

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF

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

Held on 07 May 2025, at 1:00 P.M.
Via Videoconference

DIRECTORS PRESENT:

Henry T. Sy, Jr.
Robert G. Coyiuto, Jr.
Paul P. Sagayo, Jr.
Vicente D. Gerochi IV
Jose Perpetuo M. Lotilla
Luis Jose P. Ferrer
Francis Saturnino C. Juan

ALSO PRESENT:

Maria Farah Z.G. Nicolas-Suchianco
Cheryl S. Saldaña-de Leon
Justice Lady P. Soriano
Selina Irene O. Ablaza
Zurohayda Yoko M. Montierro

1. CALL TO ORDER

The Chairman, Mr. 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	Tablet	Yes	Yes
Robert G. Coyiuto, Jr.	Makati City	Laptop	Yes	Yes
Paul P. Sagayo, Jr.	Pasig City	Laptop	Yes	Yes
Vicente D. Gerochi IV	Makati City	Desktop	Yes	Yes
Jose Perpetuo M. Lotilla	Quezon City	Mobile Phone	Yes	Yes
Luis Jose P. Ferrer	Quezon City	Laptop	Yes	Yes
Francis Saturnino C. Juan	Pasig City	Desktop	Yes	Yes

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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 07 APRIL 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 April 2025 be approved.”

4. PRESENTATION AND APPROVAL OF THE FINANCIAL REPORTS AS OF 31 MARCH 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 31 March 2025.

Financial Performance (Parent Only)

(Amounts in Millions)

	1st Quarter of 2025			Unaudited Year To Date		
	March 31, 2025	Budget	March 31, 2024	March 31, 2025	Budget	March 31, 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	23	24	23	23	24	23
	23	24	23	23	24	23
LOSS FROM OPERATIONS	(23)	(24)	(23)	(23)	(24)	(23)
OTHER INCOME						
Interest income	2	3	4	2	3	4
Dividend income	0	0	370	0	0	370
Management income	0	12	12	0	12	12
	2	15	386	2	15	386
NET INCOME (LOSS) BEFORE TAX	(21)	(9)	363	(21)	(9)	363
INCOME TAX EXPENSE	0	0	1	0	0	1
NET INCOME (LOSS)/ TOTAL						
COMPREHENSIVE INCOME (LOSS)	(21)	(9)	362	(21)	(9)	362

For the Financial Performance of the Corporation as of 31 March 2025, operating expenses have been steady at Php23 Million, the same as the previous year. Other income for this quarter only consists of interest income of Php2 Million, resulting to a net loss of Php21 Million as compared to the net income of Php362 Million for the same period in the previous year.

Financial Position as of 31 March 2025 (Parent Only)

(Amounts in Millions)

	March 31, 2025	March 31, 2024	December 31, 2024
ASSETS			
Current Assets			
Cash	224	684	248
Receivables	0	6	0
Other current assets - net	30	25	30
Total Current Assets	254	715	278
Noncurrent Assets			
Investment in subsidiaries	94,246	94,246	94,246
Property and equipment - net	1	1	1
Total Noncurrent Assets	94,247	94,247	94,247
Total Asset	94,501	94,962	94,525
LIABILITIES AND EQUITY			
Current Liability			
Accrued expenses and other current liabilities	3	3	6
Dividends payable	8	6	8
Total Liabilities	11	9	14
Equity			
Capital stock	5,266	5,266	5,266
Additional paid-in capital	88,928	88,928	88,928
Retained earnings	296	759	317
Total Equity	94,490	94,953	94,511
	94,501	94,962	94,525

For the Financial Position of the Corporation as of 31 March 2025, total assets amounted to PhP94.5 Billion, PhP254 Million of which consists of cash and other current assets. Total liabilities amounted to PhP11 Million, and total equity amounted to PhP94.49 Billion.

