



SECURITIES AND EXCHANGE COMMISSION

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Industry Classification: K74219

Company Type: Stock Corporation

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SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
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COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

P	E	T	R	O	E	N	E	R	G	Y	R	E	S	O	U	R	C	E	S	C	O	R	P	O	R	A	T
I	O	N	A	N	D	S	U	B	S	I	D	I	A	R	I	E	S										

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

7	t	h	F	l	o	o	r	,	J	M	T	B	u	i	l	d	i	n	g	,							
A	D	B	A	v	e	n	u	e	,	O	r	t	i	g	a	s	C	e	n	t	e	r	,				
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Form Type

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Department requiring the report

S	E	C
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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Group's Email Address <input type="text" value="corpaffairs@petroenergy.com.ph"/>	Group's Telephone Number <input type="text" value="8637-2917"/>	Mobile Number <input type="text" value="N/A"/>
No. of Stockholders <input type="text" value="1,975"/>	Annual Meeting (Month / Day) <input type="text" value="7/17"/>	Fiscal Year (Month / Day) <input type="text" value="12/31"/>

CONTACT PERSON INFORMATION

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

Name of Contact Person <input type="text" value="Maria Cecilia L. Diaz de Rivera"/>	Email Address <input type="text" value="mlrivera@petroenergy.com.ph"/>	Telephone Number/s <input type="text" value="8637-2917"/>	Mobile Number <input type="text" value="09999910722"/>
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CONTACT PERSON'S ADDRESS

7th Floor, JMT Building, ADB Avenue, Ortigas Center, Pasig City
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NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its inefficiencies.



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
PetroEnergy Resources Corporation
7th Floor, JMT Building, ADB Avenue
Ortigas Center, Pasig City

Opinion

We have audited the consolidated financial statements of PetroEnergy Resources Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of the consolidated financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Recoverability of Wells, Platforms, Other Facilities and Related Assets and Goodwill

The Group has significant investments consisting of wells, platforms and other facilities under Property, plant and equipment amounting to ₱361.33 million, deferred oil exploration costs amounting to ₱452.02 million, and production license presented under Intangible assets amounting to ₱12.71 million as of December 31, 2025. The recoverability of the investments is affected by fluctuating crude oil prices and discount rates, among others, and that are tested for impairment when there are indications that the carrying values of these investments may exceed their recoverable amounts. The Group has also a goodwill with indefinite useful life amounting to ₱95.80 million. The assessment of the recoverable amount of these investments and goodwill requires significant judgment and involves estimation using assumptions about future production levels and costs, as well as external inputs such as crude oil prices, discount rates, inflation rates and cash flow forecasts. Hence, such assessment is a key audit matter in our audit.

The disclosures in relation to the significant judgment and assumptions are included in Notes 5, 11, 12 and 16 to the consolidated financial statements.

Audit response

We involved our internal specialist in evaluating the methodologies, the assumptions used and performing the recalculation of the value-in-use calculations provided by the management in the impairment testing of these investments and goodwill. These assumptions include future production levels, costs and discounted cash flows of the cash generating units (CGU) to which management attributes the goodwill, as well as external inputs such as crude oil prices, discount rates and inflation rates. We compared the key assumptions used such as future production levels against crude oil reserves, costs and future cash flows against historical performance of the CGUs. We tested the parameters used in the determination of the crude oil prices, discount rates and inflation rates against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect in the determination of the recoverable amounts of these investments and goodwill..

Estimation of asset retirement obligations

The Group has provisions for the close-down, restoration and environmental obligations on its solar power plant in Tarlac, geothermal power plant in Batangas, wind power plant in Aklan, and interest in oil fields in Gabon totaling to ₱452.66 million as of December 31, 2025. The Group uses an external technical specialist to assess its share in abandonment cost in the Gabon oil fields, and an internal technical group to estimate the future restoration costs of its solar, geothermal and wind power plant sites. The estimation of the provisions requires significant management judgment in estimating future costs given the nature of each site, the operating activities done, and the facilities constructed, among other considerations. This calculation also requires the management to use a discount and inflation rates for these future costs to bring them to their present value at reporting date.



The Group's disclosures about asset retirement obligations are included in Notes 5 and 20 to the consolidated financial statements.

Audit response

We considered the competence, capabilities and objectivity of management's internal and external technical specialists given their qualifications, experience and reporting responsibilities. We reviewed the decommissioning reports and obtained an understanding from the internal and external technical specialists about their bases for identifying and estimating the Group's share in abandonment costs in the Gabon oil fields and restoration costs of its solar, wind and geothermal power plant sites. We also evaluated the discount and inflation rates used by comparing these to external data. We also reviewed the Group's disclosures on the assumptions that have the most significant effect in the determination of the amounts of these obligations.

Other Information

The Other Information comprises the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the Other Information. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the Other Information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wenda Lynn M. Loyola.

SYCIP GORRES VELAYO & CO.



Wenda Lynn M. Loyola

Partner

CPA Certificate No. 109952

Tax Identification No. 242-019-387

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 109952-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-117-2025, December 16, 2024, valid until December 15, 2027

PTR No. 10765068, January 2, 2026, Makati City

April 8, 2026



PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	₱1,791,498,636	₱2,770,469,655
Short-term investments (Note 6)	–	200,000,000
Restricted cash (Note 7)	277,954,610	217,290,257
Receivables (Note 8)	913,395,628	759,004,222
Financial assets at fair value through profit or loss (FVPL) (Note 9)	7,790,492	6,144,437
Crude oil inventory (Note 24)	–	49,440,029
Current portion of contract assets (Note 34)	194,753,016	161,320,397
Other current assets (Note 10)	420,841,805	434,581,875
Total Current Assets	3,606,234,187	4,598,250,872
Noncurrent Assets		
Property, plant and equipment (Note 11)	18,252,994,076	14,974,940,788
Deferred oil exploration costs (Note 12)	517,926,904	431,416,713
Contract assets - net of current portion (Note 34)	954,679,841	675,168,269
Investments in joint ventures (Note 13)	–	2,882,000
Right-of-use assets (Note 14)	242,601,316	302,353,808
Investment properties (Note 15)	1,611,533	1,611,533
Intangible assets (Note 16)	843,403,239	875,957,481
Deferred tax assets - net (Note 22)	42,246,701	8,182,787
Other noncurrent assets (Note 17)	1,252,427,817	1,489,876,484
Total Noncurrent Assets	22,107,891,427	18,762,389,863
TOTAL ASSETS	₱25,714,125,614	₱23,360,640,735
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 18)	₱1,189,547,326	₱899,967,148
Loans payable - current portion (Note 19)	1,920,876,205	1,263,628,373
Lease liabilities - current portion (Note 14)	11,057,153	37,063,244
Income tax payable	8,308,304	32,721,792
Total Current Liabilities	3,129,788,988	2,233,380,557
Noncurrent Liabilities		
Loans payable - net of current portion (Note 19)	7,510,975,795	6,881,665,545
Lease liabilities - net of current portion (Note 14)	307,424,121	282,061,826
Asset retirement obligations (Note 20)	452,664,331	162,534,249
Deferred tax liabilities - net (Note 22)	121,149,593	138,837,688
Accrued retirement liabilities (Note 20)	58,455,059	45,610,791
Total Noncurrent Liabilities	8,450,668,899	7,510,710,099
Total Liabilities	11,580,457,887	9,744,090,656

(Forward)



	December 31	
	2025	2024
Equity		
Attributable to equity holders of the Parent Company		
Capital stock (Note 21)	₱568,711,842	₱568,711,842
Additional paid-in capital (Note 21)	2,156,679,049	2,156,679,049
Retained earnings (Note 21)	4,010,174,139	3,754,431,369
Remeasurement losses on net accrued retirement liabilities - net of tax (Note 20)	(22,671,735)	(20,161,301)
Cumulative translation adjustment (Note 21)	114,499,681	114,499,681
Equity reserve (Note 21)	1,494,157,453	1,495,570,578
	8,321,550,429	8,069,731,218
Non-controlling interests (Note 31)	5,812,117,298	5,546,818,861
Total Equity	14,133,667,727	13,616,550,079
TOTAL LIABILITIES AND EQUITY	₱25,714,125,614	₱23,360,640,735

See accompanying Notes to Consolidated Financial Statements.



PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2025	2024	2023
REVENUE			
Electricity sales (Note 34)	₱3,132,542,395	₱2,810,666,553	₱2,326,772,267
Oil revenue (Note 34)	415,090,504	520,426,862	623,038,856
Other revenue (Note 34)	176,572,738	116,543,194	62,662,074
	3,724,205,637	3,447,636,609	3,012,473,197
COST OF SALES			
Cost of electricity sales (Note 23)	1,559,964,358	1,320,805,417	1,069,685,754
Oil production (Note 24)	327,955,794	326,298,188	315,347,519
Depletion (Note 11)	82,576,908	90,653,867	101,223,727
Change in crude oil inventory (Note 24)	49,440,029	(35,763,976)	761,140
Cost of sales - others (Note 23)	132,952,672	106,655,356	60,776,865
	2,152,889,761	1,808,648,852	1,547,795,005
GROSS INCOME	1,571,315,876	1,638,987,757	1,464,678,192
GENERAL AND ADMINISTRATIVE EXPENSES (Note 25)	413,249,258	343,457,096	266,767,569
OTHER INCOME (CHARGES) - Net			
Interest expense (Notes 14 and 19)	(652,655,083)	(555,725,055)	(408,735,771)
Interest income (Notes 6, 7, 8, 17 and 34)	118,549,845	191,203,364	225,839,685
Accretion expense (Note 20)	(11,485,205)	(11,980,721)	(6,944,814)
Net foreign exchange gains (losses)	3,240,264	3,798,131	(3,103,807)
Fair value changes on financial assets at fair value through profit or loss (FVPL) (Note 9)	1,646,055	(814,283)	(530,445)
Share in net income of a joint venture	-	-	50,738,697
Loss on remeasurement of previously held interest	-	-	(514,326,209)
Provision for impairment loss (Notes 5, 11 and 12)	-	(52,442,592)	(77,167,996)
Miscellaneous income - net (Note 26)	55,524,937	124,260,972	61,036,998
	(485,179,187)	(301,700,184)	(673,193,662)
INCOME BEFORE INCOME TAX	672,887,431	993,830,477	524,716,961
PROVISION FOR INCOME TAX (Note 22)	(54,554,306)	(112,417,756)	(58,898,292)
NET INCOME	618,333,125	881,412,721	465,818,669
OTHER COMPREHENSIVE INCOME			
<i>Item not to be reclassified to profit or loss in subsequent periods</i>			
Remeasurement losses on net accrued retirement liabilities - net of tax (Note 20)	(3,866,760)	(10,019,785)	(18,868,006)
Share in other comprehensive income of a joint venture (Note 13)	-	-	78,815
TOTAL OTHER COMPREHENSIVE LOSS	(3,866,760)	(10,019,785)	(18,789,191)
TOTAL COMPREHENSIVE INCOME	₱614,466,365	₱871,392,936	₱447,029,478

(Forward)



	Years Ended December 31		
	2025	2024	2023
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	₱284,178,362	₱471,809,019	₱156,880,236
Non-controlling interests (Note 31)	334,154,763	409,603,702	308,938,433
	₱618,333,125	₱881,412,721	₱465,818,669
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	₱281,667,928	₱464,119,868	₱140,382,664
Non-controlling interests	332,798,437	407,273,068	306,646,814
	₱614,466,365	₱871,392,936	₱447,029,478
EARNINGS PER SHARE FOR NET INCOME			
ATTRIBUTABLE TO EQUITY HOLDERS OF THE			
PARENT COMPANY - BASIC AND DILUTED (Note 30)			
	₱0.4997	₱0.8296	₱0.2759

See accompanying Notes to Consolidated Financial Statements.



PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	Capital stock (Note 21)	Additional paid-in capital (Note 21)	Retained earnings (Note 21)	Remeasurement gain (loss) on net accrued retirement liabilities	Share in OCI of joint ventures (Note 13)	Cumulative translation adjustment (Note 21)	Equity reserve (Note 21)	Total	Non-controlling interests (Note 31)	Deposit for stock subscription (Notes 21 and 31)	Total
BALANCES AT DECEMBER 31, 2022	₱568,711,842	₱2,156,679,049	₱3,182,613,298	₱4,104,237	(₱78,815)	₱114,499,681	₱736,716,986	₱6,763,246,278	₱3,963,021,100	₱1,651,055,000	₱12,377,322,378
Net income	–	–	156,880,236	–	–	–	–	156,880,236	308,938,433	–	465,818,669
Remeasurement gain on net accrued retirement liabilities	–	–	–	(16,576,387)	–	–	–	(16,576,387)	(2,291,619)	–	(18,868,006)
Share in OCI of a joint venture (Note 13)	–	–	–	–	78,815	–	–	78,815	–	–	78,815
Total comprehensive income (loss)	–	–	156,880,236	(16,576,387)	78,815	–	–	140,382,664	306,646,814	–	447,029,478
Cash dividends (Note 21)	–	–	(28,435,592)	–	–	–	–	(28,435,592)	(25,000,000)	–	(53,435,592)
Application of deposit for stock subscription (Note 21)	–	–	–	–	–	–	–	–	1,634,762,579	(1,651,055,000)	(16,292,421)
Change in ownership without loss of control (Note 21)	–	–	–	–	–	–	598,233,589	598,233,589	(598,233,589)	–	–
Acquisition of non-controlling interests (Notes 21 and 31)	–	–	–	–	–	–	–	–	(1,965,153,794)	–	(1,965,153,794)
Acquisition of NCI from business combination (Note 13)	–	–	–	–	–	–	–	–	1,314,865,270	–	1,314,865,270
Increase in non-controlling interests - stock issuances (Note 31)	–	–	–	–	–	–	–	–	204,412,616	–	204,412,616
BALANCES AT DECEMBER 31, 2023	568,711,842	2,156,679,049	3,311,057,942	(12,472,150)	–	114,499,681	1,334,950,575	7,473,426,939	4,835,320,996	–	12,308,747,935
Net income	–	–	471,809,019	–	–	–	–	471,809,019	409,603,702	–	881,412,721
Remeasurement loss on net accrued retirement liabilities	–	–	–	(7,689,151)	–	–	–	(7,689,151)	(2,330,634)	–	(10,019,785)
Share in OCI of a joint venture	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income (loss)	–	–	471,809,019	(7,689,151)	–	–	–	464,119,868	407,273,068	–	871,392,936
Cash dividends (Note 21)	–	–	(28,435,592)	–	–	–	–	(28,435,592)	(50,000,000)	–	(78,435,592)
Change in ownership without loss of control (Note 21)	–	–	–	–	–	–	170,170,003	170,170,003	(250,170,003)	–	(80,000,000)
Share issuance costs (Note 21)	–	–	–	–	–	–	(9,550,000)	(9,550,000)	–	–	(9,550,000)
Increase in non-controlling interests - stock issuances (Note 31)	–	–	–	–	–	–	–	–	604,394,800	–	604,394,800
BALANCES AT DECEMBER 31, 2024	568,711,842	2,156,679,049	3,754,431,369	(20,161,301)	–	114,499,681	1,495,570,578	8,069,731,218	5,546,818,861	–	13,616,550,079
Net income	–	–	284,178,362	–	–	–	–	284,178,362	334,154,763	–	618,333,125
Remeasurement loss on net accrued retirement liabilities	–	–	–	(2,510,434)	–	–	–	(2,510,434)	(1,356,326)	–	(3,866,760)
Share in OCI of a joint venture	–	–	–	–	–	–	–	–	–	–	–
Total comprehensive income (loss)	–	–	284,178,362	(2,510,434)	–	–	–	281,667,928	332,798,437	–	614,466,365
Cash dividends (Note 21)	–	–	(28,435,592)	–	–	–	–	(28,435,592)	(67,500,000)	–	(95,935,592)
Share issuance costs (Note 21)	–	–	–	–	–	–	(1,413,125)	(1,413,125)	–	–	(1,413,125)
BALANCES AT DECEMBER 31, 2025	₱568,711,842	₱2,156,679,049	₱4,010,174,139	(₱22,671,735)	₱–	₱114,499,681	₱1,494,157,453	₱8,321,550,429	₱5,812,117,298	₱–	₱14,133,667,727

See accompanying Notes to Consolidated Financial Statements



PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱672,887,431	₱993,830,477	₱524,716,961
Adjustments for:			
Depletion, depreciation and amortization (Notes 11, 14, 16, 23, 24 and 25)	984,898,805	831,328,554	740,810,992
Interest expense (Notes 14 and 19)	652,655,083	555,725,055	408,735,771
Loss on derecognition of ROU asset (Note 14)	13,191,275	–	–
Accretion expense (Note 20)	11,485,205	11,980,721	6,944,814
Movements in accrued retirement liabilities (asset) (Notes 17 and 20)	8,890,930	6,472,709	(2,129,878)
Provision for probable losses (Notes 17 and 25)	4,560,182	4,648,449	12,011,345
Provision for impairment loss - net (Notes 5, 11 and 12)	–	52,442,592	77,167,996
Loss on remeasurement of previously held interest	–	–	514,326,209
Share in net income of a joint venture	–	–	(50,738,697)
Dividend income (Note 9)	(14,230)	(18,893)	(26,969)
Net gain on sale of equipment and investment (Note 26)	(593,750)	(543,532)	(1,671,563)
Fair value changes on financial assets at FVPL (Note 9)	(1,646,055)	814,283	530,445
Net unrealized foreign exchange loss (gain)	(3,240,264)	(3,798,131)	3,103,807
Interest income (Notes 6, 7, 8, 17 and 34)	(118,549,845)	(191,203,364)	(225,839,685)
Operating income before working capital changes	2,224,524,767	2,261,678,920	2,007,941,548
Decrease (increase) in:			
Receivables	(162,756,703)	(104,208,320)	(154,034,306)
Contract assets	(312,944,191)	(99,781,268)	(60,510,461)
Other current assets including restricted cash and crude oil inventory	2,515,746	(161,653,795)	69,546,872
Increase in accounts payable and other liabilities	210,718,053	54,174,635	104,560,305
Net cash generated from operations	1,962,057,672	1,950,210,172	1,967,503,958
Interest received	126,880,468	266,928,903	152,770,663
Income taxes paid, including movement in creditable withholding taxes	(125,163,131)	(82,703,088)	(78,878,062)
Net cash provided by operating activities	1,963,775,009	2,134,435,987	2,041,396,559
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for:			
Acquisitions of property, plant and equipment (Note 11)	(3,564,058,863)	(3,574,290,337)	(1,843,551,556)
Deferred development costs (Note 17)	(413,167,942)	(89,505,254)	(427,579,398)
Deferred oil exploration costs (Note 12)	(86,510,191)	(40,052,013)	(75,217,430)
Acquisitions of intangibles assets (Note 16)	(8,211,055)	(1,029,434)	(3,899,131)
Acquisition of subsidiaries - step-up acquisition (Note 13)	(1,478,193)	–	–
Acquisition through business combination - net of cash acquired (Note 13)	–	–	(210,446,391)
Dividends received (Note 9)	14,230	18,893	26,969
Proceeds from sale of property, plant and equipment (Note 11)	593,750	543,532	82,013
Receipt of refund of advance rental (Note 14)	38,574,897	–	–
Decrease in short-term investments (Note 6)	200,000,000	1,775,286,425	740,401,839
Decrease (increase) in other noncurrent assets	324,237,532	(42,007,748)	(79,948,428)
Net cash used in investing activities	(3,510,005,835)	(1,971,035,936)	(1,900,131,513)

(Forward)



	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Availments of debt (Notes 19 and 32)	₱3,373,953,184	₱4,271,681,074	₱3,946,036,089
Subscription of capital stock - NCI (Note 31)	-	604,394,800	204,412,637
Payments of:			
Acquisition of NCI (Notes 21 and 31)	-	-	(1,965,153,794)
Loans (Notes 19 and 32)	(2,072,962,112)	(3,995,568,818)	(1,272,135,055)
Interest (Notes 19 and 32)	(600,972,448)	(462,595,656)	(306,826,576)
Dividends to NCI (Notes 31 and 32)	(67,500,000)	(72,500,000)	(2,500,000)
Lease liabilities (Notes 14 and 32)	(39,218,838)	(38,419,188)	(38,214,856)
Equity issuance cost (Note 21)	(1,413,125)	(9,550,000)	(16,292,421)
Dividends by the Parent Company (Notes 21 and 32)	(27,928,855)	(28,475,106)	(27,969,026)
Net cash generated from financing activities	563,957,806	268,967,106	521,356,998
NET EFFECT OF FOREIGN EXCHANGE RATE			
CHANGES ON CASH AND CASH EQUIVALENTS	3,302,001	3,798,131	(5,549,261)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(978,971,019)	436,165,288	657,072,783
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
	2,770,469,655	2,334,304,367	1,677,231,584
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)			
	₱1,791,498,636	₱2,770,469,655	₱2,334,304,367

See accompanying Notes to Consolidated Financial Statements.



PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

a. Organization

PetroEnergy Resources Corporation (“PERC” or “PetroEnergy” or the “Parent Company”) is a publicly-listed domestic corporation. Its registered office and principal place of business is 7th Floor, JMT Building, ADB Avenue, Ortigas Center, Pasig City.

PERC was originally organized on September 29, 1994 as Petrotech Consultants, Inc. to provide specialized technical services to its then parent company, Petrofields Corporation, and to companies exploring for oil in the Philippines.

In 1997, PERC simultaneously adopted its present name and changed its primary purpose to oil exploration and development and mining activities. Subsequently in 1999, PERC assumed Petrofields’ oil exploration contracts in the Philippines and the Production Sharing Contract covering the Etame discovery block in Gabon, West Africa.

On August 11, 2004, PERC’s shares of stock were listed on the Philippine Stock Exchange (PSE) by way of introduction.

In 2009, following the enactment of Republic Act No. 9513, otherwise known as the “Renewable Energy Act of 2008” (RE Law), PERC amended its articles of incorporation to include among its purposes the business of generating power from renewable sources such as, but not limited to, biomass, hydro, solar, wind, geothermal, ocean and such other renewable sources of power.

On March 31, 2010, PERC incorporated PetroGreen Energy Corporation (“PetroGreen” or “PGEC”), its 75%-owned subsidiary to act as its Renewable Energy (RE) arm and holding company. PGEC ventured into RE development and power generation through its subsidiaries and affiliate: (a) Maibarara Geothermal, Inc. (“MGI”, 65%-owned) - owner and RE developer of the 20 MW Maibarara Geothermal Power Project (MGPP-1) in Santo Tomas, Batangas and its expansion, the 12 MW MGPP-2; (b) PetroSolar Corporation (“PetroSolar or PSC”, 56%-owned) - owner and RE developer of the 50 MW_{DC} Tarlac Solar Power Project (TSPP-1) in Tarlac City and its 20 MW_{DC} expansion (TSPP-2); and (c) PetroWind Energy Inc. (“PetroWind or PWEI”, 40%-owned subsidiary in 2023 (joint venture in 2022) - owner and developer of the 36 MW Nabas Wind Power Project (NWPP-1) and its 13.2 MW expansion (NWPP-2) in Nabas and Malay, Aklan.

In 2022, PGEC made investments in three Special Purpose Vehicles (SPVs) for offshore wind projects, namely: BuhaWind Energy Northern Luzon Corporation or “BENLC”, BuhaWind Energy Northern Mindoro Corporation or “BENMC” and BuhaWind Energy East Panay Corporation or “BEEPC”.

In 2023, PetroEnergy made direct acquisition of shares in PetroWind and PetroSolar and additional acquisition of equity shares in PetroGreen. The subsidiaries of PetroEnergy and the respective percentages of ownership are disclosed in Note 4.

In 2023, the Securities and Exchange Commission approved the incorporation of Rizal Green Energy Corporation (RGEC) as a wholly owned subsidiary of PGEC to develop new solar projects. In 2024, Taisei Corporation acquired a 25% equity stake in RGEC.



RGEC subsequently established three (3) renewable energy entities: Dagohoy Green Energy Corporation (DGEC) for the Dagohoy Solar Power Project, San Jose Green Energy Corporation (SJGEC) for the San Jose Solar Power Project (SJSPP), and Bugallon Green Energy Corporation (BGEC) for the Bugallon Solar Power Project (BSPP).

Separately, on August 16, 2023, PGEC acquired 100% of BKS Green Energy Corp. (BKSGEC or BKS), which holds the service contract for the Limbauan Solar Power Project in Isabela. BKSGEC was subsequently sold by PGEC to RGEC on December 19, 2024.

On November 20, 2024, EcoSolar Energy Corporation (ESEC) was incorporated. ESEC is a 100%-owned subsidiary of PGEC, that will develop the Panitan Battery Energy Storage Project and the Panitan Solar Power Project in Capiz.

On July 31, 2025, PGEC acquired all the 60% interests held by Copenhagen Energy (CE) in each of BEEPC, BENMC, and BENLC, thereby making PGEC the 100% owner of the three (3) BuhaWind entities. On the same date, the Joint Venture Agreements governing the three SPVs were terminated, including the Development Service Agreements with CE.

b. Nature of Operations

The Group's two (2) main energy businesses are: (1) upstream oil exploration and development, and (2) power generation from RE resources including, (a) geothermal, (b) solar, and (c) wind.

Upstream Oil Exploration and Development

Petroleum production is on-going in the Etame (Gabon) concession, while the other petroleum concessions in the Philippines are still in the advanced exploration stages or pre-development stages.

Renewable Energy

Geothermal Energy

MGI's geothermal projects are the 20 MW MGPP-1 in Sto. Tomas, Batangas that started commercial operations on February 8, 2014 and its expansion, the 12 MW MGPP-2 that started commercial operations on April 30, 2018.

Solar Energy

PetroSolar's solar power projects are the 50 MW_{DC} TSPP-1 in Tarlac City, Tarlac that started commercial operations on February 10, 2016 and its 20 MW_{DC} TSPP-2 which started exporting power to the grid on April 22, 2019.

DGEC's 27 MW_{DC} in Dagohoy, Bohol was completed in November 2024 and its registration with the WESM was secured from IEMOP on November 11, 2024. The project's testing and commissioning (T&C) started on November 12, 2024 and commenced its commercial operations on July 16, 2025, the project's Commercial Operations Date (COD).

SGEC's 19.6MW_{DC} in San Jose, Nueva Ecija began exporting power to the grid on December 21, 2024 and commenced its commercial operations on August 1, 2025, the project's COD.

BGEC's 25 MW_{DC} Bugallon Solar Power Project (BSPP) in Bugallon, Pangasinan was completed in December 2025, As of December 31, 2025, the solar farm and grid connection facilities have been completed and ready to supply power to the grid, pending clearance from the National Grid Corporation of the Philippines (NGCP).



Wind Energy

PetroWind's Nabas Wind Power Projects are located in Nabas and Malay, Aklan. Phase 1 with a capacity of 36 MW NWPP-1 commenced commercial operations on June 10, 2015.

For Phase 2, following the successful completion of grid connection facilities and the erection of the first three (3) 6.6 MW wind turbines, PWEI commenced the Testing and Commissioning on April 4, 2024. The remaining three (3) 6.6 MW turbines were subsequently commissioned on August 16, 2025 and have commenced export of power to the grid.

c. Acquisition of Shares of Stock

PERC's acquisition from EEIPC its equity interest over PWEI, PSC and PGEC

On April 24, 2023, PERC and EEI Power Corporation (EEIPC) entered into a Share Purchase Agreement (SPA), wherein PERC agreed to purchase all of EEIPC's equity interests in PGEC (7.5%), PetroSolar (44%), and PWEI (20%) on different payment schedules. PERC executed the respective Deeds of Absolute Sale and fully paid EEIPC the purchase price for the latter's shares in PWEI, PSC and PGEC on May 10, 2023, August 1, 2023, and August 31, 2023, respectively.

PGEC's acquisition of 100% of BuhaWind Entities

On July 31, 2025, PGEC acquired all shares held by CE in BEEPC, BENMC, and BENLC, thereby making PGEC the 100% owner of the three (3) BuhaWind entities.

On the same date, the Joint Venture Agreements governing the three SPVs were terminated, including the Development Service Agreements with CE

This acquisition resulted in changes in the classification of PGEC's and PERC's investment in PWEI as well as Group's interest and non-controlling interests (NCI) in the three entities mentioned (Notes 4, 5, 13, 21 and 31).

In 2024, the purchase price allocation was completed in relation to the investment in PWEI.

d. Pipeline RE Projects

On March 5, 2021, PetroGreen and Copenhagen Energy A/S, a Danish company and affiliate of CE Pacific ApS (CE), executed the Heads of Terms as basis for the potential collaboration on the development of offshore wind (OSW) power projects in the Philippines and creation of SPVs that will develop the projects. Pursuant to the Heads of Terms, PGEC and CE entered into Joint Venture Agreements (JVAs) that will govern the obligations of the parties in the development of the Northern Luzon, Northern Mindoro and East Panay OSW projects, and incorporated three (3) special purpose vehicles (SPVs) in November 2022 namely: BuhaWind Energy Northern Luzon Corporation (BuhaWind NL or BENLC), BuhaWind Energy Northern Mindoro Corporation (BuhaWind NM or BENMC) and BuhaWind Energy East Panay Corporation (BuhaWind EP or BEEPC) [collectively called BuhaWind Energy Philippines or BEP]. PGEC owns 40% and 60% equity interest in BEP as of December 31, 2023 and 2022, respectively. The DOE approved the assignment of PGEC's DOE wind service contracts to BEEPC, BENMC and BENLC on December 27, 2023, December 29, 2023 and February 21, 2024, respectively.

e. Approval of Consolidated Financial Statements

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 8, 2026.



2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The accompanying consolidated financial statements have been prepared under the historical cost basis, except for financial assets carried at fair value through profit or loss (FVPL) which are measured at fair value, and crude oil inventory which is valued at net realizable value (NRV).

The consolidated financial statements are presented in Philippine Peso (PHP or ₱), which is the Parent Company's functional currency. All amounts are rounded to the nearest PHP unless otherwise stated.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

3. Changes in Accounting Policies

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments effective in 2025. The Group has not adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these amendments did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

Standards Issued but Not Yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.



The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- Annual Improvements to PFRS Accounting Standards - Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

- Amendments to PFRS 7, *Gain or Loss on Derecognition*

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments to PFRS 9

- a) Lessee Derecognition of Lease Liabilities

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.



b) Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

o Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

o Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term ‘cost method’ with ‘at cost’, following the prior deletion of the definition of ‘cost method’.

Effective beginning on or after January 1, 2027

• PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- o A specific adaptation for contracts with direct participation features (the variable fee approach)
- o A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

• PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors’ demand for better information about companies’ financial performance. The new requirements include:

- o Required totals, subtotals and new categories in the statement of profit or loss
- o Disclosure of management-defined performance measures
- o Guidance on aggregation and disaggregation



The Group is currently assessing the impact of this new standard.

- PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. Material Accounting Policy Information

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025. The financial statements of the subsidiaries are prepared in the same reporting year as the Parent Company, using consistent accounting policies.



Below are the subsidiaries, which are all incorporated in the Philippines, with their respective percentage ownership as of December 31:

	2025	2024	2023
<i>Direct interest:</i>			
PetroGreen	75%	75%	75%
PetroSolar	44%	44%	44%
PetroWind	20%	20%	20%
Navy Road Development Corporation (NRDC) - dormant company	100%	100%	100%
<i>Indirect interest:</i>			
Percentage share of PetroGreen in its subsidiaries:			
MGI	65%	65%	65%
PetroSolar	56%	56%	56%
PetroWind	40%	40%	40%
BKS ⁽¹⁾⁽⁵⁾	—	—	100%
RGEC ⁽²⁾⁽³⁾	75%	75%	100%
ESEC ⁽⁴⁾	100%	100%	—
BEEPC ⁽⁶⁾	100%	40%	40%
BENMC ⁽⁶⁾	100%	40%	40%
BENLC ⁽⁶⁾	100%	40%	40%
Subsidiaries of RGEC:			
DGEC ⁽²⁾	100%	100%	100%
SJGEC ⁽²⁾	100%	100%	100%
BGEC ⁽²⁾	100%	100%	100%
BKS ⁽¹⁾⁽⁵⁾	100%	100%	—

¹ Acquired subsidiary in 2023 (Note 1)

² Incorporated subsidiaries in 2023 (Note 1)

³ On May 31, 2024, Taisei Corporation acquired a 25% equity stake in RGEC, reducing PGEC's ownership to 75%

⁴ Incorporated subsidiary in 2024 (Note 1)

⁵ PGEC sold its 100% shares in BKS to RGEC (Note 1)

⁶ In 2025, PGEC acquired the shares held by CE, making Buhawind Entities (BEEPC, BENMC, BENLC) 100% owned.

