P&A Grant Thornton

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Financial Statements and Independent Auditors' Report

Premiere Island Power REIT Corporation

For the Years Ended December 31, 2024 and 2023 and for the Period March 4, 2022 to December 31, 2022

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Report of Independent Auditors

The Board of Directors and Stockholders
Premiere Island Power REIT Corporation
(A Subsidiary of S.I. P0wer Corp.)
4th Starmall IT Hub CV Starr Ave.
Philamlife Pamplona Dos Las Piñas
Las Piñas City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Premiere Island Power REIT Corporation (the REIT), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2024 and 2023 and for the period March 4, 2022 to December 31, 2022 and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the REIT as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years ended December 31, 2024 and 2023, and for the period March 4, 2022 to December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the REIT in accordance with the *Code of Ethics for Professional Accountants in the Philippines* (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investment Properties

Description of the Matter

The REIT's investment properties, which relate to certain parcels of land, buildings and right-of-use asset, is carried in the financial statements at fair value model.

The fair value of investment properties was determined by an independent appraiser using the income approach, which measures the fair value of an asset by calculating the present value of its economic benefits by discounting the expected cash flows at a rate of return that compensates the risks associated with a particular investment. The total fair value of investment properties as of December 31, 2024 is P7.9 billion, representing 81% of the total assets of the REIT. The valuation of investment properties is a key audit matter because of the significance of the amount involved and because the measurement involves the application of significant judgments and estimates.

The significant judgments applied and estimates used in measuring fair value are more fully described in Note 3 to the financial statements, while the methods used are fully described in Note 19 to the financial statements.

How the Matter was Addressed in the Audit

We have evaluated the competence, capabilities and objectivity of the appraiser by obtaining an understanding of their qualifications, experience and track record. We have also involved our internal valuation specialists in evaluating the appropriateness of the valuation models and the reasonableness of key assumptions used, such as the discount rate and growth rate used to estimate projected revenues to be generated, and costs and expenses to be incurred related to operations. We have also tested the completeness and accuracy of key inputs used such as the lease rates and lease terms by agreeing the samples to supporting lease contracts.

Revenue Recognition on Rental of Investment Properties

Description of the matter

In 2024, the REIT recognized revenue from rental of investment properties amounting to P695.6 million. Rental income on long-term leases is recognized on a straight-line basis over the term of the lease.

We identified the revenue recognition from rentals as significant to our audit due to the inherent risk of material misstatement involved and the materiality of the amount of rental revenue and related receivables. An error in the REIT's understanding of the significant terms and conditions of the lease agreements and accounting treatment may result in error in revenue recognition i.e., overstatement or understatement of the reported rental revenues and the related receivables recognized therefrom.

The REIT's disclosures relating to revenues from rentals are disclosed in Notes 7, 10 and 16.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to recognition of revenue from rentals include inspecting the lease agreements entered into with the REIT's lessees, and understanding the significant terms and conditions affecting the recognition of rental income, as disclosed in Note 10 to the financial statements. We determined, based on the significant terms and conditions of the lease agreements, whether the recognition of rental income is in compliance with the revenue recognition and measurement requirements under PFRS 16, *Leases*. We recomputed the amounts of rental income and the related receivables taking into consideration, among others, the lease payments, lease terms, periodic rent escalations, and effect of any lease modifications; and, we have verified whether rental income related to the existing lease agreements have been recognized in the proper accounting period.

Other Information

Management is responsible for the other information. The other information comprises the information included in the REIT's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2024, are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the REIT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the REIT or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the REIT's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the REIT's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the REIT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the REIT to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2024 required by the Bureau of Internal Revenue (BIR) as disclosed in Note 24 to the financial statements is presented for purposes of additional analysis and is not required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audits resulting in this independent auditors' report is Renan A. Piamonte.

PUNONGBAYAN & ARAULLO

By: Renan A. Piamonte
Partner

CPA Reg. No. 0107805
TIN 221-843-037
PTR No. 10465913, January 2, 2025, Makati City
BIR AN 08-002511-037-2022 (until October 13, 2025)
BOA/PRC Cert. of Reg. No. 0002/P-010 (until August 12, 2027)

April 15, 2025

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023
(Amounts in Philippine Pesos)

	Notes	2024	2023
A S S E T S			
CURRENT ASSETS			
Cash	4	**P 891,662**	P 51,889,838
Trade receivables	5	**889,500,954**	1,051,325,057
Prepayments and other current assets		**55,012,509**	42,959,052
Total Current Assets		**945,405,125**	1,146,173,947
NON-CURRENT ASSETS			
Property and equipment - net	6	**961,520,000**	934,480,000
Investment properties	7	**7,914,420,000**	7,784,490,000
Total Non-current Assets		**8,875,940,000**	8,718,970,000
TOTAL ASSETS		**P 9,821,345,125**	P 9,865,143,947
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	8	**P 138,665,894**	P 192,401,958
Due to related parties	13	**322,655,398**	509,891,645
Lease liabilities	9	**408,491**	381,908
Total Current Liabilities		**461,729,783**	702,675,511
NON-CURRENT LIABILITIES			
Lease liabilities	9	**5,411,452**	5,819,943
Deferred tax liabilities - net	12	**112,895,217**	58,705,012
Total Non-current Liabilities		**118,306,669**	64,524,955
Total Liabilities		**580,036,452**	767,200,466
EQUITY			
Capital stock	14	**3,288,669,000**	3,288,669,000
Additional paid-in-capital	14	**5,328,952,851**	5,328,952,851
Revaluation reserves - net	6	**137,936,681**	79,018,554
Retained earnings	14	**485,750,141**	401,303,076
Total Equity		**9,241,308,673**	9,097,943,481
TOTAL LIABILITIES AND EQUITY		**P 9,821,345,125**	P 9,865,143,947

See Notes to Financial Statements.

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 AND
FOR THE PERIOD MARCH 4, 2022 TO DECEMBER 31, 2022
(Amounts in Philippine Pesos)

	Notes	2024 (One Year)	2023 (One Year)	2022 (Ten Months)
RENTAL INCOME	10	**P 695,609,311**	P 643,814,022	P 355,161,394
COSTS OF RENTALS	11	**85,846,407**	70,763,428	40,701,197
GROSS PROFIT		**609,762,904**	573,050,594	314,460,197
OTHER OPERATING EXPENSES	11	**6,949,610**	4,660,730	11,502,749
OPERATING PROFIT		**602,813,294**	568,389,864	302,957,448
OTHER INCOME (CHARGES) - Net				
Fair value gain (loss) on investment properties	7	**86,511,514**	213,520,000	(191,960,000)
Finance cost	9	**(411,551)**	(434,898)	(269,912)
Finance income	4	**4,506**	6,051	1,202
		86,104,469	213,091,153	(192,228,710)
PROFIT BEFORE TAX		**688,917,763**	781,481,017	110,728,738
TAX INCOME (EXPENSE)	12	**(32,905,682)**	(77,471,471)	28,500,338
NET PROFIT		**656,012,081**	704,009,546	139,229,076
OTHER COMPREHENSIVE INCOME				
Item that will not be reclassified subsequently to profit or loss				
Revaluation increase in property and equipment - net	6	**85,142,383**	89,441,268	16,911,604
Tax expense	12	**(21,285,596)**	(22,360,317)	(4,227,901)
		63,856,787	67,080,951	12,683,703
TOTAL COMPREHENSIVE INCOME		**P 719,868,868**	P 771,090,497	P 151,912,779
BASIC AND DILUTED EARNINGS PER SHARE	15	**P 0.20**	P 0.21	P 0.06

See Notes to Financial Statements.

