

 PhilRatings PHILIPPINE RATING SERVICES CORPORATION	RATING REPORT
	ALTERNERGY HOLDINGS CORPORATION

Date: August 13, 2026
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NEW ISSUE CREDIT RATING

Amount (in Billions PHP)	Tenor	Assigned Rating and Outlook
Fixed-rate Corporate Notes 2.00	1.5 years	PRS Aa minus, Stable Outlook

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.

Use of Proceeds: Proceeds from the issue will be used by Alternergy Holdings Corporation (Alternergy; the Company) for general corporate purposes, including the full payment of its loans, and 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.

RATIONALE

1. Growing renewable energy portfolio supported by favorable industry outlook, albeit limited in size and scale relative to the industry

Alternergy is a publicly listed renewable energy holding company, composed of investee companies engaged in onshore wind, run-of-river hydro, and solar (both utility-scale farms and commercial rooftops) power projects. The Company’s Triple-Play-Portfolio strategy leverages on the seasonal variations of these renewable energy sources, ensuring steady cash flow generation throughout the year. It has also started to integrate Battery Energy Storage Systems (BESS) across its portfolio, further enhancing overall grid stability.

With a combined installed capacity of 119 megawatts (MW), Alternergy’s operational portfolio as of end-March 2026 spans the Philippines and the Republic of Palau. The Company has 11 solar projects (eight of which are under one solar rooftop portfolio), one wind farm, and one mini run-of-river hydro project.

As of end-2025, the Company's total installed capacity stood at 86 MW,¹ excluding the 4.6-MW Dupinga Mini run-of-river Hydro Project and 28-MW Balsik Solar Project which were completed on February 11, 2026. Such accounted for 0.7% of the country's total installed renewable energy capacity and 0.2% of the country's total installed capacity as of end-2025.²

Looking ahead, the Company'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, specifically through the GEAP.

Power projects in the pipeline, particularly those awarded under GEAP-2—the Tanay and Alabat Wind Projects—and GEAP-4—Liberty Solar, Kalandagan Solar, Alegria Wind, and Tayabas North Wind—are already in the advanced stages of development and have a potential capacity of 762.0 MW. The Tanay Wind Project and Alabat Wind Project are expected to commence operations by October 2026. Projects under the GEAP-4, on the other hand, are scheduled for completion and commercial operations over the next three years.

On July 20, 2026, ABC Energy Inc. (ABCEI), a wholly owned energy holding company of A Brown Company, Inc. (ABCI),³ completed the acquisition of a 40% equity interest in each of Alternergy Tanay Wind Corporation (ATWC) and Alabat Wind Power Corporation (AWPC), for a total consideration of ₱2.3 billion. Under these subsidiaries are the 128-MW Tanay Wind Project and 64-MW Alabat Wind Power Project that are expected to increase Alternergy's operating capacity to 311 MW by end-2026.

Based on the DOE's data as of May 31, 2026, the country's total installed capacity from wind developments⁴ stood at 450 MW.⁵ Of the total, 80.0% or 360 MW came from Luzon while the balance was located in Visayas. Based on the DOE's information on committed projects as of the same period, about 1,200 MW of additional capacity from wind power plants will come online in 2026. About 60.8% or 730 MW of which will be from Luzon while the balance will be from Visayas. Given this information, PhilRatings inferred that the forecast operating wind capacity of Alternergy by end-2026⁶ will account for 14.9% of the country's installed wind capacity and 22.6% of Luzon's installed wind capacity in 2026.

2. Competent and well-experienced shareholders and management team

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 Jr., 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

¹ This figure includes the 15.3-MW Palau Solar Project.

² <https://prod-cms.doe.gov.ph/documents/d/guest/04-lvm-summary-6-pdf>

³ ABCI has an outstanding Issue Credit Rating of PRS A plus, with a Stable Outlook, for its ₱4.0 billion bond issuance.

⁴ As of report writing date, the Philippines has no operational offshore wind development.

⁵ https://prod-cms.doe.gov.ph/documents/d/guest/04_doe-epimb_loepp-as-of-may-2026_lvm-grid-clean-summary-pdf

⁶ Alternergy's forecast wind capacity by end-2026 includes the 54-MW Pililla Rizal Wind Farm, the 128-MW Tanay Wind Project, and the 64-MW Alabat Wind Power Project, totaling 246 MW.

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 developed the pricing structure for the Feed-In-Tariff (FIT) mechanism and shaped the Green Energy Auction Financial models. Mr. Magbanua also previously worked for InterGen, a global greenfield power developer.

Mr. Knud Hedeager is a Director and the current President of Alternergy's Wind arm. He co-founded Alternergy in January 2007 after gaining extensive management experience in the wind industry, including 11 years as Senior Vice President at NEG Micon, a global wind turbine manufacturer. Currently serving as the President of Alternergy Wind Holdings Corporation (AWHC), Mr. Hedeager significantly contributed to the development of the first commercial wind farm in Southeast Asia, the Bangui Bay Wind Farm in Ilocos Norte.

3. Its pioneer status in clean energy innovation

After building Southeast Asia's first commercial wind project, the pioneering management team—Mr. Pérez, Mr. Magbanua, and Mr. Hedeager—developed the Pililla Rizal Wind Farm in 2015. Furthermore, Alternergy is the first publicly-listed company to receive the Securities and Exchange Commission's (SEC) Green Equity Label, allowing the Company to attract ESG-focused investors.⁷ 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.

Additionally, GEAP-2 awarded projects Tanay Wind and Alabat Wind Projects have 8 MW wind turbine generators (WTG), the world's largest commercial onshore WTG deployed outside China to date. Supplied by Envision Energy, the WTG has an 182-meter rotor diameter, a 105-meter hub height, and 90-meter blades. According to management, these WTGs include a typhoon-resistant turbine design and a segmented tower installation process. These features represent a first for the wind industry in the country.

4. Recovering bottom-line after recording a net loss in 2022, supported by upcoming projects with long-term offtake contracts

The Company recognized consolidated revenues from the sale of electricity in 2022 amounting to ₱9.3 million, after KSEC became a subsidiary. Alternergy's revenues climbed to ₱171.5 million in 2023, an 17.4x increase from 2022, supported by the full-year contributions of the Kirahon Solar Plant. From 2023 to 2025, the Company's revenues grew at a compounded annual growth rate (CAGR) of 44.9% to ₱359.9 million, bolstered by fresh contributions from the Palau Solar Project starting 2024. In the first nine months of 2026 (9M2026),⁸ consolidated revenues increased by 16.7% year-on-year (YoY) to ₱304.2 million, from ₱260.7 million a year ago. This growth was attributable to maiden contributions from the Balsik Solar Project and higher revenues from the Palau Solar Project.

⁷ ESG stands for environmental, social, and governance.

<https://insiderph.com/alternergy-targets-new-investors-after-earning-first-green-equity-label>

<https://www.sgv.ph/news/SGV-joins-bell-ringing-ceremony-for-Alternergy-s-Green-Equity-Label>

⁸ Alternergy's fiscal year ends in June. According to management, the fiscal year better captures the seasonality of the Company's wind projects.

Driven by topline growth, cost management, and higher interest income, the Company reversed its net loss⁹ of ₱145.2 million in 2022 to a net profit of ₱38.0 million in 2023. This upward trend continued through 2025, where net income jumped by 334.0% to ₱165.0 million. In 9M2026, net income inched up by 4.3% YoY to ₱113.8 million.

The generated capacity of Alternergy's operating assets is 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). Moving forward, 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), supporting revenue stability.

5. Its increasing leverage levels to support growth

The Company's total assets grew at a CAGR of 122.7%, from ₱726.1 million as of calendar year-end 2021 to ₱17.9 billion as of fiscal year-end 2025.¹⁰ Bulk of the growth was due to the Company's continued investments in new projects.

Alternergy has been tapping the capital markets and banks to fund its current and future projects. Given this, its total liabilities expanded at a CAGR of 155.9% from ₱316.9 million as of calendar year-end 2021 to ₱13.6 billion as of fiscal year-end 2025. The Company's total debt, in particular, amounted to ₱239.7 million as of calendar year-end 2021, before soaring to ₱1.4 billion as of fiscal year-end 2022, ₱3.7 billion as of fiscal year-end 2024, and further climbing to ₱12.7 billion as of fiscal year-end 2025. Considering this, consolidated debt-to-equity ratio moved from 0.6x as of end-2021 to 3.0x as of end-2025, on account of additional debt availments to fund the construction of its capital-intensive power projects.

Total debt further rose by 42.0% from fiscal year-end 2025 to ₱18.0 billion as of end-March 2026, pushing the Company's debt-to-equity ratio, at the consolidated level up to 4.1x. At the Parent-level, Alternergy's debt-to-equity ratio stood at 1.0x as of fiscal year-end 2025.

PhilRatings notes that Alternergy's operating assets were funded through project finance facilities with tenors of around 15 years. These facilities are structured on a non-recourse basis, where project-level debt are serviced from dedicated project cash flows supported by 20- to 25-year offtake contracts with reputable parties.

⁹ 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.

¹⁰ Alternergy's fiscal year ends in June. According to management, the fiscal year better captures the seasonality of the Company's wind projects.

BUSINESS RISK

Company Profile

Alternergy, formerly Alternergy Viento Partners Corporation, was incorporated in the Philippines and registered with the SEC on June 18, 2009 as El Viento Partners Corporation. The Company changed its corporate name to its present name on April 24, 2018.

Alternergy is a publicly listed renewable energy holding company, composed of investee companies engaged in onshore wind, run-of-river hydro, solar (both utility-scale farms and commercial rooftop), battery energy storage power projects, and a retail electricity supply arm (RES). To date, the Company has 118.5 MW of operating assets, while its projects in the pipeline have a combined potential capacity of up to 1.48 gigawatts (GW).

The Company was conceptualized by its founders, Mr. Vicente Pérez Jr., Mr. Gerry Magbanua, and Mr. Knud Hedeager, during the development of the 33-MW Bangui Bay Wind Farm,¹¹ the largest wind energy project in the Philippines and first on-grid wind farm in Southeast Asia, in 2005.

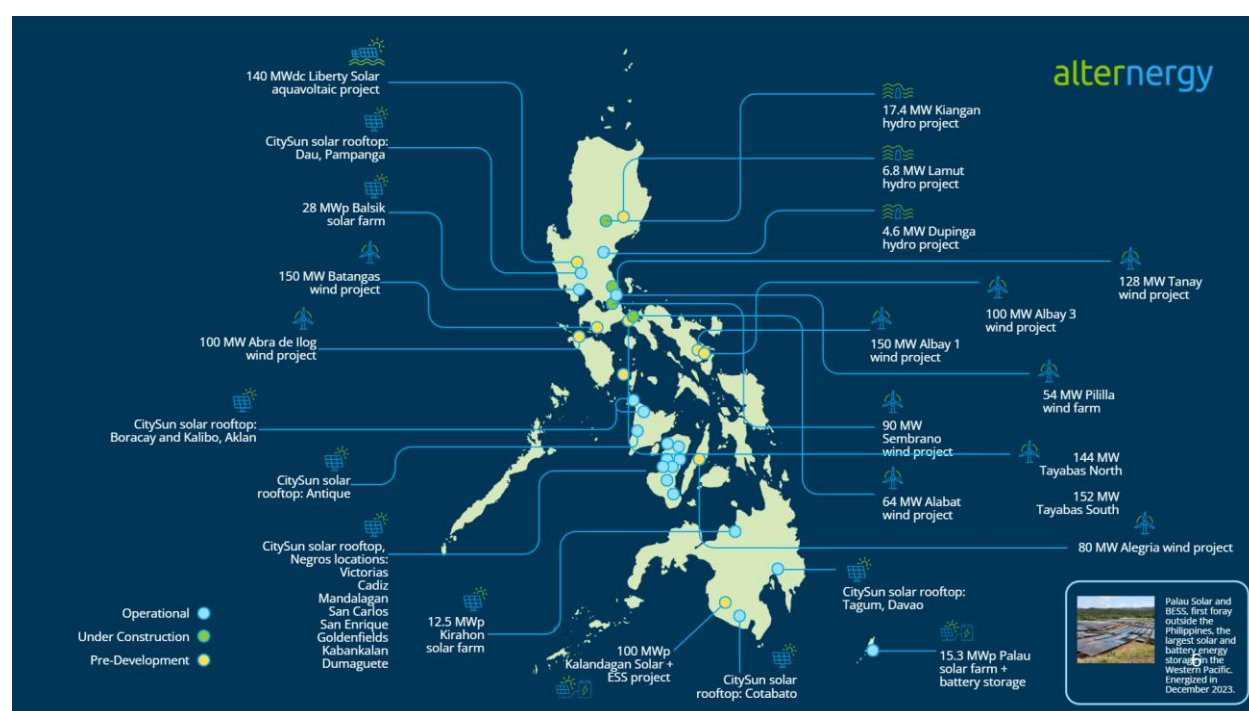


Figure 1 Geographical Breakdown of Power Projects

Source: Alternergy

¹¹ The Bangui Bay Wind Farm was developed under the NorthWind Power Development Corporation (NorthWind). NorthWind is a wholly owned subsidiary of ACEN Corporation (ACEN). ACEN is the listed energy platform of the Ayala Corporation, which specializes in renewable energy development.

