SECURITIES AND EXCHANGE COMMISSION
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Company Information

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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

14

Total No. of Stockholders

Total Amount of Borrowings

-

Domestic

-

Foreign

To be accomplished by SEC Personnel Concerned

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CASHIER

REPOWER ENERGY DEVELOPMENT CORPORATION

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, 2025

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, 2025 AND DECEMBER 31, 2024 AND FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	September 30 2025	December 31 2024
ASSETS			
Current Assets			
Cash	6	**₱83,863,656**	₱89,416,469
Funds held in escrow	7	--	281,014,489
Trade and other receivables	8	**367,923,861**	143,721,410
Due from related parties	20	**133,727,515**	159,811,611
Other current assets	9	**185,561,429**	118,624,895
Total Current Assets		**771,076,461**	792,588,874
Noncurrent Assets			
Property, plant and equipment	11	**6,791,475,433**	5,170,958,671
Advances to contractors and suppliers - net of current	12	**193,917,949**	315,943,590
Goodwill	4	**135,950,686**	135,950,686
Investments in an associate	10	**41,629,138**	41,629,138
Other noncurrent assets	9	**494,040**	52,760,478
Total Noncurrent Assets		**7,163,467,245**	5,717,242,563
		₱ 7,934,543,706	₱6,509,831,437
LIABILITIES AND EQUITY			
Current Liabilities			
Due to related parties	20	**₱ 1,113,920,021**	₱ 827,118,107
Trade and other payables	13	**707,389,469**	587,055,232
Current portion of loans payable	14	**84,152,592**	169,234,317
Total Current Liabilities		**1,905,462,083**	1,583,407,656
Noncurrent Liabilities			
Loans payable - net of current portion	14	**3,305,821,068**	2,526,233,763
Retention payable - net of current portion	13	**247,210,588**	150,200,226
Contract liability	24	**8,445,913**	8,445,913
Retirement liability	15	**6,444,761**	6,444,761
Net deferred tax liabilities	22	**3,123,657**	3,123,657
Total Noncurrent Liabilities		**3,571,045,987**	2,694,448,320
Total Liabilities		**5,476,508,069**	4,277,855,976
Equity			
Capital stock	16	**650,000,002**	650,000,002
Additional paid-in capital	16	**909,472,734**	909,472,734
Retained earnings		**783,236,162**	568,647,241
Other comprehensive income		**162,663**	579,425
Other equity reserves		**(39,222,991)**	(39,060,328)
		2,303,648,570	2,089,059,649
Non-controlling interests	5	**154,387,067**	142,915,812
Total Equity		**2,458,035,637**	2,231,975,461
		₱ 7,934,543,706	₱6,509,831,437

See accompanying Notes to Consolidated Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		FOR THE NINE MONTHS ENDING SEPTEMBER 30		FOR THE THREE MONTHS ENDING SEPTEMBER 30	
	Note	2025	2024	2025	2024
REVENUE					
Sale of electricity	24	**₱ 526,715,076**	₱396,630,312	**₱167,106,348**	₱115,285,739
COST OF SALE OF ELECTRICITY	17	**(162,166,411)**	(159,804,985)	**(52,072,502)**	(51,910,600)
GROSS INCOME		**364,548,665**	236,825,327	**115,033,845**	63,375,139
OPERATING EXPENSES	18	**(54,756,851)**	(51,505,390)	**(15,329,628)**	(21,398,176)
INTEREST EXPENSE	14	**(84,181,314)**	(78,115,626)	**(26,101,502)**	(31,315,296)
INTEREST INCOME	19	**449,676**	58,629	**253,501**	23,340
INCOME BEFORE INCOME TAX		**226,060,176**	107,262,940	**73,856,216**	10,685,007
INCOME TAX EXPENSE	22				
Deferred		**--**	(387,813)	**--**	--
		--	(387,813)	**--**	--
NET INCOME		**226,060,176**	107,650,753	**73,856,216**	10,685,007
OTHER COMPREHENSIVE INCOME		**--**	--	**--**	--
TOTAL COMPREHENSIVE INCOME		**226,060,176**	107,650,753	**73,856,216**	10,685,007
NET INCOME / TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holders of the Parent Company		**₱ 214,588,921**	₱101,324,633	**₱70,615,913**	₱9,025,771
Non-controlling interests	5	**11,471,255**	6,326,120	**3,240,303**	1,659,236
		₱ 226,060,176	107,650,753	**₱73,856,216**	₱10,685,007
BASIC/DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	27	**₱0.33**	₱0.17	**₱0.11**	₱0.02
BASIC/DILUTED EARNINGS PER SHARE	27	**₱0.33**	₱0.17	**₱0.11**	₱0.02

See accompanying Notes to Consolidated Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		For the Nine Months Ended September 30	
	Note	2025	2024
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			
Balance at beginning of year		**909,472,734**	1,095,920,304
Issuances of shares – net of selling expense			(186,447,570)
Balance at end		**909,472,734**	909,472,734
RETAINED EARNINGS			
Balance at beginning of year		**568,647,241**	278,571,843
Net income attributable to equity holders of the Parent		**214,588,921**	101,324,633
Effect of equity restructuring		**--**	186,447,570
Balance at end		**783,236,162**	566,344,046
OTHER EQUITY RESERVES			
Balance at beginning of year		**(39,222,991)**	(39,802,416)
Balance at end		**(39,222,991)**	(39,802,416)
OTHER COMPREHENSIVE INCOME		**162,663**	579,425
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**2,303,648,570**	2,086,593,791
NON-CONTROLLING INTERESTS	5		
Balance at beginning of year		**142,915,812**	132,293,497
Net income		**11,471,255**	6,326,120
Balance at end of year		**154,387,067**	138,619,617
		₱2,458,035,637	₱2,225,213,408

See accompanying Notes to Consolidated Financial Statements.

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

		For the Nine Months Ended September 30	
	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax from continuing operations		**₱ 226,060,177**	₱107,262,940
Adjustments for:			
Depreciation and amortization	11	**107,132,124**	104,848,168
Interest expense	14	**84,181,314**	(78,115,626)
Interest income	6	**(449,676)**	(58,629)
Operating income before working capital changes		**416,923,939**	133,936,853
Decrease (increase) in:			
Funds held in escrow		**281,014,489**	246,000,000
Trade and other receivables	8	**(224,202,451)**	(92,302,409)
Due from related parties		**--**	7,382,455
Other current assets	9	**(66,936,534)**	(24,354,512)
Increase (decrease)			
Trade and other payables	13	**(120,334,239)**	(114,003,551)
Due to related parties			(14,583,611)
Retention payable	13	**7,326,995**	(51,663,985)
Net cash generated from (used for) operations		**534,460,677**	90,411,240
Interest paid			78,115,626
Interest received	6	**449,676**	58,629
Net cash provided by (used in) operating activities		**534,910,353**	168,585,495
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of PPE, net of retention	11	**(1,477,312,854)**	(722,360,372)
Advances made to related parties		**--**	--
Advances to contractors	12	**(5,436,210)**	101,246,062
Collection of due from related parties - net	20	**26,084,095**	--
Net cash used in investing activities		**(1,456,664,969)**	(621,114,310)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Availment of loans payable - net of debt issue cost incurred	14	**₱ 810,967,485**	472,373,832
Due to related parties	20	**286,801,914**	--
Payments of:			--
Interest payable	14	**(54,613,177)**	--
Loans payable	14	**(126,954,420)**	--
Net cash provided by financing activities		**916,201,802**	472,373,832
NET INCREASE (DECREASE) IN CASH		**(5,552,813)**	19,845,017
CASH AT BEGINNING OF YEAR		**89,416,469**	44,888,443
CASH AT END OF YEAR		**₱ 83,863,656**	₱64,733,460

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					
	2024		2023		2022	
Name of Subsidiaries	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
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%	–
Tibag Hydropower Corporation (THC)	100%	–	100%	–	100%	–
Cabanglasan Hydropower Corporation (CHC)	100%	–	100%	–	100%	–
Bicol Hydropower Corporation (BHC)	100%	–	100%	–	100%	–
Piapi Hydropower Corporation (PHC)	60%	–	60%	–	60%	–
Baguio Asin Hydropower Corporation (BAHC)	100%	–	100%	–	–	–

On November 4, 2022, the Parent Company assigned its investment in Pure Meridian Hydropower Corporation (PMHC) to a related party for ₱40,750,000 (see Note 21). PMHC's operations were considered a separate major line of business or geographical area of operations. Accordingly, the disposal of PMHC was presented as a discontinued operations.

