,186,446 as at December 31, 2025 and 2024, respectively (see Note 11), assignment of trade and other receivables amounting to ₱59,605,278 and ₱ 34,112,414 as at December 31, 2025, respectively (see Note 8), assignment of debt servicing account and continuing suretyship of previous owners.
BHC	**53,990,942**	77,918,687	100,000,000	5-year term loan with a local bank payable in 48 monthly installments	Real estate mortgage on the land amounting to ₱5,350,000 as at December 31, 2025 and 2024 (see Note 11) and assignment of trade and other receivables amounting to ₱40,669,429 and ₱18,508,679 as at December 31, 2025 and 2024, respectively (see Note 8).
REDC	**1,661,056**	1,973,857	–	5-year loan payable in 60 equal monthly installments	Chattel mortgage over transportation equipment with a carrying amount of ₱2,132,536 and ₱2,523,000 as at December 31, 2025 and 2024, respectively.
	₱3,500,918,359	₱2,695,468,080			

Financial Covenants
The loans include covenants to maintain certain debt-to-equity ratio, current ratio and debt service ratio. As at December 31, 2025, the Group is compliant with these covenants.

Expected Loan Repayments
The expected loan repayments over the remaining term of the loan are as follows:

	2025	2024
Not later than one (1) year	**₱265,435,324**	₱169,521,836
Later than one (1) year but not later than (5) five years	**1,492,689,890**	1,172,347,992
Later than five (5) years	**1,777,686,013**	1,380,088,300
	₱3,535,811,227	₱2,721,958,128

Interest Expense and Capitalized Borrowing Costs
Interest expense charged to operations is as follows:

	Note	**2025**	2024	2023
Long term loans		**₱124,734,620**	₱130,790,847	₱68,803,723
Net contract liability	22	**647,523**	1,699,609	1,879,805
		₱125,382,143	₱132,490,456	₱70,683,528

The Group capitalized borrowing cost amounting to ₱140,396,303, ₱62,294,622 and ₱25,151,272 in 2025, 2024 and 2023, respectively (see Note 11).

15. Retirement Liability

The Group has an unfunded and non-contributory defined benefit retirement plan covering all 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 follows:

	2025	2024	2023
Current and past service cost	**₱2,575,423**	₱689,311	₱5,210,221
Interest expense	**403,346**	826,400	479,748
	₱2,978,769	₱1,515,711	₱5,689,969

Retirement benefits expense charged to operations are as follows:

	Note	**2025**	2024	2023
Cost of sale of electricity	17	**₱1,267,619**	₱716,756	₱2,875,553
Operating expenses	18	**1,711,150**	798,955	2,814,416
		₱2,978,769	₱1,515,711	₱5,689,969

	2026	2025	2024
Balance at beginning of year	**₱7,359,816**	₱6,444,761	₱5,088,972
Current service cost	**–**	2,410,668	689,311
Remeasurement gain	**–**	(2,063,714)	(159,922)
Interest expense	**–**	403,346	826,400
Past service cost	**–**	164,755	–
Benefits paid	**(155,131)**	–	–
Balance at end of year	**₱7,204,685**	₱7,359,816	₱6,444,761

The balance and movements of retirement liability recognized in the consolidated statements of financial position as at December 31, 2025 and 2024 are as follows:

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 as at December 31,2025 and 2024 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%	(₱328,547)	₱337,106
	-1%	380,327	(293,664)

The expected future benefit payments within the following years after December 31, 2025 and 2024 are as follows:

	2025	2024
Within one (1) year	**₱–**	₱–
After one (1) year but not more than five (5) years	**2,952,049**	7,553,713
After five (5) years but not more than ten (10) years	**758,943**	10,638,975
After ten (10) years but not more than fifteen (15) years	**673,878**	4,593,547
More than fifteen (15) years	**8,759,275**	31,776,047

The weighted average duration of the retirement benefit obligation as at December 31, 2025 and 2024 ranges from 0.67 to 7.54 and 1.52 to 6.11 years, respectively.

16. **Equity**

Capital Stock and Additional Paid-in Capital

Movements in capital stock are as follows:

	September 2026		December 2025		December 2024	
	Shares	**Amount**	Shares	Amount	Shares	Amount
Authorized Capital Stock at ₱1 par value						
Balance at beginning and end of year	**750,000,000**	**₱750,000,000**	750,000,000	₱750,000,000	750,000,000	₱750,000,000
Issued and Outstanding						
Balance at beginning of year	**650,000,002**	**₱650,000,002**	650,000,002	₱650,000,002	650,000,002	₱650,000,002
Issuances of shares	**–**	**–**	–	–	–	–
Balance at end of year	**650,000,002**	**₱650,000,002**	650,000,002	₱650,000,002	650,000,002	₱650,000,002

In 2023, when the Parent Company listed in the PSE, it issued 200.0 million common shares from its unissued capital stock at a price of ₱5.00 per share. The gross proceeds from the IPO amounted to ₱1,000.0 million. The excess of the offer price over the par value of the issued shares equivalent to ₱800.0 million, was recognized as additional paid in capital. Cost directly attributable to the issuance of shares amounting to ₱28,981,162 was recognized as reduction of additional paid in capital.

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

Retained Earnings

In 2025, 2024 and 2023, the Parent Company subscribed to CHC's common shares. The related stock issuance costs amounting to ₱4,625,000, ₱4,375,000 and ₱1,275,000 was charged directly against "Retained Earnings" in the consolidated statements of financial position. The consolidated statements of cash flows were corrected to reflect the payment of stock issuance costs in 2023 under financing activities.

Dividends

On November 11, 2025, the Parent Company's BOD approved the declaration of cash dividends amounting to ₱52,000,000 or ₱0.08 per share to all stockholders of record as at 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.