Operating Segments

- *Wind Operations* – involves the generation and supply of wind power to various customers under power supply contracts
- *Solar Operations* – pertains to the generation and supply of solar power to various customers under power supply contracts
- *Run-of-River Mini Hydro Operations* – refers to the generation and supply of hydro power to various customers under power supply contracts
- *Others* – includes the marketing and retail sale of electricity to various customers under power supply contracts, as well as the provision of shared services

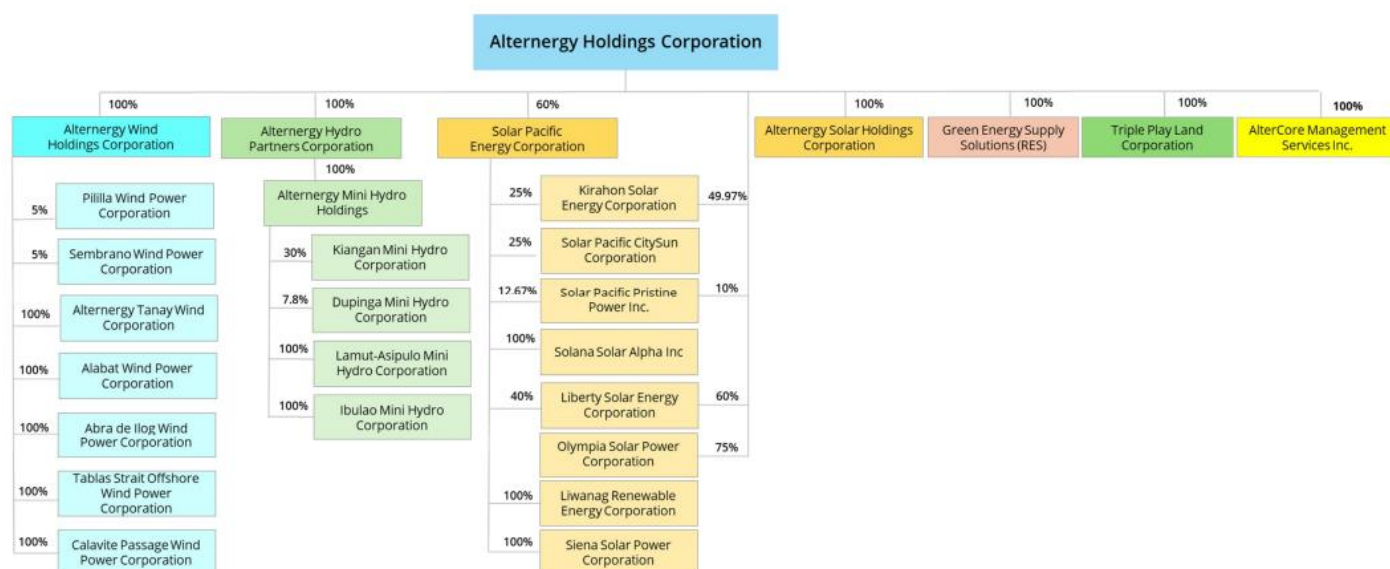


Figure 2 Alternergy's Corporate Structure as of June 2025

Source: Alternergy

Wind Operations

Table 1 summarizes the details of the Company's wind projects.

Table 1 Alternergy's Wind Projects as of March 2026

Project	Project Status	Economic Interest (Direct + Indirect)	Control/ Voting (Direct + Indirect)	Installed Capacity (MW)	Attributable Capacity (MW)	Location	Offtaker
Subsidiaries:							
Tanay Wind Power Project	Under Construction	100.00%	100.00%	128	128	Tanay, Rizal	GEAP-2 awardee; 20-year REPA with Transco
Alabat Wind Power Project	Under Construction	100.00%	100.00%	64	64	Alabat, Quezon	GEAP-2 awardee; 20-year REPA with Transco
Abra de Ilog Wind Project	Early Stage	100.00%	100.00%	-	-	-	TBD
Alegria Wind Power Project	Developing	95.00%	95.00%	80	76	Alegria, Cebu	GEAP-4 awardee; 20-year REPA with Transco
Tayabas North Wind Energy Project	Developing	95.00%	95.00%	144	136.8	Tayabas, Quezon	GEAP-4 awardee; 20-year REPA with Transco
Tayabas South Wind Energy Project	Early Stage	95.00%	95.00%	152	144.4	Tayabas, Quezon	-
Affiliates:							
Pililla Rizal Wind Farm	Operating	5.00%	5.00%	54	2.7	Pililla, Rizal	20-year PSA with Transco under FIT
Sembrano Wind Power Corp.	Under Construction	9.75%	9.75%	93.75*	9.1	Pililla, Rizal	GEAP-2 awardee; 20-year REPA with Transco
Other Pipeline Projects							
Batangas Power Project	Early Stage	100.00%	100.00%	200	200	Batangas	TBD
Albay Wind Project 1	Early Stage	100.00%	100.00%	200	200	Albay	TBD
Albay Wind Project 3	Early Stage	100.00%	100.00%	150	150	Albay	TBD
Total				1265.75	1111.0		

*The proposed installed capacity as of June 2026 was 98 MW.

Analysts' Note: For Alternergy's GEAP-awarded projects, the generated capacity will be subject to a 20-year REPA with TransCo, providing the Company with revenue stability. The REPA ensures that renewable energy developers are paid for their actual metered energy output at either a fixed FIT rate or a green energy tariff (GET) rate¹² for the duration of the contract.

¹² <https://ppp.worldbank.org/library/philippines-sample-ppas>

AWHC, a wholly-owned intermediate holding subsidiary of Alternergy, primarily holds the Company's wind energy investments.

In December 2008, Alternergy Philippine Holding Corporation (APHC), now a dormant affiliate that was divested prior to the 2023 IPO, was reportedly one of the first companies awarded by the DOE under the then newly enacted Renewable Energy Act (RE Act). Such grants APHC the exclusive right to develop wind power projects in three locations in the Philippines, including the Pililla Wind Power Project in Rizal. In June 2011, APHC assigned all its rights and benefits related to the project to AWHC's 5%-owned affiliate, Pililla Wind Power Corporation (PWPC; formerly Alternergy Wind One Corporation). The reassignment of the wind energy service contract (WESC) to PWPC was approved by the DOE in July 2012.

Operational Wind Project

A. PWPC

Since June 2015, PWPC has been operating the 54-MW Pililla Rizal Wind Farm, which generates approximately 137 gigawatt-hour (GWh) of electricity per year. The electricity generated by the facility is sold under a 20-year REPA with TransCo pursuant to a FIT awarded by the ERC. The plant has the capacity to supply clean electricity for up to 57,069 local households each year.

According to Alternergy, the capital for the Pililla Rizal Wind Farm was secured via the first non-recourse project-financing facility for a FIT project. Funded by the consortium of three Philippine banks, the facility was given a Sustainable Energy Finance Award by the International Finance Corporation (IFC) on August 31, 2016.

As of report-writing date, the Pililla Rizal Wind Farm is the only operational wind project of Alternergy.

Wind Projects Under Construction and Development

A. Under AWHC

1. The 128-MW Tanay Wind Power Project and 64-MW Alabat Wind Power Project

The Tanay Wind Project began construction in June 2024 while the Alabat Wind Project started in May 2024.

The Tanay Wind Power Project is being developed under AWHC's subsidiary, ATWC. Once completed, the development has the capacity to supply clean electricity for up to 122,800 local households each year.

The Alabat Wind Power Project, under AWPC, on the other hand, can provide clean electricity for up to 84,240 local households each year.

Both Tanay Wind and Alabat Wind Projects have 8-MW WTG, reportedly the world's largest commercial onshore WTG deployed outside China to date. Supplied by Envision Energy, the WTG has an 182-meter rotor diameter, a 105-meter hub height, and 90-meter blades. According to management, these WTGs include a typhoon-resistant turbine design and a segmented tower installation process. These features

reportedly represent a first for the wind industry in the country.

Owing to its exposure to the northeast monsoon winds of the Pacific Ocean, the Alabat Wind Project has a net capacity factor of 38%. Such figure is higher than the average capacity factor of 30% for wind developments in Luzon¹³, and according to management is a level comparable to an offshore wind development. The Tanay Wind Project, on the hand, has a capacity factor of 28.5%.

In May 2024, ATWC secured up to ₱8.0 billion financing facility with Bank of the Philippine Islands (BPI) and the Security Bank Corporation (SBC) to fund the construction of the Tanay Wind Power Project.

In June 2024, AWPC secured a ₱5.3 billion financing facility with Rizal Commercial Banking Corporation (RCBC) to fund the construction of the Alabat Wind Power Project.

The Tanay Wind Project had an initial committed delivery date (CDD) of November 27, 2025 under the GEAP-2. The DOE, however, approved the revised CDD for the project to October 31, 2026 as the Company had to reinforce the roads and bridges along the delivery route to support the transportation of the WTG and accessories which were not part of the scope of the project.

As of July 20, 2026, the Tanay Wind Project was 89% complete while the 64-MW Alabat Wind Project was 83% complete. Both developments remained on track for target commercial operations by October 2026.¹⁴

On July 30, 2026, Alternergy successfully energized the first power generated by the Tanay Wind Project, being the first among all GEAP-2-awarded wind projects to deliver power to the grid. The development started transmitting electricity to the Luzon grid through its substation. The new substation spans over six hectares (ha) and is connected to the 500-kilovolt (kV) transmission backbone of the National Grid Corporation of the Philippines' (NGCP).¹⁵

In October 2025, Alternergy and ABCEI, a wholly owned energy holding company of ABCI,¹⁶ executed a Share Purchase Agreement and Shareholders' Agreement for the acquisition of a 40% equity interest in each of ATWC and AWPC for a total consideration of ₱2.4 billion. Following the transaction, the Company will retain a 60% majority stake, while ABCEI will hold the remaining 40% stake in each entity.¹⁷ In March 2026, the transactions received clearance from the Philippine Competition Commission (PCC), allowing the acquisitions to proceed.¹⁸ On June 26, 2026, ABCEI paid Alternergy ₱600 million for its initial 10% stake in the wind projects. On July 20, 2026, Alternergy and ABCEI completed their stake sale transaction. The final transaction value amounted to ₱2.3 billion, below the initial ₱2.4 billion due to an early closing adjustment following ABCI's decision to finalize its equity investment ahead of the commercial operations of the Tanay and Alabat Wind Projects.¹⁹

¹³<https://www.ngcp.ph/Attachment-Uploads/2025-2027%20LVM%20WPO%20with%20LOLPC%20with%20capacity%20sharing%20Revision%200-2025-01-02-11-50-02.pdf>

¹⁴ <https://bworldonline.com/corporate/2026/07/31/767105/alternergy-starts-delivering-tanay-wind-power-to-luzon-grid/>

¹⁵ Ibid.

¹⁶ ABCI has an outstanding Issue Credit Rating of PRS A plus with a Stable Outlook for its proposed bond issuance.

¹⁷ <https://www.pna.gov.ph/articles/1261790>

¹⁸ <https://www.bworldonline.com/corporate/2026/03/11/735382/pcc-clears-a-brown-alternergy-wind-project-investment/>

¹⁹ <https://mb.com.ph/2026/07/20/alternergy-completes-23-billion-wind-power-sale-to-a-brown-unit>

According to management, out of the nine awarded GEAP-2 onshore wind projects awarded in July 2023, only Alternergy's Tanay and Alabat Wind Projects are in highly advanced stages of completion.

2. Alegria Onshore Wind

The Alegria Wind Project, which spans the barangays of Valencia, Lepanto, and Guadalupe in Alegria, Cebu, will have an installed capacity of 80 MW and will be the first wind power project in the province of Cebu. Once operational, the plant will have the capacity to supply clean electricity for up to 84,700 local households each year. The project is targeted to start construction (Notice to Proceed) by the first quarter of 2027 (1Q2027).