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 AND
FOR THE PERIOD MARCH 4, 2022 TO DECEMBER 31, 2022
(Amounts in Philippine Pesos)

	Capital Stock (See Note 14)	Additional Paid-in Capital (See Note 14)	Revaluation Reserves (See Note 6)	Retained Earnings (See Note 14)	Total
Balance at January 1, 2024	P 3,288,669,000	P 5,328,952,851	P 79,018,554	P 401,303,076	P 9,097,943,481
Dividends declared	-	-	-	(576,503,676)	(576,503,676)
Transfer depreciation to retained earnings	-	-	(4,938,660)	4,938,660	-
Total comprehensive income for the year	-	-	63,856,787	656,012,081	719,868,868
Balance at December 31, 2024	**P 3,288,669,000**	**P 5,328,952,851**	**P 137,936,681**	**P 485,750,141**	**P 9,241,308,673**
Balance at January 1, 2023	P 3,288,669,000	P 5,328,952,851	P 12,683,703	P 137,229,076	P 8,767,534,630
Dividends declared	-	-	-	(440,681,646)	(440,681,646)
Transfer depreciation to retained earnings	-	-	(746,100)	746,100	-
Total comprehensive income for the year	-	-	67,080,951	704,009,546	771,090,497
Balance at December 31, 2023	P 3,288,669,000	P 5,328,952,851	P 79,018,554	P 401,303,076	P 9,097,943,481
Balance at March 4, 2022	P -	P -	P -	P -	P -
Issuances of shares of stock	3,288,669,000	5,328,952,851	-	-	8,617,621,851
Dividends declared	-	-	-	(2,000,000)	(2,000,000)
Total comprehensive income for the period	-	-	12,683,703	139,229,076	151,912,779
Balance at December 31, 2022	P 3,288,669,000	P 5,328,952,851	P 12,683,703	P 137,229,076	P 8,767,534,630

See Notes to Financial Statements.

PREMIERE ISLAND POWER REIT CORPORATION

(A Subsidiary of S.I. P0wer Corp.)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 AND

FOR THE PERIOD MARCH 4, 2022 TO DECEMBER 31, 2022

(Amounts in Philippine Pesos)

	Notes	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		**P 688,917,763**	P 781,481,017	P 110,728,738
Adjustments for				
Fair value loss (gain) on investment properties	7	**(86,511,514)**	(213,520,000)	191,960,000
Depreciation	6	**58,102,383**	52,541,268	30,071,604
Finance cost	9	**411,551**	434,898	269,912
Finance income	4	**(4,506)**	(6,051)	(1,201)
Operating profit before working capital changes		**660,915,677**	620,931,132	333,029,053
Decrease (increase) in trade and other receivables		**161,824,103**	(658,938,603)	(392,386,454)
Increase in prepayments and other current assets		**(12,054,315)**	(42,354,099)	(585,977)
Increase in trade and other payables		**6,527,973**	72,427,503	51,556,244
Cash generated from (used in) operations		**817,213,438**	(7,934,067)	(8,387,134)
Interest received	4	**4,506**	6,051	961
Income tax paid		**(214)**	(8,718,662)	(240)
Net Cash From (Used in) Operating Activities		**817,217,730**	(16,646,678)	(8,386,413)
CASH FLOWS FROM AN INVESTING ACTIVITY				
Acquisitions of investment properties	7	**(43,418,486)**	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	14	**(636,767,714)**	(380,417,608)	(2,000,000)
Advances received from (paid to) related parties	13	**(187,236,247)**	445,263,922	15,132,290
Interest paid	9	**(411,551)**	(434,898)	(125,588)
Payment of lease liability	9	**(381,908)**	(500,189)	-
Proceeds from issuance of shares	14	**-**	-	5,000
Net Cash From (Used in) Financing Activities		**(824,797,420)**	63,911,227	13,011,702
NET INCREASE (DECREASE) IN CASH		**(50,998,176)**	47,264,549	4,625,289
CASH AT BEGINNING OF PERIOD		**51,889,838**	4,625,289	-
CASH AT END OF PERIOD		**P 891,662**	P 51,889,838	P 4,625,289

Supplemental Information in Non-cash Investing and Financing Activities is disclosed in Note 23 to the Financial Statements.

See Notes to Financial Statements.

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1 Corporate Information

Premiere Island Power REIT Corporation (the REIT) was incorporated under Philippine law on March 4, 2022 under the name of Premiere Island Philippines Holding Corporation (PIPHC). Under its articles on incorporation, PIPHC is authorized to invest in, purchase, or otherwise acquire and own, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real property and personal property of every kind and description. Since its incorporation on March 4, 2022, PIPHC did not have any business operation until the property-for-share swap transaction with Camotes Island Power Generation Corporation and S.I. P0wer Corp. (CAMPCOR and SIPCOR, respectively; the Sponsors, collectively) (see Note 14).

On June 24, 2022, the Board of Directors (BOD) approved certain amendments to the Articles of Incorporation and By-Laws, including: (a) changing the corporate name to Premiere Island Power REIT Corporation; and, (b) changing the REIT's primary purpose to engage in the business of a real estate investment trust as provided under Republic Act (R.A.) No. 9856, The *Real Estate Investment Trust Act of 2009* (the REIT Act), including its implementing rules and regulations, and other applicable laws. The Securities and Exchange Commission (SEC) approved the amendments on November 9, 2022.

The REIT listed its common shares in the Philippine Stock Exchange (PSE) as a power REIT on December 15, 2022 (see Note 14.1).

SIPCOR (the Parent Company) holds 25.71% interest over the REIT while CAMPCOR holds 25.39%. SIPCOR also owns 93.68% of CAMPCOR. Accordingly, SIPCOR effectively holds 49.50% of the REIT's total issued and outstanding capital stock, making SIPCOR as the majority stockholder and the REIT's parent company. SIPCOR and CAMPCOR are both presently engaged in buying, acquiring, leasing, constructing, maintaining, and operating plants, work, systems, poles, poles wire, conduit, ducts and subway for the production, supply, distribution and sale of electricity.

Prime Asset Ventures, Inc. (PAVI or the Ultimate Parent) is the REIT's ultimate parent company. PAVI is presently engaged primarily to invest in, purchase or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, pledge, exchange, develop or otherwise, dispose of real and personal property of every kind, and to grant loans and/or assume or undertake or guarantee or secure either on its general credit or on the mortgage, pledge, deed of trust, assignment and/or other security arrangement of any or all of its property, its related parties or any third party, without engaging in the business of a financing company or lending investor.

The registered office address and principal place of business of the REIT, PAVI, SIPCOR and CAMPCOR is located at 4th Starmall IT Hub CV Starr Ave., Philamlife Pamplona Dos Las Piñas, Las Piñas City.

1.2 Approval of the Financial Statements

The financial statements of the REIT as of and for the year ended December 31, 2024 (including the comparative financial statements as of and for the year ended December 31, 2023 and for the period March 4, 2022 to December 31, 2022) were authorized for issue by the REIT's BOD on April 15, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the REIT have been prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income, and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The REIT presents all items of income, expense and other comprehensive income or loss in a single statement of comprehensive income.

The REIT presents a third statement of financial position as of the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the REIT's presentation and functional currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the REIT are measured using the REIT's functional currency. Functional currency is the currency of the primary economic environment in which the REIT operates.

2.2 Adoption of Amended PFRS Accounting Standards

(a) Effective in 2024 that are Relevant to the REIT

The REIT adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	:	Leases – Lease Liability in a Sale and Leaseback

Discussed below are the relevant information about these pronouncements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current.* The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the REIT's financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants.* The amendments specifies that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the REIT's financial statements.

(iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the REIT's financial statements.

(iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The REIT has no sale and leaseback transactions.

(b) Effective Subsequent to 2024 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and none of these are expected to have significant impact on the REIT's financial statements:

(i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

(ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)

(iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

2.3 Financial Instruments

Financial assets and financial liabilities are recognized when the REIT becomes a party to the contractual provisions of the financial instrument.

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the REIT commits to purchase or sell the asset).

Classification and Measurement of Financial Assets

The REIT's financial assets include financial assets at amortized costs such as Cash and Trade Receivables.