As at December 31, 2024, the operating subsidiaries of the Parent Company are PPDC, MHCI, L1HC, THC and BHC. As at December 31, 2024 CHC, PHC and BAHC 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 in 2024, 2023 and 2022 are as follows:

Name of Associates	Nature of Business	Principal Place of Business	Effective Percentage of Ownership
Blue Energy Holdings and Management Corporation (BEHMC)	Holding and Investments	Unit 308 Greenhills Mansion 37 Annapolis St., Greenhills San Juan City	30%
BEHMC Lower Labayat Hydropower Corp. (BLLHC)*	Power Generation Through Renewable Energy	Unit 308 Greenhills Mansion 37 Annapolis St., Greenhills San Juan City	30%
BEHMC Upper Tignoan Hydropower Corp. (BUTHC)*	Power Generation Through Renewable Energy	Unit 308 Greenhills Mansion 37 Annapolis St., Greenhills San Juan City	30%

**100%-owned by BEHMC*

In 2022, the Group assigned its 30% ownership interest in Tubig Nabua Inc. (TNI) to a related party and recognized a gain on disposal of investment in associate amounting to ₱4,218,750 (see Note 10).

Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 were approved and authorized for issue by the BOD on April 16, 2025, 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.

Reclassification adjustments were made in the 2023 consolidated financial statements to conform with the current year's presentation (see Note 23).

Measurement Bases

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

The consolidated financial statements of the Group have been prepared on a historical cost basis except for retirement liability which is recorded at the aggregate present value of the retirement liability. 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 26.

Adoption of Amendments to PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amendments to PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Presentation of Financial Statements - Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements.

- Amendments to PAS 7, *Statement of Cash Flows* and PFRS 7, *Financial Instruments: Disclosures - Supplier Finance Arrangements* – The amendments introduced new disclosure requirements to enable users of the financial statements assess the effects of supplier finance arrangements on the liabilities, cash flows and exposure to liquidity risk. The amendments also provide transitional relief on certain aspects, particularly on the disclosures of comparative information. Earlier application is permitted.

The adoption of the amendments to PFRS did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

Amendments to PFRS Accounting Standards Issued But Not Yet Effective or Adopted

Relevant amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the 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 PFRS 9, *Financial Instruments – Transaction Price and Lessee Derecognition of Lease Liabilities* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9*,* the lessee must apply the

derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to *'transaction price as defined by PFRS 15, Revenue from Contracts with Customers'* to *'the amount determined by applying PFRS 15'* to remove potential confusion. Earlier application is permitted.

- Amendments to PFRS 10, *Consolidated Financial Statements - Determination of a 'de facto agent'* – The amendments remove inconsistencies by clarifying that an entity must use judgment to determine whether other parties are acting as de facto agents. Earlier application is permitted.

- Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term 'cost method' with 'at cost' following the deletion of the definition of 'cost method'. Earlier application is permitted.

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 the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures* – This standard specifies reduced disclosure requirements that eligible subsidiaries are permitted to apply, instead of the disclosure requirements in other PFRS. An entity is eligible to apply PFRS 19 when it does not have public accountability and its parent prepares consolidated financial statements available for public use that complies with PFRS disclosure requirements. Earlier application is permitted.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investment in Associates - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS is not expected to have any material effect on the 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.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; or
- The Parent Company's voting rights and potential voting rights.

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

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.

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 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 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).

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, 2025 and December 31, 2024, 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.

Included in this category are cash, funds held in escrow, trade receivables, contract assets, due from related parties, and refundable deposit, restricted cash and receivables from contractors (presented under "Other assets" account).

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.

This category includes due to related parties, trade and other payables (excluding statutory payables), retention payable and loans payable.

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 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.

Financial assets are derecognized when the right to receive cash flows from the asset has expired or the Group has transferred its right to receive cash flows from the financial asset.

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.

Advances to Contractors

Advances to contractors 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.

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.

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:

	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.

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.

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.

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. Unpaid subscriptions are recognized as subscription receivable, a reduction of subscribed capital stock.

Retained Earnings (Deficit)

Retained earnings (deficit) represents the cumulative results of operations, net of prior period adjustments, if any.

Other Equity Reserves

Other equity reserves represent net excess of the consideration given up over the carrying amount of the non-controlling interest acquired.

Other Comprehensive Income

Other comprehensive income pertains to income that is not to be recognized in profit or loss for the year, which mainly represent cumulative remeasurement gains on retirement liability.

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, 2025 and December 31, 2024.

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

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 and Leases of Low-value Assets. 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.

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.

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) 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.

Discontinued Operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the consolidated statements of comprehensive income.

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

Any post-year-end event that provides additional information about the Group's consolidated financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Post-year-end events that are not 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.

The following are the significant judgments, accounting estimates and assumptions made by the Group:

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.

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 are disclosed in Note 18.

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.

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.

There is no allowance for ECL as at September 30, 2025 and December 31, 2024. The carrying amounts of trade receivables and contract assets are disclosed in Note 8.

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 September 30, 2025 and December 31, 2024.

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 loss allowance is determined as 12 months expected credit losses. 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 2024, 2023 and 2022.

The carrying amounts of other financial assets at amortized cost are disclosed in Notes 7, 9 and 20.

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 2024, 2023 and 2022. The carrying amount of property, plant and equipment 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 cash-generating unit to which the asset belongs. No impairment indicators were identified and thus, no impairment was recognized in 2024, 2023 and 2022.

Allowance for impairment losses and the carrying amounts of the significant nonfinancial assets of the Group are disclosed in Notes 9, 10, 11 and 12.

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, 2024 and 2023, 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 2024, 2023 and 2022. The carrying amount of goodwill is 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 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 and recognized deferred tax assets are disclosed in Note 22.

4. Acquisitions of Subsidiaries

Objective of Acquisitions

The acquisitions of MHCI, BHC and PPDC were executed to expand its 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:

	2024	2023
MHCI	**₱86,599,545**	₱86,599,545
BHC	**35,298,843**	35,298,843
PPDC	**14,052,298**	14,052,298
	₱135,950,686	₱135,950,686

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 years.

Key assumptions used to which the recoverable amounts are most sensitive are revenue growth rates, estimated operational costs, weighted average long-term growth rates and discount rates. Revenue growth rates are based on expected operating results with reference to projected cash flows from stress testing. Operational costs are determined based on average fixed and variable costs adjusted for inflationary increases but not reflecting any future restructurings or cost saving measures.

The Group has assessed that there is no goodwill impairment based on a discounted cash flow model using projected budget for the next five years. The pre-tax weighted average cost of capital of the entities ranges from 9.72% to 10.70%.

The Parent Company assessed that goodwill from business combinations are not deductible for tax purposes.

Other Equity Reserves

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

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

In 2022, the Parent Company increased its ownership interest in BHC to 100% by acquiring the remaining common shares held by non-controlling shareholders for ₱18,134,558 and converting its DFSS amounting to ₱12,944,444. The excess of the consideration over the carrying amount of the non-controlling interest amounting to ₱30,981,599 was recorded under "Other equity reserve" account in the consolidated statements of financial position.

5. Material Non-controlling Interests

As at December 31, 2024 and 2023, 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.