AWHC acquired the Alegria Wind Project from the MC Spencer Group²⁰ on August 18, 2025. The latter has retained a 5.00% stake in the project.

3. Tayabas North Onshore Wind

AWHC is developing two onshore wind projects in the province of Quezon: The Tayabas South Wind Project and the Tayabas North Wind Project.

Located in the municipalities of Tayabas and Pagbilao, the Tayabas South Wind Project has a capacity of up to 152 MW.

The Tayabas North Wind Project, on the other hand, has a capacity of up to 144 MW and is situated in the municipality of Tayabas. Once operational, the project has the capacity to supply clean electricity for up to 149,000 local households each year.

Alternergy acquired these projects from CleanTech Global Renewables, Inc.²¹ (CTGRI) on August 26, 2025.

4. Albay Wind 1 and 3 and Batangas Wind Projects

AWHC also holds Certificates of Authority²² (COAs) for the 200-MW Albay Wind 1, 150-MW Albay Wind 3, and 200-MW onshore Batangas Wind project. These were awarded on February 5, 2025, April 30, 2025, and February 10, 2025, respectively.

5. Abra de Ilog Wind Power Corporation (ADIWPC)

Alternergy owns 100% of ADIWPC through AWHC, as of March 2026.

²⁰ MC Spencer Group is a Filipino-Spanish group of companies, involved in consulting, management, construction, hydro and energy projects. Sources: <https://mcspencer.group/> & <https://ph.linkedin.com/company/mcspencer>

²¹ CTGRI is an independent power producer and renewable energy developer in the Philippines. Source: <https://www.cleantech.ph/about>

²² The COA grants exclusive right to AWHC to undertake exploration and assessment of wind resources in the areas for three years. Upon verification of the resources and other permitting requirements for pre-development, AWHC shall notify the DOE of its intent to execute the onshore WESC, which would grant the company 25-year contract for the project.

The Abra de Ilog Wind Project was conceptualized in anticipation of the proposed installation of a 25-kilometer (km) long submarine cable across the Verde Passage, known as the Batangas Mindoro Interconnection Project (BMIP).²³

B. Under AWHC's 5%-owned affiliate Sembrano Wind Power Corporation (SWPC; formerly Alternergy Sembrano Wind Corporation)

1. The 93.75-MW Sembrano Wind Project

The project is located in Pililla, Rizal and Pakil, Laguna. Once operational, the plant has the capacity to supply clean electricity for up to 133,732 local households each year.

Solar Operations

Table 2 summarizes the details of the Company's solar projects.

²³ NGCP has an ongoing ₱90.6 billion 500- kV Batangas-Mindoro Interconnection and Backbone Project, which targets full completion by the end of 2030. The project aims to allow Batangas to export electricity to Oriental Mindoro, which is not connected to the national grid and depends on diesel-based generation for electricity. Aside from addressing power supply challenges in Mindoro, the transmission project will also help absorb the output of offshore wind projects with a potential capacity of 28 GW. Phase 1 of BMIP includes the proposed development of a ₱23.9-billion submarine cable, with target completion by 2028. Sources: <https://bworldonline.com/corporate/2026/03/18/737000/ngcp-proposes-p23-9-billion-batangas-mindoro-subsea-cable/> <https://bworldonline.com/economy/2024/10/14/627490/ngcp-seeks-erc-approval-to-connect-mindoro-batangas/> <https://pia.gov.ph/news/palace-cites-long-term-solution-to-power-challenges-in-mindoro/>

Table 2 Alternergy's Solar Projects as of March 2026

Project	Project Status	Economic Interest (Direct + Indirect)	Control/ Voting (Direct + Indirect)	Installed Capacity (MW)	Attributable Capacity (MW)	Location	Offtaker
Subsidiaries:							
Kirahon Solar Plant	Operating	64.99%	69.43%	12.53	8.1	Misamis Oriental	25-year PSA with CEPALCO
Balsik Solar Plant	Operating	60.00%	77.76%	28	16.8	Hermosa, Bataan	To pursue a bilateral PSA
Palau Solar Project	Operating	17.60%	45.26%	15.3	2.7	Republic of Palau	25-year PSA with PPUC
Liberty Floating Solar Project	Developing	84.00%	91.10%	140	117.6	Apulid, Tarlac	GEAP-4 awardee; 20-year REPA with Transco
Kalandagan Solar Power Project	Developing	75.00%	75.00%	100	75.0	Tacurong, Sultan Kudarat	GEAP-4 awardee; 20-year REPA with Transco
Affiliates:							
CitySun Rooftop Solar Projects	Phase 1: Operating Phase 2: Developing	30.60%	35.04%	8.8 (Phase 1: ~4.07 Phase 2: 4.73)	2.7	Multiple locations	25-year PSA with CMCCI
Total				304.63	222.9		

Alternergy has two sub-holding companies, namely Solar Pacific Energy Corp. (SPEC) and Alternergy Solar Holdings Corporation (ASHC). Its solar operations are mostly conducted under its subsidiary SPEC, of which Alternergy owns 60.00% economic interest and 77.76% voting interest as of March 2026.

According to Alternergy, the DOE awarded SPEC's various subsidiaries a total of 300 megawatt alternating current (MWac) of Solar Energy Service Contracts (SESC) and Solar Energy Operating Contracts (SEOC) for the development of solar power projects in Aklan, Bataan, Cavite, Cotabato, Davao del Norte, Misamis Oriental, Negros Oriental and Occidental, Pampanga, Sultan Kudarat, and Tarlac. As of report-writing date, the 11 completed solar projects of the Company are operating under SPEC.

SPEC was co-founded in January 2013 by Alternergy Chairman Vicente S. Pérez Jr. and Michael Lichtenfeld. Its wholly owned subsidiary, Alternergy Solar Holdings Corporation (ASHC), on the other hand, was established on October 11, 2024 to hold Alternergy's indirect investments in various solar investee companies, as part of the ongoing re-alignment of the Company to further organize its portfolio under separate intermediate holding companies. Concurrently, SPEC will continue its development of solar plants throughout the country.

Operational Solar Projects

As of June 2026, Alternergy has 11 operating solar power plants, three of which are under subsidiaries and eight under an affiliate (CitySun Rooftop Projects). Details of the 11 projects and their respective holding companies are as follows:

A. KSEC

As of March 2026, Alternergy owns 64.99% economic interest and 69.43% voting interest in KSEC. In July 2013, SPEC entered into a Memorandum of Understanding (MOU) with Mindanao Energy Systems (MINERGY) for the development of Phase 1 of the Kirahon Solar Project, which led to a 25-year Power Purchase Agreement (PPA) between KSEC and CEPALCO.

Located in Misamis Oriental, Mindanao, the 12.5-MW Kirahon Solar Project was the first and largest scale solar photovoltaic (PV) project in Mindanao at the time it was built in 2015.²⁴ KSEC, in partnership with SPEC and MINERGY, owns and operates the Kirahon Solar Project.

The Kirahon Solar Project is an embedded generation project within the franchise of the local private distribution utility (DU), CEPALCO. The project supplies renewable energy to CEPALCO customers under a 25-year PSA, which was approved by the ERC in October 2014 and was the first bilateral solar PSA approved by the regulator.

On January 14, 2025, the Kirahon Solar Project received Perpetual Certificate of Compliance (COC) from the ERC. Since the start of its operations, the solar plant has generated around 106% of its expected annual generation targets. The plant supplies 18,125 megawatt hours (MWh) of clean electricity for up to 8,000 local households each year.

The Kirahon Solar Project was financed by RCBC under a non-recourse project financing facility, serving as a pilot transaction for a utility-scale solar photovoltaic project in the Philippines.

B. Solana Solar Alpha Inc. (SSAI)

As of March 2026, SPEC's wholly owned subsidiary SSAI owns 100% of the 28-megawatt direct current (MWdc)/20 MWac Balsik Solar Power Project (Balsik Solar Power Project) in Hermosa, Bataan.

The Balsik Solar Power Project began selling into the wholesale electricity spot market (WESM) on October 31, 2025, when it achieved Energization as Generator in accordance with the NGCP's rules and regulations. The project started commercial operations on January 24, 2026 and received its Provisional Authority to Operate (PAO) from the ERC on March 16, 2026.

The plant has an estimated annual generation capacity of 45,090 MWh, which could supply clean electricity for up to 18,600 local households each year. According to Alternergy, it is currently in discussion with potential offtakers for the capacity generated by the project, following the mutual termination of the PSA with Kratos RES, Inc. (Kratos).²⁵ The site area, covering 30 ha, is fully titled to and owned by SSAI.

²⁴ <https://www.philstar.com/business/2016/03/17/1563948/kirahon-inaugurates-largest-solar-facility-mindanao>

²⁵ Kratos RES, Inc. (Kratos) is a licensed RES in the Philippines. It is a 100% Filipino-owned subsidiary of Prime Asset Ventures, Inc. (PAVI) under the Villar Group. Source: <https://resaph.com/member/kratos-res-inc/>

C. Solar Pacific Pristine Power Inc. (SPPPI)

As of March 2026, Alternergy has a direct and indirect economic interest of 17.6% and a direct and indirect voting interest of 45.26% in SPPPI.

In July 2026, Alternergy, through ASHC, finalized the purchase of 6.0% equity stake in SPPPI. As of report-writing date, direct and indirect economic interests of Alternergy are 16.0% and 7.6%, respectively, totaling 23.6%, and direct and indirect voting interests are 9.0% and 39.66%, respectively, totaling 48.66%. Alternergy is currently in process of transferring its direct ownership in SPPPI to ASHC, pending regulatory requirements and submissions.

SPEC developed Alternergy's first renewable energy project outside the Philippines, the Palau Solar Project, and its first hybrid solar and BESS project through SPPPI. The development has a 25-year PSA with Palau Public Utilities Corporation (PPUC), the state-owned DU of the Republic of Palau. The project was developed in partnership with the Australian Infrastructure Financing Facility for the Pacific (AIFFP), which provided a loan of AUD25.7 million and a grant of AUD5.7 million to SPPI.²⁶

The Palau Solar Photovoltaic (PV) and BESS Project have a capacity of 15.3MWdc or 13.2 MWac and 15.3 MWh for the BESS. The plant has an estimated annual net generation capacity of 22,388 MWh per year, potentially supplying clean electricity for up to 9,800 local households each year.

Revenues derived from the Palau Solar Project are USD-denominated, serving as a strategic hedge for the Company against the depreciation of the Philippine Peso.

D. Solar Pacific CitySun Corporation (SPCC)

As of March 2026, direct and indirect economic interests of Alternergy in SPCC are 15.6% and 15.0%, respectively, totaling 30.6%, and direct and indirect voting interests are 15.6% and 19.44%, respectively, totaling 35.04%. Alternergy is currently in process of transferring its direct ownership in SPCC to ASHC, pending regulatory requirements and submissions.

SPCC has 13 rooftop solar projects across the country. The solar rooftop projects are located in (1) Boracay, Aklan; (2) Kalibo, Aklan; (3) Kabankalan, Negros Occidental; (4) Victorias, Negros Occidental; (5) Dumaguete, Negros Oriental; (6) Tagum City, Davao del Norte (7) Dau, Pampanga; (8) Mandalagan, Negros Occidental; (9) Cadiz, Negros Occidental; (10) San Carlos, Negros Occidental; (11) Goldenfields, Bacolod City; (12) Imus, Cavite; and (13) Cotabato City, Maguindanao.

SPCC likewise signed 13 PSAs, valid for 25 years, with CityMall Commercial Centers Inc. (CMCCI). CMCCI is a chain of community shopping malls jointly owned by Double Dragon Properties Corp. (DoubleDragon) and SM Investment Corporation (SMIC). As of report writing date, both DoubleDragon and SMIC have an outstanding Issue Credit Rating of PRS Aaa for their outstanding bonds.²⁷ SPCC also entered into several project lease agreements with CMCCI for each CityMall location for the use of the rooftops.

On May 30, 2023, SSAI signed a PSA with Kratos for the supply of 10 MW up to 20 MW for 20 years after commencement of operations.

²⁶ <https://www.aifffp.gov.au/investments/investment-list/building-palau-s-first-utility-scale-solar-power-plant>

²⁷ Obligations rated 'PRS Aaa' are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. PRS Aaa is the highest rating assigned by PhilRatings.

Phase 1 of the CitySun Rooftop Solar Projects have an annual net generation of 5,234 MWh per year or ~4.07 MWdc. While the offtaker is CMCCI, the project has the capacity to supply clean electricity for up to 2,000 local households each year. Out of the eight rooftop solar projects under Phase 1, six belong to the first batch which commenced operations on September 25, 2018, while two are included in the second batch which started operations on May 20, 2019.