Impairment of Financial Assets

The REIT applies a general approach in relation to its trade receivables, which relate to receivables from related parties. The maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk. In the case of these receivables, the contractual period is the very short period needed to transfer the cash once demanded or when the receivables fall due. Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the REIT's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the REIT cannot immediately collect the receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of the receivables can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized which may prove to be negligible.

(b) Financial Liabilities

Financial liabilities includes Trade and Other Payables (except tax-related liabilities), Lease Liabilities and Due to Related Parties.

2.4 Property and Equipment

Property and equipment, are carried at revalued amount which is the fair value at the date of the revaluation, as determined by independent appraiser, less subsequent accumulated depreciation and any accumulated impairment losses.

Revalued amount is the fair market value determined based on appraisal by external professional appraiser once every two years or more frequently if market factors indicate a material change in fair value.

Depreciation of property and equipment (comprising of generation assets) is computed on the straight-line basis over the estimated useful lives of 18 years.

2.5 Investment Properties

Properties held for lease under operating lease agreements, which comprise mainly of land and buildings are classified as Investment Properties.

Investment properties are accounted for under the fair value model. They are revalued annually and are reported in the statement of financial position at its fair value. Fair value is based on the income approach and is determined annually by an independent appraiser with sufficient experience with respect to both the location and the nature of the investment properties.

2.6 Leases

(a) REIT as Lessee

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

The REIT has elected to account for short-term leases and leases of low-value assets using the practical expedients, when applicable. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

(b) REIT as Lessor

The REIT applies judgment in determining whether a lease contract is a finance or operating lease.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the REIT's financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgment in Applying Accounting Policies

In the process of applying the REIT's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

(a) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated and the renewal of the contract is not subject to mutual agreement of both parties.

The factors that are normally the most relevant are (a) if there are significant penalties should the REIT pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the REIT is reasonably certain to extend and not to terminate the lease contract. Otherwise, the REIT considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The REIT did not include the renewal period as part of the lease term for the lease due to the provision in its contract that requires mutual agreement of both parties on the terms and agreements of the renewal and termination of the lease contract.

The lease term is reassessed if an option is actually exercised or not exercised or the REIT becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the REIT.

(b) Distinction Among Investment Properties and Owner-occupied Properties

The REIT determines whether a property should be classified as investment property or owner-occupied property. The REIT applies judgment upon initial recognition of the asset based on intention and also when there is a change in use. In making its judgment, the REIT considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

When a property comprises of a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the REIT's main line of business or for administrative purposes, the REIT accounts for the portions separately if these portions can be sold separately (or leased out separately under finance lease). If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the REIT's main line of business or for administrative purposes.

Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The REIT considers each property separately in making its judgment.

(c) Distinction Between Operating and Finance Leases as Lessor

The REIT has entered into various lease agreements as a lessor. Critical judgment was exercised by management to distinguish the lease agreements as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

Management has determined that its current lease agreements as lessor are operating leases.

(d) Recognition of Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Fair Value Measurement of Investment Properties, and Property and Equipment

The REIT's investment properties, composed of right-of-use asset, land and buildings, are measured using the fair value model while the REIT's property and equipment, composed of generation assets, are measured using revaluation model. In determining the fair value of these assets, the REIT engages the services of professional and independent appraisers applying the income approach.

In determining the fair value under the income approach, significant estimates are made such as revenues generated, costs and expenses related to the operations and discount rate.

A significant change in these elements may affect prices and the value of the assets. The details of the fair values of relevant assets are disclosed in Notes 6, 7 and 19.

For investment properties, and property and equipment, with valuation conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

(b) *Estimation of Useful Lives of Property and Equipment*

The REIT estimates the useful lives of the property and equipment based on the period over which the assets are expected to be available-for-use. The estimated useful lives of the property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the assets.

The carrying amounts of the property and equipment are analyzed in Note 6. Based on management's assessment as at December 31, 2024 and 2023, there is no change in estimated useful lives of the property and equipment during those periods. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(c) *Estimation of Allowance for ECL*

The measurement of the allowance for ECL is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers/counterparties defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 17.2(b).

Based on management's assessment, the outstanding balances of receivables as of December 31, 2024 and 2023 are fully collectible (see Note 5).

(d) *Impairment of Non-financial Assets*

The REIT's Investment Properties, Property and Equipment and other non-financial assets are subject to impairment testing.

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainties relates to assumptions about future operating results and the determination of suitable discount rate.

Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

There were no impairment losses on the REIT's non-financial assets required to be recognized for the years ended December 31, 2024 and 2023 based on management's assessment.

4. CASH

Cash in banks amounted to P0.9 million and P51.9 million as of December 31, 2024 and 2023, respectively.

Cash in banks generally earn interest based on daily bank deposit rates. Interest income earned from cash in banks amounted to P4,506 in 2024, P6,051 in 2023 and P1,202 in 2022. Interest earned is presented as Finance income under Other Income (Charges) – Net section in the statements of comprehensive income.

5. TRADE RECEIVABLES

This account as of December 31 is composed of the following:

(Amounts in PHP)	Note	**2024**	2023
Trade receivables:			
Billed	13.1	**736,640,406**	943,982,983
Accrued		**152,860,548**	107,342,074
		889,500,954	1,051,325,057

Billed receivables arise from the lease of land, building and generation assets by SIPCOR and CAMPCOR.

Accrued receivables pertain to receivables resulting from the straight-line method of recognizing rental income.

All trade receivables are subject to credit risk exposure. However, there was no impairment losses recognized for the reporting periods presented as management believes that the remaining receivables are fully collectible [see Note 17.2(b)].

6. PROPERTY AND EQUIPMENT

The property and equipment of the REIT pertains to generation assets (see Note 14).

The carrying amount of property and equipment as at December 31, 2024, 2023 and 2022 is as follows:

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Cost	**934,480,000**	897,580,000	910,740,000
Depreciation	**(58,102,383)**	(52,541,268)	(30,071,604)
Revaluation	**85,142,383**	89,441,268	16,911,604
	961,520,000	934,480,000	897,580,000

The property and equipment is recognized under the revaluation model. The revaluation surplus, net of applicable deferred income taxes, is presented as part of the Revaluation Reserves account in the equity section of the statements of financial position.

The movements of the revaluation surplus are presented below.

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Cost	**79,018,554**	12,683,703	-
Revaluation	**63,856,787**	67,080,951	12,683,703
Depreciation	**(4,938,660)**	(746,100)	-
	137,936,681	79,018,554	12,683,703

The REIT recognized income arising from the lease of generation assets to SIPCOR amounting to P52.7 million for both 2024 and 2023 and P30.8 million in 2022, and these are presented as part of Rental Income in the statements of comprehensive income (see Note 10). The related outstanding receivable is presented as part of Trade Receivables in the statements of financial position (see Note 5).

The depreciation expense is presented as part of Costs of Rentals in the statements of comprehensive income.

In 2024 and 2023, the REIT transferred to Retained Earnings the depreciation of the revaluation surplus from prior year amounting to P4.9 million and P0.7 million, respectively.

Under the cost model, the carrying value of the property and equipment amounted to P777.6 million and P829.1 million as of December 31, 2024 and 2023, respectively.

The REIT did not have any fully depreciated property and equipment as of December 31, 2024 and 2023. The information on the fair value measurement and disclosures related to the property and equipment are presented in Note 19.3.

7. INVESTMENT PROPERTIES

The REIT's investment properties pertain to parcels of land located in Candanay, Siquijor, Lazi, Siquijor, Poro, Cebu and Pilar, Cebu, including the buildings located in the said parcels of land, (see Note 14), and the right-of-use asset on the lease right from the lease agreement with NPC (see Note 9).

These parcels of land and buildings are recognized in reference to their fair values and the information on the fair value measurement and disclosures are presented in Note 19.3.

A reconciliation of the carrying amounts of investment properties as at December 31, 2024, 2023 and 2022 is shown below.