Subsidiaries are entities controlled by PERC. PERC controls an investee if and only if PERC has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee the amount of the investor's returns.

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

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

PERC 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. Consolidations of a subsidiary begin when PERC obtains control over the subsidiary and ceases when PERC loses control on the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date PERC gains control until the date PERC ceases to control the subsidiary.



The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Adjustments where necessary are made to ensure consistency with the policies adopted by the Group. All intra-group balances and transactions, intra-group profits and expenses and gains and losses are eliminated during consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests (NCI), the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to NCI are also recorded in equity.

NCI are presented separately from the Parent Company's equity. The portion of profit or loss and net assets in subsidiaries not wholly owned are presented separately in the consolidated statement of comprehensive income and consolidated statement of changes in equity, and within equity in the consolidated statement of financial position under 'Non-controlling interests'.

Cash and Cash Equivalents

Cash includes cash on hand and in banks (demand deposits). Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from the dates of acquisition and that are subject to an insignificant risk of change in value.

Short-term Investments

This pertains to interest bearing time deposits with terms of more than 3 months but not more than one year.

Restricted Cash

Restricted cash is recognized when the Group reserves a portion of its cash for a specific purpose such as to pay loan interest charges and loan principal amortization, and that there are contractual restrictions directly related to the use of and access of the bank accounts. This includes cash held under escrow accounts. Restricted cash that are expected to be used for a period of no more than 12 months after the financial reporting period are classified as current assets, otherwise, these are classified as noncurrent assets.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets - Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and FVPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flow that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.



The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

The Group has no financial asset classified as financial assets at FVOCI.

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

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

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include Cash and cash equivalents, Short-term investments, Restricted cash, Receivables, and Refundable deposits.

Financial assets at FVPL

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established.



The Group's financial assets at FVPL includes marketable equity securities and investment in golf club shares.

Impairment of financial assets

The Group recognizes an allowance for Expected Credit Loss (ECL) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities - Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL and other financial liabilities at amortized cost. The initial measurement of financial liabilities, except for designated at FVPL, includes transaction costs.

As of December 31, 2025 and 2024, the Group's financial liabilities are classified as other financial liabilities.

The Group's financial liabilities include Accounts payable and accrued expenses, excluding statutory liabilities, Loans payable and Lease liabilities. The Group does not have financial liabilities at FVPL.

Subsequent measurement

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of comprehensive income.

Derecognition of Financial Assets and Financial 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 rights to receive cash flows from the asset have expired;
- the Group retains the rights 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.

Financial liabilities

A financial liability (or part of a financial liability) is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Crude Oil Inventory

Crude oil inventory is stated at NRV at the time of production. NRV is the estimated selling price less cost to sell. The estimated selling price is the market values of crude oil inventory at the time of production.

Other Current Assets

This account comprises supplies inventory, refundable deposits, prepayments and advances to suppliers.

Supplies inventory refers to parts purchased for used in operations. Supplies inventory are stated at the lower of cost or NRV. Cost is determined using the specific identification method. NRV is the current replacement cost of supplies inventory.

Prepayments are expenses paid in advance and recorded as asset before these are utilized. The prepaid expenses are apportioned over the period covered by the payment and charged to the appropriate accounts in profit or loss when incurred. Prepayments that are expected to be realized for a period of no more than 12 months after the financial reporting period are classified as current assets, otherwise, these are classified as noncurrent assets.

Advances to suppliers are reclassified to the proper asset or expense account and deducted from the supplier's billings as specified in the provisions of the contract.

Property, Plant and Equipment

Property, plant and equipment, except for land, are stated at cost less accumulated depletion, depreciation and amortization and any accumulated impairment losses. Land is stated at cost less any accumulated impairment losses. The initial cost of the property, plant and equipment consists of its purchase price, including any import duties, taxes and any directly attributable costs of bringing the assets to its working condition and location for its intended use and abandonment costs.

Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to the consolidated statement of comprehensive income in the period in which the costs are incurred. 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 an additional cost of property, plant and equipment.

Depreciation of an item of property, plant and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the item is



classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized.

Wells, platforms and other facilities related to oil operations are depleted using the units-of-production method computed based on estimates of proved reserves. The depletion base includes the exploration and development cost of the producing oilfields.

Land improvements consist of betterments, site preparation and site improvements that ready land for its intended use. These include excavation, non-infrastructure utility installation, driveways, sidewalks, parking lots, and fences.

Property, plant and equipment (except wells, platforms and other facilities related to oil operations subjected to depletion per units-of-production) are depreciated and amortized using the straight-line method over the estimated useful lives of the assets as follows:

	Number of Years
Power plants	25
FCRS and production wells	25
Land improvements	5
Office condominium units	15
Office condominium improvements	3 to 5
Transportation equipment	4 to 5
Office furniture and other equipment	2 to 3

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

Construction in progress represents property, plant and equipment under construction and is stated at cost. This includes the cost of construction to include materials, labor, professional fees, borrowing costs and other directly attributable costs. Construction in progress is not depreciated until such time the construction is completed.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is credited or charged to current operations.

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

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI



in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. In a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

PFRS 3 provides that if the initial accounting for a business combination can be determined only provisionally by the end of the reporting period in which the combination occurs because either the fair values to be assigned to the acquiree's identifiable assets or liabilities or the consideration of the combination can be determined only provisionally, the acquirer shall account for the business combination using those provisional values. The acquirer shall recognize any adjustments to those provisional values as a result of completing the initial accounting within twelve months from the acquisition date as follows: (i) the carrying amount of the identifiable assets or liabilities that is recognized or adjusted 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; (ii) goodwill or any gain recognized shall be adjusted by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable assets or, liabilities being recognized or adjusted; and (iii) comparative information presented for the periods before the initial accounting for the combination is complete shall be presented as if the initial accounting has been completed from the acquisition date.

Business Combination of Entities Under Common Control

Business combination of entities under common control are accounted for by applying the pooling-of-interests method. The pooling-of-interests method generally involved the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair value or recognize any new assets or liabilities at the date of combination. The only adjustments that are made are those adjustments to harmonize accounting policies.



- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the entity acquired is reflected within equity.
- Equity reserve is recognized for the difference between the considerations paid or transferred and the net assets of the entity acquired through business combinations involving entities under common control.

Step-up Acquisition Accounted for as Asset Acquisition

The Group accounts for acquisitions of assets that do not meet the definition of a business as asset acquisitions in accordance with applicable PFRS standards. An acquisition is considered an asset acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, and the acquired set does not include substantive processes.

Accordingly, such transactions are outside the scope of PFRS 3, *Business Combinations*.

In an asset acquisition, the consideration transferred is allocated to the identifiable assets acquired and liabilities assumed based on their relative fair values at the acquisition date. Where the transaction results in a step-up in the carrying value of the acquired assets, the step-up represents the difference between:

- the consideration transferred (including directly attributable transaction costs), and
- the carrying amounts of the acquired assets and assumed liabilities prior to the acquisition.

The step-up is recognized by adjusting the carrying amounts of the acquired identifiable assets. No goodwill is recognized in an asset acquisition.

Transaction costs directly attributable to the acquisition of assets (such as legal fees, valuation fees, and due diligence costs) are capitalized as part of the cost of the acquired assets, consistent with the accounting treatment for asset acquisitions.

Deferred Oil Exploration Costs

PERC follows the full cost method of accounting for exploration costs determined on the basis of each SC area. Under this method, all exploration costs relating to each SC are tentatively deferred pending determination of whether the area contains oil reserves in commercial quantities.

Deferred oil and gas exploration costs are assessed at each reporting period for possible indications of impairment. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case or is considered as areas permanently abandoned, the costs are written off through the consolidated statement of comprehensive income. Exploration areas are considered permanently abandoned if the related permits of the exploration have expired and/or there are no definite plans for further exploration and/or development.

The exploration costs relating to the SC where oil in commercial quantities are discovered are subsequently reclassified to “Wells, platforms and other facilities” shown under “Property and equipment” account in the consolidated statements of financial position upon substantial completion of the development stage.

Deferred Development Costs - Geothermal included in Other Noncurrent Assets

All costs incurred in the geological and geophysical activities such as costs of topographical, geological and geophysical studies, rights of access to properties to conduct those studies, salaries and other expenses of geologists, geophysical crews, or others conducting those studies are charged to profit or loss in the year such costs are incurred.



If the results of initial geological and geophysical activities reveal the presence of geothermal resource that will require further exploration and drilling, subsequent exploration and drilling costs are accumulated and deferred under the “Other noncurrent assets” account in the consolidated statement of financial position.

These costs include the following:

- costs associated with the construction of temporary facilities;
- costs of drilling exploratory and exploratory type stratigraphic test wells, pending determination of whether the wells can produce proved reserves; and
- costs of local administration, finance, general and security services, surface facilities and other local costs in preparing for and supporting the drill activities, etc. incurred during the drilling of exploratory wells.

If tests conducted on the drilled exploratory wells reveal that these wells cannot produce proved reserves, the capitalized costs are charged to expense except when management decides to use the unproductive wells for recycling or waste disposal.

Once the project’s technical feasibility and commercial viability to produce proved reserves are established, the exploration and evaluation assets shall be reclassified to “Property, plant and equipment” and depreciated accordingly.

Deferred Development Costs - Solar and Wind Power Projects included in Other Noncurrent Assets

These are costs incurred in the development of the RE projects. Costs are capitalized if the technological and economic feasibility is confirmed, usually when a project development has reached a defined milestone according to an established project management model. These costs include the following:

- costs incurred for the RE projects
- costs of administration, finance, general and security services and other costs attributed to the RE projects.

Deferred development costs of RE projects are recognized under “Other noncurrent assets” in the consolidated statement of financial position. Once the project’s technical feasibility and commercial viability has been established, development costs shall be reclassified to “Property, plant and equipment” and depreciated accordingly.

Investment in Joint Ventures (JV)

A JV is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investment in a JV is accounted for under the equity method of accounting.

Under the equity method, the investment in a JV is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group’s share of net assets of the JV since the acquisition date.

The consolidated statement of comprehensive income reflects the Group’s share of the financial performance of the joint venture. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognized directly in the equity of the JV, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses from transactions between the Group and the JV are eliminated to the extent of the interest of the JV.



The aggregate of the Group's share in profit or loss of a JV is shown under "Other income (charges)" in the consolidated statement of comprehensive income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the JV.

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

After application of the equity method for the investment in a JV, the Group determines whether it is necessary to recognize an impairment loss on its investment in a JV. At each reporting date, the Group determines whether there is objective evidence that the investment in JV is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the JV and its carrying value, then recognizes the loss in the consolidated statement of comprehensive income.

Upon loss of joint control over the JV, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of comprehensive income.

Contract Assets

A contract asset is recognized for the earned consideration of goods or services transferred to a customer before the customer pays or before payment is due. Contract assets are measured at the present value of future collections to be received over a period of time. Contract assets that are expected to be received within twelve (12) months after the financial reporting period are classified as current assets, otherwise, these are classified as noncurrent assets.

Intangible Assets (Other than Goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Intangible assets are amortized using the straight-line method over the estimated useful lives of the assets as follows:

	Number of Years
Customer relationship	27
Land rights	25
Production license	10
Software license	1.5 to 3



Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income when the asset is derecognized.

Interest in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognized in relation to its interest in a joint operation its:

- assets, including its share of any assets held jointly
- liabilities, including its share of any liabilities incurred jointly
- revenue from the sale of its share of the output arising from the joint operation
- share of the revenue from the sale of the output by the joint operation
- expenses, including its share of any expenses incurred jointly

The Group accounts for the assets it controls and the liabilities it incurs, the expenses it incurs and the share of income that it earns from the sale of crude oil by the joint operations.

The Group's participating interest in the Etame block in Gabon, West Africa and participating interests in Philippine service contracts (SCs) are classified as joint operations.

Impairment of Nonfinancial Assets (excluding Goodwill)

The Group assesses at each reporting date whether there is an indication that an asset (e.g., Property, plant and equipment, Investment properties, Deferred development costs, Deferred oil exploration costs, Intangible assets and Right-of-use assets) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depletion, depreciation and amortization had no impairment loss been recognized for the asset in prior years.

Capital Stock and Additional Paid-in Capital

The Group records common stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity shares. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown



in equity as a deduction from proceeds, net of tax. When any member of the Group purchases the Group's capital stock (treasury shares), the consideration paid, including any attributable incremental costs, is deducted from equity attributable to the Group's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity.

Retained Earnings

Retained earnings represent the cumulative balance of consolidated net income, effects of changes in accounting policy and other capital adjustments, net of dividend declared.

Cumulative Translation Adjustment

Cumulative translation adjustment represents the resulting exchange differences in the remeasurement of accounts due to change in functional currency.

Equity Reserve

Equity reserve is made up of equity transactions other than equity contributions such as gain or loss resulting from increase or decrease of ownership without loss of control.

Dividend Distribution

Cash dividends on capital stock are recognized as a liability and deducted from retained earnings when approved by the BOD.

Revenue Recognition

Revenue is recognized when the control of petroleum and electricity are transferred to the customer at an amount that reflects the consideration which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements.

Electricity sales

Revenues from sale of electricity using renewable energy is consummated and recognized over time whenever the electricity generated by the Group is transmitted through the transmission line designated by the buyer, for a consideration.

Oil revenue

Revenue from crude oil is recognized at a point when the control of the goods has transferred from the sellers (Consortium) to the buyer at the delivery point. Revenue is measured at the fair value of the consideration received.

The revenue recognized from the sale of petroleum products pertains to the Group's share in revenue from the joint operations. The revenue sharing is accounted for in accordance with PFRS 11, *Joint Arrangements*.

Other revenue

Revenues from pass-through Wholesale Electricity Spot Market (WESM) transactions are consummated and recognized over time whenever the electricity generated by the Group is traded through WESM, for a consideration.



Other revenues also include revenues from contracts with customers related to commercial and industrial solar rooftop projects of PGEC, particularly the Mapúa Malayan Colleges Mindanao (MMCM) Solar Rooftop Project and Isuzu Autoparts Manufacturing Corporation (IAMC) Solar Rooftop Project which was completed on July 8, 2024 and June 13, 2025, respectively.

Interest income

Interest income is recognized as the interest accrues taking into account the effective yield on the asset.

Dividend income

Dividend income is recognized according to the terms of the contract, or when the right of the payment has been established.

Share in Net Income of a Joint Venture

Share in net income of a joint venture represents the Group's share in profit or loss of its joint venture.

Miscellaneous Income

Miscellaneous income is recognized when the Group's right to receive the payment is established.

Costs and Expenses

Cost of electricity sales

Costs of electricity sales pertain to direct costs in generating electricity power which includes operating and maintenance costs (O&M) for power plant and fluid collection and reinjection system (FCRS), depreciation and other costs directly attributed to producing electricity.

Oil production

Oil production are costs incurred to produce and deliver crude oil inventory, including transportation, storage and loading, among others.

Change in crude oil inventory

Change in crude oil inventory pertains to the movement of beginning and ending crude oil inventory charged as part of cost of sales.

General and administrative expenses

General and administrative expenses constitute costs of administering the business.

Costs and expenses are recognized as incurred.

Income Taxes

Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Deferred Tax

Deferred tax is provided using the balance sheet liability method 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 except to the extent that the deferred tax liabilities arise from the: a) initial recognition of goodwill; or b) the initial recognition of an asset or liability in a transaction which is not: i) a business combination; and ii) at the time of the transaction, affects neither accounting profit nor taxable profit or loss.



Deferred tax assets are recognized for all deductible temporary differences with certain exceptions, and carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from excess MCIT and unused NOLCO can be utilized. Deferred tax assets, however, are not recognized when it arises from the: a) initial recognition of an asset or liability in a transaction that is not a business combination; and b) at the time of transaction, affects neither the accounting income nor taxable profit or loss.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets 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. The Group does not recognize deferred tax assets and deferred tax liabilities that will reverse during the income tax holiday (ITH).

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in profit or loss or other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Subsidiaries operating in the Philippines file income tax returns on an individual basis. Thus, the deferred tax assets and deferred tax liabilities are offset on a per entity basis.

Leases

Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use assets includes the amount of lease liability recognized, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, as follows:

	Number of Years
Office space	2
Land	18 to 25



Lease liabilities

At the commencement date of the lease, the Group recognizes lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies to the leases of low-value assets recognition exemption to leases that are considered of low value (i.e., below ₱250,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Retirement Benefits

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statement of comprehensive income.



Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to consolidated statement of comprehensive income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Asset Retirement Obligation (ARO)

The Group records the present value of estimated costs of legal and constructive obligations required to restore the oilfields and plant sites upon termination of its operations. The nature of these restoration activities includes dismantling and removing structures, rehabilitating settling ponds, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the asset is constructed or the ground or environment at the sites are disturbed. When the liability is initially recognized, the present value of the estimated cost is capitalized as part of the carrying amount of the ARO assets (included under "Property, plant and equipment") and ARO liability.

Liability and capitalized costs included in oil properties is equal to the present value of the Group's proportionate share in the total decommissioning costs of the consortium on initial recognition. Additional costs or changes in decommissioning costs are recognized as additions or charges to the corresponding assets and ARO when they occur.

For closed sites or areas, changes to estimated costs are recognized immediately in the consolidated statement of comprehensive income.

If the decrease in liability exceeds the carrying amount of the asset, the excess shall be recognized immediately in profit or loss.

For the oil operation, the Group depreciates ARO assets based on units-of-production method. For the renewable energy, the Group depreciates ARO assets on a straight-line basis over the estimated useful life of the related asset or the service contract term, whichever is shorter, or written off as a result of impairment of the related asset.

The Group regularly assesses the provision for ARO and adjusts the related liability and asset.



Foreign Currency-Denominated Transactions and Translation

The consolidated financial statements are presented in PHP, which is the Parent Company's functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency using the exchange rate at date of transaction. Monetary assets and liabilities denominated in foreign currencies are reinstated to the functional currency using the closing exchange rate at reporting date.

All exchange differences are taken to the consolidated statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Earnings Per Share

Basic earnings per share is computed on the basis of the weighted average number of shares outstanding during the year after giving retroactive effect to any stock split or stock dividends declared and stock rights exercised during the current year, if any.

Diluted earnings per share is computed on the basis of the weighted average number of shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The Parent Company does not have any potentially dilutive ordinary shares for the years ended December 31, 2025, 2024 and 2023.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services, serves different markets subject to different risks and returns. Financial information on business segments is presented in Note 29 to the consolidated financial statements.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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.

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements.

Events After the Reporting Period

Post year-end events that provide additional information about the Group's situation at the reporting date (adjusting events) are 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.



5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in compliance with PFRS Accounting Standards requires the Group to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in judgments, estimates and assumptions are reflected in the consolidated financial statements, as they become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the consolidated financial statements:

Determination of Functional Currency

The Group determines its functional currency based on economic substance of underlying circumstances relevant to the Group. The functional currency has been determined to be the PHP based on the economic substance of the Group's business circumstances.

Capitalization of Deferred Oil Exploration Costs and Deferred Development Costs

Initial capitalization of costs is based on management's judgment that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. If the accounting policy on capitalization of development costs are not met, such costs are expensed.

As of December 31, 2025 and 2024, the carrying value of deferred oil explorations costs amounted to ₱517.93 million and ₱431.42 million, respectively (Note 12), and the Group's deferred development costs amounted to ₱420.63 million and ₱328.20 million as of December 31, 2025 and 2024, respectively (Note 17).

Classification of Joint Arrangements

Judgment is required to determine when the Group has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group assesses their rights and obligations arising from the arrangement and specifically considers:

- the structure of the joint arrangement - whether it is structured through a separate vehicle
- when the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
 - the legal form of the separate vehicle
 - the terms of the contractual arrangement
 - other facts and circumstances, considered on a case by case basis

This assessment often requires significant judgment. A different conclusion about both joint control and whether the arrangement is a joint operation or a joint venture, may materially impact the accounting of the investment.



The Group's investment in PWEI in 2022 and BEP are structured in a separate incorporated entity. The Group and the parties to the agreement only have the right to the net assets of the joint venture through the terms of the contractual arrangement. Accordingly, the joint arrangement is classified as a joint venture. As of December 31, 2025 and 2024, the Group's investment in joint ventures amounted nil and ₱2.88 million, respectively (Note 13).

The Group and the parties to the agreement in investment in Gabon, West Africa and investments in petroleum concessions in the Philippines have joint control over its rights to the assets and obligations for the liabilities, relating to the arrangement. Accordingly, the joint arrangements are classified as joint operations (Notes 11 and 12).

Change in classification of Investment in PWEI

Prior to May 2023, PGEC's 40% equity interest in PWEI is accounted as investment in joint venture. The other 60% equity interest are owned by EEIPC (20%) and BCPG Wind Cooperatief U.A. (40%).

In May 2023, PERC acquired EEIPC's 20% equity interest in PWEI (Note 1c), bringing the combined ownership of the Group in PWEI to 60% (effective interest of 50% for the Group thereafter). Considering all relevant facts and circumstances in evaluating control over PWEI, the Group assessed that, through PGEC, it already controls the relevant activities of PWEI. Consequently, PWEI was consolidated starting May 2023 (Note 13).

The Group considered the voting rights and the following factors, to be sufficient to give the Group, through PGEC, control over the relevant activities of PWEI:

- PWEI's key management personnel are related parties of the Group.
- Majority of the members of PWEI's governing body, including the BOD, are related parties of the Group.

Change in classification of Investment in Buhawind entities

Prior to July 31, 2025, PGEC's 40% equity interest in BEEPC, BENMC, and BENLC (collectively referred to as the "Buhawind entities") was accounted for as an investment in joint ventures. The remaining 60% equity interest was owned by CE Pacific ApS.

On July 31, 2025, PGEC acquired all shares held by CE Pacific ApS in BEEPC, BENMC, and BENLC, thereby making PGEC the 100% owner of the three Buhawind entities. On the same date, the Joint Venture Agreements governing the three SPVs were terminated.

The Group exercised significant judgment in determining whether the acquisition of the Buhawind entities constitutes a business combination or an acquisition of assets in accordance with PFRS 3.

Management assessed the transaction using the guidance under PFRS 3, including the optional concentration test and the input-process-output (IPO) framework. Based on this assessment, the Group concluded that the acquisition does not meet the definition of a business, as substantially all of the fair value of the gross assets acquired is concentrated in project development costs, and the entities did not have substantive processes or the ability to generate outputs at the acquisition date.

Accordingly, the transaction was accounted for as an acquisition of assets, and the total cost of the acquisition, including the carrying amount of the previously held interest, was allocated to the identifiable assets acquired and liabilities assumed. No goodwill or bargain purchase gain was recognized.



Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Purchase price allocation in business combination, goodwill and customer relationship

The Group's consolidated financial statements and financial performance reflect the value of PWEI after the business combination. The Group accounts for the acquired business using the acquisition method, which requires extensive use of accounting judgments and estimates to allocate the purchase price to the fair market values of the acquiree's identifiable assets and liabilities and contingent liabilities at the acquisition date. Any excess in the purchase price over the fair market values of the net assets acquired is recorded as goodwill in the consolidated statement of financial position. Thus, the numerous judgments made in estimating the fair value to be assigned to the acquiree's assets and liabilities can materially affect the Group's financial position and performance. The provisional fair values of the net assets acquired are disclosed in Note 13. In 2023, the business combination resulted in provisional goodwill amounting to ₱741.45 million and customer relationship with book value of ₱302.55 million and estimated useful life of twenty-seven (27) years based on the remaining term of PWEI's service contract for the NWPP (Notes 13 and 16).

In 2024, the valuation was completed resulting in updated acquisition date fair values of the identifiable net assets in the business combination. The 2023 comparative information was restated to reflect the adjustment to the provisional amounts (Notes 13 and 16). There is no change in the estimated useful life of customer relationship as of December 31, 2025 and 2024.

Estimation of Geothermal Field Reserves

The Group performed volumetric reserve estimation to determine the reserves of the Maibarara geothermal field. As a requirement for project financing, MGI engaged at its own cost the New Zealand firm Sinclair Knight Merz (SKM) in 2011 to undertake a comprehensive third-party technical review of the Maibarara geothermal field. This review included analysis of the resource assessment performed in-house by MGI as well as a separate SKM reserve estimation and Monte Carlo simulation of the Maibarara reserves.

The Group simulation indicated a mean at 50% probability (P50) proven reserves of 27.8 MW for twenty-five (25) years. In contrast, SKM calculated the P50 reserves at 44 MW. At 90% probability (P90), the reserves calculated are 28 MW and 12 MW by SKM and MGI, respectively. SKM concluded that the approach taken by MGI is conservative as it limits reservoir thickness to depths where a maximum thickness of 280°C will be encountered although the measured temperature reached as high as 324°C. There has been a reasonable confidence that the 20 MW (gross) plant development is feasible as the P90 level appears also conservative as with MGI's approach.

Also, there is a likely geothermal potential south of the proven area where two old wells were drilled and encountered high fluid temperatures ($T \sim 300^{\circ}\text{C}$). The Group identified the southern block as a probable reserve area. SKM in 2011 suggested that the southern block can be classified as Indicated Resource based on the Australian Code as high temperatures have been intersected by the two wells. SKM estimated that the stored heat in the Southern Block has a resource potential equivalent to 10-16 MW (P90 and P50, respectively) for a project life of twenty-five (25) years.

An updated reserves estimation using the stored-heat calculation was made in 2015 by MGI as a result of reservoir and production performance and the 2014 drilling campaign. The 2014 drilling proved that the current resource area can produce around 33.1 MW, more than enough to meet the steam requirement of the existing 20 MW power plant plus the 12 MW expansion power plant. Using the Monte Carlo simulation to estimate the reserves, the proven resource area has an 80% probability of



delivering between 18.1 MW to 50.9 MW over a 25-year operating period. This Monte Carlo simulation also showed that the expected mean reserve for the proven resource area is 30.4 MW for twenty-five (25) years.

The Group engaged a U.S. firm Geothermal Science, Inc. (GSI) in 2015 to perform a third-party technical appraisal of the resource for the planned 12 MW expansion. This third-party review was also made as a requirement for the project financing of MGPP-2 or M2. GSI adopted the technique from the US Geological Survey Circular 790 in making the probabilistic calculation of the geothermal reserves at Maibarara. Based on this approach, GSI estimated that Maibarara has a minimum or proven reserves of 40.2 MW, P90 for twenty-five (25) years plant life and Most Likely Reserve of 61.6 MW, P50 for 25 years of plant life.

In 2022, the Group conducted an internal assessment of its Reserves Estimates, which incorporated the results of the 2018 Magnetotellurics (MT) Resistivity Survey by Premier Geo-Exel, Inc (PGEI) indicating a resource in the North/Northeast of the existing field. By 2023, the Group engaged third-party service providers, Geothermal Resource Group (GRG) and WestJEC, to validate the results of the Group's 2022 Reserves Estimates. Based on the results, Maibarara has an estimated minimum or proven reserve ranging from 44 to 78 MW at P90 for 25 years of plant life and Most Likely Reserve of 75 to 114 MW at P50 for 25 years of plant life (2022-2047). The results of the 2023 numerical modeling study indicates that the Maibarara Geothermal Field can sustain a 72 MW power generation until 2054.

The Group commenced producing power commercially on February 8, 2014. The operational production wells within the field are capable of producing approximately 35 MW and 38 MW at full-bore capacity, as of December 31, 2025 and 2024, respectively. These production wells including the complement reinjection wells are concentrated on the proven resource area, while one reinjection well is located in the outfield area.

Estimation of Proved and Probable Oil Reserves

The Parent Company assesses its estimate of proved and probable reserves on an annual basis. The estimate is based on the technical assumptions and is calculated in accordance with accepted volumetric methods, specifically the probabilistic method of estimation. Probabilistic method uses known geological, engineering and economic data to generate a range of estimates and their associated probabilities.

All proved and probable reserve estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including crude oil prices, contract terms or development plans. Estimates of reserves for undeveloped or partially developed fields are subject to greater uncertainty over their future life than estimates of reserves for fields that are substantially developed and depleted. Estimated oil reserves are utilized in the impairment testing and the calculation of depletion expense using the unit of production method of the investments.

As of December 31, 2025 and 2024, the carrying value of "Wells, Platforms and other Facilities" under "Property, Plant and Equipment" amounted to ₱361.33 million and ₱446.76 million, respectively (Note 11).

Estimation of Useful Lives of Property, Plant and Equipment

The Group reviews on an annual basis the estimated useful lives of property, plant and equipment based on expected asset utilization as anchored on business plans and strategies that also consider expected future technological developments and market behavior.



It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depletion, depreciation and amortization expense and decrease noncurrent assets.

There is no change in the estimated useful lives of property, plant and equipment as of December 31, 2025, and 2024 (Note 11).

Impairment of Nonfinancial Assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use.

Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources*, are as follows:

- the period for which the Group has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The related balances of the Group's nonfinancial assets as of December 31 follow:

	2025	2024
Property, plant and equipment (Note 11)	₱18,252,994,076	₱14,974,940,788
Intangible assets (Note 16)	843,403,239	875,957,481
Deferred oil exploration costs (Note 12)	517,926,904	431,416,713
Deferred development costs (Note 17)	420,625,691	328,202,131
Right-of-use assets (Note 14)	242,601,316	302,353,808
Investment properties (Note 15)	1,611,533	1,611,533
	₱20,279,162,759	₱16,914,482,454

There are no indicators of impairment that would trigger impairment review in 2025 and 2024 other than the assets on the investments in Gabon, West Africa and SC 14-2 West Linapacan recorded as part of property, plant and equipment, intangible assets and deferred oil exploration costs as mentioned below.

Gabon, West Africa

The Parent Company believes that the fluctuation in crude oil prices in the market, political risks in Gabon, discount rates and changes in other assumptions such as change in production profile which is based on continued production until the term of the existing PSC are indicators that the assets might be impaired or if there is reversal of prior impairment loss.



In 2018, the Gabonese Government allowed the sixth amendment to the Exploration Production Sharing Contract (“EPSC”) that extends the exploitation period for the production licenses by ten (10) years, or from September 2018 until September 2028, extendible by five (5) years and by a final extension of 5 more years. The extension of the EPSC will allow the consortium to maximize the use of the existing facilities that are already in place to increase or maintain production until the field’s extended life.

In August 2021, the Consortium entered into a Bareboat Charter Agreement and Operating Agreement with World

Carrier Offshore Services Corporation (“World Carrier”) to provide and operate a Floating Storage and Offloading (FSO) unit at the Etame Marin field for up to eight (8) years with additional option periods available upon the expiration of the 20-year Floating Production, Storage and Offloading (“FPSO”) contract with BW Offshore in September 2022.

Throughout 2022, facility reconfiguration works were undertaken in parallel for the hook-up and commissioning of the new FSO, Teli, that was then set to replace the Petroleo Nautipa FPSO vessel in mid-October 2022. The FSO vessel has since been operational and receiving crude from all Etame Marin platform wells. The two (2) old subsea wells – Etame-6H and Etame-7H – which were originally connected directly to the old Petroleo Nautipa FPSO, have been hooked-up to the FSO on December 30, 2022.

Crude production comes from four (4) oil fields (Etame, Avouma, Ebouri and North Tchibala). In 2025, total crude production reached 5.2 MMBO.

SC 14-C2 - West Linapacan

SC 14-C2 has not yet expired and was granted with a fifteen (15)-year extension of the SC as approved by the DOE from December 18, 2010 to December 18, 2025. The SC 14-C2 consortium proceeded with a third-party technical evaluation to assess potential production opportunities. SC 14-C2 has expired on December 17, 2025, with the service contract area not resulting in any commercial discovery during its term.

Impairment loss (reversal)

The Parent Company’s assets on its investments in Gabon, West Africa and SC 14-C2 West Linapacan service contracts were subjected to impairment testing. These assets comprise of wells, platforms and other facilities under Property, plant and equipment amounting to ₱361.33 million and ₱446.76 million, deferred oil exploration costs amounting to ₱452.02 million and ₱365.87 million, and production license presented under Intangible assets amounting to ₱12.71 million and ₱17.34 million as of December 31, 2025 and 2024, respectively (Notes 11, 12 and 16).

In assessing whether impairment is required, the carrying value of the asset is compared with its recoverable amount. The recoverable amount is the higher of the CGU’s fair value less costs to sell and value in use. Given the nature of the Parent Company’s activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently, unless indicated otherwise, the recoverable amount used in assessing the impairment loss is value in use.

The Parent Company estimates value in use using a discounted cash flow model using a discount rate of 14.19% in 2025, 12.28% in 2024 and 14.39% in 2023.