	2024	2023
Total current assets	**₱219,397,392**	₱177,133,749
Total noncurrent assets	**800,387,396**	837,704,686
Total current liabilities	**87,033,555**	87,360,976
Total noncurrent liabilities	**246,171,015**	299,885,868
Total equity	**686,580,218**	627,591,591
Total revenue	**142,258,010**	127,037,483
Total net income	**59,009,454**	34,758,711
Total comprehensive income	**58,988,627**	34,866,675

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

	September 2025	**December 2024**
L1HC	**₱145,516,123**	₱134,735,536
PHC	**3,822,628**	3,846,767
Others	**5,048,316**	4,333,509
	₱154,387,067	₱142,915,812

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

	September 2025	**December 2024**
L1HC	**₱10,780,587**	₱10,621,702
Others	**690,668**	613,354
	₱11,471,255	₱11,235,056

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

	September 2025	**December 2024**
L1HC	**₱10,780,587**	₱10,617,953
Others	**690,668**	614,362
	₱11,471,255	₱11,232,315

6. Cash

This account consists of:

	September 2025	December 2024
Cash on hand	**₱205,628**	₱ 211,269
Cash in banks	**83,658,028**	89,205,200
	₱83,863,656	₱89,416,469

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 from continuing operations is as follows (see Note 19):

	Note	September 2025	December 2024
Contract assets	8	**₱--**	₱791,235
Funds held in escrow	7	**--**	476,566
Cash in banks		**449,676**	86,587
		₱449,676	₱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 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.

The escrow deposit maintained under escrow account with the Custodian Bank amounted to nil and ₱281,014,489 as at September 30, 2025 and December 31, 2024, respectively. Net withdrawals from funds held in escrow amounted to nil and ₱246,000,000 in September 30, 2025 and December 31, 2024, respectively.

Interest income earned amounted to nil and ₱476,566 in September 30, 2025 and December 31, 2024, respectively (see Note 6).

8. Trade and Other Receivables

This account consists of:

	September 2025	December 2024
Trade	**₱269,602,109**	₱89,113,305
Current portion of contracts assets	**73,341,231**	50,104,846
Receivables from employees	**5,857,306**	4,503,259
Others	**19,123,215**	--
	₱367,923,861	₱143,721,410

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 24). Contract assets presented in the consolidated statements of financial position are as follows:

	Note	September 2025	December 2024
Current		**₱52,758,042**	₱50,104,846
Noncurrent	9	**20,583,189**	52,266,438
		₱73,341,231	₱102,371,284

Interest income earned from contract assets amounted to nil and ₱791,235 in September 30, 2025 and December 31, 2024, respectively (see Note 6).

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

No impairment losses were recognized on trade and other receivables in September 30, 2025 and December 31, 2024.

9. **Other Assets**

This account consists of:

	Note	September 2025	December 2024
Other Current Assets			
Advances to contractors and suppliers	12	**₱ 1,204,050**	₱ 1,200,000
Receivables from contractors		**65,941,707**	65,941,707
Input VAT for refund		**42,966,850**	17,471,534
Input VAT		**7,197,371**	7,199,360
Prepayments		**5,344,528**	6,489,115
Restricted cash	14, 24	**60,543,830**	18,131,099
Creditable withholding tax		**2,081,868**	1,603,148
Advances to employees	8	**-**	403,828
Others		**1,522,982**	1,426,861
		₱186,803,186	₱119,866,652
Allowance for impairment of input VAT		**(1,241,757)**	(1,241,757)
		₱185,561,429	₱118,624,895
Other Noncurrent Assets			
Contract asset - net of current portion	8	**₱ 20,583,189**	₱52,266,438
Refundable deposit		**494,040**	494,040
		₱ 21,077,229	₱52,760,478

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

Restricted cash pertains to cash set aside for payment of financial benefits and energy resources to its host communities pursuant to Energy Regulations (ER) No. 1-94 (see Note 24) and hold-out agreement with a local bank to secure prompt payment of the loan used to partially finance the rehabilitation of the hydropower plants (see Note 14).

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). In 2023, provision for impairment of input VAT amounted to ₱1,241,757 (see Note 19).

In 2023 and 2022, the Group wrote off input VAT amounting to ₱1,709,636 and ₱1,518,416, respectively (see Note 19).

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

10. **Investments in Associates**

Movements in this account are as follows:

	September 2025	December 2024
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 Associates		
Balance at beginning of year	**(13,562,062)**	(14,826,061)
Equity share in net income (loss)		1,263,999
Balance at end	**(13,562,062)**	(13,562,062)
Carrying Amount	**₱41,629,138**	₱41,629,138

In 2022, the Group assigned its 30% ownership interest in TNI to a related party and recognized a gain on disposal of investment in associate amounting to ₱4,218,750 (see Notes 1 and 19).

Summarized financial information of the associates is as follows:

	December 2024
Total current assets	₱51,582,687
Total noncurrent assets	471,327,804
Total current liabilities	157,022,066
Total noncurrent liabilities	361,095,297
Total equity	4,793,128
Total revenue	37,573,959
Total net income (loss)	4,213,331
Total comprehensive income (loss)	4,213,331

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

	September 2025	December 2024
Equity at end of year	**₱4,793,128**	₱4,793,128
Percentage of ownership	**30%**	30%
	1,437,938	1,437,938
Advances for future stock subscriptions	**40,191,200**	40,191,200
Carrying amount of investments	**₱41,629,138**	₱41,629,138

11. Property, Plant and Equipment

Movements and balances of this account consist of:

	September 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	**1,487,254**	**1,720,074,635**	**440,000**	**1,920,800**	**813,498**	**2,912,700**	**1,727,648,887**
Balance at end of year	**3,329,619,016**	**3,915,820,324**	**24,973,069**	**16,731,785**	**7,953,282**	**8,718,051**	**7,303,815,527**
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	**104,621,669**	–	**945,535**	–	**1,010,199**	**554,721**	**107,132,124**
Balance at end of year	**497,441,137**	–	**6,352,273**	–	**5,231,216**	**3,315,467**	**512,340,093**
Carrying Amount	**₱2,832,177,879**	**₱3,915,820,324**	**₱18,620,796**	**₱16,731,785**	**₱2,722,066**	**₱5,402,584**	**₱ 6,791,475,433**

	December 2024						
	Hydropower Plants	Construction in Progress	Buildings	Land	Furniture, Fixtures and Office Equipment	Transportation Equipment	Total
Cost							
Balance at beginning of year	₱3,190,647,176	₱1,001,152,665	₱24,533,069	₱13,869,359	₱6,173,089	₱3,269,950	₱4,239,645,308
Additions	137,484,586	1,194,593,024	–	941,626	966,695	2,535,401	1,336,521,332
Balance at end 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
Accumulated Depreciation and Amortization							
Balance at beginning of year	255,069,086	–	2,463,072	–	3,000,153	2,493,350	263,025,661
Depreciation and amortization	137,750,382	–	2,943,666	–	1,220,864	267,396	142,182,308
Balance at end of year	₱392,819,468	–	₱5,406,738	–	₱4,221,017	₱2,760,746	₱405,207,969
Carrying Amount	₱2,935,312,294	₱2,195,745,689	₱19,126,331	₱14,810,985	₱2,918,767	₱3,044,605	₱5,170,958,671

Property, Plant and Equipment as Loan Securities
Parcels of land, hydropower plants and construction in progress with a carrying value aggregating ₱5,148,680,443 and ₱3,645,006,776 as at December 31, 2024 and 2023, 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.

Application of Advances to Contractors
The Group applied advances to contractors to construction in progress amounting to ₱127,461,850 and ₱138,681,948 in September 30, 2025, and December 31, 2024, respectively (see Note 12).

