

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF

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

Held on 27 March 2026, at 10:30 A.M.
Via Videoconference

DIRECTORS PRESENT:

Henry T. Sy, Jr.
Paul P. Sagayo, Jr.
Vicente D. Gerochi IV
Justice Lady P. Soriano
Jose Perpetuo M. Lotilla
Daniel D. Ibasco

ALSO PRESENT:

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

1. CALL TO ORDER

The Chairman, Henry T. Sy, Jr., 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.	Makati City	Laptop	Yes	Yes
Paul P. Sagayo, Jr.	Pasig City	Laptop	Yes	Yes
Vicente D. Gerochi IV	Makati City	Desktop	Yes	Yes
Justice Lady P. Soriano	San Juan City	Laptop	Yes	Yes
Jose Perpetuo M. Lotilla	Marikina City	Mobile Phone	Yes	Yes
Daniel D. Ibasco	Singapore	Laptop	Yes	Yes

Thereafter, the 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 27 NOVEMBER 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 27 November 2025 be approved.”

4. **PRESENTATION AND APPROVAL OF AUDITED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025**

The Corporation's Chief Finance Officer, Treasurer, and Investor Relations Officer, Ms. Justice Lady P. Soriano (CFO), presented the Audited Financial Statements (AFS) of Synergy Grid & Development Phils., Inc. (Corporation) and its subsidiaries as of 31 December 2025.

Financial Performance (Parent Only)

(Amounts in Millions)

	December 31, 2025	Budget	December 31, 2024
OPERATION SERVICE REVENUES-Net	0	0	0
OPERATING EXPENSES	80	85	100
LOSS FROM OPERATIONS	(80)	(85)	(100)
OTHER INCOME			
Interest income	26	25	25
Dividend income	3,584	1,782	1,782
Management Income	48	48	48
	3,658	1,855	1,855
NET INCOME BEFORE TAX	3,578	1,770	1,755
INCOME TAX EXPENSE	6	0	6
NET INCOME / TOTAL COMPREHENSIVE INCOME	3,572	1,770	1,749

For the financial performance of the Corporation as of 31 December 2025, the CFO reported that operating expenses, consisting of salaries, employee benefits, directors' fees, and professional fees, amounted to PhP80 Million.

Other income, consisting of interest income of PhP26 Million, dividend income of PhP3.58 Billion, and management income of PhP48 Million, amounted to PhP3.66 Billion.

Given the income tax expense of PhP6 Million, the resulting net income amounted to PhP3.57 Billion. The increase in the net income, as compared to the year ended 31 December 2024, was due to the increase in dividend income from the National Grid Corporation of the Philippines (NGCP).

Financial Position as of 31 December 2025 (Parent Only)

(Amounts in Millions)

	December 31, 2025	December 31, 2024
ASSETS		
Current Assets		
Cash	370	248
Prepayments and other current assets	36	30
Total Current Assets	406	278
Noncurrent Assets		
Investment in subsidiaries	94,246	94,246
Property and equipment - net	0	1
Total Noncurrent Assets	94,246	94,247
TOTAL ASSETS	94,652	94,525
LIABILITIES AND EQUITY		
Current Liabilities		
Accrued expenses and other current liabilities	195	6
Dividends payable	33	8
Total Liabilities	228	14
Equity		
Capital stock	5,266	5,266
Additional paid-in capital	88,928	88,928
Retained earnings	230	317
Total Equity	94,424	94,511
TOTAL LIABILITIES & EQUITY	94,652	94,525

For the Financial Position of the Corporation as of 31 December 2025, the total assets amounted to PhP94.65 Billion, wherein 99.6% represents investment in subsidiaries and 0.4% represents mainly cash and cash equivalents.

The total liabilities amounted to PhP228 Million. The increase in liabilities, as compared to the previous year, is attributable to the increase in the accrued expenses amounting to PhP195 Million, consisting of withholding taxes, Value-Added Tax (VAT) payable, and other government remittances (BIR, SSS, PHIC, HDMF).

Retained earnings decreased from PhP317 Million in 2024 to PhP230 Million in 2025. The total equity as of 31 December 2025 amounted to PhP94.42 Billion.