17. **Cost of Sale of Electricity**

This account consists of:

	Note	**September 2026**	September 2025
Depreciation and amortization	11	**₱ 183,838,401**	₱ 105,284,711
Salaries and wages		**25,532,252**	17,898,395
Insurance		**11,141,378**	3,612,178
Outside services		**5,667,103**	6,424,881
Taxes and licenses		**4,876,228**	5,795,353
Communication and utilities		**2,853,036**	11,006,252
Repairs and maintenance		**4,147,643**	4,050,961
Distribution wheeling charges		**861,992**	678,118
Transportation		**622,247**	435,156
Materials		**1,394,626**	607,354
Fuel, oil, and lubricant		**431,043**	160,727
Rent	22	**152,714**	170,900
Others		**8,846,808**	6,041,425
		₱ 250,365,471	₱ 162,166,411

18. **Operating Expenses**

This account consists of:

	Note	**September 2026**	September 2025
Salaries and wages		**₱ 18,965,604**	₱ 12,603,533
Rent	22	**4,673,647**	4651872
Outside services		**13,914,438**	3201303
Professional fees		**11,094,936**	7,802,750
Taxes and licenses		**14,266,976**	11,888,231
Communication and utilities		**4,792,577**	860,898
Representation and entertainment		**1,885,599**	3,078,038
Depreciation and amortization	11	**2,018,860**	1,847,413
Transportation and meals		**924,414**	2,646,440
Insurance		**316,137**	968,615
Repairs and maintenance		**221,791**	199,792
Fuel, oil, and lubricants		**142,420**	53,880
Others		**11,900,423**	4,954,086
		₱ 85,117,822	₱ 54,756,851

19. Other Income (Charges)

This account consists of:

	Note	**September 2026**	September 2025
Interest income	6	**₱ 265,712**	₱449,676
		₱ 265,712	₱449,676

20. Related Party Transactions

The Group has transactions with its related parties in the ordinary course of business as follows:

	Amount of Transactions		Balance at End of Year	
	September 2026	December 2025	**September 2026**	December 2025
Due from Related Parties				
Entities Under Common Control:				
Pure Meridian Hydropower Corporation	**₱ 942**	₱ 1,522	**₱ 45,855,820**	₱ 45,854,878
Airstream Renewables Corporation (ARC)	**–**	–	**25,273,597**	25,273,597
Titan Mining and Energy Corporation (TMEC)	**3,408,457**	6,861,909	**25,565,974**	22,157,517
Colossal Petroleum Corporation (CPC)	**23,126**	11,621	**13,353,608**	13,330,482
Pure Water Corporation (PWC)	**2,450**	23,404	**10,946,599**	10,944,149
Tubig Pilipinas Group Inc. (TPGI)	**5,400,000**	10,754,877	**17,844,153**	12,444,153
Coal Asia Holdings Corporation (CAHI)	**174,784**	3,974,523	**4,159,007**	3,984,223
Quadcore	**–**	3,250,000	**3,250,000**	3,250,000
Others	**(8,499,701)**	14,704,921	**10,662,765**	19,162,466
Associate -				
BEHMC	**–**	–	**17,263**	17,263
Stockholders -				
Ultimate Parent Company	**–**	–	**–**	–
	₱ 510,058	₱ 39,582,777	**₱ 156,928,786**	₱ 156,418,728
Due to Related Parties				
Stockholders:				
PEHC	**₱ 294,483,854**	₱ 308,600,000	**₱ 835,727,241**	₱ 541,243,387
Other stockholders	**121,935,202**	575,063,890	**248,741,497**	126,806,295
Entities Under Common Control:				
Solar Powered Agri-rural Communities Corporation (SPARCC)	**–**	4,400,000	**153,765,278**	153,765,278
NexGen Energy Corporation (XG)	**(2,410,942)**	130,000,000	**143,347,651**	145,758,593
Pure Meridian Hydropower Corporation - Pulanai	**–**	–	**79,547,937**	79,547,937
Pure Geothermal Inc. (PGI)	**–**	–	**73,655**	73,655
Others	**(40,009)**	–	**6,710,103**	6,750,112
Stockholder of a subsidiary -				
Volga	**(9,000,000)**	–	**–**	9,000,000
	₱ 404,968,105	₱ 1,018,063,890	**₱ 1,467,913,362**	₱1,062,945,257

(Forward)

Dividends Payable				
Equity holders of the Parent Company	**₱ (48,994,114)**	₱ 48,994,114	**₱–**	₱ 48,994,114
Noncontrolling interests	**(254,972)**	920,000	**1,275,028**	1,530,000
	₱ (49,249,086)	₱ 49,914,114	**₱ 1,275,028**	₱ 50,524,114

Due from Related Parties

These are noninterest-bearing working capital advances, unsecured and are due and demandable. No impairment loss was recognized in 2025, 2024 and 2023.

Due to Related Parties and Dividends Payable
These are noninterest-bearing working capital advances, unsecured and are payable in cash and upon demand.

Compensation of Key Management Personnel
Compensation of key management personnel of the Group consists of short-term benefits amounting ₱3,104,460, ₱6,727,123 and ₱4,522,500 in 2025, 2024 and 2023, respectively.

Related Party Transactions Eliminated During Consolidation
Related party transactions eliminated in the consolidation pertain to due to and from related parties for working capital purposes. Total due from and to related parties which are eliminated amounted to ₱844,508,275 and ₱1,177,813,153, as at December 31, 2025 and 2024, respectively. The total amounts of transactions were ₱400,336,185, ₱128,326,727 and ₱118,372,244 in 2025, 2024 and 2023, respectively.

All related party transactions comply with the related party transactions policy of the Group including the adherence to the required approval process. This encompasses a review by the related party committee and the approval of BOD for all transactions.

21. Income Taxes

The components of income tax expense (benefit) reported in profit or loss are as follows:

	Sept 2026	Dec 2025	Dec 2024	Dec 2023
Current	**₱ 2,098,649**	₱2,045,931	₱–	₱–
Deferred	**–**	921,267	759,172	(1,917,018)
	₱ 2,098,649	₱2,967,198	₱759,172	(₱1,917,018)

The current income tax in 2025 pertains to the preferential income tax. The Group has no current income tax in 2024 and 2023 due to the income tax holiday (ITH) and net loss position.