According to Alternergy, the project is the first multi-site solar rooftop portfolio under one project-financing facility in the Philippines. Phase 2, which is in advanced development stage, consists of five rooftop projects with an aggregate capacity of up to 4.73 MWdc.

The CitySun Rooftop Solar Projects have a total installed capacity of 8.8MWdc / 7.0 MWac, which includes the additional capacity from Phase 2 solar rooftops + BESS.

Solar Projects Under Construction and Development

A. Liberty Floating Solar Project

Alternergy, through its partially-owned subsidiary Liberty Solar Energy Corporation (LSEC), is developing the Liberty Floating Solar Project in Paniqui, Tarlac, with an installed capacity of up to 140 MWp. Integrated within an aquaculture farm, the project is said to be the first of its kind and the largest in Luzon. According to the Company, the development aims to supply clean power to the grid and sustain the aquaculture farm's production of aquatic products. Once finished, the project can generate enough clean energy for ~100,800 households annually. As of report-writing date, Alternergy has total direct and indirect economic and voting interest of 84.0% in LSEC. Alternergy is currently in the process of transferring full ownership of LSEC to ASHC, pending regulatory requirements and submissions.

B. Kalandagan Solar + BESS

Alternergy, through its partially-owned subsidiary Kalandagan Solar Power Corporation (KSPC formerly Olympia Solar Power Corporation), is developing the Kalandagan Solar Power Project in Tacurong City, Sultan Kudarat. The plant will have an installed capacity of up to 100 MWdc plus 64 MWh of BESS capacity. The hybrid setup stores excess solar generation and supplies power during peak demand, enhancing grid stability. As of report-writing date, Alternergy has total direct economic and voting interest of 75.0% in KSPC; together with the remaining 25.0% is in process of being transferred to ASHC, pending regulatory requirements and submissions.

Once operational, the plant has the capacity to supply clean electricity for up to 70,600 local households each year.

Hydro Operations

Table 3 summarizes the details of the Company's hydro projects.

Table 3 Alternergy Hydro Projects as of March 2026

Project	Project Status	Economic Interest (Direct + Indirect)	Control/ Voting (Direct + Indirect)	Installed Capacity (MW)	Attributable Capacity (MW)	Location	Offtaker
Subsidiaries:							
Lamut Asipulo Mini Hydro Corp.	Ready to Build	99.70%	100.00%	7.1	7.1	Lamut Asipulo, Ifugao	Vying for 20-year PSA under FIT
Affiliates:							
Kiangan Mini Hydro Corporation	Under Construction	30.00%	30.00%	18 (Phase 1A: 8.20* Phase 1B: 9.80)	5.4	Kiangan, Ifugao	Vying for FIT or GEAP
Dupinga Mini Hydro Corporation	Operating	46.08%	46.08%	4.6	2.1	Dupinga, Nueva Ecija	20-year PSA with NEECO 2 Area 2
Total				29.7	14.6		

*As of June 2026, Kiangan Phase 1A's proposed installed capacity was 8MW.

Alternergy Hydro Partners Corporation (AHPC), a wholly owned subsidiary of Alternergy, owns Alternergy Mini Hydro Holdings Corporation (AMHHC), which serves as the Company's primary hydro energy sub-holding company.

Operational Hydro Project

A. Dupinga Mini Hydro Corporation (DMHC)

AMHHC has 46.08% economic and voting interest in DMHC as of March 2026, giving Alternergy an equivalent indirect economic and voting interest in the company.

The 4.6 MW Dupinga run-of-river project (Dupinga Mini Hydro Project) of DMHC is located along the Dupinga River in Gabaldon, Nueva Ecija. Its construction was completed on February 11, 2026, and its commercial operations started in May 2026.

The project generates 22,611 MWh per year, providing electricity to an estimated 10,000 households in Gabaldon.

The generated capacity is supplied to the Nueva Ecija II Electric Cooperative, Inc. (NEECO 2 Area 2), a local DU, through a 20-year PSA.

As of report-writing date, the Dupinga Mini Hydro Project is the sole operating hydro project of Alternergy.

Hydro Projects Under Construction and Development

A. Lamut-Asipulo Mini Hydro Corporation (LAMHC)

Alternergy has an indirect economic interest of 99.40% and voting interest of 100% in LAMHC, as of March 2026.

The 7.10-MW Lamut-Asipulo run-of-river mini-hydro power project (Lamut-Asipulo Mini Hydro Project) is a near-construction-ready project located along the Cawayan River and spanning the two municipalities of Asipulo and Lamut in the Ifugao Cordillera Administrative Region.

The project has a potential annual generation of 36.2 GWh per year. Once operational, the plant has the capacity to supply clean electricity for up to 14,000 local households each year.

2. Kiangnan Mini Hydro Corporation (KMHC)

Alternergy, through AMHHC, owns 30.00% economic and voting interest in KMHC as of March 2026. KMHC owns the 18 MW Kiangnan run-of-river project (Kiangnan Hydro Project) in Ifugao that combines three hydro developments along the Asin, Hungduan, and Ibulao Rivers.

The integrated mini hydro developments comprise the Ibulao mini-hydro project (Phase 1), which has a potential capacity of 8.20 MW, and Asin and Hungduan projects (Phase 2), which were consolidated into one hydro service contract (HSC) and have an aggregate potential capacity of 9.8MW.

Once operational, Phase 1 of the plant has the capacity to generate 41,410 MWh of electricity per year, which could provide sufficient power for approximately 31,000 local households each year.

Table 4 Summary of Operational Energy Projects

Project	Installed Capacity (in MW)	Share to Total	Ownership	Attributable Capacity (in MW)
Solar Projects				
Kirahon Solar Plant	12.53	10.6%	64.99%	8.14
Balsik Solar Plant	28	23.6%	60.0%	16.8
Palau Solar Project	15.3	12.9%	17.60%	2.69
CitySun Rooftop Solar Projects	4.07	3.4%	30.60%	1.25
	59.9	50.5%		28.88
Wind Projects				
Pililla Rizal Wind Farm	54	45.6%	5%	2.70
	54	45.6%		2.70
Hydro Projects				
Dupinga Mini Hydro Project	4.6	3.9%	46.08%	2.12
	4.6	3.9%		2.12
Total	118.5	100.0%		33.7

As of July 2026, Alternergy's operating renewable energy projects have a total installed capacity of 118.5MW. Based on the Company's direct and indirect economic ownership of its projects as of the same period, its total attributable capacity stood at 33.7MW.

As of end-2025, the Company's total installed capacity stood at 86 MW,²⁸ excluding the 4.6-MW Dupinga Mini run-of-river Hydro Project and 28-MW Balsik Solar which were completed on February 11, 2026. Such accounted for 0.7% of the country's total installed renewable energy capacity and 0.2% of the country's total installed capacity.²⁹

Alternergy's renewable energy projects in the pipeline, particularly those which are already in the advanced stages of development,³⁰ have an aggregate generating capacity of 762.0 MW and are expected to commence operations in the next three years. According to the latest DOE data,³¹ committed³² renewable energy projects are seen to contribute a total of 22.55 GW of additional capacity from 2026-2030. Relative to the total additional capacity of committed renewable energy projects, Alternergy's pipeline projects are seen to contribute about 3.4%.

Furthermore, according to Energy Secretary Sharon S. Garin on May 2026, DOE projections indicate that the Philippines will need roughly 20 GW to reach the 50% renewable energy generation target share by 2040. The Company targets to contribute to this by achieving one GW of operating capacity by 2030.

Based on the DOE's data as of May 31, 2026, the country's total installed capacity from wind developments³³ stood at 450 MW.³⁴ Of the total, 80.0% or 360 MW came from Luzon while the balance was located in Visayas. Based on the DOE's information on committed projects as of the same period, about 1,200 MW of additional capacity from wind power plants will come online in 2026. About 60.8% or 730 MW of which will be from Luzon while the balance will be from Visayas. Given this information, PhilRatings inferred that the forecast operating wind capacity of Alternergy by end-2026³⁵ will account for 14.9% of the country's installed wind capacity and 22.6% of Luzon's installed wind capacity in 2026.

In terms of maintaining its power plants, the Company keeps major spare parts onsite to enable prompt repairs, secures all-risk insurance policies from reputable insurance providers that cover major equipment failures and ensures timely warranty renewals. It also continually improves its structural mounting specifications to enhance wind load resistance and strengthens its operations and maintenance (O&M) controls. The Company likewise continues to implement proactive maintenance programs and risk mitigation protocols across all its facilities to ensure operational continuity.

²⁸ This figure includes the 15.3-MW Palau Solar Project.

²⁹ <https://prod-cms.doe.gov.ph/documents/d/guest/04-lvm-summary-6-pdf>

³⁰ These are comprised of the 64MW Alabat Wind Project, 128MW Tanay Wind Project, 464MW GEAP-4 Projects (excluding the 152MW Tayabas South Wind Project), Phase 1 or 8MW out of the 18MW Kiangan Hydro Project, and the 98MW Sembrano Wind Project.

³¹ https://prod-cms.doe.gov.ph/documents/d/guest/04_lvm-annual-summary-of-committed_power_projects_as_of_may_2026-pdf

³² Committed projects refer to those that have secured firm financial closure, are already under construction or have been awarded through the government's GEAP rounds.

Source: <https://www.philstar.com/business/2025/05/18/2443809/philippines-counting-142-gw-new-power-supply-2030>

³³ As of report writing date, the Philippines has no operational offshore wind development.

³⁴ https://prod-cms.doe.gov.ph/documents/d/guest/04_doe-epimb_loepp-as-of-may-2026_lvm-grid-clean-summary-pdf

³⁵ Alternergy's forecast wind capacity by end-2026 includes the 54-MW Pililla Rizal Wind Farm, the 128-MW Tanay Wind Project, and the 64-MW Alabat Wind Power Project, totaling 246 MW.

Recent Major Developments

Restructuring

A. Step Acquisition of KSEC

On June 10, 2022, Alternergy purchased an aggregate 49.97% direct interest on KSEC shares for a total consideration of ₱522.19 million. The acquisition resulted to a gain on the remeasurement of previously held interest of ₱41.3 million.

Effective June 10, 2022, the Company owns 62.75% (both direct and through SPEC) of KSEC, reclassifying KSEC from an affiliate to a subsidiary. The Company acquired KSEC in view of its goal to expand its investment portfolio in solar energy.

B. Divestment in Subsidiaries

Alternergy was likewise the beneficial owner of 458,887 preferred shares of APHC. It also held 15,170,913 Common A shares of Alternergy Philippines Investments Corporation (APIC). The Company's wholly owned subsidiary, Pililla AVPC Corporation (PACO), similarly held 15,170,913 Common A shares and 3,034 Common B Shares of APIC.

As part of the Company's restructuring to simplify the corporate structure of Alternergy, dormant subsidiaries, APHC and APIC, were spun off on June 21, 2022. The Company assigned its shares in APHC to VHC. At the same time, Alternergy and PACO donated their shares in APIC to VHC. Following the assignment and donations, APHC and APIC ceased to be subsidiaries of the Company. As a result, certain one-off non-cash charges were reflected in the 2022 consolidated financial statements, which resulted to a net loss position.

C. Acquisition of Subsidiaries

On September 25, 2024, the Company's Board of Directors (BOD) approved the acquisition of a newly established land holding company, Triple Play Land Corporation (TPLC). TPLC will consolidate ownership of land used as project sites for the Company's various wind, solar or run-of-river hydro projects.

On January 17, 2025, Alternergy incorporated a wholly owned subsidiary, AlterCore Management Services, Inc. (AMSI), which will provide shared services to the Company.

In August 2025, Alternergy, through AWHC, acquired a 95% equity stake in MC Project Solutions Inc., which is developing the 80-MW Alegria wind project for a consideration of ₱2.5 million.

On November 12, 2025, the Company incorporated ALTER Power RES (APRI) to serve as its licensed RES. This development aims to allow Alternergy to directly contract with contestable customers.

IPO

In July 2022, the Company applied for the listing and trading of all its issued and outstanding common shares on the Philippine Stock Exchange (PSE). The application was approved by the SEC and PSE on February 10, 2023 and February 14, 2023, respectively. On March 24, 2023, the Company completed its

IPO and was listed in the PSE under the stock symbol “ALTER”. Alternergy listed 1.265 million of its common shares at ₱1.28 per share, generating gross proceeds of ₱1.6 billion. By end-June 2023, public ownership stood at 29.27% of total shares. Such resulted to additional paid-in capital amounting to ₱1.4 billion, net of transaction costs amounting to ₱67.46 million.

