

Ed Marie N. Lucion

From: PetroEnergy Corporate Affairs
Sent: Thursday, May 14, 2026 5:34 PM
To: Ed Marie N. Lucion
Subject: Fw: SEC eFast Initial Acceptance

Official Business

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This serves as a temporary receipt of your submission, subject to verification of the form and the quality of the image of the submitted report.

SEC Registration No: AS94008880
Company Name: PetroEnergy Resources Corporation
Document Code: SEC_Form_17-Q

A separate email will be sent as proof of review and/or final acceptance.

Thank you.

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

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General Information Sheet (GIS-Non-stock); 3. General Information Sheet (GIS- Foreign stock & non-stock); 4. Broker Dealer Financial Statements (BDFS); 5. Financing Company Financial Statements (FCFS); 6. Investment Houses Financial Statements (IHFS); 7. Publicly – Held Company Financial Statement; 8. General Form for Financial Statements; 9. Financing Companies Interim Financial Statements (FCIF); 10. Lending Companies Interim Financial Statements (LCIF).

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COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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

Maria Cecilia L. Diaz de Rivera

(Contact Person)

09999910722

(Company Telephone Number)

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Month
(Fiscal Year)

Day

Form Type			
1	7	-	Q

0	7	2	8
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Month Day

(Annual Meeting)

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(Secondary License Type, If Applicable)

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Dept. Requiring this Doc.

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Amended Articles Number/Section

1,975

Total No. of Stockholders

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Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 11
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17(a)-1(b) (2) THEREUNDER**

1. 31 March 2026
For the quarterly period ended
2. SEC Identification Number ASO94-08880 3. BIR Tax Identification No. 004-471-419-000
4. PetroEnergy Resources Corporation
Exact name of registrant as specified in its charter
5. Manila, Philippines 6. (SEC Use Only)
Province, country or other jurisdiction Industry Classification Code:
of incorporation
7. 7th Floor JMT Condominium, ADB Avenue, Pasig City 1605
Address of principal office Postal Code
8. (632) 8637-2917
Registrant's telephone number, including area code
9. Not Applicable
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Section 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock
Outstanding |
|--|---|
| Common (par value of P1.00/share) | 568,711,842 |
| Amount of Debt Outstanding = ₱11,248,472,003 | |
11. Are any or all of the securities listed on the Philippine Stock Exchange?
All issued and outstanding common shares are listed in the Philippine Stock Exchange.
12. Indicate by check mark whether the registrant:
- a. has filed all reports required to be filed by Section 11 of the Securities Regulation Code(SRC) and SRC Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)
Yes [/]
- b. has been subject to such filing requirements for the past 90 days
Yes [/]

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PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Philippine Peso)

	Unaudited 31-Mar-26	Unaudited 31-Mar-25	Audited 31-Dec-25
ASSETS			
Current Assets			
Cash and cash equivalents (Note 6)	₱1,480,531,287	₱2,043,336,693	₱1,791,498,636
Restricted cash (Note 7)	358,923,332	377,432,462	277,954,610
Receivables (Note 8)	780,055,622	997,859,432	913,395,628
Financial assets at fair value through profit or loss (FVPL) (Note 9)	7,876,690	6,189,623	7,790,492
Current portion of contract assets (Note 10)	130,938,736	112,881,903	194,753,016
Crude oil inventory	120,644,056	37,455,181	-
Other current assets (Note 11)	622,784,225	383,508,466	420,841,805
Total Current Assets	3,501,753,948	3,958,663,760	3,606,234,187
Noncurrent Assets			
Property, plant and equipment (Notes 5 and 12)	18,159,300,811	15,851,365,339	18,252,994,076
Deferred oil exploration costs (Note 13)	591,796,851	457,986,953	517,926,904
Contract assets - net of current portion (Note 10)	1,051,848,825	756,777,066	954,679,841
Investments in joint ventures and business combination (Note 14)	-	2,882,000	-
Right-of-use assets (Note 15)	237,839,940	249,019,366	242,601,316
Deferred tax assets-net	42,292,893	-	42,246,701
Intangible assets and goodwill (Note 16)	835,229,275	868,229,398	843,403,239
Investment properties - net (Note 17)	1,611,533	1,611,533	1,611,533
Other noncurrent assets (Note 18)	1,189,831,363	1,670,597,550	1,252,427,817
Total Noncurrent Assets	22,109,751,491	19,858,469,205	22,107,891,427
TOTAL ASSETS	25,611,505,439	23,817,132,965	25,714,125,614
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses (Note 19)	988,592,588	667,939,678	1,189,547,326
Loans payable - current portion (Note 20)	1,941,363,743	1,760,193,681	1,920,876,205
Lease liabilities - current portion (Note 15)	17,239,075	45,073,615	11,057,153
Income tax payable	55,971,953	67,735,220	8,308,304
Total Current Liabilities	3,003,167,359	2,540,942,194	3,129,788,988
Noncurrent Liabilities			
Loans payable - net of current portion (Note 20)	7,304,835,699	6,754,037,779	7,510,975,795
Lease liabilities - net of current portion (Note 15)	307,424,121	284,278,085	307,424,121
Asset retirement obligations (Note 21)	457,451,742	165,296,019	452,664,331
Deferred tax liabilities - net	119,491,334	128,618,638	121,149,593
Other noncurrent liabilities	56,101,748	46,643,384	58,455,059
Total Noncurrent Liabilities	8,245,304,644	7,378,873,905	8,450,668,899
Total Liabilities	11,248,472,003	9,919,816,099	11,580,457,887
Equity			
Attributable to equity holders of the Parent Company			
Capital stock (Note 22)	568,711,842	568,711,842	568,711,842
Additional paid-in capital (Note 22)	2,156,679,049	2,156,679,049	2,156,679,049
Retained earnings	4,150,092,817	3,897,893,890	4,010,174,139
Equity reserve (Note 22)	1,493,407,453	1,495,570,578	1,494,157,453
Remeasurement losses on net accrued retirement liabilities - net of tax	(22,671,735)	(20,196,795)	(22,671,735)
Cumulative translation adjustment	114,499,681	114,499,681	114,499,681
	8,460,719,107	8,213,158,245	8,321,550,429
Non-controlling interests	5,902,314,329	5,684,158,621	5,812,117,298
Total Equity	14,363,033,436	13,897,316,866	14,133,667,727
Total Liabilities and Equity	₱25,611,505,439	₱23,817,132,965	₱25,714,125,614

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Philippine Peso)

	Unaudited	
	For the 1st Quarter ending	
	31-Mar-2026	31-Mar-2025
REVENUES		
Electricity sales (Note 4)	₱892,481,790	₱885,307,929
Oil revenue (Note 4)	-	112,389,739
Other revenue	7,738,914	2,557,894
	900,220,704	1,000,255,562
COST OF SALES		
Cost of sales - Electricity (Notes 4 and 22)	427,389,844	376,686,252
Oil production operating expenses (Note 4)	75,854,447	79,622,557
Depletion (Note 4)	23,020,594	21,735,310
Change in crude oil inventory (Note 4)	(120,644,056)	11,984,848
Cost of sales - Others	6,549,746	2,347,971
	412,170,575	492,376,938
GROSS INCOME	488,050,129	507,878,624
GENERAL AND ADMINISTRATIVE EXPENSES	83,042,174	80,043,822
OTHER INCOME (CHARGES)		
Interest expense (Notes 15 and 20)	(168,474,562)	(147,089,974)
Interest income (Notes 4, 6, 7 and 8)	25,485,192	34,692,502
Net foreign exchange gains (losses)	(352,366)	(1,094,861)
Accretion expense (Note 21)	(3,069,847)	(3,261,157)
Fair value changes on financial assets at fair value through profit or loss (FVPL)	86,197	45,186
Miscellaneous income (Note 4)	4,900,509	5,108,299
	(141,424,877)	(111,600,005)
INCOME BEFORE INCOME TAX	263,583,078	316,234,797
PROVISION FOR INCOME TAX	22,967,433	35,432,517
NET INCOME	240,615,645	280,802,280
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	139,918,678	143,462,519
Non-controlling interests -IS	100,696,967	137,339,761
NET INCOME	₱240,615,645	₱280,802,280
EARNINGS PER SHARE FOR NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY- BASIC AND DILUTED	0.2460	0.2523

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Philippine Peso)

	Unaudited	
	For the 1st Quarter ending	
	31-Mar-2026	31-Mar-2025
NET INCOME	₱240,615,645	₱280,802,280
OTHER COMPREHENSIVE INCOME (LOSS)		
Remeasurement gains on net accrued retirement liability - net of tax	-	-
Share in other comprehensive income of a joint venture	-	-
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	-	-
TOTAL COMPREHENSIVE INCOME	₱240,615,645	₱280,802,280
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:		
Equity Holders of the Parent Company	139,918,678	143,462,519
Non-controlling interests - IS	100,696,967	137,339,761
TOTAL COMPREHENSIVE INCOME	₱240,615,645	₱280,802,280

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Philippine Peso)

		Unaudited 31-Mar-26	Unaudited 31-Mar-25	Audited 31-Dec-25
CAPITAL STOCK				
Authorized capital	700,000,000			
Issued and outstanding				
Balance beginning of year	568,711,842	₱568,711,842	₱568,711,842	₱568,711,842
Issuance during the period	-			
Total issued and outstanding	568,711,842	568,711,842	568,711,842	568,711,842
ADDITIONAL PAID-IN CAPITAL				
Balance beginning of year		2,156,679,049	2,156,679,049	2,156,679,049
		2,156,679,049	2,156,679,049	2,156,679,049
UNAPPROPRIATED RETAINED EARNINGS				
Balance at beginning of year		4,010,174,139	3,754,431,369	3,754,431,369
Dividend declaration		-	-	(28,435,592)
Net Income		139,918,678	143,462,519	284,178,362
		4,150,092,817	3,897,893,888	4,010,174,139
REMEASUREMENT OF NET ACCRUED RETIREMENT LIABILITY				
Balance at beginning of year		(22,671,735)	(20,161,301)	(20,161,301)
Remeasurement gain (loss) on accrued retirement liability		-	(35,493)	(2,510,434)
		(22,671,735)	(20,196,794)	(22,671,735)
CUMULATIVE TRANSLATION ADJUSTMENT				
Balance at beginning of year		114,499,681	114,499,681	114,499,681
		114,499,681	114,499,681	114,499,681
PARENT'S OTHER EQUITY RESERVES				
Balance at beginning of year		1,494,157,453	1,495,570,578	1,495,570,578
Share issuance costs		(750,000)	-	(1,413,125)
PARENT'S OTHER EQUITY RESERVES		1,493,407,453	1,495,570,578	1,494,157,453
TOTAL EQUITY ATTRIBUTED TO EQUITY HOLDERS OF PARENT				
		8,460,719,107	8,213,158,244	8,321,550,429
NONCONTROLLING INTEREST				
Balance at beginning of year		5,812,117,362	5,546,818,861	5,546,818,861
Net income		100,696,967	137,339,761	334,154,763
Remeasurement loss on net accrued retirement liabilities		-	-	(1,356,326)
Cash dividends		(10,500,000)	-	(67,500,000)
		5,902,314,329	5,684,158,622	5,812,117,298
TOTAL EQUITY		₱14,363,033,436	₱13,897,316,866	₱14,133,667,727

PETROENERGY RESOURCES CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF CASHFLOWS
(Amounts in Philippine Peso)

	Unaudited	Unaudited	Audited
	31-Mar-26	31-Mar-25	31-Dec-25
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	263,583,078	316,234,797	672,887,431
Adjustments for:			
Interest expense	168,474,562	147,089,974	652,655,083
Depletion, depreciation and amortization	274,737,163	240,023,958	984,898,805
Loss on derecognition of ROU asset			13,191,275
Net unrealized foreign exchange loss (gain)	352,366	1,094,861	(3,240,264)
Provision for probable losses	-	-	4,560,182
Accretion expense	3,069,847	3,261,157	11,485,205
Dividend income	-	-	(14,230)
Net gain on sale of equipment and investment	-	-	(593,750)
Net loss (gain) on fair value changes on financial assets at fair value through profit or loss	(86,197)	(45,186)	(1,646,055)
Interest income	(25,485,192)	(34,692,502)	(118,549,845)
Movement in accrued retirement liability	-	(35,494)	8,890,930
Operating income before working capital changes	684,645,627	672,931,565	2,224,524,767
Decrease (increase) in:			
Receivables	115,027,537	(262,263,808)	(162,756,703)
Short-term investments	-	214,478,424	-
Contract Assets	(33,354,704)	(33,170,303)	(312,944,191)
Other current assets	(365,787,422)	(4,942,833)	2,515,746
Increase in Accounts payable and accrued expenses	(155,479,328)	(177,394,220)	210,718,053
Cash generated from (used in) operations	245,051,710	409,638,825	1,962,057,672
Interest received	26,210,227	38,852,467	126,880,468
Income taxes paid, including movement in CWT	24,650,024	7,763,698	(125,163,131)
Net cash provided by (used in) operating activities	295,911,961	456,254,990	1,963,775,009
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for:			
Acquisitions of property, plant and equipment	(164,206,734)	(1,140,130,194)	(3,564,058,863)
Deferred oil exploration costs	(73,869,947)	(26,570,240)	(86,510,191)
Deferred development costs	(37,767,776)	(92,141,115)	(413,167,942)
Acquisitions of intangibles	-	-	(8,211,055)
Acquisition of subsidiaries - step-up acquisition			(1,478,193)
Decrease in short-term investments	-	-	200,000,000
Receipt of refund of advance rental			38,574,897
Proceeds from sale of property, plant and equipment	-	-	593,750
Dividends received	-	-	14,230
(Increase)/decrease in Other noncurrent assets	64,534,466	(91,206,646)	324,237,532
Net cash used in investing activities	(211,309,991)	(1,350,048,195)	(3,510,005,835)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Availments of loans	18,000,000	500,000,000	3,373,953,184
Payments of:			
Loans	(205,099,111)	(129,634,254)	(2,072,962,112)
Interest	(205,379,431)	(194,229,987)	(600,972,448)
Dividends to Non-Controlling Interest	(10,500,000)	-	(67,500,000)
Lease liabilities	(942,066)	(911,070)	(39,218,838)
Equity issuance cost	(750,000)	-	(1,413,125)
Dividends by the Parent Company	-	-	(27,928,855)
Increase in other noncurrent liabilities	(4,011,570)	(6,970,198)	-
Net cash provided by financing activities	(408,682,178)	168,254,491	563,957,806
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	13,112,859	(1,594,248)	3,302,001
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(310,967,349)	(727,132,962)	(978,971,019)
CASH AND CASH EQUIVALENTS, BEGINNING	1,791,498,636	2,770,469,655	2,770,469,655
CASH AND CASH EQUIVALENTS, END	1,480,531,287	2,043,336,693	1,791,498,636

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 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: (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 (RGEN) as a wholly owned subsidiary of PGEC to develop new solar projects. In 2024, Taisei Corporation acquired a 25% equity stake in RGEN.

