

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF

SYNERGY GRID & DEVELOPMENT PHILS., INC.
(the "Corporation")

Held on 06 August 2025, at 1:00 P.M.
Via Videoconference

DIRECTORS PRESENT:

Henry T. Sy, Jr.
Paul P. Sagayo, Jr.
Vicente D. Gerochi IV
Jose Perpetuo M. Lotilla
Luis Jose P. Ferrer

ALSO PRESENT:

Maria Farah Z.G. Nicolas-Suchianco
Cheryl S. Saldaña-de Leon
Andreanne Hannah B. Dimaandal
Justice Lady P. Soriano
Selina Irene O. Ablaza

1. CALL TO ORDER

The President, Atty. Paul P. Sagayo, Jr., acted as Chairman for the meeting, and called the meeting to order and presided over the same. The Corporate Secretary, Atty. Cheryl S. Saldaña-de Leon, recorded the minutes of the proceedings.

The Corporate Secretary advised that the meeting was recorded, in compliance with the requirements of the Philippine Securities and Exchange Commission (SEC) under SEC Memorandum Circular No. 6, Series of 2020, which provides for the guidelines for a board meeting through videoconference. The recording will form part of the records of the Corporation.

2. PROOF OF NOTICE OF MEETING AND CERTIFICATION OF QUORUM

The Corporate Secretary certified that notices were sent to all directors by electronic mail, and that a quorum existed for the transaction of business. During the roll call, the Corporate Secretary verified and confirmed the identity of the participants, their location, the device they are using, that each participant received the relevant materials prior to the meeting, and that they can clearly hear and see the other participants.

Name of Participant	Location	Device	Receipt of relevant materials of the meeting	Confirmation that they can clearly hear and/or see the other attendees
Henry T. Sy, Jr.	San Juan City	Tablet	Yes	Yes
Paul P. Sagayo, Jr.	San Juan City	Laptop	Yes	Yes
Vicente D. Gerochi IV	Makati City	Desktop	Yes	Yes
Jose Perpetuo M. Lotilla	Pasig City	Mobile Phone	Yes	Yes
Luis Jose P. Ferrer	Quezon City	Laptop	Yes	Yes

Thereafter, the Acting Chairman declared that the Board could now proceed to transact the official business for this meeting.



3. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS HELD ON 07 MAY 2025

Upon motion duly made and seconded, the directors unanimously passed and approved the following resolution:

“RESOLVED, that the minutes of the Regular Meeting of the Board of Directors of the Corporation held on 07 May 2025 be approved.”

4. ACCEPTANCE OF THE RESIGNATION AND RESOLUTION OF COMMENDATION OF ATTY. FRANCIS SATURNINO C. JUAN

The Acting Chairman informed the Board of Directors of the resignation of Atty. Francis Saturnino C. Juan, who will assume the role of Chairman of the Energy Regulatory Commission (ERC) on 08 August 2025.

Upon motion duly made and seconded, the directors unanimously passed and approved the following resolution:

“RESOLVED, that the Board formally accepts the resignation of Atty. Francis Saturnino Juan (Atty. Juan) and expresses its profound appreciation and commendation to Atty. Juan for his dedicated service and meaningful contributions to the SGP Group;

“RESOLVED FURTHER, that Board sincerely thanks Atty. Juan for four (4) years of excellent service and guidance. The Board appreciates his insights over the years especially since his perspective on issues has consistently helped the Board navigate challenges and achieve its goals. With his expertise in the energy industry, he provided invaluable leadership over the years, which has been instrumental to the SGP Group’s growth and success;

“RESOLVED FINALLY, that a copy of this Resolution be furnished to Atty. Juan as a token of the Board’s gratitude and esteem.”

5. PRESENTATION AND APPROVAL OF THE FINANCIAL REPORTS AS OF 30 JUNE 2025

The Corporation’s Chief Financial Officer, Treasurer, and Investor Relations Officer, Ms. Justice Lady P. Soriano (CFO), presented the Financial Reports of Synergy Grid & Development Phils., Inc. (Corporation) and its subsidiaries as of 30 June 2025.