Cash Flow as of 31 December 2025 (Parent Only)

(Amounts in Millions)

	December 31, 2025	December 31, 2024
CASH FLOWS USED IN OPERATING ACTIVITIES	P (19) P	(30)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Dividend received	3,584	1,782
Net cash provided by investing activities	P 3,584 P	1,782
CASH FLOWS USED IN FINANCING ACTIVITIES		
Payment of dividends	(3,252)	(1,636)
Payment of final tax on dividends	(191)	(192)
Net cash used in financing activities	P (3,443) P	(1,828)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	P 122 P	(76)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	248	324
CASH AND CASH EQUIVALENTS AT END OF YEAR	P 370 P	248

As of 31 December 2025, net cash flow used in operating activities was PhP19 Million. Net cash flow provided by investing activities was PhP3.58 Billion, mainly from dividends received from NGCP for the second (2nd) and fourth (4th) quarter of 2025. Net cash flow used in financing activities of PhP3.44 Billion, consisted of PhP3.25 Billion payment of dividends and PhP191 Million remittance of final tax on dividends.

These resulted in a net increase in cash and cash equivalents at the end of 2025 of PhP122 Million, with ending cash of PhP370 Million.

Financial Performance (Consolidated)

(Amounts in Millions)

	December 31, 2025	Budget	December 31, 2024
OPERATION SERVICE REVENUES - Net	85,212	53,004	53,014
OPERATING EXPENSES	28,811	28,659	25,717
INCOME FROM OPERATIONS	56,401	24,345	27,297
OTHER CHARGES - Net			
Interest expense	(10,445)	(9,995)	(8,005)
Interest income	166	135	188
Foreign exchange loss - net	(74)	(154)	(507)
Bank and finance charges	(341)	(307)	(262)
Miscellaneous charges	(1,499)	(1,262)	(1,355)
	(12,193)	(11,583)	(9,941)
NET INCOME BEFORE TAX	44,208	12,762	17,356
INCOME TAX EXPENSE	6	0	6
NET INCOME	44,202	12,762	17,350
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item that will never be reclassified to profit or loss</i>			
Remeasurement gain (loss) on defined benefit liability	20	0	(107)
TOTAL COMPREHENSIVE INCOME	44,222	12,762	17,243
BASIC AND DILUTED			
INCOME PER SHARE	3.83	-	1.50

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For the financial performance of the Corporation and its subsidiaries (Group) as of 31 December 2025, operation service revenues of PhP85.21 Billion consist mainly of Maximum Allowable Revenue (MAR) of PhP58.1 Billion and under-recovery of PhP25.57 Billion, broken down into PhP9.76 Billion under-recovery for the 4th Regulatory Period (RP) covering 2016 to 2022 and PhP13.26 Billion for the years 2023 and 2024.

Operating expenses of PhP28.81 Billion, consisting of salaries and operations and maintenance costs, increased on account of project completion. Other charges also increased to PhP12.19 Billion due to higher interest expense and franchise tax booked under miscellaneous charges.

The resulting net income after tax is PhP44.2 Billion, which is 155% higher than 2024's net income of PhP17.35 Billion. The CFO noted that the substantial increase is due to revenue catch-up on account of the delay of ten (10) years in the regulatory reset.

Financial Position as of 31 December 2025 (Consolidated)

(Amounts in Millions)

	December 31, 2025	December 31, 2024
ASSETS		
Noncurrent Assets		
Intangible asset - net	465,114	425,545
Property and equipment - net	5,174	5,270
Receivables - net of current portion	38,637	19,847
Goodwill	10,472	10,472
Other noncurrent assets	1,691	2,385
Total Noncurrent Assets	521,088	463,519
Current Assets		
Cash and cash equivalents	7,417	8,963
Receivables - net	24,704	14,062
Prepaid expenses and other current assets	23,076	25,792
Total Current Assets	55,197	48,817
	576,285	512,336

For the Financial Position of the Group as of 31 December 2025, the total assets amounted to PhP576.29 Billion, wherein 1% represents cash and cash equivalents, 8% represents receivables and other current assets, and 91% represents noncurrent assets.