RGEN subsequently established three (3) renewable energy entities: Dagohoy Green Energy Corporation (DGEN) for the 27 MW_{DC} Dagohoy Solar Power Project (DSPP), San Jose Green Energy Corporation (SJGEN) for the 19.6 MW_{DC} San Jose Solar Power Project (SJSPP), and Bugallon Green Energy Corporation (BGEN) for the 25 MW_{DC} 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 40 MW_{DC} Limbauan Solar Power Project (LSPP) 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 renewable resources including, (a) geothermal, (b) solar, and (c) wind. The Group has also entered into developing battery energy storage system (BESS) projects, with its first facility currently under construction in the Province of Capiz.

Upstream Oil Exploration and Development

Petroleum production is on-going in the Etame (Gabon) concession, while PERC's remaining petroleum contract (SC 75 NW Palawan) in the Philippines is under *force majeure* since April 6, 2022.

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 (Utility-Scale)

The Group currently holds eight (8) utility-scale solar projects in varying stages of development with aggregate capacity of ~182 MW. Summary shown below:

Company	Projects	Location	Capacity	Status
PetroSolar Corporation	Tarlac-1 Solar Power Project	Tarlac City, Tarlac	50.070 MW _{DC} / 45.540 MW _{AC}	Commercial Operations since February 10, 2016
PetroSolar Corporation	Tarlac-2 Solar Power Project	Tarlac City, Tarlac	20.349 MW _{DC} / 16.524 MW _{AC}	Commercial Operations since December 16, 2021; Commenced power export on April 2019.
Dagohoy Green Energy Corporation	Dagohoy Solar Power Project	Dagohoy, Bohol	27.120 MW _{DC} / 20.160 MW _{AC}	Commercial Operations since July 16, 2025
San Jose Green Energy Corporation	San Jose Solar Power Project	San Jose City, Nueva Ecija	19.613 MW _{DC} / 15.300 MW _{AC}	Commercial Operations since August 1, 2025
BKS Green Energy Corp.	Limbauan Solar Power Project -Phase 2	San Pablo, Isabela	33.831 MW _{DC} / 28.160 MW _{AC}	Under Testing & Commissioning; Commenced power export on December 18, 2025.
Bugallon Green Energy Corporation	Bugallon Solar Power Project	Bugallon, Pangasinan	25.010 MW _{DC} / 18.560 MW _{AC}	Under Testing & Commissioning; Commenced power export on April 19, 2026
BKS Green Energy Corp.	Limbauan Solar Power Project -Phase 1	San Pablo, Isabela	6.006 MW _{DC} / 5.013 MW _{AC}	Waiting for clearance to energize
EcoSolar Energy Corporation	Panitan Solar Power Project	Panitan, Capiz	98.200 MW _{DC} / 80.000 MW _{AC}	Under Pre-Development. Winning bidder in GEA-4

On August 31, 2023, the Securities and Exchange Commission (SEC) approved the incorporation of Rizal Green Energy Corporation (RGEC), PGEC's 100%-owned subsidiary in 2023 and 75%-owned in 2024, that shall hold shares in the RE companies that will develop the solar power projects in Bohol, Pangasinan, Isabela and Nueva Ecija.

On September 13, 2023, the SEC approved the incorporation of Dagohoy Green Energy Corporation (DGE), a wholly owned subsidiary of RGEC, the RE entity that will own, develop, and operate the

27 MW_{DC} DSPP in Bohol. On February 28, 2024, the DOE approved the assignment of Solar Energy Operating Contract (SEOC) No. 2022-06-629 from PGEC to DGEC and issued the corresponding new Certificate of Registration (COR) with Registration No. SEOC 2022-06-629-AF1.

On October 14, 2023, the SEC approved the incorporation of San Jose Green Energy Corporation (SJGEC), a wholly owned subsidiary of RGEC, the RE entity that will own, develop and operate the 19.6 MW_{DC} SJSPP in Nueva Ecija. On July 19, 2023, the DOE approved the assignment of V-Mars Solar Energy Corporation's DOE service contract to PGEC, allowing PGEC to develop the San Jose Solar Power Project in Nueva Ecija. On April 16, 2024, the DOE approved the assignment of SEOC No. 2015-09-251-AFI from PGEC to SJGEC and issued the corresponding new COR with Registration No. SEOC 2015-09-251-AF2.

On October 14, 2023, the SEC approved the incorporation of Bugallon Green Energy Corporation (BGEC), a wholly owned subsidiary of RGEC, the RE entity that will own, develop, and operate the 25 MW_{DC} BSPP in 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.

On August 16, 2023, PGEC acquired 100% of BKS Green Energy Corp.'s (BKS) shares of stock, a Filipino corporation that holds the service contract over the 40 MW_{DC} LSPP in Isabela. BKSGEC was subsequently sold to RGEC on December 19, 2024. The transaction was accounted for business combination under common control.

On November 20, 2024, the SEC approved the incorporation of ESEC, currently, a wholly owned subsidiary of PGEC, that is planned to hold the new projects of PGEC, such as utility-scale solar, aquavoltaics and Battery Energy Storage Systems (BESS), among others.

Solar Energy (Commercial & Industrial)

PetroGreen continues to expand its renewable energy portfolio through commercial and industrial rooftop solar installations. PGEC completed its first rooftop solar project for the Enrique T. Yuchengco Building in Binondo, Manila, with a capacity of 140.8 kWp, which was energized on May 4, 2021 under a 15-year Rent-to-Own Agreement with E.T. Yuchengco Inc.

In 2024, PGEC successfully installed a 360 kWp rooftop solar facility at Mapúa Malayan Colleges Mindanao (MMCM) in Davao City, which was completed on July 8, 2024 under a Solar Rooftop System Installation and Maintenance Agreement.

Most recently, PGEC completed a large-scale 3.002 MWp rooftop solar project for Isuzu Autoparts Manufacturing Corporation in Biñan City, Laguna. The facility was energized on May 24, 2025 and commenced commercial operations on June 13, 2025. Similar to the MMCM project, it operates under a Solar Rooftop System Installation and Maintenance Agreement.

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 began testing and commissioning on April 4, 2024. The remaining three (3) 6.6 MW turbines were subsequently commissioned on August 16, 2025, and have since commenced exporting power to the grid.

Battery Energy Storage System (BESS)

ESEC is currently constructing its first BESS facility—the 20 MW / 40 MWh Panitan Energy Storage Project in Panitan, Capiz.

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 4,14, and 27).

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

d. Pipeline RE Projects

Onshore Wind

On October 9, 2019, the DOE and PGEC executed Wind Energy Service Contract with registration no. WESC 2017-09-118, granting PGEC exclusive authority to explore, develop and utilize wind energy resources covered by the San Vicente Wind Power Project located in San Vicente, Palawan.

Offshore Wind

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.

On July 31, 2025, CE sold all of its shares in BEEPC, BENMC and BENLC to PGEC. As a result, PGEC is now the sole owner of these companies.

e. Approval of Consolidated Financial Statements

The accompanying unaudited consolidated interim financial statements as of and for the period ended March 31, 2026 were approved and authorized for issue by the Board of Directors (BOD).

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

- Lessee Derecognition of Lease Liabilities

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

- Transaction Price

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

- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*

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

- Amendments to PAS 7, *Cost Method*

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

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

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

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

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

On December 15, 2021, the 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:

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

The Group is currently assessing the impact 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. Summary of Significant Accounting Policies

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 March 31, 2026, March 31, 2025 and December 31, 2025:

	31-Mar-2026	31-Mar-2025	31-Dec-2025
<i>Direct interest:</i>			
PGEC	75%	75%	75%
PSC	44%	44%	44%
PWEI	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%
PSC	56%	56%	56%
PWEI	40%	40%	40%
BKS	-	-	-
RGEC	75%	75%	75%
ESEC ¹⁾	100%	100%	100%
BEEPC ¹⁾	100%	-	100%
BENMC ¹⁾	100%	-	100%
BENLC ¹⁾	100%	-	100%
Subsidiaries of RGEC:			
DGEC	100%	100%	100%
SJGEC ¹⁾	100%	100%	100%
BGEC ¹⁾	100%	100%	100%
BKS ¹⁾	100%	100%	100%

¹ 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:

- a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- b) exposure, or rights, to variable returns from its involvement with the investee; and
- c) 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:

- a) the contractual arrangement with the other vote holders of the investee;
- b) rights arising from other contractual arrangements; and
- c) 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:

	<u>Number of Years</u>
Power plant	25
FCRS and production wells	25
Office condominium units	15
Land improvements	5
Transportation equipment	4 to 5
Office condominium improvements	3 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:

	<u>Number of Years</u>
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
Land	18 to 25
Office space	2

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.

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 March 31, 2026 and December 31, 2025, the carrying value of deferred oil explorations costs amounted to ₱591.80 million and ₱517.93 million, respectively (see Note 13), and the Group's deferred development costs amounted to ₱458.39 million and ₱420.63 million as of March 31, 2026 and December 31, 2025, respectively (see Note 18).

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 to 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 investments in PWEI 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 March 31, 2026 and December 31, 2025, the Group's investment in a joint venture amounted to nil (see Note 14).

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 (see Notes 12 and 13).

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 14).

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 SPVs

Prior to July 31, 2025, PGEC's 40% equity interest in BEEPC, BENMC, and BENLC 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 SPVs. 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. 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 12 and 14).

In 2024, the valuation was finalized, resulting in updated acquisition-date fair values of the identifiable net assets recognized in the business combination. Accordingly, the 2023 comparative information was restated to reflect the adjustments to the provisional amounts (Notes 12 and 14). There is no change in the estimated useful life of customer relationship as of March 31, 2026 and December 31, 2025.

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, the Group 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 the Group as well as a separate SKM reserve estimation and numerical modeling 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.

As of March 31, 2026 and December 31, 2025, there has been no significant change in the estimated reserves that would affect the carrying value and useful life of the Group's property, plant and equipment.

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 product 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 impairment testing and the calculation of depletion expense using the unit of production method of the investments.

As of March 31, 2026 and December 31, 2025, the carrying value of "Wells, Platforms and other Facilities" under "Property, Plant and Equipment" amounted to ₱361.46 million and ₱361.33 million, respectively (see Note 12).

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 were no changes in the estimated useful lives of property, plant and equipment as of March 31, 2026 and December 31, 2025 (see Note 12).

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 March 31, 2026 and December 31, 2025 follow:

	Unaudited 31-Mar-2026	Audited 31-Dec-2025
Property, plant and equipment (Note 12)	₱18,159,300,811	₱ 18,252,994,076
Intangible assets (Note 16)	835,229,275	843,403,239
Deferred oil exploration costs (Note 13)	591,796,851	517,926,904
Deferred development costs (Note 18)	458,393,467	420,625,691
Right-of-use assets (Note 15)	237,839,940	242,601,316
Investment properties (Note 17)	1,611,533	1,611,533
	₱20,284,171,877	₱ 20,279,162,759

There are no indicators of impairment that would trigger impairment review on March 31, 2026 and December 31, 2025 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). Since 2022, total crude production reached 148.75MMBO.

Impairment loss (reversal)

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 asset'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 with a discount rate of 14.19% in 2025.

The Parent Company recognized no impairment (reversal of impairment) loss, as of March 31, 2026 December 31, 2025, respectively.

Estimation of Asset Retirement Obligations

The Group has various legal obligations to decommission or dismantle its assets related to the oil production, geothermal energy project, wind energy project and solar power project at the end of each respective service contracts. In determining the amount of provisions for restoration costs, assumptions and estimates are required in relation to the expected costs to restore sites and infrastructures 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 and amortized 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 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 (see Note 21).

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 discount 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 March 31, 2026 and December 31, 2025 follows (see Note 21):

	Unaudited 31-Mar-26	Audited 31-Dec-25
Wind power project	₱332,214,369	₱331,513,337
Solar power project	61,515,270	60,562,267
Oil production	46,202,995	43,295,580
Geothermal energy project	17,519,108	17,293,147
	₱ 457,451,742	₱ 452,664,331

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 ₱569.23 million and ₱660.60 million as of March 31, 2026 and December 31, 2025, respectively (see Note 18).

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 March 31, 2026 and December 31, 2025, 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.

6. Cash and Cash Equivalents

	Unaudited 31-Mar-26	Audited 31-Dec-25
Cash on hand and in banks	₱805,480,290	₱ 967,051,363
Cash equivalents	675,050,997	824,447,273
Cash and Cash Equivalents	₱1,480,531,287	₱1,791,498,636

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents include short-term investments with maturities of not more than three(3) months and earn interest at the prevailing short-term investment rates.

As of March 31, 2026 and December 31, 2025, the Group has nil short-term investments with periods of more than three months but less than one year.

Interest income earned on cash and cash equivalents amounted to ₱11.75 million and ₱67.39 million as of March 31, 2026 and December 31, 2025, respectively.

7. Restricted Cash

The Group is required to maintain in Debt Service Payment Account (DSPA) pursuant to the Project Loan Facility Agreement (PLFA) of MGI and Omnibus Loan and Security Agreement (OLSA) of PSC and SJGEC and Debt Service Reserve Account (DSRA) of PWEI and DGEC pursuant to its OLSA (see Note 20). The funds maintained in these accounts are used to pay the forthcoming debt service scheduled every year until the loan is fully paid off. Under the PLFA/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.

8. Receivables

	Unaudited 31-Mar-26	Audited 31-Dec-25
Trade receivables:		
Electricity sales	₱654,177,898	₱558,340,953
Electricity sales – related party (Note 23)	43,856,035	194,549,545
Oil revenues	-	80,518,191
Other trade receivables	609,521	1,397,180

	Unaudited 31-Mar-26	Audited 31-Dec-25
Non-trade receivables:		
Receivables from related party	673,627	871,472
Receivable from contractors	19,195,658	19,195,658
Interest receivable	2,028,662	2,753,697
Consortium operator	2,682,452	2,682,452
Others	59,514,221	55,768,933
	782,738,074	916,078,081
Less allowance for impairment losses	2,682,452	2,682,453
	₱780,055,622	₱ 913,395,628

Trade receivables are generally on 30 days credit term. Interest income earned from the delayed payment of trade and other receivable amounted to ₱7.90 million and ₱31.70 million on March 31, 2026 and December 31, 2025, 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 (FVTPL)

	Unaudited 31-Mar-26	Audited 31-Dec-25
Marketable equity securities	₱4,376,690	₱ 4,290,492
Investment in golf club shares	3,500,000	3,500,000
	₱7,876,690	₱ 7,790,492

Net gain (loss) on fair value changes on financial assets at FVTPL included in profit or loss amounted to (₱0.09 million) and ₱1.65 million as of March 31, 2026 and December 31, 2025, respectively. Dividend income received from equity securities amounted to nil and ₱0.01 million as of March 31, 2026 and December 31, 2025, respectively.