The Parent Company recognized impairment (reversal of impairment) loss for the years ended December 31 presented on a net basis:

	2025	2024	2023
Wells, platforms and other facilities - net (Note 11)	P-	P169,899,110	P76,864,520
Deferred oil exploration costs - net (Note 12)	-	(117,456,518)	303,476
	P-	P52,442,592	P77,167,996

In determining the impairment of goodwill, the management estimates the value-in-use (VIU) of the CGU to which the goodwill is allocated. Estimating the VIU requires the Group to make an estimate of the expected future cash flows from which the CGU and applying an appropriate discount rate in order to calculate the present value of those cash flows. In discounting, the Group uses a discount rate based on the weighted average cost of capital adjusted to reflect the way the market would assess the specific risks associated with the cash flow and exclude risks that are not relevant to the cash flow.

As of December 31, 2025 and 2024, no impairment loss is recorded in relation to the goodwill amounting to P95.80 million (Note 16).

Estimation of Asset Retirement Obligations

The Group has various legal obligation to decommission or dismantle its assets related to the oil production, geothermal energy, solar power and wind power projects at the end of each respective service contract. In determining the amount of provisions for restoration costs, assumptions and estimates are required in relation to the expected costs to restore sites and infrastructure when such obligation exists. The Group recognizes the present value of the obligation to dismantle and capitalizes the present value of this cost as part of the balance of the related property, plant and equipment, which are being depreciated on a straight-line basis over the useful life of the related assets (for the renewable energy) and based on units-of-production method based on estimates of proved reserves (for the oil operations).

Cost estimates expressed at projected price levels until dismantling date are discounted using rates ranging from 6.18% to 9.50% in 2025 and 6.10% to 9.50% in 2024 to take into account the timing of payments. Each year, the provision is increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with charges being recognized as accretion expense (Note 20).

Changes in the asset retirement obligation that result from a change in the current best estimate of cash flow required to settle the obligation or a change in the discount rate are added to (or deducted from) the amount recognized as the related asset and the periodic unwinding of the obligation on the liability is recognized in profit or loss as it occurs.

While the Group has made its best estimate in establishing the asset retirement obligation, because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning activities, the ultimate provision requirements could either increase or decrease significantly from the Group's current estimates. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.



Asset retirement obligation as of December 31 follows (Note 20):

	2025	2024
Wind power project	₱331,513,337	₱44,485,756
Solar power project	60,562,267	59,580,781
Oil production	43,295,580	43,544,555
Geothermal energy project	17,293,147	14,923,157
	₱452,664,331	₱162,534,249

Recoverability of input VAT

The Group maintains an allowance for input VAT based on an assessment of the recoverability of these assets using the historical success rate of VAT refunded from the Bureau of Internal Revenue (BIR). A review is made by the Group on a continuing basis annually to determine the adequacy of the allowance for losses. The carrying value of input VAT amounted to ₱660.60 million and ₱594.37 million as of December 31, 2025 and 2024, respectively (Note 17).

Recognition of deferred tax assets

The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces them to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of December 31, 2025 and 2024, the Group did not recognize deferred tax assets on certain temporary differences, NOLCO and MCIT as the Group believes that it may not be probable that sufficient taxable income will be available in the near foreseeable future against which the tax benefits can be realized prior to their expiration (Note 22).

Estimation of retirement benefits

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuation. The actuarial valuation involves making various assumptions including determination of discount rates and future salary increases, among others. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at the end of each accounting period. The accrued retirement liabilities (asset) of the Group are disclosed in Note 20.

Assessment of provisions and contingencies

The Group is involved in certain claims arising from the ordinary conduct of business which are either pending decision by the courts or are being contested, the outcome of which are not presently determinable. In the opinion of management and its legal counsels, the eventual liabilities under these claims, if any, will not have a material or adverse effect on the Group's consolidated financial position and results of operations. The Group will exhaust all legal remedies available to it in defending itself in these claims and proceedings.

6. Cash and Cash Equivalents and Short-term Investments

	2025	2024
Cash on hand	₱8,581,335	₱1,931,203
Cash in banks	958,470,028	793,755,106
Cash equivalents	824,447,273	1,974,783,346
Cash and cash equivalents	₱1,791,498,636	₱2,770,469,655
Short-term investments (more than 3 months)	₱-	₱200,000,000



Short-term investments have maturities of more than three (3) months to one (1) year and earn annual interest at rates that ranged from 5.15% to 6.05% in 2024 (nil in 2025).

Interest income earned on cash and cash equivalents and short-term investments amounted to ₱67.39 million, ₱150.81 million and ₱200.85 million in 2025, 2024 and 2023, respectively.

7. Restricted Cash

Debt service payment and reserve accounts

This refers to the amount of fund that the Group is required to maintain in the Debt Service Payment Accounts (DSPA) and Debt Service Reserve Account (DSRA) pursuant to the Omnibus Loan and Security Agreement (OLSA) of MGI, PetroSolar and PetroWind, respectively (Note 19). The funds maintained in these accounts are used to pay the forthcoming debt service scheduled semi-annually until the loans are fully paid off. Under the OLSA, where the banks are one of the parties, the banks shall have the exclusive control over and exclusive right of withdrawal from the restricted cash accounts totaling to ₱277.95 million and ₱217.29 million on December 31, 2025 and 2024, respectively.

Cash held under escrow for stock subscription

This represents the remaining funds held under escrow related to the Share Subscription Agreement between PetroGreen and Kyuden International Corporation (Kyuden), that were released from the escrow fund in January 2023 (Notes 21 and 31). Interest income earned on restricted cash amounted to nil in 2025 and 2024 and ₱0.84 million in 2023.

8. Receivables

	2025	2024
Trade receivables:		
Electricity sale	₱558,340,953	₱395,415,640
Electricity sale - related party (Note 27)	194,549,545	103,154,602
Oil revenue	80,518,191	66,079,326
Other trade receivables (Note 27)	1,397,180	1,053,324
Non-trade receivables:		
Receivable from contractors	19,195,658	19,195,658
Interest receivable	2,753,697	11,084,320
Consortium operator	2,682,452	2,682,452
Receivables from related party (Note 27)	871,472	132,255,582
Others	55,768,933	30,765,770
	916,078,081	761,686,674
Less allowance for expected credit losses	2,682,453	2,682,452
	₱913,395,628	₱759,004,222

Trade receivables are generally on 30 days credit term. Interest income earned from the delayed payment of trade and other receivable amounted to ₱31.70 million, ₱9.62 million and ₱12.65 million in 2025, 2024 and 2023, respectively. The Renewable Energy Payment Agreement with TransCo stipulates that in the event TransCo fails to pay upon the lapse of one billing period after the payment date, TransCo shall pay interest thereon, calculated from the payment date to the day such amount is actually paid. Interest rate is T-bill rate plus 3%.



Others consist of receivables from the Operations and Maintenance (O&M) contractor, Siemens Gamesa Renewable Energy, for the Availability Warranty covering the period December 12, 2023 to December 11, 2025, as well as receivables from market participants relating to electricity sales and contractors relating to reimbursable expenses.

9. Financial Assets at Fair Value Through Profit or Loss

	2025	2024
Marketable equity securities	₱4,290,492	₱5,374,437
Investment in golf club shares	3,500,000	770,000
	₱7,790,492	₱6,144,437

Net gain (loss) on fair value changes on financial assets at FVPL included in profit loss amounted to ₱1.65 million, (₱0.81 million), and (₱0.53 million) in 2025, 2024 and 2023, respectively. Dividend income received from equity securities amounted to ₱0.01 million, ₱0.02 million and ₱0.03 million in 2025, 2024 and 2023, respectively (Note 26).

10. Other Current Assets

	2025	2024
Supplies inventory	₱208,897,177	₱218,028,949
Prepaid expenses	141,880,384	141,502,783
Advances to suppliers	55,549,350	64,935,026
Prepaid income taxes	10,947,445	8,111,388
Others	3,567,449	2,003,729
	₱420,841,805	₱434,581,875

Supplies Inventory

Supplies inventory refers to purchased supplies and parts that are intended to be used for the Group's operations and maintenance. These are stated at the lower of cost or net realizable value (NRV). Cost is determined using the specific identification method. NRV is the current replacement cost of supplies inventory.

Prepaid Expenses

Prepaid expenses include various prepaid insurances, services and rent. Prepaid expenses also include advance payment for Real Property Taxes (RPT), Stand-by Letter of Credit (SBLC) charges and operations and maintenance professional fees.

Advances to suppliers

Advances to suppliers refer to down payments for the purchase of services, materials, property and equipment and land due diligence works of additional properties located at the project site in Panitan, Capiz, conduct of facility study for the 20 MW/40 MWh PESP, and verification of property acquisition.



11. Property, Plant and Equipment

	2025									
	Power plants	FCRS and production wells - geothermal	Wells, platforms and other facilities	Land	Land improvements	Office condominium units and improvements	Transportation equipment	Office furniture and other equipment	Construction in progress (Note 12)	Total
Cost										
Balances at beginning of year	₱14,129,412,957	₱2,424,039,538	₱2,522,427,946	₱708,771,894	₱283,630,557	₱90,108,940	₱128,812,651	₱1,425,508,913	₱939,199,729	₱22,651,913,125
Additions	478,395,530	49,788,246	2,453,603	578,260,858	243,916	13,039,276	23,914,329	124,785,062	2,340,920,127	3,611,800,947
Transfers from deferred development costs (Note 17)	320,744,382	-	-	-	-	-	-	-	-	320,744,382
Change in ARO estimate (Note 20)	281,644,571	1,453,592	(5,304,172)	-	-	-	-	-	-	277,793,991
Disposal	-	-	-	-	-	-	(1,044,643)	-	-	(1,044,643)
Reclassifications	1,360,214,934	58,564,566	-	-	-	11,107,189	-	-	(1,429,886,689)	-
Balances at end of year	16,570,412,374	2,533,845,942	2,519,577,377	1,287,032,752	283,874,473	114,255,405	151,682,337	1,550,293,975	1,850,233,167	26,861,207,802
Accumulated depletion, depreciation and amortization										
Balances at beginning of year	4,594,774,402	671,283,792	1,659,650,233	-	24,528,533	46,147,245	72,505,134	192,066,767	-	7,260,956,106
Depletion, depreciation and amortization	664,479,383	122,588,729	82,576,908	-	7,873,649	10,915,305	18,785,011	25,067,047	-	932,286,032
Disposals	-	-	-	-	-	-	(1,044,643)	-	-	(1,044,643)
Balances at end of year	5,259,253,785	793,872,521	1,742,227,141	-	32,402,182	57,062,550	90,245,502	217,133,814	-	8,192,197,495
Accumulated impairment losses										
Balances at beginning of year	-	-	416,016,231	-	-	-	-	-	-	416,016,231
Impairment loss (Note 5)	-	-	-	-	-	-	-	-	-	-
Balances at end of year	-	-	416,016,231	-	-	-	-	-	-	416,016,231
Net book values	₱11,311,158,589	₱1,739,973,421	₱361,334,005	₱1,287,032,752	₱251,472,291	₱57,192,855	₱61,436,835	₱1,333,160,161	₱1,850,233,167	₱18,252,994,076



2024

	Power plants	FCRS and production wells - geothermal	Wells, platforms and other facilities	Land	Land improvements	Office condominium units and improvements	Transportation equipment	Office furniture and other equipment	Construction in progress	Total
Cost										
Balances at beginning of year	₱11,579,180,788	₱2,125,079,210	₱2,420,151,480	₱685,163,228	₱280,299,351	₱80,500,468	₱99,913,336	₱232,539,845	₱1,497,104,568	₱18,999,932,274
Additions	1,953,089,912	170,065,700	717,825	23,608,666	3,331,206	9,608,472	30,866,279	620,078,952	762,923,325	3,574,290,337
Transfers from deferred exploration costs (Note 12)	-	-	112,888,783	-	-	-	-	-	-	112,888,783
Change in ARO estimate (Note 20)	(9,506,927)	1,799,792	(11,330,142)	-	-	-	-	-	-	(19,037,277)
Disposal	(13,086,270)	(1,107,758)	-	-	-	-	(1,966,964)	-	-	(16,160,992)
Reclassifications	619,735,454	128,202,594	-	-	-	-	-	572,890,116	(1,320,828,164)	-
Balances at end of year	14,129,412,957	2,424,039,538	2,522,427,946	708,771,894	283,630,557	90,108,940	128,812,651	1,425,508,913	939,199,729	22,651,913,125
Accumulated depletion, depreciation and amortization										
Balances at beginning of year	4,068,728,242	562,671,715	1,568,996,366	-	22,162,978	41,243,424	65,537,656	179,162,886	-	6,508,503,267
Depletion, depreciation and amortization	539,132,429	109,719,835	90,653,867	-	2,365,555	4,903,821	8,934,443	12,903,881	-	768,613,831
Disposals	(13,086,269)	(1,107,758)	-	-	-	-	(1,966,965)	-	-	(16,160,992)
Balances at end of year	4,594,774,402	671,283,792	1,659,650,233	-	24,528,533	46,147,245	72,505,134	192,066,767	-	7,260,956,106
Accumulated impairment losses										
Balances at beginning of year	-	-	246,117,121	-	-	-	-	-	-	246,117,121
Impairment loss - net (Note 5)	-	-	169,899,110	-	-	-	-	-	-	169,899,110
Balances at end of year	-	-	416,016,231	-	-	-	-	-	-	416,016,231
Net book values	₱9,534,638,555	₱1,752,755,746	₱446,761,482	₱708,771,894	₱259,102,024	₱43,961,695	₱56,307,517	₱1,233,442,146	₱939,199,729	₱14,974,940,788



The Group has outstanding payables related to acquisition of property and equipment amounting to ₱47.74 million as of December 31, 2025.

Transfers from deferred development costs and deferred oil exploration costs are considered as noncash investing activities.

Change in ARO estimate and transfers from advances to contractors, deferred oil exploration costs and development costs are considered as non - cash investing activities. Gain on sale of property, plant and equipment amounted to ₱0.59 million, ₱0.54 million and ₱0.01 million in 2025, 2024 and 2023, respectively (Note 26).

Depletion, depreciation and amortization expense charged to profit or loss follow:

	2025	2024	2023
Cost of electricity sales (Note 23)	₱827,073,172	₱661,440,605	₱569,320,859
Depletion	82,576,908	90,653,867	101,223,727
General and administrative expenses (Note 25)	22,635,952	16,519,359	13,248,629
	₱932,286,032	₱768,613,831	₱683,793,215

Depletion of wells, platforms and other facilities is presented as a separate item under cost of sales in the consolidated statements of comprehensive income.

As of December 31, 2025 and 2024, the participating interests of PERC in various service contracts areas are as follows:

Gabonese Oil Concessions	2.525%
SC 14-C2 - West Linapacan	4.137%

Foreign Operations

Gabon, West Africa

Background

The Group holds 2.53% participating interest in the Exploration and Production Sharing Contract (EPSC) covering the Etame block in Gabon, West Africa (the “Etame Marin Permit”). The other parties in the consortium are Addax Petroleum Etame, Inc. (33.90%) and VAALCO Gabon (Etame), Inc. (63.58%) (the “Gabon Consortium”), are leaders in their respective areas of operation. VAALCO is the Consortium’s operator and is in charge of conducting the exploration and production activities in the Gabon contract area.

The EPSC is a contract with the Gabonese Government that gives the holder of the said EPSC the exclusive rights and obligations to perform exploration, exploitation, and production activities and in the case of the consortium, within the Etame Marin Permit area.

In August 2021, the Consortium entered into a Bareboat Charter Agreement and Operating Agreement with World Carrier Offshore Services Corporation (World Carrier) to provide and operate a Floating Storage and Offloading (FSO) unit at the Etame Marin field for up to eight (8) years with additional option periods available upon the expiration of the current 20-year Floating Production, Storage and Offloading (FPSO) contract with BW Offshore in September 2022.



In December 2021, the consortium commenced a four-well drilling program in the Etame, Avouma and North Tchibala fields using the Borr Norve jack-up drilling rig, aimed to sustain field production to above 20,000 BOPD.

Etame-8H sidetrack was completed in February 2022. Avouma-3H sidetrack was completed in April 2022, South Tchibala-1HB sidetrack in July 2022, and North Tchibala-2H sidetrack in November 2022. Workovers were also conducted on Ebouri-2H, North Tchibala-1H and Southeast Etame-4H wells within 2022. This resulted in an increase in overall crude production of ~18,000-20,000 BOPD by the end of 2022.

Given the extended EPSC period, the Consortium is currently firming up the most feasible Integrated Field Development Plan (IFDP) to extract the remaining recoverable oil volumes until at least 2028 up to 2038 (final extension). This IFDP may include: 1) production from sour oil reserves, 2) outfield drilling opportunities, and 3) facility maintenance strategies.

Throughout 2024 and 2025, the consortium carried out preparatory activities (i.e. Permitting, reservoir modelling and oil platform upgrades) for the Phase 3 Drilling Campaign, comprised of four (4) new production wells, one (1) new gas well, and two (2) workovers of existing wells. The drilling of the first well (ET-15P) commenced on December 8, 2025 with expected completion by fourth quarter of 2026.

Update on Production

Production was routed to the Petroleo Nautipa, the spread-moored (FPSO) vessel from the Etame, Avouma-Southeast Etame-North Tchibala and Ebouri platforms, and from the wells tied to the subsea Etame manifold. The produced oils were processed and exported from the FPSO, which had a storage capacity of one million barrels of oil (MMBO).

Throughout 2022, facility reconfiguration works were being completed in parallel for the hook-up and commissioning of the new FSO vessel Teli, which replaced the Petroleo Nautipa FPSO vessel in mid-October 2022. The FSO vessel is now operational and receiving crude from all Etame Marin platform wells. The two (2) old subsea wells - Etame-6H and Etame-7H - which were originally connected directly to the old Petroleo Nautipa FPSO, have been hooked-up to the FSO last December 30, 2022.

Crude production comes from four (4) oil fields (Etame, Avouma, Ebouri and North Tchibala).

In 2025, total crude production reached 5.20 MMBO. The Consortium managed eight (8) liftings, resulting in net crude export of 5.35 MMBO, with crude oil market prices ranging from US\$57.09 to US\$78.12 per barrel.

In 2024, total crude production reached 5.61 MMBO. The Consortium managed eight (8) liftings, resulting in net crude export of 5.05 MMBO, with crude oil market prices ranging from US\$69.19 to US\$91.17 per barrel.

In 2023, total crude production reached 6.25 MMBO. The Consortium managed ten (10) liftings, resulting in net crude export of 6.009 MMBO, with crude oil market prices ranging from US\$75 to US\$90 per barrel.

Since the Gabon oilfield has been put on-line in 2002, a total of 147.55 MMBO has been extracted to date over the last twenty-three (23) years.

As of December 31, 2025 and 2024, PetroEnergy has investments in Gabon, West Africa included in “Wells, platforms and other facilities” account under “Property and equipment” amounting to



₱361.33 million and ₱446.76 million, respectively. With the fluctuation in crude oil prices and recoverable oil reserves, impairment loss was recognized amounting to nil in 2025, ₱169.90 million in 2024 and ₱76.86 million in 2023 (Note 5).

Philippine Operations

SC 14-C2 – West Linapacan, Northwest Palawan

West Linapacan was discovered in the early 1990s. It produced oil from 1992 to 1996, peaking at 18,000 BOPD, before it was shut-in due to early water incursion.

On May 11, 2023, the SC 14-C2 consortium approved to unitize the service contract with SC 6B, subject to the issuance of a DOE Department Circular (DC) regarding the application for new petroleum service contract. However, following the release of DOE DC No. 2023-12-0033 titled “Guidelines on the Awarding of Petroleum Service Contracts for Development and Production” on December 18, 2023 with supplementary guidelines issued on January 10, 2024, the SC 14-C2 consortium, on December 12, 2024, decided to apply instead for a Development and Production Petroleum Service Contract (DP PSC) prior to the expiration of the current SC 14-C2 service contract. This new application would combine the SC 14-C2 (West Linapacan) and SC 14-C1 (Galoc) blocks.

SC 14-C2 has expired on December 17, 2025, with the service contract area not resulting in any commercial discovery during its term. PetroEnergy informed the consortium that it would no longer participate in any planned extension or reapplication for the service contract.

SC 75 – Offshore Northwest Palawan

Service Contract 75 (SC 75) was signed on December 27, 2013 with partners PXP Energy Corporation (50%) and PNOC-Exploration Corporation (35%). The block covers the West Philippine Sea with an area of 616,000 hectares.

On October 14, 2020, the DOE issued a formal notice to the SC 75 consortium, lifting the Force Majeure imposed since September 2015. Through this letter, the consortium was notified to resume its Work Program commitments under SC 75, including the committed ~1,000 sq.km 3D seismic survey over the identified leads in SC 75.

On January 06, 2022, the SC 75 consortium officially engaged Shearwater Geoservices Ltd. for the ~1,100 sq.km 3D seismic survey over SC 75 using the M/V Geo Coral seismic vessel. However, the programmed 3D seismic acquisition campaign was suspended on April 06, 2022 after Operator PXP Energy Corporation received a written directive from the DOE to put all exploration activities on hold until the Security, Justice and Peace Coordinating Cluster (SJPC) issues the necessary clearance to proceed. On April 11, 2022, PXP declared a Force Majeure event over the suspended seismic survey.

The SC 75 consortium is awaiting further instructions from the DOE, while all contracted vessels and personnel for the seismic survey have since demobilized from the SC 75 area.

As of December 31, 2025, the corresponding percentages of the Group’s participation in the various Petroleum SC areas are as follows:

Gabonese Oil Concessions	2.525%
SC 14-C2 - West Linapacan	4.137%
SC 75 - NW Palawan	15.000%



The oil revenues are derived from Gabon Operations. All contractual obligations with the Gabonese Government are complied with. The Philippine contracts are in exploration stage and some contracts are being farmed out to reduce risk inherent to the business.

Development and power generation from Renewable Energy Resources

Maibarara Geothermal Power Project

Geothermal Renewable Energy Service Contract (GRES-C) No. 2010-02-012

Following the DOE Philippine Energy Contracting Round for Geothermal in 2009, PERC signed the Service Contract for the Maibarara Geothermal Power Project (MGPP) on February 1, 2010. PERC then conducted pre-development activities in 2010 to 2011. In order to carry out the development and operations of the MGPP, PERC (through its subsidiary, PGEC) then created Maibarara Geothermal, Inc. (MGI) along with Trans-Asia Oil and Energy Development Corporation (“Trans-Asia”, subsequently renamed as PHINMA Energy Corporation or “PHINMA”, and now known as ACEN Corporation or “ACEN”) and PNOC Renewable Corporation (PNOC RC), with 65%, 25%, and 10% equity ownerships, respectively.

In June 2019, ACEN, the energy platform of Ayala Corporation, completed the acquisition of PHINMA, including PHINMA’s 25% share in MGI.

20 MW Maibarara-1 Geothermal Power Plant (MGPP-1)

The DOE confirmed the commerciality of the 20-MW MGPP-1 in 2011, allowing MGI to proceed with the MGPP’s development stage, involving 1) the drilling of two (2) wells to complete the steam production and reinjection well capacities, and 2) the construction of the steamfield and power plant facilities. The MGPP-1’s 115kV Transmission Line system was successfully connected to the existing Manila Electric Company (MERALCO) line in September 2013. Upon completion of the reliability and performance testing, the MGPP-1 went on commercial operations on February 8, 2014. All electricity generated are sold to offtaker, ACEN, following the aforementioned acquisition of PHINMA by ACEN.

On June 23 to 28, 2023, the Maibarara-1 and Maibarara-2 power plants had an opportunity maintenance shutdown during the relocation of transmission line and stub poles affected by SLEX-TR4 construction. Also, on February 13 to 16, 2024, both power plants had their scheduled minor preventive maintenance shutdown. Various maintenance activities for the plants’ mechanical, electrical, and instrumentation facilities, as well as for the switchyard and transmission lines, were carried-out by MGI technical staff and private contractors.

On the steam field side, three (3) production wells supply steam to two power plant units with a combined capacity of 32 MW. Mai-6D and MB-12D supply steam to the 20 MW MGPP-1, while MB-18D exclusively supply steam to the 12 MW MGPP-2.

Separated brine from the production wells and power plant condensates are reinjected into the reservoir to maintain reservoir pressure and adhere to environmental regulations. Reinjection wells MB-14RD, MB-17RD, and MB-15D were temporarily put offline after MB-19R became operational in September 2024. MB-19R is the sole reinjection well currently being used.

MGPP-1 exported 164.25GWh and 160.27 GWh of electricity in 2025 and 2024, respectively.

12 MW Maibarara-2 Geothermal Power Plant (MGPP-2)

With the stable performance of the reservoir, MGI decided to pursue an expansion of the MGPP. There was at least 5 MW of excess steam supply from the MGPP-1 wells, and with the ~6 MW capacity of the new well, an expansion of 12 MW was decided and approved in 2015 (MGPP-2).



Major power plant components from Fuji Electric Co. Ltd. (“Fuji”, the same supplier as the MGPP-1) were delivered and installed on site from March to April 2017. MGPP-2 was first synchronized to the grid on March 9, 2018, with the full 12 MW attained on March 18, 2018. Reliability tests were then conducted from March 18 to 27, 2018, during which the power plant was on full 12 MW operation.

The Energy Regulatory Commission (ERC) formally notified MGI of the approval of MGPP-2’s Certificate of Compliance (COC) application on April 26, 2018. Subsequently, the MGPP-2 was accepted into the Wholesale Electricity Spot Market (WESM) on April 30, 2018 – pegging the MGPP-2’s start of Commercial Operations on the same date. This operationally started the application of MGPP-2’s Electricity Supply Agreement (ESA) with PHINMA, now ACEN, wherein all of MGPP-2’s generated electricity are sold to ACEN.

Steam flow requirements of the MGPP-2 are also supplied by two (2) production wells MB-12D and MB-18D with the common steam line.

MGPP-2 exported 97.71 GWh and 96.49 GWh of electricity in 2025 and 2024, respectively. Both MGPP-1 and 2 are connected to MERALCO’s distribution system.

Both the MGPP-1 and the MGPP-2 are registered with the Board of Investments and are enjoying the incentives under the Renewable Energy Act of 2008.

Tarlac Solar Power Project (TSPP)

Solar Energy Service Contract (SESC) No. 2015-03-115

The SESC for the TSPP was awarded by the DOE on March 19, 2015. On June 17, 2015, PGEC and affiliate EEI Power Corporation (“EEIPC”, 100% subsidiary of EEI Corporation), incorporated PetroSolar to undertake the development of the TSPP.

50 MW_{DC} Tarlac-1 Solar Power Project (TSPP-1)

On June 22, 2015, PGEC and solar farm lot owner, Luisita Industrial Park Corporation (LIPCO), executed a Lease Agreement for the 55-hectare solar farm development. This was assigned to PetroSolar on September 15, 2015. As the LIPCO property is within the Central Technopark, which is under the jurisdiction of the Philippine Economic Zone Authority (PEZA), PetroSolar was able to register as an Ecozone Utilities Enterprise on July 28, 2015, entitling it to the incentives available to PEZA locators.

After only four (4) months of ground works, the TSPP-1 was completed by mid-January 2016 and was able to export power to the grid on January 27, 2016. The DOE eventually gave its Certificate of Endorsement (COE) – Feed-in-Tariff (FiT) for TSPP-1, with an official Commercial Operations Date (COD) on February 10, 2016. Subsequently, on April 6, 2016, PetroSolar executed its Renewable Energy Payment Agreement (REPA) with the National Transmission Corporation (TransCo), assuring the TSPP-1’s revenues from the FiT payment of ₱8.69/kWh from 2016 to 2036.

The total energy exported to the grid was 64.68 GWh and 69.46 GWh in 2025 and 2024, respectively.

20 MW_{DC} Tarlac-2 Solar Power Project (TSPP-2)

On September 17, 2018, the BOI formally awarded to PetroSolar the latter’s Certificate of Registration for the 20 MW_{DC} TSPP-2. This approval entitles the TSPP-2 to enjoy duty-free importations, and a seven-year Income Tax Holiday (ITH), among others.

By the end of December 2018, civil works contractor, Media Construction and Development Corporation (MCDC), completed the site clearing, ground levelling, and compaction works for the



whole 22-hectare TSPP-2 lot (likewise under a long-term lease agreement with LIPCO). All six (6) quadrants were turned over and accepted by Solenergy Systems Inc., the main EPC contractor.

After the site construction works for the TSPP-2 were completed in March 2019 and its registration with the WESM was secured from the Independent Electricity Market Operator of the Philippines Inc. (IEMOP) on April 21, 2019, the TSPP-2 started exporting power to the grid on April 22, 2019 as part of its testing and commissioning activities. The ERC conducted its technical inspections for the TSPP-2 on May 31, 2019, as basis of ERC's issuance of PetroSolar's Certificate of Compliance (COC) for TSPP-2.

On February 27, 2020 and March 18, 2020, the DOE formally issued to PetroSolar the Certificate of Confirmation of Commerciality (COCOC) and the COE, respectively for TSPP-2. The COE is a prerequisite to the issuance of the Certificate of Compliance (COC) by the ERC. The COC will determine the official COD for TSPP-2.

The ERC issued a Provisional Approval to Operate (PAO) to PetroSolar the TSPP-2 on December 16, 2021, subject to PSC's compliance to 1) public offering requirement and 2) terms under PSC's Point-to-Point application, once approved. The said PAO is valid until December 15, 2022, and sets TSPP-2's WESM COD to January 25, 2022.

On October 25, 2022, PetroSolar submitted to the ERC the application for validity extension of the PAO for TSPP-2. While evaluation of the application was underway, ERC issued the 2023 COC revised guidelines that extended the effectivity of TSPP-2's PAO until December 15, 2024. On December 13, 2024, the ERC extended the effectivity of TSPP-2's PAO until December 15, 2025.

In December 2023, PSC completed the construction of the TSPP-2 49 MWac substation. PSC will use this new substation once it receives the approval from ERC.

TSPP-2 exported 26.93 GWh and 28.92 GWh of electricity in 2025 and 2024, respectively.

Nabas Wind Power Project (NWPP)

Wind Energy Service Contract (WESC) No. 2009-09-002

The service contract for the Nabas Wind Power Project (NWPP) covers 2,000 hectares of public and private lands in rolling terrain located near the northwestern tip of Panay Island. It lies about 6 km southeast of Caticlan, and electricity-deficient Panay and Boracay islands are natural markets of future power from NWPP.

On August 1, 2013, the DOE formally issued the Confirmation of Commerciality for the 36 MW NWPP-1, making it the third WESC to be declared commercially feasible. Construction of NWPP-1 started in December 2013 and was completed in the first half of 2015.

On June 16, 2015, the DOE released the COE for FIT Eligibility (COE-FIT), endorsing the official start of commercial operations to be June 10, 2015. On August 17, 2015, the ERC approved PWEI's COC for NWPP-1. This confirms the commercial operations date of the wind farm to be June 10, 2015.

On May 13, 2020, the DOE formally issued to PWEI a revised Certificate of Confirmation of Commerciality (COCOC), separating the capacities of the 36-MW as Feed-In-Tariff eligible and the then planned expansion project, the 14-MW Nabas-2 Wind Power Project (NWPP-2) as Merchant Generator. The revised COCOC signifies that NWPP-2 has been approved for construction as being commercially feasible.



In February 17, 2021, the DENR-EMB Region 6 issued the amended Environmental Compliance Certificate (ECC) to PWEI for NWPP-2, while the Forest Land Use Agreement (FLAG) has been signed by the DENR Central Office in January 4, 2022.

PWEI emerged as the lone qualified bidder for the Visayas wind allocation for a capacity of 13.2MW. On September 28 2022, the DOE awarded PWEI its GEA Certificate of Award No. GEA-W2022-09-005, for winning the bid for the Visayas Wind Auction. PWEI, for its NWPP-2, is to be awarded a twenty (20)-year offtake, through (REPA), effective upon its Delivery Commencement Date (DCD).

PWEI awarded the NWPP-2 WTG Supply, Supervision, and Services Agreements to Vestas on December 13, 2022. On the other hand, PWEI also awarded and issued the Notice to Proceed (NTP) for the contract for the NWPP-2 Main Balance of Plant (BoP) for the Civil, Electrical (Substation and Switching Station, and Electrical Feeder Lines), including WTG Electro-Mechanical Works installation to EEI Corporation (EEI) on December 20, 2022.

On January 13, 2023, DENR signed Special Agreement for Protected Areas (SAPA) of NWPP-2. This agreement allows PWEI to develop NWPP-2 in the approved area for at least 25 years. PWEI also secured the tree cutting permit within private lands and forestlands on March 16, 2023.