(Amounts in PHP)	**Land**	**Buildings**	**Right-of-use asset**	**Total**
Balance as of December 31, 2023	4,254,240,000	2,315,860,000	1,214,390,000	7,784,490,000
Additions	25,482,095	17,936,391	-	43,418,486
Fair value gain (loss)	97,617,905	49,073,609	(60,180,000)	86,511,514
Balances as of December 31, 2024	**4,377,340,000**	**2,382,870,000**	**1,154,210,000**	**7,914,420,000**
Balances as of December 31, 2022	4,085,360,000	2,223,800,000	1,261,810,000	7,570,970,000
Fair value gain (loss)	168,880,000	92,060,000	(47,420,000)	213,520,000
Balance as of December 31, 2023	4,254,240,000	2,315,860,000	1,214,390,000	7,784,490,000
Balance as of May 31, 2022	4,166,270,000	2,270,810,000	1,325,850,000	7,762,930,000
Fair value loss	(80,910,000)	(47,010,000)	(64,040,000)	(191,960,000)
Balance as of December 31, 2022	4,085,360,000	2,223,800,000	1,261,810,000	7,570,970,000

The fair values of the investment properties were determined by independent and SEC-accredited property appraisers. The REIT's management engaged with an appraiser and the amounts stated above are the fair values. The fair value gain and loss on investment properties is presented under Other Income (Charges) – Net in the statements of comprehensive income.

The REIT recognized income amounting to P642.9 million, P591.1 million and P324.4 million in 2024, 2023 and 2022, respectively, from the lease of investment properties which is presented as part of Rental Income in the statements of comprehensive income (see Note 10). The related outstanding receivables are presented as part of Trade Receivables in the statements of financial position (see Note 5).

Expenses such as taxes and licenses and property management fees incurred in relation to the rental services are recognized as incurred and are presented as part of Costs of Rentals in the statements of comprehensive income (see Note 11).

The REIT does not have contractual commitments for purchase of investment properties. The operating lease commitments of the REIT as lessor are fully disclosed in Note 16.1.

8. TRADE AND OTHER PAYABLES

This account is composed of the following as of December 31:

(Amounts in PHP)	**2024**	2023
Deferred output VAT	**78,925,758**	97,394,687
Accrued expenses	**51,120,455**	30,608,415
VAT payable	**7,711,583**	3,057,534
Dividends payable	**-**	60,264,038
Others	**908,098**	1,077,284
	138,665,894	192,401,958

Deferred output VAT is recognized by the REIT for uncollected billings for rentals. This will be reclassified to output VAT payable and offset against input VAT, if any, once collected.

Accrued expenses relate to unpaid administrative expenses as at year end.

Others include payables to the government.

9. LEASES

In 2022, SIPCOR assigned the lease of the land situated in Candanay, Siquijor owned by the NPC (Candanay Property) to the REIT. The lease has a term of 20 years with renewal option, subject to mutual agreement of both parties, and an escalation rate of 20% every five years. The assignment was approved by the NPC. The lease is either non-cancellable or may only be cancelled by incurring a substantive termination fee. The lease allows the REIT to sublet the asset to another party, however, did not contain an option to purchase the underlying lease asset at the end of the lease.

On April 11, 2022, the REIT entered into a sublease agreement with SIPCOR for the same Candanay Property for a term of eight years, recognizing the right-of-use asset which is presented as part of Investment Properties in the statements of financial position (see Note 7).

Lease liability is presented in the statements of financial position as follows:

(Amounts in PHP)	**2024**	2023
Current	**408,491**	381,908
Non-current	**5,411,452**	5,819,943
	5,819,943	6,201,851

The movements in the lease liability recognized in the statements of financial position are as follows:

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Balance at beginning of period	**6,201,851**	6,702,040	6,557,716
Repayments	**(793,459)**	(935,087)	(125,588)
Interest	**411,551**	434,898	269,912
Balance at end of period	**5,819,943**	6,201,851	6,702,040

Interest expense related to lease liability is reported as Finance cost under Other Income (Charges) – Net in the statements of comprehensive income.

As at December 31, 2024 and 2023, the REIT has no commitments to leases which had not commenced.

The maturity analysis of undiscounted lease liabilities as at December 31 are as follows:

(Amounts in PHP)	**2024**	2023
Within 1 year	**813,600**	813,600
1 to 2 years	**813,600**	813,600
2 to 3 years	**813,600**	813,600
3 to 4 years	**813,600**	813,600
4 to 5 years	**976,320**	813,600
More than 5 years	**3,905,280**	4,881,600
	8,136,000	8,949,600

The cash outflow in respect of the lease for the years ended December 31, 2024 and December 31, 2023 amounted to P0.8 million and P0.9 million, respectively.

10. RENTAL INCOME

The REIT derives its rental income from the lease of its investment properties and property and equipment (see Notes 6 and 7), which commenced in June 2022.

Rentals from these properties are based on agreed guaranteed annual base or the calculated variable rental based on the lessees' revenues, whichever is higher. In 2024 and 2023, the agreed guaranteed annual base is higher than the variable base for all properties, except for the Candanay property and Lazi property (see Note 16).

The table below describes the lease agreements entered into by the REIT and their respective terms.

	Lease Term	Renewable years Upon mutual agreement	Variable rental rates based on lessees' revenues
Candanay property	8 years	10 years	26.59%
Lazi property	9 years	10 years	8.41%
SIPCOR building	9 years	10 years	0.50%
SIPCOR generation assets	9 years	10 years	4.50%
CAMPCOR land	10 years	10 years	15.00%
CAMPCOR building	10 years	10 years	10.00%

The rental income derived from such leases amounted to P695.6 million, P643.8 million and P355.2 million in 2024, 2023 and 2022, respectively. Breakdown of rental income reported in the statements of comprehensive income is shown below.

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Rental income from SIPCOR:			
Right-of-use asset	**247,306,487**	207,956,866	105,400,099
Land	**78,219,163**	65,773,495	33,879,160
Generation assets (presented as property and equipment)	**52,719,971**	52,719,971	30,753,317
Building	**5,916,074**	5,916,074	3,451,042
	384,161,695	332,366,406	173,483,618
Rental income from CAMPCOR:			
Land	**184,766,973**	184,766,973	107,780,736
Building	**126,680,643**	126,680,643	73,897,040
	311,447,616	311,447,616	181,677,776
	695,609,311	643,814,022	355,161,394

The REIT's rental income are generated from the following assets and geographical regions:

(Amounts in PHP)	**Land**	**Buildings**	**Right-of-use asset**	**Generation assets**	**Total**
2024 (One Year):					
Siquijor	78,219,163	5,916,074	247,306,487	52,719,971	384,161,695
Cebu	184,766,973	126,680,643	-	-	311,447,616
	262,986,136	**132,596,717**	**247,306,487**	**52,719,971**	**695,609,311**
2023 (One Year):					
Siquijor	65,773,495	5,916,074	207,956,866	52,719,971	332,366,406
Cebu	184,766,973	126,680,643	-	-	311,447,616
	250,540,468	132,596,717	207,956,866	52,719,971	643,814,022
2022 (Ten Months):					
Siquijor	33,879,160	3,451,042	105,400,099	30,753,317	173,483,618
Cebu	107,780,736	73,897,040	-	-	181,677,776
	141,659,896	77,348,082	105,400,099	30,753,317	355,161,394

As of December 31, 2024 and 2023, the rental receivable amounted to P889.5 million and P1,051.3 million, respectively, which is reported as Trade Receivables in the statements of financial position (see Note 5).

11. COSTS AND OPERATING EXPENSES

The details of this account are shown below.