10. Contract Assets – current and noncurrent portion

The accounts refer to the Feed-In-Tariff (FIT) arrears or the Net Present Value (NPV) of incremental revenues between the original and yearly adjusted FIT rates. The revised Energy Regulatory Commission (ERC) approved FIT rates from 2021 to 2025 range from ₱8.4746/kWh to ₱9.7237/kWh for PWEI and from ₱9.7239/kWh to ₱11.3596/kWh for PSC.

The accounts were originally set-up in December 2020 in line with ERC Resolution No. 6, Series of 2020, a resolution approving the adjustment to the FIT for the years 2016 to 2020, using 2014 as the base year for the consumer price index and foreign exchange. On December 22, 2025, the 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.

This also includes the receivable from the sale of solar assets to MMCM and Isuzu for a period of eight (8) years

As of March 31, 2026 and December 31, 2025, current portion of the contract asset amounted to ₱130.94 million and ₱194.75 million, respectively, while noncurrent portion amounted to ₱1.052 billion and ₱954.68 million, respectively.

11. **Other Current Assets**

	Unaudited	Audited
	31-Mar-26	31-Dec-25
Advances to suppliers	₱256,020,958	₱55,549,350
Supplies inventory	160,063,743	208,897,177
Prepaid expenses	157,312,624	141,880,384
Prepaid income taxes	44,226,370	10,947,445
Others	5,160,530	3,567,449
	₱622,784,225	₱ 420,841,805

Supplies Inventory

Supplies inventory refers to purchased supplies and parts that are intended to be used for operations and maintenance.

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 fees.

12. Property, Plant and Equipment

	Unaudited 31-Mar-26									
	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	₱16,570,412,375	₱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
Additions	86,718,698	6,249,324	123,185	14,196,806	498,310	523,556	10,866,802	4,122,742	40,907,310	164,206,734
Disposals	-	-	-	-	-	-	(7,737,260)	-	-	(7,737,260)
Balances at end of year	16,657,131,073	2,540,095,266	2,519,700,562	1,301,229,558	284,372,783	114,778,961	154,811,879	1,554,416,717	1,891,140,477	27,017,677,276
Accumulated depletion and depreciation										
Balances at beginning of year	5,259,421,476	793,872,521	1,742,227,141	-	32,402,182	57,062,550	90,245,502	217,133,814	-	8,192,197,495
Depletion and depreciation	209,581,527	31,279,118	-	-	1,984,451	2,993,182	5,071,740	6,989,980	-	257,899,999
Disposals	-	-	-	-	-	-	(7,737,260)	-	-	(7,737,260)
Balances at end of year	5,468,835,313	825,151,639	1,742,227,141	-	34,386,633	60,055,732	87,579,982	224,123,794	-	8,442,360,234
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	₱11,188,295,760	₱1,714,943,627	₱361,457,190	₱1,301,229,558	₱249,986,150	₱54,723,229	₱67,231,896	₱1,330,292,923	₱1,891,140,477	₱18,159,300,811

	Audited 31-Dec-25									
	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 13)	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	₱22,651,913,124
Additions	478,395,532	49,788,246	2,453,603	578,260,858	243,916	13,039,276	23,914,329	124,785,062	2,340,920,127	3,611,800,948
Transfers from deferred exploration costs (Note 12)	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	16,570,412,376	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 and depreciation										
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 and depreciation	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	5,259,421,476	793,872,521	1,742,227,141	–	34,402,182	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	₱11,311,158,591	₱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

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).

For the 1st Quarter of 2026, total crude production reached 1.15 MMBO. The Consortium has no liftings as the entire lifting was allocated to Gabon Oil Company (GOC). Since the Gabon oilfield has been put on-line in 2002, a total of 148.75 MMBO has been extracted to date over the last 24 years.

As of March 31, 2026 and December 31, 2025, PetroEnergy has investments in Gabon, West Africa included in “Wells, platforms and other facilities” account under “Property, plant and equipment” amounting to ₱361.46 million and ₱361.33 million, respectively. Due to fluctuations in crude oil prices and recoverable oil reserves, no

impairment loss or reversal thereof was recognized as of March 31, 2025 and December 31, 2025, respectively.

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 PNOG-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 (SJPCC) 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 March 31, 2026 and 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 14C2 - 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 (GRESO) 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 off-taker, 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 delivered 28.06 GWh and 164.25GWh of electricity on March 31, 2026 and December 31, 2025, 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 transmitted 22.96 GWh and 97.71 GWh of electricity on March 31, 2026 and December 31, 2025, respectively.

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.

On April 24, 2023, PERC and EEI Power Corporation (EEIPC) entered into a Share Purchase Agreement (SPA), where PERC agreed to purchase all of EEIPC’s equity interests in PetroSolar (44%). The full payments for the EEIPC shares in PSC were made on August 1, 2023.

The total energy exported to the grid of TSPP-1 was 17.77 GWh and 64.68 GWh on March 31, 2026 and December 31, 2025, 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 7.42 GWh and 26.93 GWh on March 31, 2026 and December 31, 2025, 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 PWEL, 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.

NWPP-1 exported 30.78 GWh and 87.07 GWh on March 31, 2026 and December 31, 2025, respectively.

NWPP-2 exported 15.01 GWh and 33.91 GWh on March 31, 2026 and December 31, 2025, respectively.

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. As of March 31, 2026 and December 31, 2025, the power plant produced 8.78GWh and 37.79 GWh, respectively..

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, SJSP Phase 1 commenced its WESM COD on August 1, 2025, Phase 2 on December 26, 2025. As of March 31, 2026 and December 31, 2025, the power plant produced 7.97GWh and 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) ₱. 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 BKSGEC'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 Ta ₱ 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. As of March 31, 2026 and December 31, 2025, the LSPP-2 produced 9.11GWh and 1.07 GWh.

Panitan Solar Power Project (PSPP)
Certificate of Authority (COA) No. SCSA 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 ₱4.30/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 ₱4,875.51, million and ₱4,922.08 million as of March 31, 2025 and December 31, 2025 respectively, in relation to its two (2) loan facilities.

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.

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

Change in ARO estimate and transfers from advances to contractors, deferred oil exploration costs and development costs are considered as noncash investing activities.

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

13. Deferred Oil Exploration Costs

The movements in deferred oil exploration costs are as follows:

	Unaudited 31-Mar-26	Audited 31-Dec-25
Cost		
Balances at beginning of year	₱704,347,406	₱ 617,837,214
Additions	73,869,946	86,510,191
Transfer to property plant and equipment (Note 12)	-	-
Balances at end of year	778,217,352	704,347,405
Accumulated impairment losses		
Balances at beginning of year	186,420,501	186,420,501
Impairment loss (reversal) (Note 5)	-	-
Balances at end of year	186,420,501	186,420,501
	₱591,796,851	₱517,926,904

Details of deferred oil exploration costs as of March 31, 2026 and December 31, 2025 are as follows:

	Unaudited 31-Mar-26	Audited 31-Dec-25
Cost		
Gabonese Oil Concessions (Note 13)	₱708,220,935	₱ 634,719,748
SC. No. 75 – Offshore Northwest Palawan	66,230,199	65,907,311
SC. No. 14 - C2 (West Linapacan)	4,408,511	3,720,346
	778,859,645	704,347,405
Accumulated impairment losses		
Gabonese Oil Concessions (Note 13)	182,700,154	182,700,155
SC. No. 14 – C2 (West Linapacan)	4,362,640	3,720,346

	187,062,794	186,420,501
	₱591,796,851	₱517,926,904

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 (SJGCC) 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.

14. Investments in Joint Venture and Business Combination

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 March 31, 2026, 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 valuation was completed in 2024 and the acquisition date fair value of PWEI's net asset, including the identifiable intangible asset (customer relationship) has been determined. The fair value of the property, plant and equipment and customer relationship increased by ₱36.98 million and ₱397.21 million, respectively, from the provisional fair values. As a result, there was an increase in the deferred tax liability - net of ₱138.84 million and an increase in the non-controlling interest of ₱118.14 million. There was also a corresponding reduction in the goodwill of ₱645.64 million, resulting in ₱95.80 million of total goodwill arising from acquisition.

Goodwill amounting to ₱95.80 million, 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 test and did not note any indicators of impairment on the goodwill as of March 31, 2026 and December 31, 2025. None of the goodwill recognized is expected to be deductible for income tax purpose.

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 27 years based on the remaining term of PWEI's service contract for the NWPP. The carrying value of customer relationship as of March 31, 2026 and December 31, 2025 amounted ₱630.14 million and ₱636.77 million, respectively, net of amortization during the period amounting to ₱6.63 million and ₱26.53 million, respectively (see Note 16).

15. 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.

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 an escalation clause of 3% for TSPP-1 and 2% for TSPP-2 every 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:

	Unaudited 31-Mar-2026		Total
	Land	Office Spaces	
Cost			
Beginning balance	₱342,246,116	₱14,714,341	₱356,960,457
Ending balance	342,246,116	14,714,341	356,960,457
Accumulated depreciation			
Beginning balance	103,040,761	11,318,380	114,359,141
Depreciation (Notes 4, 5, 21 and 23)	3,887,372	874,004	4,761,376
Ending balance	106,928,133	12,192,384	119,120,517
Net Book Value	₱235,317,983	₱2,521,957	₱237,839,940

	Audited 31-Dec-25		Total
	Land	Office spaces	
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 4, 5, 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

The depreciation of the right-of-use of the lands in Tarlac and Batangas are presented as part of “Cost of electricity sales” while the depreciation of the right-of-use of office spaces are presented as part of “General and administrative expenses” in the consolidated statement of comprehensive income.

No lease liability was recognized for leases of land that have been prepaid. The rollforward analyses of lease liabilities are as follows:

	Unaudited 31-Mar-26	Audited 31-Dec-25
Beginning balance	₱318,481,274	₱319,125,070
Payments	(893,493)	(39,218,838)
Interest expense	7,075,416	34,713,886
Additions	-	3,861,156
Ending balance	324,663,197	318,481,274
Less current portion	17,239,075	11,057,153
Noncurrent portion	₱307,424,121	₱307,424,121

16. Intangible Assets and Goodwill

	Unaudited 31-Mar-26					
	Goodwill	Customer relationship	Land rights	Production license	Software and others	Total
Cost:						
Balances at beginning of year	₱95,802,529	₱707,523,801	₱157,477,610	₱45,074,178	₱53,005,345	₱1,058,883,463
Additions	-	-	-	-	1,335,828	1,335,828
Balances at end of year	95,802,529	707,523,801	157,477,610	45,074,178	54,341,173	1,060,219,291
Accumulated amortization:						
Balances at beginning of year	-	70,752,381	60,955,584	32,360,951	51,411,308	215,480,224
Amortization	-	6,633,035	1,882,776	385,249	608,732	9,509,792
Balances at end of year	-	77,385,416	62,838,360	32,746,200	52,020,040	224,990,016
Net book values	₱95,802,529	₱630,138,385	₱94,639,250	₱12,327,978	₱2,321,133	₱835,229,275

	Audited 31-Dec-25					
	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	₱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

Goodwill and customer relationship were recognized from business combination in Note 14.

Intangible assets (other than from business combination) pertain to land rights, which refer to grant of easement of right of way entered by PetroSolar to construct, operate, maintain, repair, replace and remove poles, wires, 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.

17. Investment Properties

As of March 31, 2026 and December 31, 2025 this account consists of land and parking lot space (located at Tektite) with cost amounting to ₱1.61 million.

The fair values of the investment properties of the Group are between ₱1 million to ₱1.70 million as of March 31, 2026 and December 31, 2025. The Group determined the fair values of the Group's investment properties on the basis of recent sale of similar properties in the area where the investments in properties are located and taking into account the economic conditions prevailing at the time the valuations were made.

As of March 31, 2026 and December 31, 2025, the fair value of the investment properties is classified under the Level 3 category (see Note 24).

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.

18. Other Noncurrent Assets

	Unaudited	Audited
	31-Mar-2026	31-Dec-2025
Input VAT	₱ 569,226,187	₱660,598,036
Deferred development costs	458,393,467	420,625,691
Advances to contractors	115,824,797	113,165,711
Restricted cash	18,957,562	18,346,531
Others	39,084,982	51,347,480
	1,201,486,995	1,264,083,449
Less allowance for probable losses	(11,655,632)	(11,655,632)
	₱1,189,831,363	₱1,252,427,817

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 also includes outstanding input VAT claims that were applied or in the process of application by MGI for refund with the BIR. As of March 31, 2026 and December 31, 2025, the outstanding input VAT claims which are still pending with the CTA and SC amounted to ₱98.79 million.

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 procurement of materials, equipment and services.

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 noncurrent portion of prepaid insurance, security deposits, advances to contractors and lot owners and balance of MERALCO account billing deposits.

19. Accounts Payable and Accrued Expenses

	Unaudited 31-Mar-2026	Audited 31-Dec-2025
Accounts payable	₱572,617,531	₱705,884,830
Accrued expenses		
Utilities	193,829,039	187,835,497
Interest (Note 20)	123,414,741	161,766,163
Sick/vacation leaves	31,663,259	29,751,733
Professional fees	10,848,566	30,644,836
Profit share	8,834,152	8,834,152
Operations and maintenance	7,904,522	3,267,968
Due to related party (Note 23)	-	1,169,818
Others	12,950,648	11,861,530
Withholding taxes and other tax payables	20,310,373	26,783,713
Due to NRDC	2,269,737	2,269,737
Others	3,950,020	19,477,349
	₱988,592,588	₱1,189,547,326

Accounts payable mainly consists of payable to suppliers and contractors that are currently involved in the development, construction and operations of energy projects. Accounts payable also includes unclaimed checks pertaining to dividends payable amounting to ₱11.56 million and ₱11.89 million as of March 31, 2026 and December 31, 2025, respectively.

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

20. Loans Payable

The Group's loans payable as of March 31, 2026 and December 31, 2025 is as follows:

	Unaudited 31-Mar-2026	Audited 31-Dec-2025
Principal, balance at beginning of year	₱9,513,539,121	₱8,212,548,049
Add availments during the year	18,000,000	3,373,953,184
Less principal payments during the year	(205,099,111)	(2,072,962,112)
Principal, balance at end of year	9,326,440,010	9,513,539,121
Less unamortized deferred financing cost	(80,240,568)	(81,687,121)
	9,246,199,442	9,431,852,000
Less current portion – net of unamortized deferred financing cost	(1,941,363,743)	(1,920,876,205)
Noncurrent portion	₱7,304,835,699	₱7,510,975,795

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 payables to DBP as of December 31, 2022 are as follows:

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

- ₱80 million with interest rate of 5.8% per annum 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 Islands (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 payables to BPI as of December 31, 2023 are as follows:

- ₱200 million with interest rate of 7.00% per annum and maturity on April 11, 2024
- ₱551.52 million with interest rate of 7.00% per annum and maturity on May 2, 2024
- ₱61.26 million with interest rate of 7.00% per annum and maturity on February 28, 2024
- ₱1.25 billion with interest rate of 7.50% per annum and maturity on January 31, 2024
- ₱422.51 million with interest rate of 7.50% per annum and maturity on January 31, 2024
- ₱272.86 million with interest rate of 7.50% per annum 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% per annum; Promissory Note (PN) Date: January 31, 2024
- ₱62.5 million with interest rate of 7.4449% per annum; PN Date: February 28, 2024
- ₱201.5 million with interest rate of 7.4224% per annum; PN Date: April 11, 2024
- ₱286.0 million with interest rate of 7.8449% per annum; 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% per annum and maturity date of August 15, 2034. As of March 31, 2026 and December 31, 2025, the company has no existing short-term loan from RCBC.