Following the successful completion of grid connection facilities and the erection of the first three (3) wind turbines (WTGs), PWEI commenced the testing and commissioning of these WTGs on April 4, 2024.

Meanwhile, due to the challenges related to the originally planned total six (6) WTGs in the Malay side, PWEI opted to relocate the remaining three (3) turbines within the Municipality of Nabas and has engaged EEI for the necessary civil works. All necessary environmental permits were secured in December 2024, and EEI mobilized at the project site in January 2025. On August 16, 2025, the remaining three (3) turbines were successfully commissioned and commenced export of power to the grid.

In response to PetroWind's request dated April 15, 2025, the DOE Green Energy Auction Committee (GEAC) granted an extension of the DCD of NWPP-2 from October 25, 2025 to February 25, 2026.

On December 18, 2025, PetroEnergy Resources Corporation (PERC) entered into a Share Purchase Agreement (SPA) with BCPG Wind Cooperatief U.A. (BCPG Wind) for the acquisition by PERC of all of BCPG Wind's shares in PWEI, representing a forty percent (40%) equity interest in the Company. The completion of the transaction is subject to the fulfillment of certain conditions precedent, including the receipt of the required regulatory approvals, such as approval from the Philippine Competition Commission (PCC) and other relevant government authorities.

The parties expect the transaction to be consummated in 2026 upon satisfaction of the applicable conditions under the SPA.

For 2025, PWEI exported a total of 120.98 GWh to the grid, with 87.07 GWh from NWPP-1 and 33.91 GWh from NWPP-2.



Bugallon Solar Power Project (BSPP)
Solar Energy Operating Contract (SEOC) No. 2022-04-622-AF1

On May 5, 2022, PGEC was awarded the SEOC by the DOE for the development of the BSPP in Brgy. Salomague Sur, Bugallon, Pangasinan.

In 2023, PGEC completed the Distribution Impact Study (DIS), which was approved by the Central Pangasinan Electric Cooperative (CENPELCO) and endorsed to the NEA for final approval. PGEC also secured a Certificate of Non-Overlap (CNO) from the National Commission on Indigenous Peoples (NCIP), confirming that the project site is outside ancestral domains and free from tribal claims.

On November 14, 2023, PGEC obtained the locational clearance, followed by an ECC Amendment on November 28, 2023, transferring the ECC grantee from PGEC to BGEC. CENPELCO also approved PGEC's DIS, and the subsequent Distribution Asset Study (DAS) submitted on November 21, 2023, which was approved on February 26, 2024. The SEOC was later transferred by PGEC to BGEC on April 16, 2024.

On September 17, 2024, BGEC awarded the Design, Supply, and Installation Agreement for EPC to Crosslink Construction Corporation. On September 19, 2024, BGEC engaged Schema Konsult, Inc. as the Owner's Engineer. On November 15, 2024, BGEC signed a Distribution Wheeling Services Agreement and a Connection Agreement with CENPELCO for BSPP's integration as an embedded generator.

On November 12, 2024, BGEC was awarded with a Certificate of Energy Project of National Significance (CEPNS), entitling the BSPP to all rights and privileges stated in DOE Department of Order No. DO2024-04-0003.

The BSPP was a winning bid in the second round of the Green Energy Auction Program (GEA-2) held in June 2023.

As of December 31, 2025, the solar farm and grid connection facilities have been completed and ready to supply power to grid, pending clearance of the National Grid Corporation of the Philippines (NGCP).

Dagohoy Solar Power Project (DSPP)
Solar Energy Operating Contract (SEOC) No. 2022-06-629 – AF1

On June 28, 2022, PGEC was awarded the SEOC by the DOE for the development of DSPP in Brgy. San Vicente, Dagohoy, Bohol. PGEC secured favorable endorsements for land reclassification from the Dagohoy Sangguniang Bayan in October 2022 and the Bohol Sangguniang Panlalawigan in December 2022. These endorsements are necessary for obtaining Locational Clearance and the Building Permit.

On February 28, 2024, the DOE approved the assignment/ transfer of the SEOC No. 2022-06-629 from PGEC to Dagohoy Green Energy Corporation (DGEC). Consequently, DGEC was issued with a new Certificate of Registration (COR) with Registration No. SEOC 2022-06-629-AF1.

NGCP approved PGEC's application to conduct the System Impact Study (SIS) for DSPP via its Online Transmission Connection Application (OTCA) portal, with the SIS scheduled for mid-2023. While awaiting SIS completion, PGEC awarded an initial site development contract to Media Construction and Development Corporation (MCDC) for site grading, access roads, drainage, and perimeter fencing.



The SIS was completed on August 1, 2023. By Q1 2024, Global Electric and Philcantech Enterprises had commenced the construction of solar farm facilities and grid connections.

DSPP entered into an Operations and Maintenance Agreement with Global Electric for an initial one-year term, subject to extension. On May 20, 2024, DGEC executed an Omnibus Loan and Security Agreement with Rizal Commercial Banking Corporation (RCBC) for a facility of up to ₱834.76 million (Note 19).

DSPP was completed in November 2024 and its registration with the WESM was secured from IEMOP on November 11, 2024. DSPP started exporting power to the grid on November 12, 2024 as part of testing and commissioning activities.

Following the NGCP issuance of Final Certificate of Approval to Connect (FCATC) on April 7, 2025, the Energy Regulatory Commission (ERC) issued a Provisional Approval to Operate (PAO) on July 4, 2025 with validity period of June 24, 2025 to June 23, 2026.

DSPP achieved commercial operations on June 24, 2025, with the commencement date counted from the start of the effectivity of the PAO. For the period of January 2025 to December 2025, the power plant produced 37.79 GWh.

San Jose Solar Power Project (SJSPP)
Solar Energy Service Contract (SESC) No. 2015-09-251

On July 19, 2023, the DOE approved the assignment of the SESC 2015-09-251 from V-Mars Solar Energy Corporation (V-MARS) to PGEC. Consequently, SJGEC was issued with a new Certificate of Registration (COR) with Registration No. SESC 2015-09-251-AF1. Later, on July 27, 2023, PGEC purchased parcels of land in San Jose and Science City of Muñoz, Nueva Ecija, from V-MARS. The land titles were registered under PGEC's name on September 21, 2023. The SEC approved the incorporation of SJGEC (Note 1d) on October 14, 2023 (Note 1d). On April 16, 2024, the DOE later approved the transfer of PGEC's SESC 2015-09-AF1 to SJGEC with the corresponding issuance of new COR No. SESC 2015-09-251-AF2.

Meanwhile, site clearing and development were substantially completed, enabling Schema Konsult, Inc. and Philcantech Enterprises to begin construction in Q1 2024. SJGEC entered into an Owner's Engineer Agreement with Maschinen and Technik Inc. for SJSPP's two phases - Phase 1 on January 23, 2024, and Phase 2 on June 5, 2024. The EPC contracts were awarded to Schema Konsult, Inc. on April 1, 2024, for Phase 1 and May 22, 2024, for Phase 2.

On May 3, 2024, SJGEC signed a Power Supply Agreement with SN Aboitiz Power - Magat, Inc. for the sale of SJSPP electricity generation.

On December 19, 2024, SJGEC signed the Connection Agreement and Distribution Wheeling Services Agreement with Nueva Ecija II Electric Cooperative (NEECO-II).

Following the NGCP issuance of Final Certificate of Approval to Connect (FCATC) on April 14, 2025, the Energy Regulatory Commission (ERC) issued a Provisional Approval to Operate (PAO) on July 15, 2025 with validity period of July 7, 2025 to July 6, 2026.

As confirmed by IEMOP and DOE, SJSPP Phase 1 commenced its WESM COD on August 1, 2025, Phase 2 on December 26, 2025. For the period of January 2025 to December 2025, the power plant produced 28.66 GWh.



Limbauan Solar Power Project (LSPP)
Solar Energy Service Contract (SESC) No. 2017-05-394

On November 10, 2020, BKS and Isabela Electric Cooperative II (ISELCO II) executed a 15-year Power Supply Agreement (PSA) with the ERC. As of December 31, 2024, the PSA approval remains pending with the ERC.

In September 2023, the BIR issued a Certificate Authorizing Registration for PGEC's acquisition of 100% of BKS's shares. As the acquisition was made through BKS's shares, the existing SESC between BKS and the DOE remains with BKS.

On December 1, 2023, BKS obtained the DOE's Clearance to undertake the System Impact Study (SIS), with submission to NGCP scheduled for January 2024. Additionally, on December 13, 2023, the DOE issued a Certificate of Award granting BKS's LSPSS-2 a Green Energy Tariff for twenty (20) years. The SIS was completed on September 23, 2024.

BKSGEC entered into an Early Works Agreement with Harmonic System Incorporated on October 2, 2024. On December 10, 2024, BKSGEC signed EPC contracts with Schema Konsult, Inc. for the DC portion and Harmonic System Incorporated for the AC portion of the project. On December 16, 2024, BKSGEC engaged Tractebel Engineering Ltd. as the Owner's Engineer.

On February 15, 2025, the DENR issued updated Environmental Compliance Certificate (ECC) covering LSPP-1 and LSPP-2 along with related grid connection facilities (i.e. substation, transmission line and switchyard).

On February 19, 2025, the Board of Investments issued Certificate of Registration to BKSGEC, entitling both LSPP-1 and LSPP-2 to incentives under Republic Act No. 9513.

After the completion of the solar farm and grid connection facilities, followed by the NGCP issuance of Provisional Certificate of Approval on Connect (PCATC) on December 17, 2025. Under testing and commissioning stage, LSPP-2 commenced exporting power to the grid on December 18, 2025. Until the end of the year 2025, LSPP-2 generated 1.07 GWh.

Panitan Solar Power Project (PSPP)
Certificate of Authority (COA) No. SCOA 2025-04-027

On November 20, 2024, the SEC approved the incorporation of EcoSolar Energy Corporation (ESEC), currently, a wholly owned subsidiary of PGEC.

As part of requirements for Certificate of Authority (COA), ESEC secured possessory rights over ~87 hectares of real estate property in Brgy. Timpas and Brgy. Capagao, Panitan, Capiz during Q4 2024 to Q1 2025.

On May 7, 2025, the DOE issued COA to ESEC, allowing ESEC to secure permits from relevant national agencies (NGA) and local government units (LGU) and conduct surveys prior to the commencement of the official 25-year contract.

Throughout 2025, ESEC performed pre-engineering studies, land surveys and consultations with the communities, LGUs and NGAs.

On September 29, 2025, the NGCP issued Offer of Service (OOS) for the preparation of SIS which is expected to be completed by January 2026.



On November 6, 2025, following ESEC’s successful participation in the Green Energy Auction Program Round 4 (GEA-4), the DOE issued a Notice of Award to ESEC for the PSPP. The project was awarded an offtake rate of Php4.30/kWh for a period of twenty (20) years, commencing in 2029 until 2049.

Collateral to Secure Borrowings

MGI has mortgaged as collateral in favor of RCBC (the Lender) its property consisting of real assets and chattel with the total carrying value of ₱4,922.08 million and ₱4,662.01 million as of December 31, 2025 and 2024, respectively, in relation to its Project Loan Facility and Loan Agreements with RCBC.

PSC mortgaged all its property and equipment related to TSPP-1 as collateral in connection with its loan in favor of PNB and DBP.

PWEI pledged all of its property and equipment items related to NWPP-1 and NWPP-2 as collateral to secure its borrowings to DBP.

DGEC mortgaged all its property and equipment related to DSPP as collateral in connection with its loan in favor of RCBC.

SGJEC pledged all its property and equipment related to SJSP as collateral in connection with is loan in favor of RCBC.

Capitalized Borrowing Costs

Borrowing costs incurred during the construction of the projects from the borrowings are capitalized as part of the development cost. The amount of borrowing cost capitalized during the year ending December 31, 2025 and 2024 amounts to ₱54.53 million and ₱72.85 million, respectively. No capitalization rate was applied as the loans are specific borrowings in relation to the construction of related projects.

12. Deferred Oil Exploration Costs

The movements in deferred oil exploration costs are as follows:

	2025	2024
Cost		
Balances at beginning of year	₱617,837,214	₱690,673,984
Additions	86,510,191	40,052,013
Transfer to property plant and equipment (Note 11)	–	(112,888,783)
Balances at end of year	704,347,405	617,837,214
Accumulated impairment losses		
Balances at beginning of year	186,420,501	303,877,019
Impairment loss (reversal) (Note 5)	–	(117,456,518)
Balances at end of year	186,420,501	186,420,501
	₱517,926,904	₱431,416,713



Details of deferred oil exploration costs as of December 31 are as follows:

	2025	2024
Cost		
Gabonese Oil Concessions	₱634,719,748	₱548,566,651
SC. No. 75 - Offshore Northwest Palawan	65,907,311	65,550,217
SC. No. 14 - C2 (West Linapacan)	3,720,346	3,720,346
	704,347,405	617,837,214
Accumulated impairment losses		
Gabonese Oil Concessions	182,700,155	182,700,155
SC. No. 14 - C2 (West Linapacan)	3,720,346	3,720,346
	186,420,501	186,420,501
	₱517,926,904	₱431,416,713

Philippine Oil Operations - Development Phase

Under the SCs entered into with the DOE covering certain petroleum contract areas in various locations in the Philippines, the participating oil companies (collectively known as “Contractors”) are obliged to provide, at their sole risk, the services, technology and financing necessary in the performance of their obligations under these contracts. The Contractors are also obliged to spend specified amounts indicated in the contract in direct proportion to their work obligations.

However, if the Contractors fail to comply with their work obligations, they shall pay to the government the amount they should have spent, but did not, in direct proportion to their work obligations. The participating companies have Operating Agreements among themselves which govern their rights and obligations under these contracts.

The full recovery of these deferred costs is dependent upon the discovery of oil in commercial quantities from any of the petroleum concessions and the success of future development thereof.

As of December 31, 2025 and 2024, the remaining participating interest of the Parent Company in Petroleum SC areas is SC 75 - Offshore Northwest Palawan wherein the Parent Company has 15% interest.

SC 75 – Offshore Northwest Palawan

Service Contract 75 (SC 75) was signed on December 27, 2013 with partners PXP Energy Corporation (PXP energy) [50%] and PNOC-Exploration Corporation (35%). The block covers the West Philippine Sea with an area of 616,000 hectares.

On October 14, 2020, the DOE issued a formal notice to the SC 75 consortium, lifting the Force Majeure imposed since September 2015. Through this letter, the consortium was notified to resume its Work Program commitments under SC 75, including the committed ~1,000 sq.km 3D seismic survey over the identified leads in SC 75.

On January 6, 2022, the SC 75 consortium officially engaged Shearwater Geoservices Ltd. For the ~1,100 sq.km 3D seismic survey over SC 75 using the M/V Geo Coral seismic vessel. However, the programmed 3D seismic acquisition campaign was suspended on April 6, 2022 after Operator PXP Energy received a written directive from the DOE to put all exploration activities on hold until the Security, Justice and Peace Coordinating Cluster (SJPC) issues the necessary clearance to proceed. On April 11, 2022, PXP declared a Force Majeure event over the suspended seismic survey.



The SC 75 consortium is awaiting further instructions from the DOE, while all contracted vessels and personnel for the seismic survey have since demobilized from the SC 75 area.

13. Investments in Joint Ventures and Business Combination

All joint ventures are incorporated in the Philippines. Details of the Company's investments with respective percentages of ownership follow:

Joint ventures	2025		2024	
	Percentages of ownership	Carrying values	Percentages of ownership	Carrying values
BUHAWIND EP	–	₱–	40%	₱1,234,000
BUHAWIND NL	–	–	40%	934,000
BUHAWIND NM	–	–	40%	714,000
		₱–		₱2,882,000

Buhawind NL, Buhawind NM, and Buhawind EP

As disclosed in Note 1d, the SEC approved the incorporation of BuhaWind Energy Philippines entities. PGEC invested ₱420,000 for each of the BEP Companies and accounted those as investment in joint ventures.

From 2022 to 2024, PGEC and CE proceeded with several feasibility studies for the three (3) offshore wind blocks, namely 1) desktop wind and met-ocean resource studies, 2) power market study, and 3) desktop site characterization studies in preparation for detailed geophysical and geotechnical studies.

On December 2, 2024, the NGCP issued the System Impact Study (SIS) for the 2,000 MW Northern Luzon Offshore Wind Project (NLOWPP).

For NLOWPP, PGEC and CE commenced with additional pre-development studies, namely: 1) initial environmental pre-scoping study conducted in October-November 2022, 2) Final System Impact Study (SIS) issued by NGCP in December 2024, 3) initial discussions with contractors for on-site wind measurement campaign with target commencement by Q2 2025 and 4) initial offshore wind port layout/configuration submitted to the DOE in April 2024.

On April 22, 2025, the DOE issued a Certificate of Energy Project of National Significance (CEPNS No. 2025-04-00258) to BENMC. On April 28–29, 2025, the DOE likewise issued CEPNS No. 2025-04-0263 and CEPNS No. 2025-04-0264 to BEEPC and BENLC, respectively.

On July 31, 2025, PGEC acquired all shares held by CE in BEEPC, BENMC, and BENLC, thereby making PGEC the 100% owner of the three Buhawind entities. On the same date, the Joint Venture Agreements governing the three SPVs were terminated, together with the Development Service Agreements with CE.

PGEC, through BENLC, also entered into a Memorandum of Understanding (MOU) with MingYang Smart Energy Group Co., Ltd. for the conduct of wind turbine generator (WTG) technical and economic feasibility studies for the Northern Luzon Offshore Wind Power Project.

As of December 31, 2025, these entities are still in the pre-development stage and have not yet started operations.



Change in classification of Investment in Buhawind though Step-up Acquisition accounted as Asset Acquisition

As a result of the change in ownership of Buhawind entities and subsequent termination of the Joint Venture Agreements governing the Buhawind SPVs, the Group derecognized the Investment in Joint Venture accounts in the Group's statement of financial position starting July 31, 2025. Accordingly, the Group accounted for the transaction as an acquisition of assets, whereby the identifiable assets acquired and liabilities assumed were recognized, and the total cost of the acquisition was allocated to those identifiable assets and liabilities.

The Group determined that the acquisition of Buhawind entities does not meet the definition of a business under PFRS 3 based on the following assessments:

- Concentration test - substantially all of the fair value of the gross assets acquired is concentrated in project development costs; and
- Input-Process-Output (IPO) assessment - only inputs are present. No substantive processes existed within the entities at the acquisition date, and there are no outputs nor the ability to produce outputs without acquiring substantive processes.

Considering that the acquisition is treated as acquisition of an asset, the total cost of the acquisition, including the carrying amount of the previously held interest, was allocated to the identifiable assets acquired and liabilities assumed. No goodwill or bargain purchase gain was recognized. Below is the summary of the total acquisition cost:

<i>Amounts in thousands</i>	BEEPC	BENLC	BENMC	Total
Carrying amount of 40% previously held interest	₱1,234	₱934	₱714	₱2,882
Consideration paid for additional 60% interest	994	354	130	1,478
Total acquisition cost	₱2,228	₱1,288	₱844	₱4,360

The carrying amount of investment in Buhawind entities amounting to ₱2.88 million previously classified under investment in joint venture account was reversed in 2025. Consequently, the Group recognized the following identifiable net assets of Buhawind as of the acquisition date:

<i>Amounts in thousands</i>	BEEPC	BENLC	BENMC	Total
Cash	₱4,083	₱926	₱573	₱5,582
Prepaid assets	109	257	109	475
Project development costs	19,371	118,895	32,968	171,234
Accounts payable and accrued expenses	(193)	(4,146)	(1,563)	(5,902)
Due to related parties	(21,726)	(115,464)	(31,870)	(169,060)
Net Assets of Buhawind as of acquisition date	1,644	468	217	2,329
Total consideration (acquisition cost)	2,228	1,288	844	4,360
Net assets of Buhawind as of acquisition date	1,644	468	217	2,329
Adjustment to recognize identifiable assets at allocated amounts based on relative fair values	₱584	₱820	₱627	₱2,031

Business Combination

PetroWind Energy Inc.

Prior to May 2023, PGEC's 40% interest in PWEI was accounted for as investment in joint venture. The other 60% interest are owned by EEIPC (20%) and BCPG Wind Cooperatief U.A. (40%).

As disclosed in Notes 1 and 5, the Group, through PGEC, consolidated PWEI's financials starting May 2023 as the Group gain control over the relevant activities of PWEI.



The following tables summarize the results of the business combination, including the purchase price allocation. The net assets recognized in the 2023 consolidated financial statements were based on a provisional assessment of their fair value. The valuation has not been completed by the date the 2023 consolidated financial statements were approved for issue by the BOD.

	2023	
	Initial	Final
Assets		
Cash and cash equivalents	₱441,078,571	₱441,078,571
Receivables	124,294,486	124,294,486
Contract asset	379,838,447	379,838,447
Other current assets	136,505,306	136,505,306
Property, plant and equipment	3,001,978,366	3,038,957,426
Customer relationship	310,311,852	707,523,800
Other noncurrent assets	477,222,750	477,222,750
	4,871,229,778	5,305,420,786
Liabilities		
Accounts payable and accrued expenses	107,390,978	107,390,978
Loans payable	1,731,204,893	1,731,204,893
Asset retirement liability	38,067,512	38,067,512
Accrued retirement liability	2,756,541	2,756,541
Deferred tax liability	–	138,837,688
	1,879,419,924	2,018,257,612
Total identifiable net assets at fair value	2,991,809,854	3,287,163,174
Non-controlling interest	(1,196,723,942)	(1,314,865,270)
Goodwill	741,446,021	95,802,529
Cost of acquisition/Total consideration	₱2,536,531,933	₱2,068,100,433
	Initial	Final
Cash	₱651,524,962	₱651,524,962
Fair value of previously held interest	1,885,006,971	1,885,006,971
Cost of acquisition/Total consideration	₱2,536,531,933	₱2,536,531,933
	Initial	Final
Fair value of previously held interest	₱1,885,006,971	₱1,885,006,971
Carrying value of previously held interest	1,930,901,680	1,930,901,680
Loss on remeasurement of previously held interest	₱45,894,709	₱45,894,709

Net cash outflow from the acquisition is as follows (show under investing activity cash flow in 2023):

Cash consideration	₱651,524,962
Less: Cash acquired from PWEI	441,078,571
Net cash outflow	₱210,446,391

Had the transaction taken place at the beginning of 2023, the contribution to the net income would have amounted to ₱236.62 million. Since this is a step acquisition, the contribution to the net income for the eight-month period ended December 31, 2023 amounted to ₱109.77 million from the date of acquisition.



The movements in the carrying value of Investment in PetroWind follow:

Balance at January 1, 2022	₱1,734,947,347
Share in net income of a joint venture	81,512,921
Additional investment during the year	59,041,563
Share in other comprehensive income	761,152
<u>Balance at December 31, 2022</u>	<u>1,876,262,983</u>
Share in net income of a joint venture for the four months ended April 30, 2024	50,738,697
Additional investment	3,900,000
<u>Balance prior to the business combination</u>	<u>1,930,901,680</u>
<u>Reclassification to investment in subsidiary</u>	<u>(1,930,901,680)</u>
<u>Carrying amount of investment in joint venture</u>	<u>₱-</u>

The cost of the investment in joint venture amounted to ₱576.98 million. The carrying value of the investment in joint venture prior to the business combination is equivalent to the Group's 40% share in PetroWind's equity, plus the fair value adjustment of ₱764.49 million recognized when the Group lost control over PetroWind in 2014.

Goodwill

Goodwill amounting to ₱95.80 million in 2024 is based on the final purchase price allocation study, represents the fair value of expected synergies arising from the business acquisition of PWEI. The Group performed its annual impairment testing and as of December 31, 2025 and 2024, management assessed that no impairment loss should be recognized for the goodwill with indefinite useful life. None of the goodwill recognized is expected to be deductible for income tax purposes.

As of December 31, 2025 and 2024, the recoverable amount of the CGU has been determined based on a VIU calculation using the cash flow projections for the remaining contract term of the related project. Key assumptions in the VIU calculation of the CGU are most sensitive to the discount rates and inputs to future cash flows such as growth rates and revenue and expenses forecasts.

- Future revenues and revenue growth rates. Cash flow projections based on financial budgets approved by management and the BOD covering the term of the projects.
- Long-term growth rate (5.67%). The long-term growth rate considers the historical growth rate of PWEI and the long-term growth rate for the energy sector.
- Discount rate (6.90% – 7.40%). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to comparable listed companies in the energy sector.

Customer relationship

Based on the final valuation performed, the Group has identified the final fair value of the other intangible asset which is the customer relationship with an estimated useful life of twenty-seven (27) years based on the remaining term of PWEI's service contract for the NWPP. The carrying value of customer relationship as of December 31, 2025 and 2024 amounted ₱636.77 million and ₱663.30 million, respectively, net of amortization during both years amounting to ₱26.53 million (Note 16).



14. Leases

The Group entered into lease contracts for office spaces and land used as geothermal field and photovoltaic (PV) solar power facility. The office space lease agreements are for a period of two (2) years and are renewable by mutual agreement of both parties.

The land lease agreement (LLA) with NPC and PSALM for the geothermal field in Sto. Tomas, Batangas has a lease term of twenty-five (25) years, extendable for another 25 years upon mutual agreement of both parties. These lots were later on acquired by MGI from PSALM in 2025.

After the first round of public bidding failed in 2023, on January 30, 2025, the Power Sector Assets and Liabilities Management Corporation (PSALM) conducted the second round of public bidding for the sale of three (3) lots where MGI's steamfield, access road, and outfield reinjection facilities are located. These lots were covered by lease agreements between MGI and PSALM: Two (2) lots were under a twenty (25)-year lease agreement beginning May 2012, while the other one (1) lot under a one (1)-year lease agreement beginning April 2024.

The minimum bid price for the properties was set at ₱473.17 million as MGI was the lone bidder, PSALM proceeded with a negotiated sale, in accordance with the Negotiation Procedures for the Sale of Maibarara Properties issued by PSALM's Privatization Bids and Awards Committee (PBAC).

In reference to the abovementioned lease agreement, the unused portion of MGI's prepaid rent corresponding to the remaining term of the lease agreement was determined and a rental refund of ₱38.57 million and ₱5.12 million for the twenty (25)-year lease agreement and (1)-year lease agreement, respectively, was paid by PSALM to MGI. Loss on derecognition of the ROU asset amounted to ₱13.19 million.

The two lease agreements with Luisita Industrial Park Corporation (LIPCO) for land used for the photovoltaic solar power facility in Tarlac are for a period of 25 years, renewable by mutual agreement of both parties, generally under the same terms and conditions, with escalation clause of 3% for TSPP-1 and 2% for TSPP-2 every two (2) years.

The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for all other leases, including leases of vehicles and parking slots.

The rollforward analyses of right-of-use assets follow:

	2025		
	Land	Office spaces	Total
Cost			
Beginning balances	₱448,439,647	₱10,853,185	₱459,292,832
Additions	–	3,861,156	3,861,156
Derecognition	(106,193,531)	–	(106,193,531)
Ending balances	342,246,116	14,714,341	356,960,457
Accumulated amortization			
Beginning balances	149,116,651	7,822,373	156,939,024
Amortization (Notes 23 and 25)	8,351,469	3,496,007	11,847,476
Derecognition	(54,427,359)	–	(54,427,359)
Ending balances	103,040,761	11,318,380	114,359,141
Net book values	₱239,205,355	₱3,395,961	₱242,601,316



	2024		
	Land	Office Spaces	Total
Cost			
Beginning balances	₱448,519,900	₱10,734,332	₱459,254,232
Additions	–	3,130,843	3,130,843
Derecognition	(80,253)	(3,011,990)	(3,092,243)
Ending balances	448,439,647	10,853,185	459,292,832
Accumulated amortization			
Beginning balances	128,971,886	7,387,883	136,359,769
Amortization (Notes 23 and 25)	20,144,765	3,446,480	23,591,245
Derecognition	–	(3,011,990)	(3,011,990)
Ending balances	149,116,651	7,822,373	156,939,024
Net book values	₱299,322,996	₱3,030,812	₱302,353,808

The amortizations of the right-of-use of the lands in Tarlac and Batangas are presented as part of “Cost of electricity sales” (Note 23) while the amortizations of the right-of-use of office spaces are presented as part of “General and administrative expenses” (Note 25) in the consolidated statements of comprehensive income.

No lease liability was recognized for leases of land that have been fully prepaid. The rollforward analyses of lease liabilities follow:

	2025	2024
Beginning balance	₱319,125,070	₱324,638,301
Additions	3,861,156	3,130,843
Interest expense	34,713,886	29,775,114
Payments	(39,218,838)	(38,419,188)
Ending balance	318,481,274	319,125,070
Less current portion	11,057,153	37,063,244
Noncurrent portion	₱307,424,121	₱282,061,826

The following are the amounts recognized in the consolidated statements of comprehensive income:

	2025	2024	2023
Interest expense on lease liabilities	₱34,713,886	₱29,775,114	₱30,197,662
Amortization expense of right-of-use assets (Notes 23 and 25)	11,847,476	23,591,245	23,581,348
Rent expense - short-term and low value assets (Note 25)	3,432,656	3,052,861	2,163,157
	₱49,994,018	₱56,419,220	₱55,942,167

Shown below is the maturity analysis of the undiscounted lease payments as of December 31:

	2025	2024
Within one year	₱37,772,465	₱35,678,238
After one year but not more than five years	150,545,176	146,335,623
More than five years but less than 10 years	399,467,125	437,143,616
	₱587,784,766	₱619,157,477



15. Investment Properties

As of December 31, 2025 and 2024, this account consists of land and parking lot space with cost amounting to ₱0.83 million and ₱0.78 million, respectively, and is being held for capital appreciation.

The fair value of the investment properties of the Parent Company is between ₱1.00 million to ₱1.70 million as of December 31, 2025 and 2024. The Parent Company determined the fair values of the Parent Company's investment properties on the basis of recent sales of similar properties in the same areas as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made.

As of December 31, 2025 and 2024, the fair value of the investment properties is classified under the Level 3 category.

Except for insignificant amounts of real property taxes on the investment properties, no other expenses were incurred, and no income was earned in relation to the investment properties in 2025, 2024 and 2023.

16. Intangible Assets and Goodwill

	2025					Total
	Goodwill	Customer relationship	Land rights	Production license	Software and others	
Cost						
Balances at beginning of year	₱95,802,529	₱707,523,801	₱153,277,610	₱45,074,178	₱48,994,290	₱1,050,672,408
Additions	–	–	4,200,000	–	4,011,055	8,211,055
Balances at end of year	95,802,529	707,523,801	157,477,610	45,074,178	53,005,345	1,058,883,463
Accumulated amortization						
Balances at beginning of year	–	44,220,238	54,686,146	27,737,958	48,070,585	174,714,927
Amortization	–	26,532,143	6,269,438	4,622,993	3,340,723	40,765,297
Balances at end of year	–	70,752,381	60,955,584	32,360,951	51,411,308	215,480,224
Net book values	₱95,802,529	₱636,771,420	₱96,522,026	₱12,713,227	₱1,594,037	₱843,403,239
2024						
	Goodwill	Customer relationship	Land rights	Production license	Software and others	Total
Cost						
Balances at beginning of year	₱95,802,529	₱707,523,801	₱153,277,610	₱45,074,178	₱47,964,856	₱1,049,642,974
Additions	–	–	–	–	1,029,434	1,029,434
Balances at end of year	95,802,529	707,523,801	153,277,610	45,074,178	48,994,290	1,050,672,408
Accumulated amortization						
Balances at beginning of year	–	17,688,095	48,555,042	23,114,965	46,233,347	135,591,449
Amortization	–	26,532,143	6,131,104	4,622,993	1,837,238	39,123,478
Balances at end of year	–	44,220,238	54,686,146	27,737,958	48,070,585	174,714,927
Net book values	₱95,802,529	₱663,303,563	₱98,591,464	₱17,336,220	₱923,705	₱875,957,481

Intangible assets (other than goodwill) pertain to land rights, which refers to grant of easement of right of way entered by PetroSolar to construct, operate, maintain, repair, replace and remove poles, wire, cables, apparatus, and equipment and such other apparatus and structures needed for the transmission line. These also include production license and software for accounting and for geological interpretation of Gabon Etame oil fields.



