

CERTIFICATION

I, Kyla Kamille U. Samson, Controller, a duly authorized representative of **ENEX ENERGY CORP.** (the Company) with SEC registration number 094-008811 and principal office at 35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City, do hereby certify and state that:

- 1) In compliance with Securities and Exchange Commission (SEC) Memorandum Circular No. 1, series of 2025, the Company is timely filing its 2025 SEC Form 17-A by sending the same (in portable document format through email to ictdsubmission@sec.gov.ph and by uploading the same through the PSE EDGE in accordance with the relevant PSE rules and procedures.
- 2) The information contained in the December 31, 2025 SEC Form 17-A dated March 27, 2026 is true and correct to the best of my knowledge.
- 3) I am executing this certification this March 27, 2026 to attest to the truthfulness of the foregoing facts and for whatever legal purpose it may serve.


Kyla Kamille U. Samson
Controller

SEC Number: AS94008811
File Number:

ENEX ENERGY CORP.
(Company's Full Name)

35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City
(Company's Address)

+ (632) 7730-6300
(Telephone Number)

2025 December 31
(Fiscal Year ending) (month & day)

17-A
(Form Type)

Amendment Designation (If Applicable)

December 2025
(Period Ended Date)

(Secondary License Type and File Number) /

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND
SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal period ended **December 31, 2025**
2. Commission identification number **AS94008811**
3. BIR Tax Identification No. **004-500-964-000**
4. Exact name of issuer as specified in its charter **ENEX Energy Corp.**
5. Province, country or other jurisdiction of incorporation or organization **Makati City, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office **35th Floor, Ayala Triangle Gardens
Tower 2, Paseo de Roxas corner
Makati Avenue, Makati City
Postal Code: 1226**
8. Issuer's telephone number, including area code **+(632) 7730-6300**
9. Former name, former address and former fiscal year, if changed since last report **ACE Enexor, Inc.**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA
- | | |
|-------------------------------|--|
| Number of shares outstanding: | |
| Common stock | 250,000,001 shares |
| Preferred stock | 300,000,000 shares |
| Amount of debt outstanding | None registered in the Philippine SEC
and listed in PDEX/others |
11. Are any or all of the securities listed on a Stock Exchange?
Yes No
Stock Exchange : Philippine Stock Exchange
Classes of Securities Listed : 250,000,001 common stock
12. Check whether the issuer:
- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);
Yes No
- (b) has been subject to such filing requirements for the past ninety (90) days.
Yes No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form (As of December 31, 2025, Php197,224,891 equivalent to the total number of shares in the hands of the public based on the Company's Public Ownership Report, multiplied by the average price of the last trading day).

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission. **Not applicable**

Yes [] No []

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of the SEC Form 17-A into which the document is incorporated:

2025 Consolidated Financial Statements of ENEX Energy Corp. and Subsidiary
2025 Opinion on and Individual Supplementary Schedules
2025 Financial Statements of ENEX Energy Corp. (with BIR ITR Filing Reference)

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PART I BUSINESS AND GENERAL INFORMATION

Item 1. Business

BUSINESS

ENEX Energy Corp. (formerly ACE Enexor, Inc.; “**ENEX**” or the “**Company**”) is a corporation duly organized and existing under Philippine law with SEC Registration No. AS94008811 and listed with the PSE with ticker symbol “**ENEX.**” It was incorporated on 28 September 1994 and was originally known as “Trans-Asia (Karang Besar) Petroleum Corporation.”

On 28 August 2012, the Company amended its Articles of Incorporation to focus its primary purpose to engaging in the business of oil and gas exploration, development, and production and to change its name from “Trans-Asia (Karang Besar) Petroleum Corporation” to “Trans-Asia Petroleum Corporation.”

On 14 August 2014, the SEC approved the registration of shares of the Company, and on 28 August 2014, the Company listed its shares at the PSE by way of introduction.

On 31 May 2017, the SEC approved the amendment of the Company’s Articles of Incorporation to change its corporate name to “PHINMA Petroleum and Geothermal, Inc.” and to include in its primary and secondary purposes, power generation and the exploration and development of geothermal resources.

On 7 February 2019, Philippine Investment Management (“PHINMA”), Inc., PHINMA Corporation (collectively, the “**PHINMA Group**”) and AC Energy and Infrastructure Corporation (“**ACEIC**”) entered into an investment agreement for ACEIC’s acquisition of the PHINMA Group’s 51.476% stake in ACEN CORPORATION (“**ACEN**”) via a secondary share sale through the PSE.

ACEN conducted a voluntary tender offer of ENEX Common Shares from 20 May 2019 to 19 June 2019, with 3,332 ENEX public Common Shares tendered during the tender offer period at a price of ₱2.44 per Common Share. On 24 June 2019, ACEN acquired the shares of PHINMA, Inc. and PHINMA Corporation in ENEX representing 25.18% of ENEX’s total outstanding stock. The transaction increased ACEN’s direct ownership over ENEX from 50.74% to 75.92%.

On 11 November 2019, the SEC approved the change of the Company’s corporate name to “ACE Enexor, Inc.” to reflect the change in the ownership of the Company.

Thereafter on 9 November 2022, the SEC approved the change of the Company’s corporate name to “ENEX Energy Corp.” to highlight the Company’s focus on energy transition.

As of 23 March 2026, ACEN owns 75.92% of the outstanding voting shares of the Company. The immediate parent company of ACEN is ACEIC. The ultimate parent company of the Company is Mermac, Inc., which is domiciled and incorporated in the Republic of the Philippines.

Material dates

September 1994	Incorporation of the Company as Trans-Asia (Karang Besar) Petroleum Corporation
November 2012	SEC approves the increase of capital and restructuring of ENEX.
November 2012	Palawan55 Exploration and Production Corporation (“ Palawan55 ”), a subsidiary of ENEX and ACEN, is incorporated.
December 2012	ENEX and ACEN sign a Memorandum of Agreement and Deeds of Assignment for the transfer of SC 6 (Block A and B), SC 51 and SC 69; Palawan55 and ACEN sign a Memorandum of Agreement and Deed of Assignment for the transfer of SC 55.

February 2013	ACEN requests the Department of Energy's ("DOE") approval of the assignment contracts.
23 April 2013	The DOE approves the assignment of the entire participating interests of ACEN in: 1) SC 6 Block A, SC 6 Block B, SC51 and SC69 to ENEX, and 2) SC 55 to Palawan55.
14 August 2014	The SEC approves the registration of shares of ENEX
28 August 2014	ENEX lists its shares at the PSE by way of introduction
31 May 2017	SEC approves the amendment of the Company's Articles of Incorporation and By-Laws to change its name from Trans-Asia Petroleum Corporation to PHINMA Petroleum and Geothermal, Inc. to reflect the Company's entry into the exploration and development of geothermal resources business line and to further enhance the Company's identity as part of the PHINMA Group of Companies.
24 June 2019	ACEN purchases the combined 25.18% stake of PHINMA, Inc. (30,481,111 shares) and PHINMA Corp. (32,481,317 shares) in the Company.
9 August 2019	Palawan55 notifies the DOE of the entry of the SC 55 consortium (which Palawan55 is a part of) into the Appraisal Period of SC 55 effective 26 August 2019.
11 November 2019	SEC approves the amendment of the Company's Articles of Incorporation and By-Laws to change its name from PHINMA Petroleum and Geothermal, Inc. to ACE Enexor, Inc.
18 February 2020	Palawan55 receives the approval of the DOE of the assignment by Century Red, Pte. Ltd. ("Century Red") of its 37.5% interest in SC 55 to Palawan55. Palawan55 now holds a 75% interest in SC 55, with Pryce Gases, Inc. holding the remaining 25%. Palawan55 is the Operator of SC 55.
14 April 2020	Palawan55 receives a letter from the DOE confirming the entry of SC 55 into the Appraisal Period effective 26 April 2020.
27 August 2020	Palawan55 receives a letter from the DOE approving SC 55's Appraisal Period Work Program and Budget with the firm amount of US\$1,702,020.00.
27 January 2021	The Company withdraws from the SC 6 Consortium. The Company holds 7.78% participating interests in SC 6 Block A, located in offshore North Palawan. SC 6 does not have any commercial operations.
14 May 2021	Palawan55 receives a letter from the DOE dated 11 May 2021, approving its request to place SC 55 under Force Majeure for a period of one (1) year. The letter also states that the timeline of the SC 55 Appraisal Period will be adjusted accordingly, and the end of the period will be adjusted by the same amount of time that SC 55 was on Force Majeure.
	Palawan55 submits to the DOE for approval the CINCO-1 Drilling Proposal in compliance with its work commitment under the first two years of the Appraisal Period

19 November 2021	The Company, Buendia Christiana Holdings Corp. (“ BCHC ”), Red Holdings B.V. (“ Gen X Energy ”), Batangas Clean Energy, Inc. (“ BCEI ”) and Gen X Energy L.P. enters into an Investment Agreement, pursuant to which the Company would acquire a 50% interest in BCEI, which is developing a 1,100MW combined cycle power plant that will be able to use natural gas and/or green hydrogen as its fuel to provide firm power to the grid to meet the country’s growing energy demand.
29 December 2021	ENEX and ACEN sign the Deed of Assignment wherein ENEX will issue 339,076,058 shares of stock in the Company to ACEN at an issue price of Php10.00 per share in exchange for the following properties of ACEN (the “ TFE Assets ”): (a) 3,064,900 common shares in Palawan55 Exploration & Production Corporation (“ Palawan55 ”) with a par value of Php100.00 per share, comprising 30.65% of the issued and outstanding shares in Palawan55; (b) 6,000,000 common shares in Bulacan Power Generation Corporation (“ BPGC ”) representing 100% of the issued and outstanding shares in BPGC; (c) 6,351,000 common shares in CIP II Power Corporation (“ CIPP ”) with a par value of Php50.00 per share representing 100% of the issued and outstanding shares in CIPP; (d) 3,600,000 redeemable preferred shares in Ingrid3 Power Corp., (“ Ingrid3 ”), a special purpose vehicle for the development of a new power project, with a par value of Php1.00 per share, representing 100% of the issued and outstanding redeemable preferred shares in Ingrid 3; and (e) 33,493,366 common shares in One Subic Power Generation Corporation (“ OSPGC ”) with a par value of Php1.00 per share representing 17.13% of the issued and outstanding shares in OSPGC (the “ TFE ”).
3 June 2022	The Company cancels the Deed of Assignment for the TFE.
9 November 2022	SEC approves the change of the Company’s corporate name to “ENEX Energy Corp.” to highlight the Company’s focus on energy transition.
27 June 2023	<p>The DOE granted the request of Palawan55 for Force Majeure relief due to the operational and financial risks associated with conducting drilling operations in SC 55 contract area in the West Philippine Sea.</p> <p>Pursuant to Section 26.01 of SC 55, the DOE found basis to place SC 55 under Force Majeure from 6 December 2022 until such time that a clearance to proceed with exploration activities in the West Philippine Sea has been issued by the National Government.</p>
1 December 2023	The DOE granted the request of Palawan55 to extend the deadline to drill a well under SC 55 by a period of 18 months. Given that SC 55 is currently still on force majeure, Palawan55 shall have a total of twenty-three (23) months (the five [5] months remaining plus the 18-month extension) from the lifting of force majeure to drill the committed well.
30 April 2024	ENEX and ACEN sign a Subscription Contract for the subscription by ACEN to 30,000,000 non-voting Preferred Shares at a par value of Php1.00 per non-voting Preferred Share of ENEX, for a total subscription price of Php30,000,000.00, to be issued upon the SEC’s approval of the increase in the authorized capital stock (“ ACS ”) of the Company and the creation of the non-voting Preferred Shares.
2 July 2024	<p>The Company signs the following:</p> <ol style="list-style-type: none"> 1. Company’s conformity to the Deed of Assignment of Advances between ACEN and ACEN International, Inc. (“ACEN International”) for the assignment in favor of ACEN of ACEN International’s advances to the Company in the amount of Php6,271,153.21, inclusive of interest (the “Assigned Receivables”).

2. Deed of Assignment of Advances between ACEN and the Company for the assignment of (a) the Assigned Receivables and (b) the shareholder advances due to ACEN in the amount of Php171,272,858.00 (the “Direct Receivables”), or in the aggregate amount of Php177,544,011.21 (the Assigned Receivables and the Direct Receivables are referred to collectively as the “Advances”), in exchange and as ACEN’s full payment for 177,544,011 non-voting Preferred Shares with a par value of Php1.00 per non-voting Preferred Share or a total par value of up to Php177,544,011.00, to be issued upon the SEC’s approval of the increase in ACS of the Company and the creation of the non-voting Preferred Shares.

3. Subscription Agreement between ACEN and the Company for the subscription by ACEN to 177,544,011 non-voting Preferred Shares at a par value of Php1.00 per non-voting Preferred Share of the Company, to be issued upon the SEC’s approval of the increase in ACS of ENEX and the creation of the non-voting Preferred Shares, for a total subscription price of Php177,544,011.00, to be paid out of the assignment of the Advances via the Deed of Assignment of Advances between ACEN and the Company.

31 December 2025 SC 55 remains under Force Majeure, as declared by the DOE on 27 June 2023.

Petroleum Exploration and Production

The Company’s primary purpose is the exploration of crude oil and natural gas through holding in a resource development company with interest in a petroleum contract.

Crude oil, natural gas and coal are fossil fuels that are derived from organic material deposited and buried in the earth’s crust millions of years ago.

Petroleum exploration involves the search for commercially exploitable subsurface deposits of oil and gas through geological, geophysical and drilling techniques. A petroleum discovery is made when significant amounts of oil and/or gas are encountered in a well and are flowed to the surface. Following a discovery, additional wells (called appraisal or delineation wells) are drilled to determine whether the petroleum accumulation could be economically extracted or not. If the results are positive, the oil or gas field is developed by drilling production wells, and installing the necessary production facilities such as wellheads, platforms, separators, storage tanks, pipelines and others.

Crude oil is usually sold at market price in its natural state at the wellhead after removal of water and sediments, if any. Depending on the location of the oil field, the oil produced may be transported via offshore tankers and/or pipeline to the refinery. On the other hand, natural gas may be flared, reinjected to the reservoir for pressure maintenance, or sold, depending on the volume of reserves and other considerations. Natural gas is commonly transported by pipeline. However, if the deposit is very large and the market is overseas, the gas may be transformed into liquefied natural gas and transported using specialized tankers.

As the project is in the exploratory stage, the Company derives no revenues from petroleum production. At this time, the Company believes the project is sufficient given its resources and risk tolerance.

Domestic Petroleum Exploration and Production

Petroleum exploration in the Philippines dates back to 1896 with the drilling of Toledo1 in Cebu Island by Smith & Bell. Exploration activities increased from the 1950s to 1970s, under Republic Act No. 387 (the “Petroleum Act of 1949”), which ushered in the era of the concession system.

The current Service Contract system was introduced in 1973 with the enactment of Presidential Decree No. 87 (the “Oil Exploration and Development Act of 1972”). Under the Service Contract system, the service contractor undertakes to perform all petroleum operations in the contract area and provide all necessary services, technology and financing for such operations at its sole cost and risk. In consideration for its performance of its obligations as a service contractor, the contractor is entitled to a share in petroleum revenues in the event of commercial production.

The extensive exploration program in the 1970s resulted in several oil and gas discoveries in the West Palawan basins. Nido1 well, drilled by Philippine Cities Service in 1976, was the first oil discovery in the Northwest Palawan basin. Several small fields, all located in offshore Northwest Palawan, were subsequently developed and produced.

In 1989, relatively large deposits were discovered in the deep waters off Palawan. Occidental Petroleum discovered the Camago gas field. In 1990, Shell discovered the extension of the Camago deposit and the combined accumulation became known as the Malampaya gas field, the largest natural gas find in the country to date. The Malampaya gas field commenced production in late 2002, providing fuel for 2,700 MW of gas fired power generation facilities in the Luzon grid.

As of August 2020, the DOE, in its Philippine Energy Plan 2020-2040, published a combined potential of 4,777 MMBOE of oil and gas reserves from 16 sedimentary basins.