The Term Loan Facility Agreements with 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 at least 1.1:1. As of March 31, 2026 and December 31, 2025, the Parent Company is in compliance with the required ratios.

Interest expense related to these loans amounted to ₱52.59 million and ₱209.30 million as of March 31, 2026 and December 31, 2025, respectively. Accrued interest payable amounted to ₱27.46 million and ₱72.50 million as of December 31, 2025 (see Note 19).

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% per annum payable semi-annually. The principal amount is payable in five equal annual installments starting November 11, 2021.

As of March 31, 2026 and December 31, 2025, the outstanding balances of these loans, net of unamortized deferred financing costs, amounted to nil, respectively.

Interest expense of PetroGreen related to these loans amounted to ₱0.19 million and ₱3.67 million in March 31, 2026 and December 31, 2025, respectively. Accrued interest payable amounted to nil as of March 31, 2026 and December 31, 2025, respectively (see Note 19).

The loan covenants covering the outstanding debt of 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

March 31, 2026 and December 31, 2025, the Company is compliant with all the foregoing conditions.

MGI's long-term loans payable

Project Loan Facility Agreements with RCBC

On May 19, 2016, MGI, together with PetroGreen, PHINMA and PNOG 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. The first loan drawdown was made on June 2, 2016.

On September 5, 2016, MGI, together with PetroGreen, PHINMA and PNOG RC executed another Project Loan Facility Agreement with RCBC for a ₱2,100 million project loan 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 requirements.

Loan Agreement with RCBC

On February 17, 2025, MGI secured a ₱500 million Short-Term Loan (STL) from RCBC to finance the acquisition of Power Sector Asset and Liabilities Management (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, MGI entered into a ₱1,200 million Loan Agreement with RCBC to refinance the remaining balance of M2 Expansion and the Short-Term Loan.

On October 16, 2025, MGI pre-terminated through the said refinancing the loan with outstanding principal of ₱502.86 million, together with the ₱500 million Short-Term Loan. The combined outstanding principal of ₱1,002 million was repaid resulting in recognition of finance cost on extinguishment of loan amounting to ₱4.26 million.

MGPP-1 or M1 new 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 recognized from the loan amounted to ₱3.74 million and ₱25.28 million on March 31, 2026 and December 31, 2025, 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 amounted to ₱39.44 million and ₱61.18 million in 2025 and 2024, 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 recognized from the loan amounted to ₱17.05 million and ₱14.39 million on March 31, 2026 and December 31, 2025, respectively.

Accrued interest payable of MGI’s loans amounted to ₱31.69 million and ₱14.58 million as of March 31, 2026 and December 31, 2025, respectively (see Note 19).

As of March 31, 2026 and December 31, 2025 the total outstanding balance of these loans amounted to ₱1,235.82 million and ₱1,235.16 million respectively.

The loan covenants covering the outstanding debt of MGI 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 in the DSPA 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 (see Note 7). As of March 31, 2026 and December 31, 2025, MGI has been compliant with the above conditions.

PetroSolar’s long-term loans

On November 12, 2015, PetroSolar, together with PetroGreen and EEI Power Corporation (EEIPC), as third party mortgagors and pledgors, entered into a ₱2.6 billion 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 ₱473.00 million 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 to 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 bank 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 (see Note 7). As of March 31, 2026 and December 31, 2025, PetroSolar is in compliance with the said loan covenants.

As of March 31, 2026 and December 31, 2025, the outstanding balance of this loan amounted to ₱338.23 million

and ₱339.55 million, respectively. Interest expense recognized from the loan amounted to ₱8.38 million and ₱47.70 million as of March 31, 2026 and December 31, 2025, respectively.

Accrued interest payable amounted to ₱8.54 million and ₱2.34 million as of March 31, 2026 and December 31, 2025, respectively (see Note 19).

PetroSolar mortgaged all of its property and equipment related to TSPP-1 as collateral in connection with the loan (see Note 12).

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 ₱200.00 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 is 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 ₱15.66 million and ₱73.67 million in March 31, 2026 and December 31, 2025, respectively.

NWPP-2

On February 22, 2023, the Company entered into a ₱1.81 billion OLSA with DBP to finance the Nabas-2 Project.

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 fixed for two (2) years based on the higher of two (2)-year BVAL plus 1.00% per annum or 6.25% per annum 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.

PetroWind has drawn a total of ₱1.54 billion as of March 31, 2026 and December 31, 2025. The remaining balance will be subsequently drawn in 2026.

The total interest expense incurred amounted to ₱27.14 million and ₱79.53 million as of March 31, 2026 and December 31, 2025, respectively.

Interest payable for Nabas-1 and Nabas-2 amounted to ₱16.40 million and ₱62.55 million as of March 31, 2026 and December 31, 2025, respectively. (see Note 19).

Short-term loan

The Company secured short-term loans amounting to ₱322.00 million as of March 31, 2026 and December 31, 2025 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 ₱7.81 million and ₱11.75 million as of March 31, 2026 and December 31, 2025, respectively.

Loan Covenants, Financing Charges

For NWPP-1 and NWPP-2, the loan covenants require PetroWind to maintain a debt-to-equity ratio of not greater than 70:30, a default DSCR not lower than 1.1x at any time and maintain a DSRA required balance equivalent to one principal plus one interest semi-annual payment at all times until full settlement of the loan. As of March 31, 2026, PetroWind is in compliance with the said major loan covenants.

PetroWind pledged all of its property and equipment as collateral to secure its borrowings (see Note 12).

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 RGEN, 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.

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 March 31, 2026 and December 31, 2025.

The loan covenant of DGEC 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 March 31, 2026 and December 31, 2025, DGEC is in compliance with the said loan covenants.

The total interest incurred amounted to ₱14.98 million as of March 31, 2026 and ₱63.20 million as of December 31, 2025.

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 to 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.

San Jose Green Energy Corporation

Omnibus Loan and Security Agreement (OLSA) with RCBC

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

The Company has outstanding loan amounting to ₱469.00 million as of March 31, 2026 and December 31, 2025.

The loan is payable in twelve (12) years from and after the date of initial drawdown. 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, net of unamortized deferred financing cost.

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 expense incurred on loans amounted to ₱8.81 million and ₱27.99 million as of March 31, 2026 and December 31, 2025, respectively.

Deferred financing costs are incidental costs incurred in obtaining the loan, which include documentary stamp tax, professional fees, transfer tax, real estate mortgage, arranger's fee and other out-of pocket expenses to be amortized over the remaining term of the loan.

The loan covenants covering outstanding debt of the Company include the following conditions: maintenance of Debt Service Coverage Ratio (DSCR) of at least equivalent to the maintenance DSCR commencing on the first anniversary of the commercial operations date until the loan satisfaction date, the debt to equity ratio not exceeding the maintenance debt to equity ratio commencing on the closing date until satisfaction date. As of March 31, 2026 and December 31, 2025, SJGEC is in compliance with the said loan covenants.

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 March 31, 2026, the balance will be subsequently drawn in 2027.

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 March 31, 2026, maintenance of DSCR is not yet required since BGEC is not yet operational.

The total interest incurred amounted to ₱13.79 million as of March 31, 2026 and ₱6.63 million as of December 31, 2025, respectively. These amounts are presented as part of the project cost under deferred development costs. As of March 31, 2026, accrued interest payable amounted to ₱16.10 million.

21. Asset Retirement Obligation

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 farm in Nabas and Malay, Aklan.

Movements in this account follow:

	Unaudited	Audited
	31-Mar-2026	31-Dec-2025
Balance at beginning of year	₱ 452,664,331	₱162,534,249
Change in estimates (Note 12)	–	277,793,991
Accretion expense	3,303,524	11,485,205
Foreign exchange adjustment	1,483,887	850,886
Balance at end of year	₱ 457,451,742	₱452,664,331

22. 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 March 31, 2026, the total issued and subscribed capital stock of the Parent Company consists of 99.65% Filipino and 0.35% non-Filipino as compared to 99.79% Filipino and 0.21% non-Filipino as of December 31, 2025.

As of March 31, 2026 and December 31, 2025, paid-up capital consists of:

Capital stock – ₱1 par value	
Authorized – 700,000,000 shares	
Issued and outstanding	₱568,711,842
Additional paid-in capital	2,156,679,049
	₱2,725,390,891

The Group's track record of capital stock follows:

	Number of	Issue/offer	Date of SEC	Number of
	shares registered	price	approval	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			2004
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
Deduct: Movement	–			-
March 31,2026	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 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. The dividends amounting to ₱28.48 million were paid in 2024.

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.

Cumulative Translation Adjustment

In 2018, because of 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 for 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 resulting in the decrease in the ownership interest of PetroEnergy in PetroGreen from 90% to 76.92%. The transaction was accounted for 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 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. 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 27) 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 RGEN were accounted for 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 March 31, 2026 and December 31, 2025, the balances of equity reserve account amount to ₱1,493.41 million and ₱1,494.16 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 March 31, 2026 and December 31, 2025, 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 March 31, 2026 and December 31, 2025 are as follows:

	Unaudited	Audited
	31-Mar-2026	31-Dec-2025
Loans payable	₱ 9,246,199,442	₱9,431,852,000
Capital stock	568,711,842	568,711,842
Additional paid-in capital	2,156,679,049	2,156,679,049
Retained earnings	4,150,092,817	4,010,174,139
Equity reserve	1,493,407,453	1,494,157,453
	₱17,615,090,603	₱7,661,574,483

The table below demonstrates the debt-to-equity ratio of the Group as of March 31, 2026 and December 31, 2025:

	Unaudited 31-Mar-2026	Audited 31-Dec-2025
Total liabilities	₱11,248,472,003	₱ 11,580,457,887
Total equity	14,363,033,436	14,133,667,727
Debt-to-equity ratio	0.78:1	0.82:1

Based on the Group's assessment, the capital management objectives were met on March 31, 2026 and December 31, 2025.

23. 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 for the Period		Outstanding Balance Receivables (Payables)		Terms and Conditions
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25	
Investor					
House of Investments, Inc					
Internal audit services	₱1,068,753	₱1,148,768	₱-	₱(1,169,818)	Note a
Buhawind Energy Northern Luzon Corporation					
Time-writing Income	-	-	-	-	Note c
Rental Income	-	110,000	-	-	Note b
Reimbursement - receivables	-	35,779,543	-	-	Note d
Advances from stockholders	-	151,000,000	-	-	
Advances - receivables	-	-	-	-	
	-	183,889,543	-	-	
Buhawind Energy Northern Mindoro Corporation					
Time-writing Income	-	-	-	-	Note c
Rental Income	-	110,000	-	-	Note b
Advances from stockholders	-	15,000,000	-	-	
Reimbursement - receivables	-	340,024	-	-	Note d
	-	15,450,024	-	-	
Buhawind Energy East Panay Corporation					
Time-writing Income	-	-	-	-	Note c
Rental Income	-	110,000	-	-	Note b
Advances from stockholders	-	8,000,000	-	-	
Reimbursement - receivables	-	2,714,625	-	-	Note d
	-	10,824,625	-	-	

Related Party/Nature	Transactions for the Period		Outstanding Balance		Terms and Conditions
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25	
Affiliate					
AC Energy Corporation (ACEN)					
Electricity sales	206,452,617	1,055,344,408	43,856,035	194,549,545	Note e
Pass-on Wheeling,	1,783,130	8,082,149	602,224	1,397,180	Note e
Dividends paid		(12,500,000)			
Ancillary & Transmission Charges					
	208,235,747	1,050,926,557	44,458,259	195,946,725	
Affiliate					
LIPCO					
Land lease	-	₱35,016,873	-	-	Note f
Affiliate					
Enrique T. Yuchengco, Inc.					
Rental income	207,400	834,799	673,627	871,472	Note g

- 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. 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 15). 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.

24. Financial Instruments

The Group's principal financial instruments include cash and cash equivalents, short-term investments, financial assets at FVTPL, receivables, restricted cash, 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 March 31, 2026 and December 31, 2025, the carrying amounts of the Group's financial assets and financial liabilities approximate their fair values except for loans payable and lease liabilities. The carrying value of the loans payable amounted to ₱9.25 billion and to ₱9.43 billion as of March 31, 2026 and December 31, 2025, 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 2024 and 2023 (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 2024 and 2023 (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).

On March 31, 2026 and December 31, 2025, 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 obtains funds from various sources including internally generated funds and loans from financial institutions. As of March 31, 2026 and December 31, 2025, the Group has existing credit line facilities from which they can draw funds from (see Note 20).

The tables below summarize the maturity profile of the Group's financial assets and financial liabilities as of March 31, 2026 and December 31, 2025 based on contractual payments:

	31-Mar-2026 (Unaudited)			Total
	On demand	1 year or less	More than 1 year	
Financial Assets				
Financial assets at FVTPL	₱7,876,690	₱-	₱-	₱7,876,690
Financial assets at amortized cost:				
Cash and cash equivalents	1,480,531,287	-	-	1,480,531,287
Accounts receivable	1,283,148	698,033,933	-	699,317,081
Other receivables	19,195,658	-	59,514,222	78,709,880
Interest receivable	2,028,662	-	-	2,028,662
Refundable deposits	-	465,221	17,682,836	18,148,057
Restricted cash	-	358,923,332	18,957,562	377,880,894
Contract assets	-	130,938,736	1,051,848,825	1,182,787,561
	1,510,915,445	1,188,361,222	1,148,003,445	3,847,280,112
Financial Liabilities				
Financial liabilities at amortized cost:				
Loans payable**	-	1,941,363,743	7,304,835,699	9,246,199,442
Lease liabilities	-	17,239,075	307,424,121	324,663,196
Accounts payable and accrued expenses*	972,577,332	-	-	972,577,332
	972,577,332	1,958,602,818	7,612,259,820	10,543,439,970
Net financial assets (liabilities)	₱538,338,113	₱(770,241,596)	(6,464,256,375)	₱(6,696,159,857)

*Excluding statutory payables

**Includes future interest payments

	31-Dec-2025 (Audited)			Total
	On demand	1 year or less	More than 1 year	
Financial Assets				
Financial assets at FVTPL	₱-	₱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
Short-term investments	-	-	-	-
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				

	31-Dec-2025 (Audited)			
	On demand	1 year or less	More than 1 year	Total
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

**Includes future interest payments

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 March 31, 2026 and December 31, 2025 are as follows:

	31-Mar-26 (Unaudited)		31-Dec-25 (Audited)	
	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
<i>Financial assets</i>				
Cash and cash equivalents	\$151,723	₱ 9,203,301	\$2,172,983	₱127,510,670
Receivables	120	7,297	1,369,590	80,518,191
Restricted Cash	312,069	18,957,562	312,069	18,346,531
	463,912	28,168,160	3,854,642	226,375,392
<i>Financial liabilities</i>				
Accounts payable and accrued expenses	346,040	21,021,267	1,068,167	62,797,533
Net exposure	\$117,872	₱ 7,146,893	\$2,786,475	₱163,577,859

As of March 31, 2026 and December 31, 2025, the exchange rates used for conversion are ₱60.748 and ₱58.790 per \$1, respectively.