Financial Performance (Parent Only)

(Amounts in Millions)

	2nd Quarter of 2025			Unaudited Year To Date		
	June 30, 2025	Budget	June 30, 2024	June 30, 2025	Budget	June 30, 2024
OPERATION SERVICE REVENUES	0	0	0	0	0	0
COST OF OPERATION SERVICE REVENUES	0	0	0	0	0	0
OPERATION SERVICE REVENUES-Net	0	0	0	0	0	0
OPERATING EXPENSES	19	22	22	43	46	45
	19	22	22	43	46	45
LOSS FROM OPERATIONS	(19)	(22)	(22)	(43)	(46)	(45)
OTHER INCOME						
Interest income	3	0	13	5	3	17
Dividend income	370	1,769	1,413	370	1,769	1,782
Management Income	0	12	12	0	24	24
	373	1,781	1,438	375	1,796	1,823
NET INCOME BEFORE TAX	354	1,759	1,416	332	1,750	1,778
INCOME TAX EXPENSE	1	0	3	1	0	4
NET INCOME/ TOTAL COMPREHENSIVE INCOME	353	1,759	1,413	331	1,750	1,774

For the Financial Performance of the Corporation as of 30 June 2025, operating expenses amounted to Php43 Million, which is lower than the previous year's Php45 Million, on account of lower salaries and employee benefits due to the retirement of an officer in December 2024. Other income, consisting of interest income from placements of Php5 Million and dividend income of Php370 Million, is lower than the previous year. In sum, these resulted in a net income of Php331 Million.

Financial Position as of 30 June 2025 (Parent Only)

(Amounts in Millions)

	June 30, 2025	June 30, 2024	December 31, 2024
ASSETS			
Current Assets			
Cash and cash equivalents	575	273	248
Other current assets - net	31	27	30
Total Current Assets	606	300	278
Noncurrent Assets			
Investment in subsidiaries	94,246	94,246	94,246
Property and equipment - net	0	1	1
Total Noncurrent Assets	94,246	94,247	94,247
Total Asset	94,852	94,547	94,525
LIABILITIES AND EQUITY			
Current Liability			
Accrued expenses and other current liabilities	2	3	6
Dividends payable	8	8	8
Total Liabilities	10	11	14
Equity			
Capital stock	5,266	5,266	5,266
Additional paid-in capital	88,928	88,928	88,928
Retained earnings	648	342	317
Total Equity	94,842	94,536	94,511
	94,852	94,547	94,525

For the Financial Position of the Corporation as of 30 June 2025, total assets increased by Php327 Million for the six-month period attributable to a 132% increase in cash and cash equivalents mainly due to preferred dividends from the National Grid Corporation of the Philippines (NGCP). Total liabilities decreased by 29% from Php14 Million as of 31 December 2024 to Php10 Million as of 30 June 2025. These consist of: (1) accrued expenses and other current liabilities amounting to Php2 Million, representing statutory payments to government agencies such as the Bureau of Internal Revenue (BIR), the Social Security System (SSS), the Philippine Health Insurance Corporation (PHIC), and the Home Development Mutual Fund (HDMF), and (2) dividends payable which remained at Php8 Million. For the equity section, total equity increased from Php94.53 Billion as of 31 December 2024 to Php94.85 Billion as of 30 June 2025.

Cash Flow as of 30 June 2025 (Parent Only)

(Amounts in Millions)

	June 30, 2025	June 30, 2024	December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES	P (43)	P (6)	(30)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend Received	370	1,782	1,782
Net cash provided by investing activities	370 P	1,782 P	1,782
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of dividends	0	(1,635)	(1,636)
Payment of final tax on dividends	0	(192)	(192)
Net cash used in financing activities	0 P	(1,827) P	(1,828)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	P 327	P (51)	(76)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	248	324	324
CASH AND CASH EQUIVALENTS AT END OF YEAR	P 575	P 273	248

For the Corporation's cash flow as of 30 June 2025, net cash used in operating activities was Php43 Million while net cash flow provided by investing activities was Php370 Million, resulting in a net cash increase of Php327 Million and an ending cash balance of Php575 Million.

Financial Performance (Consolidated)

(Amounts in Millions)

	2nd Quarter of 2025			Unaudited Year to Date		
	June 30, 2025	Budget	June 30, 2024	June 30, 2025	Budget	June 30, 2024
OPERATION SERVICE REVENUES - Net	26,233	13,134	13,136	39,607	26,508	26,596
OPERATING EXPENSES	6,916	7,088	6,110	13,237	13,420	11,742
INCOME FROM OPERATIONS	19,317	6,046	7,026	26,370	13,088	14,854
OTHER CHARGES - Net						
Interest expense	(2,261)	(2,416)	(1,916)	(4,612)	(4,745)	(3,435)
Interest income	31	49	48	66	82	91
Foreign exchange gain (loss) - net	256	(54)	(409)	339	(102)	(455)
Bank and finance charges	(81)	(73)	(63)	(158)	(146)	(125)
Miscellaneous charges	(320)	(308)	(365)	(682)	(643)	(730)
	(2,375)	(2,802)	(2,705)	(5,047)	(5,554)	(4,654)
NET INCOME BEFORE TAX	16,942	3,244	4,321	21,323	7,534	10,200
INCOME TAX EXPENSE	1	0	3	1	0	4
NET INCOME	16,941	3,244	4,318	21,322	7,534	10,196
OTHER COMPREHENSIVE INCOME						
Item that will never be reclassified to profit or loss						
Remeasurement gains on defined benefit li:	238	0	354	238	0	354
TOTAL COMPREHENSIVE INCOME	17,179	3,244	4,672	21,560	7,534	10,550
Attributable to:						
Equity holders of the Parent Company	7,841	1,481	2,128	9,831	3,439	4,804
Non-controlling interests	9,338	1,763	2,544	11,729	4,095	5,746
	17,179	3,244	4,672	21,560	7,534	10,550
BASIC AND DILUTED						
INCOME PER SHARE	1.47	0.28	0.37	1.85	0.65	0.88