(Amounts in PHP)	Notes	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Depreciation	6	**58,102,383**	52,541,268	30,071,604
Property and fund management fees	7	**20,554,430**	18,222,160	10,629,593
Taxes and licenses	7	**9,620,493**	238,877	4,932,869
Professional fees		**2,190,920**	1,572,897	3,171,103
General and administrative		**841,355**	1,099,680	2,446,711
Miscellaneous		**1,486,436**	1,749,276	952,066
		92,796,017	75,424,158	52,203,946

These expenses are classified in the statements of comprehensive income as follows:

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Cost of rentals	**85,846,407**	70,763,428	40,701,197
Operating expenses	**6,949,610**	4,660,730	11,502,749
	92,796,017	75,424,158	52,203,946

12. INCOME TAXES

The components of tax expense (income) as reported in the statements of comprehensive income are as follows:

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Reported in profit or loss:			
Current tax expense:			
Final tax at 20%	**1,073**	1,441	240
Regular corporate income tax at 25%	**-**	8,717,221	8,135,437
	1,073	8,718,662	8,135,677
Deferred tax arising from origination of temporary differences	**32,904,609**	68,752,809	(36,636,015)
	32,905,682	77,471,471	(28,500,338)

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Reported in other comprehensive income –			
Deferred tax arising from recognition of revaluation surplus	**21,285,596**	22,360,317	4,227,901

A reconciliation of tax on pretax profit or loss computed at the applicable statutory rates to tax expense or income reported in the statements of comprehensive income for the periods ended December 31, 2024, 2023, and 2022 is as follows:

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Tax on pretax profit at 25%	**172,229,441**	195,370,254	27,682,185
Tax effects of:			
Dividends from distributable income	**(125,392,106)**	(117,898,783)	(56,250,000)
Excess of optional standard deduction (OSD) over itemized deduction	**(13,931,653)**	-	-
Non-deductible expenses	**-**	-	67,297
Adjustment for income subjected to lower income tax rate	**-**	-	180
	32,905,682	77,471,471	(28,500,338)

The REIT claimed the dividends as tax deduction in its determination of income tax liability (see Notes 14 and 22). As per Rule 10 of the REIT Act, REITs may deduct against taxable income any dividends distributed as of the end of the taxable year and on or before the last day of the fifth month of the next taxable year.

The details of the net deferred tax liabilities as of December 31 is shown below.

(Amounts in PHP)	**2024**	2023
Revaluation surplus of property and equipment	**47,873,814**	26,588,218
Straight-lining of rental income	**38,215,137**	26,835,519
Fair value gain on investment properties	**27,017,878**	5,390,000
Interest expense on lease liability	**(211,612)**	(108,725)
Balance at end of the period	**112,895,217**	58,705,012

The REIT claimed OSD in computing for its income tax due in 2024 and itemized deductions in 2023 and 2022.

13. RELATED PARTY TRANSACTIONS

The REIT's related parties include the parent company, a related party under common ownership, and key management. A summary of the REIT's transactions and outstanding balances, if any, with its related parties is presented below.

		Amount of Transactions			Outstanding Receivable (Payable)	
(Amounts in PHP)	Notes	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)	**2024**	2023
Parent Company:						
Rental income	5, 10, 13.1	**384,161,695**	332,366,406	173,483,618	**573,523,714**	595,220,457
Due to related party	13.2	**60,613,265**	54,977,600	64,086,279	**(179,677,144)**	(119,063,879)
Lease liabilities	9	**381,908**	500,189	6,702,040	**(5,819,943)**	(6,201,851)
Related party under common ownership:						
Rental income	5, 10, 13.1	**311,447,616**	311,447,616	181,677,776	**315,977,240**	456,104,600
Due to related party	13.2	**(247,849,512)**	390,286,322	541,444	**(142,978,254)**	(390,827,766)
Key management personnel –						
Compensation	13.3	**322,500**	547,500	-	**262,200**	547,500

13.1 Lease Agreements

In 2022, the REIT entered into several operating lease agreements with SIPCOR and CAMPCOR (see Note 9).

The rentals earned from the Lease Agreements are presented as Rental Income in the statements of comprehensive income (see Note 10). The unsecured, noninterest-bearing outstanding balances related to such agreements are presented as part of Trade Receivables in the statements of financial position (see Noe 5).

13.2 Due to Related Parties

In the normal course of business, the REIT obtains cash advances from its parent company and a related party under common ownership for accommodation of certain expenses, working capital requirements and other purposes.

The outstanding due to related parties presented in the statements of financial position as at December 31, 2024 and 2023 amounted to P322.7 million and P509.9 million, respectively. Such balance have no fixed repayment terms and are unsecured, noninterest-bearing and generally payable in cash upon demand, or through offsetting arrangements with the related parties.

A reconciliation of the carrying amounts of the Due to Related Parties is shown below.

(Amounts in PHP)	**2024**	2023
Parent Company:		
Balance at beginning of year	**119,063,879**	64,086,279
Advances obtained	**526,584,527**	54,977,600
Repayments	**(465,971,262)**	-
	179,677,144	119,063,879
Related Party under Common Ownership:		
Balance at beginning of year	**390,827,766**	541,444
Advances obtained	**207,843,935**	390,686,322
Repayments	**(455,693,447)**	(400,000)
	142,978,254	390,827,766
Balance at end of year	**322,655,398**	509,891,645

13.3 Key Management Function

Key management personnel compensation amounted to P0.3 million and P0.5 million in 2024 and 2023, respectively. The unpaid balance as of December 31, 2024 and 2023 is presented as part of Accrued expenses under Trade and Other Payables in the statements of financial position (see Note 8).

14. EQUITY

14.1 Capital Stock

Capital stock consists of the following as of December 31, 2024 and 2023:

	Shares	**Amount in PHP**
Common shares		
Authorized	7,500,000,000	7,500,000,000
Issued and outstanding	**3,288,669,000**	**3,288,669,000**

On March 9, 2022, the REIT applied for the increase in authorized capital stock from P5,000 divided into 5,000 common shares with par value of P1.0 per share to P7.5 billion divided into 7,500,000,000 common shares with par value of P1.0 per share. As of December 31, 2024 and 2023, a total number of 3,288,669,000 shares were fully issued and outstanding which amounted to P3.3 billion.

Under the terms of the capital increase, the REIT shall issue a total of 3,288,664,000 common shares to SIPCOR and CAMPCOR in exchange for the transfer, assignment and conveyance by SIPCOR and CAMPCOR of all their rights, title and interests in certain generation assets (see Note 6) and parcels of land and buildings situated thereat (see Note 7).

Pursuant to the capital increase and the property-for-share swap transaction, the REIT issued 1,654,856,000 common shares to SIPCOR and 1,633,808,000 common shares to CAMPCOR. The REIT recognized additional paid-in capital on the excess of the fair value of properties transferred over the par value of shares totalling to P5.3 billion, net of the stock issue costs totalling to P49.5 million, as a result of this transaction.

Under the terms of the property-for-share swap transaction, the REIT, as a lessor and/or sublessor of the properties assigned by SIPCOR and CAMPCOR, executed lease and sublease agreements with each of SIPCOR and CAMPCOR to enable them to use the assigned properties for their continuing power generation operations. The property-for-share swap transaction, forming part of the capital increase of the REIT, was also approved by the SEC on May 31, 2022.

On December 15, 2022, following the initial public offering of the REIT's common shares, the shares of SIPCOR and CAMPCOR were reduced to 845,589,861 (25.71%) and 834,839,132 (25.39%) common shares, respectively. As at December 31, 2022, 1,607,431,000 (48.88%) common shares are owned by the public and the remaining 809,007 (0.02%) common shares are owned by REIT's directors and officers.

As of December 31, 2024 and 2023, there are 3,627 holders and 2,904 holders, respectively, of at least one board lot of the listed shares, which closed at P2.21 per share for 2024 and P1.54 per share for 2023.

14.2 Dividends

During the year, the BOD approved the following dividends declaration from its unrestricted retained earnings payable to stockholders.