There are 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 of loans payable is fixed for the first five (5) years or first seven (7) years and will be repriced thereafter.

There are 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 FVTPL, 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:

	31-Mar-26	31-Dec-25
Financial assets:		
Cash in banks and cash equivalents	₱1,471,509,952	₱1,782,917,301
Receivables	780,055,622	913,395,628
Restricted cash	377,880,894	296,301,141
Financial assets at FVTPL	7,876,690	7,790,492
Refundable deposits	18,148,057	18,105,458
Contract asset	1,182,787,561	1,149,432,857
	₱3,838,258,776	₱4,167,942,877

An impairment analysis is performed at each reporting date using a provision matrix to measure 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.

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 assets for the Group's financial assets and contract assets as of March 31, 2026 and December 31, 2025:

31-Mar-2026 (Unaudited)				
	Current (High grade)	More than 90 days (Standard grade)	Credit impaired	Total
Financial assets:				
Cash and cash equivalents*	₱1,471,509,952	₱-	₱-	₱1,471,509,952
Short-term investments	-	-	-	-
Accounts receivable	715,830,286	-	2,682,452	718,512,738
Other receivables	-	59,514,222	-	59,514,222
Interest receivable	2,028,662	-	-	2,028,662
Financial assets at FVTPL	7,876,690	-	-	7,876,690
Refundable deposits	18,148,057	-	-	18,148,057
Restricted cash	377,880,894	-	-	377,880,894
Contract assets	-	130,938,736	1,051,848,825	1,182,787,561
	₱ 2,593,274,541	₱ 190,452,958	₱ 1,054,531,277	₱3,838,258,776

31-Dec-2025 (Audited)				
	Current (High grade)	More than 90 days (Standard grade)	Credit impaired	Total
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 FVTPL	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

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.

25. 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.
- 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.

31-Mar-2026 (Unaudited)							
	Oil Production	Geothermal Energy	Solar Energy	Wind Energy	Other Activities	Elimination	Consolidated
Segment revenue	P-	₱209,443,415	₱ 337,713,340	₱ 353,063,949	P-		₱ 900,220,704
Net income	57,871,464	25,705,962	143,882,384	129,378,542	52,054,548	(168,277,255)	240,615,645
Other comprehensive income (loss)	-	-	-	-	-	-	-
Other information:							
Segment assets except deferred tax asset	₱6,470,038,701	₱5,776,938,603	₱9,313,284,579	₱8,091,278,964	₱ 7,846,886,288	₱(11,929,214,588)	₱25,569,212,546
Deferred tax assets – net	13,204,748	4,044,171	5,303,450	19,933,102	6,262,764	(6,455,342)	42,292,893
Segment liabilities except deferred tax liabilities	₱ 2,878,750,466	₱1,594,348,943	₱4,805,927,804	₱3,893,233,776	₱156,253,915	₱(2,199,534,236)	₱ 11,128,980,669
Deferred tax liabilities - net	-	-	-	-	-	119,491,334	119,491,334
Provision for income tax	₱480,891	₱ 2,731,764	₱ 6,654,369	₱ 12,406,440	₱ 693,969	₱ -	₱ 22,967,433
31-Dec-2025 (Audited)							
	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	(₱ 11,749,943,393)	₱ 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	P-	P-	P-	P-		₱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)	₱54,554,30

InterGroup investments, revenues and expenses are eliminated during consolidation.

26. Basic/Diluted Earnings Per Share

The computation of the Group's earnings per share follows:

	Unaudited 31-Mar-2026	Unaudited 31-Mar-2025	Audited 31-Dec-2025
Net income attributable to equity holders of the Parent Company	₱139,918,678	₱143,462,519	₱284,178,362
Weighted average number of shares	568,711,842	568,711,842	568,711,842
Basic/diluted earnings per share	₱0.2460	₱0.2523	₱0.4997

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.

PERC does not have potentially dilutive common stock.

27. Non-controlling Interests

As of March 31, 2026 and December 31, 2025, the investment of Kyuden in PGEC resulted in an increase in NCI as discussed earlier (Note 22). Kyuden owns 25% of PGEC as of March 31, 2026 and December 31, 2025, while PERC owns 75% in both periods.

In 2023, the acquisition of EEIPC's ownership interests in PetroGreen, PetroWind and PetroSolar, as disclosed in Notes 1, 14 and 22, also resulted in 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 March 31, 2026 and December 31, 2025, the accumulated balances of and net income attributable to non-controlling interests are as follows:

	Unaudited 31-Mar-2026	Audited 31-Dec-2025
Accumulated balances of non-controlling interests:		
PetroGreen	₱ 2,213,348,854	₱2,185,918,148
PetroWind	1,861,448,313	1,809,594,100
MGI	1,465,321,841	1,456,324,754
RGEC	362,195,300	360,280,296
	₱5,902,314,308	₱5,812,117,298

	Unaudited 31-Mar-2026	Audited 31-Dec-2025
Net income attributable to non-controlling interests:		
PetroWind	₱51,854,170	₱102,758,360
PetroGreen	37,930,706	134,938,021
MGI	8,997,087	93,639,630
RGEC	1,915,004	2,818,752
	₱100,696,967	₱334,154,763

Dividends paid to non-controlling interests amounted to ₱10.50 and ₱50.00 million as of March 31, 2026 and December 31, 2025, 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 release 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 (see Note 22).

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.

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 22.

PetroWind

The business combination of PWEI in May 2023 resulted in NCI which represents the 40% ownership interest of BCPG in PetroWind. Details of the transaction are disclosed in Notes 1 and 14.

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).

28. Others

- a. The Interim Financial Report (March 31, 2026) is in compliance with generally accepted accounting principles.
- b. The same policies and methods of computation were followed in the preparation of the interim financial report compared to the December 31, 2025 Consolidated Audited Financial Statements.
- c. No unusual item or items affected the assets, liabilities, equity and cash flows of the March 31, 2026 Financial Statements.
- d. Earnings per share is presented in the face of the unaudited statements of income for the period ended March 31, 2026 and December 31, 2025.
- e. No significant events happened during the quarter that will affect the March 31, 2026 Unaudited Financial Statements.
- f. There are no seasonal aspects that had a material effect on the financial condition or results of operation of the Company.
- g. There is no foreseeable event that will trigger direct or contingent financial obligation that is material to the Company, including any default of accelerated obligation.
- h. There are no material off-balance sheet transactions, arrangements, obligations and other relationships of the Company with other entities or persons that were created during the period.
- i. There are no changes in estimates of amounts reported in prior periods of the current financial year or changes in estimates of amounts reported in prior financial years that could have material effect in the current period.
- j. The Company has no contingent liabilities or assets during the period.

Item 2. Management’s Discussion and Analysis or Plan of Operation

PART I – Management’s Discussion and Analysis (Amounts are in Philippine Peso (P))

1. Consolidated Financial Position (March 31, 2026 and December 31, 2025)

	Unaudited 31-Mar-26	Audited 31-Dec-25	% Change	% of Total Assets
ASSETS				
Cash and cash equivalents	P1,480,531,287	P1,791,498,636	-17.36%	5.78%
Restricted cash	358,923,332	277,954,610	29.13%	1.40%
Receivables	780,055,622	913,395,628	-14.60%	3.05%
Financial assets at fair value through profit or loss (FVPL)	7,876,690	7,790,492	1.11%	0.03%
Crude oil inventory	120,644,056	-	100.00%	0.47%
Current portion of contract assets	130,938,736	194,753,016	-32.77%	0.51%
Other current assets	622,784,225	420,841,805	47.99%	2.43%
Property, plant and equipment	18,159,300,811	18,252,994,076	-0.51%	70.90%
Deferred oil exploration costs	591,796,851	517,926,904	14.26%	2.31%
Contract assets - net of current portion	1,051,848,825	954,679,841	10.18%	4.11%
Right-of-use assets	237,839,940	242,601,316	-1.96%	0.93%
Deferred tax assets - net	42,292,893	42,246,701	0.11%	0.17%
Intangible assets and goodwill	835,229,275	843,403,239	-0.97%	3.26%
Investment properties - net	1,611,533	1,611,533	0.00%	0.01%
Other noncurrent assets	1,189,831,363	1,252,427,817	-5.00%	4.65%
TOTAL ASSETS	P25,611,505,439	P25,714,125,614	-0.40%	100.00%
LIABILITIES AND EQUITY				
Accounts payable and accrued expenses	988,592,588	1,189,547,326	-16.89%	3.86%
Loans payable - current portion	1,941,363,743	1,920,876,205	1.07%	7.58%
Lease liabilities - current portion	17,239,075	11,057,153	55.91%	0.07%
Income tax payable	55,971,953	8,308,304	573.69%	0.22%
Loans payable - net of current portion	7,304,835,699	7,510,975,795	-2.74%	28.52%
Lease liabilities - net of current portion	307,424,121	307,424,121	0.00%	1.20%
Asset retirement obligations	457,451,742	452,664,331	1.06%	1.79%
Deferred tax liabilities - net	119,491,334	121,149,593	-1.37%	0.47%
Other noncurrent liabilities	56,101,748	58,455,059	-4.03%	0.22%
TOTAL LIABILITIES	P11,248,472,003	P11,580,457,887	-2.87%	43.92%
EQUITY				
Attributable to equity holders of the Parent Company	8,460,719,107	8,321,550,429	1.67%	33.03%
Non-controlling interests	5,902,314,329	5,812,117,298	1.55%	23.05%
TOTAL EQUITY	P14,363,033,436	P14,133,667,727	1.62%	56.08%
TOTAL LIABILITIES AND EQUITY	P25,611,505,439	P25,714,125,614	-0.40%	100.00%

Total assets amounted to P25.612 billion and P25.714 billion as of March 31, 2026 and December 31, 2025, respectively. Book value is at P14.88/share from P14.63/share.

Cash and cash equivalents account consists of cash on hand, cash in banks and money market placements with original maturities of not more than three months. The 17.36% net decrease from P1.791 billion as of December 31, 2025 to P1.481 billion as of March 31, 2026 is mainly due to the following:

- PGEC’s dividend payments to stockholders;

- Bugallon Green Energy Corporation's (BGEC), BKS Green Energy Corporation's (BKSGEC) and San Jose Green Energy Corporation's (SJGEC) payments for EPC contracts and various suppliers;
- PERC's payments for Vaalco cash calls with no lifting proceeds as scheduled; and
- Other working capital requirements.

Restricted cash increased as a result of additional funding of Debt Service Payment Account (DSPA) and Debt Service Reserve Account (DSRA) in reference to the next loan principal and interest payments.

The **Receivables** account mainly consists of receivables from electricity sales and lifting/sale of crude oil, with interest receivable as a minor component. The 14.60% decrease is primarily due to MGI's lower electricity sales, resulting from the 27-day major PMS of Unit MGPP-1 on February 28, 2026 to March 26, 2026, and the 4-day minor PMS of Unit MGPP-2 on March 7 to 10, 2026. Additionally, PERC did not set up receivables, as the entire lifting was allocated to Gabon Oil Company (GOC). PERC receivables from oil operations declined due to timing difference of crude oil liftings.

Financial assets at fair value through profit or loss (FVPL) amounted to ₱7.877 million and ₱7.790 million as of March 31, 2026 and December 31, 2025, respectively. The movement is attributable to the increase in the prices of investments in stocks traded with the Philippine Stock Exchange.

Crude oil inventory The increase in this account is due to the continued production of oil barrels as of March 31, 2026. The nil inventory for December 31, 2025 is a result of higher quantity of crude oil lifted by the Partners versus their corresponding oil production entitlement as agreed by the joint. Since Gabon Oil Company (GOC) opted to lift its share at once, the Partners were able to lift barrels beyond their actual production and inventory entitlement. The excess is recognized as payable.

Current and non-current portion of contract assets accounts refer to the Feed-In-Tariff (FIT) arrears or the Net Present Value (NPV) of incremental revenues between the original and yearly adjusted FIT rates. The revised Energy Regulatory Commission (ERC) approved FIT rates from 2021 to 2025 range from ₱8.4746/kWh to ₱9.7237/kWh for PWEI and from ₱9.7239/kWh to ₱11.3596/kWh for PSC.

The accounts were originally set-up in December 2020 in line with ERC Resolution No. 6, Series of 2020, a resolution approving the adjustments to the FIT for the years 2016 to 2020, using 2014 as the base year for the consumer price index and foreign exchange. On December 22, 2025, the 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.

For current portion, the decrease refers to the reclassification of PWEI's and PSC's FIT arrears for the period January 26, 2021 to March 25, 2021, all to the receivables account.

For noncurrent portion, this refers to the Net Present Value (NPV) of incremental revenue for the period January 1, 2022 to March 25, 2026 which is projected to be recovered from 2027 to 2031. The increase is due to the recording of additional FIT arrears and amortization of interest income using the ERC approved adjusted FIT rate. This also includes the receivable from the sale of solar rooftop assets to MMCM and Isuzu payable for a period of eight (8) years

Other current assets consist of prepaid expenses, supplies inventory, and other current assets. The bulk of the net increase of 47.99% is due to the following:

- ESEC's down payments for EPC works and battery storage equipment related to Panitan Energy Storage Power Project (PESP);
- PWEI's prepayments operations and maintenance for Nabas 1 and Nabas 2;
- MGI's and DGEC's prepayments of real property and business taxes for the year 2026; and
- MGI's payments for various parts and supplies inventories used in February to March 2026 major preventive maintenance schedule.

Property, plant and equipment (PPE) amounted to ₱18.159 billion and ₱18.253 billion as of March 31, 2026 and December 31, 2025, respectively. The 0.51% net decrease is mainly due to continuous depreciation of operating RE's

PPE. This decline is partly offset by BGEC's new PPE relating to the Engineering, Procurement and Construction (EPC) cost of its Limbauan Solar Power Project.

Deferred oil exploration cost increased by 14.26% resulting from the continuous development of the Gabon oil field.

Right-of-use assets and lease liabilities – these relate to PFRS 16 – leases which were set up in 2019. The Right-of-Use assets was set up in relation to MGI's land lease with PSALM and PSC's land lease with LIPCO, each with lease term of 25 years. The 1.96% decline pertains to MGI acquisition of lots with existing land lease agreement from PSALM on February 18, 2025. Consequently, on March 31, 2025, PSALM refunded the unused prepaid rentals and security deposit, resulting in the derecognition of the related ROU.