Under *Presidential Decree No. 87*, petroleum service contractors are entitled to the following incentives:

- Service fee of up to 40% of net production
- Cost reimbursement of up to 70% gross production with carry forward of unrecovered costs
- Filipino Participation Incentive Allowance of up to 7.5% of the gross proceeds for SC with minimum Filipino participation of 15%
- Exemption from all taxes except income tax
- Income tax obligation paid out of government's share
- Exemption from all taxes and duties for importation of materials and equipment for petroleum operations
- Easy repatriation of investments and profits
- Free market determination of crude oil prices, i.e., prices realized in a transaction between independent persons dealing at arm's length
- Special income tax of 8% of gross Philippine income for subcontractors
- Special income tax of 15% of Philippine income for foreign employees of service contractors and subcontractors

As of 31 December 2025, there are 19* active petroleum service contracts in the Philippines:

No.	PSC NO.	Operator	Location	Area (hectares)
1	37	PNOC – Exploration Corporation	Cagayan	36,000
2	38	Prime Energy Resources Development B.V.	NW Palawan	83,000
3	40	Forum Exploration, Inc.	Visayas	340,000
4	53	The Philodroll Corporation	Mindoro-Cuyo	724,000
5	54	Nido Petroleum Philippines Pty. Ltd	NW Palawan	43,515
6	55	Palawan55 Exploration and Production Corporation	Southwest (“SW”) Palawan	988,000
7	57	PNOC – Exploration Corporation	NW Palawan	712,000
8	58	Nido Petroleum Philippines Pty. Ltd	NW Palawan	1,344,000
9	59	PNOC – Exploration Corporation	SW Palawan	1,476,000
10	72	Forum (GSEC101) Ltd.	Reed Bank	880,000
11	75	PXP Energy Corporation	NW Palawan	616,000
12	76	Ratio Petroleum Limited	East Palawan	648,000
13	79	PNOC – Exploration Corporation	East Palawan	932,000
14	80	Triangle Energy (Global) Limited, Sunda Energy Plc, PXP Energy Corporation, and The Philodroll Corporation	Sulu Sea Basin	780,000
15	81	Triangle Energy (Global) Limited, Sunda Energy Plc, PXP Energy Corporation, and The Philodroll Corporation	Sulu Sea Basin	532,000
16	82	Triangle Energy (Global) Limited	Cagayan Basin	480,000

No.	PSC NO.	Operator	Location	Area (hectares)
17	85	Gas 2 Grid Pte. Ltd.	Cebu	127,475
18	86	The Philodrill Corporation, Anglo Philippine Holdings Corporation, PXP Energy Corporation, and Forum Energy Philippines Corporation	NW Palawan Basin	132,000
19	87	Ratio Petroleum Ltd.	East Palawan Basin	Data unavailable

* Source: *Petroleum Resources Development Division, Department of Energy*

Competition

While competition for market of petroleum does not have a significant bearing in the operations of the Company, competition occurs on two fronts: (1) petroleum acreage and (2) investment capital.

The DOE awards petroleum contracts to technically and financially capable companies through competitive bidding. Thus, the Company competes with foreign firms and local exploration companies, such as Philippine National Oil Company Exploration Corporation (“PNOC Exploration Corporation”), and the Philodrill Corporation, for acquisition of prospective blocks.

While there is competition in the acquisition of exploration rights, the huge financial commitments associated therewith also provide opportunities for partnership, especially between local and foreign companies. Under a service contract, a substantial financial incentive is given to consortia with at least 15% aggregate Filipino equity. As a result, foreign firms invite local exploration companies in joint ventures to take advantage of said benefit and vice versa. ENEX and other listed companies also compete for risk capital in the securities market. This may be in the form of initial public offerings, rights offerings, upward change in capitalization, and other vehicles. These domestic companies may also seek full or partial funding of projects from foreign companies through farm out of interest, i.e., dilution of equity in exchange for payment of certain financial obligations.

Foreign Sales

The Company does not have any foreign sales.

Bankruptcy, Receivership or Similar Proceedings, Reclassification, Merger or Purchase or Sale of Assets

Neither the Company nor its subsidiaries or affiliates are under any actual or potential bankruptcy, receivership or similar proceedings. Nor has the Company had any material reclassification, merger, consolidation, or purchase or sale of any significant amount of assets not in the ordinary course of business.

Suppliers and Customers

The Company’s exploration business is not dependent on a single supplier nor on a single customer. Since the Company is not yet in operations, it does not have any principal suppliers and sources of raw materials.

Research and Development

The Company incurs minimal expenses for research and development activities, which do not amount to a significant percentage of its exploration costs.

REGULATORY FRAMEWORK

The Company's petroleum business is subject to the following laws, rules and regulations:

Section 2, Article XII of the 1987 Constitution

This constitutional provision reserves ownership to the State and declares non-alienable all lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces of potential energy, fisheries, forests or timber, wildlife, flora and fauna, and other natural resources.

The State has full control of exploration, development, and utilization of natural resources but may enter into co-production, joint venture, or production-sharing agreements with Filipinos, or corporations or associations which are at least 60% owned by Filipinos, and only for a period of 25 years, renewable for another 25 years.

The President of the Philippines may enter into agreements with foreign-owned corporations involving either technical or financial assistance for large-scale exploration, development, and utilization of minerals, petroleum, and other mineral oils according to the general terms and conditions provided by law. The President shall notify the Congress of every contract entered into in accordance with this provision, within thirty (30) days from its execution.

Presidential Decree (P.D.) No. 87, as amended, or The Oil Exploration and Development Act of 1972

P.D. 87, as amended, or "The Oil Exploration and Development Act of 1972" declares that the State should accelerate the discovery and production of indigenous petroleum through utilization of government and/or private resources, local and foreign, under arrangements calculated to yield maximum benefit to the Filipino people and revenues to the Philippine government, and to assure just returns to participating private enterprises, particularly those that will provide services, financing, and technology, and fully assume all exploration risks. The government may undertake petroleum exploration and production by itself or may indirectly undertake the same through Service Contracts. Under a service contract, service and technology are furnished by a contractor for which it would be entitled to a service fee of up to 40% of net production proceeds. Where the Government is unable to finance petroleum exploration or in order to induce the contractor to exert maximum efforts to discover and produce petroleum, the service contract would stipulate that, if the contractor furnishes service, technology and financing, the proceeds of the sale of the petroleum produced under the service contract would be the source of payment of the service fee and the operating expenses due the contractor. Operating expenses are deductible up to 70% of gross production proceeds. If, in any year, the operating expenses exceed 70% of gross proceeds from production, the unrecovered expenses may be recovered from the operations of succeeding years. Intangible exploration costs may be reimbursed in full, while tangible exploration costs (such as capital expenditures and other recoverable capital assets) are to be depreciated for a period of five (5) or ten (10) years. Any interest or other consideration paid for any financing approved by the Government for petroleum development and production would be reimbursed to the extent of two-thirds of the amount, except interest on loans or indebtedness incurred to finance petroleum exploration.

Aside from reimbursement of its operating expenses, a contractor with at least 15% Filipino participation is allowed to recover a Filipino participation incentive allowance equivalent to a maximum of 7.5% of the gross proceeds from the crude oil produced in the contract area. Incentives to service contractors include (i) exemption from all taxes, except income tax, which is paid out of Government's share, (ii) exemption from all taxes and duties on importation of machinery, equipment, spare parts, and materials for petroleum operations, (iii) repatriation of investments and profits, and (iv) free market determination of crude oil prices. Finally, a subcontractor is subject to special income tax rate of 8% of gross Philippine income while foreign employees of the service contractor and the subcontractor are subject to a special tax rate of 15% on their Philippine income.

A service contract has a maximum exploration period of ten (10) years and a maximum development and production period of 40 years. Signature bonus, discovery bonus, production bonus, development allowance and training allowance are payable to the Government. Other pertinent laws and issuances include P.D. 1857, a law amending certain sections of P.D. 87, as amended, offering improved fiscal and contractual terms to service contractors with special reference to deep water oil exploration; *DOE Circular No. 2009040004*, a circular that establishes the procedures for the Philippine Contracting Rounds; *DOE Circular No. 200305006*, a circular that provides the guidelines to the financial and technical capabilities of a viable petroleum exploration and production company;

Executive Order (EO) No. 66 issued in 2002 which designated the DOE as the lead government agency in developing the natural gas industry; and *DOE Circular 200208005*, a circular setting the interim rules and regulations governing the transmission, distribution and supply of natural gas; and DOE Department Circular No DC2017-12-007, adopting the Philippine Conventional Contracting Program (PCECP) of Awarding Petroleum Services Contracts, providing for two modes of awarding of Petroleum Service Contracts: (1) via applicant's nomination and publication with a mechanism for a Swiss challenge by any interested party; (2) and DOE's offering of pre-determined areas through the Review and Evaluation Committee, awarded via competitive bidding.

Presidential Decree No. 1857

Presidential Decree No. 1857 amended PD No. 87 and is applicable to deepwater Service Contracts such as SC 55. It was enacted to provide for a new set of incentives to revitalize interest and encourage more drilling activity in the country, particularly to deepwater oil exploration. PD 1857 allows the parties to a deepwater Contract to extend the exploration period for five years on top of the 10-year exploration period under PD No. 87.

Deepwater Contracts are defined as a Service Contract where at least 85% of the total contract area are in water depths beyond 200 meters.

Moreover, PD 1857 provides that if the deepwater contract or contract for deepwater well remains in force for production purpose, the extension period not exceeding five years shall be credited as part of the initial 25 years production term.

Republic Act (R.A.) No. 8371 or The Indigenous Peoples' Rights Act of 1997

R.A. 8371 or "The Indigenous Peoples' Rights Act of 1997" (IPRA) requires the free and prior informed consent (FPIC) of indigenous peoples (IP) who will be affected by resource exploration and extraction activities. Under the IPRA, IPs are granted certain preferential rights to their ancestral domains and all resources found therein. Ancestral domains are defined as areas generally belonging to IPs, subject to property rights within ancestral domains already existing or vested upon the effectivity of the IPRA, comprising lands, inland waters, coastal areas, and natural resources, held under a claim of ownership, occupied or possessed by IPs themselves or through their ancestors, communally or individually, since time immemorial, continuously to the present, except when interrupted by war, force majeure or displacement by force, deceit, stealth, or as a consequence of government projects or any voluntary dealings entered into by the Government and private persons, and which are necessary to ensure their economic, social and cultural welfare.

Under the IPRA, no concession, license, lease or agreement shall be issued by any government agency without the certification precondition (CP) from the National Commission on Indigenous People (NCIP). The CP states that the FPIC has been obtained from the concerned IPs. For areas not occupied by IPs, a certificate of non-overlap is issued instead by the NCIP. For areas occupied by IPs, the applicant and representatives from the NCIP will conduct consultations and consensus building to obtain the consent of IPs. The FPIC is manifested through a memorandum of agreement with IPs, traditionally represented by their elders. The CP is then issued by the NCIP stating that the FPIC has been obtained from the IPs concerned.

R. A. 8749 or The Philippine Clean Air Act of 1999

R.A. 8749 or "The Philippine Clean Air Act of 1999" is a comprehensive air quality management program which aims to achieve and maintain healthy air for all Filipinos. Under this, the Department of Environment and Natural Resources (DENR) is mandated to formulate a national program on how to prevent, manage, control, and reverse air pollution using regulatory and market based instruments, and setup a mechanism for the proper identification and indemnification of victims of any damage or injury resulting from the adverse environmental impact of any project, activity or undertaking. To implement this law, the Government is promoting energy security through policies on energy independence, sustainability, and efficiency. These involve:

- (1) increasing oil and gas exploration;
- (2) strengthening of the PNOC to spearhead the development of indigenous energy resources and building global partnerships and collaborative undertakings;

- (3) pursuing the development of renewable energy such as geothermal, wind, solar, hydropower, and biomass, and the vigorous utilization of the cleaner development mechanism and the emerging carbon market;
- (4) expanding the use of natural gas; and
- (5) adopting energy efficiency promotion strategies.

In support of this legislation, ENEX is participating in oil and gas exploration and development of renewable energy sources.

The Philippine Environmental Impact Statement System

Projects relating to resource exploration and extraction are required to comply with the Philippine Environmental Impact Statement (EIS) System. The EIS System was established by virtue of P.D. 1586 entitled “Establishing An Environmental Impact Statement System, Including Other Environmental Management Related Measures And For Other Purposes”, issued in 1978. The EIS System requires all government agencies; government owned or controlled corporations and private companies to prepare an Environmental Impact Assessment (EIA) for any project or activity that affects the quality of the environment. An EIA is a process that involves evaluating and predicting the likely impacts of a project (including cumulative impacts) on the environment and includes designing appropriate preventive, mitigating and enhancement measures to protect the environment and the community’s welfare. An entity that complies with the EIS System is issued an Environmental Compliance Certificate (“ECC”), which is a document certifying that, based on the representations of the project proponent, the proposed project or undertaking will not cause significant negative environmental impacts and that the project proponent has complied with all the requirements of the EIS System.

To strengthen the implementation of the EIS System, the Office of the President of the Philippines issued Administrative Order (A.O.) No. 42 in 2002, providing the streamlining of the ECC application processing and approval procedures. Pursuant to A.O. 42, the DENR promulgated DENR AO No. 200330, also known as the Implementing Rules and Regulations (IRR) for the Philippine EIS System, in 2003.

Under the IRR, only projects that pose potential significant impact to the environment would be required to secure ECCs. In determining the scope of the EIS System, two factors are considered, namely: (i) the nature of the project and its potential to cause significant negative environmental impacts, and (ii) the sensitivity or vulnerability of environmental resources in the project area.

Specifically, the criteria used to determine projects covered by the EIS System are as follows:

- a. Characteristics of the project or undertaking
 - i. size of the project;
 - ii. cumulative nature of impacts compared to other projects;
 - iii. use of natural resources;
 - iv. generation of wastes and environment related nuisance; and
 - v. environment related hazards and risk of accidents.
- b. Location of the project
 - i. vulnerability of the project area to disturbances due to its ecological importance, endangered, or protected status;
 - ii. conformity of the proposed project to existing land use, based on approved zoning or on national laws and regulations; and
 - iii. relative abundance, quality and regenerative capacity of natural resources in the area, including the impact absorptive capacity of the environment.
- c. Nature of the potential impact
 - i. geographic extent of the impact and size of affected population;
 - ii. magnitude and complexity of the impact; and
 - iii. likelihood, duration, frequency, and reversibility of the impact.

The ECC of a project not implemented within five (5) years from its date of issuance is deemed expired. The proponent must reapply for a new ECC if it intends to still pursue the project. The reckoning date of project implementation is the date of ground-breaking, as stated on the proponent's work plan submitted to the Environmental Management Bureau (EMB).

Petroleum service contractors are mandated to comply with all environmental laws and rules and regulations in all phases of exploration and production operations. ECCs or certificates of no coverage, if applicable, are obtained from the EMB of the DENR, in coordination with the DOE.

The exploration, production and sale of oil are subject to extensive national and local laws and regulations. The Company and its subsidiaries may incur substantial expenditures to comply with these laws and regulations, which may include permitting costs, adoption and implementation of antipollution equipment, methods and procedures, and payment of taxes and royalties.

Under these laws, the Company could be subject to claims for personal injury or property damages, including damages to natural resources, which may result from the Company's operations. Failure to comply with these laws may also result in the suspension or termination of the Company's operations and subject it to administrative, civil and criminal penalties. Moreover, these laws could be modified or reinterpreted in ways that substantially increase the Company's costs of compliance. Any such liabilities, penalties, suspensions, terminations or regulatory changes could have a material adverse effect on the Company's financial condition and results of operations.

Philippine Natural Gas Industry Development Act

Republic Act No. 12120, the Philippine Natural Gas Industry Development Act, passed on January 8, 2025, promotes "natural gas as a safe, efficient, and cost-effective source of energy and an indispensable contributor to energy security".

The Act provides a framework for the development of the Philippine Downstream Natural Gas Industry, and its transition from an emerging industry into a mature industry within a competitive natural gas market. It also defines the responsibilities of various government agencies and private entities in furtherance of this national goal.

