

 PhilRatings PHILIPPINE RATING SERVICES CORPORATION <i>The Pioneer Domestic Credit Rating Agency</i>	RATING NEWS August 13, 2026
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Very Strong Investment Grade Rating Assigned to Alternergy Holding Corporation's Proposed Fixed-Rate Corporate Notes Issuance

Philippine Rating Services Corporation (PhilRatings) has assigned an investment grade Issue Credit Rating of **PRS Aa minus**, with a **Stable Outlook**, to Alternergy Holding Corporation's (Alternergy; the Company) proposed Fixed-Rate Corporate Notes issuance of ₱2.0 billion. Proceeds from the issue will be used by the Company for advancing predevelopment expenses of its projects awarded by the Department of Energy (DOE) under the fourth round of its Green Energy Auction Program (GEAP-4) and other projects in the Company's pipeline and for general corporate purposes, including the full payment of its loans.

Obligations rated 'PRS Aa' are of high quality and are subject to very low credit risk. The obligor's capacity to meet its financial commitment on the obligation is very strong. The 'minus' further qualifies the rating. A Stable Outlook, on the other hand, indicates that the rating is likely to be maintained or to remain unchanged in the next 12 months.

The assigned rating and the corresponding Outlook took into account the following key considerations:

1. The Company's growing renewable energy portfolio supported by a favorable industry outlook, albeit limited in size and scale relative to the industry;
2. Its competent and well-experienced shareholders and management team;
3. Its pioneer status in clean energy innovation;
4. Recovering bottom-line after recording a net loss in 2022, supported by upcoming projects with long-term offtake contracts; and
5. Its increasing leverage levels to support growth.

PhilRatings based its assessment on available information and projections at the time the rating was assigned. PhilRatings shall continuously monitor developments relating to Alternergy and may change the rating and Outlook at any time, should circumstances warrant a change.

Established in 2009, Alternergy is a renewable energy holding company composed of investee companies engaged in onshore wind, mini run-of-river hydro, solar (both utility-scale farms and commercial rooftop), battery energy storage power projects, and retail electricity supply.

With a combined installed capacity of 119 megawatts (MW) as of end-March 2026, Alternergy's operational portfolio spans the Philippines and the Republic of Palau. The Company has 11 solar projects (eight of which are under one rooftop portfolio), one wind farm, and one mini run-of-river hydro project. Looking ahead, Alternergy's growth in scale and capacity will be supported by the DOE's push to increase the share of renewable energy to the country's overall power generation to 35% by 2030 and to 50% by 2040. Power projects awarded under the second round of Green Energy Auction Program (GEAP-2), the Tanay and Alabat Wind Projects, are in the advanced stages of construction and are expected to commence operations by October 2026. These are expected to increase Alternergy's operating capacity to 311 MW by end-2026.

The Company's projects under GEAP-4 —Liberty Solar, Kalandagan Solar, Alegria Wind, and Tayabas North Wind—are under development and are expected to be completed and begin operations in the next three years. Projects in the pipeline have a combined potential capacity of 762 MW.¹

On July 20, 2026, ABC Energy Inc. (ABCEI), a wholly owned energy holding company of A Brown Company, Inc. (ABCI),² completed the acquisition of a 40% equity interest in each of the project companies of the 128-MW Tanay Wind Power Project and 64-MW Alabat Wind Power Project for a total consideration of ₱2.3 billion.

Alternergy's management is composed of highly skilled and well-experienced professionals, having gained extensive experience in renewable energy development and other related industries. The Company was conceptualized by its founders, Mr. Vicente Pérez, Mr. Gerry Magbanua, and Mr. Knud Hedeager, during their development of the 33-MW Bangui Bay Wind farm, the largest wind energy project in the Philippines and the first on-grid wind farm in Southeast Asia at the time it was built in 2005. The Company is guided by its Chairman, Mr. Pérez, who served as the DOE's Secretary from June 2001 to March 2005. During his time, Mr. Pérez played a vital role in the implementation of the power sector reforms under the Electric Power Industry Reform Act (EPIRA) of 2001 and was a policy advocate of a framework that later became the Renewable Energy Act of 2008.