The income tax rates used in preparing the consolidated financial statements are as follows:

	2025	2024	2023
Regular corporate income tax (RCIT)	**25%**	25%	25%
Preferential income tax	**10%**	10%	10%
Minimum corporate income tax (MCIT)	**2%**	2%	1.5%

Income Tax Holiday
MHCI, PPDC, L1HC, THC and BHC are entitled to the following incentives under *Republic Act No. 9513*, *Renewable Energy Act of 2008* upon approval of BOI:

- Exemption from the payment of income taxes levied by the National Government for the first seven (7) years of commercial operations and 10% corporate income tax after the income tax holiday;

The income tax holiday is valid until:

	Start of Commercial Operations	Valid Until
MHCI	May 2019	May 2026
PPDC:		
Balugbog powerplant	July 2018	July 2025
Calibato powerplant	January 2019	January 2027
Palakpakin powerplant	September 2018	October 2025
L1HC	September 2021	August 2028
BHC	April 2022	April 2029
THC	September 2023	September 2030

- Exemption from payment of tariff duties on the importation of renewable machinery, equipment and materials including control and communication equipment within the first ten (10) years;
- Special realty tax of 1.5% on equipment and machinery;
- Zero value-added tax rate on the sale of renewable energy sources;
- Zero value-added tax rate on the purchases of goods, properties and services directly related to the development of hydropower plant facilities;
- NOLCO during the first three (3) years from start of commercial operations shall be carried over as deduction from gross income for the next seven (7) consecutive taxable years immediately following the year of loss; and
- Tax exemption on the sale of carbon credits.

PPDC's Balugbog and Palakpakin power plants' ITH incentives expired in July 2025 and October 2025, respectively. After the expiration of the ITH, Balugbog and Palakpakin are entitled to a 10% preferential tax on net taxable income.

The details of the Group's deferred tax liabilities are as follows:

	September 2025	December 2025
Unamortized debt issue costs	**₱3,747,293**	**₱3,747,293**
Difference between the fair value and carrying amount of property, plant and equipment	**297,630**	**297,630**
	₱4,044,923	**₱4,044,923**

The Group 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	**₱51,895,385**	₱69,110,693
Retirement liability	**1,114,543**	1,191,029
	₱53,009,928	₱70,301,722

Details of NOLCO are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Expired	Balance at End of Year	Expiration Year
2020	₱19,423,376	₱–	₱–	₱19,423,376	₱–	2025
2021	47,463,097	–	–	–	47,463,097	2026
2022	32,894,057	–	–	32,894,057	–	2025
2023	82,056,450	–	–	–	82,056,450	2026
2024	54,390,314	–	–	–	54,390,314	2027
2025	–	65,801,402	–	–	65,801,402	2028
	₱236,227,294	₱65,801,402	₱–	₱52,317,433	₱249,711,263	

As at December 31, 2025, 2024 and 2023, CHC, PHC, BAHC and MHC have not yet commenced commercial operations. Consequently, no ITH have been availed during the periods presented. NOLCO arises from the losses incurred by the Parent Company and subsidiaries whose commercial operations have not yet started as at December 31, 2025.

On September 30, 2020, the BIR issued Revenue Regulations (RR) No. 25-2020 to implement Section 4 (bbbb) of the Republic Act No. 11494, otherwise known as "Bayanihan to Recover as One Act". This RR provides that net operating loss of the business or enterprise for taxable years 2020 and 2021 to be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The reconciliation of income tax expense computed at the statutory tax rate to income tax expense (benefit) as shown in the consolidated statements of comprehensive income is as follows:

	2025	2024	2023
Income tax computed at statutory tax rate	**₱82,777,877**	₱29,999,264	₱52,534,782
Change in unrecognized deferred tax assets	**(17,291,794)**	12,130,713	18,017,569
Effect of change in income tax rate	**–**	–	(2,020,250)
Add (deduct) tax effects of:			
Income subject to preferential tax	**(57,903,267)**	(21,950,929)	(9,967,704)
Income subject to ITH	**(19,945,071)**	(19,166,720)	(58,434,029)
Nondeductible expenses	**4,239,041**	549,196	4,749,754
Stock issuance costs	**(462,500)**	(437,500)	(7,372,790)
Equity share in net loss (income) of an associate	**(372,598)**	(316,000)	903,098
Accretion of interest on contract asset (liability) - net	**(251,734)**	82,058	–

(Forward)

	2025	2024	2023
Interest income subjected to final tax	**(107,242)**	(130,910)	(40,811)
Nontaxable income	**–**	–	(286,637)
Expired NOLCO	**12,284,486**	–	–
Income tax expense (benefit) at effective tax rate	**₱2,967,198**	₱759,172	(₱1,917,018)

22. Significant Commitments

Renewable Energy Distribution

Hydropower Service Contract (HSC)

The Government, through the Department of Energy (DOE), awarded HSCs to the Group that grant exclusive right to explore, develop and utilize hydropower resources within specified contract areas. The contract period is 25 years which is divided into two (2) stages: the pre-development stage and the development stage 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.

The HSCs also provide that the Parent Company may assign or transfer part or all of its rights and/or obligations under the HSCs to its affiliate upon compliance with certain requirements.

Details of the Group's significant HSCs as at December 31, 2025 are as follows:

Project	Company Name	Location	Effective Date	Expiry Date	Status of Project
Palakpakin Hydroelectric Power Plant	PPDC	Calauan, Laguna	February 9, 2017	February 8, 2042	Commercial Stage
Balugbog Hydroelectric Power Plant	PPDC	Nagcarlan, Laguna	February 9, 2017	February 8, 2042	Commercial Stage
Calibato Hydroelectric Power Plant	PPDC	San Pablo, Laguna	February 9, 2017	February 8, 2042	Commercial Stage
Majayjay Hydroelectric Power Project	MHCI	Majayjay, Laguna	April 11, 2014	April 10, 2039	Commercial Stage
Labayat River (Upper Cascade) Hydroelectric Power Project	L1HC	Real Quezon	February 24, 2014	February 23, 2039	Commercial Stage
Inarihan Hydroelectric Power Project	BHC	Naga City, Camarines Sur	December 3, 2021	December 2, 2046	Commercial Stage
Tibag Hydroelectric Power Project	THC	Mauban, Quezon	February 24, 2014	February 23, 2039	Commercial Stage
Pulanai River Hydroelectric Power Project	CHC	Valencia, Bukidnon	February 24, 2014	February 23, 2039	Pre-development Stage
Piapi River Hydroelectric Power Project	PHC	Mauban, Quezon Province	February 24, 2014	February 23, 2039	Pre-development Stage
Maramag Hydroelectric Power Project	MHC	Maramag, Bukidnon Province	June 26, 2015	June 25, 2040	Pre-development Stage
Real II Seawater Pumped Storage Hydroelectric Power Project	REDC	Real, Quezon	February 23, 2024	February 22, 2049	Pre-development Stage

Certificate of Compliance (COC) and Provisional Authority to Operate (PAO) Feed-in-Tariff (FIT) Eligible Power Plant

The Government, through the DOE, issued Certificate of Endorsement (COE) under the FIT system to the Group, which entitled the Group to the FIT rate.