Cash Flow as of 31 March 2025 (Parent Only)

(Amounts in Millions)

	March 31, 2025	March 31, 2024	December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES	P (24)	P (10)	P (30)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend Received	0	370	1,782
Net cash provided by investing activities	0	370	1,782
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of dividends	(0)	(0)	(1,636)
Payment of final tax on dividends	0	0	(192)
Net cash used in financing activities	(0)	(0)	(1,828)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	P (24)	P 360	P (76)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	248	324	324
CASH AND CASH EQUIVALENTS AT END OF YEAR	P 224	P 684	248

For the Corporation's cash flow as of 31 March 2025, net cash used in operating activities was PhP24 Million, while no amount was used for investing activities and financing activities. These resulted in a net cash decrease of PhP24 Million and an ending cash balance of PhP224 Million.

Financial Performance (Consolidated)

(Amounts in Millions)

	1st Quarter of 2025			Unaudited Year to Date		
	March 31, 2025	Budget	March 31, 2024	March 31, 2025	Budget	March 31, 2024
OPERATION SERVICE REVENUES - Net	13,374	13,374	13,460	13,374	13,374	13,460
OPERATING EXPENSES	6,321	6,339	5,631	6,321	6,339	5,631
INCOME FROM OPERATIONS	7,053	7,035	7,829	7,053	7,035	7,829
OTHER CHARGES - Net						
Interest expense	(2,351)	(2,329)	(1,519)	(2,351)	(2,329)	(1,519)
Interest income	35	33	43	35	33	43
Foreign exchange gain (loss) - net	83	(48)	(46)	83	(48)	(46)
Bank and finance charges	(77)	(73)	(61)	(77)	(73)	(61)
Miscellaneous charges	(362)	(336)	(366)	(362)	(336)	(366)
	(2,672)	(2,753)	(1,949)	(2,672)	(2,753)	(1,949)
NET INCOME BEFORE TAX	4,381	4,282	5,880	4,381	4,282	5,880
INCOME TAX EXPENSE	0	0	1	0	0	1
NET INCOME	4,381	4,282	5,879	4,381	4,282	5,879
TOTAL COMPREHENSIVE INCOME	4,381	4,282	5,879	4,381	4,282	5,879
Attributable to:						
Equity holders of the Parent Company	1,990	1,945	2,675	1,990	1,945	2,675
Non-controlling interests	2,391	2,337	3,204	2,391	2,337	3,204
	4,381	4,282	5,879	4,381	4,282	5,879
BASIC AND DILUTED						
INCOME PER SHARE	0.38	0.37	0.51	0.38	0.37	0.51

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For the Consolidated Financial Reports of the Corporation and its subsidiaries (Group) as of 31 March 2025, operating revenue slightly declined to PhP13.37 Billion from the previous year's PhP13.46 Billion. The decline was due to the feedback power paid by the Power Sector Assets and Liabilities Management Corporation (PSALM) that was received last January 2024, but operation service revenue was the same for every quarter because of the Interim Maximum Allowable Revenue (iMAR) of PhP51 Billion.

Operating expenses as of 31 March 2025 amounted to PhP6.32 Billion, which was an increase from PhP5.63 Billion as of 31 March 2024 due to the PhP400 Million increase in depreciation and the PhP200 Million increase in maintenance costs. Other charges increased by 37% to PhP2.7 Billion due to the reclassification of interest during construction to interest expense. The resulting net income is lower at PhP4.38 Billion compared to the previous year's first quarter income of PhP5.88 Billion.

Financial Position as of 31 March 2025 (Consolidated)

(Amounts in Millions)

	March 31, 2025	March 31, 2024	December 31, 2024
ASSETS			
Noncurrent Assets			
Intangible asset - net	432,853	390,095	425,545
Property and equipment - net	5,426	4,946	5,270
Receivables - net of current portion	19,633	19,818	19,847
Goodwill	10,472	10,472	10,472
Other noncurrent assets	2,242	2,852	2,385
Total Noncurrent Assets	470,626	428,183	463,519
Current Assets			
Cash and cash equivalents	6,216	13,790	8,963
Receivables - net	16,128	9,963	14,062
Other current assets - net	25,098	30,689	25,792
Total Current Assets	47,442	54,442	48,817
	518,068	482,625	512,336

For the Financial Position of the Group as of 31 March 2025, total assets amounted to Php518.07 Billion. Noncurrent assets increased to Php470.63 Billion due to continued capital expenditures of the National Grid Corporation of the Philippines (NGCP) for the upgrading of its substations. Current assets slightly decreased to Php47.44 billion mainly due to the decrease in cash and cash equivalents.