Depreciation and Amortization
Depreciation and amortization charged to operations are as follows:

	Note	**September 2025**	**September 2024**
Cost of sale of electricity	17	**₱105,284,711**	₱75,179,940
Operating expenses	18	**1,847,413**	760,366
		₱107,132,124	₱75,940,306

Capitalized borrowing costs amounted to ₱62,294,622, ₱25,151,272 and ₱35,237,885 in 2024, 2023 and 2022, respectively (see Note 14). Capitalization rates used were 7.6% to 8.7%, 5.6% to 8.9% and 5.6% to 5.7% in 2024, 2023 and 2022, respectively.

In 2023, the Group received an insurance claim amounting to ₱4,739,996 to cover for the property damages caused by a typhoon in 2019. The gain on the proceeds from insurance claim is presented as part of "Other income (charges)" account in the consolidated statements of comprehensive income (see Note 19).

In 2024, the Group wrote-off a portion of its access road which was destroyed by a typhoon and recognized a loss on write-off of property, plant and equipment amounting to ₱14,877,818 as part of "Other income (charges) - net" account in the consolidated statements of comprehensive income (see Note 19).

12. Advances to Contractors and Suppliers

Movements in this account are as follows:

	Note	September 2025	December 2024
Balance at beginning of year		**₱317,143,590**	₱293,183,292
Additions		**5,440,260**	162,642,246
Applications		**(127,461,850)**	(138,681,948)
Balance at end of year		**195,121,999**	317,143,590
Current portion	9	**1,204,050**	1,200,000
Noncurrent portion		**₱193,917,949**	₱315,943,590

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

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

13. Trade and Other Payables

This account consists of:

	Note	September 2025	December 2024
Trade		**₱421,407,929**	₱350,196,380
Accrued expenses		**205,510,065**	136,393,891
Current portion of retention payable		**49,719,698**	42,392,703
Interest payable		**29,568,137**	34,557,743
Statutory payables		**573,642**	16,231,554
Dividend payable		**610,000**	610,000
Others		**--**	6,672,961
		₱707,389,471	₱587,055,232

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, taxes and other employee benefits 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 2025	December 2024
Current	**₱ 49,719,698**	₱42,392,703
Noncurrent	**247,210,588**	150,200,226
	₱296,930,286	₱192,592,929

Interest payable pertains to accrued interest from loan payable to local creditor bank (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.

Payable for the acquisition of MHCI shares pertains to the unpaid portion of the consideration for the purchase of the hydropower plant. This is noninterest-bearing and fully settled by the Parent Company in 2024.

Dividends

On December 4, 2024, PPDC's BOD approved the declaration of cash dividend of ₱88.89 per share amounting to ₱100,000,000 to shareholders of record. The payment of the dividends is subject to requirements from the creditor bank in which PPDC has complied based on the communications from the creditor bank dated March 18, 2025. As at April 11, 2025, PPDC is waiting for the approval of the creditor bank. The dividend is payable to shareholders of record as at December 31, 2024. Moreover, cash dividends due amounting to ₱7,700,000 were applied against the subscription receivable from the Parent Company. As at December 31, 2024, dividends payable to non-controlling interest amounted to ₱610,000.

14. Loans Payable

This account consists of loans from:

	September 2025	December 2024
Loans from local creditor banks	**₱3,424,127,861**	₱2,721,958,128
Unamortized debt issue cost	**(34,154,201)**	(26,490,048)
Carrying amount	**3,389,973,660**	2,695,468,080
Current portion	**84,152,592**	169,234,317
Noncurrent portion	**₱3,305,821,068**	₱2,526,233,763

Movements in this account are as follows:

	2025	2024
Balance at beginning of year	**₱2,695,468,080**	₱1,783,605,790
Availments	**810,967,485**	1,042,038,400
Payments	**(126,954,420)**	(127,732,144)
Debt issue cost incurred	**10,492,515**	(12,367,150)
Debt issue cost amortization	**--**	3,008,249
Amortization of fair value adjustment from business combination	**--**	--
Balance at end of year	**₱3,389,973,660**	₱2,695,468,080

Local Creditor Banks

The Group entered into various loan contracts with local creditor banks to finance and reimburse the construction and rehabilitation of its various projects, at interest rates ranging from 5.5% to 9.0% a year, and with terms ranging from up to 15 years.

Interest
The loans are subject to interest rates ranging from 5.5% to 7.5% per annum, subject to repricing for various periods.

Financial Covenants
The loans include covenants to maintain certain debt-to-equity ratio, current ratio and debt service ratio. For THC, the debt service coverage ratio will commence on September 30, 2024. In accordance with the loan agreement, the borrower shall be in default if, in the reasonable opinion of the creditor bank, the noncompliance is not remediable, after a written notice.

As at December 31, 2024, the Group is compliant with these covenants, except for THC which is noncompliant with the current ratio. THC, however, has not received any notice from the creditor bank on the noncompliance of the current ratio and has continued to make payments based on the original terms of the loan. Accordingly, as at December 31, 2024, the Group did not reclassify the noncurrent portion of the loan as current.

Expected Loan Repayments
The expected loan repayments over the remaining term of the loan as at December 31, 2024 are as follows:

	2024	2023
Not later than one (1) year	**₱169,199,816**	₱114,880,390
Later than one (1) year but not later than (5) five years	**1,172,670,012**	543,244,644
Later than five (5) years	**1,426,518,991**	1,142,611,903
	₱2,768,388,819	₱1,800,736,937

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

	Note	**2024**	2023	2022
Continuing operations:				
Long term loans		**₱130,790,847**	₱68,803,723	₱60,385,450
Net contract liability		**1,699,609**	1,879,805	–
Short term loans		**–**	–	4,425,275
		132,490,456	70,683,528	64,810,725
Discontinued operations	21	**–**	–	21,878,722
		₱132,490,456	₱70,683,528	₱86,689,447

The Group capitalized borrowing cost amounting to ₱62,294,622, ₱25,151,272 and ₱35,237,885 in 2024, 2023 and 2022, respectively (see Note 11).

15. **Retirement Liability**

The Group has 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, 2024.

The breakdown of retirement benefits expense in 2024 and 2023 are as follows (see Notes 17 and 18):

	2024	2023
Current and past service cost	**₱689,311**	₱5,210,221
Interest expense	**826,400**	479,748
	₱1,515,711	₱5,689,969

The movements of retirement liability recognized in the consolidated statements of financial position as at December 31, 2024 and 2023 are as follows:

	2024	2023
Balance at beginning of year	**₱5,088,972**	₱–
Interest expense	**826,400**	479,748
Current service cost	**689,311**	697,789
Remeasurement gain	**(159,922)**	(600,997)
Past service cost	**–**	4,512,432
Balance at end of year	**₱6,444,761**	₱5,088,972

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

	2024	2023
Discount rate	**6.1%**	7.0% to 7.4%
Salary projection rate	**5.0%**	5.0%

The sensitivity analysis based on reasonable possible changes of assumptions as at December 31,2024 and 2023 are presented below.

		Effect on Present Value of Retirement Liability	
	Change in Assumption	**Discount Rate**	**Salary Projection Rate**
December 31, 2024	**+1%**	**(₱328,547)**	**₱337,106**
	-1%	**380,327**	**(293,664)**
December 31, 2023	+1%	(184,668)	191,273
	-1%	209,877	(170,490)

The expected future benefit payments within the following years after December 31, 2024 and 2023 are as follows:

	2024	2023
Within one (1) year	**₱–**	₱–
After one (1) year but not more than five (5) years	**7,553,713**	4,193,750
After five (5) years but not more than ten (10) years	**10,638,975**	3,446,813
After ten (10) years but not more than fifteen (15) years	**4,593,547**	3,469,839
More than fifteen (15) years	**31,776,047**	13,414,157

The weighted average duration of the retirement benefit obligation as at December 31, 2024 and 2023 ranges from 1.52 to 6.11 and 0.41 to 6.83 years, respectively.