GSIS Investment³⁶

In November 2023, Alternergy and the Government Service Insurance System (GSIS) entered into and signed a subscription agreement for the former’s Perpetual Preferred Shares 2 Series A amounting to ₱1.45 billion. On December 22, 2023, the Company issued 100 million Perpetual Preferred Shares (PPS) 2 Series A to GSIS with an issue price of ₱14.50 per share and par value of ₱0.10 per share. On March 22, 2024, these shares have been successfully listed in the PSE. The transaction resulted to additional paid-in capital amounting to ₱1.4 billion, net of transaction costs amounting to ₱6.35 million.

The PPS has a coupon rate of 8% per annum, with a step-up in its seventh anniversary, and is redeemable at a premium for GSIS on its fifth year.³⁷

In July 2025, the Office of the Ombudsman issued an order for the six-month preventive suspension of GSIS President and General Manager, Jose Arnulfo Veloso, along with six other executives³⁸ of the agency, over the purchase of the PPS. Ombudsman Samuel Martires said the share subscription deal violated the GSIS’ investment policy guidelines and was done without the approval of the GSIS Board of Trustees. Mr. Martires cited the following grounds for its ruling:

- (1) the PPS were not listed with the PSE on the dates of the execution of the agreement and the payment of the subscription;
- (2) the investment was non-compliant with the Minimum Market Capitalization and exceeded the Free Float Market Capitalization Cap; and
- (3) the subject preferred shares were purchased without the necessary endorsement from the GSIS Assets and Liabilities Committee (ALCO) and the Risk Oversight Committee (ROC) for the approval of the Board of Trustees (BOT).

Department of Finance (DOF) Secretary Ralph Recto said that the DOF is also launching a parallel probe into the investment. In a special board meeting in July 2025, the GSIS BOD designated Ms. Juliet Bautista, Executive Vice President for Support Services, as Officer-in-Charge of GSIS, temporarily assuming the duties of Mr. Veloso.

In the Company’s disclosure on July 22, 2025, Alternergy communicated that it has already remitted the first PPS coupon totaling ₱118 million to GSIS in December 2024 and 2025 respectively, for a total so far of ₱236 million. The coupon is payable every year and effectively gives GSIS a 56% total return on its investment in the PPS, amounting to ₱826 million, over seven years. In addition, funds used to subscribe to the PPS, amounting to ₱1.45 billion, will be returned to GSIS in full at the end of the investment period.

³⁶ <https://www.alternergy.com/post/gsis-invests-p1-4-b-in-alternergy>

<https://www.rappler.com/business/ombudsman-suspends-jose-arnulfo-wick-veloso-share-deal-alternergy/>

³⁷ <https://www.pna.gov.ph/articles/1254881>

³⁸ The six other GSIS officials preventively suspended are: Michael M. Praxedes, Executive Vice President; Jason C. Teng, Executive Vice President; Aaron Samuel C. Chan, Vice President; Mary Abigail V. Cruz-Francisco, Vice President; Jaime Leon K. Warren, Officer II; Alfredo S. Pablo, Acting Officer IV.

Alternergy added that GSIS' investment to Alternergy was in support of the government's goal of energy transition, noting that the proceeds of the investment were used to accelerate the development and construction of the Tanay and Alabat Wind Projects.

On September 17, 2025, the Office of the Ombudsman lifted the preventive suspension of Mr. Veloso and four other executives, saying their presence would not impede the investigation regarding the disputed stock investments.³⁹

In its resolution dated May 29, 2026, the Office of the Ombudsman (The Ombudsman) dismissed the criminal complaint against the GSIS officials, ruling that there was no probable cause to charge them with violations of the Anti-Graft and Corrupt Practices Act.

However, the panel ruled that the officials failed to strictly comply with GSIS' internal procedures governing the transaction. The Ombudsman classified this violation as a light offense punishable by reprimand and noted that the respondents have already served the penalty.

Additionally, the Ombudsman found that there had been substantial compliance with the investment process, noting that the GSIS BOD acknowledged the transaction during its December 12, 2023 meeting. The resolution also highlighted that GSIS had accepted nearly ₱118 million in dividend payments from Alternergy without the board adopting any resolution to repudiate the investment.⁴⁰

In relation to this case, PhilRatings noted that Alternergy was not an involved party in the said complaint.

Ownership, Management, and Strategy

As of March 2026, VHC owns 43.25% of Alternergy. VHC is a wholly owned investment holding company of Alternergy's Chairman and Founder, Mr. Pérez.

Table 5 Key Officers

Name	Age	Citizenship	Present Position	Year Position was Assumed
Vicente S. Pérez Jr.	68	Filipino	Chairman and Co-founder	2008
Gerry P. Magbanua	52	Filipino	President, Chief Executive Officer (CEO), and Co-founder	2008
Knud Hedeager	66	Danish	Co-founder and Director	2007
Janina C. Arriola	55	Filipino	General Counsel, Compliance Officer, and Chief Sustainability Officer	2021
Maria Carmen G. Diaz	52	Filipino	Chief Finance Officer (CFO) and Chief Risk Officer (CRO)	2023
Luisito S. Pangilinan	52	Filipino	Treasurer	2008

³⁹ <https://business.inquirer.net/549013/gsis-chief-stands-by-alternergy-digiplus-investments-windfall-cited>

³⁶ The Manila Times, August 5, 2026, "Ombudsman junks criminal complaint vs GSIS officials over Alternergy Investment."

⁴⁰ <https://www.manilatimes.net/2026/08/04/news/ombudsman-reprimands-gsis-chief-4-officials-over-p145b-alternergy-investment/2397605>

<https://www.manilatimes.net/2026/08/05/news/national/ombudsman-junks-criminal-complaint-vs-gsis-officials-over-alternergy-investment/2398247>

Mr. Vicente Pérez Jr. is the founder and current Chairman of Alternergy. He was Philippine Energy Secretary from June 2001 to March 2005. He promoted clean indigenous energy and crafted a ten-year renewable energy policy framework. 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. He helped forge strategic energy partnerships with several Asian countries, the United Kingdom (UK), and the United States (US) during the administration of former President Gloria Macapagal Arroyo. He served briefly in early 2001 as Undersecretary at the Department of Trade and Industry. Prior to his government service, Mr. Pérez had 17 years of experience in debt restructuring, capital markets, and private equity in emerging markets. He was also Chairman of Merritt Partners, an energy advisory firm focused on Asia. He has served as independent director of Energy Development Corporation (EDC) and SM Investments and is currently an independent director of Banco de Oro (BDO) Universal Bank and Double Dragon. He is on the advisory boards of Pictet Clean Energy Fund and Yale Center for Business in the Environment. He was Chairman of WWF-Philippines, trustee of WWF-International, and was Vice Chairman of National Renewable Energy Board from 2009 to 2010.

Mr. Pérez obtained a Master of Business Administration (MBA) from the Wharton Business School of the University of Pennsylvania and a Bachelor's Degree in Business Economics from the University of the Philippines. He was a World Fellow at Yale University, where he lectured an MBA class on renewable energy in emerging countries.

Mr. Gerry Magbanua is the co-founder and President of Alternergy. He was part of the National Renewable Energy Board (NREB) Technical Working Group which helped developed the pricing structure for the FIT mechanism and shaped the Green Energy Auction Financial models. Prior to joining the Alternergy in June 2007, he spent nine years with InterGen, a global greenfield power developer with plants in Australia, Mexico, Netherlands, Philippines, Singapore, and the UK. Mr. Magbanua worked as Commercial Manager for InterGen in the Philippines for four years. During that period, he was responsible for the company's financial modeling and planning, asset management, and contracts management. He also served as Controller in the same company, handling accounting, tax, and treasury. Before joining InterGen, he spent four years with SGV & Co. (SGV), an affiliate company of Ernst & Young, as an auditor for the power, oil, and gas industry. He also served briefly as CFO of NorthWind from 2008 to 2009. NorthWind is a wholly owned subsidiary of ACEN Corporation, the listed energy platform of the Ayala Corporation, which specializes in renewable energy development.

Mr. Magbanua completed his degree in Bachelor of Science in Accountancy at the Philippine School of Business Administration and is a Certified Public Accountant.

Knud Hedeager is a co-founder, Director and the current President of Alternergy's Wind arm. Mr. Hedeager co-founded Alternergy in January 2007 after gaining extensive management experience in the wind industry, including 11 years as Senior Vice President at NEG Micon, a global wind turbine manufacturer. In 2004, he moved to the Philippines and founded the Moorland Group (Moorland), which invests in renewable energy projects primarily in Asia. Until March 2011, Moorland had a 28% equity stake in NorthWind. Currently serving as the President of AWHC, he significantly contributed to the development of the first commercial wind farm in Southeast Asia, the Bangui Bay Wind Farm in Ilocos Norte.

Mr. Hedeager graduated with a degree in Mechanical Engineering from Aarhus Technical University in Denmark.

Ms. Janina C. Arriola is Vice President, General Counsel, Compliance Officer, and Chief Sustainability Officer of Alternergy. She has served as Vice President and General Counsel of the Company since May 2021 and was appointed Chief Sustainability Officer in September 2025. She serves as the Company's principal legal, regulatory, and contractual advisor and leads the integration of sustainability and Environmental, Social, and Governance (ESG) across the organization. She also leads the institutionalization of key ESG programs, including #RenewWell, the Company's employee health and well-being platform, and KAHALIGI, its structured community engagement and social development framework. Ms. Arriola began her legal career at Puno Law Offices before joining First Gen Corporation and the First Gas Group as in-house counsel (Assistant Vice President), where she also served as Corporate Secretary. Following First Gen's acquisition of EDC in 2007, she gained experience in geothermal and renewable energy operations. She then established an independent legal consultancy, which advises clients engaged in the development and operation of natural gas, geothermal, hydro, wind, and solar power projects. Prior to joining Alternergy, she served as Legal Group Head of Federal Land, Inc. and co-founded Winnergy Holdings Corp., a renewable energy company that developed and operated the first floating solar facility in the Philippines.

Ms. Arriola holds a Juris Doctor degree from the Ateneo de Manila University School of Law and a Bachelor of Arts degree in Comparative Literature from the University of the Philippines Diliman.

Ms. Maria Carmen G. Diaz is the Vice President, CFO, and CRO of Alternergy. Prior to taking on her role in Alternergy, she was with RCBC as Vice President and Sustainable Finance Officer under the bank's Risk Management Group. She is a seasoned international commercial and development banker with 25 years of experience. Ms. Diaz has experience in sustainable finance, risk management, development of sustainable finance banking products, risk assessment on ESG, credit risk on debt and equity transactions, and investor relations. Ms. Diaz started her banking career as a Trust Credit Officer at Equitable PCI Bank. She then held various positions as Credit Risk Department Head at the French investment bank Calyon, as AVP for Corporate Banking at Mizuho, a Japanese commercial bank, and as Senior Risk Management Officer at Asian Development Bank.

Ms. Diaz completed her Bachelor of Arts in Business Administration at the University of Asia and the Pacific, followed by her MBA through the Ateneo-REGIS program.

Mr. Luisito S. Pangilinan is Alternergy's Treasurer. He has nearly two decades of experience in the accounting field, spanning the property development, energy, tourism, and renewable energy industries. He has extensive accounting experience gained from roles at Rockwell Land Corporation, Caltex Asia, and Ten Knots Development Group, the developer for El Nido Resorts. Mr. Pangilinan received his Bachelor of Science in Accountancy from San Sebastian College – Recoletos.

In terms of strategy, Alternergy adopts a Triple-Play-Portfolio approach that allows for a diversified mix of complementary power generation. The different seasonalities of solar, wind, and hydro power energy resources produce a steady cash flow year-round for the Company. Alternergy also integrates BESS across its portfolio, ensuring grid stability, optimizing dispatch, and maximizing the reliability of its renewable energy output.

In terms of project prioritization, proximity to transmission sites is a primary consideration. Management also highlighted that the expertise of its founders, its track record of building reliable projects with minimal insurance claims, such as the Pililla Rizal Wind Farm, long-term partnerships with local

government units (LGUs), and regulatory experience in acquiring relevant permits from the DOE, NGCP, and ERC, are the key competitive advantages of the Company.

It is worth noting that Alternergy's operating assets were funded through project finance facilities with tenors of around 15 years. These facilities are structured on a non-recourse basis, where project-level debt are serviced from dedicated project cash flows supported by 20- to 25-year offtake contracts with reputable parties. This tenor-matching strategy enables Alternergy to enjoy stable cash flows that extend beyond debt maturities.