Amortization expense charged to profit or loss follows:

	2025	2024	2023
Cost of electricity sales (Note 23)	₱35,234,947	₱34,021,140	₱28,428,609
General and administrative expenses (Note 25)	907,357	479,345	384,827
Oil production operating expenses (Note 24)	4,622,993	4,622,993	4,622,993
	₱40,765,297	₱39,123,478	₱33,436,429

17. Other Noncurrent Assets

	2025	2024
Input VAT	₱660,598,036	₱594,365,675
Deferred development costs (Note 5)	420,625,691	328,202,131
Advances to contractors	113,165,711	507,039,790
Restricted cash	18,346,531	18,051,626
Others (Note 20)	51,347,480	49,312,712
	1,264,083,449	1,496,971,934
Less allowance for probable losses	(11,655,632)	(7,095,450)
	₱1,252,427,817	₱1,489,876,484

Input VAT

Input VAT represents VAT passed on from purchases of goods and services that can be claimed against any future liability to the BIR for output VAT from sale of goods and services. Input VAT is offset against output VAT.

Input VAT also includes outstanding input VAT claims that were applied for refund with the BIR.

Deferred development costs

These pertain to costs incurred in the exploration, development, production and expansion of renewable energy projects.

Advances to contractors

Advances to contractors pertain to the downpayments to various contractors for the purchase of materials and equipment.

Restricted cash

This pertains to the Parent Company's share in the non-current portion of escrow fund for the abandonment of the Etame Marine Permit.

Others

Other noncurrent assets pertain to net retirement asset, noncurrent portion of prepaid insurance, security deposits, advances to contractors and lot owners and balance of MERALCO account billing deposits.

Interest income on security deposits amounted to ₱0.15 million, ₱0.23 million and ₱0.22 million in 2025, 2024 and 2023, respectively.



18. Accounts Payable and Accrued Expenses

	2025	2024
Accounts payable	₱705,884,830	₱422,526,518
Accrued expenses		
Utilities	187,835,497	181,608,624
Interest (Note 19)	161,766,163	160,369,989
Sick/vacation leaves	29,751,733	28,172,804
Professional fees	30,644,836	22,182,580
Profit share	8,834,152	14,570,970
Deferred development cost	–	11,778,871
Operations and maintenance	3,267,968	6,020,741
Due to related party (Note 27)	1,169,818	539,417
Others	11,861,530	5,131,433
Withholding taxes and other tax payables	26,783,713	28,191,112
Due to NRDC	2,269,737	2,269,737
Others	19,477,349	16,604,352
Total	₱1,189,547,326	₱899,967,148

Accounts payable mainly consist of payables to suppliers and contractors that are currently involved in the development, construction and operations of energy projects. Accounts payable also include unclaimed checks pertaining to dividends payable amounting to ₱11.89 million and ₱11.39 million as of December 31, 2025 and 2024, respectively. Other accrued expenses mainly consist of DOE training assistance, insurance, and other accrued expenses.

The Group's accounts payable and accrued expenses are due within one year.

19. Loans Payable

The Group's loans payable as of December 31 follow:

	2025	2024
Principal, balance at beginning of year	₱8,212,548,049	₱7,936,435,793
Availments	3,373,953,184	4,271,681,074
Principal payments	(2,072,962,112)	(3,995,568,818)
Principal, balance at end of year	9,513,539,121	8,212,548,049
Less unamortized deferred financing cost	(81,687,121)	(67,254,131)
	9,431,852,000	8,145,293,918
Less current portion - net of unamortized deferred financing cost	(1,920,876,205)	(1,263,628,373)
Noncurrent portion	₱7,510,975,795	₱6,881,665,545

PetroEnergy's short-term and long-term loans payable

PetroEnergy entered into unsecured loan agreements to finance its investments in Renewable Energy Projects.



Omnibus Credit Line Agreement (OCLA) with the Development Bank of the Philippines (DBP)

On April 27, 2015, the Parent Company entered into an OCLA with DBP which provides a credit facility in the principal amount not exceeding ₱420 million. Effective January 19, 2021, the credit facility was reduced to ₱300 million. Loans payable to DBP as of December 31, 2022 are as follows:

- ₱63 million with interest rate of 5.8% and maturity on January 10, 2023
- ₱108 million with interest rate of 5.5% and maturity on January 26, 2023
- ₱80 million with interest rate of 5.8% and maturity on June 23, 2023

In 2023, the Parent Company paid in full the outstanding short-term loans from DBP.

Short-Term and Long-term Loan Facility with the Bank of the Philippine Island (BPI)

On April 19, 2023, the Parent Company was granted a short-term loan facility by BPI which provides a principal amount not exceeding ₱2.6 billion plus ₱1.0 billion blanket line with 1 year validity. Loans payable to BPI as of December 31, 2023 are as follows:

- ₱200 million with interest rate of 7.00% and maturity on April 11, 2024
- ₱551.52 million with interest rate of 7.00% and maturity on May 2, 2024
- ₱61.26 million with interest rate of 7.00% and maturity on February 28, 2024
- ₱1.25 billion with interest rate of 7.50% and maturity on January 31, 2024
- ₱422.51 million with interest rate of 7.50% and maturity on January 31, 2024
- ₱272.86 million with interest rate of 7.50% and maturity on January 31, 2024

On January 28, 2024, the Parent Company secured a 10-year long-term loan facility from BPI amounting to ₱2.55 billion with the following drawdowns, all with January 31, 2034 as the maturity date:

- ₱1.95 billion with interest rate of 7.2984%; Promissory Note (PN) Date: January 31, 2024
- ₱62.5 million with interest rate of 7.4449%; PN Date: February 28, 2024
- ₱201.5 million with interest rate of 7.4224%; PN Date: April 11, 2024
- ₱286.0 million with interest rate of 7.8449%; PN Date: May 02, 2024

The proceeds were used to settle the short-term loans due in January to May 2024.

Short-term and Long-term Loan Facility with Rizal Commercial Banking Corporation (RCBC)

On August 15, 2024, PetroEnergy converted its short-term loan from RCBC to long term loan amounting to ₱278.50 million with interest of 7.3553% and maturity date of August 15, 2034. As of December 31, 2025 and 2024, the company has no existing short-term loan from RCBC.

The Term Loan Facility Agreement of BPI and RCBC are subject to certain covenants including maintaining a debt to equity ratio of 2.33:1 and debt service coverage ratio of atleast 1.1:1. As of December 31, 2025 and 2024, the Parent Company is in compliance with the required ratios.

Interest expense related to PERC's loans amounted to ₱209.30 million, ₱208.81 million and ₱107.76 million in 2025, 2024 and 2023, respectively. Accrued interest payable amounted to ₱72.50 million and ₱72.95 million as of December 31, 2025 and 2024, respectively (Note 18).



PetroGreen's long-term loans payable

Long-term loan with RCBC

On November 16, 2020, PetroGreen obtained a new long-term unsecured loan from RCBC amounting to ₱400.00 million. The loan bears interest at a fixed rate of 4.74% payable semi-annually. The principal amount is payable in five equal annual installments starting November 11, 2021.

As of December 31, 2025 and 2024, the outstanding balance of this loan, net of unamortized deferred financing costs, amounted to nil and ₱79.87 million, respectively.

Interest expense related to PGEC's loan amounted to ₱3.67 million, ₱7.89 million and ₱12.06 million in 2025, 2024 and 2023, respectively. Accrued interest payable amounted to nil and ₱0.43 million as of December 31, 2025 and 2024, respectively (Note 18). Final settlement of loan was on November 17, 2025.

The loan covenants covering the outstanding debt of the PGEC include, among others, the following conditions: maintenance at all times of Debt-to-Equity (DE) Ratio of not greater than 2.5:1, Default Debt Service Coverage Ratio (DSCR) of at least 1.10x, Distribution DSCR of at least 1.20x and Current Ratio of above 1.0x. As of December 31, 2025 and 2024, the Company was in compliant with all the above conditions in 2025 and 2024.

MGI's long-term loans payable

Project Loan Facility Agreements with RCBC

On May 19, 2016, MGI, together with PetroGreen, PHINMA and PNOC RC executed the Project Loan Facility Agreement with RCBC for a ₱1,400 million project loan to finance the design, development and construction of MGPP-2 or M2.

On September 5, 2016, MGI, together with PetroGreen, PHINMA and PNOC RC executed another Project Loan Facility Agreement with RCBC for a ₱2,100.00 million project loan to finance the design, development and construction of MGPP-1 or M1. This was done to consolidate the outstanding principal of the term loan under the 2011 OLSA with RCBC and BPI, incidental costs, general corporate expenditures and working capital requirement.

Loan Agreement with RCBC

On February 17, 2025, MGI secured a ₱500 million Short-Term Loan (STL) from RCBC to finance the acquisition of the abovementioned PSALM lots. The said STL carried a 6.69% interest per annum payable monthly beginning March 19, 2025, while the total loan principal is due on February 12, 2026. Interest expense on the STL amounted to ₱24.84 million in 2025.

On October 15, 2025, the Company entered into a ₱1,200 million Loan Agreement with RCBC to refinance the balance of M2 Expansion and the Short-Term Loan.

On October 16, 2025, the Company pre-terminated through the said refinancing M2 expansion loan with outstanding principal of ₱502.86 million, together with the ₱500 million Short-Term Loan. The combined outstanding principal of ₱1,002.86 million was repaid resulting in recognition of finance cost on extinguishment of loan amounting to ₱4.26 million.

MGPP-1 or M1 Loan

The new MGPP-1 or M1 loan amounting to ₱2,100 million has a term of ten (10) years from the drawdown date of October 10, 2016. Interest and principal are payable semi-annually. Interest payment started on October 12, 2016, while the twenty (20) semi-annual principal payments started on April 12, 2017.



Interest rate is fixed for the first five (5) years from drawdown date, based on the sum of the prevailing 5-year fixed benchmark rate on the pricing date and the margin of 1.75% (the “Initial Interest Rate”). On the repricing date, the interest for the remaining five (5)-year term of the loan will be the higher of (i) the sum of then prevailing 5-year fixed benchmark rate plus the margin of 1.75%, or (ii) the initial interest rate.

Interest expense on recognized from the loan amounted to ₱25.28 million, ₱41.51 million and ₱57.70 million in 2025, 2024 and 2023, respectively.

MGPP-2 or M2 Expansion Loan

The MGPP-2 or M2 Expansion Loan amounting to ₱1,400 million has a term of twelve (12) years including thirty-six (36) months grace period from initial drawdown date of June 2, 2016. Interest and principal are payable semi-annually. Interest payment started on October 12, 2016, while the eighteen (18) semi-annual principal payments started on October 12, 2019.

Interest rate is fixed for the first seven (7) years from the initial drawdown date based on the sum of the prevailing 7-year fixed benchmark rate on the pricing date and the applicable margin of (1) 2.25% per annum prior to commercial operations date, or (2) 1.75% per annum from and after the Commercial Operations Date (the “Initial Interest Rate”). For subsequent drawdowns, interest rate will be the three (3) – day simple average interpolated rate based on the remaining tenor and computed using the straight-line method. On the repricing date, the interest for the remaining five (5)-year term of the loan will be the higher of (i) the sum of the then prevailing 5-Year fixed benchmark rate plus the applicable margin, or (ii) the weighted average interest rate during the first seven (7) years of the loan.

Interest expense on the loan amounted to ₱39.44 million, ₱61.18 million and ₱43.15 million in 2025, 2024 and 2023 respectively.

Term Loan

The term loan amounting to ₱1,200 million has a tenor of six (6) years from the drawdown date of October 16, 2025. Interest and principal are payable semi-annually. Interest and the twelve (12) semi-annual principal repayments will start on April 12, 2026.

Interest rate is fixed for the first three (3) years from drawdown date, equivalent to PHP BVAL plus spread per annum equal to [115]bps subject to 6% floor interest. Base rate shall be determined two business days prior to each drawdown date and prior to the relevant interest rate setting date and shall be equal to the applicable PHP BVAL reference rate, as published on the Philippine Dealing and Exchange Corporation (“PDEX”) page of Bloomberg at approximately 5:00pm (Manila Time) on the Interest Rate Setting Date. Interest expense on the term loan amounted to ₱14.39 million in 2025.

Accrued interest payable amounted to ₱14.58 million and ₱15.57 million as of December 31, 2025 and 2024, respectively (Note 18).

As of December 31, 2025 and 2024, the total outstanding balance of these loans amounted to ₱1,235.16 million and ₱1,177.87 million, respectively.

The loan covenants covering the outstanding debt of the Company include, among others, the following conditions: maintenance at all times of Debt-to-Equity (DE) Ratio of not greater than 70:30, Default Debt Service Coverage Ratio (DSCR) of at least 1.10x both until full payment of the loans, and Dividend DSCR of at least 1.20x. MGI is also required to transfer to the DSPA funds equivalent to one-sixth (1/6) of the amount sufficient to pay for the forthcoming debt service scheduled in April and October of every year until the loan is fully paid off (Note 8). As of December 31, 2025 and 2024, the Company is compliant with all the above conditions.



Both M1 and M2 Expansion loans are secured by mortgage collateral (Note 11).

PetroSolar's long-term loans payable

On November 12, 2015, the PetroSolar, together with PetroGreen and EEIPC, as third party mortgagors and pledgors, entered into a ₱2,600 million OLSA with PNB and DBP specifically to partially finance the design, development, procurement, construction, operation and maintenance of its TSPP.

PetroSolar shall fully pay the loan for the pro-rata account of each lender within twelve (12) years from and after the date of the initial drawdown. Interest and principal are payable semi-annually. Interest payment started on May 27, 2016, while the twenty-two (22) semi-annual principal payments started on November 27, 2016.

The rate of the interest applicable to the facility or the relevant part thereof for each interest period shall be fixed for the first seven periods (7) from the initial drawdown date (the Initial Interest Rate). Prior to the FIT entitlement and collection of FIT revenues of the borrower, the rate shall be the higher of: (i) the aggregate of the seven (7) year PDST-R2 and the initial credit spread of 2.25%, or (ii) the minimum interest rate of 5.75%. Upon FIT entitlement of at least 40MW and collection of FIT revenues by the borrower equivalent to an aggregate of at least four hundred seventy three million pesos (₱473,000,000) within a period not exceeding twelve (12) consecutive months, the rate shall be the higher of (i) the weighted average interest rate in previous drawdowns less the step down credit spread of 0.25%, or (ii) minimum interest rate, and which interest rate shall be applied beginning the following month immediately succeeding the month wherein the aforesaid FIT entitlement and FIT revenue collection thresholds were satisfied. PetroSolar met the criteria for FIT entitlement and aggregate collection of at least ₱473 million within 12 months which resulted in a lower interest rate effective July 2017.

On November 25, 2022, the OLSA reached the 7th year of its term. The repricing date, based on the OLSA, shall occur by the end of the 7th year from the initial drawdown date, on which date, the interest rate for the remaining five (5) year tenor will be repriced. The new applicable interest rate is 9.12% after the repricing. This was renegotiated to be reduced from 9.12% to 8.59% which was approved by the PNB and DBP and made effective starting May 26, 2023.

The loan covenants covering the outstanding debt of PetroSolar include, among others, maintenance of debt-to-equity ratio of 75:25 and establishment of DSPA required balance (Note 7). As of December 31, 2025 and 2024 PetroSolar is in compliance with the said loan covenants. As of December 31, 2025 and 2024, the outstanding balance of this loan amounted to ₱339.55 million and ₱561.37 million, respectively.

Interest expense of PetroSolar related to the loans amounted to ₱47.70 million, ₱68.94 million and ₱89.63 million in 2025, 2024 and 2023, respectively. Accrued interest payable amounted to ₱2.34 million and ₱3.90 million as of December 31, 2025 and 2024, respectively (Note 18).

PetroSolar mortgaged all of its property and equipment related to TSPP-1 as collateral in connection with the loan (Note 11).

PetroWind long-term loans

NWPP-1

On November 4, 2013, PetroWind entered into ₱2.80 billion OLSA with DBP to finance the NWPP-1. Subsequently, on June 4, 2015, an amended agreement was entered between PetroWind and DBP for an increase in credit line amounting to ₱200 million.

The principal shall be payable in twenty-five (25) equal semi-annual installments after the initial drawdown, along with interest charges. The first debt service was made on January 10, 2017.



The rate of interest was initially set at 6.32% per annum, equal to benchmark rate plus 225 basis points (bps) per annum or 5.50% per annum, whichever is higher, subject to repricing every five (5) years. The new interest rate after the first repricing date last January 10, 2019 was 9.01% per annum. This was renegotiated to be reduced from 9.01% to the higher between the benchmark rate plus 125 bps per annum or 7.00% per annum. The reduced interest rate of 7% per annum was approved by the bank and made effective starting July 2, 2019. This amendment did not result to the extinguishment of the loan.

On January 10, 2024, another repricing took place in accordance with the provision of the OLSA. As such, the interest rate after repricing was adjusted to 7.31% per annum.

On May 16, 2025, the Company entered into ₱111.84 million OLSA with DBP to finance the restoration of WTG 14 of Nabas-1 Project.

The total interest expense incurred amounted to ₱73.67 million and ₱89.94 million in 2025 and 2024, respectively.

NWPP-2

On February 22, 2023, entered into ₱1.81 billion OLSA with DBP to finance the NWPP-2. The principal shall be payable in twenty-five (25) equal semi-annual installments in arrears to commence at the earlier of thirty-sixth (36th) month from initial drawdown or six (6) months from COD until fully paid. The interest shall be for fixed two (2) years based on the higher of 2-year BVAL plus 1.0% p.a. or 6.25% p.a. determined at the time of drawdown subject to repricing.

On November 20, 2024, the Company secured a ₱265.00 million short-term loan with Bank of the Philippine Islands to partially finance the completion of the Nabas-2 Project. The principal amount shall be payable in ninety (90) days subject to renewal with interest initially fixed at the rate of 6.30% per annum.

The interest shall be fixed for two (2) years based on the higher of 2-year BVAL plus 1.00% p.a. or 6.25% p.a. determined at the time of drawdown subject to repricing.

On March 07, 2025, repricing took place in accordance with the provision of the OLSA. As such, the interest rate after repricing was set at 7.01% per annum.

Loan interests amounting to ₱79.53 million and ₱42.82 million in 2025 and 2024, respectively, are part of Interest expense under "Other income (charges)".

The Company has drawn a total of ₱1.54 billion as of December 31, 2025, the balance will be subsequently drawn in 2026.

Interest payable for Nabas-1 and Nabas-2 amounted to ₱62.55 million and ₱65.41 million as of December 31, 2025 and 2024, respectively (Note 18).

Short-term loan

The Company secured short-term loans amounting to ₱322.00 million in 2025 and ₱265.00 million in 2024 from the Bank of the Philippine Islands to finance the completion of the Nabas-2 Project. The principal amount shall be payable in ninety (90) days subject to renewal, with interest initially fixed at rates ranging from 6.15% to 6.30% per annum.

Loan interests amounting to ₱11.97 million in 2025 and nil in 2024 are part of interest expense under "Other income (charges)".



Capitalized Borrowing Cost

Loan interests during construction amounting to ₱34.47 million and ₱34.95 million in 2025 and 2024, respectively, are part of deferred development cost under “Other noncurrent asset”, these amounts were subsequently reclassified to PPE account in August 2025 upon completion of the remaining three (3) WTGs.

Loan Covenants, Financing Charges

For Nabas-1 and Nabas-2, the loan covenants require the Company to maintain a debt-to-equity ratio of not more than 70:30 and maintain a DSRA with required balance equivalent to one principal plus one interest semi-annual payment at all times until full settlement of the loan (Note 8). As of December 31, 2025 and 2024, the Company is in compliance with the said major loan covenants. .

PetroWind pledged all of its property and equipment items as collateral to secure its borrowings (Note 11).

Dagohoy Green Energy Corporation

Omnibus Loan and Security Agreement (OLSA) with RCBC

On May 20, 2024, the Company, together with PGEC as the grantor, mortgagor, surety and guarantor and RGEC, as the share collateral security grantor, grantor, and guarantor, entered into OLSA of up to ₱834.76 million with RCBC specifically to partially finance the design, development, procurement, construction, operation and maintenance of its Dagohoy Solar Power Project (Note 11).

The Company shall fully pay the loan within twelve (12) years from and after the date of the initial drawdown. Interest and principal are payable semi-annually.

The rate of interest applicable is determined by the Facility Agent in reference to the 2-year BVAL rate for two (2) years from the initial drawdown date plus the margin of 1.75% before Commercial Operations Date (COD), to be reduced by 0.25% after the COD. On the First Repricing Date (2nd anniversary of the closing date) and Second Repricing Date (7th anniversary of the closing date), the rate of interest is determined by the Facility Agent by reference to the 5-year BVAL rate.

The Company has drawn a total of ₱763.24 million as of December 31, 2024.

The loan covenant of DGEC requires the company to maintain a Debt Service Coverage Ratio (DSCR) of at least equivalent to the Maintenance DSCR commencing on the first anniversary of the commercial operations until the loan satisfaction date, and debt to equity ratio not exceeding the maintenance debt to equity ratio commencing on the closing date until the loan satisfaction date. In 2024, the Company was not yet required to comply with the DSCR covenant but was in compliance with the debt to equity covenant. As of December 31, 2025, DGEC is in compliance with the said loan covenants.

The total interest incurred amounted to ₱63.20 million and ₱21.45 million in 2025 and 2024, respectively. Accrued interest payable amounted to ₱2.57 million and ₱2.10 million as of December 31, 2025 and 2024, respectively.

Bugallon Green Energy Corporation

Omnibus Loan and Security Agreement (OLSA) with RCBC

On October 28, 2025, the Company, together with PGEC as the grantor, mortgagor and guarantor and RGEC, as the share collateral security grantor and guarantor, entered into OLSA of up to ₱826.26 million with RCBC specifically to partially finance the design, development, procurement, construction, operation and maintenance of its Bugallon Solar Power Project.



The Company shall fully pay the loan within twelve (12) years from and after the date of the initial drawdown. Interest and principal are payable semi-annually.

The rate of interest applicable is determined by the Facility Agent in reference to the 2-year BVAL rate for two (2) years from the initial drawdown date plus the margin of 1.75% before Commercial Operations Date (COD), to be reduced by 0.25% after the COD. On the First Repricing Date (2nd anniversary of the closing date) and Second Repricing Date (7th anniversary of the closing date), the rate of interest is determined by the Facility Agent by reference to the 5-year BVAL rate.

The Company has drawn a total of ₱693.26 million as of December 31, 2025, the balance will be subsequently drawn in 2026.

The loan covenant of BGEC requires the company to maintain a Debt Service Coverage Ratio of at least equivalent to the Maintenance DSCR commencing on the first anniversary of the Commercial Operations until the Loan Satisfaction Date, and Debt to Equity Ratio not exceeding the Maintenance Debt to Equity Ratio commencing on the Closing Date until the Loan Satisfaction Date. As of December 31, 2025, DSCR maintenance requirement is not yet applicable since BGEC is not yet operational.

The total interest incurred amounted to ₱6.63 million in 2025. This amount is presented as part of the project cost under deferred development costs. As of December 31, 2025, accrued interest payable amounted to ₱5.64 million.

San Jose Green Energy Corporation

Omnibus Loan and Security Agreement (OLSA) with RCBC

On June 10, 2025, the company entered into an Omnibus Loan and Security Agreement (OLSA) with Rizal Commercial Banking Corporation (RCBC) of up to ₱498.00 million loan to finance the design, development, procurement, construction, operation and maintenance of San Jose Power Project.

As of December 31, 2025, the company has outstanding loans amounting to ₱469.00 million.

The loan shall be fully paid and liquidated in twelve (12) years from and after the date of initial borrowing. It shall be repaid in twenty-one (21) equal semi-annual installments which will start on June 30, 2027. The whole amount of loans payable is presented as part of noncurrent liabilities.

The rate of interest applicable to the facility or the relevant part thereof for each interest period shall be fixed from the initial drawdown date (the Initial Interest Rate). Gross Receipts Tax (GRT) and other applicable taxes, except income taxes, shall be for the account of the Company.

The total interest incurred in amounted to ₱27.99 million in 2025 and ₱0.39 million in 2024.

Deferred financing costs

Deferred financing costs are incidental costs incurred in obtaining the loan which includes documentary stamp tax, transfer tax, chattel mortgage, real estate mortgage, professional fees, arranger's fee and other costs directly attributable in obtaining the loan. The balance of unamortized deferred financing costs is presented as a deduction from the loans payable account and is amortized over the term of the loan using the effective interest rate method.



Details of the Groups' unamortized deferred financing costs follow:

	2025	2024
Balance at beginning of year	₱67,254,131	₱58,271,273
Additions	36,959,481	21,663,453
Less amortization during the year	(22,526,491)	(12,680,595)
Balance at end of year	₱81,687,121	₱67,254,131

20. Other Noncurrent Liabilities

Asset Retirement Obligations

The Group has recognized its share in the abandonment costs associated with the Etame, Avouma and Ebouri oilfields located in Gabon, West Africa, geothermal field located in Sto. Tomas, Batangas, photovoltaic (PV) solar power facility in Tarlac, and wind power facility in Aklan.

Movements in this account follow:

	2025	2024
Balances at beginning of year	₱162,534,249	₱167,532,915
Change in estimates (Note 11)	277,793,991	(19,037,277)
Accretion expense	11,485,205	11,980,721
Foreign exchange adjustment	850,886	2,057,890
Balances at end of year	₱452,664,331	₱162,534,249

Discount rates ranging from 6.18% to 9.50% in 2025 and 6.10% to 9.50% in 2024 were used in estimating the provisions (Note 5).

Accrued Retirement Benefits

The Group has defined benefit retirement plans (the Plan) for all of its employees. The Plan provides for normal and early retirement, as well as death and disability benefits and is funded and noncontributory. The latest retirement valuation was as of December 31, 2025.

The retirement fund is administered by RCBC, appointed as trustee. The fund has no investments in the Group's equity as of December 31, 2025 and 2024.

Retirement benefits cost consists of:

	2025	2024
Current service cost	₱11,669,313	₱10,383,432
Net interest expense	2,498,315	1,395,975
Pension benefits cost	₱14,167,628	₱11,779,407

The accrued retirement liabilities (net retirement asset) recognized in the consolidated statements of financial position as of December 31 are as follows:

	2025	2024
Net retirement asset (Note 17)	₱-	₱5,434,706
Accrued retirement liabilities	(58,455,059)	(45,610,791)
Present value of defined benefit obligation	138,216,601	113,514,501
Fair value of plan assets	(79,761,542)	(73,338,416)
Net accrued retirement liabilities	₱58,455,059	₱40,176,085



The movements in the accrued retirement liabilities (asset) recognized in the consolidated statements of financial position are as follows:

	2025	2024
Beginning balance	₱40,176,085	₱22,527,962
Retirement benefits cost	14,197,628	11,779,407
Re-measurement loss on defined benefit plan	9,388,044	11,175,414
Contributions	(5,306,698)	(5,306,698)
Ending balance	₱58,455,059	₱40,176,085

Changes in the present value of the defined benefit obligation are as follows:

	2025	2024
Beginning balance	₱113,514,501	₱88,628,376
Current service cost	11,699,313	10,383,432
Interest cost	7,042,824	5,554,641
Benefits paid	(3,243,649)	(1,735,731)
Actuarial losses (gains) arising from:		
Changes in financial assumptions	(6,588,272)	567,343,
Changes in demographic assumptions	5,881,556	5,060,049
Experience adjustments	9,910,328	5,056,391
Ending balance	₱138,216,601	₱113,514,501

Changes in the fair value of plan assets as of December 31 are as follows:

	2025	2024
Beginning balance	₱73,338,416	₱66,100,414
Interest income	4,544,509	4,158,666
Actuarial loss	(184,432)	(491,631)
Benefit paid	(3,243,649)	(1,735,731)
Contributions	5,306,698	5,306,698
Ending balance	₱79,761,542	₱73,338,416

The components of net plan assets are as follows:

	2025	2024
Cash and cash equivalents	₱38,282,561	₱31,887,564
Investments in quoted government securities	40,494,395	40,868,803
Interest receivable	899,194	563,004
Others	85,392	19,045
	₱79,761,542	₱73,338,416

The actual return on plan assets amounted to ₱4.36 million, ₱3.67 million and ₱6.42million in 2025, 2024 and 2023, respectively.

The Group does not expect to contribute to the fund in 2026.



The principal actuarial assumptions used in determining retirement benefits benefit obligation as of December 31 follows:

	2025	2024
Salary rate increase	8.0%	8.0%
Discount rate	6.37% to 6.53%	6.10% to 6.17%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the accrued retirement liability as of December 31, assuming all other assumptions were held constant:

Assumptions:	Increase (Decrease)	
	2025	2024
Discount rate:		
+0.5%	(P10,359,832)	(P8,706,806)
-0.5%	12,047,294	10,088,848
Salary increase rate:		
+1%	17,187,296	14,741,654
-1%	(14,572,433)	(12,480,181)

Shown below is the maturity analysis of the undiscounted benefit payments as of December 31, 2025 and 2024:

	2025	2024
Less than 1 year	P28,873,442	P24,724,907
More than 1 year but less than 5 years	25,251,211	17,508,419
From 5 years and beyond	46,998,661	34,004,508

21. Equity

Under the existing laws of the Republic of the Philippines, at least 60% of the Parent Company's issued capital stock should be owned by citizens of the Philippines for the Parent Company to own and hold any mining, petroleum or renewable energy contract area. As of December 31, 2025, the total issued and subscribed capital stock of the Parent Company is 99.66% Filipino and 0.34% non-Filipino as compared to 99.79% Filipino and 0.21% non-Filipino as of December 31, 2024.

As of December 31, 2025 and 2024, paid-up capital consists of:

Capital stock - P1 par value	
Authorized - 700,000,000 shares	
Issued and outstanding	P568,711,842
Additional paid-in capital	2,156,679,049
	P2,725,390,891



The Group's track record of capital stock follows:

	Number of shares registered	Issue/offer price	Date of SEC approval	Number of holders as of year-end
Listing by way of introduction - August 11, 2004	84,253,606	₱3/share	August 4, 2004	
Add (deduct):				
25% stock dividend	21,063,402	₱1/share	September 6, 2005	
30% stock dividend	31,595,102	₱1/share	September 8, 2006	
1:1 stock rights offering	136,912,110	₱5/share	May 26, 2010	
December 31, 2010	273,824,220			2,149
Deduct: Movement	-			(26)
December 31, 2011	273,824,220			2,123
Deduct: Movement	-			(10)
December 31, 2012	273,824,220			2,113
Deduct: Movement	-			(41)
December 31, 2013	273,824,220			2,072
Deduct: Movement	-			(29)
December 31, 2014	273,824,220			2,043
Add (Deduct):				
2:1 stock rights offering	136,912,110	₱4.38/share	June 3, 2015	(15)
December 31, 2015	410,736,330			2,028
Deduct: Movement	-			(1)
December 31, 2016	410,736,330			2,027
Deduct: Movement	-			(15)
December 31, 2017	410,736,330			2,012
Add (Deduct):				
1.2:6 stock rights offering	157,975,512	₱4.8/share	January 8, 2018	(8)
December 31, 2018	568,711,842			2,004
Deduct: Movement	-			(5)
December 31, 2019	568,711,842			1,999
Deduct: Movement	-			(1)
December 31, 2020	568,711,842			1,998
Deduct: Movement	-			(5)
December 31, 2021	568,711,842			1,993
Deduct: Movement	-			(2)
December 31, 2022	568,711,842			1,991
Deduct: Movement	-			-
December 31, 2023	568,711,842			1,991
Deduct: Movement	-			(14)
December 31, 2024	568,711,842			1,977
Deduct: Movement	-			(2)
December 31, 2025	568,711,842			1,975

On July 26, 2017, at the BOD meeting, the Parent Company was authorized to raise approximately one billion pesos (₱1,000,000,000) in capital, by offering and issuing to all eligible stockholders as of record date, the rights to subscribe up to all of the existing unissued common shares of the Parent Company ("Stock Rights Offer").

On September 29, 2017, the Parent Company filed its application for the listing and trading of rights shares with the PSE. On December 13, 2017, the PSE approved the application to list the Rights Shares.

The rights offer entitled eligible stockholders as of record date of January 12, 2018 to subscribe to one rights share for every 2.6 shares held at an offer price of ₱4.80 per share.

The rights offer was undertaken on January 22 to 26, 2018. Following the close of the offer period, the Parent Company successfully completed the stock rights offer for 157,975,512 common shares with gross proceeds of ₱758.28 million and was subsequently listed on the PSE on February 2, 2018.

The proceeds from the stock rights offer were used for the development and expansion plans of the Group's renewable energy projects and general corporate requirements.



Dividend Declaration

On November 27, 2025, PERC BOD approved the declaration of 5% cash dividend or ₱0.05 per share to all stockholders of record as of December 12, 2025 and payable on December 23, 2025. Dividends amounting to ₱27.93 million were paid in 2025.

On July 18, 2024, PERC BOD approved the declaration of 5% cash dividend or ₱0.05 per share to all stockholders of record as of August 8, 2024 and payable on August 30, 2024. Dividends amounting to ₱28.48 million were paid in 2024.