Under this Act, power produced from indigenous natural gas shall have priority over other conventional energy sources. Such prioritization shall cover indigenous natural gas supply power supply contracting, including mechanisms for minimum supply requirements.

The Act also mandates the DOE to establish mechanisms for the optimal and full utilization of indigenous natural gas in the generation, transmission, distribution, and supply of power, subject to standards and limitations consistent with the state's policy of ensuring energy security and consumer welfare. Pursuant thereto, the DOE shall formulate mechanisms that shall prescribe a mandated minimum percentage of the electricity demand of generation companies and/or distribution utilities to be sourced from indigenous natural gas. Such minimum percentage shall be reviewed and adjusted by the DOE as may be necessary.

The Implementing Rules and Regulations for this Act was promulgated by the DOE six (6) months after its effectivity date in January 2025.

Real Property Valuation and Assessment Reform Act (RPVARA)

Republic Act No. 12001, the RPVARA, passed on June 13, 2024, aims for the establishment and maintenance of Philippine Valuation Standards to govern the valuation of real property in the country, whereby market value shall be adopted as the single real property valuation base for the assessment of real property-related taxes in the country, and the valuation of real property for transactions by all government agencies.

The Bureau of Local Government Finance (BLGF) of the Department of Finance shall be the primary agency to lead the implementation of this Act, and it shall be reorganized to include a Real Property Valuation Service. The BLGF shall work with its regional bureaus to ensure that all local government units (LGUs) throughout the country shall prepare Schedules of Market Values for the different classes of real property within their respective LGUs.

Statement of Active Business Pursuit

Under a service contract, a private enterprise that seeks to develop domestic oil and gas resources is deemed as a contractor that must provide all required services, technology and financing, and assume all exploration risks. In the event of commercial production, the service contractor is paid a stipulated service fee, in addition to reimbursement of validated investments.

Oil and gas exploration and production is a high-risk business. The worldwide commercial success rate is three percent (3%), *i.e.*, only one out of 30 exploratory wells results in a commercial discovery. It is also capital-intensive. Pre-drill geological and geophysical studies may run up to a few millions of dollars. The cost of a single offshore exploratory well could exceed U.S.\$30 million, whereas field development costs could reach hundreds of millions of dollars. To manage exploration risks, oil exploration firms usually form consortia or joint ventures.

The Company is at present a co-contractor, through Palawan55, in one Service Contract (“SC” or “Service Contract”) with the Philippine government. A Service Contract grants the contractor the exclusive right to explore, develop and produce petroleum resources within the contract area. In the event of commercial production, the Government and the contractor share in the profit. Service Contracts grant the contractor an exploration period of seven (7) years, which may be extended for a limited number of years. If the reserves found are deemed commercial, the Service Contract allows a production period of twenty-five (25) years, which may be extended.

Subject to results of technical and risk economic studies prior to exploratory drilling, the Company may farm out or dilute its interest in exchange for financial consideration and/or non-payment of its pro-rata share of forward exploration drilling costs. If a petroleum discovery is made, the Company will fund its share of appraisal drilling and economic studies. Upon delineation of a commercial discovery, financing for up to 70% of field development costs is available in the international market.

In 2018, Palawan55 conducted a 3D Marine PreSTM and PreSDM Seismic Reprocessing and Quantitative Inversion Study of 1,000 sq. km. of 3D seismic data. This study yielded significant improvements in the imaging of primary prospects and the complex and deeper geological structures in the block.

From 2019 to 2020, Palawan55 conducted a Quantitative Interpretation Study, which identified and delineated potential gas-bearing zones in SC 55.

Following the completion of the above studies, Palawan55 conducted seismic interpretation and mapping. The integration of quantitative inversion results further improved the resource evaluation of the mapped leads and prospects in the area. Moreover, the results of this evaluation served as input to preliminary well design and cost estimates.

In 2020, Palawan55 engaged a third party to undertake an independent resource assessment of the block. The Competent Person’s Report concluded that: (1) the technical work done on Cinco is sufficiently well-defined to make it a viable drilling target; (2) Cinco Gas Initially in Place is 2.8 Tcf (2U) with corresponding Unit Technical Cost of

\$19.25/boe or \$3.20/mmbtu; and (3) base case recoverable gas volume in Cinco meets benchmarks for FLNG development.

In 2021, as part of the preparatory work for the drilling of Cinco, Palawan55 carried out the following studies with their respective results:

- Results of the Pore Pressure Prediction Study: (1) There is no overpressured zone noted on top of the identified drilling target; and (2) the “pre-Nido” section is potentially over-pressured, thus a revision in total depth is imperative leading to adjustment of the drilling design.
- Shallow Geohazard and Qualitative Slope Stability Assessment: (1) The proposed well location is situated in a relatively stable sector; (2) the original proposed drilling coordinates need no changing; (3) there is no major drilling problem anticipated in top hole section above the Nido target; and (4) there is no need to conduct a separate site survey for drilling.

In 2022, Palawan55 completed the specialized pre- drill geological, geophysical studies and well planning in SC 55. The DOE approved the Consortium’s CINCO-1 Drilling Proposal, Oil Spill Contingency Plan, and Health, Safety and Environmental Management Plan.

The Palawan Council for Sustainable Development (PCSD) has approved the transfer of SC 55 Strategic Environment Plan (SEP) Clearance from the former SC 55 Operator, BHP Billiton to the current Operator, Palawan 55.

The SC 55 Consortium requested DOE to declare Force Majeure on the commitment to drill one (1) deepwater well by April 2023 due to the geopolitical issues in the West Philippine Sea and in light of legal and regulatory developments in the upstream industry. The Consortium is awaiting DOE’s unequivocal assurance that the government would protect and defend the planned drilling operations in SC 55 in light of the ongoing maritime disputes in the West Philippine Sea. Moreover, the Consortium invoked a legal uncertainty due to the DOE Secretary’s declaration, invoking the Supreme Court ruling in *Resident Marine Mammals of the Protected Seascape Tañon Strait v. Angelo Reyes, et al.* (G.R. No. 180771 & 181527, 21 April 2015), that requires that the President be the signatory of service agreements involving the exploration, development, and utilization of our minerals, petroleum, and other mineral oils, and that DOE will consult with private service contractors on whether they will be amenable to re-submission of their service contracts, and that “the validity of the service contracts not personally signed by the President of the country had been wobbled because of the JAPEX case.”

ENEX has also carried out project development work for the proposed BCEI 1100-MW gas-fired power plant.

In 2023, the DOE granted the request of Palawan55 for Force Majeure relief due to the operational and financial risks associated with conducting drilling operations in SC 55 contract area in the West Philippine Sea.

Pursuant to Section 26.01 of SC 55, the DOE found basis to place SC 55 under Force Majeure from 6 December 2022 until such time that a clearance to proceed with exploration activities in the West Philippine Sea has been issued by the National Government.

Thereafter, the DOE granted the request of Palawan55 to extend the deadline to drill a well under SC 55 by a period of 18 months. Given that SC 55 is currently still on force majeure, Palawan55 shall have a total of twenty-three (23) months (the five [5] months remaining plus the 18-month extension) from the lifting of force majeure to drill the committed well.

Interests in Petroleum Contracts

The following describes the Company’s interest in various petroleum contracts. This includes a discussion of the status of the exploration projects and estimated investment requirements for each participative interest.

ENEX has the right to actively participate in the exploration for and/or extraction of natural resources within the Service Contract through adequate rights which give the Company sufficient influence in decisions over the said exploration for and/or extraction of natural resources. Under the SC, the Company as the Contractor is the exclusive party to conduct petroleum operations in the covered Contract Area.

The Company, as a Contractor, is solidarily liable with other Contractors to the Philippine Government to perform the obligations under the SCs. The Philippine Government may require the performance of any or all obligations under the SCs by any or all of the Contractors. As a Contractor, the Company has the right and obligation to participate actively in the exploration, development, and production of petroleum resources within the contract area. The SCs provide for minimum work commitments and minimum exploration expenditures which must be complied with by any or all of the Contractors. ENEX's obligations under the Service Contract include delineation and operation of Production Area, preparation of the annual Work Program and budget to carry out Petroleum Operations, including exploration, development and production, and, determination of commerciality of Crude Oil or Natural Gas discoveries. ENEX's rights under the SC include, among others, the right to export and sell its share of petroleum production in the open market, subject to the obligation to supply a portion of domestic petroleum requirements.

A summary of the existing projects and the Service Contracts where ENEX has participating interests in as of 28 February 2026 are as follows:

Contract	Location	Interest	Issue Date	Commercial Terms	Partners	Work Program 2025
SC55 (through subsidiary Palawan 55)	Offshore West Palawan	75%	5 August 2005	A, B	Pryce Gases, Inc. Operator: Palawan55	<p>The DOE approved SC 55's entry into the Appraisal Period from 26 April 2020 to 26 April 2025.</p> <p>The Consortium completed 3D Seismic Data Reprocessing, Quantitative Interpretation Studies and Resource Assessment of the block.</p> <p>In 2022, Palawan55 has completed the specialized pre- drill geological, geophysical studies and well planning in SC 55.</p> <p>The Department of Energy has approved the Consortium's CINCO-1 Drilling Proposal, Oil Spill Contingency Plan, and Health, Safety and Environmental Management Plan on 04 March 2022.</p> <p>On 5 December 2022, the SC 55 Consortium requested from the DOE a declaration of Force Majeure on the commitment to drill one (1) deepwater well by</p>

Contract	Location	Interest	Issue Date	Commercial Terms	Partners	Work Program 2025
						<p>April 2023 due to the geopolitical issues in the West Philippine Sea and recent regulatory developments in the upstream industry.</p> <p>In 2023, the DOE granted the request of Palawan55 for Force Majeure relief due to the operational and financial risks associated with conducting drilling operations in the SC 55 contract area in the West Philippine Sea.</p> <p>Pursuant to Section 26.01 of SC 55, the DOE found basis to place SC 55 under Force Majeure from 6 December 2022 until such time that a clearance to proceed with exploration activities in the West Philippine Sea has been issued by the National Government.</p> <p>Thereafter, the DOE granted the request of Palawan55 to extend the deadline to drill a well under SC 55 by a period of eighteen (18) months. Given that SC 55 is currently still on Force Majeure, Palawan55 shall have a total of twenty-three (23) months (the five [5] months remaining plus the 18-month extension) from the lifting of Force Majeure to drill the committed well.</p>

Note: A = Contractor provides all required services and technology funding. Contractor is entitled to a service fee out of production equivalent to 40% of net proceeds. Net proceeds would refer to the balance of gross income after deducting Filipino participation incentive allowance and operating expenses.

Note: B = The 75% interest in SC 55 is owned by Palawan55, a 69.35% owned subsidiary of ENEX.

SC 55 (West Palawan)

SC 55 was awarded by the DOE on 5 August 2005. The exploration period is valid for seven (7) years, extendible for three (3) years, and the production period is valid for twenty-five (25) years. The original members of the consortium and their corresponding interests were Otto Energy (Operator) with eighty-five percent (85%) and ACEN with fifteen percent (15%). ACEN has a Participation Agreement with the predecessor's interest of Otto Energy which provides that the latter will shoulder ACEN's share of costs up to the drilling of the first exploratory well. In addition, ACEN has the option to acquire five percent (5%) interest from Otto Energy after the drilling of the first well under the SC.

SC 55 covers 900,000 hectares in offshore West Palawan. It is a deep-water block in the middle of a proven regional oil and gas fairway that extends from the productive Borneo offshore region in the southwest, to the offshore Philippine production assets northwest of Palawan. At that time, the block was deemed to have one (1) giant prospect (with at least 500 Million barrels mean resource potential) and a number of leads. The consortium committed to undertake a work program consisting of a new 400 km 2D seismic survey, processing and interpretation of 200 km of vintage 2D seismic data and 358 km of gravity and magnetic data, within the first eighteen (18) months of the contract term. The partners have successive options to drill up to four (4) wells during the balance of the 7-year exploration period.

The DOE approved the consortium's entry into the 2nd Sub Phase of the exploration period, which entails a commitment to drill one (1) ultra deep water well. Processing and interpretation of 954 km of 2D seismic data acquired in June 2007 were already completed, but due to unavailability of a suitable rig, the DOE approved the consortium's request to swap work commitments for the 2nd and 3rd Sub Phases of the exploration period to allow the drilling of the first commitment well by 04 August 2010 instead of 04 August 2009.

The consortium requested, and the DOE agreed to, the substitution of a 2D 3D seismic program for one (1) ultra-deep water well commitment under the 3rd Sub Phase of the exploration period (from 5 August 2009 to 5 August 2010), and deferment of the mandatory partial relinquishment of the contract area until completion of the proposed substitute 2D 3D seismic program. The consortium further requested, and the DOE approved, a one year extension of the 3rd Sub Phase to 5 August 2011 following execution by Otto Energy of a Farm-In Option Agreement with BHP Billiton Petroleum (Philippines) Corporation of Canada (BHP Billiton) which provided for BHP Billiton's funding of a new 3D seismic survey over the area.

On 03 June 2010, ACEN signed an Option Agreement with Frontier Gasfields Pty. Ltd. of Australia which granted the latter the option to acquire the five percent (5%) interest that ACEN has the option to acquire from Otto Energy after the drilling of the first well in the area.

On 03 February 2011, ACEN signed an Agreement with Otto Energy assigning ACEN's 8.18% participating interest to the latter in exchange for a carry in the costs of a second well in the block, should Otto Energy elect to participate in said well. Estimated budget for drilling the second well is US \$ 65 Million or P2.86 billion at an exchange rate of US\$1 = P44.

In December 2011, BHP Billiton acquired sixty percent (60%) participating interest in SC 55 from Otto Energy and committed to drill one deep water well at its sole cost within the 4th Sub Phase.

The consortium elected to enter the 4th Sub Phase which entails a commitment to drill one deep water well by 05 August 2012.

The revised work schedule is shown below:

Sub Phase	Date	Work program
4	August 2011 - August 2013	One (1) deepwater well
5	August 2013 - August 2014	One (1) deepwater well

The DOE granted a one (1) year extension of the 4th Sub Phase until 5 August 2013 to enable BHP Billiton to procure a suitable drilling rig that could drill an identified deepwater prospect. On 3 May 2013, BHP Billiton filed a Force Majeure notice with the DOE due to significant delays in obtaining a clearance from the Palawan Council for Sustainable Development for the drilling of the Cinco1 well.

On 04 June 2013, the Sangguniang Panlalawigan of Palawan voted to favorably endorse the proposed Cinco1 drilling to the Palawan Council for Sustainable Development (PCSD). The PCSD approved the issuance of the Strategic Environmental Plan Clearance (SEP) clearance for the drilling of Cinco1 well but BHP Billiton sought amendment and clarification on certain conditions set by PCSD. As at 30 October 2013, BHP Billiton received the amended SEP clearance and requested the DOE a 14-month extension of the current Sub Phase considering the length of the Force Majeure period.

In the first week of November 2013, BHP Billiton verbally informed the partners that it has decided not to participate in the drilling of the Cinco1 well. In March 2014, the DOE approved the transfer of BHP Billiton’s interest to Otto Energy Philippines, Inc. Otto Energy submitted a revised work program focusing on the drilling of the Hawkeye prospect. The DOE approved the new work program in April 2014 and revised the schedule of the remaining Sub Phases as follows:

Sub Phase	Work Program and Budget	Revised Work Schedule
4	Drill 1 deepwater well @ US\$3 MM	06 August 2011 – 23 December 2014
5	Drill 1 deepwater well @ US\$3 MM	23 December 2014 – 23 December 2016

In January 2014, BHP Billiton and Otto Energy signed definitive agreements for the reassignment of the former’s participating interest to the latter. The DOE approved the transfer of the sixty percent (60%) participating interest of BHP Billiton to Otto Energy Philippines, Inc. and the transfer of Operatorship to Otto Energy. The approval formalized the exit of BHP Billiton in SC 55.

On 15 October 2014, Otto Energy requested the DOE a one-year extension of Sub-Phase 4 to 23 December 2015. The requested extension was approved by the DOE on 07 November 2014.