For the Consolidated Financial Reports of the Corporation and its subsidiaries (Group) as of 30 June 2025, operating revenues increased by 49% from Php26.6 Billion as of 30 June 2024 to Php39.61 Billion as of 30 June 2025 due to adjustments for NGCP's under-recovery based on the recently concluded fourth (4th) regulatory period 2016 to 2022. The Group's net other charges increased by 8% from Php4.65 Billion as of 30 June 2024 to Php5.05 Billion as of 30 June 2025, primarily due to the increase in interest expense on account of reclassification of capitalized interest to interest expense. Resulting net income of Php21.3 Billion is higher than previous year's Php10.2 Billion.

Financial Position as of 30 June 2025 (Consolidated)

(Amounts in Millions)

	June 30, 2025	June 30, 2024	December 31, 2024
ASSETS			
Noncurrent Assets			
Intangible asset - net	443,007	405,314	425,545
Property and equipment - net	5,276	4,995	5,270
Receivables - net of current portion	25,142	19,881	19,847
Goodwill	10,472	10,472	10,472
Other noncurrent assets	2,126	2,623	2,383
Total Noncurrent Assets	486,023	443,285	463,519
Current Assets			
Cash and cash equivalents	13,210	5,944	8,963
Receivables - net	23,028	10,063	14,062
Other current assets - net	22,013	27,996	25,792
Total Current Assets	58,251	44,003	48,817
	544,274	487,288	512,336

For the Financial Position of the Group as of 30 June 2025, total assets of the Group amounted to Php544.27 Billion, wherein 2.4% represents cash and cash equivalents, 8.3% represents other current assets and receivables, and 89.3% represents noncurrent assets. Total current assets increased by 19.3% from Php48.82 Billion on 31 December 2024 to Php58.2 Billion as of 30 June 2025 because of the increase in cash and cash equivalents due to additional borrowings and recognition of additional revenue for the 4th regulatory period recorded under accounts receivables. Noncurrent assets also increased by 4.9% from Php463.52 Billion as of 31 December 2024 to Php486.02 Billion as of 30 June 2025 due to capital expenditures (CAPEX) on substation upgrading and improving transmission line capacity of Luzon through the 500kV Western Backbone Stage 2 Project.

Financial Position as of 30 June 2025 (Consolidated)

(Amounts in Millions)

	June 30, 2025	June 30, 2024	December 31, 2024
LIABILITIES AND EQUITY			
Noncurrent Liabilities			
Loans payable - net of current portion	206,506	185,456	196,897
Retirement benefits liability	2,873	2,419	2,952
Customers' and other deposits	558	513	529
Concession fee payable	35,516	45,348	40,555
Other noncurrent liabilities	330	1,569	1,712
Total Noncurrent Liabilities	245,783	235,305	242,645
Current Liabilities			
Trade and other current payables	49,973	42,027	46,549
Current portion of concession fee payable	9,831	8,971	9,340
Current portion of loans payable	26,069	19,070	23,286
Other current liabilities	23,789	19,886	21,795
Total Current Liabilities	109,662	89,954	100,970
Total Liabilities	355,445	325,259	343,615
Equity			
Capital stock	5,266	5,266	5,266
Additional paid-in capital	88,928	88,928	88,928
Remeasurement losses on defined benefit liability	(101)	1	(210)
Equity adjustments from common control transactions	(73,359)	(73,359)	(73,359)
Retained earnings	96,104	83,140	86,382
Equity Attributable to Equity Holders of the Parent Company	116,838	103,976	107,007
Non-controlling interests	71,991	58,053	61,714
Total Equity	188,829	162,029	168,721
	544,274	487,288	512,336

Total liabilities of the Group increased by 3.44% to PhP355.45 Billion as of 30 June 2025 primarily due to additional borrowings. Other movements in the liabilities section are the reclassification of items from noncurrent to current liabilities. As for the Group's equity section, total equity increased by 12% to PhP188.83 Billion due to the increase in retained earnings as a result of recognition of additional revenue.