On November 29, 2023, PERC BOD approved the declaration of 5% cash dividend or ₱0.05 per share to all stockholders of record as of December 14, 2023 and payable on December 28, 2023. Dividends amounting to ₱27.97 million were paid in 2023.

Cumulative Translation Adjustment

In 2018, in reference to the change in business circumstances of the Parent Company, management changed its functional currency from United States Dollar (USD) to PHP effective January 31, 2018. All resulting exchange differences in the remeasurement of USD balances to PHP balances were recognized as ‘Cumulative translation adjustment’.

Equity Reserve and Deposit for Future Stock Subscription

- a. On June 9, 2015, PetroEnergy sold its 10% interest in PetroGreen to EEIPC, bringing down its ownership in PetroGreen from 100% to 90%. The transaction was accounted as an equity transaction since there was no change in control.

The effect of change in the ownership interest in PetroGreen on the equity attributable to owners of PetroEnergy as a result of the sale of 10% to EEI is summarized as follows:

Consideration received from NCI	₱206,000,000
Carrying amount of NCI sold	(125,950,762)
<u>Excess of consideration received recognized in equity</u>	<u>₱80,049,238</u>

- b. On October 14, 2022, PetroGreen issued 363,244,840 shares to Kyuden (Note 31) resulting in the decrease in the ownership interest of PetroEnergy in PetroGreen from 90% to 76.92%. The transaction was accounted as an equity transaction since there was no loss of control.

The effect of change in the ownership interest in PetroGreen on the 2022 equity attributable to owners of PetroEnergy is summarized as follows:

Consideration received from NCI	₱1,687,431,477
Carrying amount of NCI sold	(1,030,763,729)
<u>Excess of consideration received recognized in equity</u>	<u>₱656,667,748</u>

- c. In January 2023, the Group classified the 2022 deposit for stock subscription received from Kyuden under escrow fund (Note 7) amounting to ₱1.63 billion into NCI and Equity Reserve (excess of consideration over carrying value of NCI sold) after Kyuden acquired the 10.47% additional ownership interest in PGEC through completion of all the requirements in the subscription agreement (Note 31). The deposit for future stock subscription is considered a non-cash financing activity in 2022. Kyuden’s ownership interest as of December 31, 2023 in PGEC is 25%.



The effect of change in the ownership interest in PetroGreen on the 2023 equity attributable to owners of PetroEnergy is summarized as follows:

Consideration received from NCI*	₱1,634,762,579
Carrying amount of NCI sold	(925,716,414)
<u>Excess of consideration received recognized in equity</u>	<u>₱709,046,165</u>

**Net of equity transaction cost amounting to ₱16.29 million*

- d. In 2023, the effect of change in the ownership interest in PetroSolar on the equity attributable to owners of PetroEnergy as a result of PERC's acquisition of EEIPC's 44% interest (Note 1c) is summarized as follows:

Consideration	₱1,443,942,735
Carrying amount of NCI acquired	(1,285,392,308)
<u>Excess of consideration paid recognized in equity</u>	<u>₱158,550,427</u>

- e. In 2023, the effect of change in the ownership interest in PetroGreen on the equity attributable to owners of PetroEnergy as a result of PERC's acquisition of EEIPC's 7.5% interest (Note 1c) is summarized as follows:

Consideration	₱521,211,059
Carrying amount of NCI acquired	(568,948,930)
<u>Excess of carrying amount recognized in equity</u>	<u>(₱47,737,871)</u>

- f. On May 31, 2024, Rizal Green issued 2,500,000 shares to Taisei Corporation (Note 31) resulting in the decrease in the ownership interest of PetroGreen in Rizal Green from 100% to 75%. The transaction was accounted as an equity transaction since there was no loss of control.

The effect of change in the ownership interest in Rizal Green on the 2024 equity attributable to owners of PetroEnergy is summarized as follows:

Consideration received from NCI*	₱577,500,000
Carrying amount of NCI sold	(327,329,997)
<u>Excess of consideration received recognized in equity</u>	<u>₱250,170,003</u>

**Net of equity transaction cost amounting to ₱2.5 million*

- g. On August 16, 2023, PetroGreen acquired 100% equity of BKS for a total consideration of ₱80 million from its previous stockholders. The fair value of the net asset acquired is determined to be nil at the time of the acquisition. As of December 31, 2023, the acquisition was initially recorded as acquisition of deferred development cost. The development of the Limbauan Solar Power Project undertaken by BKS commenced during the year 2024 and the financials of BKS were subsequently consolidated. As of December 31, 2024, the excess acquisition cost of ₱80 million over the fair value of the net assets of BKS (nil amount) at the time of the acquisition was charged against equity reserve account.
- h. In 2024, stock issuance costs of ₱9.55 million paid for the issuance of shares of DGEC, BGEC and SGJEC to RGEC were accounted as an equity transaction in the consolidated financial statements.

In 2025, stock issuance costs of ₱1.41 million incurred from the issuance of shares of ESEC were likewise accounted for as an equity transaction in the consolidated financial statements.



As of December 31, 2025 and 2024, the balance of equity reserve account amounts to ₱1,494.16 million and ₱1,495.57 million, respectively.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may increase its debt from creditors, adjust the dividend payment to shareholders or issue new shares.

As of December 31, 2025 and 2024, the Group monitors capital using a debt-to-equity ratio, which is total liabilities divided by total equity.

The Group's sources of capital as of December 31 are as follows:

	2025	2024
Loans payable	₱9,431,852,000	₱8,145,293,918
Capital stock	568,711,842	568,711,842
Additional paid-in capital	2,156,679,049	2,156,679,049
Retained earnings	4,010,174,139	3,754,431,369
Equity reserve	1,494,157,453	1,495,570,578
	₱17,661,574,483	₱16,120,686,756

The table below demonstrates the debt-to-equity ratio of the Group as of December 31:

	2025	2024
Total liabilities	₱11,580,457,887	₱9,744,090,656
Total equity	14,133,667,727	13,616,550,079
Debt-to-equity ratio	0.82:1	0.72:1

Based on the Group's assessment, the capital management objectives were met in 2025 and 2024.

22. Income Taxes

The provision for (benefit from) income tax consists of:

	2025	2024	2023
Current	₱100,749,643	₱101,095,766	₱65,021,230
Deferred	(46,195,337)	11,321,990	(6,122,938)
	₱54,554,306	₱112,417,756	₱58,898,292



The components of the Group's net deferred tax assets follow:

	2025	2024
Deferred tax assets on:		
<i>Items recognized in profit or loss:</i>		
Asset retirement obligations	₱32,257,562	₱19,785,796
Interest on FIT adjustment	9,881,511	10,238,621
Accrued retirement liability	5,366,302	3,592,102
Unamortized past service cost and provisions	2,745,310	2,107,392
	50,250,685	35,723,911
Deferred tax liabilities on:		
<i>Items recognized in profit or loss:</i>		
Unrealized foreign exchange gain - net	(55,196)	(599,780)
Asset revaluation	(6,455,342)	(6,455,342)
Unamortized deferred financing costs	(7,454,531)	(7,817,062)
Retirement asset	-	(713,346)
Crude oil inventory	-	(12,360,007)
	(13,965,069)	(27,945,537)
Deferred tax asset on:		
<i>Item recognized in other comprehensive income</i>		
Net remeasurement loss on defined benefit obligation	5,961,085	404,413
	₱42,246,701	₱8,182,787

The components of the Group's deferred tax liability follow:

	2025	2024
Deferred tax liability on:		
Business combination (customer relationship and fair value adjustments)	₱121,149,593	₱138,837,688

As of December 31, 2025 and 2024, the Group did not recognize deferred tax assets on NOLCO, MCIT and allowance for impairment losses, with details as follows as of December 31, 2025

	2025	2024
Allowance for impairment loss	₱207,243,532	₱207,243,532
NOLCO	646,042,976	388,015,776
MCIT	6,809,793	13,234,524
	₱860,096,301	₱608,493,832

The Group believes that it may not be probable that sufficient taxable income will be available in the near foreseeable future, prior to their expiration, against which the tax benefits can be realized.



Details of the MCIT and NOLCO follow:

MCIT

Year Incurred	Amount	Applied	Expired	Balance	Expiry Date
2022	₱3,505,526	(₱456,036)	(₱3,049,490)	₱-	2025
2023	4,476,610	(933,485)	-	3,543,125	2026
2024	5,252,388	(2,811,930)	-	2,440,458	2027
2025	826,210	-	-	826,210	2028
	₱14,060,734	(₱4,201,451)	(₱3,049,490)	₱6,809,793	

NOLCO

Year Incurred	Amount	Applied	Expired	Balance	Expiry Date
2020	₱14,382,634	(₱14,382,634)	₱-	₱-	2025
2021	29,779,810	(29,779,810)	-	-	2026
2022	38,066,038	(28,868,005)	(9,198,033)	-	2025
2023	21,762,251	(12,203,537)	-	9,558,714	2026
2024	284,863,163	(3,906,381)	-	280,956,782	2027
2025	355,527,480	-	-	355,527,480	2028
	₱744,381,376	(₱89,140,367)	(₱9,198,033)	₱646,042,976	

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The taxable income of the Parent Company is subject to minimum corporate income tax rate.

On June 20, 2023, the BIR issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the MCIT rate to 2% of gross income effective July 1, 2023 pursuant to RA No. 11534, otherwise known as the “Corporate Recovery and Tax Incentives for Enterprises (CREATE)” Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the Parent Company recognized MCIT using the effective rate of 1.5% in 2023 and 2% in 2024 and 2025 in accordance with RMC 69-2023.

On January 30, 2009, RA No. 9513, *An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes*, known as the “Renewable Energy Act of 2008” (the Act), became effective. As provided for in the Act, RE developers of RE facilities, including hybrid systems, in proportion to and to the extent of the RE component, for both power and non-power applications, as duly certified by the DOE, in consultation with the BOI, shall pay a corporate tax of ten percent (10%) on its net taxable income as defined in the National Internal Revenue Code of 1997, after the seven (7) years of Income Tax Holiday (ITH), which commences from the first year of operations. MGI started its commercial operations on February 8, 2014 and April 30, 2018 for its BOI registered projects MGPP-1 and MGPP-2, respectively. Taxable income generated from MGPP-1 beginning February 8, 2021 is now subject to corporate tax of 10%. While taxable income from MGPP-2 is still under ITH in 2024.



For PetroSolar, on July 28, 2015, the PSC registered with PEZA as an Economic Zone Utilities Enterprise to establish, operate and maintain its 50MW_{DC} Solar Facility project at the Central Technopark and the sale of electricity in accordance with the representations, commitments and proposals set forth in its application.

PetroSolar shall pay the special tax rate of 5% on its gross income earned from sources within the PEZA economic zone in lieu of paying all national and local income taxes. Gross income earned refers to gross sales derived from any business activity, net of returns, discounts and allowances, less cost of sales, cost of production and allowable expenses as defined by PEZA. Income generated by TSPP-1 from sources outside of PEZA economic zone shall be subject to RCIT.

On January 30, 2009, Republic Act No. 9513, An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes, known as the “Renewable Energy Act of 2008” (the Act), became effective. As provided for in the Act, Renewable Energy (RE) developers of RE facilities, including hybrid systems, in proportion to and to the extent of the RE component, for both power and non-power applications, as duly certified by the DOE, in consultation with the Board of Investments, shall pay a corporate tax of ten percent (10%) on its net taxable income as defined in the National Internal Revenue Code of 1997, after the seven (7) years of Income Tax Holiday (ITH), which commences from the first year of commercial operations.

On December 16, 2021, the Energy Regulatory Commission issued TSPP-2’s Provisional Authority to Operate (PAO) pending the ERC’s approval of the Certificate of Compliance (COC). Due to the receipt of PAO, TSPP-2 is now entitled to ITH incentive.

For DGEC, on July 3, 2024, the Company registered its DSPP with Board of Investments as a Renewable Energy Developer of Solar Energy Resources to establish, operate and maintain its 27MW_{DC} solar facility project and to sell electricity in accordance with the representations, commitments and proposals set forth in its application.

On July 4, 2025, the Energy Regulatory Commission issued DSPP’s Provisional Authority to Operate (PAO) pending the ERC’s approval of the Certificate of Compliance (COC). In view of DSPP’s receipt of PAO, it is entitled to Income Tax Holiday (ITH) incentive covering the period June 24, 2025 to June 23, 2032.

For SJGEC, on September 6, 2024, the Company registered its SJSP with Board of Investments (BOI) as a Renewable Energy Developer of Solar Energy Resources to establish, operate and maintain its 19.6MW_{DC} solar facility project and to sell electricity in accordance with the representations, commitments and proposals set forth in its application.

On July 15, 2025, the Energy Regulatory Commission (ERC) issued SJSP’s Provisional Authority to Operate (PAO) pending the ERC’s approval of the Certificate of Compliance (COC). In view of SJSP’s receipt of PAO, it is entitled to Income Tax Holiday (ITH) incentive covering the period August 1, 2025 to July 31, 2032.



The reconciliation of the statutory tax rate to the effective income tax rate shown in the consolidated statements of income follows:

	2025	2024	2023
Statutory tax rate	25%	25%	25.00%
Add (deduct) reconciling items:			
Movement in unrecognized deferred tax assets	21.42	5.21	1.04
Income from entities subjected to lower rate and subject to ITH	(9.96)	(10.29)	(19.14)
Nondeductible expenses and others	1.86	1.94	2.81
Unrealized loss (gain) on FVPL	(0.06)	0.02	0.01
Loss on remeasurement of previously held interest	–	–	5.35
Amortization of customer relationship	(2.63)	–	–
Nontaxable income	(27.52)	(10.57)	(3.85)
Effective income tax rate	8.11%	11.31%	11.22%

23. Cost of Electricity Sales

	2025	2024	2023
Electricity sales:			
Depreciation and amortization (Notes 11, 14 and 16)	₱870,659,588	₱715,606,510	₱617,894,233
Rental, insurance and taxes	190,104,039	170,370,051	140,504,569
Purchased services and utilities	181,678,834	180,659,599	103,499,193
Personnel costs	141,553,821	125,741,570	92,052,924
Business and other related expenses	68,630,498	44,862,459	35,939,418
Repairs and maintenance	62,984,611	49,780,958	43,461,184
Materials and supplies	24,263,900	15,308,792	18,728,238
Government share and royalty fees	20,089,067	18,475,478	17,605,995
	₱1,559,964,358	₱1,320,805,417	₱1,069,685,754

Cost of Sales - Others

This pertains to the cost of pass-on charges to ACEN and construction cost of PGEC's solar rooftop facilities.

	2025	2024	2023
Cost of sales - others:			
Construction cost	₱109,058,470	₱14,828,190	₱–
Trading costs and market fees	23,489,120	91,429,413	58,212,064
Wheeling and Ancillary and Transmission Charges	405,082	397,753	2,564,801
	₱132,952,672	₱106,655,356	₱60,776,865



24. Crude Oil Inventory and Oil Production

Crude Oil Inventory

Crude oil inventory is stated at NRV at the time of production. Change in crude oil inventory amounting to ₱49.44 million, (₱35.76 million), and ₱0.76 million is included in “Cost of sales” in the consolidated statements of comprehensive income in 2025, 2024 and 2023, respectively.

Cost of Oil Production

	2025	2024	2023
Production, transportation and other related expenses	₱263,508,607	₱309,436,223	₱288,017,917
Storage and loading expenses	59,668,356	11,838,520	21,574,953
Amortization (Note 16)	4,622,993	4,622,993	4,622,993
Supplies and facilities	155,838	400,452	892,744
Others	-	-	238,912
	₱327,955,794	₱326,298,188	₱315,347,519

25. General and Administrative Expenses

	2025	2024	2023
Salaries, wages and benefits	₱155,516,139	₱150,673,181	₱121,252,673
Disallowed input VAT	29,905,776	25,398,383	12,011,345
Depreciation and amortization (Notes 11, 14 and 16)	27,039,316	20,445,184	16,985,477
Taxes and licenses	26,328,651	28,893,818	25,617,724
Research costs	24,342,963	5,930,541	1,347,096
Professional and other fees	23,651,834	18,006,050	21,224,341
Other services	18,744,373	3,774,385	1,833,516
Entertainment, amusement and recreation	14,327,494	13,035,594	7,861,773
Environmental and social expenses	11,098,138	3,443,840	5,630,898
Donation and contribution	7,341,099	7,456,913	2,362,170
Advertisement	7,171,205	6,334,260	2,831,736
Repairs and maintenance	7,146,025	5,168,020	2,070,034
Transportation and travel	6,576,435	6,478,096	5,801,413
Insurance	5,409,177	5,275,217	3,121,927
Communication	5,248,882	4,746,506	4,657,346
Office supplies	4,885,297	4,710,240	2,538,089
Security and janitorial services	4,498,432	1,692,003	1,261,299
Gasoline, oil and lubricants	4,467,339	4,088,988	5,173,288
Rent expense (Note 14)	3,432,656	3,052,861	2,163,157
Fringe benefit tax	3,116,665	2,012,875	1,941,182
Utilities	2,276,761	2,181,407	1,715,408
Training and seminar	1,616,914	1,563,575	250,217
Condominium dues	1,347,382	1,348,617	1,026,643
Business meetings	1,195,143	653,841	462,183
Dues and subscriptions	975,379	426,656	352,195
Stock transfer expense	943,063	1,206,728	671,627
Provision for probable loss	-	-	7,344,220
Others	14,646,720	15,459,317	7,258,592
	₱413,249,258	₱343,457,096	₱266,767,569



Others include miscellaneous expenses such as provision for input VAT disallowance, DOE development assistance, notarization, bank charges, and reproduction expenses.

26. Miscellaneous Income (Charges)

	2025	2024	2023
SGRE availability warranty	₱23,991,575	₱—	₱—
Proceeds from insurance claims	18,378,856	83,164,020	—
JCM subsidy	5,188,824	—	—
Rental income	1,236,799	1,513,232	1,781,086
Gain on sale of equipment (Note 11)	593,750	543,532	14,125
Management income and timewriting fees (Note 27)	428,531	43,367,236	36,797,533
Dividend income (Note 9)	14,230	18,893	26,969
Revenue loss recovery (Note 35)	—	—	20,132,010
Gain on sale of investment in a joint venture (Note 13)	—	—	1,685,688
Trustee fees	—	(6,771,658)	(6,051,207)
Others	5,692,372	2,425,717	6,650,794
	₱55,524,937	₱124,260,972	₱61,036,998

PetroWind has engaged Siemens Gamesa Renewable Energy (SGRE) as its operations and maintenance (O&M) contractor. The O&M contractor warrants the availability of the WTGs during the Availability Warranty Period, and that one party should pay availability liquidated damages due to the other party as a result of the calculation set out under the agreement.

In 2025, PetroWind recognized ₱23.99 million from the O&M contractor, for the Availability Warranty covering the period December 12, 2023 to December 11, 2025, as well as insurance claims amounting to ₱18.38 million, primarily relating to business interruption incidents, pertaining to generator breakdowns and cracked turbine blades.

On August 17, 2023, the Global Environment Centre Foundation (GEC) of Japan announced that DSPP had been selected as a recipient of a Joint Crediting Mechanism (JCM) subsidy. On October 3, 2023, GEC approved DGEC's application for the JCM subsidy. Following the approval of the application documents by GEC and Japan's Ministry of the Environment, DGEC received subsidy proceeds amounting to ₱117.61 million on April 25, 2025. The subsidy was recorded as unearned revenue and is subsequently amortized and recognized as other income over the applicable period.

Trustee fees pertain to payments of the Group to the facility agent and account trustees for the M1 and M2 loans (Note 19).



27. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred to as ‘Affiliates’). Related parties may be individuals or corporate entities.

Significant transactions with related parties are as follows:

Related Party/Nature	Transactions		Outstanding Balance Receivables (Payables) (Notes 8 and 18)		Terms and Conditions
	2025	2024	2025	2024	
Investor					
House of Investments, Inc					
Internal audit services	₱1,148,768	₱905,760	(₱1,169,818)	(₱539,417)	Note a
Joint Ventures					
Buhawind Energy Northern Luzon Corporation					
Time-writing income	–	23,544,024	–	23,544,024	Note c
Rental income (Note 26)	110,000	188,571	–	403,543	Note b
Reimbursement - receivables	35,779,543	27,079,351	–	62,899,252	Note d
Advances from stockholders	151,000,000	–	–	–	
Advances – receivable	–	9,348	–	9,348	
	186,889,543	50,821,294	–	86,856,167	
Buhawind Energy Northern Mindoro Corporation					
Time-writing income	–	2,943,003	–	2,943,003	Note c
Rental income (Note 26)	110,000	188,571	–	403,542	Note b
Reimbursement - receivables	340,024	19,624,812	–	23,749,200	Note d
Advances from stockholders	15,000,000	–	–	–	
	15,450,024	22,756,386	–	27,095,745	
Buhawind Energy East Panay Corporation					
Time-writing income	–	2,943,003	–	2,943,003	Note c
Rental income (Note 26)	110,000	188,571	–	403,543	Note b
Reimbursement - receivables	2,714,625	10,562,807	–	14,687,195	Note d
Advances from stockholders	8,000,000	–	–	–	
	10,824,625	13,694,381	–	18,033,741	
Affiliate					
AC Energy Corporation (ACEN)					
Electricity sales	1,055,344,408	1,032,907,225	194,549,545	103,154,602	Note e
Pass-through charges	8,082,149	74,003,036	1,397,180	1,053,324	
Dividends paid	(12,500,000)	–	–	–	
	1,050,926,557	1,106,910,261	195,946,725	104,207,926	
Affiliate					
LIPCO					
Land lease	35,016,873	34,270,323	–	–	Note f

(Forward)



Related Party/Nature	Transactions		Outstanding Balance Receivables (Payables) (Notes 8 and 18)		Terms and Conditions
	2025	2024	2025	2024	
Affiliate					
Enrique T. Yuchengco, Inc.					
Rental income (Note 26)	₱834,799	₱947,518	₱871,472	₱269,929	Note g
Due from related parties			₱196,818,197	₱236,463,508	
Due to related parties			(₱1,169,818)	(₱539,417)	

- a. PetroEnergy has an Internal Audit Engagement arrangement with House of Investments, Inc. (HI). These are non-interest bearing and are due and demandable.
- b. PetroGreen charges rental fees to its RE Subsidiaries amounting to ₱71,429 every month. These are non-interest bearing and payable when due and demandable.
- c. Timewriting fees are charged by PetroGreen for accounting, legal management and other support services rendered to PERC and its RE Subsidiaries. Management income refers to charges by PetroEnergy to its RE Subsidiaries. These are non-interest bearing and are due and demandable.
- d. Advances represent reimbursements of costs and expenses.
- e. Electricity sales to ACEN (formerly PHINMA) is pursuant to the Electricity Supply Agreement (Note 34). This is due and payable on the last business day of the month succeeding the billing period and non-interest bearing if paid within the due date.
- f. The Group leased 77 hectares of land area from LIPCO (Note 14). These are non-interest bearing and payable when due and demandable.
- g. On April 29, 2021, PGEC completed its first commercial and industrial (C&I) rooftop solar power project for the Enrique T. Yuchengco Bldg. in Binondo, Manila.

The building owner E.T. Yuchengco Inc. (ETY) and project owner, PGEC, signed a 15-year Rent-to-Own Agreement for a 140.8-kWp solar rooftop facility last January 14, 2021. The rental period commenced upon the project's completion in April 2021. After said 15-year cooperation period, PGEC will turn-over the said rooftop solar facility to ETY free of charge.

Compensation of Key Management Personnel

The Group has a profit-sharing plan for directors, officers, managers and employees as indicated in its by-laws. The amount, the manner and occasion of distribution is at the discretion of the BOD, provided that profit share shall not exceed 5% of the audited income before income tax and profit share.

The remuneration of the Group's directors and other members of key management are as follows:

	2025	2024	2023
Salaries and wages and other			
short-term benefits	₱26,343,955	₱33,531,380	₱28,365,908
Directors' fees	18,035,599	12,243,030	8,476,813
Retirement expense	934,951	804,961	538,496
	₱45,314,505	₱46,579,371	₱37,381,217



Terms and conditions of transactions with related parties

The transactions from related parties are made under normal course of business. Outstanding balances at year-end are unsecured and interest fee and settlement occurs in cash. There have been no guarantees provided or received for any related party receivable or payables. For the years ended December 31, 2025 and 2024, the Group did not recognize provision for expected credit losses relating to amounts owed by related parties.

28. Financial Instruments

The Group's principal financial instruments include cash and cash equivalents, short-term investments, financial assets at FVPL, receivables, restricted cash, contract assets, loans payable, accounts payable, accrued expenses and dividends payable. The main purpose of these financial instruments is to fund the Group's working capital requirements.

Categories and Fair Values of Financial Instruments

As of December 31, 2025 and 2024, the carrying amounts of the Group's financial assets and financial liabilities approximate their fair values except for loans payable and lease liabilities. The fair value of the loans payable as of December 31, 2025 and 2024 amounted to ₱9.90 billion and ₱8.22 billion compared to their carrying value of ₱9.43 billion and ₱8.15 billion, respectively.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are:

Financial instruments	Considerations
<i>Cash and cash equivalents, Short-term investments, Restricted cash, Receivables, Contract assets, Accounts payable and Accrued expenses, and Short-term loans payable</i>	Due to the short-term nature of the instruments, carrying amounts approximate fair values as at the reporting date.
<i>Equity securities</i>	Fair values are based on published quoted prices (Level 1).
<i>Golf club shares</i>	Fair values are based on quoted market prices at reporting date (Level 1).
<i>Long-term loans payable</i>	Fair value is based on the discounted value of expected future cash flows using the applicable interest rate for similar type of instruments. The fair value is derived using the prevailing PH BVAL rate in 2025 and 2024 (Level 3).
<i>Lease liabilities</i>	Estimated fair value is based on the discounted value of future cash flows using the prevailing PH BVAL rate in 2025 and 2024 (Level 3).

The fair value is based on the source of valuation as outlined below:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

In 2025 and 2024, there were no transfers of financial instruments among all levels.



Financial Risk Management Objectives and Policies

The Group manages and maintains its own portfolio of financial instruments in order to fund its own operations and capital expenditures. Inherent in using these financial instruments are the following risks on liquidity, market and credit.

Financial Risks

The main financial risks arising from the Group's financial instruments are liquidity risk, market risk and credit risk.

a. Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations when due. The Group monitors its cash flow position and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash and cash equivalents deemed sufficient to finance its operations and to mitigate the effects of fluctuation in cash flows. To cover its short-term and long-term funding requirements, the Group intends to use internally generated funds as well as to obtain loan from financial institutions. As of December 31, 2025 and 2024, the Group has existing credit line facilities from which they can draw funds from (Note 19).

The tables below summarize the maturity profile of the Group's financial assets and financial liabilities as of December 31, 2025 and 2024 based on contractual payments:

	2025			Total
	On demand	1 year or less	More than 1 year	
Financial Assets				
Financial assets at FVPL	₱-	₱7,790,492	₱-	₱7,790,492
Financial assets at amortized cost:				
Cash and cash equivalents	967,051,363	824,447,273	-	1,791,498,636
Accounts receivable	98,032,074	752,890,498	-	850,922,572
Other receivables	-	59,719,359	-	59,719,359
Interest receivable	2,753,697	-	-	2,753,697
Refundable deposits	-	465,221	17,640,237	18,105,458
Restricted cash	-	277,954,610	-	277,954,610
Contract assets	-	194,753,016	954,679,841	1,149,432,857
	1,067,837,134	2,118,020,469	972,320,078	4,158,177,681
Financial Liabilities				
Financial liabilities at amortized cost:				
Loans payable**	-	1,920,876,205	7,510,975,795	9,431,852,000
Lease liabilities	-	37,772,465	550,012,301	587,784,766
Accounts payable and accrued expenses*	-	1,160,849,213	-	1,160,849,213
	-	3,119,497,883	8,060,988,096	11,180,485,979
Net financial assets (liabilities)	₱1,067,837,134	(₱1,001,477,414)	(₱7,088,668,018)	(₱7,022,308,298)

*Excluding statutory payables

**Excluding interest payables

	2024			Total
	On demand	1 year or less	More than 1 year	
Financial Assets				
Financial assets at FVPL	₱	₱6,144,437	₱-	₱6,144,437
Financial assets at amortized cost:				
Cash and cash equivalents	795,686,309	1,974,783,346	-	2,770,469,655
Short-term investments	-	200,000,000	-	200,000,000
Accounts receivable	218,790,240	498,570,242	-	717,360,482
Other Receivables	-	30,561,241	-	30,561,241
Interest receivable	11,084,320	-	-	11,084,320
Refundable deposits	-	478,721	6,295,160	6,773,881
Restricted cash	-	217,290,257	18,051,626	235,341,883
Contract assets	-	161,320,397	675,168,269	836,488,666
	1,025,560,869	3,089,148,641	699,515,055	4,814,224,565

(Forward)



	2024			Total
	On demand	1 year or less	More than 1 year	
<i>Financial Liabilities</i>				
Financial liabilities at amortized cost:				
Loans payable**	P-	₱1,263,628,373	₱6,881,665,545	₱8,145,293,918
Lease liabilities	-	35,678,238	583,479,239	619,157,477
Accounts payable and accrued expenses*	-	871,776,036	-	871,776,036
	-	2,171,082,647	7,465,144,784	9,636,227,431
Net financial assets (liabilities)	₱1,025,560,869	₱918,065,994	(₱6,765,629,729)	(₱4,822,002,866)

*Excluding statutory payables

**Excluding interest payables

b. Market Risk

Market risk is the risk of loss on future earnings, on fair values or on future cash flows that may result from changes in market prices. The value of a financial instrument may change as a result of changes in equity prices, foreign currency exchanges rates, interest rates and other market changes.

Foreign Exchange Risk

Foreign currency risk is the risk that the value of the Group's financial instruments denominated other than the Group's functional currency diminishes due to unfavorable changes in foreign exchange rates. The Group's transactional currency exposures arise from cash and cash equivalents, receivables and accounts payable and accrued expenses.

The Group's foreign currency-denominated financial instruments as of December 31, 2025 and 2024 follow:

	2025		2024	
	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
<i>Financial assets</i>				
Cash and cash equivalents	\$2,172,983	₱127,510,670	\$1,846,319	₱97,454,974
Receivables	1,369,590	80,518,191	1,376,900	80,700,096
Restricted cash	312,069	18,346,531	312,069	18,290,358
	3,854,642	226,375,392	3,535,288	196,445,428
<i>Financial liabilities</i>				
Accounts payable and accrued expenses	1,068,167	62,797,533	43,407	2,544,060
Net exposure	\$2,786,475	₱163,577,859	\$3,491,881	₱193,901,368

As of December 31, 2025, and 2024, the exchange rates used for conversion are ₱58.790 and ₱57.845 per US\$1, respectively.



The following table demonstrates the sensitivity to a reasonably possible change in US dollar exchange rates. With all other variables held constant, the effect on the Group's income before income tax is as follows:

	Increase (decrease) in foreign currency	Effect on income before income tax
2025	+1.30%	(¥2,129,328)
	-1.30%	¥2,129,328
2024	+1.36%	(¥1,232,192)
	-1.36%	¥1,232,192

There is no other impact on the Group's equity other than those already affecting income before income tax.

Interest Rate Risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's loans payable. Interest rate on loans payable is fixed for the first five (5) years or first seven (7) years and will be repriced thereafter.

The table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's net income. The Group used the forecasted one-year Treasury bill rate in performing the analysis.

Loans payable

2025	
Increase/decrease in interest rate (in basis points)	Impact on income before tax
-362%	(¥69,424,283)
362%	(69,424,283)
2024	
Increase/decrease in interest rate (in basis points)	Impact on income before tax
-245%	¥32,826,543
245%	(¥32,826,543)

There is no other impact on the Group's equity other than those already affecting income before income tax.

c. Credit Risk

Credit risk is the possibility of loss for the Group if its receivable counterparties fail to discharge their contractual obligations. With respect to credit risk arising from the other financial assets of the Group, which comprise of cash and cash equivalents, short-term investments, receivables, financial assets at FVPL, contract assets, and restricted cash, the Group's exposure to credit risk could arise from default of the counterparty.



The Group trades only with recognized, creditworthy third parties. However, the Group's credit risk exposure is concentrated on a few counterparties as inherent in the oil exploration and production and renewable energy businesses. The Group has a well-defined credit policy and established credit procedures. In addition, receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts.