Date of Declaration	Payment Date	Cash Dividend per Share	Total *(Amounts in PHP)*
2024			
February 5, 2024	March 12, 2024	0.0388	127,600,357
April 14, 2024	May 13, 2024	0.0388	127,600,357
May 27, 2024	June 28, 2024	0.0326	107,210,609
August 29, 2024	September 27, 2024	0.0326	107,210,609
November 28, 2024	December 27, 2024	0.0325	106,881,744
			576,503,676
2023			
April 28, 2023	May 26, 2023	0.0682	224,287,226
June 22, 2023	July 17, 2023	0.0299	98,331,203
September 8, 2023	September 29, 2023	0.0359	118,063,217
			440,681,646
2022			
July 11, 2022	August 29, 2022	0.01	2,000,000

Unpaid dividends amounting to P60.3 million as of December 31, 2023 is presented as part of Trade and Other Payables in the 2023 statement of financial position. This has been paid in 2024. There were no unpaid dividends as of December 31, 2024 (see Note 8).

14.3 Distributable Income

The computation of the distributable income of the REIT for the periods ended December 31, 2024, 2023, and 2022 is shown below.

(Amounts in PHP)	Notes	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Net profit		**656,012,081**	704,009,546	139,229,076
Fair value adjustment of investment property resulting to loss (gain)	7	**(86,511,514)**	(213,520,000)	191,960,000
Effect of straight lining of rental income	10	**(45,518,472)**	(61,926,134)	(45,415,940)
Deferred tax expense (income)	12	**32,904,609**	68,752,809	(36,636,015)
Accretion of interest relating to lease liability	9	**411,551**	434,898	144,324
Distributable income		**557,298,255**	497,751,119	249,281,445

The REIT has adopted a dividend policy in accordance with the provisions of the REIT Act, pursuant to which the REIT's shareholders may be entitled to receive at least 90% of the REIT's annual distributable income. The REIT intends to declare and pay out dividends of at least 90% of distributable income on a quarterly basis each year.

For purposes of tax reporting, the REIT claimed distributable income declared as dividend as deduction against its taxable income as allowed per Rule 10 of the REIT Act (see Note 12).

15. EARNINGS PER SHARE

Basic and diluted earnings per share amounts were computed as follows:

(Amounts in PHP)	**2024 (One Year)**	2023 (One Year)	2022 (Ten Months)
Net profit for the period	**656,012,081**	704,009,546	139,229,076
Divided by weighted number of outstanding common shares	**3,288,669,000**	3,288,669,000	2,302,069,800
Basic and diluted earnings per share	**0.20**	0.21	0.06

The REIT has no potential dilutive common shares as of December 31, 2024 and 2023.

16. COMMITMENTS AND CONTINGENCIES

16.1 Operating Lease Commitments – REIT as a Lessor

The lease agreements of the REIT with SIPCOR and CAMPCOR require monthly rentals equivalent to the higher of a guaranteed base lease or a percentage ranging from 0.50% to 26.90% of the lessee's annual revenue (see Notes 6, 7 and 10). In 2024 and 2023, rentals based on the guaranteed base lease are higher than the rentals calculated based on the variables rates except for the rental income from Candanay Property and Lazi Property (see Note 10). The rental income from such properties is determined based on 26.59% and 8.41% of the revenue derived from the lease, respectively. The amounts recognized as rental income from such properties are shown below.

(Amounts in PHP)	**2024**	2023
Candanay Property	**247,306,487**	207,956,866
Lazi Property	**78,219,163**	65,773,495
	325,525,650	273,730,361

The future minimum lease receivable under the REIT's lease agreements (see Notes 7 and 9) as of December 31, 2024 and 2023 are shown below.

(Amounts in PHP)	**2024**	2023
Within 1 year	**608,848,418**	608,848,418
1 to 2 years	**608,848,418**	608,848,418
2 to 3 years	**608,848,418**	608,848,418
3 to 4 years	**608,848,418**	608,848,418
4 to 5 years	**608,848,418**	608,848,418
More than 5 years	**993,297,303**	1,602,145,715
	4,037,539,393	4,646,387,805

The REIT is subject to risk incidental to the operation of its investment properties and property and equipment, which include, among others, changes in market rental rates and inability to collect rent from tenants due to bankruptcy or insolvency of tenants. All of the REIT's lease agreements are from related parties. If the expected growth does not meet management's expectations, the REIT may not be able to collect rent or collect at profitable rates. Management, however, deemed that the risk of non-collection is insignificant given the REIT and its tenants are related parties under common control and hence can direct payments and collections between these parties (see Note 13).

16.2 Others

There are other commitments and contingent liabilities that may arise in the normal course of the REIT's operations, which are not reflected in the financial statements. As of December 31, 2024 and 2023, management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the REIT's financial statements.

17. RISK MANAGEMENT OBJECTIVES AND POLICIES

The REIT is exposed to a variety of financial risks in relation to its financial instruments. The REIT's financial asset and financial liability by category is disclosed in Note 18. The main types of risks are market risk, credit risk and liquidity risk.

The REIT's risk management is coordinated with its parent company, in close coordination with the BOD, and focuses on actively securing the REIT's short to medium-term cash flows by minimizing the exposure to financial risks. The REIT does not engage in trading of financial assets for speculative purposes. The relevant financial risks to which the REIT is exposed are discussed below and in the succeeding page.

17.1 Market Risk

As of December 31, 2024 and 2023, the REIT is exposed to market risk through its cash in bank, which is subject to changes in market interest rates. However, management believes that the related interest rate risk exposure is not significant.

17.2 Credit Risk

The REIT's credit risk is attributable to cash in banks and trade receivables. The REIT maintains defined credit policies and continuously monitors defaults of counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on counterparties are obtained and used. The REIT's policy is to deal only with creditworthy counterparties.

The maximum credit risk exposure of financial assets as at December 31, 2024 and 2023 is the carrying amount of the financial assets as shown in the statements of financial position (or in the detailed analysis provided in the notes to financial statements), as summarized below.

(Amounts in PHP)	Notes	**2024**	2023
Cash	4	**891,662**	51,889,838
Trade receivables	5	**889,500,954**	1,051,325,057
		890,392,616	1,103,214,895

(a) *Cash*

The maximum credit risk exposure of financial asset is the carrying amount of the financial asset as shown in the statement of financial position which relates to cash in bank. The credit risk for cash in bank is considered negligible since the counterparty is a reputable bank with high quality external credit rating. Cash in bank are insured by the Philippine Deposit Insurance Corporation up to a maximum of P1.0 million for every depositor per banking institution.

(b) Trade Receivables

Management determines possible impairment based on the related parties' ability to repay the receivables upon demand at the reporting date taking into consideration historical defaults of the related parties. Management assessed that the outstanding balances from related parties as of December 31, 2024 and 2023 is recoverable since the related parties have the capacity to pay the balances upon demand and there were no historical defaults. Hence, the losses are deemed negligible.

17.3 Liquidity Risk

As of December 31, 2024 and 2023, the REIT's maximum liquidity risk is the carrying amounts of trade and other payables, due to related parties and lease liabilities (see Note 9).

As of December 31, the REIT's financial liabilities have contractual maturities which are presented below.

		Within 6 months	
(Amounts in PHP)	Notes	**2024**	2023
Trade and other payables	8	**51,820,313**	91,949,737
Due to related parties	13	**322,655,398**	509,891,645
		374,475,711	601,841,382

The contractual maturity reflects the gross cash flows and the carrying value of the liability at the end of the reporting periods.

18. CATEGORIES, FAIR VALUES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

18.1 Carrying Amounts and Fair Value by Category

The carrying values and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are shown below.

		2024		2023	
(Amounts in PHP)	Notes	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values
Financial assets					
Cash	4	**891,662**	**891,662**	51,889,838	51,889,838
Trade receivables	5	**889,500,954**	**889,500,954**	1,051,325,057	1,051,325,057
		890,392,616	**890,392,616**	1,103,214,895	1,103,214,895
Financial liabilities					
Trade and other payables	8	**51,820,313**	**51,820,313**	91,949,737	91,949,737
Due to related parties	13	**322,655,398**	**322,655,398**	509,891,645	509,891,645
		374,475,711	**374,475,711**	601,841,382	601,841,382

A description of the REIT's risk management objectives and policies for financial instruments is provided in Note 17.