Subsequent to COE issuance, the ERC issued PAO-FIT in favor of the Group's hydropower plants FIT eligibility valid for a period of one (1) year, contingent on the validity of permits and licenses issued by other government agencies.

Details of the Group's PAO-FIT as at December 31, 2025 are as follows:

	Renewal Date	Valid Until
PPDC:		
Balugbog powerplant	January 15, 2025	January 14, 2026
Calibato powerplant	January 17, 2025	January 16, 2026
Palakpakin powerplant	January 15, 2025	January 14, 2026
L1HC	November 15, 2024	December 14, 2026
BHC	December 9, 2025	December 8, 2026
THC	December 18, 2024	January 28, 2027

On December 15, 2025, the ERC issued the Certificate of Compliance (COC) in favor of MHCI's hydroelectric power plant. The FIT eligibility shall be effective from the date of issuance and shall remain valid unless suspended, revoked, or annulled.

In 2025, the ERC approved FIT adjustments covering calendar years 2021 to 2025. The Group recognized FIT differential amounting to ₱69,022,084, representing the cumulative effect of the change in transaction price arising from the approved FIT adjustments. The adjusted FIT rates will be implemented and recovered over a five-year period beginning 2026.

Renewable Energy Payment Agreement (REPA) with National Transmission Corporation (TransCo)
The Group entered into a REPA with the TransCo to set out the rights and obligations relating to the payment of the Actual FIT Revenue to the Group for the electricity generated by the FIT eligible power plants. Under the REPA, TransCo, as the FIT Administrator, shall administer the implementation of the FIT System, manage the FIT-All Fund from which renewable energy developers shall be paid, and perform the function of settlement agent for the payment of Actual FIT Revenue to the eligible renewable energy power plants.

In accordance with the agreement, TransCo shall pay the actual FIT revenue for all metered generation for a period of 20 years from commercial operations. Any FIT differential, prior to the effectivity of the REPA, shall be billed and collected from TransCo over a period, equivalent to the number of months lapsed between the start of commercial operations until the effective date of the REPA. The unbilled FIT differential is recorded under "Contract assets" and "Contract liabilities" account.

The Group's contract assets are as follows (see Note 8):

	2026	2025
PPDC	**₱ 41,681,035**	₱43,834,084
THC	**5,217,089**	37,215,586
MHCI	**21,478,871**	21,478,871
L1HC	**1,124,620**	6,222,262
BHC	**14,114,150**	8,696,089
	₱ 83,615,766	₱117,446,892

Interest income earned from contract assets amounted to ₱3,164,861, ₱791,235 and nil in 2025, 2024 and 2023, respectively (see Note 6).

L1HC's unbilled excess collections over the FIT rate amounting to nil and ₱8,445,913 as at December 31, 2025 and 2024, respectively, are recorded under "Contract liability" account.

Interest expense incurred from net contract liability amounted to ₱647,523, ₱1,699,609 and ₱1,879,805 in 2025, 2024 and 2023, respectively (see Note 14).

Market Participation Agreement (MPA) with Independent Electricity Market Operator of the Philippines (IEMOP)
The Group entered into an MPA to be a WESM Participant with IEMOP as its Market Operator to sell bulk energy generated from its hydropower plants subject to WESM rules and manuals.

Details of revenue derived from the MPA are as follows:

	2026	2025
THC	**₱ 147,530**	₱ 88,334,477
L1HC	**7,521,797**	35,282,874
PPDC	**10,714,941**	2,208,237
BHC	**15,559,947**	17,866,800
CHC	**34,102,612**	--
	₱ 68,046,827	₱ 143,692,388

Wind Energy Service Contract (WESC)

The Government, through the DOE, awarded WESCs to the Group that grant exclusive right to explore, develop and utilize wind energy resources within specified contract areas. The contract period is 25 years which is divided into two (2) stages: the pre-development stage and the development stage or commercial stage.

The pre-development stage refers to the 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.

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

Memorandum of Agreement (MOA) with DOE

The Group entered into an agreement with the DOE to grant financial benefits and/or energy resources to its host communities pursuant to ER No. 1-94 implementing Section 5 (i) of R.A. No. 7638, otherwise known as the "Department of Energy Act of 1992". The agreement covers the hydropower plants of PPDC, L1HC, THC, MHCI and BHC.

Restricted cash set aside for payment of financial benefits to host communities amounted to ₱4,191,479 and ₱2,995,658 as at December 31, 2025 and 2024, respectively (see Note 9).

Group as a Lessee

The Group has certain leases for its head office space and staff houses with lease terms of 12 months or less. The Group applied the "short-term lease" recognition exemption for these leases.

Rent expense incurred are as follows:

	Note	**September 2026**	September 2025
Cost of sale of electricity	17	**₱ 152,714**	₱170,900
Operating expenses	18	**4,673,647**	4,651,872
		₱ 4,826,361	₱ 4,822,772

Legal Proceedings

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

23. Financial Risk Management Objectives and Policies and Capital Management

The Group's principal financial instruments consist mainly of financial assets and financial liabilities directly related to operations specifically cash, trade and other receivables (excluding receivable from employees), due from related parties, refundable deposit, receivables from contractors, trade and other payables (excluding statutory payables), loans payable, due to related parties, and retention payable.

Financial Risk Management Objectives and Policies

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, foreign currency risk and interest rate risk. The BOD reviews and agrees on policies for managing each of these risks.

Credit Risk

Credit risk is the risk that counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers including related parties, placing deposits with banks and investing in short–term placements.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group has significant concentration of credit risk in its trade receivables and contract assets. As discussed in Note 2, the Group only has few customers in 2025, 2024 and 2023.

Generally, trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of the debtor to engage in repayment plan, no active enforcement activity and a failure to make contractual payment for a period greater than one (1) year.