16. **Equity**

Movements in capital stock are as follows:

	September 2025		December 2024	
	Shares	Amount	Shares	Amount
Authorized Capital Stock at ₱1 par value				
Balance at beginning of year	750,000,000	₱750,000,000	750,000,000	₱750,000,000
Increase during the year	–	–	–	–
Balance at end of year	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**	450,000,000	₱450,000,000
Issuances of shares	**–**	**–**	200,000,002	200,000,002
Balance at end of year	**650,000,002**	**₱650,000,002**	650,000,002	₱650,000,002

On January 31, 2022, the SEC approved the increase in the Parent Company's authorized capital stock from ₱150,000,000 divided into 150,000,000 shares at ₱1.00 par value a share to ₱750,000,000 divided into 750,000,000 shares at ₱1.00 par value a share. Deposit for future stock subscription of ₱424,901,466 was converted to 300,000,000 REDC shares resulting into additional paid-in capital of to ₱124,901,466.

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 BOD approved the Parent Company's 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.

17. **Cost of Sale of Electricity**

This account consists of:

	Note	September 2025	2024
Depreciation and amortization	11	**₱105,284,711**	₱103,814,241
Salaries and wages		**17,898,395**	15,504,359
Communication and utilities		**5,795,353**	9,207,506
Repairs and maintenance		**11,006,252**	6,312,586
Outside services		**4,050,961**	5,459,332
Insurance		**3,612,178**	5,231,098
Taxes and licenses		**6,424,881**	--
Distribution wheeling charges		**678,118**	880,457
Materials		**607,354**	957,473
Transportation		**435,156**	916,807
Fuel, oil, and lubricant		**160,727**	734,909
Rent	24	**170,900**	160,600
Others		**6,041,426**	5,869,796
		₱162,166,411	₱159,804,985

18. **Operating Expenses**

This account consists of:

	Note	September 2025	2024
Salaries and wages		**₱12,603,533**	₱15,777,316
Professional fees		**7,802,750**	3,701,480
Taxes and licenses		**11,888,231**	7,847,586
Representation and entertainment		**3,078,038**	3,212,977
Depreciation and amortization	11	**1,847,413**	1,033,927
Rent	24	**4,651,872**	2,769,045
Communication and utilities		**860,898**	2,312,905
Transportation and meals		**2,646,440**	1,417,867
Outside services		**3,201,303**	5,155,147
Research and development cost		**--**	605,640
Listing Fees		**--**	509,600
Insurance		**968,615**	1,637,527
Repairs and maintenance		**199,792**	604,514
Fuel, oil and lubricants		**53,880**	166,731
Others		**4,954,086**	3,708,361
		₱54,756,851	51,505,390

Others include expenses for training and seminars and management fee among others.

19. **Interest Income**

This account consists of:

	Note	September 2025	2024
Interest income	6	**₱449,676**	₱--
		₱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 2025	December 2024	**September 2025**	December 2024
Due from Related Parties				
Entities Under Common Control	**6,536,868**	48,987,694	**₱42,753,576**	₱ 36,216,707
Associates	**--**	--	**17,263**	17,263
Stockholders	**--**	--	**--**	--
Others	**(32,620,963)**	32,217,286	**90,956,678**	123,577,641
			133,727,515	159,811,611
Due to Related Parties				
Stockholders				
Parent Company	**159,504,153**	106,086,330	**455,855,473**	296,351,320
Other stockholders	**186,169,537**	373,966,104	**439,129,023**	252,959,486
Entities Under Common Control	**(13,018,420)**	72,106,404	**176,240,944**	189,259,364
Others	**(45,853,356)**	--	**42,694,581**	88,547,937
			₱ 1,113,920,021	₱ 827,118,107

Due from Related Parties

These are noninterest-bearing working capital advances, unsecured and are due and demandable. No impairment loss was recognized in 2024, 2023 and 2022.

Due to Related Parties

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 ₱6,727,123, ₱4,522,500 and ₱3,872,500 in 2024, 2023 and 2022, respectively.

21. **Discontinued Operations**

On November 4, 2022, the Parent Company assigned its ownership interest in PMHC, a subsidiary, to Colossal Petroleum Corporation for ₱40,750,000. As at December 31, 2022, PMHC and its subsidiaries were presented as a discontinued operations.

The results of operations of PMHC and its subsidiaries are presented below:

	Note	2022
Operating expenses		₱458,175
Interest expense	14	21,878,722
		22,336,897
Gain on disposal		(34,276,628)
Net loss from discontinued operations		(₱11,939,731)

The net cash flows incurred by PMHC are as follows:

	2022
Operating activities	(₱43,973,719)
Investing activities	36,387,430
Financing activities	2,039,225
	(₱5,547,064)

The carrying amounts of assets and liabilities disposed are as follows:

Assets	
Cash	₱3,048,941
Property, plant and equipment	346,730,690
Other assets	371,683,873
	721,463,504
Liabilities	
Trade and other payables	31,921,523
Loans payable	285,000,000
Other liabilities	42,242,390
	359,163,913
Net Assets	**₱362,299,591**

Basic/diluted income (loss) per share from discontinued operations follow:

	2022
Basic/diluted income (loss) per share	₱0.03

22. Income Taxes

The components of income tax expense are as follows:

	2024	2023	2022
Reported in Profit or Loss			
Current - Regular corporate income tax (RCIT)	**₱–**	₱–	₱3,246,880
Deferred	**759,172**	(1,917,018)	504,650
	₱759,172	(₱1,917,018)	₱3,751,530

The Group has no current income tax in 2024 and 2023 due to the income tax holiday and net loss position.

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

	Regular corporate income tax (RCIT)	Preferential income tax	Minimum corporate income tax (MCIT)
2024	**25%**	**10%**	**2.0%**
2023	25%	10%	1.5%
2022	25%	10%	1.0%

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.

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

	2024	2023
Deferred tax asset -		
Unrealized foreign exchange loss	**₱–**	₱18,365
Deferred tax liabilities:		
Unamortized debt issue cost	**2,730,061**	1,728,843
Difference between the fair value and carrying amount of property, plant and equipment	**393,596**	489,562
	3,123,657	2,218,405
	₱3,123,657	₱2,200,040

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.

	2024	2023
NOLCO	**₱50,272,626**	₱38,976,157
Retirement liability	**196,446**	209,645
	₱50,469,072	₱39,185,802

Details of NOLCO are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Applied	Expired	Balance at End of Year	Expiration Year
2020	₱21,010,228	₱–	₱–	₱–	₱21,010,228	2025
2021	47,463,097	–	–	–	47,463,097	2026
2022	16,199,605	–	–	–	16,199,605	2025
2023	82,056,450	–	–	–	82,056,450	2026
2024	–	54,390,314	–	–	54,390,314	2027
2024	–	1,566,804	–	–	1,566,804	2031
	₱166,729,380	₱55,957,118	₱–	₱–	₱222,686,498	

On September 30, 2020, the Bureau of Internal Revenue (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.

In 2024, THC incurred NOLCO amounting to ₱1,566,804 which can be claimed as deductions to taxable income until 2031.