Deferred tax assets/ liabilities – net resulted in timing differences in recognizing temporary deductible expenses and temporary taxable revenues such as accrued profit share, accretion expenses, accrued retirement liability, provision for probable losses, unrealized gains or losses and change in crude oil inventory. The net decrease is mainly due to the amortization of intangible asset- customer relationships for the current year.

Intangible assets and goodwill – This account consists of land rights, software, customer relationship and goodwill. The decrease in this account is due to the continuous amortization of intangible assets.

Investment properties-net refers to land and parking lot space, where cost remains unchanged as of March 31, 2026 and December 31, 2025.

Other non-current assets amounted to ₱1.190 billion and ₱1.252 billion as of March 31, 2026 and December 31, 2025, respectively. The 5.00% net decrease is primarily attributable to PWEI's VAT refund claim with the BIR, representing the approved VAT refund amount related to mainly to importations.

Accounts payable and accrued expenses decreased by 16.89% mainly due to settlement of payables with contractors and suppliers.

Current portion of loans payable increased by 1.07% mainly due to BKSGEC's receipt of proceeds from short-term loan to fund the completion of Limbauan Solar Power Project (LSPP). This bridge loan will be paid out of the project loan proceeds.

Lease liabilities – current portion net increase of 55.91% is mainly due to PSC's amortization of interest expense as of March 2026.

The increase in the **income tax payable** account is mainly attributable to PWEI's higher taxable income generated from Nabas 1's electricity sales.

Loans payable – net of current portion decreased by 2.74% due to the reclassification of a portion of loans from non-current to current after partial settlement.

Asset retirement obligation amounted to ₱457.452million and ₱452.664 million as of March 31, 2026 and December 31, 2025, respectively. The 1.06% increase mainly pertains to accretion made during the period.

Other non-current liabilities pertain to the Group's accrued retirement liability account.

Equity attributable to equity holders of the Parent Company amounted to ₱8.461 billion or ₱14.88 book value per share and ₱8.322 billion or ₱14.63 book value per share, as of March 31, 2026 and December 31, 2025, respectively. The increase in total Equity is mainly due to the continuous income generation of the renewable energy and oil operations.

Non-controlling interests (NCI) pertains to the following:

- 25% direct share of Kyuden International Corporation (KIC) in PetroGreen as of March 31, 2026 and December 31, 2025;
- 25% direct share of AC Energy, the 10% direct share of PNOC-RC, and 16.25% (25% of the 65% of

- PGEC) indirect share of KIC in MGI as March 31, 2026 and December 31, 2025;
- 14% (25% of 56% share of PGEC) total indirect share of KIC in PSC as March 31, 2026 and December 31, 2025;
- 40% direct share of BCPG in PWEI as March 31, 2026 and December 31, 2025; and
- 25% direct share of Taisei in RGEC as of March 31, 2026 and December 31, 2025.

Non-controlling interests (NCI) increased by 1.55% from ₱5.812 billion on December 31, 2025 to ₱5.902 billion on March 31, 2026, mainly due to higher proportion of NCI's net income from renewable energy operations.

2. Consolidated Financial Performance (as of March 31, 2026 and as of March 31, 2025)

	Unaudited		% Change	% to Total Revenues
	31-Mar-26	31-Mar-25		
REVENUES				
Electricity sales	892,481,790	885,307,929	0.81%	99.14%
Oil revenues	-	112,389,739	-100.00%	0.00%
Other revenues	7,738,914	2,557,894	202.55%	0.86%
	900,220,704	1,000,255,562	-10.00%	100.00%
COST OF SALES				
Cost of sales - Electricity	427,389,844	376,686,252	13.46%	47.48%
Oil production operating expenses	75,854,447	79,622,557	-4.73%	8.43%
Depletion	23,020,594	21,735,310	5.91%	2.56%
Change in crude oil inventory	(120,644,056)	11,984,848	-1106.64%	-13.40%
Cost of sales - Others	6,549,746	2,347,971	178.95%	0.73%
	412,170,575	492,376,938	-16.29%	45.79%
GROSS INCOME	488,050,129	507,878,624	-3.90%	54.21%
GENERAL AND ADMINISTRATIVE EXPENSES	83,042,174	80,043,822	3.75%	9.22%
OTHER INCOME (CHARGES)				
Interest income	25,485,192	34,692,502	-26.54%	2.83%
Net unrealized foreign exchange losses	(352,366)	(1,094,861)	-67.82%	-0.04%
Fair value changes on financial assets at fair value through profit of loss (FVPL)	86,197	45,186	90.76%	0.01%
Interest expense	(168,474,562)	(147,089,974)	14.54%	-18.71%
Accretion expense	(3,069,847)	(3,261,157)	-5.87%	-0.34%
Miscellaneous income	4,900,509	5,108,299	-4.07%	0.54%
	(141,424,877)	(111,600,005)	26.72%	-15.71%
INCOME BEFORE INCOME TAX	263,583,078	316,234,797	-16.65%	29.28%
PROVISION FOR INCOME TAX	22,967,433	35,432,517	-35.18%	2.55%
NET INCOME	240,615,645	280,802,280	-14.31%	26.73%
NET INCOME ATTRIBUTABLE TO:				
Equity Holders of the Parent Company	139,918,678	143,462,519	-2.47%	15.54%
Noncontrolling interest	100,696,967	137,339,761	-26.68%	11.19%
NET INCOME	240,615,645	280,802,280	-14.31%	26.73%

The Group's **consolidated net income** amounted to ₱240.616 million and ₱280.802 million for the 1st quarter ending March 31, 2026 and for the same period in 2025. For the first quarter of 2026, the **consolidated net income attributable to equity holders of the Parent Company** amounted to ₱139.919 million or ₱0.246 earnings per share as compared with ₱143.463 million or ₱0.252 earnings per share for the same period in 2025.

The decrease in total revenues is primarily attributable to PERC's no share in crude oil revenues recorded for the current period as there were no crude oil liftings during the first quarter of 2026, except for the one (1) lifting which was entirely allocated to the government's Gabon Oil Company (GOC).

The decrease in total cost of sales is primarily due to Change in crude oil inventory. Crude oil produced but not yet sold during the period was recognized as crude oil inventory and presented as deductions from cost of sales.

Bulk of the other income (charges) account relates to interest expense which increased mainly due to BKSGEC's and PWEI's project loans.

Revenues:

Electricity sales refer to the electricity power generation from MGPP, TSPP, NWPP, DSPP, SJSPP and LSPP. The 0.81% net increase for the period ended March 31, 2026 versus same period last year is attributable to the effectivity of DGEC's and SJGEC's contracted offtake rates with SNAP-MI in the 2nd half of 2025, start of generation of the new RE power plants (Nabas-2's remaining 3 WTGs and LSPP-2).

Oil revenues decreased by 100% from ₱112.390 million as of March 31, 2025 to nil as of March 31, 2026 primarily due to timing difference in the recognition of PERC's share in crude oil lifting, as stated above.

Other revenues pertain to MGI's pass through Meralco wheeling, ancillary and transmission charges as well as PSC's, DGEC's and SJGEC's pass through ancillary and transmission charges on WESM transactions. This is the main driver for the 202.55% increase from ₱2.558 million to ₱7.739 million from March 31, 2025 to March 31, 2026.

Costs and Expenses:

Cost of electricity sales pertain to the direct costs of generating electricity power including operating and maintenance costs (O&M) of all RE subsidiaries' power plants. The increase of 13.46% is primarily due to higher operating costs including depreciation, operations and maintenance (O&M), security services and insurance related to the Nabas-2, DSPP, SJSPP and LSPP projects.

Oil production operating expenses decreased by 4.73% due to adjustments in other equipment maintenance and repairs based on Vaalco's JIB expenditure statements.

Depletion increased mainly due to higher crude oil production in March 2026, compared to March 2025.

The **Change in crude oil inventory** reflects the movement of oil on a per-crude basis. Oil that is produced but not yet delivered is recorded as crude oil inventory at its current market value (net realizable value). During the period, any oil produced but not yet sold was recognized as inventory and deducted from cost of sales, as mentioned above.

General and Administrative Expenses, Other Income (Charges) and Provision for Income Tax:

General and administrative expenses (G&A) increase by 3.75% mainly due to PWEI's payment of a success fee to a third-party service provider for the approved VAT refund claim.

Other income (charges) amounted to (₱141.425) million and (₱111.600) million as of March 31, 2026 and March 31, 2025, respectively. Below presents the itemized discussion of the changes in other income (charges) – net account.

- The decrease in **interest income** is primarily due to reduction in PGEC's fund investment in money market placements because funds were already used to fund the new RE projects.
- **Net foreign exchange losses** of ₱0.352 million and ₱1.095 million for the period ended March 31, 2026 and March 31, 2025, respectively, relates to restatement of USD accounts to Philippine Peso.
- **Fair value changes on financial assets at fair value through profit of loss (FVPL)** increased due to the average positive stock price movements of investments in stocks for the periods ended March 31, 2026 and March 31, 2025.

- The decrease in **accretion expense** is mainly due to change in asset retirement obligation estimates as a result of year-end audit.
- Bulk of the **interest expense** pertains to interest due on loans. The increase of 14.54% from ₱147.090 million as of March 31, 2025 to ₱168.475 million as of March 31, 2026 is mainly due to new loan drawdowns for Nabas-2 and BKSGEC projects. These are partially offset by reductions in other RE subsidiaries' project loan interest expense due to continuous principal repayments.
- **Miscellaneous income** in March 2026 includes of DGEC's and SJGEC's receipt of Joint Crediting Mechanism (JCM) subsidies through Kyuden International Corporation (KIC) from Global Environment Centre Foundation (GEC). The higher miscellaneous income in March 2025 is mainly due to PWEI's receipt of Business Interruption and Material Damage insurance proceed.

Provision for income tax:

Provision for income tax current pertains to the following:

- TSPP-1's 5.00% gross income tax and TSPP-2's 7-year income tax holiday (ITH) which is until December 15, 2028.
- MGI's 10% special corporate income tax rate, after the 7-year ITH for MGPP-1, which ended on February 8, 2021, and ITH of MGPP-2 which ended on April 29, 2025 as part of its BOI incentives under RE Law;
- NWPP-1's 10% special corporate income tax rate after the 7-year income tax holiday of NWPP-1 which ended on June 9, 2022 and NWPP-2's 25% regular corporate income tax;
- PERC's and PGEC's 2% minimum corporate income tax; and
- DGEC and SJGEC started ITH upon WESM COD on July 16, 2025 and August 1, 2025, respectively.

The Group's **consolidated net income** amounted to ₱240.616 million and ₱280.802 million for the period ending March 31, 2026 and for the same period in 2025, respectively.

The Consolidated net income declined by 14.31% for the period ended March 31, 2026, compared with that of the same period in 2025. The decrease was primarily due to higher operating expenses—including depreciation and financing charges related to new RE projects—as well as lower net income from MGI, resulting from the major PMS for MGPP1 and minor PMS for MGPP2.

The **consolidated net income attributable to equity holders of the Parent Company** was ₱139.919 million or ₱0.246 earnings per share as of March 31, 2026, as compared with ₱ 143.463 million or ₱0.252 earnings per share for the same period in 2025. The net decrease of 2.47% is mainly due to the decline in PWEI's net income, driven by additional depreciation and interest expenses related to Nabas-2, as well as higher G&A expenses arising from the success fee paid to a service provider in connection with the Value-Added Tax (VAT) refund.

Net Income Attributable to Non-controlling interest (NCI) is computed using the following equity holdings as of March 31, 2026 and March 31, 2025:

- 25% direct share of Kyuden International Corporation (KIC) in PetroGreen for as of March 31, 2026 and March 31, 2025;
- 25% direct share of AC Energy, 10% direct share of PNOC-RC as of March 31, 2026 and March 31, 2025;
- 14% (25% of 56% share of PGEC) total indirect share of KIC in PSC as of March 31, 2026 and March 31, 2025;
- 40% direct share of BCPG in PWEI as of March 31, 2026 and March 31, 2025;; and
- 25% direct share of Taisei in RGEC as of March 31, 2026 and March 31, 2025.

3. Consolidated Financial Position (March 31, 2026 and March 31, 2025)

	31-Mar-26	31-Mar-25	% Change	% in Total Assets
ASSETS				
Cash and cash equivalents	1,480,531,287	2,043,336,693	-27.54%	5.78%
Restricted cash	358,923,332	377,432,462	-4.90%	1.40%
Receivables	780,055,622	997,859,432	-21.83%	3.05%
Financial assets at fair value through profit or loss (FVTPL)	7,876,690	6,189,623	27.26%	0.03%
Contract Assets - current portion	130,938,736	112,881,903	16.00%	0.51%
Crude oil inventory	120,644,056	37,455,181	222.10%	0.47%
Other current assets	622,784,225	383,508,466	62.39%	2.43%
Property, plant and equipment	18,159,300,811	15,851,365,339	14.56%	70.90%
Deferred oil exploration cost	591,796,851	457,986,953	29.22%	2.31%
Current portion of contract assets	1,051,848,825	756,777,066	38.99%	4.11%
Investment in joint venture and business combination	-	2,882,000	-100.00%	0.00%
Right-of-use assets	237,839,940	249,019,366	-4.49%	0.93%
Deferred tax assets-net	42,292,893	-	0.00%	0.17%
Intangible assets and goodwill	835,229,275	868,229,398	-3.80%	3.26%
Investment properties-net	1,611,533	1,611,533	0.00%	0.01%
Other noncurrent assets	1,189,831,363	1,670,597,550	-28.78%	4.65%
TOTAL ASSETS	₱25,611,505,439	₱23,817,132,965	7.53%	100.00%
LIABILITIES AND EQUITY				
Accounts payable and accrued expenses	988,592,588	667,939,678	48.01%	3.86%
Loans payable - current portion	1,941,363,743	1,760,193,681	10.29%	7.58%
Lease liabilities - current portion	17,239,075	45,073,615	-61.75%	0.07%
Income tax payable	55,971,953	67,735,220	-17.37%	0.22%
Loans payable - net of current portion	7,304,835,699	6,754,037,779	8.16%	28.52%
Lease liabilities - net of current portion	307,424,121	284,278,085	8.14%	1.20%
Asset retirement obligations	457,451,742	165,296,019	176.75%	1.79%
Deferred tax liabilities-net	119,491,334	128,618,638	-7.10%	0.47%
Other noncurrent liability	56,101,748	46,643,384	20.28%	0.22%
TOTAL LIABILITIES	11,248,472,003	9,919,816,099	13.39%	43.92%
EQUITY				
Attributable to equity holders of the Parent Company	8,460,719,107	8,213,158,245	3.01%	33.03%
Non-controlling interest	5,902,314,329	5,684,158,621	3.84%	23.05%
TOTAL EQUITY	14,363,033,436	13,897,316,866	3.35%	56.08%
TOTAL LIABILITIES AND EQUITY	₱25,611,505,439	₱23,817,132,965	7.53%	100.00%

Total assets amounted to ₱25.612 billion and ₱23.817 billion as of March 31, 2026 and March 31, 2025, respectively. Book value increased to ₱14.88/share from ₱14.44/share.