ESG Framework and Strategy

As disclosed in its 2025 Sustainability Report, Alternergy avoided an estimated 125,609 tonnes of carbon dioxide (CO₂) emissions, significantly exceeding its Scope 1 emission target of 76 tonnes of CO₂ emissions, demonstrating its net positive environmental impact.

Alternergy places strong emphasis on building relationships with host communities, entering formal agreements on the allocation of benefits pursuant to Energy Regulation (ER) 1-94. Under this regulation, a portion of revenues derived from electricity generated is allocated to support community development initiatives, including: (i) electrification; (ii) reforestation, watershed management, health, and environmental enhancement; and (iii) livelihood development programs. For project sites located within ancestral domains and where indigenous peoples are present, Alternergy, through DMHC has agreements which provide both monetary and non-monetary benefits in accordance with the Indigenous Peoples' Rights Act (IPRA), covering the pre-construction, construction, and operations and maintenance phases of the project.

Overall, communities in project sites benefit from Alternergy's programs, such as the KAHALIGI program launched in 2024, which are designed to generate positive impact on the environment, livelihoods, health, and education of local populations.

Additionally, on October 29, 2025, the Company received the SEC's Green Equity Label, allowing the Company to attract ESG-focused investors.

FINANCIAL RISK

Analysts' Note: PhilRatings' calculation of certain ratios may be different from what the Company uses and publishes.

Profitability

2021

Alternergy derived most of its consolidated income in 2021 from its share in equity earnings of associates and other income. The former amounted to ₱36.0 million, attributed from contributions of solar power

projects, while the latter stood at ₱136.0 million. Bulk of other income (₱133.6 million) came from AMHHC's project costs recovery⁴¹ related to its development of the Kiangnan Hydro Project.⁴²

General and administrative expenses was ₱54.1 million, primarily attributable to outside services. Outside services (₱24.3 million), taxes and licenses (₱8.6 million), salaries and wages (₱7.2 million), and professional fees⁴³ (₱6.1 million) made up 85.2% of Alternergy's total general and administrative expenses.

The Company incurred ₱17.9 million in finance costs, on the back of loan availments and interest accretion. On December 31, 2021, SSAI extended the term of its ₱94.3 million noninterest-bearing loan agreement with Renova, which was availed for the Balsik Solar Project, for an additional six months.

Given the foregoing, the Company's pre-tax profit was at ₱117.8 million and its net income amounted to ₱112.8 million. Return on average assets (ROAA) and return on average equity (ROAE) were 16.0% and 32.0%, respectively.

June 2021 vs June 2022

Analysts' Note: On April 26, 2022, Alternergy's BOD and shareholders approved the change on the fiscal year from the first day of January ending on the last day of December each year to the first day of July ending on the last day of June of the following year. The Company received approval from the SEC for this change on May 27, 2022 and from the Bureau of Internal Revenue (BIR) on June 20, 2022. Accordingly, Alternergy restated its financial statements. The management noted that it revised its fiscal year to better align with the full seasonal cycle of cash flows generated by the wind power projects.

The Company recognized consolidated revenues from the sale of electricity in 2022, after KSEC became a subsidiary effective June 10, 2022.⁴⁴ Revenues amounted to ₱9.3 million, attributable to the Kirahon Solar Plant. Cost of sale of electricity stood at ₱3.4 million, primarily due to depreciation and amortization (₱2.4 million). With the foregoing, gross profit was at ₱6.0 million.

General and administrative expenses more than doubled from ₱21.4 million in June 2021 to ₱53.2 million in June 2022, driven by higher taxes and licenses (+₱19.2 million) as well as professional fees (+₱14.8 million).

Share in equity earnings fell by 18.7% to ₱16.4 million, mainly attributable to the deconsolidation of KSEC.

Finance costs surged by 16.7%, from ₱10.0 million in June 2021 to ₱11.7 million in June 2022, attributable to higher debt availments.

⁴¹ On April 23, 2021, AMHHC, Japanese renewable energy firm Renova Inc. (Renova), and Sta. Clara International Corporation (SCIC) signed an investment framework agreement in KMHC. A portion of the proceeds from such investment will be used to reimburse all the costs incurred by AMHHC in developing Kiangnan Mini Hydro Project up to the financial close of project owner, KMHC, as subsidiary. SCIC is a full-service engineering, construction, development and management enterprises in the Philippines, with overseas operations, serving the Power and Utilities, Infrastructure and Civil Engineering sectors.

⁴² On April 23, 2021, KMHC issued additional new shares to other investors resulting to the dilution of the Company's ownership interest in KMHC to 30%. Consequently, KMHC ceased to be a subsidiary of the Company and Alternergy recognized a gain on deconsolidation of a subsidiary amounting to ₱2.1 million.

⁴³ Professional fees include legal, audit, consultancy and stock agent fees.

⁴⁴ On June 10, 2022, the Company acquired a direct ownership interest of 50% in KSEC resulting in a 62.75% effective ownership.

Pre-tax loss notably soared from ₱10.1 million in June 2021 to ₱151.1 million in June 2022, attributable to restructuring-related charges of ₱159.8 million.⁴⁵ The Group recognized a one-time loss of ₱260.2 million under restructuring charges, partly offset by the ₱45.8 million gain on deconsolidation, and ₱54.6 million remeasurement gains on previously held interest. Given this, net loss grew from ₱11.4 million to ₱145.2 million.

2023 to 2025

Consolidated revenues climbed to ₱171.5 million in 2023, an 17.4x increase from 2022, supported by the full-year contributions of KSEC. According to Alternergy, revenues recognized in 2022 only covered KSEC operations from June 11 to 30, 2022. From 2023 to 2025, the Group's revenues grew at a compounded annual growth rate (CAGR) of 44.9% to ₱359.9 million, bolstered by fresh contributions from the Palau Solar Project beginning 2024. Cost of sales increased by 17.8x to ₱60.1 million in 2023, in line with the movement in revenues. From 2023 to 2025, it posted a faster CAGR of 68.4% to ₱170.3 million in 2025, attributable to higher depreciation and amortization. Gross profit expanded by a CAGR of 30.5%, from ₱111.4 million in 2023 to ₱189.6 million in 2025.

General and administrative expenses marginally decreased by 1.3% to ₱52.5 million 2023. In 2024, it registered a more than twofold increase to ₱119.5 million, mainly due to the impairment of the Ibulao Hydro Project's project development costs,⁴⁶ as well as higher outside services, professional fees, and salaries. General and administrative expenses went down by 6.7% to ₱111.5 million in 2025, due to the absence of non-recurring impairment cost, partly counterbalanced by higher salaries and wages, as well as taxes and licenses.

Share in equity earnings surged by 33.5%, from ₱16.4 million in 2022 to ₱21.9 million in 2023, supported by the improved performance of its affiliates Alternergy Wind One Corporation (now PWPC) and SPCC. Net earnings from associates fell by 75.9% to ₱5.3 million in 2024 and further decreased by 71.2% to ₱1.5 million in 2025.

Finance costs surged by 653.3%, from ₱11.7 million in 2022 to ₱88.0 million in 2023, attributable to increased loan drawdowns, before slightly decreasing by 4.6% to ₱84.0 million in 2024. In 2025, finance costs increased by 10.3% to ₱92.6 million, driven by debt availments for ongoing solar and wind projects.

In 2023, Alternergy posted a consolidated pre-tax income of ₱47.5 million, reversing the pre-tax loss in the prior year, supported by the absence of the non-recurring restructuring charges. Pre-tax income further grew by over threefold to ₱147.1 million in 2024, attributable to project cost recovery for the Palau Solar Project⁴⁷ and higher interest income. Income before tax further increased by 26.1% in 2025, supported by the significant increase in interest income from ₱53.6 million in 2024 to ₱124.2 million in 2025.

⁴⁵ As part of the restructuring in 2022, the Company divested its full ownership in APIC and APHC. These former subsidiaries have receivables from ALTER, including PACO's receivables from AHC, which amounted to ₱260.2 million. During the year, these receivables were donated to Alternergy's shareholders, prorated based on their respective ownership in the Company.

⁴⁶ Alternergy's fully-owned subsidiary, Ibulao Mini Hydro Corporation (IMHC) initially had a 7.42MW mini hydro power project in early development, to be located in Brgy. Bolog in Kiangnan and Brgy. Caba in Lagawe, Ifugao. In September 2024, IMHC surrendered its service contract to the DOE as it has strategically decided not to pursue the proposed project. Given this, IMHC recognized the full impairment of project development costs amounting to ₱38.7 million in 2024.

⁴⁷ In 2024, income from liquidated damages arising from the delay of the construction of the Palau Project, net of the related amounts due to the contractor, amounted to ₱96.68 million.

Given the foregoing, the net loss of ₱145.2 million in 2022 had a turnaround to a net profit of ₱38.0 million in 2023. Driven by the growth in revenues, supported by well-managed costs and expenses and higher interest income, bottom line grew by 334.0% to ₱165.0 million in 2025.

Net profit margin (NPM) fluctuated from 22.2% in 2023 to 45.8% in 2025, while ROAA ranged from 0.9% to 1.9%. ROAE, on the other hand, increased from 2.0% in 2023 to 3.8% in 2025.

9M2026

Consolidated revenues increased by 16.7%, from ₱260.7 million in 9M2025 to ₱304.2 million in 9M2026, attributable to fresh contributions from the Balsik Solar Project and increased revenues from the Palau Solar Project. Cost of sale of electricity, on the other hand, inched down by 1.3% to ₱128.7 million, driven by lower depreciation and amortization, and insurance costs. As a result, gross profit subsequently jumped by 34.7% to ₱175.5 million.

General and administrative expenses went up by 4.7%, from ₱98.8 million in 9M2025 to ₱103.5 million in 9M2026, attributable to higher salaries and wages, partly counterbalanced by lower professional fees and outside services.

Share in equity earnings fell by 53.1%, from ₱15.1 million in 9M2025 to ₱7.1 million in 9M2026. Finance costs jumped by 23.4% YoY, from ₱80.3 million in 9M2025 to ₱99.1 million, driven by higher short-term loan drawdowns.

Income before tax climbed by 32.7% to ₱147.0 million, mainly due to the growth in revenues and other income on the back of liquidated damages for the Balsik Solar Project of ₱89.6 million,⁴⁸ partly countered by lower interest income and higher finance costs.

Consequently, net income grew by 4.3% to ₱113.8 million in 9M2026. NPM, however, decreased to 37.4% from 41.8% in 9M2025. Annualized ROAA and ROAE were at 0.7% and 3.5%, respectively.

Projected Period

The Company forecasts significant growth in its revenues, earnings before interest, taxes, depreciation, and amortization (EBITDA), and net income in the near to medium term, supported by the completion of its pipeline projects. Power projects under GEAP-2 are expected to start operations in 2026 while GEAP-4 projects are scheduled for completion and commercial operations over the next three years. Costs and expenses are likewise seen to be well-managed over the period.

⁴⁸ On August 21, 2024, SSAI signed and entered into Engineering, Procurement and Construction (EPC) Offshore and Onshore Agreements with China Energy Group Guangdong Electric Power Design Institute Co. Ltd (GEDI) and GEDI Construction Development Corporation (GCDC) for installation, commissioning and construction services.

On December 12, 2025, GEDI and SSAI agreed to mutual assessment of ₱89.6 million in delay liquidated damages, which represents revenues which SSAI would have earned had there not been delays in the completion of the Balsik Solar Project.

Cash flow and Liquidity

2021-2024

Consolidated net cash flows from operating activities decreased from ₱83.5 million in 2021 to ₱28.0 million in 2022, attributable to lower profitability, partly counterbalanced by the increase in accounts payable. In 2023, the Company recorded net operating cash outflow of ₱12.2 million, driven by higher working capital needs despite higher profitability. In 2024, Alternergy had a net cash inflow from operations of ₱217.8 million, supported by higher earnings.

Net cash used in investing activities significantly grew from ₱4.9 million in 2021 to ₱1.5 billion in 2024. Cash was mainly spent for additions in contract assets and intangible assets. In 2023, the Company paid ₱279.8 million to former shareholders of KSEC.

Net cash used in financing activities amounted to ₱107.6 million in 2021. Beginning 2022, financing cash reversed to an inflow as cash balance was augmented by increasing loan drawdowns, partly counterbalanced by debt servicing. As such, net cash from financing activities grew to ₱1.1 billion during the year. Alternergy also issued shares in 2023 and 2024, raising proceeds of ₱1.7 billion and ₱1.5 billion, respectively. On May 29, 2024, the Company drew a ₱2.0 billion Green Corporate Loan to fund its investments in renewable energy projects. The foregoing brought the net cash from financing activities to ₱2.6 billion in 2024.