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 summarized as follows:

	2024	2023	2022
Income tax computed at statutory tax rate	**₱29,680,337**	₱7,950,690	₱42,937,752
Change in unrecognized deferred tax assets	**11,198,812**	19,262,951	(1,846,154)
Effect of change in income tax rate	**–**	(2,020,250)	–
Add (deduct) tax effects of:			
Nontaxable income	**(24,847,500)**	(10,536,637)	–
Income subject to income tax holiday (ITH)	**(17,855,792)**	(22,736,782)	(45,305,577)
Discount on FIT differential	**1,904,570**	–	–
Nondeductible expenses	**1,481,097**	3,380,196	1,615,886
Stock issuance costs	**(437,500)**	(7,372,790)	–
Equity share in net loss (income) of associates	**(316,000)**	903,098	462,949
Interest income subjected to final tax	**(130,910)**	(40,811)	(9,381)
Amortization of contract asset (liability) - net	**82,058**	–	–
Difference in tax rate and income tax holiday	**–**	9,169,141	
Provision on impairment of input tax	**–**	124,176	–
Expired NOLCO and MCIT	**–**	–	5,896,055
	₱759,172	(₱1,917,018)	₱3,751,530

23. Reclassification of 2023 Consolidated Financial Statements

As discussed in Note 2, certain accounts in the 2023 consolidated statements of financial position were reclassified to conform with the 2024 presentation as follows:

	As previously reported	Reclassification adjustment	As reclassified
Trade and other receivables	₱132,814,321	₱7,551,357	₱140,365,678
Other current assets	139,741,747	(7,551,356)	132,190,391
Trade and other payables	620,793,590	(6,979,264)	613,814,326
Due to related parties	778,434,703	6,979,265	785,413,968

24. Significant Commitments

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 as follows:

	Note	**September 2025**	December 2024
Cost of sale of electricity	17	**₱170,900**	₱215,600
Operating expenses	18	**4,651,872**	3,915,111
		₱2,216,790	₱4,130,711

Renewable Energy Distribution

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.

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

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 as of December 31, 2024.

Hydropower Service Contract (HSC)
The Government, through the 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 HSCs as at December 31, 2024 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
Real II Seawater Pumped Storage Hydroelectric Power Project	REDC	Real, Quezon	February 23, 2024	February 22, 2049	Pre-development Stage

Provisional Authority to Operate (PAO) Feed-in-Tariff (FIT) Eligible Power Plant
The Government, through the Department of Energy (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 Energy Regulatory Commission (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 COEs as at December 31, 2024 are as follows:

	Date issued
MHCI	October 2019
PPDC:	
Balugbog powerplant	September 2019
Calibato powerplant	May 2020
Palakpakin powerplant	September 2019
L1HC	December 2021
BHC	August 2022
THC	May 2023

Details of the Group's PAO-FIT as at December 31, 2024 are as follows:

	Effective Date	Valid Until
MHCI	October 30, 2024	October 29, 2025
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	November 14, 2025
BHC	October 26, 2024	October 25, 2025
THC	December 18, 2024	December 17, 2025

Details of derived revenue from FIT are as follows:

	2024	2023	2022
Actual FIT revenue:			
PPDC	**₱90,544,652**	₱97,368,183	₱86,942,906
MHCI	**82,269,092**	92,024,197	94,904,416
	172,813,744	189,392,380	181,847,322
FIT differential adjustment:			
THC	**31,496,604**	9,733,811	–
L1HC	**19,279,406**	(24,233,683)	–
BHC	**6,686,902**	3,328,020	–
PPDC	**454,290**	–	–
	57,917,202	(11,171,852)	–
	₱230,730,946	₱178,220,528	₱181,847,322

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):

	2024	2023
THC	**₱41,873,535**	₱9,733,811
PPDC	**39,578,185**	42,394,257
MHCI	**10,526,661**	12,618,484
BHC	**10,392,903**	3,557,886
	₱102,371,284	₱68,304,438

L1HC's unbilled excess collections over the FIT rate amounting to ₱8,445,913 and ₱26,113,488 as at December 31, 2024 and 2023, respectively, are recorded under "Contract liability" account.

Interest expense incurred from net contract liability amounted to ₱1,699,609 and ₱1,879,805 in 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 derived revenue from the MPA are as follows:

	2024	2023	2022
THC	**₱155,329,757**	₱54,674,646	₱–
L1HC	**142,258,010**	127,037,483	156,336,606
BHC	**52,265,132**	70,725,112	28,353,487
PPDC	**10,770,312**	14,809,188	15,504,627
	₱360,623,211	₱267,246,429	₱200,194,720

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 ₱2,744,757 and ₱1,838,342 as at December 31, 2024 and 2023, respectively (see Note 9).

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.

25. **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 2024, 2023 and 2022.

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 2025	December 2024
Cash in banks	**₱ 83,658,028**	₱89,205,200
Funds held in escrow	**--**	281,014,489
Trade and other receivables*	**288,725,324**	139,218,151
Contract assets - net of current portion	**73,341,231**	52,266,438
Due from related parties	**133,727,515**	159,811,611
Refundable deposit	**494,040**	494,040
Restricted cash	**60,543,830**	18,131,099
Receivables from contractors	**195,121,999**	65,941,707
	₱835,611,967	₱806,082,735

**Excluding receivable from employees amounting to ₱5,857,306 and ₱4,503,259 as at September 30, 2025 and December 31, 2024, respectively.*

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

	September 30, 2025						
			Past Due But Not Impaired				
	High Grade	Standard Grade	1 – 60 Days	61 – 90 Days	More than 90 Days	Allowance for ECL	Total
Lifetime ECL -							
Trade receivables	**₱–**	**₱ 185,866,337**	**₱ 44,771,100**	**₱ 32,242,558**	**₱ 6,722,115**	**₱--**	**₱ 269,602,109**
Contract assets	**–**	**73,341,231**	**–**	**–**	**--**	**--**	**73,341,231**
	₱–	**₱ 259,207,568**	**₱ 44,771,100**	**₱ 32,242,558**	**₱ 6,722,115**	**₱--**	**₱ 342,943,340**
12–month ECL:							
Cash in banks	**₱83,658,028**	**₱ –**	**₱ –**	**₱ –**	**₱ –**	**₱ –**	**₱83,658,028**
Funds held in escrow	**--**	**–**	**–**	**–**	**–**	**–**	**-**
Due from related parties	**–**	**133,727,515**	**–**	**–**	**–**	**–**	**133,727,515**
Refundable deposits	**–**	**494,040**	**–**	**–**	**–**	**–**	**494,040**
Receivables from contractors	**–**	**195,121,999**	**–**	**–**	**–**	**–**	**195,121,999**
Restricted cash	**60,543,830**	**–**	**–**	**–**	**–**	**–**	**60,543,830**
	₱144,201,858	**₱329,343,554**	**₱ -**	**₱ -**	**₱ -**	**₱ -**	**₱473,545,412**
	₱ 144,201,858	**₱ 588,551,122**	**₱ 44,771,100**	**₱ 32,242,558**	**₱ 6,722,115**	**₱ -**	**₱ 816,488,752**

	December 2024						
			Past Due But Not Impaired				
	High Grade	Standard Grade	1 – 60 Days	61 – 90 Days	More than 90 Days	Allowance for ECL	Total
Lifetime ECL -							
Trade receivables	₱–	₱54,248,589	₱22,109,104	₱8,472,469	₱4,283,143		₱89,113,305
Contract assets	–	91,844,623	–	–	10,526,61		102,371,284
	₱–	₱146,093,212	₱22,109,104	₱8,472,469	₱14,809,804		₱191,484,589
12–month ECL:							
Cash in banks	89,205,200	–	–	–	–		89,205,200
Funds held in escrow	281,014,489	–	–	–	–		281,014,489
Due from related parties	–	159,811,611	–	–	–		159,811,611
Refundable deposits	–	494,040	–	–	–		494,040
Receivables from contractors	–	65,941,707	–	–	–		65,941,707
Restricted cash	18,131,099	–	–	–	–		18,131,099
	₱388,350,788	₱226,247,358	₱–	₱–	₱–		₱614,598,146
	₱388,350,788	₱372,340,570	₱22,109,104	₱8,472,469	₱14,809,804		₱806,082,735

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 and Cash Equivalents, Short-term Investment and Restricted Cash. The credit risk for cash and cash equivalents, short-term investment, financial assets at FVPL 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.