Alternergy is also led by its President, Mr. Gerry Magbanua. He was part of the National Renewable Energy Board (NREB) Technical Working Group which helped develop the pricing structure for the Feed-In-Tariff (FIT) mechanism and the Green Energy Auction Financial models. Mr. Magbanua also previously worked for InterGen, a global greenfield power developer.

After building Southeast Asia's first commercial wind project, the pioneering management team developed the Pililla Wind Farm in 2015. Furthermore, Alternergy received the Securities and Exchange Commission's (SEC) Green Equity Label, allowing the Company to attract Environmental, Social, and Governance (ESG)-focused investors. Further solidifying its pioneer status in clean energy innovation, its subsidiary, Kirahon Solar Energy Corporation (KSEC), secured the first bilateral solar contract approved by the Energy Regulatory Commission (ERC) in 2015.

The Company recorded consolidated revenues from the sale of electricity in 2022, after KSEC became a subsidiary. Revenues then jumped from ₱9.3 million in 2022 to ₱171.5 million in 2023, supported by the full-year contributions of KSEC's 12.5-MW Kirahon Solar Project. From 2023 to 2025, the Company's revenues grew at a compounded annual growth rate (CAGR) of 44.9% to ₱359.9 million, driven by the fresh contributions of the Palau Solar Project starting 2024. In the first nine months of 2026 (9M2026),³ consolidated revenues increased by 16.7% year-on-year (YoY) to ₱304.2 million, attributable to maiden contributions of the Balsik Solar Project and higher revenues from the Palau Solar Project. Driven by topline growth, cost management and higher interest income, the Company recorded a net profit of ₱38.0 million in 2023, a reversal from its net loss of ₱145.2 million⁴ in 2022. This upward trend continued through 2025, where net income jumped by 334.0% to ₱165.0 million and in 9M2026, with bottom line increasing by 4.3% YoY to ₱113.8 million.

1 Pipeline projects include: 128-MW Tanay Wind, 64-MW Alabat Wind, 98-MW Sembrano Wind, 8-MW Kiangnan Mini Run-Of-River Hydro and GEAP-4 (140-MW Liberty Floating Solar, 100-MW Kalandagan Solar + BESS, 80-MW Cebu Wind, and 144-MW Tayabas North Wind).

2 ABCI has an outstanding Issue Credit Rating of PRS A plus, with a Stable Outlook, for its ₱4.0 billion bond issuance.

3 Alternergy's fiscal year ends in June. According to management, the fiscal year better captures the seasonality of the Company's wind projects.

4 Reported net loss in 2022 was primarily attributable to non-cash restructuring and corporate transition activities in order to simplify the organizational structure of Alternergy in anticipation of its initial public offering (IPO) in 2023.

Alternergy's operating assets are subject to long-term power supply agreements (PSA) with offtakers. Its Kirahon Solar Project supplies clean energy under a 25-year PSA to Cagayan Electric Power and Light Company (CEPALCO). The upcoming capacity from GEAP-2 and GEAP-4 awarded projects will be contracted under a 20-year Renewable Energy Power Agreement (REPA) with the National Transmission Corporation (TransCo). On the other hand, PhilRatings notes that Alternergy's operating assets were funded through non-recourse project finance facilities with relatively shorter tenors of up to 15 years.

To fund its growth, Alternergy has tapped the capital markets and banks. Considering this, consolidated debt-to-equity ratio moved from 0.6x as of calendar year-end 2021 to 3.0x as of fiscal year-end 2025, on account of additional debt availments to fund the construction of its capital-intensive power projects. As of end-March 2026, debt-to-equity ratio increased to 4.1x. At the Parent-level, debt-to-equity ratio stood at 1.0x as of fiscal year-end 2025.