On 31 July 2015, Otto Energy commenced drilling of the Hawkeye-1 exploratory well and on 17 August 2015 completed the drilling to a total depth of 2,920 meters. The well discovered gas which is deemed to be non-commercial. Otto Energy informed its partners of its decision to withdraw from the service contract.

On 22 December 2015, the consortium requested the DOE for a two-year contract moratorium and proposed technical studies that would assess the impact of the results of Hawkeye-1 on the remaining prospects of the area. On 14 June 2016, the DOE extended the term of SC 55 until 23 December 2017.

On 21 November 2016, Otto Energy and Otto Energy Philippines notified the DOE of their withdrawal from SC 55. As at 03 March 2017, the transfer of interest from Otto Energy to the continuing parties was under processing by the DOE.

On 22 November 2017, Palawan55 notified the DOE of its willingness to assume its pro-rated, post- adjustment share (37.50%) of Otto Energy’s outstanding training fund obligation in conjunction with the DOE’s approval of the assignment of interests and favorable consideration for a reasonable extension of the moratorium period that would allow execution of the committed technical studies.

ENEX’s stake in SC 55 is held through Palawan55 Exploration & Production Corporation, an upstream oil and gas company. ENEX owns 69.35% of Palawan55, while the remaining 30.65% is owned by ACEN.

On 26 March 2018, the DOE approved the transfer of participating interests from Otto Energy to the continuing partners, Palawan55, Century Red Pte. Ltd. and Pryce Gases, Inc. As a result of the transfer, the Company’s 6.82% participating interest in SC 55 have been adjusted to 37.50%. The timeline of the Moratorium Period, with a commitment to conduct Quantitative Inversion Study, was also revised to reflect the transfer of interest. Further, the DOE formally confirmed Palawan55 as Operator of the block.

On 23 August 2018, Palawan55 awarded the 3D Marine PreSTM and PreSDM Reprocessing and Quantitative Inversion Services Contract to Down Under Geosolutions (Asia) Sdn Bhd. The project commenced on 10 September 2018. Seismic reprocessing of 1,000 sq. km. of 3D seismic data was completed.

Quantitative Interpretation Study aimed at identifying the gas-bearing zones in the service contract is ongoing.

On 24 July 2019, the SC 55 Consortium notified the DOE of its decision to enter Sub-phase 5 (SP5) effective 26 August 2019, without prejudice to the Consortium’s option to enter the Appraisal Period no later than the said date. SP5 carries a commitment of drilling one (1) ultra-deepwater well.

On 9 August 2019, the SC 55 Consortium notified the DOE of its entry into the Appraisal Period of SC 55 effective 26 August 2019. The SC 55 consortium committed to drill one (1) deep-water well within the first two years of the Appraisal Period and, following reinterpretation of certain seismic data outside of the current study area, may undertake a new 3D seismic program to mature other prospects within SC 55 to drillable status. The SC 55 consortium submitted an indicative Appraisal Work Program to the DOE to support this commitment.

On 13 February 2020, after careful review and evaluation, DOE found Palawan55 to be technically, financially and legally qualified and approved the transfer of Century Red, Pte. Ltd’s entire 37.5% participating interests in SC 55 to Palawan55.

As a result of the transfer, the partners in SC 55 and their respective participating interests are as follows:

Palawan 55	75.00%	Operator
Pryce Gases	25.00%	

On April 15, 2020, Palawan55 received a letter from the DOE confirming the entry of SC 55 into the Appraisal Period effective April 26, 2020. In the said letter, the DOE stated that after the review and evaluation of the Hawkeye discovery report, “we hereby confirm that the ‘Hawkeye-1 well’ did encounter a significant volume of movable natural gas and is deemed to be a Non-Associated Gas Discovery under Section 13.02 of SC 55.”

On July 2, 2020, SC 55 Consortium submitted to the DOE its 5-year Work Program and Budget for the Appraisal Period. Said program is divided into firm (CY 1 & 2) and contingent (CY 3-5) commitments. The firm commitment consists of Geological and Geophysical studies and drilling of a well within the next two (2) years.

On August 28, 2020, Palawan55 received a letter from the DOE approving SC 55’s Appraisal Period Work Program and Budget with the firm amount of US\$1,702,020.00. Further, the DOE stated that it expects the submission of the proposed budget for the drilling of one (1) well after the drilling proposal has been approved by the DOE.

On September 23, 2020, the Consortium requested for the declaration of a one-year Force Majeure in view of the far-reaching adverse effects of the COVID-19 pandemic and the induced low oil price, on the global upstream petroleum industry.

Palawan55 interpreted reprocessed seismic data to mature two prospects to drillable status. Resource Assessment of these prospects has been completed. Well Planning and Drilling preparations are ongoing.

On 11 May 2021, the DOE approved Palawan55’s request to place SC 55 under Force Majeure for a period of one (1) year. Accordingly, the timeline of the SC 55 Appraisal Period will be adjusted so that the end of the period will be adjusted by the same amount of time that SC 55 was on Force Majeure.

On 14 May 2021, Palawan55 submitted, for DOE’s approval, the CINCO-1 Drilling Proposal in compliance with its work commitment under the first two years of the Appraisal Period.

An updated Drilling Proposal was submitted to the DOE on 22 December 2021 to reflect the results of pre-drilling technical works and to include documentation on Health, Safety, Security and Environmental management.

In 2022, Palawan55 has completed the specialized pre- drill geological, geophysical studies and well planning in SC 55.

On 4 March 2022, the Department of Energy approved the Consortium’s CINCO-1 Drilling Proposal, Oil Spill Contingency Plan, and Health, Safety and Environmental Management Plan.

In October 2022, the Palawan Council for Sustainable Development (PCSD) approved the transfer of SC 55 Strategic Environment Plan (SEP) Clearance from the former SC 55 Operator, BHP Billiton to the current Operator, Palawan55 Exploration and Production Corporation.

On 5 December 2022, the SC 55 Consortium requested the DOE to declare Force Majeure on the commitment to drill one (1) deepwater well by April 2023 due to the geopolitical issues in the West Philippine Sea and recent regulatory developments in the upstream industry.

In July 2023, the DOE granted the request of Palawan55 for Force Majeure relief due to the operational and financial risks associated with conducting drilling operations in SC 55 contract area in the West Philippine Sea.

Pursuant to Section 26.01 of SC 55, the DOE found basis to place SC 55 under Force Majeure from 6 December 2022 until such time that a clearance to proceed with exploration activities in the West Philippine Sea has been issued by the National Government.

On 1 December 2023, the DOE granted the request of Palawan55 to extend the deadline to drill a well under SC 55 by a period of 18 months. Given that SC 55 is currently still on Force Majeure, Palawan55 shall have a total of twenty-three (23) months (the five [5] months remaining plus the 18-month extension) from the lifting of Force Majeure to drill the committed well.

As of December 31, 2024, Palawan55 holds 75.00% participating interests in SC 55 and has no pending violation with the DOE. Further, the DOE has yet to lift the Force Majeure event of SC 55. As of December 31, 2025, no material changes have occurred in relation to SC55, and the Force Majeure status continues to apply.

Other Material Agreements

Material agreements are mentioned in the preceding section “Interests in Petroleum Contracts.”

In addition, ENEX is a party to Joint Operating Agreements under SC 6 Block A, SC 6 Block B, SC 51, SC 55 (through Palawan55) and SC 69. Joint Operating Agreements govern the relationship of the parties and the conduct of joint operations under the SC.

Joint Operating Agreement for SC 55 (through Palawan55)

The Joint Operating Agreement (“JOA”) was entered into among the then contractors of SC 55, namely Norasian Energy Limited, Trans-Asia Oil and Energy Development Corporation, and BHP Billiton Petroleum (Philippines) Corporation effective 1 October 2011. The Agreement defines the rights and obligations of the contractors in respect of operations under SC 55. Under the JOA, the participating interest of the parties were: Norasian – 33.18%, Trans-Asia – 6.82% and BHPB – 60%. BHPB was designated as the Operator, which has the power to conduct all operations agreed by the parties under the JOA. The Operator has the obligation to, among others, prepare the Work Program and Budget, to represent the parties in all dealings with the government with respect to operations of SC 55, and to maintain SC 55 in full force and effect. The JOA provides for an Operating Committee composed of one member from each participant, and each representative has a vote equal to the participating interest of the participant represented. The JOA provides for voting procedures and mechanisms, resignation and replacement of the Operator, and procedures for undertaking of operations by one or less than all parties.

Palawan55 is the current Operator of SC 55.

Memorandum of Agreement between ENEX and ACEN

Under this Memorandum of Agreement, ACEN agreed to assign to ENEX, a subsidiary of ACEN, the SC Participating Interests of ACEN as follows:

1. Participating interest under SC 51;
2. Participating interest under SC 69;
3. Participating interest under SC 6 with respect to SC 6 Block A; and
4. Participating interest under SC 6 with respect to SC 6 Block B.

Memorandum of Agreement between ACEN and Palawan55

Under this Memorandum of Agreement, ACEN agreed to assign to Palawan55, a subsidiary of ENEX, the SC Participating Interests of TA Oil under SC 55.

Deed of Assignment between ENEX and ACEN

Under this Deed of Assignment, ACEN assigned to ENEX, a subsidiary of ACEN, the SC Participating Interests of ACEN as follows:

1. Participating interest under SC 51;
2. Participating interest under SC 69;
3. Participating interest under SC 6 with respect to SC 6 Block A; and
4. Participating interest under SC 6 with respect to SC 6 Block B.

Deed of Assignment between ACEN and Palawan55

Under this Deed of Assignment, ACEN assigned to Palawan55, a subsidiary of ENEX, the SC Participating Interests of ACEN under SC 55.

Deed of Assignment between Century Red, Pte. Ltd. and Palawan55

Under this Deed of Assignment, Century Red, Pte. Ltd. assigned to Palawan55 the 37.5% participating interests of Century Red, Pte. Ltd. under SC 55. On 13 February 2020, the DOE approved the assignment to Palawan55.

Investment Agreement with Gen X Energy

On 19 November 2021, the Company, Buendia Christiana Holdings Corp. (“BCHC”), Red Holdings B.V. (“Gen X Energy”), Batangas Clean Energy, Inc. (“BCEI”) and Gen X Energy L.P. entered into an Investment Agreement pursuant to which the Company would acquire a 50% interest in BCEI, which is developing a 1,100MW combined cycle power plant that will be able to use natural gas and/or green hydrogen as its fuel to provide firm power to the grid to meet the country’s growing energy demand. The Company and Gen X Energy will each own fifty percent (50%) interests in BCEI.

BCEI was incorporated and registered with the SEC on 23 February 2019 to engage in the business of developing, constructing, operating and maintaining downstream natural gas facilities for the importation, receipt, storage, exportation, and regasification of liquefied natural gas and vaporization of natural gas and/or electric power generation facilities for the generation, transmission, and/or, to the extent allowed by law, distribution of electric energy derived from natural gas or other viable fuels. On January 2022, the Company and BCEI executed subscription agreements for the Company’s 25% ownership of BCEI, subject to an increase to 50% ownership upon approval by the SEC of the increase in authorized capital stock of BCEI. On 12 October 2022, the SEC approved the increase in authorized capital stock of BCEI from Php200,000,000.00, divided into 200,000 shares with a par value of Php1,000.00 each, to Php600,000,000.00, divided into 600,000 shares with a par value of Php1,000.00 each. Following this, and to date, the Company has increased its ownership of BCEI to 50%. As of December 31, 2025, the Board of Directors and Shareholders of BCEI decided to cease its operations, shorten its corporate term to up to December 31, 2026 only, and pursue the discontinuation of BCEI’s project, termination of the joint venture, and the eventual dissolution of BCEI.

Deed of Assignment between ENEX and ACEN

On 29 December 2021, ENEX and ACEN signed the Deed of Assignment wherein ENEX will issue 339,076,058 shares of stock in the Company to ACEN at an issue price of Php10.00 per share in exchange for the following properties of ACEN: (a) 3,064,900 common shares in Palawan55 with a par value of Php100.00 per share, comprising 30.65% of the issued and outstanding shares in Palawan55; (b) 6,000,000 common shares in BPGC representing 100% of the issued and outstanding shares in BPGC; (c) 6,351,000 common shares in CIPP, with a par value of Php50.00 per share, representing 100% of the issued and outstanding shares in CIPP; (d) 3,600,000 redeemable preferred shares in Ingrid3, a special purpose vehicle for the development of a new power project, with a par value of Php1.00 per share, representing 100% of the issued and outstanding redeemable preferred shares in Ingrid 3; and (e) 33,493,366 common shares in OSPGC, with a par value of Php1.00 per share, representing 17.13% of the issued and outstanding shares in OSPGC.

On 3 June 2022, the Company cancelled this Deed of Assignment.

Loan Agreement between ENEX and ACEN

On 13 January 2022, ENEX entered into a Loan Agreement with ACEN in the amount of Php127.00 million, for a period of six (6) months, with an interest rate of 3.875% per annum payable on or before 10 November 2022. On 11 November 2022, the loan was extended and subjected to 7.2954% interest per annum payable on or before 10 November 2023. On 11 November 2023, the loan was extended and is now subject to 8.6569% interest per annum payable on or before 30 September 2024.

On 2 August 2023, the remaining balance of the short-term loan amounting to Php23.00 million was availed with an interest rate of 5.75% interest per annum payable on or before 1 February 2024. On 2 February 2024, the loan was restructured to 8.10% interest per annum payable on or before 30 September 2024.

On 20 June 2024, ENEX availed additional short-term loans amounting to Php21.27 million with 0% interest payable on or before 30 September 2024, in immediately available funds.

On 26 June 2024, ACEN converted its short-term loans and interest receivable from ENEX, amounting to Php171.27 million and Php0.27 million, respectively, to subscription to ENEX's non-voting preferred shares at par value of Php1.00 per share.

In 2025, the remaining interest payables of ENEX on its short-term loans from ACEN, amounting to Php19.32 million, were converted to preferred shares.

On 6 March 2026, the ENEX Board approved the conversion of Php75.06 million of remaining payables to ACEN into 75,055,989 additional non-voting preferred shares as additional equity by ACEN. This allowed ENEX to settle its payables to ACEN and maintain a positive shareholders' equity balance both at the consolidated and statutory levels.

Loan Agreement between ENEX and ACEN International, Inc.

The Company's Executive Committee, with the endorsement of the Board's Risk Management and Related Party Transactions Committees, approved on 6 June 2023 a loan of up to Php6.00 million from ACEN International, Inc. ("ACEN International"), to fund the Company's working capital requirements for the remainder of 2023.

On 26 June 2024, ACEN International assigned its short-term loans and interest receivable from ENEX, amounting to Php6.00 million and Php0.27 million, respectively, in favor of ACEN.

ACEN International is a wholly-owned subsidiary of ACEN.

Assignment of Advances

On 2 July 2024, the Company signed the following:

1. The Company's conformity to the Deed of Assignment of Advances between ACEN and ACEN International for the assignment in favor of ACEN of ACEN International's advances to the Company in the total amount of Php6,271,153.21, inclusive of interest (the "Assigned Receivables").
2. Deed of Assignment of Advances between ACEN and the Company for the assignment of (a) the Assigned Receivables and (b) the shareholder advances due to ACEN in the amount of Php171,272,858.00 (the "Direct Receivables"), or in the aggregate amount of Php177,544,011.21 (the Assigned Receivables and the Direct Receivables are referred to collectively as the "Advances"), in exchange and as ACEN's full payment for 177,544,011 non-voting Preferred Shares with a par value of Php1.00 per non-voting Preferred Share or a total par value of Php177,544,011.00, to be issued upon the SEC's approval of the increase in ACS of the Company and the creation of the non-voting Preferred Shares.

Subscription by ACEN

On 30 April 2024, ENEX and ACEN signed a Subscription Contract for the subscription by ACEN to 30,000,000 non-voting Preferred Shares at par value of Php1.00 per non-voting Preferred Share of ENEX, for a total subscription price of Php30,000,000.00 in cash, to be issued upon the SEC's approval of the increase in the ACS of the Company and the creation of the non-voting Preferred Shares.