18.2 Offsetting of Financial Assets and Financial Liabilities

The REIT has not set off financial instruments and do not have relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and shareholders.

19. FAIR VALUE MEASUREMENT AND DISCLOSURE

19.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

19.2 Financial Instruments Measured at Amortized Cost for Which Fair Value is Disclosed

The REIT's financial instruments are measured at amortized cost and hence are included in Level 3, except for cash, which is considered in Level 1.

For financial assets and financial liabilities with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments approximate their fair values.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability based on the instruments where the significant inputs required to determine the fair value of such instruments are not based on observable market data.

19.3 Fair Value Measurement of Non-financial Assets

The REIT's investment properties and property and equipment amounting to P7.9 billion and P1.0 billion as of December 31, 2024, respectively, and P7.8 billion and P0.9 billion as of December 31, 2023, respectively, are classified under Level 3 of the fair value measurements hierarchy.

The fair values of the REIT's investment properties (see Note 7) and property and equipment (see Note 6) are determined on the basis of the appraisals performed by Asian Appraisal Company, Inc., an independent appraiser, with appropriate qualifications and recent experience in the valuation of similar properties.

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the REIT's investment properties and property and equipment are their current use. The appraisers used a discount rate of 8.39% in 2024 and 8.42% in 2023, and growth rate of 3.50% in 2024 and 2023 to value the REIT's investment properties.

Fair value as determined by independent appraisers are based on the income approach. Under income approach, the fair value of an asset is measured by calculating the present value of its economic benefits by discounting expected cash flows at a rate of return that compensates the risks associated with the particular investment.

The most common approach in valuing future economic benefits of a projected income stream is the discounted cash flows model. This valuation process of this model consists of the following: (a) estimation of the revenues generated; (b) estimation of the costs expenses related to the operations of the development; (c) estimation of an appropriate discount rate; and (d) discounting process using an appropriate discount rate to arrive at an indicative fair value. There has been no change in the valuation techniques used by the REIT during the period. Also, there were no transfers into or out of Level 3 fair value hierarchy.

20. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The REIT's capital management objectives are to ensure the REIT's ability to continue as a going concern.

The REIT sets the amount of capital in proportion to its overall financing structure, i.e., equity and liabilities. The REIT manages the capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The REIT's total liabilities and total equity during the reporting periods are presented in the succeeding page.

(Amounts in PHP)	**2024**	2023
Total liabilities	**580,036,452**	767,200,466
Total equity	**9,241,308,673**	9,097,943,481
Debt-to-equity ratio	**0.06:1.00**	0.08:1.00

The REIT sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The REIT manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Under REIT Act, the REIT is subject to external capital requirement to have a minimum paid-up capital of P300.0 million which was complied with as of the reporting periods presented.

21. SEGMENT REPORTING

The REIT has determined that it operates as one operating segment. The REIT's only income-generating activity is the lease of its land, right-of-use asset, buildings and generation asset which is the measure used by the Chief Operating Decision Maker in allocating resources (see Notes 7 and 10).

The REIT derives its rental income exclusively from SIPCOR and CAMPCOR, related parties under common control during the reporting periods December 31, 2024 and 2023 (see Notes 7, 10 and 13).

The disaggregation of rental income as to lessee and geographical area is also detailed in Note 10.

22. EVENTS AFTER THE END OF THE REPORTING PERIOD

On April 15, 2025, the REIT declared dividends at P0.0548 per share amounting to P180.2 million. This is payable on May 21, 2025.

These dividends are allowed to be claimed as a deduction to net taxable income in accordance with the REIT Act (see Note 12).

23. SUPPLEMENTAL INFORMATION ON NON-CASH FINANCING AND INVESTING ACTIVITIES

Presented below and in the succeeding page are the significant non-cash transactions of the REIT.

- In 2023, dividends amounting to P60.3 million were declared but remained unpaid as of December 31, 2023 and is recorded as part of Trade and Other Payables in the 2023 statement of financial position. This has been paid in 2024.

- In 2022, the REIT entered into a property-for-share swap transaction with SIPCOR and CAMPCOR. Certain parcels of land, buildings and generation assets were recognized by the REIT (see Notes 6 and 7) in exchange for its common shares (see Note 14).

- For the period March 4, 2022 to December 31, 2022, the SEC and BIR registration and filing fees amounting to P16.6 million and DST on issuance of shares amounting to P32.9 million were paid by SIPCOR on behalf of the REIT (see Notes 13 and 14).

- On May 31, 2022, the REIT recognized lease liability amounting to P6.6 million (see Note 9). The related right-of-use asset was also recognized as part of Investment Properties (see Note 7).

- On December 15, 2022, the REIT listed its common shares in the PSE. The proceeds from secondary offering amounting to P2.3 billion, net of P94.7 million initial offering expenses, were received by SIPCOR and CAMPCOR (Sponsors and assigned Disbursing Entities), as indicated in the REIT's Reinvestment Plan.

24. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding page is the supplementary information on taxes, duties and license fees paid during the taxable year which is required by the BIR under Revenue Regulations No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

(a) Output Value-added Tax (VAT)

In 2024, the REIT recognized output VAT amounting to P99,637,050 from gross sales and collected rentals, which was partially applied against unutilized input VAT [see Note 24(b)]. The net output VAT payable as of December 31, 2024 amounting to P7,711,583 is presented as VAT payable under Trade and Other Payables in the 2024 statement of financial position.

The tax base for taxable revenues is based on the REIT's gross sales and collection for the year; hence, such may not be the same as the revenues reported in the 2024 statement of comprehensive income.

The REIT recognized a deferred output VAT amounting to P78,925,758 from uncollected rental billings which formed part of Trade and Other Payables presented in the 2024 statement of financial position.

(b) Input VAT

The REIT did not have any transaction in 2024 which is subject to input VAT.

(c) Taxes on Importation

The REIT did not have any transactions which were subject to custom duties and tariff fees in 2024.

(d) Excise Tax

The REIT did not have any transaction in 2024 which is subject to excise tax.

(e) Documentary Stamp Tax (DST)

The REIT did not have any transaction in 2024 which has been subjected to DST.

(f) Taxes and Licenses

The details of taxes and licenses are broken down below.

(Amounts in PHP)

Real property taxes	7,189,595
Municipal licenses and permits	2,430,898
	9,620,493

The amounts of taxes and licenses are presented as part of Cost of Rentals and Other Operating Expenses in the 2024 statement of comprehensive income.

(g) Withholding Taxes

The REIT paid expanded withholding tax amounting to P91,080 and reported the unpaid portion amounting to P9,560 as of December 31, 2024 as part of Other payables under Trade and Other Payables in the 2024 statement of financial position. No expenses were incurred in 2024 which are subject to final withholding tax and withholding tax on compensation.

(h) Deficiency Tax Assessment and Tax Cases

The REIT did not settle any tax assessments nor does it have any tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable periods.