Cash Flow as of 30 June 2025 (Consolidated)

(Amounts in Millions)

	June 30, 2025	June 30, 2024	December 31, 2024
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	21,042	19,907	36,683
NET CASH FLOWS USED IN INVESTING ACTIVITIES			
Investment in capital expenditures	(22,271)	(30,734)	(54,880)
Additions to property and equipment	(444)	(398)	(1,102)
Net cash used in investing activities	(22,715)	(31,132)	(55,982)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES			
Proceeds of loans payable	21,000	25,000	51,500
Payment of cash dividends	(1,780)	(3,647)	(3,648)
Payment of loans payable and debt issue costs	(8,608)	(13,983)	(24,825)
Payment of concession fee	(4,547)	0	(4,424)
Settlement of obligation under lease liabilities	(140)	(116)	(256)
Net cash provided by financing activities	5,925	7,254	18,347
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(5)	2	2
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,247	(3,969)	(950)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	8,963	9,913	9,913
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	13,210	5,944	8,963

For the Group's cash flow as of 30 June 2025, net cash provided by operating activities was PhP21.04 Billion. Net cash flow used in investing activities amounted to PhP22.72 Billion, consisting mostly of CAPEX. Net cash flow provided by financing activities amounted to PhP5.93 Billion, consisting of loan proceeds of PhP21 Billion, cash dividend payment of PhP1.78 Billion, payment of loans of PhP8.61 Billion, payment of concession fee of PhP4.55 Billion, and settlement of other obligation under lease liabilities of PhP140 Million. These resulted in a net increase in cash of PhP4.25 Billion and an ending cash balance of PhP13.21 Billion.

After some discussion and upon motion duly made and seconded, the following resolution was approved: 

"RESOLVED, that as recommended by the Audit and Risk Committee, the Corporation's Financial Reports as of 30 June 2025, as presented by the Corporation's Chief Financial Officer (CFO) be approved;

"RESOLVED FURTHER, that the Corporation appoints its Chairman, Mr. Henry T. Sy, Jr., President, Atty. Paul P. Sagayo, Jr., its Treasurer, Ms. Justice Lady P. Soriano, or any director or officer of the Corporation as its authorized representatives and signatories in the preparation and approval of the financial reports, with authority to make the necessary arrangements in order to effect the release of the same, and to sign, execute, and/or deliver any and all documents in the name of the Corporation in connection therewith, including the signing of relevant documents related thereto, as well as the performance of all other acts incidental thereto."

"RESOLVED FINALLY, that these resolutions shall remain valid, subsisting, and enforceable, unless subsequently modified, revoked, rescinded, or suspended by a resolution of the Board of Directors."

6. SETTING OF THE DATE FOR THE ANNUAL MEETING OF THE STOCKHOLDERS FOR 2025

Upon motion duly made and seconded, the following resolutions were approved:

"RESOLVED, that in accordance with the Corporation's By-Laws setting the date of the Annual Meeting of the Stockholders on the Third Thursday of October, the Corporation be authorized to set the Annual Meeting of its Stockholders on 16 October 2025, at 2:00 P.M., via teleconference with record date on 26 September 2025;

"RESOLVED FURTHER, that the appropriate current report (17-C), as well as the other filings necessary for the holding of the Annual Meeting be filed with the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) accordingly;

"RESOLVED FINALLY, that the Corporate Secretary be authorized to execute and submit such documents as may be necessary to comply with the requirements of the Securities Regulation Code and the Revised Corporation Code in connection with the setting of the Annual Meeting of the Stockholders."

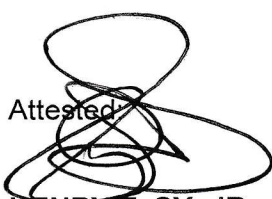
7. ADJOURNMENT

There being no further business to transact, the meeting was adjourned.

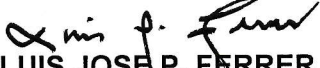
Certified Correct:


CHERYL S. SALDAÑA-DE LEON
 Corporate Secretary

Attested:


HENRY T. SY, JR.
 Chairman

Approved:


PAUL P. SAGAYO, JR.
Director/President
JOSE PERPETUO M. LOTILLA
Lead Independent Director
VICENTE D. GEROCHI IV
Director
LUIS JOSE P. FERRER
Independent Director