On 2 July 2024, ENEX and ACEN signed a Subscription Contract for the subscription by ACEN to 177,544,011 non-voting Preferred Shares at par value of Php1.00 per non-voting Preferred Share of the Company, to be issued upon the SEC's approval of the increase in ACS of ENEX and the creation of the non-voting Preferred Shares, for a total subscription price of Php177,544,011.00, to be paid out of the assignment of the Advances via the Deed of Assignment of Advances between ACEN and the Company. On 12 November 2025, the SEC approved the Company's increase in ACS and creation of non-voting Preferred Shares.

On 26 December 2025, ENEX and ACEN signed a Subscription Contract for the subscription by ACEN to 17,400,000 preferred shares of ENEX at its par value of Php1.00 per preferred share for a total subscription price of Php17.40 million.

MANPOWER

The Company has no employee as of 23 March 2026.

RISK FACTORS

RISKS RELATING TO THE COMPANY'S BUSINESS

There are uncertainties inherent in the business of petroleum exploration and development. It is vulnerable to contingencies such as:

- **Failure to discover oil and gas resources that can be developed for commercial production**

The Company's ability to sustain itself depends on the discovery of oil and gas resources that can be developed for commercial production. There is no assurance that the exploration activities of the Company and the corporations in which it has invested (collectively with the Company, the "Group") will result in the discovery of oil or gas deposits because of the uncertainties in locating and estimating the size of subsurface deposits of oil or gas despite advances in exploration technology. Even if a substantial oil or gas deposit is discovered, there are other factors that may prevent or delay its commercial development, such as drilling and production hazards; political, social and/or environmental issues; and insufficient market demand and/or infrastructure, particularly

for a natural gas development. If exploration and development activities of the Group are not successful, the Company's ability to generate future cash flow and obtain additional financing to continue operations may be adversely affected.

The Company mitigates exploration and development risks mainly by investing in a portfolio of exploration assets, working with partners and contractors with proven track records, and undertaking phased exploration with exit options.

- **Failure to fund expenditures and investments for exploration and development activities**

The exploration and development of oil and gas resources are capital intensive. The Company's ability to fund such expenditures and investments depends on numerous factors, including the ability to generate cash flow from the Group's production, availability and terms of external financing, and the extent to which work commitments can be adjusted under the relevant SCs and similar agreements. If the Group is unable to obtain the required funding, the Group will have to adjust its business plans and strategies, which may adversely affect the Company's future prospects, market value and results of operations.

The Company mitigates the foregoing risks by sharing the costs and risks of exploration and development with suitable joint venture partners and undertaking phased exploration with exit options. Where funding is insufficient, the Company may adjust its business plans and strategies.

- **Operating risks resulting in losses**

Exploration and production of oil and gas are subject to various operating risks such as fires, explosion, spills, gas leaks, collisions, mechanical failures, and natural disasters that may result in injuries, loss of lives, suspension of operations, and damage to property and the environment. As a result, losses and liabilities arising from the occurrence of any of these risks may have a material adverse effect on the Company's business and results of operations.

The Company addresses operating risks by ensuring that the consortium where it has participation employs good oil field practices consistent with the international oil and gas industry standards.

The foregoing risk is also mitigated by insurance coverage; however, it must be noted that insurance coverage applies against some, but not all, potential losses and liabilities. The Company will assess the acceptability of residual risks not covered by insurance policies, and if the Company deems that such risks are not within the levels that the Company is willing to accept, the Company may decide to avoid the risk by either terminating or forgoing the activity, project or investment.

- **Laws, regulations and contingencies adding to the cost and effort of doing business**

The petroleum industry is highly regulated. In addition to complying with the laws and regulations for doing business in the Philippines, and in the other jurisdictions where the Group operates, the nature of the Group's business also subjects the Group to laws and regulations regulating the industry, as well as those on environment, occupational health and safety standards. Despite efforts to comply with all such laws and regulations, the Company's business may be exposed to significant liabilities and restrictions due to accidents and unforeseen circumstances. Furthermore, such laws and regulations are subject to changes which may result in delays or restrictions on exploration, development or production activities as well as increased cost of compliance. There is no assurance that these costs will not have a material adverse effect on the Company's business and results of operations.

The foregoing risk is mitigated by the Group's respective policies, which are geared towards compliance with laws and regulations, as well as with good industry practice relating to health, safety and environment. Some of the risks and potential losses and liabilities arising therefrom may not be covered by insurance. The Company will assess the acceptability of residual risks not covered by insurance policies, and if the Company deems that such risks are not within the levels that the Company is willing to accept, the Company may decide to avoid the risk by either terminating or forgoing the activity, project or investment.

- **Price fluctuations and substantial or extended decline in prices**

Prices of oil and gas have demonstrated significant volatility in the past. Historically, prices of oil and gas are influenced by a number of factors, including global and regional supply and demand, geopolitical uncertainty, market speculation, domestic and foreign governmental regulations and actions, global and regional economic conditions, weather conditions and natural disasters. It is not possible to accurately forecast future oil and gas price movements and trends. Declines in crude oil and gas prices will adversely affect the Company's business, prospects, and results of operations.

As of early 2026, the ongoing conflict involving the United States, Israel, and Iran may present risks to ENEX's operating and financial outlook, primarily through its impact on global energy markets and macroeconomic conditions. Escalation in the Middle East has heightened the risk of disruption to critical oil and gas supply routes, particularly the Strait of Hormuz, a key transit point for a significant portion of global energy trade, potentially resulting in sustained increases in fuel and electricity prices. While the extent and duration of the conflict remain uncertain, any sustained escalation, and the consequent prolonged volatility in energy prices and capital markets, could have adverse implications on the Company's prospects and financial performance.

The Company mitigates price risks by evaluating the economic sensitivity of investment opportunities to low product prices and taking this into consideration when making investment decisions.

- **Estimates used in the business may be unreliable or incorrect**

Estimates of reserves and resources may change as additional technical and commercial information becomes available. Not only are such estimates based on information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information. The quantities that might actually be recovered should they be discovered and developed may differ significantly from the initial estimates.

As estimates of reserves and resources change over time, the Company will have to adjust its business plans and strategies. Any significant downward revision in the estimates of reserves and resources may adversely affect the Company's financial condition, future prospects and market value.

- **Compliance with laws, regulations and contracts, failing which, the Company may lose its contracts, licenses and approvals from the Government or otherwise be penalized**

Substantially all of the Company's revenues are or will be derived from SCs, which give the Group and their respective joint venture partners' exclusive rights to conduct exploration and development operations over certain blocks covered by SCs. The Group and their joint venture partners are also expected to secure business licenses and permits in relation to their operations. The Group and their joint venture partners' operations may be restricted, suspended or terminated if the Group, their joint venture partners or any of their respective contractors and assignees fail to satisfy its contractual obligations under the contracts, and the laws, rules and regulations governing such contracts, or to secure and maintain required licenses and permits. This may prevent the Group and their joint venture partners from further exploration and development activity within the relevant concession areas which in turn could materially and adversely affect the Company's business, financial condition, results of operations and prospects.

The foregoing risk is mitigated by the Group's respective policies, which include compliance with laws, regulations and contracts, and exerting all reasonable efforts to secure and maintain licenses and permits required for its business and undertakings. The Group also adopts provisions in their agreements with their joint venture partners to address defaults and noncompliance with laws, regulations and contracts.

- **Competition in securing exclusive rights may hamper the company's growth and expansion**

The Government has been taking steps to attract investments in the exploration and development of oil and gas in the Philippines, particularly with respect to the application and award of petroleum SCs, which is done through competitive public bidding. The Company's competitors may have greater financial, technical, and organizational capabilities than the Company, particularly international oil and gas companies. Significant competitive pressure could result in the failure or increased costs to acquire additional exploration and production assets, thereby causing a material adverse effect on the Company's business and results of operations.

The Company intends to remain competitive by leveraging its strengths (see "Description of Business").

RISKS RELATING TO THE PHILIPPINES

- **Any political instability in the Philippines may adversely affect the Company's business, results of operations and financial condition**

The Philippines has, from time to time, experienced political instability. In the last few years, there has been political instability in the Philippines, including public and military protests arising from alleged misconduct by the former administration. No assurance can be given that the political environment in the Philippines will remain stable and any political or social instability in the future could result in inconsistent or sudden changes in regulations and policies that affect the Group or any member of the Group, which could have an adverse effect on the Company's business, results of operations and financial condition.

- **Terrorist activities in the Philippines could destabilize the country, adversely affecting the Company's business environment**

The Philippines has been subject to sporadic terrorist attacks in the past several years. The Philippine military has been in conflict with the Abu Sayyaf organization, which has been identified as being responsible for kidnapping and terrorist activities in the country and is also alleged to have ties to the Al-Qaeda and Islamic State terrorist networks. There can be no assurance that the Philippines will not be subject to further acts of terrorism in the future, and violent acts arising from, and leading to, instability and unrest may have a material adverse effect on the Company's business, results of operations and financial condition.

- **Risk of any downgrade in the sovereign credit rating of the Philippines may adversely affect the Company's business**

In March 2013, Fitch Ratings raised the Philippines' sovereign credit rating to BBB, the first time that the country has received an investment grade rating from a major credit rating agency. An investment grade rating could lower the country's cost of borrowing and widen its base of potential investors, as some funds have restrictions on holding sub investment grade debt. Other major credit rating agencies such as Moody's Investors Service and Standard & Poor's have rated the Philippines as one notch below investment grade with a positive outlook. The sovereign credit ratings of the Government directly affect companies residing in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. No assurance can be given that Moody's, Standard & Poor's or any other international credit rating agency will not in the future downgrade the credit ratings of the Government and, therefore, Philippine companies, including the Company. Any such downgrade could have an adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including the Company, to raise additional financing and the interest rates and other commercial terms at which such additional financing will be made available.

- **The occurrence of natural catastrophes may materially disrupt the Company's operations**

The Philippines has experienced a number of major natural catastrophes in recent years, including typhoons, volcanic eruptions, earthquakes, mudslides, droughts, floods and other weather-related events. Natural catastrophes may disrupt the Company's business operations, lead to disruptions in the electrical supply to the Company's project sites and impair the economic conditions in the affected areas, as well as the Philippine economy. The Company cannot assure prospective investors that the insurance coverage it maintains for these

risks will adequately compensate the Company for all damages and economic losses resulting from natural catastrophes, including possible business interruptions.

- **Future pandemics (similar to COVID-19), epidemics or outbreaks of diseases could have an adverse effect on economic activity in the Philippines and could materially and adversely affect the Company's operations**

In December 2019, an outbreak of the novel coronavirus ("COVID-19") occurred in China and spread to other countries, including the Philippines. On 10 March 2020, the World Health Organization characterized COVID-19 as a pandemic.

On 16 March 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines. On 24 March 2020, Congress passed Republic Act No. 11469, the Bayanihan to Heal as One Act (the "Bayanihan Act") into law, which confers emergency powers on the President of the Philippines. On 25 June 2020, the Bayanihan Act measures implemented to address the pandemic in the Philippines expired without extension or replacement. On 11 September 2020, Republic Act No. 11494, the Bayanihan to Recover as One Act (the "Bayanihan 2 Act") was signed into law by the then President, Rodrigo R. Duterte. The Bayanihan 2 Act seeks to provide a stimulus package to struggling sectors as part of the country's COVID-19 response and recovery plan, and to scrutinize the government's implementation of programs related to the pandemic. Similar to the Bayanihan Act, the Bayanihan 2 Act confers emergency powers to President Duterte until 19 December 2020. Such powers include the authority to adopt measures to "conserve and regulate the distribution and use of power, fuel, energy and water, and ensure adequate supply of the same." The Bayanihan 2 Act also imposes a minimum 30-day grace period for the payment of electricity and other utilities falling due within the period of community quarantine without penalty and further provides that such payments may be settled on a staggered basis in no fewer than three monthly installments. On 17 November 2020, House Bill No. 8031 or the Bayanihan to Arise as One Act, was filed which proposes to extend the effectivity of Bayanihan 2 Act until 4 June 2021 to ensure its full implementation. On 29 December 2020, the Congress passed Republic Act No. 11519, extending the availability of appropriations under Bayanihan 2 until 30 June 2021.

Due to numerous uncertainties and factors beyond its control, the Company is unable to predict the impact of future pandemics (similar to COVID-19) on its businesses, results of operations, cash flows, and financial condition. These factors and uncertainties include, but are not limited to:

- the severity and duration of the pandemic;
- the duration and degree of governmental, business or other actions in response to the pandemic, including but not limited to quarantine, stay-at-home or other lockdown measures as well as measures taken by the Company's regulators;
- economic measures, fiscal policy changes, or additional measures that have not yet been effected;
- evolving macroeconomic factors, including general economic uncertainty, unemployment rates, and recessionary pressures;
- volatility in the credit and financial markets during and after the pandemic;
- the pace of recovery when the pandemic subsides; and
- the long-term impact of the pandemic on the Company's businesses.

RISKS RELATED TO THE SHARES

- **The market price of securities can and does fluctuate. The Shares have not been publicly traded and the relative volatility and illiquidity of the Philippine securities market may substantially limit investors' ability to sell the Shares at a suitable price or at a time they desire.**

The market prices of securities can and do fluctuate, and it is impossible to predict whether the price of the Shares will rise or fall. Securities may experience upward or downward movements and may even lose all value. There is an inherent risk that losses may be incurred, rather than profit made, as a result of buying and selling securities. There may be a substantial difference between the buying price and the selling price of such securities. Trading prices of the Shares will be influenced by, among other things:

- variations in the Company’s operating results;
- success or failure of the Company’s management team in implementing business and growth strategies;
- gain or loss of an important business relationship;
- changes in securities analysts’ recommendation, perceptions or estimates of the Company’s financial performance;
- changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors;
- differences between the Company’s actual financial operating results and those expected by investors and analysts;
- additions or departures of key personnel;
- changes in general market conditions and broad market fluctuations; and
- involvement in litigation.

These fluctuations may be exaggerated if the trading volume of the Shares is low.

Prior to the listing of the Shares at the PSE, there has been no public market for the Shares in the Philippines. There can be no assurance that even after the Shares have been approved for listing on the PSE, an active trading market for the Shares will develop or be sustained after the listing, or that the Initial Listing Price will correspond to the price at which the Shares will trade in the Philippine public market subsequent to the listing. There is no assurance that investors may sell the Shares at prices or at times deemed appropriate.

- **Future sales of Shares in the public market could adversely affect the prevailing market price of the Shares and shareholders may experience dilution in their holdings**

In order to finance the Company’s business and operations, and any expansion thereof, the Board will consider funding options available to the Company, which may include the issuance of new Shares. The market price of the Shares could decline as a result of future sales of substantial amounts of the Shares in the public market or the issuance of new shares, or the perception that such sales, transfers or issuances may occur. This could also materially and adversely affect the prevailing market price of the Shares or the Company’s ability to raise capital in the future at a time and at a price that the Company deems appropriate.

In addition, if additional funds are raised through the issuance of new equity or equity linked securities by the Company other than on a *pro rata* basis to existing shareholders, the percentage ownership of existing shareholders may be diluted. Such securities may also have rights, preferences and privileges senior to those of the Shares.

- **The Company’s investment structure may impede the Company’s ability to pay dividends**

The Company may hold interests in petroleum and gas contracts through corporations that it has invested in. Thus, the availability of funds to pay dividends to its shareholders and to service debt obligations depends in part upon dividends that may be received from the Company’s subsidiary and affiliates. If the Company’s subsidiary and affiliates incur debt or losses, such indebtedness or losses may impair their ability to pay dividends or other distributions to the Company. As a result, the Company’s ability to pay dividends and to service the Company’s indebtedness may be restricted.