The carrying amount of financial assets recorded in the consolidated financial statements, which is net of impairment losses, representing the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained is summarized below:

	September 2026	December 2025
Cash in banks	₱ 254,500,731	₱123,814,446
Trade and other receivables*	220,427,773	360,943,098
Contract assets - net of current portion	22,687,380	60,607,966
Due from related parties	156,928,786	156,418,728
Receivables from contractors	244,193,011	65,941,707
Restricted cash	124,841,646	46,102,994
Refundable deposit	494,040	494,040
	₱ 1,024,073,367	₱814,322,979

**Excluding receivable from employees amounting to ₱8,870,676 and ₱4,904,852 as at September 30, 2026 and December 31, 2025, respectively.*

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

	September 2026						
			Past Due But Not Impaired				
	High Grade	Standard Grade	1 – 60 Days	61 – 90 Days	More than 90 Days	Impaired	Total
Lifetime ECL:							
Trade receivables	₱–	₱207,904,960	₱2,566,140	₱ 538,607	₱26,958,572	₱9,148,293	₱ 228,819,986
Contract assets	–	83,615,766	–	–	–	–	83,615,766
	–	291,520,726	2,566,140	538,607	26,958,572	9,148,293	312,435,752
12–month ECL:							
Cash in banks	254,500,731	–	–	–	–	–	254,500,731
Due from related parties	–	156,928,786	–	–	–	–	156,928,786
Refundable deposits	–	494,040	–	–	–	–	494,040
Receivables from contractors	–	244,193,011	–	–	–	–	244,193,011
Restricted cash	124,841,646	–	–	–	–	–	124,841,646
	379,342,377	401,615,837	–	–	–	–	780,958,214
	₱ 379,342,377	₱ 693,136,563	₱ 2,566,140	₱ 538,607	₱26,958,572	₱9,148,293	₱ 1,093,393,966

	December 2025						
			Past Due But Not Impaired				
	High Grade	Standard Grade	1 – 60 Days	61 – 90 Days	More than 90 Days	Impaired	Total
Lifetime ECL:							
Trade receivables	₱–	₱268,421,720	₱–	₱–	₱35,682,452	₱9,148,294	₱313,252,466
Contract assets	–	117,446,892	–	–	–	–	117,446,892
	–	385,868,612	–	–	35,682,452	9,148,294	430,699,358
12–month ECL:							
Cash in banks	123,814,446	–	–	–	–	–	123,814,446
Due from related parties	–	156,418,728	–	–	–	–	156,418,728
Refundable deposits	–	494,040	–	–	–	–	494,040
Receivables from contractors	–	65,941,707	–	–	–	–	65,941,707
Restricted cash	46,102,994	–	–	–	–	–	46,102,994
	169,917,440	222,854,475	–	–	–	–	392,771,915
	₱169,917,440	₱608,723,087	₱–	₱–	₱35,682,452	₱9,148,294	₱823,471,273

The Group's financial assets are categorized based on the Group'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, Funds Held in Escrow and Restricted Cash. The credit risk for cash in banks, funds held in escrow and restricted cash 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.

Due from Related Parties. The exposure on 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.

Refundable Deposits and Receivable from Contractors. The exposure on refundable deposits and receivable from contractors, which are measured and classified as financial assets at amortized cost, is assessed to have low credit risk. The refundable deposits are subject to contractual terms and are expected to be recovered upon the fulfillment or expiration of the related arrangements. Receivable from contractors relate to counterparties with no history of default and are continuously monitored by management. Accordingly, the credit risk associated with these financial assets is considered minimal, and the impairment loss is limited to 12-month ECL.

Liquidity Risk

Liquidity risk arises from the Group's inability to raise sufficient funds at the least possible cost to meet its financial commitments. The Group'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 Group based on remaining contractual undiscounted cash flows as at September 30, 2026 and December 31, 2025:

	September 2026					
	Due and Demandable	**Less than 1 year**	**1–2 years**	**>2–3 years**	**Over 3 years**	**Total**
Trade and other payables*	**₱–**	**₱ 341,425,662**	**₱–**	**₱–**	**₱–**	**₱ 341,425,662**
Loans payable**	**–**	**733,607,470**	**657,131,212**	**636,683,340**	**3,685,424,441**	**5,712,846,462**
Retention payable - net of current portion	**–**	**–**	**14,563,914**	**–**	**–**	**14,563,914**
Due to related parties	**1,467,913,362**	**–**	**–**	**–**	**–**	**1,467,913,362**
	₱ 1,418,919,248	**₱ 1,075,033,132**	**₱ 671,695,126**	**₱ 636,683,340**	**₱ 3,685,424,441**	**₱ 7,536,749,400**

**Excluding statutory payables amounting to ₱710,789 as at September 30, 2026.*
***Includes future interest payments*

	December 2025					
	Due and Demandable	Less than 1 year	1–2 years	>2–3 years	Over 3 years	Total
Trade and other payables*	₱–	₱1,091,154,528	₱–	₱–	₱–	₱1,091,154,528
Loans payable**	–	502,495,796	603,810,169	559,279,886	3,462,344,522	5,127,930,373
Retention payable - net of current portion	–	–	125,706,566	–	–	125,706,566
Due to related parties	1,062,945,257	–	–	–	–	1,062,945,257
	₱1,062,945,257	₱1,593,650,324	₱729,516,735	₱559,279,886	₱3,462,344,522	₱7,407,736,724

**Excluding statutory payables amounting to ₱16,800,144 as at December 31, 2025.*
***Includes future interest payments*

The Group 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 Group 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.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group's market risk policy requires it to manage interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and liabilities. Any gap between the maturities of fixed and variable rate instruments is effectively managed by the Group.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with other variables held constant of the Group's income before income tax:

	2025	2024
Increase (decrease) in basis points:		
+50	**(₱3,058,660)**	(₱2,012,813)
-50	**3,058,660**	2,012,813

Capital Management

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

In determining reasonable leverage, the Group evaluates its cost of capital and manages its level of debt to maintain an optional cost of capital based in current conditions. The Group considers its equity as capital amounting to ₱2,504,638,485 and ₱2,231,975,461 as at December 31, 2025 and 2024, respectively.

The Group is required to maintain debt-to-equity ratios in accordance with its loan agreements (see Note 14).

No changes were made in the objectives, policies, and process in 2025, 2024 and 2023.

24. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Group'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:

	September 2026		December 2025	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash	**₱254,500,731**	**₱254,500,731**	₱123,920,533	₱123,920,533
Trade receivables	**228,819,986**	**228,819,986**	304,104,172	304,104,172
Contract assets	**22,687,380**	**22,687,380**	117,446,892	117,446,892
Due from related parties	**156,928,786**	**156,928,786**	156,418,728	156,418,728
Refundable deposit	**494,040**	**494,040**	494,040	494,040
Receivable from contractors	**244,193,011**	**244,193,011**	65,941,707	65,941,707
Restricted cash	**124,841,646**	**124,841,646**	46,102,994	46,102,994
	₱1,032,465,580	**₱1,032,465,580**	₱814,429,066	₱814,429,066

	September 2026		December 2025	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Liabilities				
Trade and other payables*	**₱ 341,425,662**	**₱ 341,425,662**	₱ 1,091,154,528	₱ 1,091,154,528
Loans payable	**3,743,562,177**	**3,743,562,177**	3,500,918,359	3,822,255,862
Due to related parties	**1,467,913,362**	**1,467,913,362**	1,062,945,257	1,062,945,257
Retention payable - net of current portion	**14,563,914**	**14,563,914**	125,706,566	125,706,566
	₱ 5,567,465,115	**₱ 5,567,465,115**	₱5,780,724,710	₱6,102,062,213

**Excluding statutory payables amounting to ₱710,789 and ₱16,800,144 as at September 30, 2026 and December 31, 2025, respectively.*

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

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

Refundable Deposit and Retention Payable - Net of Current Portion. The impact of discounting using the prevailing market rates indicates that the carrying amount approximates the fair values of these accounts. Accordingly, management believes that the difference between fair values and carrying amounts are not significant.

Loans Payable. The fair value of loans 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 rates used are 5.37% to 6.17% and 5.92% to 6.05% in 2025 and 2024, respectively.

There have been no transfers between the fair value hierarchy in 2025 and 2024.

25. Basic/Diluted Earnings per Share

The following table presents information necessary to calculate income per share:

	September 2026	September 2025
Net income attributable to the equity holders of the Parent Company	**₱ 244,390,897**	₱214,588,921
Weighted average number of common shares	**650,000,002**	650,000,002
Basic/diluted earnings per share	**₱0.38**	₱0.33

Earnings per share is calculated using the net income divided by the weighted average number of common shares. The Group has assessed that there were no dilutive common shares as at and for the years ended September 30, 2026, December 31, 2025, and 2024.

26. **Segment Reporting**

For management reporting purposes, the Group is organized based on its activities and has one operating segment which is the renewable energy generation segment. This segment undertakes the generation of electricity through hydroelectric power plants which are within the Group's country of domicile.

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

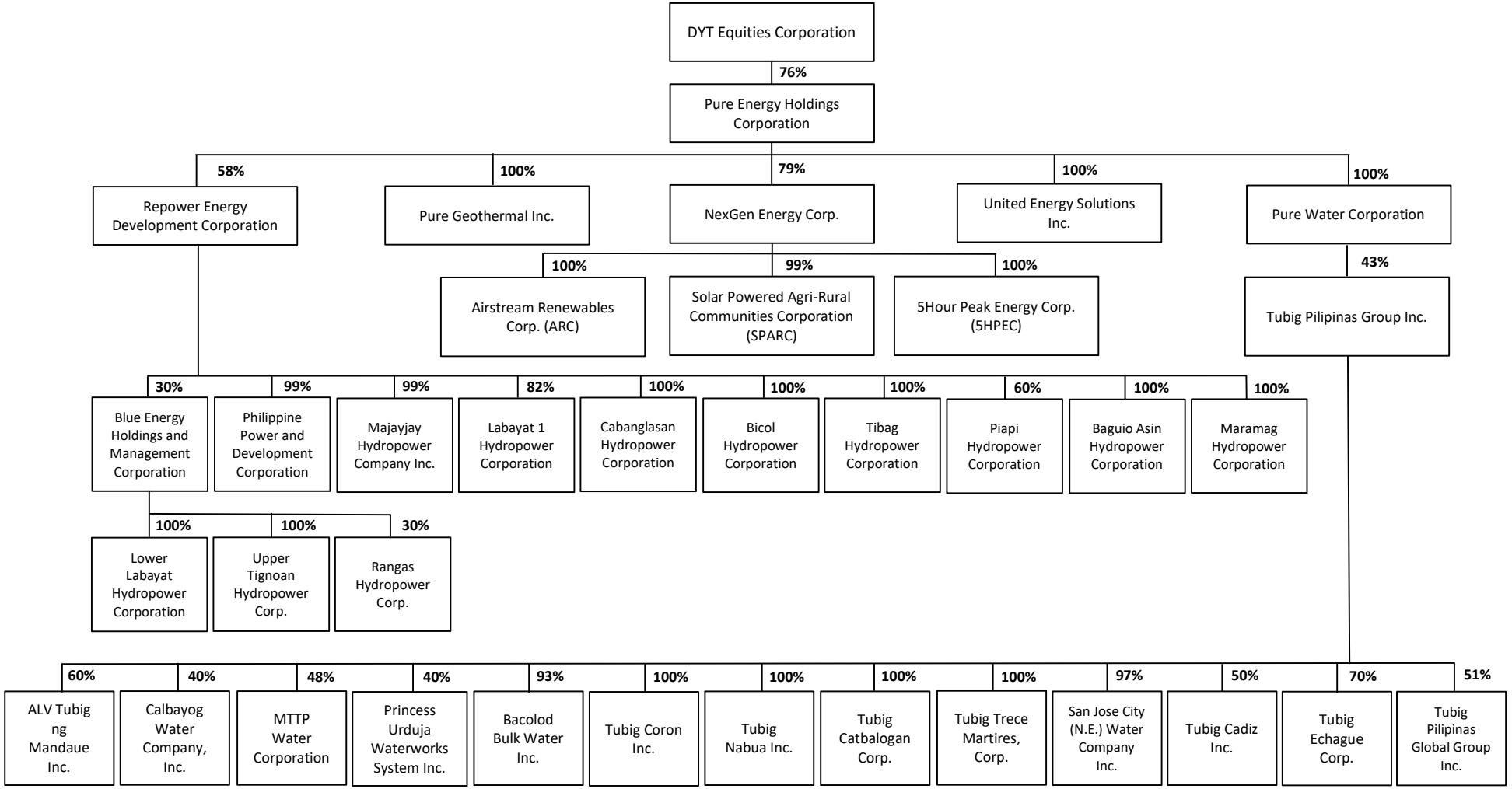
Below is a schedule showing financial soundness indicators of the Group as at and for the periods ended September 30, 2026 and December 31, 2025.