Cash grew at a CAGR of 201.3%, from ₱93.6 million as of end-2021 to ₱2.6 billion as of end-2024. Current ratio fluctuated between 0.8x and 5.0x over the four-year period.

2025

Net cash flow from operating activities inched down by 2.5% to ₱212.4 million, as higher earnings were offset by a threefold increase in other non-current assets to ₱2.3 billion as of end-2025.

Net cash used in investing activities surged by 266.8% to ₱5.5 billion, primarily due to significant outlays of ₱3.2 billion for plant, property, and equipment (PPE) and ₱1.7 billion for advances to contractors.

Net cash from financing activities climbed by 223.9% to ₱8.4 billion, driven by higher long-term debt drawdowns, to fund ongoing projects and general working capital requirements.

As cash inflows offset cash outflows, cash jumped by 122.2% to ₱5.7 billion as of end-2025. With the faster increase in current liabilities, however, current ratio decreased to 2.7x.

9M2026

In 9M2026, net cash flows from operating activities settled at ₱725.6 million, a reversal from the ₱66.3 million outflow in 9M2025, supported by higher earnings and the decrease in other non-current assets (9.5% to ₱2.1 million as of end-March 2026).

Net cash used in investing activities swelled by 125.7% to ₱8.1 billion, mainly due to additions to PPE. PPE jumped by 130.6% to ₱13.1 billion as of end-March 2026.

Net cash from financing activities inched up by 6.4% to ₱4.6 billion, spurred by higher short-term debt drawdowns partly offset by higher interest payments.

With cash outflows outpacing cash inflows, cash fell by 48.5% to ₱2.9 billion as of end-March 2026. Current ratio further decreased to 1.3x, albeit still ample.

Projected Period

Cash flows are seen to notably improve over projected period, attributable to the Company's robust cash generation from operations from projects commencing commercial operations. Aside from internally generated cash, funding requirements are also seen to be supported by additional debt availments and equity raising activities. Liquidity levels will also remain manageable over the period.

Capital Structure

2021-2025

Total assets grew at a CAGR of 122.7%, from ₱726.1 million as of end-2021 to ₱17.9 billion as of end-2025. Bulk of the growth was due to the increase in cash, PPE (CAGR of 174.5% to ₱5.7 billion), and intangible assets (CAGR of 71.9% to ₱2.0 billion).

Total liabilities, on the other hand, notably jumped from ₱316.9 million as of end-2021 to ₱2.3 billion as of end-2022, before easing slightly to ₱2.2 billion as of end-2023, and subsequently rising to ₱13.6 billion as of end-2025. The growth in total liabilities was attributable to the increase in total debt, considering its continuous debt availment due to the capital-intensive nature of developing renewable energy projects. Total debt amounted to ₱239.7 million as of end-2021, before ballooning to ₱1.4 billion as of end-2022 and ₱3.7 billion as of end-2024, and further climbing to ₱12.7 billion as of end-2025.

PhilRatings notes that Alternergy's Parent Company, VHC provides no sponsor undertaking or credit support to the operations or debt obligations of the Company, hence its need to tap external sources to fund its capital expenditure needs.

In view of such, total equity grew by 179.8%, from ₱409.2 million as of end-2021 to ₱1.1 billion as of end-2022, attributable to the increase in deposit for future stock subscription. Total equity further grew to ₱2.7 billion as of end-2023, supported by equity restructuring,⁴⁹ as well as the additional paid-in capital from the Company's IPO. As of end-2024 and end-2025, total equity increased to ₱4.3 billion, supported by higher additional paid-in capital from the GSIS investment, growth in retained earnings, and equity from non-controlling interests.

Given these, debt-to-equity ratio hovered between 0.6x and 1.2x from as of end-2021 to as of end-2024, before peaking at 3.0x as of end-2025. Solvency ratio averaged 1.9x. At the Parent-level, Alternergy's debt-to-equity ratio stood at 1.0x as of fiscal year-end 2025.

⁴⁹ On June 10, 2022, the BOD approved the equity restructuring of the Company by eliminating its incurred deficit amounting to ₱125.06 million as of December 31, 2021 by applying/ reclassifying/ offsetting the same against additional paid-in-capital of ₱440.87 million. The SEC approved the equity restructuring on August 26, 2022. On January 20, 2023, the BOD approved the equity restructuring for its ₱120.26 million deficit. The SEC approved the equity transaction on May 15, 2023.

9M2026

Total assets increased by 31.4% to ₱23.5 billion as of end-March 2026, driven by higher PPE (+130.6% to ₱13.1 billion) and partially offset by lower cash balance (-48.5% to ₱2.9 billion). Total liabilities grew by 40.8% to ₱19.1 billion, attributable to the 42.0% increase in total debt to ₱18.0 billion.

As of end-March 2026, total equity inched up by 1.5% to ₱4.4 billion, as the Company plowed back earnings into operations. Given the quicker pace of growth in debt, however, debt-to-equity ratio notably increased to 4.1x. Solvency ratio marginally decreased to 1.2x.

Projected Period

The Company expects increased plowback of earnings as it records fresh income from projects coming online in the coming years. This is seen to support the management of its leverage levels moving forward. It may also consider equity-raising programs to supplement such. Given these, leverage levels are seen to improve in the medium term.

Furthermore, to manage the Company's capital requirements and optimize its capital structure, it intends to sell down up to 40% minority stake in its GEAP-4 Projects. The proceeds from the transaction will partially fund the required 25% project equity contribution thereby reducing balance sheet pressure while maintaining majority ownership and control.

Financial Flexibility

As of March 2026, Alternergy has ample short-term and long-term debt facilities, as well as Standby Letters of Credit (SBLC), from various local banks and an international bank.

Alternergy is also publicly listed in the PSE. As of July 28, 2026, the Company had a market capitalization of ₱3.1 billion.

ECONOMY

Gross Domestic Product (GDP)⁵⁰

The country's GDP growth slowed to 4.4% in 2025, missing the government's target range of 5.5%–6.5% and marking the third consecutive year that it has fallen short of the target. Department of Economy, Planning, and Development (DEPDev) Secretary Arsenio Balisacan cited the impact of weather-related disturbances for the year and the corruption scandal surrounding flood control projects as reasons for the missed growth target. The latter reportedly dampened investments and eroded consumer confidence in the first half of 2025 (1H2025).

On the supply side, full-year growth was anchored by Services (+5.9%) and a modest recovery in Agriculture, Forestry, and Fishing (AFF; +3.1%), while Industry lagged behind at 1.5%.

On the demand side, Household Final Consumption Expenditure (HFCE) slowed to 4.6% in 2025 (down from 4.9% in 2024), while Government Final Consumption Expenditure (GFCE) accelerated to 9.1% (up from 7.3% in 2024). Gross capital formation (GCF) contracted by 2.1% in 2025, a sharp reversal from the 7.7% growth in 2024, driven by the government's aggressive freeze on project disbursements and a strict anti-corruption clampdown in the last quarter of the year following the flood control scandal.

In the first quarter of 2026 (1Q2026), the Philippine GDP expanded by 2.8%. This was a marginal slowdown from the 3.0% growth recorded in the fourth quarter of 2025 (4Q2025) and a sharp decline from the 5.4% registered in the first quarter of 2025 (1Q2025). Excluding the contractions experienced during the height of the COVID-19 pandemic, this marks the country's slowest quarterly growth since the third quarter of 2011 (3Q2011). According to the DEPDev, the deceleration was due to the lingering effects of the flood control controversy, delays in both the passage of the national budget and the release of funding for infrastructure spending, as well as the impact of the Middle East conflict on global oil prices.⁵¹

On the supply side, the Services sector remained the primary driver of the country's economy, with a YoY growth of 4.5%. AFF and Industry, on the other hand, posted YoY contractions of 0.2% and 0.1%, respectively.

On the demand side, HFCE grew by 3.0% YoY in 1Q2026, slower than the 5.3% growth in the same period in 2025. GFCE posted a growth of 4.8%, a notable slowdown from the 18.7% surge in 1Q2025. GCF, on the other hand, contracted by 3.3% in 1Q2026, reversing the 4.0% growth in 1Q2025, driven by the slump in the construction sector.⁵²

⁵⁰ Philippine Statistics Authority

<https://business.inquirer.net/571342/philippine-gdp-growth-down-to-3-in-q4-2025>

<https://www.abs-cbn.com/news/business/2026/5/7/gdp-growth-skids-to-2-8-percent-in-first-quarter-of-2026-1007>

<https://psa.gov.ph/statistics/national-accounts>

⁵¹ <https://www.abs-cbn.com/news/business/2026/5/7/gdp-growth-skids-to-2-8-percent-in-first-quarter-of-2026-1007>

⁵² <https://psa.gov.ph/system/files/nap/Q1%202026%20NAP%20Publication.pdf>

Inflation⁵³

Inflation averaged 1.7% in 2025, marking the slowest annual pace of price growth since 2016 and remaining below the Bangko Sentral ng Pilipinas' (BSP) 2–4% target range. The low inflation outturn was driven by easing rice prices and generally stable commodity costs, although food prices edged up toward year-end due to weather-related supply disruptions and stronger holiday demand.

Headline inflation eased to 6.8% in May 2026 from 7.2% in April 2026, though it remained significantly higher compared to 1.3% a year ago. This brings the year-to-date inflation to 4.5%, still above the government's 2-4% inflation target. The slowdown was driven by softer price increases in transport, food, and housing, water, electricity, gas and other fuels. Notwithstanding such, domestic fuel costs remained elevated due to lingering external pressures, including Middle East-related supply disruptions and peso depreciation risks.

In June 2026, the government revised its inflation forecast upward to 6%-7% for 2026 and 4%-5% for 2027, a sharp increase from the previous assumption of 2%-4%.

Interest Rates

Considering the subdued inflationary environment in 2025, the Bangko Sentral ng Pilipinas (BSP) implemented a series of 25-basis-point cuts during the year that brought the key policy rate down from 5.75% to a low of 4.5% by December 2025.

Year-to-date in 2026, however, the BSP abruptly shifted from monetary easing to monetary tightening. After bringing the policy rate to a low of 4.25% in February, the BSP made two consecutive 25-bps rate hikes that brought the policy rate to 4.75% in June 2026. The central bank cited inflationary pressures due to rising oil and fertilizer costs, second-round inflationary effects broadening quicker than expected, and the projected sluggish economic activity in the near-term as the main reasons for the rate hike in June. While inflation eased in May, the BSP maintained a cautious stance, noting that upside risks remain due to food supply constraints, elevated transport costs, and external shocks arising from geopolitical tensions in the Middle East.

Outlook⁵⁴

In the second quarter of 2026 (2Q2026), institutions such as the International Monetary Fund (IMF), World Bank (WB), and the Asian Development Bank (ADB), among others, downgraded their Philippine GDP growth forecasts, following the weaknesses in public investment and the aftermath of the corruption scandal surrounding infrastructure spending. More recently, the escalating tensions in the Middle East

⁵³<https://business.inquirer.net/567690/philippine-2025-inflation-slows-to-1-7-a-9-yr-low>

<https://www.abs-cbn.com/news/business/2026/6/5/inflation-eases-to-6-8-percent-in-may-0907>

⁵⁴ <https://www.bworldonline.com/top-stories/2026/04/09/741674/world-bank-slashes-phl-growth-forecast-to-3-7/>

<https://www.adb.org/news/philippine-gdp-growth-remain-subdued-amid-global-uncertainty>

<https://manilastandard.net/business/314726875/imf-moodys-cut-2026-philippine-growth-outlook>

<https://www.pna.gov.ph/articles/1272350>

<https://www.abs-cbn.com/news/business/2026/4/9/s-p-downgrades-philippine-outlook-to-stable-from-positive-amid-middle-east-war-1449>

<https://tribune.net.ph/2026/04/21/fitch-cuts-philippines-outlook-to-negative-govt-responds>

have prompted these multilateral institutions to further downgrade their economic outlook for the Philippines.

The following chart summarizes the downward revisions made by the aforementioned multilateral institutions in the second quarter of 2026 to their Philippine GDP growth forecasts for 2026 and 2027. These adjustments were made in response to the following: (1) the impact of the Middle East conflict on the Philippine economy; (2) the lingering confidence issues from the flood corruption scandal; (3) the continued delays in public investment; (4) the added impact of severe weather events; (5) higher import bills; and (6) the depreciation of the peso. As illustrated, current growth forecasts for 2026 were lower than the previous forecasts. The chart likewise shows the Development Budget Coordination Committee' (DBCC) adjusted 2026 domestic GDP growth target range of 3.5%–4.5%, from the previous range of 5.0%–6.0%, considering the impact of the Middle East conflict and the slowdown in government spending from the prior year. It should be noted that the downgraded outlooks still fell within the government's revised target range.