The Company’s ability to declare dividends in relation to the Company’s Shares will also depend on the Company’s future financial performance, which, in turn, depends on successfully implementing the Company’s strategy, and on financial, competitive, regulatory, and other factors, general economic conditions, demand and prices for the Company’s petroleum and other future products, costs of raw materials and other factors specific to the Company’s industry or specific projects, many of which are beyond the Company’s control. The receipt of dividends from the Company’s subsidiary and affiliates may also be affected by the passage of new laws, adoption of new regulations or changes to, or in the interpretation or implementation of existing laws and regulations and other events outside the Company’s control. Philippine law requires that dividends be paid only out of unrestricted retained earnings calculated according to Philippine accounting principles. In addition, restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that the Company or its subsidiary may

Market Price

The Company's common shares (symbol: ENEX) were listed with the PSE on 28 August 2014. Below are the high and low sales prices as of 23 March 2026 and for the calendar years 2025, 2024, and 2023:

Period	High	Low
23 March 2026 (intraday)	3.46	3.46
Calendar 2025*		
Fourth Quarter	5.18	3.20
Third Quarter	4.09	3.55
Second Quarter	4.21	3.75
First Quarter	5.60	3.80
Calendar 2024		
Fourth Quarter	5.00	4.00
Third Quarter	6.79	4.73
Second Quarter	5.19	4.30
First Quarter	6.10	4.68
Calendar 2023		
Fourth Quarter	6.60	4.20
Third Quarter	8.53	5.87
Second Quarter	11.80	8.35
First Quarter	14.52	10.20

**Source: Bloomberg*

Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

For 2025, the Company neither sold unregistered or exempt securities, nor issued securities constituting an exempt transaction.

STOCKHOLDERS

As of 28 February 2026, the Company has 2,881 registered shareholders. The following table sets forth the top 20 shareholders of the Company, the number of shares held, and the percentage of ownership:

	NAME OF STOCKHOLDER	NUMBER OF SHARES HELD	% OF OWNERSHIP
1	PCD NOMINEE CORPORATION (FILIPINO)	184,393,590	73.76%
2	ACEN CORPORATION	62,965,755	25.19%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	650,578	00.26%
4	ALBERT MENDOZA	76,193	00.03%
5	PHIL. REMNANTS CO. INC.	71,431	00.03%
6	PETER MAR	52,020	00.02%
7	VICTOR JUAN DEL ROSARIO	41,453	00.02%
8	TERESITA A. DELA CRUZ	38,306	00.02%
9	BELEK INC.	37,842	00.02%
10	ALBERTO MENDOZA	37,116	00.01%
11	JOSEPH D. ONG	35,640	00.01%
12	WILLIAM HOW	34,003	00.01%
13	ALEXANDER J. TANCHAN	27,358	00.01%
14	BENJAMIN S. AUSTRIA	26,086	00.01%
15	VICTOR J. DEL ROSARIO	24,343	00.01%
16	DR. ANITA TY	23,816	00.01%
17	TAY LIM	20,815	00.01%
18	NOEL L. ESCALER	17,478	00.01%
19	JAMES UY INC	17,007	00.01%
20	MARIANE M. PRATTE	15,777	00.01%

DIVIDENDS

The Company has not declared any cash dividends from the time of its incorporation.

Other than the legal restrictions governing the declaration of dividends, there are no restrictions limiting the Company's ability to declare and pay dividends, whether at present or in the future.

Item 6. Management's Discussion and Analysis and Plan of Operation

PLAN OF OPERATION

ENEX Energy Corp. (formerly ACE Enexor, Inc.) is currently a participant in one (1) petroleum Service Contract with the Government of the Republic of the Philippines, namely: SC 55 (through its subsidiary, Palawan55 Exploration & Production Corporation). This contract is in the exploratory stage, i.e. without any commercial production.

ENEX intends to maintain its participation in SC 55 and to defray regular business expenses using available cash and investments held for trading. In the event that this contract is successful, the Company could potentially recover its losses out of potential revenues from SC 55 in the event that SC 55 proceeds to Commercial Operation (as discussed in the "Statement of Active Business Pursuit" section), subject to the usual risks associated with the oil exploration business (see discussions in the "Risks" section).

For the Company's cash requirements, ACEN, the Company's parent company, issued a letter of support in favor of the Company, wherein such support shall be effective for as long as the Company remains a direct subsidiary of ACEN.

CALENDAR YEAR 2025 and NEXT TWELVE MONTHS

On November 14, 2025, the Company's Executive Committee, acting under the authority delegated by the Board of Directors, approved the (a) discontinuation of the proposed 1,100 MW combined-cycle gas turbine Batangas Clean Energy (BCE) project in Batangas, which was in its pre-development stage, and (b) mutual termination of the joint venture with GenX Energy LP for this project.

This decision was driven primarily by the difficulty in securing an offtake contract to ensure the BCE project's viability, coupled with challenges in securing a third investor due to uncertainties surrounding the project's offtake arrangements. Furthermore, this decision aligns with ENEX's parent company's (ACEN) strategic shift toward renewable energy generation.

On March 6, 2026, the Company's Board approved the conversion of Php75,055,989 of remaining payables to ACEN into 75,055,989 non-voting preferred shares as additional equity by ACEN to the Company. This allowed the Company to settle its remaining payables to ACEN and maintain a positive shareholders' equity balance, both at consolidated and statutory levels. In accordance with Section 61 of the Revised Corporation Code (RCC), the valuation of the receivables will be initially determined by the Board of Directors or the stockholders, subject to approval by the SEC and completion of the conversion and compliance with applicable requirements under the RCC.

CALENDAR YEAR 2024

To address the Company's negative stockholders' equity, as flagged by the PSE, on 14 March 2024, the Board of Directors approved the following:

1. Conversion of ACEN group advances and receivables into additional equity, upon approval by the SEC of the creation of the Company's 300 million Preferred Shares;
2. Amendment of the Seventh Article of the Articles of Incorporation to increase the ACS from Php1,000,000,000.00 to Php1,300,000,000.00 and to create 300,000,000 Preferred Shares, and endorsement thereof to the stockholders for approval at the 2024 Annual Stockholders' Meeting (ASM); and
3. Issuance and/or Private Placement of up to 300 million Preferred Shares, and endorsement thereof to the stockholders for approval during the 2024 ASM.

On 24 April 2024, during the Company's ASM, stockholders representing at least a majority of the Corporation's total outstanding shares approved, among others, the issuance via private placement of up to 300 million Preferred Shares to ACEN. At the same meeting, stockholders representing at least 2/3 of the Company's total outstanding shares also approved the Amendment of the Seventh Article of the Articles of Incorporation of the Company to increase the ACS from Php1,000,000,000.00 to Php1,300,000,000.00 and to create 300 million Preferred Shares.

CALENDAR YEAR 2023

In July 2023, the DOE granted the request of Palawan55 for Force Majeure relief due to the operational and financial risks associated with conducting drilling operations in SC 55 contract area in the West Philippine Sea.

Pursuant to Section 26.01 of SC 55, the DOE found basis to place SC 55 under Force Majeure from 6 December 2022 until such time that a clearance to proceed with exploration activities in the West Philippine Sea has been issued by the National Government.

Thereafter, on 1 December 2023, the DOE granted the request of Palawan55 to extend the deadline to drill a well under SC 55 by a period of 18 months. Given that SC 55 is currently still on Force Majeure, Palawan55 shall have a total of twenty-three (23) months (the five [5] months remaining plus the 18-month extension) from the lifting of Force Majeure to drill the committed well.

The Company will monitor the development in the geopolitical situation in the West Philippine Sea and the drilling market in the region.

FINANCIAL PERFORMANCE

The following discussion and analysis of the financial position and results of operations of ENEX Energy Corp. or “ENEX” and its subsidiary, Palawan55 Exploration and Production Corp. or “Palawan55” (together, the “Group”), should be read in conjunction with its audited consolidated financial statements as at December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023. The audited consolidated financial statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards.

2025

- i. Causes of material changes from period to period: 2025 compared with 2024

Consolidated Statements of Comprehensive Income

	2025	2024	Increase	
			Amount	%
Expenses (a)	₱66,246,401	₱13,065,947	₱53,180,454	407
Other charges, net of other income (b)	63,163,210	19,543,651	43,619,559	223
Loss before income tax	129,409,611	32,609,598	96,800,013	297
Provision for income tax	124,138	91,204	32,934	36
Net loss/Total comprehensive loss	₱129,533,749	₱32,700,802	₱96,832,947	296

The following are the material changes in the Consolidated Statements of Comprehensive Income for the years ended December 31, 2025 and 2024:

- a. Increase in expenses is mainly due to reimbursable costs billed by Ingrid3 Power Corp., an affiliate, for its advances to the Batangas Clean Energy, Inc. or “BCEI” project, incurred for pre-development and lease option costs, amounting to ₱55.38 million, and IT cost recoveries from ACEN Corporation or “ACEN”. These were partially offset by the decreases in management fees from ACEN and ACEN Shared Services, Inc. or “ACES” and in advertising and promotion expenses incurred for the annual stockholders meeting.
- b. Increase in other charges, net of other income, mainly from the following:
 - provision for impairment loss of ₱68.83 million in 2025 (nil in 2024) on the carrying value of the investment in BCEI due to BCEI’s cessation of operations as at December 31, 2025 and its plans to pursue the discontinuation of the project, termination of the joint venture and eventual dissolution of the company
 - partially offset by the decrease in interest expense and increases in other income as follows:
 - o non-incurrence of interest expense in 2025 due to the conversion of short-term loans from ACEN into equity investment on June 26, 2024; while recognition of interest expense on short-term loans from ACEN and ACEN International of ₱6.72 million in 2024.
 - o recognized equity share in net income of BCEI (joint venture) in 2025 amounting to ₱2.57 million largely due to BCEI’s reversal of intercompany dues for pre-development costs and lease option payments, which offsets costs incurred in 2025 and resulted to BCEI’s net income for the period; while recognized equity share in net loss of BCEI (joint venture) in 2024 amounting to ₱14.55 million representing ENEX’s share in noncapitalizable pre-development expenses of BCEI
 - o recognition of other income for services and cost recoveries to BCEI amounting to ₱2.79 million and ₱1.14 million in 2025 and 2024, respectively.
 - o higher interest income due to time deposit placements.

Consolidated Statements of Financial Position

	2025	2024	Increase (Decrease)	
			Amount	%
Current Assets				
Cash and cash equivalents (a)	₱31,945,121	₱28,107,477	₱3,837,644	14
Receivables (b)	226,250	1,145,848	(919,598)	(80)
Other current assets	656,376	106,021	550,355	519
Noncurrent Assets				
Investment in a joint venture (c)	–	66,256,650	(66,256,650)	(100)
Deferred exploration costs	54,349,977	54,349,977	–	–
Total Assets	₱87,177,724	₱149,965,973	(₱62,788,249)	(42)
Current Liability				
Accounts payable and other current liabilities (d)	₱64,856,309	₱87,709,788	(₱22,853,479)	(26)
Equity				
Capital stock (e)	550,000,001	250,000,001	300,000,000	120
Deposit for future stock subscription (e)	–	207,544,011	(207,544,011)	(100)
Deficit	(522,056,638)	(390,234,709)	(131,821,929)	(34)
Non-controlling interest	(5,621,948)	(5,053,118)	(568,830)	(11)
Total Liability and Equity	₱87,177,724	₱149,965,973	(₱62,788,249)	(42)

The following are the material changes in the Consolidated Statements of Financial Position as at December 31, 2025 and 2024:

- Increase in cash and cash equivalents primarily due to the receipt of ACEN's ₱17.40 million subscription payment to its subscribed preferred shares, net of disbursements for working capital requirements and settlement of liabilities.
- Decrease in receivables due mainly to the collection from BCEI of cost recoveries on administrative support provided.
- Full impairment provision on the carrying value of the investment in BCEI (joint venture), which includes the investment subscription cost amounting to ₱150.22 million, net of the accumulated equity share in net losses as of December 31, 2025 of ₱81.39 million. As at December 31, 2025, ENEX's management assessed that its investment in BCEI (joint venture) is no longer recoverable, thus impaired, due to BCEI's cessation of operations as at December 31, 2025 and its plans to pursue the discontinuation of the BCEI project, termination of the joint venture arrangement and eventual dissolution of the company.
- Decrease in accounts payable and other current liabilities due mainly to the conversion of advances from ACEN into equity (preferred shares) and the settlement of ACEN and ACES payables pertaining to management fees and contracted services.
- Issuance of 300 million preferred shares to ACEN at a total subscription price of ₱300.00 million (₱1.00 per preferred share). The total subscription price were settled by ACEN by way of (i) application of the ₱207.54 million deposit for future stock subscription balance as at December 31, 2024 following the approval by the SEC of ENEX's increase in authorized capital stock (and creation of non-voting preferred shares) on November 12, 2025, (ii) conversion of payables to ACEN amounting to ₱75.06 million, and (iii) cash infusion from ACEN amounting to ₱17.40 million.

Financial Soundness Indicators

Key Performance Indicator	Formula	2025	2024	Increase	
				Amount	%
Liquidity Ratios Current ratio	Current assets	0.51	0.33	0.18	55%
	Current liability				
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets	0.50	0.33	0.17	52%
	Current liability				
Solvency Ratios Debt-to-equity ratio	Total liability	2.91	1.41	1.50	106%
	Total equity				
Asset-to-equity ratio	Total assets	3.91	2.41	1.50	62%
	Total equity				
Net bank debt to equity ratio	Short and long-term loans – Cash and cash equivalents	N/A	N/A	N/A	N/A
	Total equity				
Profitability Return on equity	Net income after tax	N/A	N/A	N/A	N/A
	Average stockholders' equity				
Return on assets	Net income after tax	N/A	N/A	N/A	N/A
	Average total assets				
Asset turnover	Revenues	N/A	N/A	N/A	N/A
	Average total assets				

Current ratio and acid test ratio

Current and acid test ratios increased as the Group's current liability decreased with the conversion of ACEN's advances into equity combined with the increase in cash and cash equivalents primarily due to ACEN's cash infusion.

Debt-to-equity ratio

The Group's debt-to-equity ratio unfavorably increased due to higher deficit in 2025, which was partially offset by the cash infusion from ACEN.

Asset-to-equity ratio

Asset-to-equity ratio improved largely due to the conversion of ACEN's advances into equity.

Net bank debt to equity ratio, return on equity, return on assets and asset turnover

These ratios are not applicable since the Group has not started commercial operations yet.

During the calendar year 2025:

- ENEX's subsidiary, Palawan55, is the Operator of SC 55 and has 75% participating interest in it.
 - On June 7, 2023, the Department of Energy (“DOE”) approved the SC 55 Consortium’s request for a force majeure relief in SC 55 until such time that a clearance to proceed with exploration activities in the West Philippine Sea is issued by the National Government.
 - On December 1, 2023, the DOE granted the request of Palawan55 to extend the deadline to drill a well under SC 55 by a period of eighteen (18) months. Pursuant to Section 26.01 of SC 55, the DOE had earlier found basis to place SC 55 under force majeure from December 6, 2022 until such time that a clearance to proceed with exploration activities in the West Philippine Sea is issued by the National Government. The DOE further states that “given that SC 55 is currently still on force majeure, Palawan55 shall have a total of twenty three (23) months (the five (5) months remaining plus the 18-month extension) from the lifting of force majeure to drill the committed well.”
 - As at December 31, 2025, the SC 55 is still under force majeure.
- ii. Any known trends, events or uncertainties (with material impact on liquidity)
- There were no other material trends, demands, commitments, events or uncertainties known to the Group that would likely adversely affect the liquidity of the Group.
- iii. Events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation
- There were no events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.
 - There were no contingent assets nor contingent liabilities since the last annual balance sheet date.
- iv. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period
- There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- v. Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures
- The Group has no material commitment for capital expenditure as at the reporting period.
- vi. Any known trends, events or uncertainties (material impact on sales)
- There were no trends, events or uncertainties that have had or that were reasonably expected to have material favorable or unfavorable impact on net revenues/income from continuing operations.
 - There were no unusual items that affected assets, liabilities, equity, net income or cash flows.
- vii. Any significant element of income or loss (from continuing operations)
- There were no other significant elements of income or loss that arise from continuing operations that had material effect on the financial condition or result of operations.

viii. Seasonal aspects that have a material effect on the audited consolidated financial statements

- There were no operations subject to seasonality and cyclicity.