Ratio	Formula	**September 2026**	December 2025
Current ratio	Current assets/current liabilities	**0.41:1**	0.32:1
Acid test ratio	Quick assets/current liabilities	**0.30:1**	0.26:1
Solvency ratios	Net income before amortization and depreciation/total liabilities	**0.08:1**	0.08:1
Debt-to-equity ratio	Total liabilities/total equity	**2.00:1**	2.32:1
Asset-to-equity ratio	Total assets/total equity	**3.00:1**	3.32:1
Interest rate coverage ratio	Net income before tax expense/interest expense	**2.45:1**	2.64:1
Return on equity	Net income/average shareholder's equity	**0.09:1**	0.14:1
Return on assets	Net income/average total assets	**0.03:1**	0.04:1
Net profit margin	Net income/revenue	**0.33:1**	0.42:1

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONGLOMERATE MAP

SEPTEMBER 30, 2026



REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULES AS REQUIRED BY PART II of the REVISED SRC RULE 68

SEPTEMBER 30, 2026

Table of Contents

Schedule	*Description*	*Page*
A	Financial Assets	N/A
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	N/A
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	1
D	Long-Term Debt	2
E	Indebtedness to Related Parties (Long-Term loans from Related Parties)	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	3

Notes:

Schedule A - The Group is not required to prepare the schedule because the information requirements are not applicable to the Group.
Schedule B - The Group has no receivable from directors, officers, employees, related parties and principal stockholders (other than related parties) of more than P1.0 million or 1% of the total assets as at December 31, 2025.
Schedule E - The Group has no long-term loans from related parties as at December 31, 2025.
Schedule F - The Group did not guarantee any securities of other issuers as at December 31, 2025.

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2026

			Deductions		*Ending Balance*		
Name and designation of debtor	***Balance at beginnning of year***	***Additions***	***Amounts collected***	***Amounts written off***	***Current***	***Noncurrent***	***Balance at end***
Repower Energy Development Corporation	193,964,275	419,318,891	-	-	613,283,166	-	613,283,166
Labayat 1 Hydropower Corporation	-	-	-	-	-	-	-
Bicol Hydropower Corporation	-	630,002	-	-	630,002	-	630,002
Tibag Hydropower Corporation	102,845,451		78,390,388	-	24,455,063	-	24,455,063
Cabanglasan Hydropower Corporation	340,412,447		218,604,756	-	121,807,691	-	121,807,691
Piapi Hydropower Corporation	31,388,656		22,525,023	-	8,863,633	-	8,863,633
Philippine Power and Development Company	-	66,306	-	-	66,306	-	66,306
Majayjay Hydropower Company Inc.	-	424,079	-	-	424,079	-	424,079
Baguio Asin Hydropower Corporation	-	57,969,588	-	-	57,969,588	-	57,969,588
	668,610,829	478,408,866	319,520,167	-	827,499,528	-	827,499,528

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

SCHEDULE D – LONG TERM DEBT

SEPTEMBER 30, 2026

Title of Issue and Type of Obligation	*Amount Authorized by Indenture*	*Amount shown under caption "Current portion of Loans payable" in related balance sheet*	*Amount shown under caption "Loans payable - net of current portion " in related balance sheet*
Local creditor banks	₱ 3,743,562,177	₱ 109,772,088	₱ 3,633,790,089

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

SCHEDULE G – CAPITAL STOCK

SEPTEMBER 30, 2026

Title of Issue	*Number of shares authorized*	*Number of shares issued and outstanding as shown under the related statement of financial position caption*	*Number of shares reserved for options,warrants, conversion and other rights*	*Number of shares held by*		
				Related parties	*Directors, officers and employees*	*Others*
Common stock - ₱1 par value	750,000,000	650,000,002	–	504,999,995	1,008	144,998,999

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

FOR THE REPORTING PERIOD ENDED SEPTEMBER 30, 2026

REPOWER ENERGY DEVELOPMENT CORPORATION

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

	Amount
Retained earnings (deficit) available for dividend declaration, beginning of reporting period	₱51,770,679
Add: Category A: Items that are directly credited to unappropriated retained earnings	--
Deficit, as adjusted	₱51,770,679
Add net income for the period	--
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate	--
Adjusted net income	₱51,770,679
Total retained earnings, end of the reporting period available for dividend	₱51,770,679

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF PROCEEDS FROM INITIAL OFFERING

FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Actual				
	Balance as at December 31, 2024	Disbursements during 2025	Balance as at December 31, 2025	Revised Allocation of IPO Proceeds	Unapplied
Gross proceeds	₱1,000,000,000	₱–	₱1,000,000,000	₱1,000,000,000	₱–
IPO expenses	(47,837,167)	–	(47,837,167)	(47,837,167)	–
Net proceeds	952,162,833	–	952,162,833	952,162,833	–
Use of Proceeds:					
Partially fund the equity portion of:					
Pulanai (Pulangi) MHP Project	(411,880,000)	(188,120,000)	(600,000,000)	(600,000,000)	–
Piapi MHP Project	(53,000,000)	(47,000,000)	(100,000,000)	(100,000,000)	–
Fund the development and/or acquisition of renewable energy projects	(104,720,000)	(45,280,000)	(150,000,000)	(150,000,000)	–
Fund operating and working capital requirements	(99,500,000)	(2,662,833)	(102,162,833)	(102,162,833)	–
	(669,100,000)	(283,062,833)	(952,162,833)	(952,162,833)	–
Interest income	614,490	(614,490)	–	–	–
	(668,485,510)	(283,677,323)	(952,162,833)	(952,162,833)	–
Unapplied Proceeds	₱283,677,323	(₱283,677,323)	₱–	₱–	₱–

The revised allocation of IPO proceeds are as follows:

	As disclosed in the Company's final Prospectus	Reallocation*	Reallocation of Use of Proceeds as Approved by the BOD
IPO expenses	₱50,500,000	(₱2,662,833)	₱47,837,167
Partially fund the equity portion of:			
Pulanai (Pulangi) MHP Project	600,000,000	–	600,000,000
Piapi MHP Project	100,000,000	–	100,000,000
Fund the development and/or acquisition of renewable energy projects	150,000,000	–	150,000,000
Fund operating and working capital requirements	99,500,000	2,662,833	102,162,833
Gross Proceeds	₱1,000,000,000	₱–	₱1,000,000,000

**Excluding accumulated net interest income from escrow account amounting ₱189,490.*

REPOWER ENERGY DEVELOPMENT CORPORATION

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
FOR THE REPORTING PERIOD ENDED SEPTEMBER 30, 2026

	September 2026	December 2025
Total Audit Fees	**₱-**	₱2,630,000
Non-audit services fees:		
Agreed-upon procedures for use of proceeds from the initial public offering	**-**	180,000
Total Non-audit Fees	**-**	180,000
Total Audit and Non-audit Fees	**₱-**	₱2,810,000

SECTION 2

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
AS AT SEPTEMBER 30, 2026 AND DECEMBER 31, 2025
AND FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2026 AND 2025

1. **Financial Condition**

As at September 30, 2026 Compared to as at December 31, 2025

The total assets of Repower Energy Development Corporation and Subsidiaries (the Group) increased by ₱51.43 million (1%) from December 31, 2025 mainly due to the growth in current assets, which offset the decline in certain noncurrent asset accounts.