Noncurrent assets increased by 12.4% from PhP464 Billion as of 31 December 2024 to PhP521 Billion as of 31 December 2025. There was a net intangible growth of PhP39.57 Billion consisting of completed and ongoing projects, such as the Batangas-Mindoro Interconnection Project, Western Backbone 500kV Line, and upgrading of substations in Luzon and Visayas.

Current assets increased by 13% from PhP48.82 Billion as of 31 December 2024 to PhP55.2 Billion as of 31 December 2025. Under current assets, there was a 17% decrease in cash and cash equivalents due to the settlement of liabilities, a 76% increase in current portion of receivables, mainly due to recording of the CY 2025 MAR differential adjustment and the current portion of the 4th RP under-recovery, and an 11% decrease in other current assets.

Financial Position as of 31 December 2025 (Consolidated)

(Amounts in Millions)

	December 31, 2025	December 31, 2024
LIABILITIES AND EQUITY		
Noncurrent Liabilities		
Loans payable - net of current portion	216,454	196,897
Retirement benefits liability	3,201	2,952
Customers' and other deposits	496	529
Concession fee payable	30,232	40,555
Other noncurrent liabilities	219	1,712
Total Noncurrent Liabilities	250,602	242,645
Current Liabilities		
Trade and other current payables	53,200	46,549
Current portion of concession fee payable	10,323	9,340
Current portion of loans payable	33,150	23,285
Other current liabilities	24,032	21,796
Total Current Liabilities	120,705	100,970
Total Liabilities	371,307	343,615
Equity		
Capital stock	5,266	5,266
Additional paid-in capital	88,928	88,928
Remeasurement losses on defined benefit liability	(201)	(210)
Equity adjustments from common control transactions	(73,359)	(73,359)
Retained earnings	102,883	86,382
Equity Attributable to Equity Holders of the Parent Company	123,517	107,007
Non-controlling interests	81,461	61,714
Total Equity	204,978	168,721
	576,285	512,336

Total liabilities of the Group increased to PhP371.31 Billion as of 31 December 2025. Noncurrent liabilities increased from PhP242.65 Billion in 2024 to PhP250.60 Billion in 2025. This was caused (a) 10% increase in loans payable, (b) 8% increase in retirement benefits liability, (c) 6% decrease in customers and other deposit, (d) 25% decrease in concession fee payable, and (e) 87% decrease in other noncurrent liabilities due to reclassification of advances for construction to current liabilities.

On the other hand, total current liabilities increased from PhP100.97 Billion in 2024 to PhP120.71 Billion in 2025 due to: (a) 14% increase in trade payables, (b) 11% increase in current portion of concession fee payable, (c) 42% increase in current portion of loans payable due to newly drawn term loans, and (d) 10% increase in other current liabilities mainly due to reclassification of advances for construction from non-current and additional retention on contracts.

The total equity of PhP204.98 Billion increased due to the increase in retained earnings.

Cash Flow as of 31 December 2025 (Consolidated)

(Amounts in Millions)	December 31, 2025	December 31, 2024
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	40,222	36,683
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(53,494)	(55,982)
Investment in capital expenditures	(52,713)	(54,879)
Additions to property and equipment	(781)	(1,103)
Net cash used in investing activities	(53,494)	(55,982)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	11,723	18,347
Proceeds of loans payable	53,500	51,500
Payment of cash dividends	(8,076)	(3,648)
Payment of loans payable and debt issue cost	(24,078)	(24,825)
Payment of concession fee	(9,340)	(4,424)
Settlement of obligation under lease liabilities	(283)	(256)
Net cash provided by financing activities	11,723	18,347
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	3	2
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,546)	(950)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	8,963	9,913
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	7,417	8,963