2024

i. Causes of material changes from period to period: 2024 compared with 2023

Consolidated Statements of Income

	2024	2023	Increase (Decrease)	
			Amount	%
Expenses	₱13,065,947	₱15,482,912	(₱2,416,965)	(16)
Other charges (income) - net	19,543,651	36,133,467	(16,589,816)	(46)
Loss before income tax	32,609,598	51,616,379	(19,006,781)	(37)
Provision for income tax	91,204	3,754	87,450	2,330
Net loss	₱32,700,802	₱51,620,133	(₱18,919,331)	(37)

The following are the material changes in the Consolidated Statements of Comprehensive Income for the year ended December 31, 2024 and 2023:

- Decrease in management and professional fees, taxes, licenses and registration fees and other expenses from last year was due to rationalization of expenses following the level of activity in current year.
- Taxes and licenses increased due to additional documentary stamp taxes on availment and renewal of short-term, while advertising and promotion increased from expenses for the annual stockholders meeting. These are offset by decrease in training fund contributions due to recording of catch-up contribution in the same period last year.
- Other charges (income) – net mainly came from equity in net losses of the Parent Company’s joint venture investee (BCEI) (₱14.55 million). These are ENEX’s share in noncapitalizable pre-development expenses of BCEI, while increase in interest expense on short-term loan from ACEN and ACEN International (₱6.72 million). Interest income increased due to placements in time deposit.

Consolidated Statements of Financial Position

	2024	2023	Increase (Decrease)	
			Amount	%
Current Assets				
Cash and cash equivalents	₱28,107,477	₱7,538,325	₱20,569,152	273
Receivables	1,145,848	27,601	1,118,247	4,051
Other current assets	106,021	24,399	81,622	335
Noncurrent Assets				
Investment in a joint venture	66,256,650	80,809,131	(14,552,481)	(18)
Deferred exploration costs	54,349,977	54,349,977	–	–
Property and equipment	–	131,682	(131,682)	(100)
Total Assets	₱149,965,973	₱142,881,115	₱7,084,858	5

	2024	2023	Increase (Decrease)	
			Amount	%
Current Liabilities				
Accounts payable and other current liabilities	₱87,709,788	₱100,168,139	(₱12,458,351)	(12)
Short-term loans	–	155,300,000	(155,300,000)	(100)
Equity				
Capital stock	250,000,001	250,000,001	–	–
Deposit for future stock subscriptions	207,544,011	–	207,544,011	100
Deficit	(390,234,709)	(358,153,764)	(32,080,945)	(9)
Non-controlling interest	(5,053,118)	(4,433,261)	(619,857)	(14)
Total Liabilities and Equity	₱149,965,973	₱142,881,115	₱7,084,858	5

The following are the material changes in the Consolidated Statements of Financial Position as at December 31, 2024 and December 31, 2023:

- Increase in Cash was primarily due to subscription to RPS from ACEN via cash amounting to ₱30.00 million, cash call from Pryce Gases Inc. amounting to ₱2.07 million and short-term loan proceeds for working capital purposes.
- Increase in receivables was mainly due from cost recoveries from BCEI for administrative support provided.
- Investment in a joint venture pertains to the Parent Company's ownership interest in BCEI which includes subscription cost (₱150.22 million) and accumulated share in net loss (₱14.55 million).
- Decrease in Property and equipment was purely due to depreciation.
- Decrease in Accounts payable and other current liabilities mainly due to payments of advances from ACEN pertaining to management fees and other various payables (₱19.28 million), payment to ACES pertaining to management fees and contracted services (₱3.18 million) and payment to BPGC pertaining to cash advance (₱4.00 million). ₱0.27 million outstanding interests from short-term loans was exchanged for subscription in ENEX.
- Short-term loans payable in 2023 pertains to the Parent Company's availment of ACEN's short-term loan facility to fund the initial subscription to BCEI amounting to ₱150.00 million and availment of ACEN International's short-term loan facility to fund its working capital requirements amounting to ₱5.30 million.
- Deposit for future stock subscriptions - Equity pertain to subscriptions by ACEN, in exchange for ACEN receivables from ENEX and cash infusion of ₱177.54 million and ₱30.0 million, respectively.

Financial Soundness Indicators

Key Performance Indicator	Formula	2024	2023	Increase (Decrease)	
				Amount	%
Liquidity Ratios Current Ratio	Current assets	0.33	0.03	0.30	1,000%
	Current liabilities				
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets	0.33	0.03	0.30	1,000%
	Current liabilities				
Solvency Ratios Debt-to-equity ratio	Total liabilities	1.41	(2.27)	3.68	(162%)
	Total equity				
Asset-to-equity ratio	Total assets	2.41	(1.27)	3.68	(290%)
	Total equity				
Net bank Debt to Equity Ratio	Short & long-term loans - Cash & Cash Equivalents	N/A	N/A	N/A	N/A
	Total Equity				
Profitability Return on equity	Net income after tax	N/A	N/A	N/A	N/A
	Average stockholders' equity				
Return on assets	Net income after taxes	N/A	N/A	N/A	N/A
	Average total assets				
Asset turnover	Revenues	N/A	N/A	N/A	N/A
	Average total assets				

Current ratio and acid test ratio

Current ratio and acid test ratios increased as the Group's current liabilities decreased with the conversion of the short-term loans to equity.

Debt-to-equity ratio

The Group's debt-to-equity ratio improved following the conversion of the short-term loans to equity.

Asset-to-equity ratio

As of December 31, 2024, asset-to-equity ratio is positive from the conversion of the short-term loans to equity.

Return on equity, Return on assets and Asset turnover

These ratios are not applicable since the Group has not started commercial operations yet.

During the calendar year 2024:

- ENEX's subsidiary, Palawan55, has 75% participating interest in SC 55 and is the Operator.
 - On June 7, 2023, the Department of Energy has officially approved the Consortium's request for a Force Majeure event in SC 55 until such time that a clearance to proceed with exploration activities in the West Philippine Sea is issued by the National Government.
 - On December 1, 2023, the DOE granted the request of the Palawan55 to extend the deadline to drill a well under SC 55 by a period of eighteen (18) months. Pursuant to Section 26.01 of SC 55, the DOE had earlier found basis to place SC 55 under force majeure from December 6, 2022 until such time that a clearance to proceed with exploration activities in the West Philippine Sea has been issued by the National Government. The DOE further states that "given that SC 55 is currently still on force majeure, Palawan55 shall have a total of 23 months (the five months remaining plus the 18-month extension) from the lifting of force majeure to drill the committed well."
 - As at December 31, 2024, SC 55 is still in Force Majeure.
- ii. Any known trends, events or uncertainties (Material impact on liquidity)
- There were no other material trends, demands, commitments, events or uncertainties known to the Group that would likely affect adversely the liquidity of the Group.
- iii. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation
- There were no events that will trigger direct or contingent financial obligation that was material to the Group, including any default or acceleration of an obligation.
 - There were no contingent assets or contingent liabilities since the last annual balance sheet date.
- iv. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
- There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- v. Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures
- There were no events that had occurred subsequent to the balance sheet date that required adjustments to or disclosure in the consolidated financial statements.
- vi. Any known trends, events or uncertainties (Material impact on sales)
- There were no trends, events or uncertainties that have had or that were reasonably expected to have material favorable or unfavorable impact on net revenues/income from continuing operations.
 - There were no unusual items that affected assets, liabilities, equity, net income or cash flows.

- vii. Any significant element of income or loss (from continuing operations)
- There were no significant elements of income or loss that did not arise from continuing operations that had material effect on the financial condition or result of operations.
- viii. Seasonal aspects that have a material effect on the FS
- There were no operations subject to seasonality and cyclicity.

2023

- i. Causes of material changes from period to period: 2023 compared with 2022

Consolidated Statements of Income

	2023	2022	Increase (Decrease)	
			Amount	%
Expenses	₱15,482,912	₱30,768,075	(₱15,285,163)	(50%)
Other charges (income) - net	36,133,467	42,974,988	(6,841,521)	(16%)
Loss before income tax	51,616,379	73,743,063	(22,126,684)	(30%)
Provision for income tax	3,754		3,754	
Net Loss	₱51,620,133	₱73,743,063	(₱22,122,930)	(30%)

The following are the material changes in the Consolidated Statements of Comprehensive Income for the years ended December 31, 2023 and 2022:

- Decrease in management and professional fees, taxes, licenses and registration fees and other expenses from last year was due to rationalization of expenses following the level of activity in current year.
- Contribution to the Department of Energy (DOE) amounting to ₱3.33 million in relation to training fund commitment.
- Other charges - net mainly came from equity in net losses of the Parent Company's joint venture investee (BCEI) (₱30.64 million, ENEX's share in pre-development expenses), interest expense on short-term loan from ACEN and ACEN International (₱9.96 million), other income from recoveries in SC 55 consortium partner (₱4.56 million) and foreign exchange losses from dollar-denominated deposits with the depreciation of the US dollar (₱55.57 from ₱56.12 last December 2022).

Consolidated Statements of Financial Position

	2023	2022	Increase (Decrease)	
			Amount	%
Current Assets				
Cash	₱7,538,325	₱13,435,336	(₱5,897,011)	(44%)
Noncurrent Assets				
Investment in a joint venture	80,809,131	111,452,351	(30,643,220)	(27%)
Deferred exploration costs	54,349,977	57,150,549	(2,800,572)	(5%)
Property and equipment	131,682	289,701	(158,019)	(55%)
Current Liabilities				
Accounts payable and other current liabilities	100,168,139	92,909,868	7,258,271	8%
Subscription payable	–	23,436,960	(23,436,960)	(100%)
Short-term loans	155,300,000	127,000,000	28,300,000	22%

The following are the material changes in the Consolidated Statements of Financial Position as at December 31, 2023 and December 31, 2022:

- Decrease in Cash was primarily due to working capital spending related to the Group’s activities for the current period, coupled with payment of subscription payable to BCEI. These were augmented by availment of short-term loans from ACEN and ACEN International and advances from Consortium Partner.
- Investment in a joint venture pertains to the Parent Company’s ownership interest in BCEI which includes subscription cost (150.22 million) and accumulated share in net loss (₱69.41 million).
- Accounts payable and other current liabilities increased mainly due to accruals of Management and Professional fee (₱10.60 million), training fund contribution to DOE (₱1.11 million) and interest expense (₱ 9.96 million), partly offset by additional cash calls related to SC 55 (₱1.59 million) and recoveries from consortium partner (₱8.64 million).
- Short-term loans payable pertains to the Parent Company’s availment of ACEN’s short-term loan facility to fund the initial subscription to BCEI amounting to 150.00 million and availment of ACEN International’s short-term loan facility to fund its working capital requirements amounting to 5.30 million.

Financial Soundness Indicators

Key Performance Indicator	Formula	2023	2022	Increase (Decrease)	
				Amount	%
Liquidity Ratios Current Ratio	Current assets	0.03	0.06	(0.03)	(50%)
	Current liabilities				
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets	0.03	0.06	(0.03)	(50%)
	Current liabilities				
Solvency Ratios Debt-to-equity ratio	Total liabilities	(2.27)	(3.99)	1.72	(43%)
	Total equity				
Asset-to-equity ratio	Total assets	(1.27)	(2.99)	1.72	(58%)
	Total equity				
Net bank Debt to Equity Ratio	Short & long-term loans - Cash & Cash Equivalents	N/A	N/A	N/A	N/A
	Total Equity				
Profitability Return on equity	Net income after tax	N/A	N/A	N/A	N/A
	Average stockholders' equity				

Return on assets	Net income after taxes	N/A	N/A	N/A	N/A
	Average total assets				
Asset turnover	Revenues	N/A	N/A	N/A	N/A
	Average total assets				

Current ratio and acid test ratio

Current ratio and acid test ratios decreased as the Group’s current liabilities increased with the availment of additional short-term loan from ACEN and ACEN International and additional advances from the consortium partner to be applied to SC 55’s work program.

Debt-to-equity ratio

The Group’s debt-to-equity ratio is negative with capital deficiency reported as of December 31, 2023.

Asset-to-equity ratio

As of December 31, 2023, asset-to-equity ratio is negative with the capital deficiency reported as of December 31, 2023.

Return on equity, Return on assets and Asset turnover

These ratios are not applicable since the Group has not started commercial operations yet.

During the calendar year 2023:

- ENEX’s subsidiary, Palawan55, has 75% participating interest in SC 55 and is the Operator.
 - On June 7, 2023, the Department of Energy has officially approved the Consortium’s request for a Force Majeure in SC 55 until such time that a clearance to proceed with exploration activities in the West Philippine Sea is issued by the National Government.
 - On December 1, 2023, the DOE granted the request of Palawan55 to extend the deadline to drill a well under SC 55 by a period of eighteen months. Pursuant to Section 26.01 of SC 55, the DOE had earlier found basis to place SC 55 under force majeure from December 6, 2022 until such time that a clearance to proceed with exploration activities in the West Philippine Sea has been issued by the National Government. The DOE further states that “given that SC 55 is currently still on force majeure, Palawan55 shall have a total of twenty-three months (the five months remaining plus the eighteen-month extension) from the lifting of force majeure to drill the committed well.”
- ii. Any known trends, events or uncertainties (Material impact on liquidity)
- There were no other material trends, demands, commitments, events or uncertainties known to the Group that would likely affect adversely the liquidity of the Group.

- iii. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation
- There were no events that will trigger direct or contingent financial obligation that was material to the Group, including any default or acceleration of an obligation.
 - There were no contingent assets or contingent liabilities since the last annual balance sheet date.
- iv. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
- There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- v. Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures
- There were no events that had occurred subsequent to the balance sheet date that required adjustments to or disclosure in the consolidated financial statements.
- vi. Any known trends, events or uncertainties (Material impact on sales)
- There were no trends, events or uncertainties that have had or that were reasonably expected to have material favorable or unfavorable impact on net revenues/income from continuing operations.
 - There were no unusual items that affected assets, liabilities, equity, net income or cash flows.
- vii. Any significant element of income or loss (from continuing operations)
- There were no significant elements of income or loss that did not arise from continuing operations that had material effect on the financial condition or result of operations.
- viii. Seasonal aspects that have a material effect on the FS
- There were no operations subject to seasonality and cyclicity.

Item 7. Financial Statements and Supplementary Schedules

The consolidated financial statements and schedules, as listed in the accompanying Index to Financial Statements and Supplementary Schedules, are filed as part of this Form 17 A.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

The Company has engaged the services of SGV & Co. during the two most recent fiscal years. There were no disagreements with SGV & Co. on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.

Audit and Non-audit Services (NAS) Fees

In its meeting on 23 April 2025, the shareholders re-appointed SGV & Co. as the external auditor of the Company for the calendar year 2025. Fees approved in connection with the audit services rendered by SGV & Co. for the Company pursuant to the regulatory and statutory requirements for the years ended 31 December 2024 and 2025 amounted to ₱220,500.00 and ₱231,500.00, respectively, exclusive of value-added tax (VAT) and out-of-pocket (OPE) expenses.

In addition to performing the audit of the Company's 2025 financial statements, SGV & Co. was also engaged to provide non-audit services in accordance with established procurement policies.

Pursuant to the requirements of SEC Memorandum Circular No. 18-2024 for supplemental disclosure in the audited financial statements, the Company is mandated to report fees related to both audit and non-audit services fees rendered by SGV & Co. and its network firms to the Company and its subsidiary. Further, audit-related fees are now reclassified under "NAS – Other assurance services" from "Audit and audit-related".

The consolidated audit and non-audit services rendered by SGV & Co. and network firms are outlined below, with comparative figures for 2025 and 2024:

	<i>(Amounts exclusive of VAT and OPE)</i>	
	2025	2024
Total Audit Fees*	Php0.28 million	Php0.27 million
Non-audit Services**		
Other assurance services	Php0.09 million	Php0.05 million
Tax services	-	-
All other services	-	-
Total Non-audit Fees	Php0.09 million	Php0.05 million
Total Audit and Non-Audit Fees	Php0.37 million	Php0.32 million

*Agreed audit fees

**Billed fees for the years ended December 31, 2025 and 2024

The increase in audit fees was attributable to the inclusion of the regular quarterly review fees, which were previously reported under "Non-Audit Services – Other Assurance." Beginning in 2026, the quarterly review fees were reclassified and included under audit fees pursuant to SEC Memorandum Circular No. 18, s. 2024.