Material changes in asset accounts are analyzed as follows:

a. The net increase in cash of ₱130.82 million (106%) is primarily due to cash generated from operations during the period.

b. Net decrease in trade and other receivables of ₱113.86 million (31%) due to collections from Transco and IEMOP.

c. Other current assets increased by ₱77.16 million (50%), primarily due to higher restricted cash and creditable withholding taxes from sales through IEMOP.

d. Advances to contractors and suppliers – net of current portion increased by ₱50.81 million (26%), indicating higher outstanding long-term advances.

e. Property, plant and equipment decreased by ₱94.33 million (1%), primarily due to depreciation recognized during the period following the commencement of full operations of CHC.

The total liabilities of the Group decreased by ₱229.50 million (4%) due primarily to settlement of obligations and scheduled debt repayments during the period. Material changes in liability accounts are analyzed as follows:

a. Net decrease in trade and other payables amounting to ₱765.82 million (69%) resulted from lower progress billings from various contractors and suppliers, as well as payment of retention payables.

b. Due to related parties increased by ₱404.97 million (38%), mainly due to additional advances to support operational and project funding requirements.

c. Noncurrent loans payable increased by ₱159.84 million (5%), reflecting additional long-term borrowings to finance the Group's capital expenditures and project development activities.

The Group's total equity increased by ₱280.93 million (11%) primarily due to net income earned during the period.

Relevant financial ratios related to the Group's financial position are liquidity ratio, solvency ratio, debt-to-equity ratio and asset-to-equity ratio.

The Group's current ratio improved from 0.32:1 as at December 31, 2025 to 0.41:1 as at September 30, 2026, primarily due to higher cash balances and lower trade payables. Likewise, the acid-test ratio improved from 0.26:1 to 0.30:1, reflecting stronger liquidity driven by increased cash collections and lower short-term liabilities.

The solvency ratio remained unchanged at 0.08:1 as at September 30, 2026 compared to December 31, 2025.

The debt-to-equity ratio improved from 2.32:1 as at December 31, 2025 to 2.00:1 as at September 30, 2026. The improvement was primarily due to the increase in total equity resulting from the Group's net income during the period, coupled with the slight reduction in total liabilities.

The asset-to-equity ratio improved from 3.32:1 as at December 31, 2025 to 3.00:1 as at September 30, 2026. This was mainly driven by the increase in equity, which outpaced the modest 1% increase in total assets.

2. Results of Operations

In comparison of results of September 30, 2026 with September 30, 2025

The Group generated a total of ₱762.29 million revenues from its operations for the nine-month period ended September 30, 2026, which is ₱235.58 million (45%) higher than the revenue generated for the same period in the prior year. Consequently, gross income is higher by ₱147.38 million (40%). The total comprehensive income for the nine-month period ended September 30, 2026 amounted to ₱250.89 million, which is ₱24.83 million (11%) higher than that of the previous year for the same period.

Key factors to the changes of the items above are as follows:

a. The Group generated total revenues of ₱762.29 million for the nine-month period ended September 30, 2026, representing an increase of ₱235.58 million (45%) from ₱526.72 million in the same period in 2025. The increase was primarily attributable to the commencement of full operations of CHC, which more than offset the decline in electricity generation from L1HC and THC during the period.

b. The Cost of Sales increased by ₱88.20 million (54%) due to higher depreciation and amortization, salaries and wages, and insurance expenses. These increases were partially offset by lower communication and utilities, outside services, and taxes and licenses. Overall, the increases in cost of sales reflects the higher operating costs associated with expanded generation activities and the full operation of CHC.

c. Operating expenses increased by 55% from ₱54.76 million to ₱85.12 million. The increase was primarily due to higher salaries and wages, outside services, professional fees, taxes and licenses, and other expenses. These increases were partially offset by lower representation and entertainment, transportation and meals, and insurance expenses. The increase in operating expenses reflects higher administrative and operating costs associated with the Group's expanding operations.

d. Interest expense increased significantly by ₱89.90 million (107%) due to additional borrowings to finance the completion and operation of CHC's hydropower plant and other ongoing development projects. The Group entered into various loan contracts with local creditor banks to finance the construction and rehabilitation of various projects, with interest rates ranging from 5.5% to 11% per annum, and with terms ranging from 3 to 15 years.

The resulting basic and diluted earnings per share of the Group increased from ₱0.33 per share to ₱0.38 per share. This is due to the increase in income attributable to equity holders of the Parent.

Relevant profitability ratios related to the Group’s financial performance include return on equity, return on total assets and net income margin.

The Group’s return on equity has reduced from 14% of December 31, 2025 to 9% as of September 30, 2026. The decline was primarily due to the lower annualized net income generated during the period relative to the increase in total equity. Consequently, the return on assets decreased from 4% to 3% across the periods.

Net income margin declined from 42% to 33% due to the substantial increase in interest expense, which outpaced revenue growth despite the higher revenues generated during the period.

3. Other disclosures

There were no material events subsequent to the end of the interim period that have not been reflected in the unaudited interim financial statements.

There were material changes in the composition of the Group during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

The Group has no contingent liabilities or contingent assets as at September 30, 2026.

There are no material contingencies and any other events or transactions that are material to the understanding of the current interim period.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures which are out of the scope of the use of proceeds from the IPO.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net revenues or income from continuing operations.

All significant elements of income or loss were generated from the Group's registered and continuing business operations.

Aside from the resulting effects of the IPO of the Group, there are no other nonrecurring or seasonal aspects that had a material effect on the financial condition or results of operations.

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer: **REPOWER ENERGY DEVELOPMENT CORPORATION**
By:

ERIC PETER Y. ROXAS
President
October 22, 2026

ROLANDO P. DOMINGO
Chief Financial Officer
October 22, 2026