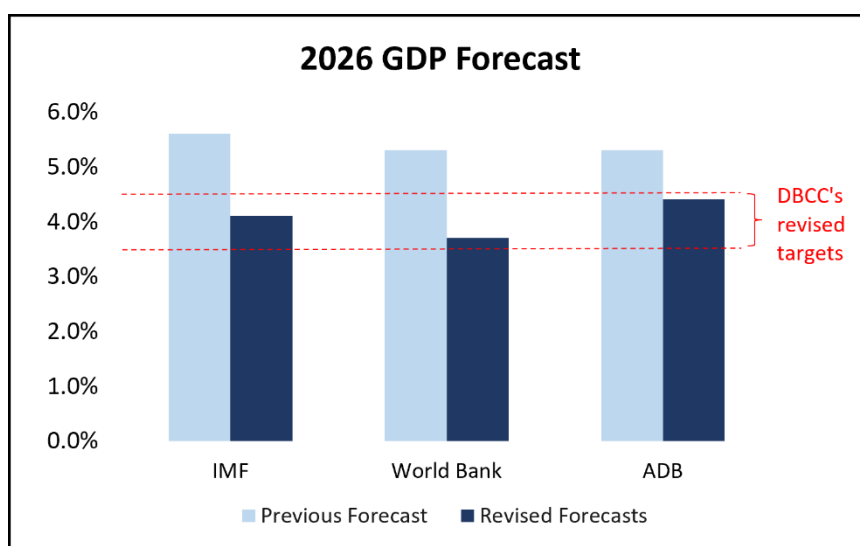


Figure 3 Revised Economic Growth Outlook

S&P Global Ratings (S&P) meanwhile downgraded the Philippines' outlook from 'Positive' to 'Stable', signaling that while the country's 'BBB+' investment-grade rating remains secure, a near-term upgrade is unlikely due to compounding external and fiscal risks. Fitch Ratings, on the other hand, revised its outlook for the Philippines from 'Stable' to 'Negative', while affirming the country's long-term foreign-currency issuer default rating (IDR) at 'BBB'. It cited the potential negative impact of the ongoing crisis in the Middle East on the country's growth moving forward and on the gradual public capex recovery as the reason for outlook revision. Fitch Ratings' growth outlook for the Philippines for 2026 was at 4.6%, while S&P made a sharp downgrade to its outlook from 5.6% to 4.1%. For 2027, S&P expects the country's GDP growth to rebound to 5.8%, lower than its initial 6.2% forecast.

Domestic Impact of the Ongoing Middle East Conflict⁵⁵

The US-Israel-Iran conflict and maritime transit constraints at the Strait of Hormuz led to a State of National Energy Emergency in the country in March 2026.

While the initial ceasefire deal in early April and its ongoing extension lowered global oil prices, the near four-month tension between US and Iran—marked by maritime friction and elevated logistics and insurance costs—will keep domestic fuel prices elevated, weighing heavily on the country’s manufacturing output, household consumption, and fiscal buffers. As of writing date, a definite ceasefire agreement remains to be subject to further negotiation.

INDUSTRY

Energy

Peak Demand⁵⁶

In 2025, the country’s total peak declined marginally or by 0.3% to 19,212 MW, from 19,274 MW in 2024. The Luzon grid continued to account for the largest share of the total demand at 72.7%, while Visayas and Mindanao grids each contributed 14.0%.

Power Generation and Consumption

Total electricity generation and consumption likewise declined marginally, from 126,941 GWh in 2024 to 126,378 GWh in 2025. The residential segment continued to be the main driver of electricity consumption, accounting for 33.2% of the total consumption. It was followed by the industrial and commercial segments, with 24.8% and 22.7% shares, respectively.

As of end-2025, coal remained the dominant power source in the country, accounting for 57% of the total generation mix. This, however, was an improvement from 63% share in the previous years. Notably, the share of renewable energy and natural gas to total generation mix increased to 25% and 17% in 2025, respectively.



Figure 4 Power Generation and Consumption (GWh)

⁵⁵<https://psa.gov.ph/price-indices/cpi-ir>

<https://www.gmanetwork.com/news/money/economy/984266/diesel-prices-liter-gasoline-week>

<https://www.aljazeera.com/news/2026/4/18/iran-closes-strait-of-hormuz-again-over-us-blockade-of-its-ports>

<https://www.gmanetwork.com/news/money/economy/982088/pump-price-increase-middle-east-war/story>

<https://bworldonline.com/editors-picks/2026/05/25/751701/remittances-from-mideast-likely-to-remain-resilient/>

<https://tribune.net.ph/2026/05/19/ofw-remittance-risks-rise-amid-middle-east-conflict-ilo>

⁵⁶ <https://legacy.doe.gov.ph/energy-statistics/philippine-power-statistics>

Installed and Dependable Capacity⁵⁷

The country's power supply, in terms of total installed capacity, increased by 7.8%, from 29,706 MW in 2024 to 32,037 MW in 2025. A total of 2,331 MW was added to the country's supply base in 2025. Majority (1,320 MW) of the total additions came from natural gas, while the rest (1,101 MW) was from renewable energy sources, bulk of which was from solar power (834 MW).

In 2025, the share of total capacities from natural gas notably increased to 16%, from 13% in 2024. Renewable energy sources similarly increased, albeit marginally, from 32% in 2024 to 33% in 2025. While coal-fired power plants still accounted for the bulk of total installed capacities at 41%, such was lower than the 44% recorded in the previous year.

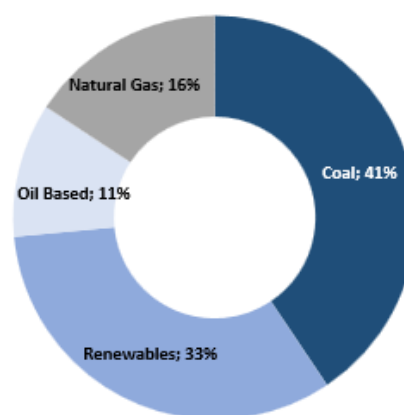


Figure 5 Installed Capacity Mix (2025)

In terms of dependable capacity, the Philippines had 27,866 MW in 2025, up by 6.8% from 26,086 MW in 2024. The additional capacities were also primarily from natural gas and renewable energy sources – primarily solar. It is worth noting, however, that dependable capacities from hydro power were down by 145 MW in 2025.

In 2026, the total share of renewable energy's installed capacity (40%) is expected to surpass that of coal (37%).

Philippine Energy Plan (PEP) 2023-2050

The PEP 2023–2050 is the second comprehensive roadmap supporting the country's transition to cleaner energy under Ambisyon Natin 2040, which articulates the Philippines' long-term development goals and visions. Issued by the DOE, the PEP sets out the energy sector roadmap for the period 2023 to 2050, with policy direction anchored on energy security, affordability, and sustainability amid rising electricity demand. Under the plan, the Philippines targets an increase in the share of renewable energy in the power generation mix to 35% by 2030 and 50% by 2040, with renewable energy expected to account for more than 50% of total power generation by 2050. These targets are supported by the continued development of renewable energy technologies such as solar, wind, hydropower, and geothermal energy, alongside policy measures aimed at encouraging private sector participation and investment such as the GEAP.

GEAP⁵⁸

GEAP is a government program that promotes renewable energy development by allowing energy developers to bid for contracts or the rights to supply/generate clean energy to the power grid. In 4Q2025, the DOE announced the results of GEAP-4. A total of 123 projects with 10,195 MW capacities were selected, including over 4,179 MW of ground-mounted solar projects, 2,284 MW of floating solar projects, around 2,518 MW of onshore wind, 1,189 MW of integrated energy storage systems (IRESS), and 25 MW of rooftop solar projects. This amount exceeds the previous award of 9,423 MW in September 2025.

⁵⁷ <https://prod-cms.doe.gov.ph/documents/d/guest/04-lvm-summary-6-pdf>

⁵⁸ <https://www.enerdata.net/publications/daily-energy-news/philippines-awards-102-gw-gea-4-renewable-auction.html>

Alternergy was awarded with five GEAP-4 projects namely the Liberty Solar Project, the Kalandagan Solar Project, the Alegria Wind Project, and the Tayabas South Wind Project and the Tayabas North Wind Project. These have a combined potential capacity of up to 500MW, about half of the Company's target of 1GW by 2030.

Outages across Luzon and Visayas⁵⁹

In May 2026, the Luzon and Visayas grids were placed on red alert due to the critically low electricity supply. As a result, electricity consumers in both grids experienced rotating brownouts from May 13 to 15, 2026. Aside from the surge in electricity demand amid the hot weather, the red alert in Luzon was also driven by the transmission constraint of the 500 kV Tayabas-Ilijan and Dasmariñas-Ilijan Transmission Lines resulting to the disconnection of the Ilijan Power Plants (1,200 MW) and Excellent Energy Resources Inc. (EERI) Units (1,262.1 MW) as well as the outage of Masinloc Unit 3 in Zambales. In the Visayas, the red alert was primarily driven by the continued forced outage of some units of Therma Visayas Inc. (TVI) and Panay Energy Development Corporation (PEDC) – two major coal-fired power plants in the region.

While Luzon has been under normal conditions since the red alert in May, following the full capacity operation of major Luzon power plants, Visayas grid has been suffering nearly uninterrupted yellow alerts as TVI and PEDC remain unavailable.

Recent Development

In June 2026, the ERC approved new rules that will allow entities other than the NGCP to finance and build certain transmission projects. Under Resolution No. 18, Series of 2026, the ERC establishes implementing rules for the development, ownership and operation of Point-to-Point Limited Transmission Facilities and for the financing and construction of transmission projects by entities other than the sole transmission network provider, NGCP.⁶⁰

According to DOE Circular Number DC2026-01-0001, generation companies shall also have the right to timely recover the fair market value incurred with the construction and implementation of the associated transmission projects (ATPs) prior to its turnover to NGCP. Generation companies are also required to seek the necessary endorsement from the DOE, enter into memorandum of agreement (MOA) with NCGP and TransCo for governing details, submit monthly accomplishment reports, and ensure compliance with applicable environmental and social safeguard requirements, among others.⁶¹

As per Section 3 of Resolution No. 18, Series of 2026, generation companies are permitted to finance and construct ATPs under the following circumstances:

1. Projects included in the DOE's Transmission Development Plan (TDP) where:

⁵⁹ <https://www.abs-cbn.com/news/business/2026/6/23/ph-strengthens-role-in-regional-clean-energy-future-1440>

<https://www.pna.gov.ph/articles/1274953>

<https://www.pna.gov.ph/articles/1277925>

<https://business.inquirer.net/596111/erc-lets-non-ngcp-firms-build-transmission-projects>

⁶⁰ <https://bilyonaryo.com/2026/06/19/erc-breaks-ngcps-transmission-monopoly-opens-grid-projects-to-third-parties/power/>

<https://business.inquirer.net/596111/erc-lets-non-ngcp-firms-build-transmission-projects>

⁶¹ <chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://prod-cms.doe.gov.ph/documents/d/guest/dc2026-01-0001-pdf>

a. Construction has not commenced due to delays by the NGCP in assigning a third-party contractor; or
b. Construction has begun, but the ATP's target completion date is later than the estimated completion and commissioning of the generation company's committed project.

2. Projects not included in the DOE-approved TDP, provided that the committed generation project is essential to meeting PEP targets. This includes objectives such as energy security, renewable energy share, and grid reliability.

3. Analogous cases as defined under Section 3 of DC2026-01-0001.

In June 2026, NGCP communicated they are evaluating the newly issued rules to ensure that the integrity of the national transmission framework is preserved. They are also reviewing and evaluating the developments relative to their awarded rights, obligations, and responsibilities under the Concession Agreement granted to them as the sole operator of the country's transmission, as well as to the Republic Act No. 9511, and other applicable laws.⁶²

Alternergy, along with other major industry players, lobbied for the Resolution to address delay risks incurred by renewable generators attributable to NGCP's delayed infrastructure development. The Company suggested that self-built grid connections could help alleviate these delays, citing the Tanay and Alabat Wind Projects as successful proofs of concept.

⁶² <https://business.inquirer.net/596509/ngcp-weighs-next-steps-on-new-erc-transmission-rules>