As for the cash flow of the Group as of 31 December 2025, net cash provided by operating activities was PhP40.22 Billion. Net cash flow used in investing activities of PhP53.49 Billion consisted of investment in capital expenditures of PhP52.71 Billion and additions to property and equipment of PhP781 Million, while net cash flow provided by financing activities of PhP11.72 Billion consisted of loan proceeds of PhP53.5 Billion, cash dividends payment of PhP8.08 Billion, payment of loans of PhP24.08 Billion, concession fee payment of PhP9.34 Billion, and settlement of other obligation under lease liabilities of PhP283 Million. These resulted in a net decrease in cash of PhP1.5 Billion, with ending cash of PhP7.42 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 Audited Financial Statements (AFS) of the Corporation for the year ended 31 December 2025, as presented by the Chief Finance Officer, 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 AFS, as audited by the Corporation's external auditor, R.G. Manabat & Co., 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 a copy of these Resolutions be submitted to the external auditor and shall serve as the written authority of Mr. Henry T. Sy, Jr., Atty. Paul P. Sagayo, Jr. and Ms. Justice Lady P. Soriano to release the AFS, which resolutions shall remain valid, subsisting, and enforceable, unless subsequently modified, revoked, rescinded, or suspended by a resolution of the Board of Directors."

5. DECLARATION OF DIVIDENDS FOR THE FIRST QUARTER OF 2026

The proposal to declare cash dividends of a total of PhP1,829,361,848.00, from the dividends received from NGCP, OneTaipan Holdings, Inc. (OTHI), and Pacifica21 Holdings, Inc. (P21), for the first (1st) quarter of the year was presented to the Board of Directors.

The PhP0.3474 dividend per share will be declared to shareholders on record as of 15 April 2026 with payment date on 04 May 2026.

Declaration of Dividends for the 1st Quarter of 2026

SUMMARY	
Dividends Received from OTHI and P21	₱1,446,020,800
Dividends from NGCP Preferred Shares	₱369,600,000
Total Dividends Received from OTHI, P21 & NGCP Preferred Shares	₱1,815,620,800
Number of Outstanding Shares	5,265,866,000
Dividends to be Declared	₱1,829,361,848
Dividend per share	₱0.3474/share
Record Date	April 15, 2026
Payment Date	May 4, 2026

After a brief discussion and upon motion duly made and seconded, the following resolutions were approved:

"RESOLVED, that in view of the dividends declared by and received from the National Grid Corporation of the Philippines (NGCP), OneTaipan Holdings, Inc. (OTHI), and Pacifica21 Holdings, Inc. (P21), the Corporation is hereby authorized to declare cash dividends on 27 March 2025, and release, pay, and distribute the cash dividends from the Corporation's unrestricted retained earnings on 04 May 2026 in the amount of PhP1,829,361,848.00 to the Corporation's shareholders as of record date of 15 April 2026;

"RESOLVED FURTHER, that the President, Corporate Secretary, Treasurer/Chief Finance Officer, and other officers of the Corporation, be authorized to execute documents and perform any and all acts necessary and proper to carry out the foregoing resolutions;

"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. OTHER MATTERS

A. REACTIVATION OF THE CORPORATION'S BANK OF COMMERCE US DOLLAR SAVINGS ACCOUNT (119-21-000009-4)

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

"RESOLVED, that the Corporation be authorized to transact with **BANK OF COMMERCE** (Bank) for the reactivation of the Corporation's United States Dollar (USD) Savings Account with Number 119-21-000009-4 (Account) maintained in the Bank's Pasig Boulevard Branch;

"RESOLVED FURTHER, that the following be authorized to apply, sign, execute, and deliver, for and behalf of the Corporation, any and all documents, papers, instruments, checks and withdrawal slips, debit and credit instructions, fund transfer instructions, check encashment/endorsement forms, agreements, or contracts as may be appropriate and/or required for the implementation of the foregoing powers/transactions authorized above:

<u>Name</u>	<u>Position</u>
Zurohayda Yoko M. Montierro	Audit, Risk, and Compliance Manager
Ria Mae Gatchallan	Finance and Administrative Manager

"RESOLVED FURTHER, that the Corporation authorizes Mr. Amir Saud Feliciano to transact with the Bank, and file, update, and deliver any and all signed documents that may be required by the Bank, and to claim and receive the necessary documents upon issuance by the Bank;

"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 and a written notice of its cancellation is received by the Appointed Account Officer of the Bank."

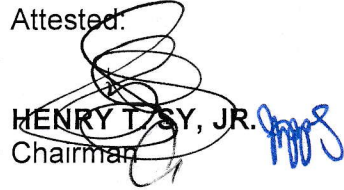
7. ADJOURNMENT

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


DANIEL D. IBASCO
Independent Director


JUSTICE LADY P. SORIANO
Director