Cash and cash equivalents account consists of cash on hand, cash in banks and money market placements with original maturities of not more than three months. The 27.54% net decrease from ₱2.043 billion as of March 31, 2025 to ₱1.481 billion as of March 31, 2026 is due to the following:

- Payments of loan principal and interests;
- PGEC's dividend payments to stockholders;
- PERC's payment for Vaalco cash calls; and
- Other working capital requirements.

The above decrease is partially offset by the following:

- SJGEC's receipt of JCM subsidy through KIC. In 2024, the GEC Foundation of Japan announced that San Jose Solar Power Project (SJSPP) was selected to receive the said subsidy; and
- collections of receivables from the electricity sales of RE companies.

Restricted cash decreased as a result of timing difference between funding of MGI's DSPA principal and interest payments and actual debt service.

The **Receivables** account mainly consists of receivables from electricity sales and lifting/sale of crude oil revenue. The 21.83% decrease is mainly due to the following:

- MGI's lower electricity sales, as a result of the 27-day major PMS of Unit M1 on February 28, 2026 to March 26, 2026, and the 4-day minor PMS of Unit M2 on March 7 to 10, 2026; and
- PERC did not set up receivables, as the entire lifting was allocated to Gabon Oil Company (GOC). PERC receivables from oil operations declined due to timing difference of crude oil liftings.

Financial assets at fair value through profit or loss (FVTPL) increased by 27.26% from ₱6.190 million to ₱7.877 million mainly due to the increase in the prices of investments in stocks traded on the Philippine Stock Exchange.

Current and non-current portion of contract assets accounts refer to the Feed-In-Tariff (FIT) arrears or the Net Present Value (NPV) of incremental revenues between the original and yearly adjusted FIT rates. The revised Energy Regulatory Commission (ERC) approved FIT rates from 2021 to 2025 range from ₱8.4746/kWh to ₱9.7237/kWh for PWEI and from ₱9.7239/kWh to ₱11.3596/kWh for PSC.

The accounts were originally set-up in December 2020 in line with ERC Resolution No. 6, Series of 2020, a resolution approving the adjustment to the FIT for the years 2016 to 2020, using 2014 as the base year for the consumer price index and foreign exchange. On December 22, 2025, the 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.

The increase is due to higher incremental revenue used for the period January 1, 2021 to March 25, 2021. For noncurrent portion, increase is due to recording of additional FIT arrears and amortization of interest income using the adjusted FIT rates applied by TransCo, net of reclassification from non-current to current account.

Crude oil inventory increased due to the continued production of oil barrels as of March 31, 2026, but no liftings during the period.

Other current assets consist of supplies inventory, prepaid expenses, and other current assets. The bulk of the 62.39% net increase is mainly due to the following:

- ESEC's down payments for EPC works and battery storage equipment related to Panitan Energy Storage Power Project (PESP);
- PWEI's prepayments of operations and maintenance for Nabas 1 and Nabas 2;
- MGI's and DGEC's prepayments of real property and business taxes for the year 2026; and
- MGI's payments for various parts and supplies inventories used in February and March 2026 preventive maintenance schedule.

Property, plant and equipment (PPE) amounted to ₱18.159 billion and ₱15.851 billion as of March 31, 2026 and March 31, 2025, respectively. The 14.56% net increase is mainly due to additional PPE relating to cost of EPC contract of BKSGEC and BGEC solar projects, as well additions to construction in progress relating to main balance of plant for Nabas-2 Wind Power Project, net of continuous depreciation of the Renewable Energy Power Plants, depletion of oil assets and other assets.

Deferred oil exploration cost amounted to ₱591.797 million and ₱457.987 million as of March 31, 2026 and March 31, 2025, respectively. The account increased by 29.22% resulting from the continuous development of the Gabon oil field.

Investment in a joint venture and business combination On July 31, 2025, PGEC and CE Pacific APS entered into a Share Purchase Agreement for the sale and purchase of 60% of voting and economic interests in BuhaWind Energy Northern Luzon Corporation (BENLC), BuhaWind Energy Northern Mindoro Corporation (BENMC) and BuhaWind Energy East Panay Corporation (BEEPC) (collectively known as BEP). Payments were made on August 1, 2025.

After the acquisition, BEP became a 100%-owned subsidiary of PGEC, resulting in the subsequent elimination of the investment in joint ventures account and its consolidation into PGEC's financials.

Right-of-use assets and lease liabilities – These relate to PFRS 16 – leases which were set up in 2019. The Right-of-Use assets was set up in relation to MGI's land lease with PSALM and PSC's land lease with LIPCO, each with lease term of 25 years. The 4.49% decline pertains to PSC's amortization of remaining lease term at an average lease per annum.

Deferred tax assets/ liabilities – net resulted in timing differences in recognizing temporary deductible expenses and temporary taxable revenues such as accrued profit share, accretion expenses, accrued retirement liability, provision for probable losses, unrealized gains or losses and change in crude oil inventory.

Intangible assets and goodwill – This account consists of land rights, software, customer relationship and goodwill. The decrease in this account is due to the continuous amortization of intangible assets.

Investment properties-net refers to land and parking lot space, where cost remains the unchanged as of March 31, 2026 and March 31, 2025.

Other non-current assets amounted to ₱1.189 billion and ₱1.671 billion as of March 31, 2026 and March 31, 2025, respectively. The 28.78% net decrease is primarily attributable to PWEI's receipt of approved VAT refund for its importations from the BOC covering the period April 1, 2023 to December 31, 2023, representing the approved refund amount related to importations.

Accounts payable and accrued expenses increased by 48.01% mainly due to accruals of payables to contractors and suppliers.

Current portion of loans payable increased by 10.29% mainly due to the following:

- BKSGEC's bridge loan to fund the completion of Limbauan Solar Power Project (LSPP);
- PWEI's bridge loan to fund the Nabas-2 project; and
- DGEC's loan drawdowns for EPC contract

Loans payable – net of current portion increased by 8.16% due to BGEC's and SJGEC's loan drawdowns for the completion of their respective solar power projects.

The decrease in the **income tax payable** account is primarily attributable to PWEI's and PSC's adjustments arising from the impairment loss on contract assets. In December 2025, the Energy Regulatory Commission (ERC) issued a Resolution No.28, Series of 2025, which approved the adjustments to the Feed-In Tariff for the years 2021- 2025. PWEI and PSC recorded an impairment loss on its contract assets because the FIT rates approved by the ERC were lower than the rates originally filed by TransCo, resulting in lower net income for the period ended March 31, 2026.

Asset retirement obligation amounted to ₱457.452million and ₱165.296 million as of March 31, 2026 and March 31, 2025, respectively. The 176.75% significant increase is mainly attributable to change in estimates on dismantling costs of the wind farm, driven by updated assumptions on decommissioning activities and current market-based cost estimates. These updated estimates resulted in a substantial increase in the present value of the obligation.

Other non-current liabilities pertain to the Group's accrued retirement liability account.

Equity attributable to equity holders of the Parent Company amounted to ₱8.461 billion or ₱14.88 book value per share and ₱8.213 billion or ₱14.44 book value per share, as of March 31, 2026 and March 31, 2025, respectively. The increase in total Equity is mainly due to the continuous income generation of renewable energy and oil operations.

Non-controlling interest (NCI) pertains to the following:

- 25% direct share of Kyuden International Corporation (KIC) in PetroGreen as of March 31, 2026 and March 31, 2025;
- 25% direct share of AC Energy, the 10% direct share of PNOC-RC, and 16.25% (25% of the 65% of PGEC) indirect share of KIC in MGI as of March 31, 2026 and March 31, 2025;
- 14% (25% of 56% share of PGEC) total indirect share of KIC in PSC as of March 31, 2026 and March 31, 2025;
- 40% direct share of BCPG in PWEI as of March 31, 2026 and March 31, 2025 and
- 25% direct share of Taisei in RGEC as of March 31, 2026 and March 31, 2025.

Non-controlling interest increased by 3.84% from ₱5.684 billion to ₱5.902 billion, mainly due to higher proportion of NCI's net income from renewable energy operations.

Key performance indicators

– Refer to the Schedule of Financial Soundness Indicators

Material Commitments

Aside from the committed developments of the prospective projects, there are no other foreseen material commitments during the period.

Productivity Program

The development of the prospective renewable energy projects will increase the Group's capacity and power generation, while the prospective four-well drilling program in Gabon Etame, aimed to sustain field production to above 20,000 BOPD.

Receivable Management

The group's receivables are mainly due from sale of electricity to AC Energy and Transco and crude oil in Etame Gabon, through the consortium operator. These are being recorded once sale is made. Payment is received every 30-45 days following each sale.

For electricity sales of TSPP-1 and NWPP-1, the payment for the Actual FIT Revenue is sourced from the FIT-All Fund, specifically the Actual FIT Differential (FD) and the Actual Cost Recovery Revenue (ACRR). The FD is the difference between the Actual FIT Revenue and the ACRR and is collected from on-grid consumers as a uniform charge and applied to all billed kilowatt-hours. For FIT-Eligible RE Plants connected to the Wholesale Electricity Spot Market ("WESM"), the ACRR refers to the WESM proceeds remitted to the FIT-All Fund by the Independent Electricity Market Operator of the Philippines, Inc. ("IEMOP"), which took over the Philippine Electricity Market Corporation ("PEMC") as operator of the electricity spot market. PWEI and PSC regularly receive the both the ACRR and FD components within forty five (45) days after billing date.

PWEI and PSC manage this risk through proper and meticulous allocation of funds, proper timing of expenditures, employment of cost-cutting measures, and sourcing short-term funding requirements from local banks and investment houses or from affiliated companies.

For twenty-four (24) years since oil production inception, there was no event that the buyer failed to remit the proceeds of the sale. However, the consortium is willing to look for another buyer should there be some problem that may happen in the future.

Liquidity Management

Management of liquidity requires a flow and stock perspective. Constraint such as political environment, taxation, foreign exchange, interest rates and other environmental factors can impose significant restrictions on firms in management of their financial liquidity.

The Group considers the above factors and pays special attention to its cash flow management. The Company identifies all its cash requirements for a certain period and invests unrestricted funds through money market placements to maximize interest earnings.

The Group does not anticipate any cash flow or liquidity problems within the next twelve (12) months. The Group is not in default of any, note, loan, lease, or other indebtedness or financing arrangement requiring it to make payments.

Inventory Management

The only inventory is the crude oil produced in Gabon. The buyer lifts certain volume and pays the same in 30 days. The operator sees to it that crude oil inventory does not reach 800,000 barrels at any one time to avoid overflow and to generate revenues to cover production costs.

Cost Reduction Efforts

In order to reduce costs, the Group employs a total of one hundred ninety-nine (199) employees with multi-task assignments. The group also implements request for quotations to compare prices, quality of the products and services and negotiate the payment terms.

The Company's general and administrative expense is equivalent to 9.22% of the total revenue.

Rate of Return of Each Stockholder

The Company has no existing dividend policy. However, the Company intends to declare dividends in the future in accordance with the Corporation Code of the Philippines. Dividend declared for three (3) most recent years follows:

Date of Declaration	Dividends per Share		Record Date	Payment Date
	Cash	Stock		
November 29, 2023	5%		December 14, 2023	December 28, 2023
July 18, 2024	5%		August 8, 2024	August 30, 2024
November 27, 2025	5%		December 12, 2025	December 23, 2025

Financial Disclosures in view of the current global financial condition:

The Group Assess the financial risks exposures of the Company and its subsidiaries particularly on currency, interest credit, and market and liquidity risks. If any change thereof would materially affect the financial condition and results of operation of the Company, provide a discussion in the report on quantitative impact or such risks and include a description of enhancement in the company's risk management policies to address the same:

The Group's principal financial instruments include cash and cash equivalents, trading and investment securities (financial assets at FVPL) and receivables. The main purpose of these financial instruments is to fund the Company's working capital requirements.

Financial Risk Management Objectives and Policies.

Please refer to Note 24.

Operations Review and Business Outlook

A. OIL EXPLORATION

Foreign Operations

Gabon, West Africa

The daily oil production of the four oil platforms (Ebouri, Etame, North Tchibala and Avouma) for the 1st quarter ranged from 8,507 to 15,072 barrels of oil per day (BOPD). The fluctuation in the daily production is mainly attributed to brief downtime of Etame platform power generators and/or gas lift compressors (GLC).

On February 20, 2026, production rose to ~14,600 levels following the commissioning of ET-15H, the first of four planned new oil production wells.

No cargo was lifted by the Consortium for the 1st Quarter of 2026. To date, the Etame Marin Field has already produced ~148.75 MMBO since production started in 2002.

Philippine Operations

Service Contract 75 – Offshore Northwest Palawan

SC 75 consortium is waiting for official notice from DOE regarding resumption of operations. Upon lifting of force majeure, consortium will proceed with conduct of survey planning and acquisition of new seismic data.

Summary of Petroleum Properties:

Contract No.	Contract Expiry	Participating Interest %	Location
Foreign Contract			
Production Sharing Contract (PSC) 93 – Gabon	2028	2.525%	Gabon Offshore
Philippine Service Contract (SC)			
SC 75 – Offshore Northwest Palawan	2025 <i>(under force majeure)</i>	15.000%	Northwest Palawan

The Company derives its petroleum revenues from its Gabon Operations. All contractual obligations with the Gabonese Government are complied with. Its remaining Philippine petroleum service contract (SC 75) is in the exploration stage but is currently placed under force majeure by the DOE.

B. RENEWABLE ENERGY PROJECTS

Maibarara Geothermal Power Project

For the 1st Quarter, the combined net export of 20-MW Maibarara-1 (MGPP-1) and 12-MW Maibarara-2 (MGPP-2) Geothermal Power Plants was 51,019.00 MWh (28,056.56 MWh from MGPP-1 and 22,962.44 MWh from MGPP-2). The notable dip in generation vs previous quarter is attributed to performance of major preventive maintenance shutdown at MGPP-1 from February 28, 2026 to March 26, 2026.

Nabas Wind Power Project

The 36-MW Nabas-1 Wind Power Plant (NWPP-1) of PetroWind Energy Inc. (PWEI) was in continuous operation during the period of January 1-March 31, 2026. The total net energy exported to the grid was 30,778.95 MWh.

Following National Grid Corporation of the Philippines's (NGCP) issuance of Provisional Certificate of Approval to Connect (PCATC) on April 4, 2024, PWEI commenced testing and commissioning of Nabas 2 Wind Power Plant (NWPP-2) first three (3) wind turbines. On 16 August 2025, PWEI, after securing PCATC, commenced the testing

and commissioning of the remaining three(3) turbines.

From January 1 to March 31, 2026, NWPP-2 exported a total of 15,008.28 MWh to the grid.