The table below summarizes the Group's gross maximum credit risk exposure from its financial instruments and contract asset. These amounts are gross of collateral and credit enhancements, but net of any amounts offset and allowance for impairment losses:

	2025	2024
Financial assets:		
Cash in banks and cash equivalents	₱1,782,917,301	₱2,768,538,452
Short-term investments	–	200,000,000
Receivables	913,395,628	759,006,043
Financial assets at FVPL	7,790,492	6,144,437
Refundable deposits	18,105,458	6,773,881
Restricted cash	296,301,141	235,341,883
Contract assets	1,149,432,857	836,488,666
	₱4,167,942,877	₱4,812,293,362

An impairment analysis is performed at each reporting date using a provision matrix to measure Expected Credit Loss (ECL). The mechanics of the ECL calculations and the key elements are, as follows:

- a. *Probability of default (PD)* is an estimate of the likelihood of default over a given time horizon.
- b. *Exposure at default (EAD)* is an estimate of the exposure at a future default date taking into account expected changes in the exposure after the reporting date.
- c. *Loss given default (LGD)* is an estimate of the loss arising in the case where a default occurs at a given time.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). In its ECL models, the Group relies on a broad range of forward-looking information as economic inputs.

- b. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative *adjustments* or overlays are occasionally made as temporary adjustments when such differences are significantly material.



The table below shows the aging by class of asset for the Group's financial assets and contract asset as of December 31, 2025 and 2024:

	2025			Total
	Current (High grade)	More than 90 days (Standard grade)	Credit impaired	
Financial assets:				
Cash and cash equivalents*	₱1,782,917,301	₱-	₱-	₱1,782,917,301
Accounts receivable	850,922,572	-	2,682,453	853,605,025
Other receivables	-	59,719,359	-	59,719,359
Interest receivable	2,753,697	-	-	2,753,697
Financial assets at FVPL	7,790,492	-	-	7,790,492
Refundable deposits	18,105,458	-	-	18,105,458
Restricted cash	277,954,610	-	-	277,954,610
Contract assets	1,149,432,857	-	-	1,149,432,857
	₱4,089,876,987	₱59,719,359	₱2,682,453	₱4,152,278,799

*excluding cash on hand

	2024			Total
	Current (High grade)	More than 90 days (Standard grade)	Credit impaired	
Financial assets:				
Cash and cash equivalents*	₱2,768,538,452	₱-	₱-	₱2,768,538,452
Short-term investments	200,000,000	-	-	200,000,000
Accounts receivable	717,360,482	-	2,682,453	720,042,935
Other receivables	-	30,561,241	-	30,561,241
Interest receivable	11,084,320	-	-	11,084,320
Financial assets at FVPL	6,144,437	-	-	6,144,437
Refundable deposits	6,773,881	-	-	6,773,881
Restricted cash	235,341,883	-	-	235,341,883
Contract assets	836,488,666	-	-	836,488,666
	₱4,781,732,121	₱30,561,241	₱2,682,453	₱4,814,975,815

*excluding cash on hand

Financial assets are classified as high grade if the counterparties are not expected to default in settling their obligations. Thus, credit risk exposure is minimal. Financial assets are classified as a standard grade if the counterparties settle their obligation with the Group with tolerable delays. Low grade accounts are accounts, which have probability of impairment based on historical trend. These accounts show propensity of default in payment despite regular follow-up actions and extended payment terms. The Group's cash in banks, cash equivalents, accounts receivable, interest receivable and restricted cash have high grade credit quality.

29. Segment Information

For management purposes, the Group is organized into business units based on their products and has four reportable segments as follows:

- The oil production segment is engaged in the oil and mineral exploration, development and production.
- The geothermal energy segment develops and operates geothermal steamfields and power plants.
- The solar energy segment carries out solar energy operations of the Group.
- The wind energy segment carries out wind energy operations of the Group starting May 2023.
- Other activities pertain to research and investment activities.

No operating segments have been aggregated to form the above reportable operating segments.



Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

	2025						
	Oil Production	Geothermal Energy	Solar Energy	Wind Energy	Other Activities	Elimination	Consolidated
Segment revenue	₱415,090,504	₱1,074,123,213	₱1,104,029,735	₱979,394,273	₱151,567,912	₱-	₱3,724,205,637
Net income	54,111,760	267,541,800	463,660,760	255,513,849	373,134,770	(795,629,814)	618,333,125
Other comprehensive income (loss)	(₱5,566,169)	(₱3,875,220)	₱100,595	₱712,260	₱4,761,774	₱-	(₱3,866,760)
Other information:							
Segment assets except deferred tax asset	₱6,356,558,949	₱5,732,046,834	₱9,056,716,345	₱8,226,254,346	₱7,866,245,832	(₱11,745,943,393)	₱25,491,878,913
Deferred tax assets - net	₱13,204,748	₱4,044,171	₱5,257,364	₱19,932,996	₱6,262,764	(₱6,455,342)	₱42,246,701
Segment liabilities except deferred tax liabilities	₱3,003,142,179	₱1,575,163,136	₱4,667,446,802	₱4,157,587,698	₱280,667,076	(₱2,224,698,595)	₱11,459,308,296
Deferred tax liabilities - net	₱-	₱-	₱-	₱-	₱-	₱121,149,593	₱121,149,593
Provision for income tax	(₱13,803,820)	₱26,190,505	₱23,555,972	₱27,107,953	₱9,191,791	(₱17,688,095)	₱54,554,306
2024							
	Oil Production	Geothermal Energy	Solar Energy	Wind Energy	Other Activities	Elimination	Consolidated
Segment revenue	₱520,426,862	₱1,125,344,293	₱847,728,656	₱930,030,672	₱24,106,126	₱-	₱3,447,636,609
Net income	154,823,024	305,890,718	448,467,665	359,124,866	350,476,417	(737,369,969)	881,412,721
Other comprehensive income (loss)	₱1,220,527	(₱6,658,929)	₱108,412	₱61,034	(₱4,750,829)	₱-	(₱10,019,785)
Other information:							
Segment assets except deferred tax asset	₱6,485,362,987	₱5,455,416,838	₱7,061,065,330	₱6,929,267,771	₱7,842,842,525	(₱10,421,497,503)	₱23,352,457,948
Deferred tax assets - net	(₱3,225,990)	₱3,750,804	₱4,236,996	₱10,157,130	(₱280,812)	(₱6,455,341)	₱8,182,787
Segment liabilities except deferred tax liabilities	₱2,955,625,477	₱1,511,906,354	₱3,057,555,803	₱3,110,022,977	₱341,288,579	(₱1,371,146,222)	₱9,605,252,968
Deferred tax liabilities - net	₱-	₱-	₱-	₱-	₱-	₱138,837,688	₱138,837,688
Provision for income tax	₱15,436,222	₱22,016,377	₱20,206,143	₱51,666,271	₱3,092,743	₱-	₱112,417,756
2023							
	Oil Production	Geothermal Energy	Solar Energy	Wind Energy	Other Activities	Elimination	Consolidated
Segment revenue	₱623,038,856	₱1,089,837,044	₱876,818,506	₱422,778,791	₱-	₱-	₱3,012,473,197
Net income	93,076,080	342,024,283	484,870,455	63,875,010	225,038,305	(743,065,464)	465,818,669
Other comprehensive income (loss)	(₱2,008,368)	(₱6,919,295)	(₱1,423,214)	(₱1,869,381)	(₱6,568,933)	₱-	(₱18,789,191)
Other information:							
Segment assets except deferred tax asset	₱6,371,818,411	₱5,537,464,412	₱4,284,879,707	₱5,285,903,767	₱6,154,389,855	(₱5,991,898,461)	₱21,642,557,691
Deferred tax assets - net	₱9,452,460	₱2,468,251	₱3,279,470	₱3,148,957	₱-	₱-	₱18,349,138
Segment liabilities except deferred tax liabilities	₱2,980,159,350	₱1,891,903,163	₱1,264,319,686	₱2,919,060,209	₱256,793,629	(₱98,914,831)	₱9,213,321,206
Deferred tax liabilities - net	₱-	₱-	₱-	₱-	₱-	₱138,837,688	₱138,837,688
Provision for income tax	₱952,243	₱26,239,667	₱20,025,876	₱10,747,021	₱933,485	₱-	₱58,898,292

Revenue earned from a single external customer amounted to ₱415.09 million and ₱520.43 million in 2025 and 2024, which accounted for more than 10% of the consolidated revenues from external customers. This revenue is derived from PERC's minority share in Etame crude oil sales in Gabon, West Africa. Aside from the mentioned minority interest in International Joint Operations, the Group's geographical operating segment is mainly in the Philippines.

The following table demonstrates the geographical location of the Group's operating segment:

	2025		
	International	Philippines	Consolidated
Segment revenue	₱415,090,504	₱3,309,115,133	₱3,724,205,637
Net income	(35,282,721)	653,615,846	618,333,125
Other comprehensive income	-	(3,866,760)	(3,866,760)

(Forward)



	2025		
	International	Philippines	Consolidated
Other information:			
Segment assets except deferred tax assets	₱913,791,476	₱24,758,087,437	₱25,671,878,913
Deferred tax assets - net	₱-	₱42,246,701	₱42,246,701
Segment liabilities except deferred tax liabilities	₱106,093,113	₱11,353,215,183	₱11,459,308,296
Deferred tax liabilities - net	₱-	₱121,149,593	₱121,149,593
Provision for income tax	₱-	₱54,554,306	₱54,554,306

	2024		
	International	Philippines	Consolidated
Segment revenue	₱520,426,862	₱2,927,209,747	₱3,447,636,609
Net income	119,042,007	762,370,714	881,412,721
Other comprehensive income	-	(10,019,785)	(10,019,785)

Other information:			
Segment assets except deferred tax assets	₱967,790,054	₱22,384,667,894	₱23,352,457,948
Deferred tax assets - net	₱-	₱8,182,787	₱8,182,787
Segment liabilities except deferred tax liabilities	₱63,466,121	₱9,541,786,847	₱9,605,252,968
Deferred tax liabilities - net	₱-	₱138,837,688	₱138,837,688
Provision for income tax	₱-	₱112,417,756	₱112,417,756

InterGroup investments, revenues and expenses are eliminated during consolidation.

30. Basic/Diluted Earnings Per Share

The computation of the Group's earnings per share follows:

	2025	2024	2023
Net income attributable to equity holders of the Parent Company	₱284,178,362	₱471,809,019	₱156,880,236
Weighted average number of shares	568,711,842	568,711,842	568,711,842
Basic/diluted earnings per share	₱0.4997	₱0.8296	₱0.2759

Basic earnings per share are calculated using the net income attributable to equity holders of the Parent Company divided by the weighted average number of shares.

The Parent Company does not have potentially dilutive common stock.

31. Non-controlling Interests

As of December 31, 2025 and 2024, the investment of Kyuden in PGEC resulted in an increase in NCI as discussed earlier (Note 21). Kyuden owns 25% of PGEC in both 2025 and 2024, while PERC owns 75% in both years.

In 2023, the PERC's acquisition of EEIPC's ownership interests in PetroGreen, PetroWind and PetroSolar, as disclosed in Notes 1, 13 and 21, also resulted to changes in NCI as of December 31, 2023.



In 2023, PWEI issued shares in which NCI's subscription amounted to ₱204.41 million.

As of December 31, 2025 and 2024, the accumulated balances of and net income attributable to non-controlling interests are as follows:

	2025	2024
Accumulated balances of non-controlling interests:		
PetroGreen	₱2,185,918,148	₱2,220,570,583
PetroWind	1,809,594,100	1,587,245,283
MGI	1,456,324,754	1,381,541,451
RGEC	360,280,296	357,461,544
	₱5,812,117,298	₱5,546,818,861
Net income attributable to non-controlling interests:		
PetroGreen	₱134,938,021	₱155,655,257
PetroWind	102,758,360	143,649,947
MGI	93,639,630	107,061,751
RGEC	2,818,752	3,236,747
	₱334,154,763	₱409,603,702

The summarized financial information of these subsidiaries is provided below based on amounts before intercompany eliminations.

MGI

	2025	2024
Statements of Financial Position		
Current assets	₱800,606,311	₱755,450,239
Noncurrent assets	4,935,484,696	4,706,608,877
Current liabilities	633,876,182	751,634,225
Noncurrent liabilities	941,286,957	763,163,602
Equity	4,160,927,868	3,947,261,289
Statements of Comprehensive Income		
Revenue	1,074,123,213	1,125,344,293
Net income	267,541,799	305,890,720
Total comprehensive income	263,666,579	299,231,791
Statements of Cash Flows		
Net cash from (used in):		
Operating activities	608,331,692	744,244,047
Investing activities	(559,566,748)	(425,701,185)
Financing activities	(103,604,555)	(504,333,411)
Effect of foreign exchange rate	7,411	4,782
Net decrease in cash and cash equivalents	(54,832,200)	(185,785,767)



PetroSolar

	2025	2024
Statements of Financial Position		
Current assets	₱703,213,436	₱686,322,863
Noncurrent assets	3,262,995,275	3,369,805,485
Current liabilities	284,019,219	312,958,983
Noncurrent liabilities	485,005,478	682,241,331
Equity	3,197,184,014	3,060,928,034
Statements of Comprehensive Income		
Revenue	833,011,953	831,625,363
Net income	486,155,385	452,687,875
Total comprehensive income	486,255,980	452,579,464
Statements of Cash Flows		
Net cash from (used in):		
Operating activities	533,325,855	697,287,889
Investing activities	(11,598,889)	(20,251,591)
Financing activities	(658,400,868)	(737,407,401)
Effect of foreign exchange rate	9,386	26,661
Net decrease in cash and cash equivalents	(136,664,516)	(60,344,442)

PetroGreen

	2025	2024
Statements of Financial Position		
Current assets	₱2,114,663,402	₱2,261,957,065
Noncurrent assets	4,293,032,693	3,962,215,780
Current liabilities	152,565,471	150,821,961
Noncurrent liabilities	32,969,335	28,094,749
Equity	6,222,161,289	6,045,256,135
Statements of Comprehensive Income		
Revenue	497,820,985	361,535,797
Net income	372,143,383	357,075,479
Total comprehensive income	376,905,154	354,598,170
Statements of Cash Flows		
Net cash from (used in):		
Operating activities	(244,046,524)	1,401,545,656
Investing activities	(111,064,149)	(699,592,031)
Financing activities	(285,545,782)	(312,529,656)
Effect of foreign exchange rate	131,960	(1,139,669)
Net increase (decrease) in cash and cash equivalents	(640,524,495)	388,284,300



PetroWind

	2025	2024
Statements of Financial Position		
Current assets	₱815,289,680	₱899,881,736
Noncurrent assets	6,862,471,630	6,039,543,165
Current liabilities	1,270,257,058	740,650,242
Noncurrent liabilities	2,320,622,611	2,369,372,734
Equity	4,086,881,641	3,829,401,925
Statements of Comprehensive Income		
Revenue	979,394,273	930,030,672
Net income	259,430,457	359,124,868
Total comprehensive income	260,014,169	359,185,902
Statements of Cash Flows		
Net cash from (used in):		
Operating activities	211,712,228	544,896,919
Investing activities	(693,859,827)	(763,821,030)
Financing activities	(38,652,133)	96,428,416
Effect of foreign exchange rate	46,554	462,802
Net decrease in cash and cash equivalents	(184,188,938)	(122,032,893)

Rizal Green

	2025	2024
Statements of Financial Position		
Current assets	₱43,409,607	₱149,292,150
Noncurrent assets	1,421,402,892	1,414,816,019
Current liabilities	133,200	100,420,257
Noncurrent liabilities	-	-
Equity	1,464,679,299	1,463,687,912
Statements of Comprehensive Income		
Revenue	2,085,102	11,599,587
Net income	991,387	2,089,851
Total comprehensive income	991,387	2,089,851
Statements of Cash Flows		
Net cash from (used in):		
Operating activities	(39,282,597)	41,241,336
Investing activities	(6,354,000)	(1,409,000,000)
Financing activities	-	1,454,659,800
Effect of foreign exchange rate	-	-
Net increase (decrease) in cash and cash equivalents	(45,636,597)	86,901,136

Dividends declared to non-controlling interests amounted to ₱67.50 million, ₱50.00 million and ₱25.00 million in 2025, 2024 and 2023, respectively.



Increase in non-controlling interests from stock issuances

PetroGreen

In September 2022, PetroGreen, PetroEnergy and Kyuden Internation Corporation (Kyuden), a wholly-owned subsidiary of Japan's Kyushu Electric Power Co., Inc., executed the Subscription Agreement and Shareholders' Agreement. Pursuant to the said documents, PetroGreen will issue 712,251,720 shares in two tranches in favor of Kyuden equivalent to 25% ownership interest in PetroGreen upon completion of the conditions precedent for the transaction.

In October 2022, PetroGreen received from Kyuden the payment for the subscription amounting to ₱3.37 billion, which is maintained in an escrow fund with a bank to be released based on the terms of the escrow agreement.

On October 14, 2022, transaction for the "Initial Closing" was completed. The subscription amount of ₱1.72 billion was released from the escrow account and the 363,244,840 shares coming from unissued shares of PetroGreen was issued in favor of Kyuden representing 14.53% ownership interest in PetroGreen.

On November 18, 2022, another ₱21.81 million was released from the escrow account representing the required 25% payment of the 25% subscribed shares for the increase in PetroGreen's authorized capital stock as part of the "Pre-Approval Second Closing". On December 14, 2022, SEC approved the application for increase in authorized capital stock from 2,500,000,000 shares at ₱1.0 par value to 2,849,006,880 shares with same par value.

As of December 31, 2022, the "Second Closing" under the Subscription Agreement is not yet completed since the fulfilment of the Conditions Precedent and the payment/release of the ₱1.63 billion remaining escrow fund was completed only on January 10, 2023. Effectively, Kyuden has 14.53% equity ownership in PetroGreen as of December 31, 2022. This resulted in an increase in non-controlling interest as of December 31, 2022 (Note 21).

The amount of ₱1.65 billion representing the subscription amount for the "Pre-approval Second Closing" and "Second Closing" transactions are presented as separate line item as Deposit for Stock Subscription under the 2022 Equity section.

On January 10, 2023, the date of "Second Closing", the remaining balance of the escrow account amounting to ₱1.63 billion was released and the stock certificate for the 349,006,880 subject shares was issued in favor of Kyuden. After the Second Closing on January 10, 2023, Kyuden already holds 25% ownership interest in PetroGreen.

In 2021, stockholders of PetroGreen subscribed to ₱83.00 million from its unissued stocks which increased the non-controlling interest by ₱8.30 million.

PetroSolar

On March 28, 2022, the BOD and Stockholders approved the increase in PetroSolar's authorized capital stock from ₱1,800,000,000 consisting of 18,000,000 shares at ₱100 par value per share, to ₱1,900,000,000 consisting of 19,000,000 shares at ₱100 par value per share. In compliance with Sec. 37 of the Revised Corporation Code, 25% or 250,000 shares of the authorized capital stock increase must be subscribed, and 25% or 62,500 shares of the subscribed capital stock must be paid up. Of the total subscribed capital stock amounting to ₱25,000,000, cash amounting to ₱6,250,000 equivalent to 62,500 shares was received by PetroSolar on April 6, 2022 as subscription payment for the proposed increase in authorized capital stock. PetroSolar filed its application for the approval of the proposed increase in authorized capital stock with the SEC on May 23, 2022. The said application was



approved by the SEC on May 30, 2022. Upon approval, the 62,500 shares subscribed were treated as outstanding shares.

In 2023, the Group acquired the NCI in PetroSolar through PERC's acquisition of EEIPC's 44% ownership interest in PetroSolar. Details of the transaction are disclosed in Notes 1 and 21.

PetroWind

The business combination of PWEI in May 2023 resulted to NCI which represents the 40% ownership interest of BCPG in PetroWind. Details of the transaction are disclosed in Notes 1 and 13.

Rizal Green Energy Corporation

On April 23, 2024, Taisei Corporation of Japan signed an Investment Framework Agreement and Shareholders' Agreement with PGEC to acquire a 25% equity stake in RGEC. Following the fulfillment of the transaction's conditions precedent, the Subscription Agreement was signed on May 31, 2024. Taisei's initial investment of ₱580.00 million for 2.50 million shares in RGEC and subsequent equity cash call contribution of ₱35.76 million resulted to an increase in non-controlling interest by ₱604.39 million (net of transaction cost of ₱11.36 million).

32. Supplemental Disclosures to the Consolidated Statements of Cash Flows

Changes in the Group's liabilities arising from financing activities follow:

2025

	2024	Additional lease liabilities (Note 13)	Non-cash Changes				Cash Flows	2025
			Movement in deferred financing cost	Interest expense	Effect of business combination	Dividend declarations		
Loans payable	₱8,145,293,918	₱-	(₱14,432,990)	₱-	₱-	₱-	₱1,300,991,072*	₱9,431,852,000
Accrued interest payable	144,797,414	-	-	617,941,197	-	-	(600,972,448)	161,766,163
Lease liabilities	319,125,070	3,861,156	-	34,713,886	-	-	(39,218,838)	318,481,274
Dividends payable	11,387,216	-	-	-	-	95,935,592	(95,428,855)	11,893,953
	₱8,620,603,618	₱3,861,156	(₱14,432,990)	₱652,655,083	₱-	₱95,935,592	₱565,370,931	₱9,923,993,390

**availments - ₱3,373,953,184 and payments - ₱2,072,962,112*

2024

	2023	Additional lease liabilities (Note 13)	Non-cash Changes				Cash Flows	2024
			Movement in deferred financing cost	Interest expense	Effect of business combination	Dividend declarations		
Loans payable	₱7,878,164,520	₱-	(₱8,982,858)	₱-	₱-	₱-	₱276,112,256*	₱8,145,293,918
Accrued interest payable	81,443,129	-	-	525,949,941	-	-	(462,595,656)	144,797,414
Lease liabilities	324,638,301	3,130,843	-	29,775,114	-	-	(38,419,188)	319,125,070
Dividends payable	33,926,730	-	-	-	-	78,435,592	(100,975,106)	11,387,216
	₱8,318,172,680	₱3,130,843	(₱8,982,858)	₱555,725,055	₱-	₱78,435,592	(₱325,877,694)	₱8,620,603,618

**availments - ₱4,271,681,074 and payments - ₱3,995,568,818*

2023

	2022	Additional lease liabilities (Note 13)	Non-cash Changes				Cash Flows	2023
			Movement in deferred financing cost	Interest expense	Effect of business combination	Dividend declarations		
Loans payable	₱3,477,929,052	₱-	(₱47,824,685)	₱-	₱1,774,159,119	₱-	₱2,673,901,034*	₱7,878,164,520
Accrued interest payable	9,731,596	-	-	378,538,109	-	-	(306,826,576)	81,443,129
Lease liabilities	328,794,340	3,861,155	-	30,197,662	-	-	(38,214,856)	324,638,301
Dividends payable	10,960,164	-	-	-	-	53,435,592	(30,469,026)	33,926,730
	₱3,827,415,152	₱3,861,155	(₱47,824,685)	₱408,735,771	₱1,774,159,119	₱53,435,592	₱2,298,390,576	₱8,318,172,680

**availments - ₱3,946,036,089 and payments - ₱1,272,135,055*



33. Renewable Energy Act of 2008

- i. On January 30, 2009, Republic Act No. 9513, *An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes*, otherwise known as the “Renewable Energy Act of 2008” (the “Act”), became effective. The Act aims to (a) accelerate the exploration and development of renewable energy resources such as, but not limited to, biomass, solar, wind, hydro, geothermal and ocean energy sources, including hybrid systems, to achieve energy self-reliance, through the adoption of sustainable energy development strategies to reduce the country’s dependence on fossil fuels and thereby minimize the country’s exposure to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy; (b) increase the utilization of renewable energy by institutionalizing the development of national and local capabilities in the use of renewable energy systems, and promoting its efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives; (c) encourage the development and utilization of renewable energy resources as tools to effectively prevent or reduce harmful emissions and thereby balance the goals of economic growth and development with the protection of health and environment; and (d) establish the necessary infrastructure and mechanism to carry out mandates specified in the Act and other laws. As provided for in the Act, Renewable Energy (RE) developers of RE facilities, including hybrid systems, in proportion to and to the extent of the RE component, for both power and non-power applications, as duly certified by the DOE, in consultation with the BOI, shall be entitled to the following incentives, among others: Income Tax Holiday (ITH) - For the first seven (7) years of its commercial operations, the duly registered RE developer shall be exempt from income taxes levied by the National Government.
- ii. Duty-free Importation of RE Machinery, Equipment and Materials - Within the first ten (10) years upon issuance of a certification of an RE developer, the importation of machinery and equipment, and materials and parts thereof, including control and communication equipment, shall not be subject to tariff duties;
- iii. Special Realty Tax Rates on Equipment and Machinery - Any law to the contrary notwithstanding, realty and other taxes on civil works, equipment, machinery, and other improvements of a registered RE developer actually and exclusively used for RE facilities shall not exceed one and a half percent (1.5%) of their original cost less accumulated normal depreciation or net book value;
- iv. NOLCO - the NOLCO of the RE developer during the first three (3) years from the start of commercial operation which had not been previously offset as deduction from gross income shall be carried over as deduction from gross income for the next seven (7) consecutive taxable years immediately following the year of such loss; Corporate Tax Rate - After seven (7) years of ITH, all RE developers shall pay a corporate tax of ten percent (10%) on its net taxable income as defined in the National Internal Revenue Code of 1997, as amended by Republic Act No. 9337; Accelerated Depreciation - If, and only if, an RE project fails to receive an ITH before full operation, it may apply for accelerated depreciation in its tax books and be taxed based on such;
- v. Zero Percent VAT Rate - The sale of fuel or power generated from renewable sources of energy, the purchase of local goods, properties and services needed for the development, construction and installation of the plant facilities, as well as the whole process of exploration and development of RE sources up to its conversion into power shall be subject to zero percent (0%) VAT;
- vi. Cash Incentive of RE Developers for Missionary Electrification - An RE developer, established after the effectivity of the Act, shall be entitled to a cash generation-based incentive per kilowatt-hour rate generated, equivalent to fifty percent (50%) of the universal charge for power needed to service missionary areas where it operates the same;
- vii. Tax Exemption of Carbon Credits - All proceeds from the sale of carbon emission credits shall be exempt from any and all taxes; and



- viii. Tax Credit on Domestic Capital Equipment and Services - A tax credit equivalent to one hundred percent (100%) of the value of the VAT and custom duties that would have been paid on the RE machinery, equipment, materials and parts had these items been imported shall be given to an RE operating contract holder who purchases machinery, equipment, materials, and parts from a domestic manufacturer for purposes set forth in the Act. RE developers and local manufacturers, fabricators and suppliers of locally-produced RE equipment shall register with the DOE, through the Renewable Energy Management Bureau (REMB). Upon registration, a certification shall be issued to each RE developer and local manufacturer, fabricator and supplier of locally-produced renewable energy equipment to serve as the basis of their entitlement to the incentives provided for in the Act. All certifications required to qualify RE developers to avail of the incentives provided for under the Act shall be issued by the DOE through the REMB Electric Power Industry Reform Act (EPIRA)

After emerging from the crippling power crisis that occurred in the early 1990s, the Philippine Government embarked on an industry privatization and restructuring program envisioned to ensure the adequate supply of electricity to energize its developing economy. This restructuring scheme is embodied in RA No. 9136, the EPIRA. Approved on June 8, 2001, the EPIRA seeks to ensure quality, reliable, secure and affordable electric power supply; encourage free and fair competition; enhance the inflow of private capital; and broaden the ownership base of power generation, transmission and distribution.

The Government viewed restructuring and reform as a long-term solution to the problems of the power sector. The huge investment requirement for new generation capacity and expansion of the necessary transmission and distribution network was estimated at an annual average of \$1.0 billion. Given its own fiscal constraints, the Government recognized the need for greater private sector involvement in the power sector. Even though some private sector participation was successfully introduced earlier between the NPC and private investors, this time, the Government is envisioning addressing the power sector inefficiencies and the monopoly in the generation business. EPIRA mandated the overall restructuring of the Philippine electric power industry and called for the privatization of NPC. The restructuring of the electricity industry calls for the separation of the different components of the power sector, namely: generation, transmission, distribution, and supply. On the other hand, the privatization of the NPC involves the sale of the state-owned power firm's generation and transmission assets (e.g. power plants and transmission facilities) to private investors. These two reforms are aimed at encouraging greater competition and attracting more private-sector investments in the power industry. A more competitive power industry will in turn result in lower power rates and a more efficient delivery of electricity supply to end-users. Specifically, the EPIRA has the following objectives:

- Achieve transparency with the unbundling of the main components of electricity services, which will be reflected in the consumers' electricity rates;
- Opening up of the electricity market to competition at the wholesale (generation) level to improve efficiency in the operation of power plants and redound to lower electricity prices;
- Enhance further inflow of private capital and broaden ownership base in generation, transmission distribution, and supply of electric power;
- Establish a strong and independent regulatory body that will balance the interest of both the investors by promoting competition through creation of a level playing field and protect the electricity end-users from any market power abuses and anti-competitive behaviors; and
- Accelerate and ensure the total electrification of the country.



34. Other Material Contracts and Agreements

Foreign Petroleum Operations

Joint Operating Agreement - Gabon

The Joint Operating Agreement (JOA) establishes the respective rights and obligations of the members of the Consortium with regard to the operations under the EPSC, including the joint exploration, appraisal, development and production of hydrocarbon reserves from the contract area. VAALCO has been appointed as the Operator of the field and shall continue to act as such until such time that all the JV Partners decide to appoint a new Operator from among them.

Crude Oil Sales and Purchase and Services Agreement (COSPA) with Exxon Mobil Sales and Supply LLC

On December 20, 2019, the JV Partners signed a COSPA with Exxon Mobil Sales and Supply LLC (Exxon), a company incorporated under the laws of the State of Delaware and having its registered office at 251 Little Falls Drive, Wilmington DE 19808. The agreement is effective from February 1, 2020 until January 31, 2021. On December 14, 2020, the first amendment to the COSPA was executed, amending and extending the term of the COSPA with Exxon effective February 1, 2021 until July 31, 2021.

This was further amended on July 2021, effective August 1, 2021 to extend the term until January 31, 2022. In January 2022, this was further amended effective February 1, 2022 until July 31, 2022.

Crude Oil Sales and Marketing Agreement (COSMA) with Glencore Energy UK Ltd

On August 16, 2022, PetroEnergy signed a COSMA with Glencore Energy UK Ltd. The agreement is effective from August 16, 2022 to July 31, 2023. Since then, the contract term was extended annually through Amendment Agreements, the most recent of which extends the term until July 31, 2026.

Renewable Energy Projects

Revenues from sale of electricity using renewable energy is consummated and recognized over time whenever the electricity generated by the Group is transmitted through the transmission line designated by the buyer, for a consideration.

Set out below is the disaggregation of the Group's revenue from contracts with customers for the years ended December 31, which are presented as Electricity sales and Other revenues in the consolidated statements of comprehensive income:

	2025	2024	2023
Revenue from electricity supply agreement	₱1,620,192,653	₱1,317,283,019	₱1,213,242,513
Revenue sales under Feed-in-Tariff (FIT)	1,512,349,742	1,493,383,534	1,113,529,754
Revenue from solar rooftop	151,567,913	24,106,125	–
Wheeling charges and trading and market fees	25,004,825	92,437,069	62,662,074
	₱3,309,115,133	₱2,927,209,747	₱2,389,434,341



Renewable Energy Payment Agreement (REPA)

Consequent to the issuance of FIT COC in its favor, PetroSolar entered into a REPA with the TransCo on April 6, 2016. Under the REPA, TransCo shall pay the FIT Rate of 8.69/kWh for all metered generation of PSC for a period of twenty (20) years from start of Commercial Operations.

FIT rate adjustment

On May 26, 2020, the ERC approved Resolution No. 6 series of 2020 approving the adjustment to FIT for the years 2016 to 2020 using 2014 as the base year for the consumer price index and foreign exchange. The resolution was published in a newspaper of general circulation on November 17, 2020 and became effective 15 days after.

On December 22, 2025, the Energy Regulatory Commission (ERC) published on its official website Resolution No. 28, Series of 2025, entitled “*A Resolution Approving the Adjustments to the Feed-in Tariff (FIT) for 2021 to 2025*” for each Renewable Energy Technology.

Subsequently, on February 27, 2026, the ERC issued an advisory revising and clarifying certain provisions of Resolution No. 28, Series of 2025.

PetroSolar and PetroWind recognized additional ₱305.95 million and ₱176.41 million FIT arrears covering the adjustment of the FIT rate for 2025 and 2024, respectively. These will be recovered from TransCo for a period of five (5) years subject to ERC’s approval.