P&A Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenu
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The Board of Directors and Stockholders
Premiere Island Power REIT Corporation
(A Subsidiary of S.I. P0wer Corp.)
4th Starmall IT Hub CV Starr Ave.
Philamlife Pamplona Dos Las Piñas
Las Piñas City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Premiere Island Power REIT Corporation (the REIT) for the year ended December 31, 2024 and have issued our report thereon dated April 15, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). Such supplementary information is the responsibility of the REIT's management. The supplementary information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: **Renan A. Piamonte**
Partner

CPA Reg. No. 0107805
TIN 221-843-037
PTR No. 10465913, January 2, 2025, Makati City
BIR AN 08-002511-037-2022 (until October 13, 2025)
BOA/PRC Cert. of Reg. No. 0002/P-010 (until August 12, 2027)

April 15, 2025

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
List of Supplementary Information
December 31, 2024

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
Schedule B
Amounts Receivable from Directors, Officers, Employees, Related Parties
and Principal Stockholders (Other than Related Parties)
December 31, 2024
(Amounts in Philippine Pesos)

			Deductions		Ending Balance		
Name and designation of debtor	**Balance at Beginning of year**	**Additions**	**Amounts collected**	**Amounts written off**	**Current**	**Not current**	**Balance at end of year**
S.I. P0wer Corporation	P 595,220,457	P 430,261,098	P 451,957,841	P -	P 430,261,098	P -	P 573,523,714
Camotes Island Power Generation Corporation	456,104,600	348,821,330	488,948,690	-	348,821,330	-	315,977,240
	P **1,051,325,057**	P **779,082,428**	P **940,906,531**	P **-**	**P 779,082,428**	P **-**	P **889,500,954**

Note: These are presented as part of receivables account in the statements of financial position.

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
Schedule E
Indebtedness to Related Parties
December 31, 2024
(Amounts in Philippine Pesos)

Name of Related Party	Balance at Beginning of Period		Balance at End of Period	
Parent Company –				
S.I. P0wer Corporation	P	119,063,879	P	179,677,144
Related party under common ownership –				
Camotes Island Power Generation Corporation		390,827,766		142,978,254
Total indebtedness to related parties	P	**509,891,645**	**P**	**322,655,398**

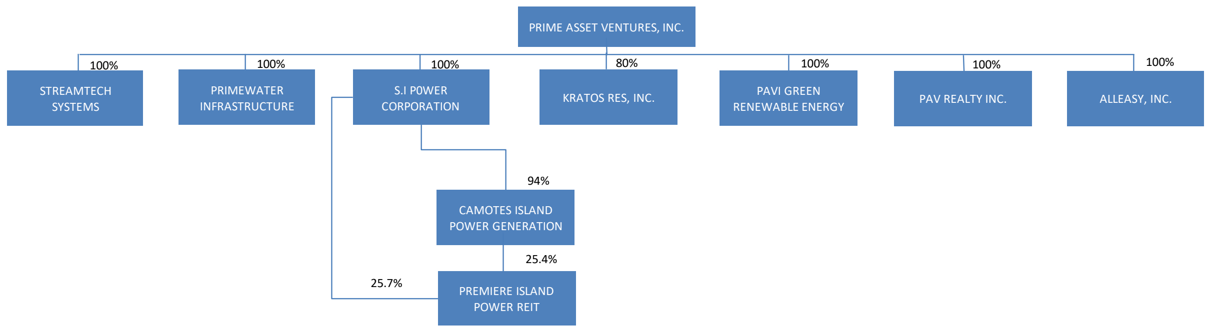
PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
Schedule G
Capital Stock
December 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown Under the Related Statement of Financial Postion Caption	Number of Shares Reserved for Options, Warrants, Coversion and Other Rights	Number of Shares Held By		
				Related Parties	Directors, Officers and Employees	Others
Common	7,500,000,000	3,288,669,000	-	1,680,433,993	870,007	1,607,365,000

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
4th Starmall IT Hub CV Starr Ave.
Philamlife Pamplona Dos Las Piñas, Las Piñas City
December 31, 2024
Reconciliation of Retained Earnings Available for Dividend Declaration

Unappropriated Retained Earnings at Beginning of Year		P 256,252,194
Effect of restatements or prior-period adjustments	-	
Others	-	-
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the year	(576,503,676)	
Effect of restatements or prior-period adjustments	-	
Transfer depreciation to retained earnings	(4,938,660)	(581,442,336)
Unappropriated Retained Earnings, as adjusted		(325,190,142)
Add: Net Income for the Current Year		656,012,081
Less: Unrealized income recognized in the profit or loss during the year (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss	-	
Unrealized fair value gain of investment property	(86,511,514)	
Unrealized income from straight-lining of rentals	(45,518,472)	(132,029,986)
Add: <u>Category C.2</u>: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain	-	
Sub-total		-
Add: <u>Category C.3</u>: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instrument at FVTPL	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Sub-total		-
Adjusted Net Income/Loss		198,791,953
Add: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment	4,938,660	
Accretion of interest on lease liability	411,551	
Sub-total		5,350,211
Add/ Less: <u>Category E</u>: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Less: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(102,888)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Sub-total		(102,888)
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		**P 204,039,276**

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
Map Showing the Relationship Between the REIT and its Related Entities
December 31, 2024



PREMIERE ISLAND POWER REIT CORPORATION

(A Subsidiary of S.I. P0wer Corp.)

Supplemental Schedule of Financial Soundness Indicators

December 31, 2024

Ratio	Formula		2024			2023
Current ratio	Total Current Assets divided by Total Current Liabilities			**2.05**		1.63
	Total Current Assets	**P**	**945,405,125**		P 1,146,173,947	
	Divide by: Total Current Liabilities		**461,729,783**		702,675,511	
	Current ratio		**2.05**		1.63	
Acid test ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities			**1.93**		1.57
	Total Current Assets	**P**	**945,405,125**		P 1,146,173,947	
	Less: Other Current Assets		**55,012,509**		42,959,052	
	Quick Assets		**890,392,616**		1,103,214,895	
	Divide by: Total Current Liabilities		**461,729,783**		702,675,511	
	Acid test ratio		**1.93**		1.57	
Solvency ratio	Total Liabilities divided by Total Assets			**0.06**		0.08
	Total Liabilities	**P**	**580,036,452**		P 767,200,466	
	Divide by: Total Assets		**9,821,345,125**		9,865,143,947	
	Solvency ratio		**0.06**		0.08	
Debt-to-equity ratio	Total Liabilities divided by Total Equity			**0.06**		0.08
	Total Liabilities	**P**	**580,036,452**		P 767,200,466	
	Divide by: Total Equity		**9,241,308,673**		9,097,943,481	
	Debt-to-equity ratio		**0.06**		0.08	
Assets-to-equity ratio	Total Assets divided by Total Equity			**1.06**		1.08
	Total Assets	**P**	**9,821,345,125**		P 9,865,143,947	
	Divide by: Total Equity		**9,241,308,673**		9,097,943,481	
	Assets-to-equity ratio		**1.06**		1.08	
Return on equity	Net Profit divided by Total Equity			**0.07**		0.08
	Net Profit	**P**	**656,012,081**		P 704,009,546	
	Divide by: Total Equity		**9,241,308,673**		9,097,943,481	
	Return on equity		**0.07**		0.08	
Return on assets	Net Profit divided by Total Assets			**0.07**		0.07
	Net Profit	**P**	**656,012,081**		P 704,009,546	
	Divide by: Total Assets		**9,821,345,125**		9,865,143,947	
	Return on assets		**0.07**		0.07	
Book value per share	Total Equity divided by Outstanding Shares			**2.81**		2.77
	Total Equity	**P**	**9,241,308,673**		P 9,097,943,481	
	Divide by: Outstanding Shares		**3,288,669,000**		3,288,669,000	
	Book value per share		**2.81**		2.77	
Earnings per share	Net Profit divided by Weighted Average Outstanding Shares			**0.20**		0.21
	Net Profit	**P**	**656,012,081**		P 704,009,546	
	Divide by: Weighted Average Outstanding Shares		**3,288,669,000**		3,288,669,000	
	Earnings per share		**0.20**		0.21	

PREMIERE ISLAND POWER REIT CORPORATION
(A Subsidiary of S.I. P0wer Corp.)
Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2024 and 2023

		2024		2023
Total Audit Fees	**P**	**425,000**	P	400,000
Non-audit service fees:				
Other assurance service		**-**		-
Tax service		**-**		-
All other service		**-**		-
Total Non-Audit Fees		**-**		-
Total Audit and Non-audit Fees	**P**	**425,000**	P	400,000