Tarlac Solar Power Project

The ~50-MW_{DC} Tarlac-1 (TSPP-1) and ~20-MW_{DC} Tarlac-2 (TSPP-2) Solar Power Plants were on continuous operations during the first quarter with the combined net exported output of 25,188.63 MWh (17,772.18 MWh from TSPP-1 and 7,416.45 MWh from TSPP-2).

San Vicente Wind Power Project

PGEC is currently exploring offtake arrangements (i.e. bilateral agreements or a future electricity market in Palawan) other than the CSP from PALECO which remains restrictive. Moreover, PGEC is coordinating with the National Power Corporation (NPC) regarding the completion of the contemplated connection point of the project, San Vicente-Alimanguan 69 kV transmission line. In parallel, PGEC is in constant dialogue with wind turbine suppliers and other third-party service providers with the aim of firming up project costs.

Dagohov Solar Power Project

For the period of January 1, 2026 to March 31, 2026, the DSPP continued to supply power to the grid with total output of 8,780 MWh.

San Jose Solar Power Project

The San Jose Solar Power Project was on continuous operations during the first quarter with the net exported output of 7,970 MWh.

Limbauan Solar Power Project

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, LSPP-2 commenced exporting power to the grid on December 18, 2025.

While the project is under Testing and Commissioning (T&C), LSPP-2 exported a total output of 9,110 MWh to the grid for the period of January 1 to March 31, 2026. Final Certificate of Approval to Connect (FCATC) is expected to be issued by NGCP by early May 2026.

Bugallon Solar Power Project

The solar farm and grid connection facilities are physically completed and currently undergoing pre-Testing and Commissioning activities.

Panitan Solar Power Project

On January 15, 2026, the National Grid Corporation of the Philippines (NGCP) issued approved System Impact Study (SIS) for the 98.200 MW_{DC}/ 80.000 MW_{AC} Panitan Solar Power Project under ESEC.

For the 1st Quarter of 2026, ESEC progressed with the evaluation of candidate solar and grid farm contractors, preparation pre-requisite documents of local and national permits, and consultation with local stakeholders.

Northern Luzon Offshore Wind Power Project

For the 1st Quarter of 2026, BENLC continued collection of onsite wind data and progressed with the evaluation of candidate contractors to handle a) metocean measurement campaign and b) environmental/social studies for the Environmental Compliance Certificate (ECC) covering the development stage.

Northern Mindoro Offshore Wind Power Project and East Panay Offshore Wind Power Project

BENMC and BEEPC progressed with the evaluation of candidate third-party consultancies to handle a) wind and metocean measurement campaign and b) environmental/social studies for the ECC covering the Pre-development stage.

C. BATTERY ENERGY STORAGE SYSTEM (BESS) PROJECTS

Panitan Energy Storage Project

In the first quarter of 2026, ESEC advanced the construction of the 20.000 MW / 40.000 MWh Panitan Energy Storage Project, including its BESS and transmission facilities, following the completion of all required permits.

Plan of Operations for the next 12 months

Etame EPSC - Gabon, West Africa

Crude production from existing and new production wells will continue. Meanwhile, the Phase 3 Drilling Campaign will continue to proceed with target completion by Q4 2026.

SC 75 - Offshore Northwest Palawan

Exploration activities have been suspended due to the force majeure imposed by the DOE. Remaining project commitments would be implemented upon the lifting of force majeure by the agency.

Maibarara Geothermal Power Project

Power generation from both Maibarara-1 and Maibarara-2 will continue.

Nabas Wind Power Project

Nabas Wind Power Project (Phase 1) will continue operations while the six WTGs from Nabas Wind Power Project (Phase 2) will continue to supply power to the grid pending the Final Certificate Of Approval to Connect (FCATC).

Tarlac Solar Power Project

TSPP-1 and TSPP-2 will continue to supply electricity to the grid.

Enrique T. Yuchengco Bldg. Rooftop Solar Power Project (ETY)

The ETY rooftop solar facility will continue to supply electricity to the ETY building.

Mapua Malayan Colleges of Mindanao Rooftop Solar Project (MMCM)

The MMCM rooftop solar facility, commissioned on July 8, 2024, will continue to supply electricity to Mapua Malayan Colleges of Mindanao.

Dagohoy Solar Power Project

DSPP to continue to supply power to the grid.

San Jose Solar Power Project

SJSPP to continue to supply power to the grid.

Isuzu Autoparts Manufacturing Corporation (IAMC) Solar Rooftop Project

The solar rooftop system will continue to supply power to the IAMC facility.

Bugallon Solar Power Project

BGEC to continue the pre-Testing & Commissioning activities.

Limbauan Solar Power Project

BKSGEC to continue the pre-Testing & Commissioning activities for LSPP-1 and T&C at LSPP-2.

San Vicente Wind Power Project

PGEC will continue discussion with third-party service providers with the aim of finalizing project costs.

Panitan Energy Storage Project

ESEC to continue construction of the BESS and transmission facilities.

Panitan Solar Power Project

ESEC to continue evaluation of candidate EPC contractors and preparation of pre-requisite documents for local and national permits.

Northern Luzon Offshore Wind Power Project

BENLC to proceed with pre-development activities, namely, 1) conduct of on-site wind measurement campaign, 2) commencement of environmental/ social studies and 3) commencement of geophysical and geotechnical campaigns.

Northern Mindoro Offshore Wind Power Project and East Panay Offshore Wind Power Project

Pre-development activities for the NMOWPP and EPOWPP will continue, specifically preparatory activities for the 1) on-site wind measurement campaigns, 2) geophysical and geotechnical campaigns, 3) environmental permitting works.

PART II – Other Information

The Company has no other information that need to be disclosed other than disclosures made under SEC Form 17-C (if any).

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES

**SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON REVISED SRC RULE 68
MARCH 31, 2026**

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 and loss securities amounting to ₱7.88 million do not constitute 5% or more of the total current assets of the Group as of March 31, 2026.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

As of March 31, 2024, there are no amounts receivable from directors, officers, employees, related parties and principal stockholders that aggregates each to more than ₱100,000 or 1% of total assets which-ever 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 of March 31, 2026:

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	₱54,431,588	₱1,203,019	₱2,210,219	₱-	₱-	₱ 53,424,388
PetroWind Energy Inc.	793,054	882,236	540,251	-	-	1,135,039
Maibarara Geothermal, Inc.	1,347,501	793,490	1,670,377	-	-	470,614
PetroSolar Corporation	587,229	764,104	602,433	-	-	748,900
Dagohoy Green Energy Corporation	768,020	314,202	-	-	-	1,082,222
Rizal Green Energy Corporation	-	-	-	-	-	-
San Jose Green Energy Corporation	314,447	320,532	311,838	-	-	323,141
BKS Green Energy Corporation	2,065,011	305,835	207,322	-	-	2,163,524
Bugallon Green Energy Corporation	2,404,304	384,854	312,260	-	-	2,476,898
Ecosolar Energy Corporation	-	-	-	-	-	-
	₱62,711,154	₱4,968,272	₱5,854,700	₱-	₱-	₱61,824,726

Schedule D. Long-term Debt

Please refer to the Consolidated Audited Financial Statement, Note 20 for details of the loans.

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

The Group has no outstanding long-term indebtedness to related parties as of March 31, 2026.

Schedule F. Guarantees of Securities of Other Issuers

The Group does not have guarantees of securities of other issuers as of March 31, 2026.

Schedule G. Capital Stock

<u>Title of issue</u>	<u>Number of shares authorized</u>	<u>Number of shares issued and outstanding as shown under related balance sheet caption</u>	<u>Number of Shares reserved for options, warrants, conversion and other rights</u>	<u>Number of shares held by related parties</u>	<u>Directors, Officers and Employees</u>	<u>Others</u>
Common Shares	700,000,000	568,711,842	–	173,983,095	5,578,891	389,149,856

PETROENERGY RESOURCES CORPORATION AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF MARCH 31, 2026, MARCH 31, 2025, and DECEMBER 31, 2025

Financial Soundness Indicators

Below are the financial ratios that are relevant to the Group for the period ended March 31, 2026, March 31, 2025, and December 31, 2025:

Financial ratios	Formula	Unaudited 31-Mar-2026	Unaudited 31-Mar-2025	Audited 31-Dec-2025
Current ratio	$\frac{\text{Total current assets}}{\text{Total current liabilities}}$	1.17:1	1.56:1	1.15:1
Solvency ratio	$\frac{\text{After tax net profit + depreciation}}{\text{Long-term + short-term liabilities}}$	0.04:1	0.04:1	0.18:1
Debt-to-Equity Ratio	$\frac{\text{Total liabilities}}{\text{Total stockholder's equity}}$	0.78:1	0.71:1	0.82:1
Asset-to-Equity Ratio	$\frac{\text{Total assets}}{\text{Total stockholder's equity}}$	1.78:1	1.71:1	1.82:1
Interest rate coverage ratios	$\frac{\text{Earnings before interest and taxes (EBIT)}}{\text{Interest expense*}}$	2.56:1	2.94:1	2.03:1
Return on revenue	$\frac{\text{Net income}}{\text{Total revenue}}$	26.73%	24.06%	16.60%
Earnings per share	$\frac{\text{Net income}}{\text{Weighted average no. of shares}}$	₱0.2460	₱0.2523	₱0.4997
Price Earnings Ratio	$\frac{\text{Closing price}}{\text{Earnings per share}}$	₱13.86	₱14.23	₱7.00
Long term debt-to-equity ratio	$\frac{\text{Long term debt}}{\text{Equity}}$	0.57:1	0.53:1	0.60:1
EBITDA to total interest paid	$\frac{\text{EBITDA**}}{\text{Total interest paid}}$	3.44	3.22	3.84

*Interest expense is capitalized as part of the construction-in-progress account under PPE.

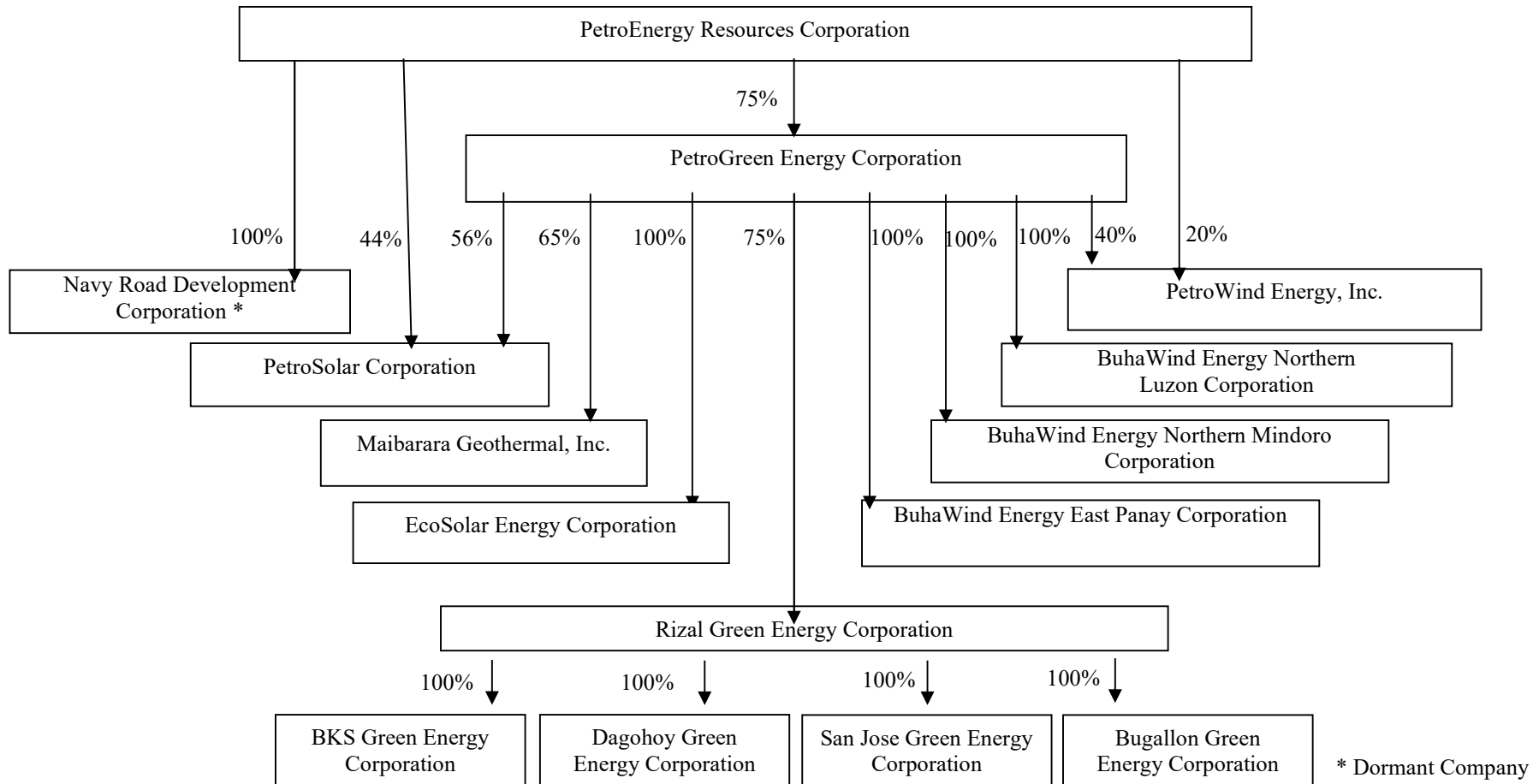
**Earnings before interest, taxes, depreciation and amortization (EBITDA)

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 March 31, 2026:

PETROENERGY RESOURCES CORPORATION
GROUP STRUCTURE



PETROENERGY RESOURCES CORPORATION (PARENT COMPANY)
SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION
MARCH 31, 2026

Unappropriated Retained Earnings (Deficit), beginning of the reporting period (see Footnote 2)		(P25,924,964)
Add: <u>Category A:</u> Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings appropriation	–	
Effect of reinstatements or prior-period adjustments	–	
Others	–	–
Less: <u>Category B:</u> Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	–	
Retained Earnings appropriated during the reporting period	–	
Effect of reinstatements or prior-period adjustments	–	
Others	–	–
Unappropriated Retained Earnings (Deficit), as adjusted		(25,924,964)
Add/Less: Net income (loss) for the current year		57,871,464
Less: <u>Category C.1</u> 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	86,971,252	
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)	86,197	
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	–	
Subtotal		<u>87,057,449</u>
Add: <u>Category C.2</u> 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 fair value through profit or loss (FVPTL)	–
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

(55,110,949)

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 asset retirement obligation, and set-up of service concession asset and concession payable	–
Adjustment due to deviation from PFRS/GAAP - gain (loss)	–
Others	–
Subtotal	–

Total Retained Earnings, end of the reporting period available for dividend

(P55,110,949)

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.

SIGNATURES

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

Registrant : **PETROENERGY RESOURCES CORPORATION**

Signature and Title :  Milagros V. Reyes - President

Signature and Title :  Marja Cecilia L. Diaz De Rivera – Chief Finance Officer 

Date : May 14, 2026