As of December 31, 2025 and 2024, current portion of contract assets amounted to ₱194.75 million and ₱161.32 million, respectively, while noncurrent portion amounted to ₱954.68 million and ₱675.17 million, respectively.

Interest earned amounted to ₱19.31 million, ₱30.51 million and ₱11.28 million in 2025, 2024 and 2023, respectively.

ESA for MGPP-1 and MGPP-2

On September 16, 2011 MGI executed an Electricity Supply Agreement (ESA-1) with Trans-Asia (now ACEN), wherein MGI agreed to sell to Trans-Asia (now ACEN) the entire generated output of MGPP-1 for a period of 20 years commencing from commercial operations on February 8, 2014. On April 26, 2016, MGI entered into another Electricity Supply Agreement (ESA-2) with Trans-Asia (then renamed as PHINMA Energy Corporation and now ACEN), wherein MGI agreed to sell to PHINMA (now ACEN) the entire generated output of the MGPP-2 for a period of 20 years from start of commercial operations on April 30, 2018.

On August 23, 2019, MGI and PHINMA (now ACEN) executed the Amendment to the Unit 1 ESA and Unit 2 ESA which, among others, extended the effectivity of both ESA-1 and ESA-2 until June 25, 2039.

MGI's Interconnection Agreement

MGI signed an Interconnection Agreement (ICA) with Manila Electric Company (MERALCO) for the physical interconnection of the generation and connection facilities of MGI’s 20 MW power plant to MERALCO’s distribution system. The power facility constructed in Brgy. San Rafael, Sto. Tomas, Batangas is currently connected to MERALCO’s existing 115 kV line in Calamba, Laguna.

On July 2014, MGI, Trans-Asia and MERALCO signed a Memorandum of Agreement which effectively waived the payment for MGPP-1’s wheeling charges amounting to around ₱4.30 million per month, beginning 2014 until December 26, 2019.



In a letter dated February 8, 2021, MERALCO informed MGI about its Wheeling Charges Rationalization Program for embedded generators (Program), giving the latter the opportunity to be billed reduced Distribution Wheeling Service (DWS) Charges corresponding to the supply of electricity to Contestable Customers (CCs) within the franchise area of MERALCO, subject to submission of documentary requirements.

On August 25, 2022 and November 17, 2022, MGI received billing adjustment letters from MERALCO to deduct the Bilateral Contract Quantities (BCQ) data that MGI supplied to CCs within the MERALCO franchise area. The adjustments resulted in differential amount of ₱14.05 million for billing periods March to June 2022. This was subsequently billed to MGI by ACEN to recover the amount of Meralco Distribution Wheeling Charges Refund.

WESM Transactions

On July 1, 2022, MGI entered into an agreement with ACEN to update the current billing and settlement protocols, practices, and procedures to ensure consistency and compliance with the Guidelines and Procedures for Implementation of BIR Ruling OT-323-2021 for WESM Transactions issued by the Independent Electricity Market Operator of the Philippines (IEMOP). This includes trading costs, market fees and pass-on taxes and charges to ACEN in accordance with the agreement. Revenue from sale derived from WESM transactions with other Market Participants amounted to ₱10.70 million, ₱18.83 million and ₱9.95 million in 2025, 2024 and 2023, respectively.

Memorandum of Agreement between Maibarara Geothermal, Inc. and SMC SLEX, Inc

On March 31, 2023, MGI entered into an agreement with SMC SLEX Inc. wherein, among others, the Parties agree that SLEX Inc. will shoulder and advance the necessary works and expenses for the DPWH and for the relocation of MGI affected facilities needed to continuously operate the Maibarara Geothermal Power Plant. This includes payment for the value of the portions of MGI land affected by SLEX-TR4, cost of relocation of Transmission Lines and Stub Poles and Actual Generation Loss during temporary shutdown, cost of relocation and replacement of the Water Well, and any and all costs expenses to be incurred by MGI in relation to the aforementioned activities. Total expenses incurred in relation to these activities amounted to nil and ₱0.60 million in 2025 and 2024, respectively, while revenues derived from pass-on expenses and generation loss totaled to nil and ₱0.60 million in 2025 and 2024, respectively. These were presented as Other income (charges) in the Statements of Comprehensive Income.

Renewable Energy Payment Agreement (REPA)

Consequent to the issuance of FIT COC in its favor, PetroSolar entered into a REPA with the TransCo on April 6, 2016. Under the REPA, TransCo shall pay the FIT Rate of 8.69/kWh for all metered generation of PSC for a period of twenty (20) years from start of Commercial Operations.

Wind Energy Service Contract (WESC) No. 2017-09-118 – San Vicente, Palawan

On November 11, 2019, the DOE officially awarded to PetroGreen the San Vicente, Palawan WESC. The WESC, effective October 9, 2019, vests PetroGreen with the rights and responsibilities to harness wind energy and develop and operate the corresponding renewable energy facility in the area. The proposed project is situated in the municipality of San Vicente, Palawan, approximately 130 km north of Puerto Princesa.

Activities for the meteorological mast installation program for the San Vicente Wind Hybrid Power Project (SVWHPP) have been put on-hold due to COVID-19-related travel restrictions. Nonetheless, PGEC has secured on May 7, 2020 a Certificate of Non-Coverage (CNC) from the Department of Environment and Natural Resources (DENR) for the mast installation. PGEC also secured a Special Land Use Permit (SLUP) from the DENR on March 09, 2021 for the mast installation in San Vicente.



In December 2020, PGEC's contractor has mobilized to San Vicente, Palawan to carry out the installation works for the 60-meter meteorological mast to be used for the wind measurement campaign of the SVWHPP. The said mast is expected to be commissioned and turned-over to PGEC in July 2021.

The two-year wind measurement campaign which began in July 2021 was completed by August 2023. In June 2023, PGEC submitted Distribution Impact Study (DIS) for the evaluation of Palawan Electric Cooperative (PALECO). While awaiting the commencement of PALECO's Competitive Selection Process (CSP), PGEC continues to implement its work program commitments (i.e. shortlisting of potential WTG suppliers and negotiation, potential partners and financial studies).

Bugallon Solar Power Project (BSPP)

Solar Energy Operating Contract (SEOC) No. 2022-04-622-AFI

On May 5, 2022, PGEC was awarded a Solar Energy Operating Contract (SEOC) with Registration No. SEOC 2022-04-622 by the DOE for its Bugallon Solar Power Project (BSPP) in Brgy. Salomague Sur, Bugallon, Pangasinan. On April 16, 2024, the DOE approved the assignment of SEOC 2022-04-622 from PGEC to BGEC and issued the corresponding new COR with Registration No. SEOC 2022-04-622-AF1.

The Distribution Impact Study (DIS) and Distribution Asset Study (DAS) for the BSPP has been completed and has been approved by the Central Pangasinan Electric Cooperative (CENPELCO). The Certificate of Non-Overlap (CNO) has been secured from the National Commission on Indigenous Peoples (NCIP) on July 13, 2022, confirming that the project site is outside any ancestral domain and is free from any tribal claims. The locational clearance has been secured on November 14, 2023.

The construction and operation of the BSPP will be undertaken by Bugallon Green Energy Corporation (BGEC) which was incorporated on October 14, 2023. BGEC is a 100% owned subsidiary of RGEC. The DOE has already approved the transfer of the SEOC to BGEC. The ECC has already been transferred under BGEC's name on November 28, 2023.

The issuance of the Municipal Resolution endorsing the land reclassification for the BSPP site is still being undertaken by an external legal counsel. Once this is secured, applications for project endorsement by the Pangasinan Sangguniang Panlalawigan (SP) and Zoning Clearance will be lodged accordingly.

On December 13, 2023 the DOE issued a Certificate of Award entitling BSPP to a Green Energy Tariff for a period of twenty years.

On April 16, 2024, the DOE has already approved the transfer of the SEOC No. 2022-04-622-AF1 from PGEC to BGEC. Subsequently, the GEA-2 Certificate of Award was transferred from PGEC to BGEC on September 17, 2025.

As of December 31, 2025, the solar farm and grid connection facilities have been completed and ready to supply power to grid, pending clearance of the National Grid Corporation of the Philippines (NGCP).

Dagohoy Solar Power Project (DSPP)

Solar Energy Operating Contract (SEOC) No. 2022-06-629-AFI

On June 28, 2022, PGEC was awarded a SEOC with Registration No. SEOC 2022-06-629 by the DOE for its Dagohoy Solar Power Project (DSPP) located in Brgy. San Vicente, Dagohoy, Bohol. On February 28, 2024, the DOE approved the assignment of SEOC to DGEC and issued the corresponding new COR with Registration No. SEOC 022-06-629-AF1.



Favorable endorsements for the land reclassification of the DSPP site were secured from the Dagohoy Sangguniang Bayan (SB) in October 2022 and from the Bohol SP in December 2022. Said resolutions are needed to secure the requisite Locational Clearance and Building Permit for the DSPP. On December 22, 2022, PGEC entered into a four-year offtake agreement with SN Aboitiz Power-Magat, Inc. counted from the start of commercial operations.

PGEC, through third-party consultants, achieved completion of the System Impact Study (SIS) on August 1, 2023 and Facility Study on September 26, 2023.

Moreover, on August 17, 2023, the Global Environment Center Foundation (GEC) of Japan announced that the DSPP has been selected to receive Joint Crediting Mechanism (JCM) subsidy.

For site development, contractor Media Construction and Development Corporation (MCDC) completed the land grading/levelling, installation of fences and construction of ditch canals. Meanwhile, solar farm contractor Global Electric and grid connection contractor Philcantech Enterprises will commence construction of the solar plant facilities by Q1 2024. The solar power plant is expected to be completed by Q4 2024.

On October 3, 2023, the GEC approved DGEC's application for Joint Crediting Mechanism (JCM) subsidy. Following approval of our application documents by GEC and the Ministry of the Environment of Japan, DGEC received ₱117.61 million on April 25, 2025.

On February 28, 2024, the DOE approved the assignment of the SEOC to DGEC and issued the corresponding SEOC 2022-06-629-AF1 in favor of DGEC as a Renewable Energy Developer of the DSPP.

On July 3, 2024, the Board of Investments (BOI) formally awarded to DGEC the latter's Certificate of Registration for the 27MW_{DC} DSPP. This approval entitles the DSPP to enjoy income tax holiday and duty-free importations, among others.

DSPP was completed in November 2024 and its registration with the WESM was secured from IEMOP on November 11, 2024. DSPP started exporting power to the grid on November 12, 2024 as part of testing and commissioning activities.

Following the NGCP issuance of Final Certificate of Approval to Connect (FCATC) on April 7, 2025, the Energy Regulatory Commission (ERC) issued a Provisional Approval to Operate (PAO) on July 4, 2025 with validity period of June 24, 2025 to June 23, 2026.

DSPP achieved commercial operations on June 24, 2025, with the commencement date counted from the start of the effectivity of the PAO.

On November 6, 2025, following the end of the fourth round of the Green Energy Auction (GEA-4), the DOE released a notice indicating that DSPP is a winning bidder and is entitled to a Green Energy Tarriff effective July 16, 2029 (end of the PSA contract with SNAP Magat Inc.). DGEC is expected to receive the Certificate of Award by January 2026.

San Jose Solar Power Project (SJSPP)

Solar Energy Operating Contract (SEOC) No. 2015-09-251-AF2

On July 19, 2023, the DOE approved the assignment of SESC No. 2015-09-251 to PGEC from V-mars Solar Energy Corporation (V-MARS) which the DOE issued a new COR with registration No. SESC 2015-09-251-AF1. On April 16, 2024, the DOE approved the transfer of PGEC's SESC 2015-09-AF1 to SJGEC with the corresponding issuance of new COR No. SESC 2015-09-251-AF2.



On July 27, 2023, PGEC purchased parcels of land located in the Municipalities of San Jose and Science City of Munoz, Nueva Ecija owned by V-MARS. The lots were registered with the Registry of Deeds for San Jose Nueva Ecija under the name of PGEC on September 21, 2023.

On October 14, 2023, the SEC approved the incorporation of San Jose Green Energy Corporation (SJGEC), RGEC's 100% subsidiary that will develop and operate the SJPP. The DOE approved the transfer of the SEOC to SJGEC.

Meanwhile, site clearing and development works have been substantially completed allowing solar farm contractor, Schema Konsult, Inc, and grid connection contractor Philcantech Enterprises, to commence works by Q1 2024.

On March 29, 2024, the Global Environment Center Foundation (GEC) of Japan announced that the SJSP has been selected to receive Joint Crediting Mechanism (JCM) subsidy.

At this point, PGEC is in the final stages of securing a power supply agreement with an offtaker.

Limbauan Solar Power Project (LSPP)

Solar Energy Operating Contract (SEOC) No. 2017-05-394

The LSPP is located in the province of Isabela and its SEOC is held by BKS Green Energy Corporation (BKS). The LSPP will be developed in two (2) phases: (a) 6 MW_{DC} Phase 1 (LSPP-1) and (b) the 33.8 MW_{DC} (LSPP-2).

On August 16, 2023, PGEC acquired 100% of the outstanding capital stock of BKS from its previous stockholders. The corresponding Certificate Authorizing Registration (CAR) was issued by the BIR in September 2023, approving the transfer of the BKS shares in its stock and transfer books under PGEC. The ownership of BKS will eventually be transferred to RGEC as RGEC's 100% subsidiary.

On November 10, 2020, BKS and Isabela Electric Cooperative II (ISELCO II) executed a Power Supply Agreement for LSPP-1 for the supply of power to the franchise area of ISELCO II with a term of 15 years at a rate of ₱5.40/kWh. The application for approval of the PSA is still pending with the ERC.

On December 1, 2023, BKS obtained a Clearance to Undertake System Impact Study from the DOE. This clearance, along with other documents, were submitted to NGCP in March 2024 for them to prepare System Impact Study for the project.

On December 13, 2023 the DOE issued a Certificate of Award entitling LSPP-2 to a Green Energy Tariff for a period of twenty years.

Vestas O&M Agreement for NWPP2

On December 13, 2022, PetroWind entered into a Wind Turbine Supply Agreement with Vestas Asia Pacific A/S for the supply of WTGs for the NWPP2. On the same date, it also signed a Wind Turbine Supervision and Commissioning Agreement with Vestas Service Philippines, Inc. (Vestas PH) for technical advisory and commissioning services. Moreover, a Service & Availability Agreement (AOM 5000) was executed with Vestas PH for it to handle the operations and maintenance of the NWPP2 turbines and warrant their availability.



Rooftop Solar Projects

Mapúa Malayan Colleges Mindanao (MMCM) Solar Rooftop Project

On February 13, 2024, PGEC signed a Solar Rooftop System Installation and Maintenance Agreement with Mapúa Malayan Colleges Mindanao (MMCM) for a 360 kWp solar rooftop project utilizing 600 units of 600 Wp solar panels manufactured by Canadian Solar. The total contract cost is ₱32.86 million, with payments structured as fixed monthly installments of ₱342,249 over eight years. PGEC will be responsible for the operations and maintenance of the facility for the same period.

The engineering, procurement, and construction (EPC) work was subcontracted to Davao-based contractor Equinox Synergy OPC, with the EPC contract signed on February 22, 2024. The MMCM Solar Rooftop Project was successfully completed on July 8, 2024.

Isuzu Autoparts Manufacturing Corporation (IAMC) Solar Rooftop Project

On July 23, 2024, PGEC entered into a Supply and Install Contract for the installation of a 3.002 MWp rooftop solar project at IAMC's manufacturing facility in Laguna. The total contract price is ₱187.48 million with payments structured as fixed monthly installments of ₱1.95 million over eight years. PGEC will also be responsible for the operations and maintenance of the solar facility for the duration of the contract.

The EPC contract was awarded to Fravinz Enterprises, Inc. on August 9, 2024. Construction commenced in January 2025. The system was energized on May 24, 2025 and achieved commercial operations on June 13, 2025. Upon completion, it became one of the largest commercial and industrial (C&I) rooftop solar facilities in Laguna.

35. Subsequent Events

On January 21, 2026, MGI received the Regional Trial Court (RTC) Decision dated January 19, 2026. The RTC ruled that Phesco breached the Maibarara 2 civil works contract and awarded MGI damages of ₱23.98 million. The court further ordered MGI to return ₱12.44 million to Phesco after offsetting the damages against ₱36.42 million held by MGI, representing withheld progress billings, retention fees, and proceeds from the called Performance Bond. MGI was likewise ordered to pay approved variation orders amounting to ₱20.71 million.

On February 3, 2026, MGI filed a Motion for Partial Reconsideration contesting, among others, the order to return ₱12.44 million and the denial of its remaining counterclaims. Phesco filed a Comment on February 9, 2026, and MGI filed a Reply on February 12, 2026. The motion remains pending resolution as of the reporting date.

The Court is expected to resolve the Motion in April 2026. MGI maintains that it is not required to return the ₱12.44 million in light of the Court's own findings that Phesco was in delay and that MGI rightfully called on the Performance Bond.

On February 19, 2026, SJGEC received the Joint Crediting Mechanism (JCM) subsidy amounting to ₱48.38 million following the announcement and approval of Global Environment Center Foundation (GEC) of Japan on March 29, 2024.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders
PetroEnergy Resources Corporation
7th floor, JMT Building, ADB Avenue
Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of PetroEnergy Resources Corporation and its subsidiaries (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 8, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Wenda Lynn M. Loyola

Wenda Lynn M. Loyola

Partner

CPA Certificate No. 109952

Tax Identification No. 242-019-387

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 109952-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-117-2025, December 16, 2024, valid until December 15, 2027

PTR No. 10765068, January 2, 2026, Makati City

April 8, 2026



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
PetroEnergy Resources Corporation
7th floor, JMT Building, ADB Avenue
Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of PetroEnergy Resources Corporation and its subsidiaries (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 8, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule of Components of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Wenda Lynn M. Loyola

Wenda Lynn M. Loyola

Partner

CPA Certificate No. 109952

Tax Identification No. 242-019-387

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 109952-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-117-2025, December 16, 2024, valid until December 15, 2027

PTR No. 10765068, January 2, 2026, Makati City

April 8, 2026



PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON
REVISED SRC RULE 68
DECEMBER 31, 2025

Philippine Securities and Exchange Commission (SEC) issued the revised Securities Regulation Code Rule SRC Rule 68 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by Revised SRC Rule 68 that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets

The Group is not required to disclose the financial assets in equity securities as the total financial assets at fair value through profit or loss securities amounting to ₱5.06 million do not constitute 5% or more of the total current assets of the Group as at December 31, 2025.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

As of December 31, 2025, there are no amounts receivable from directors, officers, employees, related parties and principal stockholders (other than related parties) that aggregates each to more than ₱100,000 or 1% of total assets whichever is less.

Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

The following is the schedule of receivables from related parties, which are eliminated in the consolidated financial statements as at December 31, 2025:

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts written off	Not Current	Balance at end of period
PetroGreen Energy Corporation	₱35,599,522	₱27,233,841	(₱8,401,775)	₱–	₱–	₱54,431,588
PetroWind Energy Inc.	1,659,094	4,925,704	(5,791,744)	–	–	793,054
Maibarara Geothermal, Inc.	293,884	4,549,195	(3,495,578)	–	–	1,347,501
PetroSolar Corporation	1,616,724	4,145,400	(5,174,895)	–	–	587,229
Dagohoy Green Energy Corporation	1,204,180	2,887,258	(3,323,418)	–	–	768,020
Rizal Green Energy Corporation	46,796	370,251	(417,047)	–	–	–
San Jose Green Energy Corporation	37,391	2,875,478	(2,598,422)	–	–	314,447
BKS Green Energy Corporation	22,459	2,503,747	(461,195)	–	–	2,065,011
Bugallon Green Energy Corporation	9,348	2,453,378	(58,422)	–	–	2,404,304
	₱40,489,398	₱51,944,252	(₱29,722,496)	₱–	₱–	₱62,711,154

Schedule D. Long-term Debt

Below is the schedule of long-term debt of the Group:

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rate	Maturity Date
PetroEnergy Resources Corporation					
BPI – 10-year Long-Term Loan Facility	₱1,950,000,000	₱40,568,929	₱1,889,146,606	7.2984%	1/31/2034
BPI – 10-year Long-Term Loan Facility	62,500,000	1,300,286	60,549,571	7.4449%	1/31/2034
BPI – 10-year Long-Term Loan Facility	201,500,000	4,192,123	195,211,816	7.4224%	1/31/2034
BPI – 10-year Long-Term Loan Facility	286,000,000	5,950,110	277,074,836	7.8449%	1/31/2034
RCBC – 10-year Long-Term Loan Facility	278,500,000	1,931,358	274,637,283	7.3553%	8/15/2034
PetroWind Energy, Inc					
DBP- Omnibus Loan and Security Agreement	3,000,000,000	240,000,000	518,092,890	7.3091%	1/10/2029
DBP- Omnibus Loan and Security Agreement	111,840,000	27,960,000	69,900,000	7.3091%	1/10/2029
DBP- Omnibus Loan and Security Agreement	367,159,119	29,372,730	337,786,389	7.0092%	3/7/2038
DBP- Omnibus Loan and Security Agreement	710,923,715	56,873,897	654,049,818	7.0092%	3/7/2038
DBP- Omnibus Loan and Security Agreement	272,600,767	21,808,061	250,792,706	7.0092%	3/7/2038
DBP- Omnibus Loan and Security Agreement	186,437,828	14,915,026	171,522,802	7.0092%	3/7/2038
PetroSolar Corporation					
PNB- Omnibus Loan and Security Agreement	1,743,000,000	158,454,545	79,227,273	8.5914%	5/27/2027
DBP- Omnibus Loan and Security Agreement	747,000,000	67,909,091	33,954,545	8.5914%	5/27/2027
Maibarara Geothermal, Inc					
RCBC - Project Loan Facility Agreement	2,100,000,000	240,000,000	–	5.5196%	10/12/2026
RCBC - Project Expansion Loan	1,375,000,000	83,571,429	919,285,714	6.6643%	10/12/2031
Dagohoy Green Energy Corporation					
RCBC- Omnibus Loan and Security Agreement	318,828,327	30,364,603	288,463,724	8.0321%	6/13/2036
RCBC- Omnibus Loan and Security Agreement	99,270,538	9,454,337	89,816,201	7.7698%	6/13/2036
RCBC- Omnibus Loan and Security Agreement	93,573,403	8,911,753	84,661,650	7.7589%	6/13/2036
RCBC- Omnibus Loan and Security Agreement	55,883,753	5,322,262	50,561,491	7.2364%	6/13/2036
RCBC- Omnibus Loan and Security Agreement	195,687,225	18,636,879	177,050,346	7.7599%	6/13/2036
San Jose Green Energy Corporation					
RCBC- Omnibus Loan and Security Agreement	150,000,000	–	150,000,000	7.5443%	6/30/2037
RCBC- Omnibus Loan and Security Agreement	298,000,000	–	298,000,000	7.5214%	6/30/2037
RCBC- Omnibus Loan and Security Agreement	21,000,000	–	21,000,000	7.1544%	6/30/2037
Bugallon Green Energy Corporation					
RCBC- Omnibus Loan and Security Agreement	315,000,000	–	315,000,000	7.2392%	10/29/2037
RCBC- Omnibus Loan and Security Agreement	378,256,041	–	378,256,041	6.9842%	10/29/2037
		₱1,067,497,419	₱7,584,041,702		

Schedule E. Indebtedness to Related Parties

The Group has no outstanding long-term indebtedness to related parties as of December 31, 2025.

Schedule F. Guarantees of Securities of Other Issuers

The Group does not have guarantees of securities of other issuers as of December 31, 2025.

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet 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 Shares	700,000,000	568,711,842	–	173,865,595	5,696,390	389,149,857

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF DECEMBER 31, 2025 AND 2024

Financial Soundness Indicators

Below are the financial ratios that are relevant to the Group for the year ended December 31, 2025 and 2024:

Financial ratios		2025	2024
Current ratio	Total current assets	1.15:01	2.06:1
	Total current liabilities		
Acid test ratio	Total current assets – inventories – other current assets	1.02:01	1.84:1
	Total current liabilities		
Solvency ratio	After tax net profit + depreciation	0.14:1	0.18:1
	Total liabilities		
Debt-to-Equity Ratio	Total liabilities	0.82:1	0.72:1
	Total stockholder's equity		
Asset-to-Equity Ratio	Total assets	1.82:1	1.72:1
	Total stockholder's equity		
Interest rate coverage ratios	Earnings before interest and taxes	2.03:1	2.79:1
	Interest expense*		
Return on equity	Net income	4.46%	6.80%
	Average shareholder's equity		
Return on assets	Net income	2.52%	3.90%
	Average assets		
Return on revenue	Net income	16.60%	25.57%
	Total revenue		
Earnings per share	Net income	0.4997	0.8296
	Weighted average no. of shares		
Price Earnings Ratio	Closing price	7.00	4.34
	Earnings per share		
Long term debt-to-equity ratio	Long term debt	0.60:1	0.55:1
	Equity		
EBITDA to total interest paid	EBITDA**	3.84	5.15
	Total interest paid		

*Interest expense is capitalized as part of the construction-in-progress account under PPE.

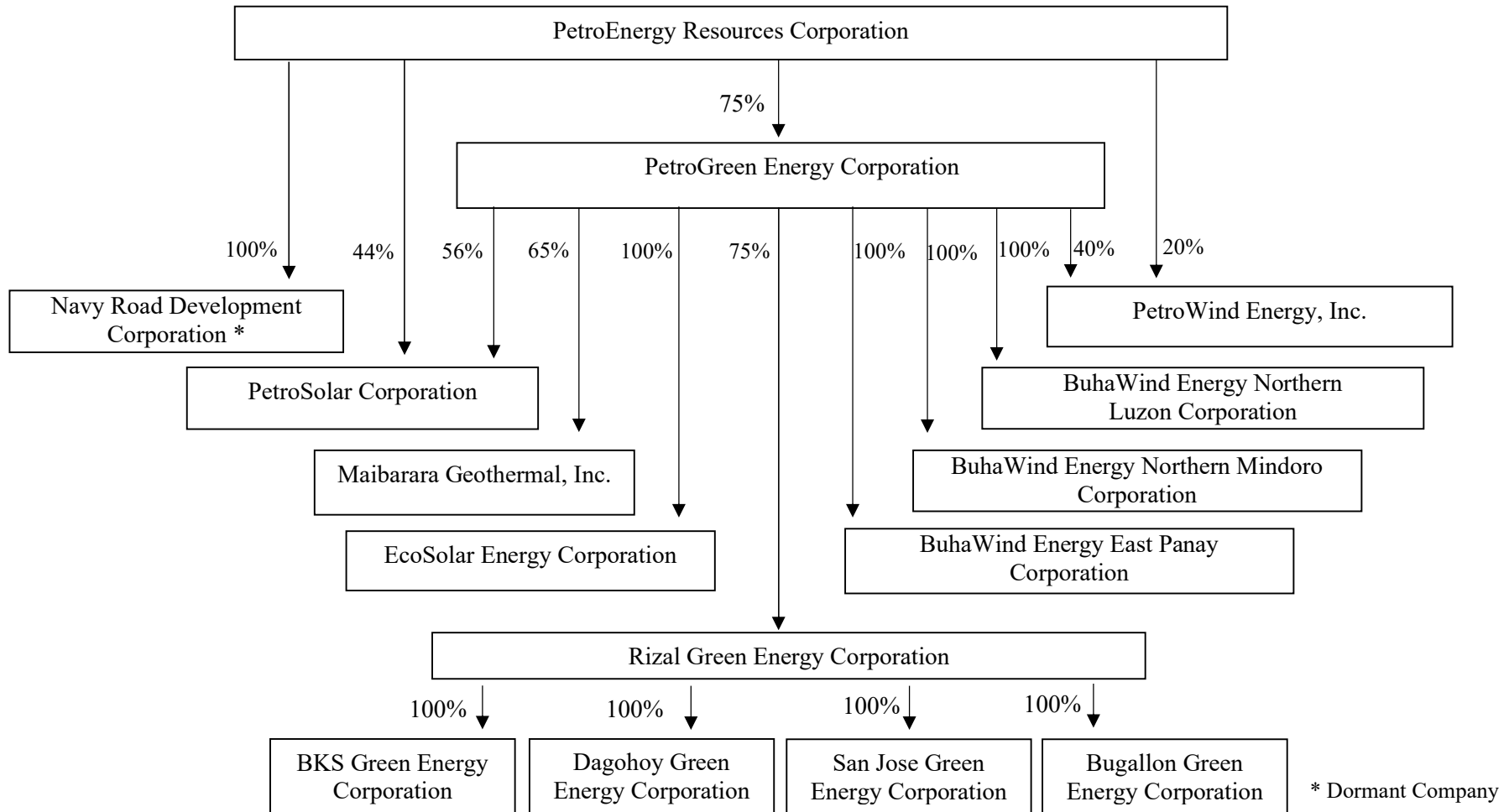
**Earnings before interest, taxes, depreciation and amortization (EBITDA)

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

Group Structure

Below is a map showing the relationship between and among the Group and its subsidiaries as of December 31, 2025:

PETROENERGY RESOURCES CORPORATION
GROUP STRUCTURE



PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES

SUPPLEMENTARY SCHEDULES

Schedule	Content
I	Annex 68-D Reconciliation of Retained Earnings Available for Dividend Declaration
II	Annex 68-J Schedules <ul style="list-style-type: none">• Schedule A. Financial Assets• Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)• Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements• Schedule D. Long-term Debt• Schedule E. Indebtedness to Related Parties• Schedule F. Guarantees of Securities of Other Issuers• Schedule G. Capital Stock
III	Group Structure

PETROENERGY RESOURCES CORPORATION
SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION*
DECEMBER 31, 2025

Unappropriated Retained Earnings, beginning of the reporting period ₱229,962,501

Add: Category A: Items that are directly credited to Unappropriated Retained Earnings

Reversal of Retained Earnings appropriation
Effect of reinstatements or prior-period adjustments
Others

Less: Category B: Items that are directly debited to Unappropriated Retained Earnings

Dividend declaration during the reporting period	28,435,592	
Retained Earnings appropriated during the reporting period	–	
Effect of reinstatements or prior-period adjustments	–	
Others	–	28,435,592

Unappropriated Retained Earnings (Deficit), as adjusted 201,526,909
Add/Less: Net income (loss) for the current year 54,111,760

Less: Category C.1 Unrealized income recognized in the profit or loss during the reporting period (net of tax)

Equity in net income of associate / joint venture, net of dividends declared	265,287,549	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents		
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)	1,646,055	
Unrealized fair value gain of Investment Property		
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS		266,933,604
Subtotal		266,933,604

Add: Category C.2 Unrealized income recognized in the profit or loss in prior

reporting periods but realized in the current reporting period (net of tax)

Realized foreign exchange gain, except those attributable to cash and cash equivalents
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPTL)
Realized fair value gain of Investment Property
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS
Subtotal

(Forward)

Add: Category C.3 Unrealized income recognized in the profit or loss in prior

reporting periods but reversed in the current reporting period (net of tax)

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at FVPL	-
Reversal of previously recorded fair value gain of Investment Property	-
Reversal of other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-
Subtotal	-

Adjusted Net Income / Loss

Add: Category D: Non actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	-
Subtotal	-

Add/Less: Category E: Adjustments related to the relief granted by SEC and BSP (see Footnote 3)

Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others	-
Subtotal	-

Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution

Net movement of the treasury shares (except for reacquisition of redeemable shares)	-
Net movement of the deferred tax asset not considered in reconciling items under previous categories	-
Net movement of the deferred tax asset and deferred tax liabilities related to same transaction, e.g, set-up of right of use asset and lease liability, set-up of asset and lease liability, set-up of asset and retirement obligation, and set-up of service concession asset and concession payable	(14,630,029)
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others	-
Subtotal	(14,630,029)

Total Retained Earnings, end of the reporting period available for dividend **(P25,924,964)**

**Based on December 31, 2025 Parent Company audited financial statements.*

FOOTNOTES:

- (1) The amount of retained earnings of the company should be based on its separate ("stand alone") audited financial statements.
- (2) Unappropriated Retained Earnings, beginning of the reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.
- (3) Adjustments related to the relief provided by SEC and BSP pertain to accounting relief (e.g losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the company and must be adjusted in the reconciliation to reflect the actual distributable amount.
- (4) This Reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec.42 of the Revised Corporate Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings should not be used by the REIT Act and its Implementing Rules and Regulations.

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE - RELATED INFORMATION
DECEMBER 31, 2025

	2025	2024
Total Audit Fees	₱5,690,080	₱4,632,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	1,415,000	300,000
All other services	-	-
Total Audit and Non-audit Fees	₱7,105,080	₱4,932,000