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 December 31, 2024 and 2023:

	September 2025					
	Due and Demandable	**Less than 1 year**	**1–2 years**	**>2–3 years**	**Over 3 years**	**Total**
Trade and other payables*	**₱–**	**₱ 706,815,829**	**₱–**	**₱–**	**₱–**	**₱ 706,815,829**
Loans payable**	**–**	**517,832,775**	**1,218,243,072**	**1,067,370,855**	**2,439,140,831**	**5,242,587,533**
Retention payable - net of current portion	**–**	**–**	**–**	**247,210,588**	**–**	**247,210,588**
Due to related parties	**1,113,920,021**	**–**	**–**	**–**	**–**	**1,113,920,021**
	₱1,113,920,021	**₱ 1,224,648,604**	**₱1,218,243,072**	**₱1,314,581,443**	**₱2,439,140,831**	**₱7,310,533,970**

**Excluding statutory payables amounting to ₱573,642 as at September 30, 2025.*
***Includes future interest payments*

	December 2024					
	Due and Demandable	Less than 1 year	1–2 years	>2–3 years	Over 3 years	Total
Trade and other payables*	₱–	₱570,823,678	₱–	₱–	₱–	₱570,823,678
Loans payable**	–	377,663,199	448,508,768	426,030,104	2,796,649,941	4,048,852,012
Retention payable - net of current portion	–	–	–	150,200,226	–	150,200,226
Due to related parties	827,118,107	–	–	–	–	827,118,107
	₱827,118,007	₱948,486,877	₱448,508,768	₱576,230,330	₱2,796,649,941	₱5,596,994,023

**Excluding statutory payables amounting to ₱16,231,554 as at December 31, 2024.*
***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:

	2024	2023
Increase (decrease) in basis points:		
+50	**(₱2,012,813)**	(₱9,194,626)
-50	**2,012,813**	9,194,626

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 ₱2,215,488,647 and ₱2,117,562,655 as at December 31, 2024 and 2023, respectively.

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

26. Fair Value Measurement

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 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 management assessed that the effect of discounting is not significant.

Loan Payable. The fair value of loan payable is the present value of all future cash flows discounted using applicable rates for similar types of loans. The fair value of the loan payable is classified under level 2 (significant observable inputs) of the fair value hierarchy. The fair value of the loan payable amounted to ₱2,949,451,126 and ₱2,049,141,297 as at December 31, 2024 and 2023, respectively. The discount rates used are 1.00% to 6.02% and 1.00% to 6.04% in 2024 and 2023, respectively.

27. Basic/Diluted Earnings per Share

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

	September 2025	2024
Net income attributable to the equity holders of the Parent Company from: Continuing operations	**₱214,588,921**	₱107,650,753
Weighted average number of common shares	**650,000,002**	650,000,002
Basic/diluted earnings per share from continuing operations	**0.33**	0.17
Basic/diluted earnings per share	**0.33**	0.17

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 September 30, 2025 and December 31, 2024.

28. 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

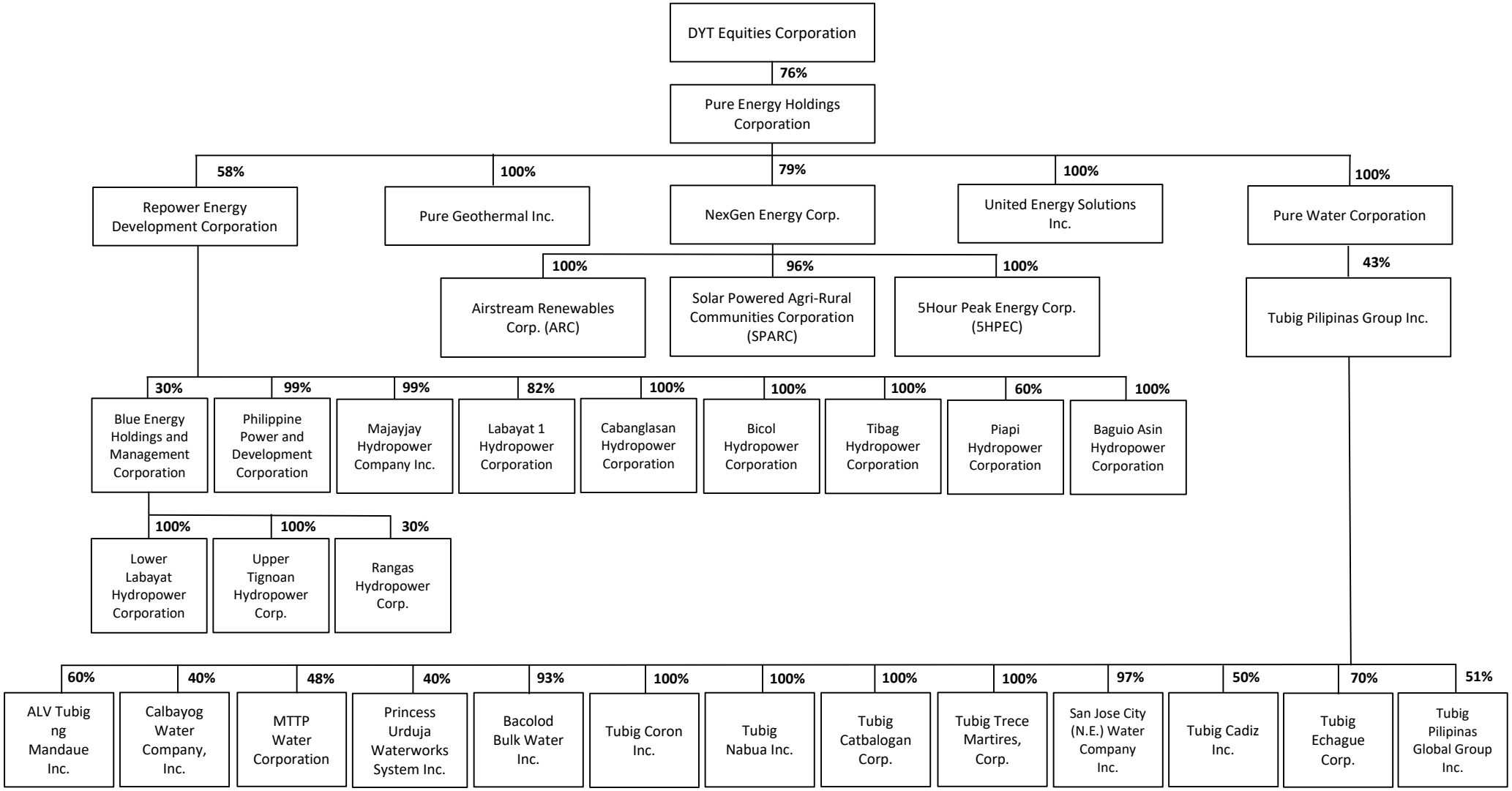
Below is a schedule showing financial soundness indicators of the Group as at and for the periods ended September 30, 2025 and December 31, 2024.