Financial Position as of 31 March 2025 (Consolidated)

(Amounts in Millions)

	March 31, 2025	March 31, 2024	December 31, 2024
LIABILITIES AND EQUITY			
Noncurrent Liabilities			
Loans payable - net of current portion	200,953	177,408	196,897
Retirement benefits liability	3,049	2,701	2,952
Customers' and other deposits	563	453	529
Concession fee payable	40,555	49,895	40,555
Other noncurrent liabilities	401	1,516	1,712
Total Noncurrent Liabilities	245,521	231,973	242,645
Current Liabilities			
Trade and other current payables	46,507	42,730	46,549
Current portion of concession fee payable	4,793	4,424	9,340
Current portion of loans payable	24,480	24,450	23,286
Other current liabilities	23,665	19,166	21,795
Total Current Liabilities	99,445	90,770	100,970
Total Liabilities	344,966	322,743	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	(210)	(161)	(210)
Equity adjustments from common control transactions	(73,359)	(73,359)	(73,359)
Retained earnings	88,372	83,002	86,382
Equity Attributable to Equity Holders of the Parent Company	108,997	103,676	107,007
Non-controlling interests	64,105	56,206	61,714
Total Equity	173,102	159,882	168,721
	518,068	482,625	512,336

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On the other hand, total liabilities slightly increased from Php343.62 Billion to Php344.97 Billion due to additional borrowings of NGCP. Lastly, total equity increased from Php168.72 Billion as of 31 December 2024 to Php173.1 Billion as of 31 March 2025, mainly due to the Php2 Billion increase in retained earnings. 

Cash Flow as of 31 March 2025 (Consolidated)

(Amounts in Millions)

	March 31, 2025	March 31, 2024	December 31, 2024
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	6,570	10,423	36,683
NET CASH FLOWS USED IN INVESTING ACTIVITIES			
Investment in capital expenditures	(9,569)	(13,566)	(54,880)
Additions to property and equipment	(379)	(149)	(1,102)
Net cash used in investing activities	(9,948)	(13,715)	(55,982)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES			
Proceeds of loans payable	9,500	12,000	51,500
Payment of cash dividends	(0)	(1,125)	(3,648)
Payment of loans payable and debt issue costs	(4,249)	(3,650)	(24,825)
Payment of concession fee	(4,547)		(4,424)
Settlement of obligation under lease liabilities	(70)	(57)	(256)
Net cash provided by financing activities	634	7,168	18,347
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(3)	1	2
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,747)	3,877	(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	6,216	13,790	8,963

For the Group's cash flow as of 31 March 2025, net cash provided by operating activities was Php6.57 Billion, while net cash used in investing activities was Php9.95 Billion. Net cash provided by financing activities was Php634 Million, consisting of new loan proceeds of Php9.5 Billion, payment of loans of Php4.25 Billion, payment of concession fee of Php4.55 Billion, and settlement of other obligation under lease liabilities of Php70 Million. All of these resulted in a net decrease cash of Php2.75 Billion and an ending cash balance of Php6.22 Billion for the quarter ending 31 March 2025.

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 31 March 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."

5. ADJOURNMENT

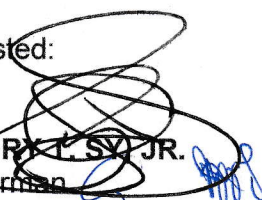
There being no further business to transact, the meeting was adjourned. 

[Signature page follows]

Certified Correct:


CHERYL S. SALDAÑA-DE LEON
Corporate Secretary

Attested:


HENRY T. SY, JR.
Chairman

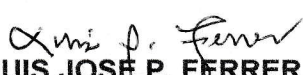
Approved:


ROBERT G. COYIUTO, JR.
Vice Chairman


PAUL P. SAGAYO, JR.
Director/President


VICENTE D. GEROCHI IV
Director


JOSE PERPETUO M. LOTILLA
Lead Independent Director


LUIS JOSE P. FERRER
Independent Director


FRANCIS SATURNINO C. JUAN
Independent Director