Ratio	Formula	**September 2025**	December 2024
Current ratio	Current assets/current liabilities	**0.40:1**	0.50:1
Acid test ratio	Quick assets/current liabilities	**0.40:1**	0.43:1
Solvency ratios	Net income before amortization and depreciation/total liabilities	**0.06:1**	0.06:1
Debt-to-equity ratio	Total liabilities/total equity	**2.23:1**	1.92:1
Asset-to-equity ratio	Total assets/total equity	**3.23:1**	2.92:1
Interest rate coverage ratio	Net income before tax expense/interest expense	**2.69:1**	0.91:1
Return on equity	Net income/average shareholder's equity	**0.10:1**	0.05:1
Return on assets	Net income/average total assets	**0.03:1**	0.02:1
Net profit margin	Net income/revenue	**0.43:1**	0.22:1

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONGLOMERATE MAP

SEPTEMBER 30, 2025



REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

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

SEPTEMBER 30, 2025

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

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, 2025

			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	₱ 389,915,981	₱ 144,120,440	₱ -	₱ -	₱ 534,036,421	₱ -	₱ 534,036,421
Labayat 1 Hydropower Corporation	2,500,000	9,688,963	2,500,000	-	9,688,963	-	9,688,963
Bicol Hydropower Corporation	-	5,115,283		-	5,115,283	-	5,115,283
Tibag Hydropower Corporation	95,981,309	42,475,860		-	138,457,169	-	138,457,169
Cabanglasan Hydropower Corporation	-	495,444,076	214,116,718	-	281,327,358	-	281,327,358
Piapi Hydropower Corporation	31,388,656	31,002,120		-	62,390,776	-	62,390,776
Philippine Power and Development Company	-	85,091		-	85,091	-	85,091
Majayjay Hydropower Company Inc.	-	51,640		-	51,640	-	51,640
Baguio Asin Hydropower Corporation	-	52,421,646		-	52,421,646	-	52,421,646
	₱ 519,785,946	₱ 780,405,119	₱ 216,616,718	₱ -	₱ 1,083,574,347	₱ -	₱ 1,083,574,347

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

SCHEDULE D – LONG TERM DEBT

SEPTEMBER 30, 2025

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	₱ 3,389,973,660	₱ 84,152,592	₱ 3,305,821,068

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

SCHEDULE G – CAPITAL STOCK

SEPTEMBER 30, 2025

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	–	439,999,995	5	210,000,002

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

FOR THE REPORTING PERIOD ENDED SEPTEMBER 30, 2025

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	₱54,337,067
Add: Category A: Items that are directly credited to unappropriated retained earnings	--
Deficit, as adjusted	₱54,337,067
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	--
Total retained earnings, end of the reporting period available for dividend	₱54,337,067

REPOWER ENERGY DEVELOPMENT CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF PROCEEDS FROM INITIAL OFFERING

FOR THE QUARTER ENDED SEPTEMBER 30, 2025

	Actual				
	Balance as at June 30, 2025	Disbursements during the Third Quarter of 2025	Balance as at September 30, 2025	Planned	Unapplied
Gross proceeds	₱1,000,000,000	₱–	₱1,000,000,000	₱1,000,000,000	₱–
IPO expenses	(47,837,167)	–	(47,837,167)	(50,500,000)	2,662,833
Net proceeds	952,162,833	–	952,162,833	949,500,000	2,662,833

	Actual				
	Balance as at June 30, 2025	Disbursements during the Third Quarter of 2025	Balance as at September 30, 2025	Planned	Unapplied
Use of Proceeds:					
Partially fund the equity portion of:					
Pulanai (Pulangi) MHP Project	(₱600,000,000)	₱–	(₱600,000,000)	(₱600,000,000)	₱–
Piapi MHP Project	(100,000,000)	–	(100,000,000)	(100,000,000)	–
Fund the development and/or acquisition of renewable energy projects	(150,000,000)	–	(150,000,000)	(150,000,000)	–
Fund operating and working capital requirements	(99,500,000)	–	(99,500,000)	(99,500,000)	–
	(949,500,000)	–	(949,500,000)	(949,500,000)	–
Interest income - net of trust fees	189,490	(189,490)	–	–	–
	(949,310,510)	(189,490)	(949,500,000)	(949,500,000)	–
Unapplied Proceeds	₱2,852,323	(₱189,490)	₱2,662,833	₱–	₱2,662,833

REPOWER ENERGY DEVELOPMENT CORPORATION

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
FOR THE REPORTING PERIOD ENDED SEPTEMBER 30, 2025

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

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, 2025 AND DECEMBER 31, 2024
AND FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024

1. Financial Condition

As at September 30, 2025 Compared to as at December 31, 2024

The total assets of Repower Energy Development Corporation and Subsidiaries (the Group) increased by ₱1,424.7 million (+22%) from December 31, 2024 due mainly to the increase of cash, trade receivables, other current assets, and property, plant and equipment.

Material changes in asset accounts are analyzed as follows:

a. The net decrease in cash of ₱5.6 million (-6%) is due to:
   i. Net increase in operational cash flows as a result of net income generated from the operating segments and continuing operations;
   ii. Application of proceeds from the funds held in escrow amounting to ₱281 million

b. The net decrease in due from related parties of 26.1 million (-16%) is due to collection of working capital funds advanced to entities under common control to sustain operations. These advances are due and demandable and unimpaired.

c. Other current assets net increase by ₱67 million (+56%) is mainly attributable to its restricted cash for hold-out agreement with the local banks to secure prompt payment of the loan used to partially finance the hydropower plants together with the increase in its restricted cash for regulatory requirements and a receivable related to an input VAT refund.

d. Net increase in property, plant and equipment by ₱1,620.5 billion (+31%) represent mainly to hydropower plants and its project construction

The total liabilities of the Group increased by ₱1,199 million (+28%) due primarily to availments of loans and advances from related parties. Material changes in liability accounts are analyzed as follows:

a. Net increase in trade and other payables amounting to ₱120.3 million (+20%) resulted from recording of progress billings from various contractors and suppliers.

b. Net increase in loans payable by ₱694.5 million (+26%) and due to related parties by ₱286.8 million (+35%) resulted from loan availments for mainly as part of the Group's ongoing construction and operational expansion. The increase was also partly due to the advances made by related parties under common control and of the stockholders which will be recognized as deposits for future stock subscription upon application for increase in capital stock with SEC.

c. Noncurrent portion of retention payable also increased by ₱97 million (+65%) due to additional contractor billings related to ongoing construction projects.

The Group's total equity increased by ₱226 million (+10%) as a direct result from increased retained earnings of the Group and the non-controlling interest accounts as a result of the 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 is 0.40:1 and 0.50:1 as at September 30, 2025 and December 31, 2024, respectively. The liquidity ratio is 0.40:1 at December 31, 2024 and September 30, 2025 respectively due mainly from the increase of liabilities and application of proceeds from escrow fund.

The solvency ratio is 0.06:1 at September 30, 2025 and December 31, 2024, respectively.

The debt-to-equity ratio of 2.23:1 as at September 30, 2025 compared to the 1.92:1 as at December 31, 2024 shows the impact of the increases of the liability balances of the Group.

The asset-to-equity ratio of the Group increased from 2.92:1 as at December 31, 2024 to 3.23:1 as at September 30, 2025 which was partially impacted by increase on its fixed assets.

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2. Results of Operations

In comparison of results of September 30, 2025 with September 30, 2024

The Group generated a total of ₱526.7 million revenues from its operations for the nine-month period ended September 30, 2025 which is ₱130 million higher than the revenue generated for the same period in the prior year. Consequently, gross income is higher by ₱125.9 million (+53%). The total comprehensive income of the Group for the nine-month period ended September 30, 2025 registered at ₱226 million which is ₱118.4 million higher than that of the previous year for the same period.

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

a. Revenue increased mainly as a result of higher electric generation of the Group from 65.7 million kWh to 87.5 million kWh for the nine (9) months ending September 30, 2025.

b. Operating expenses increased by ₱3.3 (+6%) million and this increase can be attributed to the Group's thrust to progress the status of its operations through savings. During the period, the Group increased its spending on professional fees, taxes and licenses, depreciation, and field expenses. However, there were also decreases in salaries and wages, outside services, communication and utilities, insurance, and repairs and maintenances.

c. Interest expense increased by ₱6 million as a result of amortization of borrowings related to the ongoing construction 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 0.15 per share to 0.33 per share.

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

The return on equity of the Group has increased from 0.05:1 of December 31, 2024 to 0.10:1 as at September 30, 2025 of across the periods since the net income has reduced in contrast to the restructuring and reduction of its additional paid-in capital. Consequently, the return on assets has increased from 0.02:1 to 0.03:1.

Net income margin increased to 0.43:1 from 0.22:1 across the periods due to the improvement in the results of operations.

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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, 2025.

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

SIGNATURES

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

ERIC PETER Y. ROXAS
President
November 11, 2025

ROLANDO P. DOMINGO
Chief Financial Officer
November 11, 2025