The election of SGV & Co. and the fixing of its remuneration for the calendar year 2026 will be presented to the stockholders for their approval at the Annual Stockholders' Meeting.

Audit services include the Company's and its subsidiary's agreed fees for the audit of the annual financial statements, on which SGV & Co. expressed an opinion for the years ended December 31, 2025 and 2024.

Non-audit services include agreed-upon procedures for the increase in authorized capital stocks.

The Audit Committee reviewed the nature of non-audit services rendered by SGV & Co., including the corresponding fees, and concluded that these services do not conflict with the external auditor's audit function.

The Audit Committee has a policy to review and approve the audit and non-audit services rendered by the Company's external auditor. It prohibits the Company and its subsidiary from engaging the external auditor for non-audit services expressly prohibited by the SEC. This is intended to ensure that the external auditor maintain the highest level of independence from the Company, both in fact and in appearance.

PART III CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The write-ups below include the positions held in the Company, as of 31 December 2025 and in the past five (5) years, and the personal data of the directors and executive officers as of 31 December 2025.

Board of Directors

Name	Age	Citizenship	Designation
Gerardo C. Ablaza, Jr.	72	Filipino	Chairman
John Eric T. Francia	54	Filipino	Vice-Chairman; President and Chief Executive Officer (CEO)
Alberto M. de Larrazabal	69	Filipino	Director
Roman Miguel G. de Jesus	50	Filipino	Director
Hannielynn F. Tucay	48	Filipino	Director and Chief Finance Officer (CFO)
Ma. Aurora D. Geotina-Garcia	72	Filipino	Lead Independent Director
Alberto A. Lim	75	Filipino	Independent Director
Mario Antonio V. Paner	66	Filipino	Independent Director
Melinda L. Ocampo	68	Filipino	Independent Director

Gerardo C. Ablaza, Jr.
Chairman, Non-Executive Director

Committee memberships:

- *Executive Committee (Chairperson)*

Mr. Ablaza has been a director of the Company since 24 April 2024. He holds the following positions in other publicly listed companies:

- Vice - Chairman of ACEN CORPORATION
- Director of iPeople, Inc.

He is also a director of other Philippine corporations operating in retail banking, education, energy, and cement manufacturing. He is also a member of the Board of Trustees of a number of non-profit foundations engaged in social initiatives, namely, the Ayala Foundation and the BPI Foundation. He previously served as a director of the Company from 1 July 2019 until 18 March 2021.

Mr. Ablaza retired from full-time executive work in 2017 after serving in various corporate executive roles for 43 years. His experience spanned a variety of industries: FMCG, agribusiness, retail banking, telecommunication, and water distribution. He served as President and CEO of Manila Water Company from June 2010 to April 2017. Prior to this, he was the Chief Operating Officer of Globe Telecom, Inc. in 1997, and its President and CEO from 1998 to April 2009.

He graduated summa cum laude and obtained his degree in Liberal Arts (Honors Accelerated Program), Majoring in Mathematics, from De La Salle University in 1974.

John Eric T. Francia
Vice-Chairman, Executive Director, President and CEO

Committee memberships:

- ***Executive Committee***

Mr. Francia was elected Chairman of the Board of Directors on 9 May 2019. He is also a Senior Managing Director and member of the Management Committee of Ayala Corporation. Under his leadership, Ayala established its energy platform from a standing start in 2011 and became one of the largest renewable energy platforms in the region, with ~7 GW of attributable renewable energy capacity across the Asia Pacific.

He holds the following position in another publicly listed company:

- Director and President of ACEN CORPORATION

Mr. Francia has also led pioneering initiatives in early coal retirement, including the successful completion of the world's first market-based Energy Transition Mechanism (ETM).

Mr. Francia earned a master's degree in Management Studies at the University of Cambridge in the United Kingdom, graduating with first-class honors. He received his undergraduate degree in Humanities and Political Economy from the University of Asia & the Pacific, graduating magna cum laude.

Alberto M. de Larrazabal
Non-Executive Director

Committee memberships:

- ***Audit Committee***

Mr. de Larrazabal was elected as Director of the Company on 25 April 2022. He served as Senior Managing Director and Chief Finance Officer of Ayala Corporation from 23 April 2021 to 31 December 2025.

Mr. de Larrazabal served as Vice Chairman, President and CEO of AC Ventures Holdings Corp., Chairman of A&CO Holdings Corporation, AA Infrastructure Projects Corporation, Ayala Aviation Corporation, ACX Holdings Corporation, and Livelt Investments Limited; Chairman and President of Liontide Holdings, Inc.; Director, President and CEO of AC Infrastructure Holdings Corporation, AC International Finance Ltd., and AYC Finance Limited; Vice Chairman of Lagdigan Land Corporation; Director and President of AC Ventures SubCo, Inc. and Philwater Holdings Company, Inc.; Director, Treasurer and Chief Finance Officer of WeAreAyala Business Club, Inc.; Director and CEO of AG Holdings Limited, AG Region Pte. Ltd., Ayala International Pte. Ltd., Ayala International Holdings Pte Limited, Azalaea International Venture Partners Limited, Bestfull Holdings Limited, BF Jade E-Services Philippines, Inc., Fine State Group Limited, and VIP Infrastructure Holdings Pte. Ltd; Director of AC Energy and Infrastructure Holdings Corporation., AC Industrial Technology Holdings, Inc., AC Logistics Holdings Corporation, ACEN International, Inc., A.C.S.T Business Holdings, Inc., AC Mobility Holdings Incorporated, Anko JV Company, Inc., Air 21 Holdings, Inc., APPPPS Partners, Inc., Asiacom Philippines, Inc., Ayala Healthcare Holdings, Inc., Evro Mobility Solutions, Inc., Healthnow, Inc., Global Telehealth, Inc., Light Rail Manila Holdings, Inc., Michigan Holdings, Inc., Mobility Access Philippines Ventures Inc., Affinity Express Holdings, Ltd., AI North America, Inc., AYC Holdings Limited, Pioneer Adhesives, Inc., Purefoods International Limited ("PFIL NA"), Strong Group Limited, and Total Jade Group Limited.

He has over two decades of extensive experience as a senior executive in Finance, Business Development, Treasury Operations, Joint Ventures, Mergers and Acquisitions, as well as Investment Banking and Investor Relations.

Prior to joining Ayala Corporation, Mr. de Larrazabal served as Chief Commercial Officer and Chief Finance Officer of Globe Telecom. Earlier in his career, he held key leadership roles, including Vice President and Head of the Consumer Sector of JP Morgan, Hong Kong, and Senior Vice President and CFO of San Miguel Corporation.

He holds a Bachelor of Science degree in Industrial Management Engineering from De La Salle University.

Roman Miguel G. de Jesus
Executive Director

Committee memberships:

- ***Executive Committee***
- ***Personnel and Compensation Committee***
- ***Board Risk Management and Related Party Transactions Committee***

Mr. de Jesus is a Managing Director of ACEN CORPORATION and heads its Philippine business. He was elected as Director of the Company on 24 April 2023. His prior roles include leading ACEN's solar development in Vietnam, pioneering ACEN's retail electricity business, and managing ACEN's first operating wind assets in the Philippines. He is also a Director and President of various operating subsidiaries of ACEN. Prior to joining ACEN, he practiced law with a focus on energy and project finance.

He holds a master's degree in philosophy from Ateneo de Manila and a Bachelor of Laws degree from the University of the Philippines. He is also an alumnus of Harvard Business School's Advanced Management Program.

Hannelynn F. Tucay
Executive Director; Treasurer and CFO

Ms. Tucay was elected as Director of the Company on 24 April 2023. She is also the CFO and Head of Business Development of Klima 1.5 Corp. (formerly ACE Thermal Inc.). She was a director and the former General Manager of ACE Shared Services, Inc. She was the former Head of Corporate Finance of ACEN. She was also the former Controller and FP&A Head of ACEIC, and former Finance Head of ACEIC's Retail Business Unit. Prior to joining ACEN, she was the former Deputy CFO and FP&A Head of ALI Capital Corp. She has over 20 years' experience in various finance roles in companies including the Ayala Land Group, Roche Diagnostics, Diageo, and Punongbayan and Araullo.

She graduated from the University of Baguio with a degree in Accountancy. She is a certified public accountant.

Ma. Aurora D. Geotina-Garcia
Non-Executive and Lead Independent Director

Committee memberships:

- ***Audit Committee (Chairperson)***
- ***Personnel and Compensation Committee***

Ms. Geotina-Garcia has been an Independent Director of the Company since 17 September 2019. She is currently the President of Mageo Consulting Inc., a company providing business advisory and corporate finance consulting services. As a Certified Public Accountant, she started her professional career at SGV & Co., Ernst & Young Philippines, where she led the Firm's Global Corporate Finance Division.

She also holds the following position in another publicly listed company:

- Independent Director of Cebu Landmasters, Inc.

She is also an independent director of Professional Services Inc. and Concreat Holdings Philippines, Inc.

She served as Independent Director of ACEN CORPORATION from 17 September 2019 to 24 April 2023. She is the first female Chairperson of the Bases Conversion and Development Authority (BCDA) (2015 -2016), and was a Director in the following companies: Bases Conversion and Development Authority (2011-2016), BCDA Management Holdings, Inc. (2011-2016), Fort Bonifacio Development Corporation (2011-2016), Heritage Park Management Corporation (2015-2016), Bonifacio Global City Estates Association, Inc. (2012-2016), Bonifacio Estates Services Corporation (2012-2016), HBC, Inc. (2012-2016), and Queen City Development Bank (2009-2021). She is Chairperson and Trustee of the Shareholders' Association of the Philippines, and a Fellow, past Vice Chairperson, and President of the Institute of Corporate Directors (ICD). She is the Founding Chairperson and

President of the Philippine Women's Economic Network, Chairperson of the Governing Council of the Philippine Business Coalition for Women Empowerment, Chairperson of the NextGen Organization of Women Corporate Directors, and Chairperson of Samahan ng Pilipina para sa Reporma at Kaunlaran (Spark Philippines). She is also Co-Convenor of Leaders for Change Philippines. Ms. Garcia is a former Co-Chair of the ASEAN Women's Entrepreneurs' Network, where she remains as one of the Philippine Focal Points. Ms. Garcia serves in other women's business organizations as a long-time Trustee, namely: Business & Professional Women's, Makati (BPW), and Women's Business Council Philippines Inc. In 2012, she received the Distinguished Alumni Award from the University of the Philippines, and in 2019, she was recognized as an ASEAN Woman Entrepreneur at the ASEAN Business Awards. In March 2023, she received the Accountancy Centenary Award from the Philippine Board of Accountancy as one of 100 notable Certified Public Accountants in the country, in celebration of the Centenary of the Accounting Profession in the Philippines.

She received her Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines in 1973 and completed her Master of Business Administration from the same university in 1978. She is a certified public accountant and a fellow of the Institute of Corporate Directors.

Alberto A. Lim

Non-Executive and Independent Director

Committee memberships:

- ***Board Risk Management and Related Party Transactions Committee (Chairperson)***
- ***Corporate Governance and Nomination Committee***

Mr. Lim has been an Independent Director of the Company since 17 September 2019. Effective April 2024, he became the Chairman (former President) of the Culion Foundation, Inc., and the President (former Chairman) of the El Nido Foundation, Inc. He was a former director of the Development Bank of the Philippines and the Chairman of the DBP Leasing Corporation. He was a former executive director of the Makati Business Club and served as the Secretary of Tourism from 30 June 2010 to 12 August 2011.

Mr. Lim holds a Bachelor's Degree in Economics from the Ateneo de Manila University, a Master's Degree in Business Administration from the Harvard Business School, and a Master's Degree in Public Administration from the Kennedy School of Government, Harvard University.

Melinda L. Ocampo

Non-Executive and Independent Director

Committee memberships:

- ***Corporate Governance and Nomination Committee (Chairperson)***
- ***Audit Committee***
- ***Board Risk Management and Related Party Transactions Committee***

Ms. Ocampo has been an Independent Director of the Company since 25 April 2022. She is also an Independent Director of ACEN (PSE: ACEN) since 17 September 2019. She currently serves as a consultant to the Ricardo Energy and Environment Consulting Firm, a United Kingdom-based company, on a project titled, "*The Philippines Grid Diagnostic and Roadmap for Smart Grid Development.*" The said project is funded by the United Nations Office for Project Services, with the main task of establishing and developing governance mechanisms to implement the project.

Ms. Ocampo served as President of the Philippine Electricity Market Corporation (PEMC), a nonstock, non-profit private organization that governs the country's wholesale electricity spot market, from 27 March 2009 until 31 July 2017. Her experience includes developing energy policies and programs as Undersecretary of the Department of Energy from May 2005 to December 2007. She was also involved in the regulation, planning, and technical feasibility of electric power generation, transmission, and distribution systems, including the granting of electric franchises to both electric cooperatives and private distribution utilities. She has extensive knowledge of energy regulation, including petroleum and electricity pricing and competition rules, and has provided consulting services to legislators on electricity pricing, particularly regarding power-purchased adjustments. She was also a consultant to the World

Bank's project on the Electric Cooperatives system loss reduction program and to USAID under the Asia Foundation's project to introduce open access and competition in the coverage of the Philippine Economic Zone (PEZA). She was a board member (February 1996 to June 1998) and Chairman (August 1998 to August 2001) of the Energy Regulatory Board (now Energy Regulatory Commission). She served as a division chief (October 1979 to November 1988) and a director (December 1988 to February 1996) of the National Electrification Administration.

In 1977, she obtained her Bachelor of Science degree in Commerce, Major in Accounting, from the Republic Central Colleges, in Angeles City, Pampanga. She received her MBA from the University of the Philippines, Diliman, Quezon City. She is a certified public accountant.

Mario Antonio V. Paner
Non-Executive and Independent Director

Committee memberships:

- ***Personnel and Compensation Committee (Chairperson)***
- ***Corporate Governance and Nomination Committee***

Mr. Paner has been an Independent Director of the Company since 19 April 2021.

He also holds the following position in another publicly listed company:

- Independent Director of the Bank of the Philippine Islands

He was an Independent Director of ACEN CORPORATION from 20 April 2020 to 19 April 2021, and ALFM from January 2022 to March 2024. He was previously the Treasurer and Head of BPI's Global Markets Segment, responsible for managing the bank's interest rate and liquidity gaps, as well as its fixed income and currency market-making, trading, and distribution activities— in the Philippines and abroad. He was Chairman of the BPI's Asset & Liability Committee and was a member of the Management Committee and Asset Management Investment Council. He also served on the board of BPI Europe Plc. He joined BPI in 1985, when it acquired Family Savings Bank, and performed various Treasury and Trust positions until 1989. Between 1989 and 1996, he worked at Citytrust, then the consumer banking arm of Citibank in the Philippines, which BPI acquired in 1996. At BPI, he was responsible for various bank businesses, including Risk Management, Portfolio Management, Money Management, Asset Management, Remittance, and Private Banking. He served as President of the Money Market Association of the Philippines (MART) in 1998 and was the Vice Chairman of the Bankers Association of the Philippines' (BAP) Open Market Committee until 2019. He was also a member of the Makati Business Club, Management Association of the Philippines, British Chamber of Commerce, and the Philippine British Business Council.

He obtained an A.B. Economics degree from Ateneo de Manila University in 1979 and completed various courses in Business and Finance, including Strategic Financial Management in 2006. In 2009, he completed the Advanced Management Program at Harvard Business School.

Nominees to the Board of Directors for election at the annual stockholders' meeting

All of the above, except for Mr. Alberto M. de Larrazabal, are being nominated for re-election at the annual stockholder's meeting. Mr. Lim, Mr. Paner, Ms. Geotina-Garcia and Ms. Ocampo are being nominated as independent directors.

Mr. Juan Carlos L. Syquia is also being nominated to the Board of Directors.

Juan Carlos L. Syquia

Mr. Syquia currently serves as the Chief Financial Officer of Ayala Corporation. Concurrently, he serves as the Chairperson and President of AYC Holdings, Ltd. and Liontide Holdings, Inc.; Chairperson of A&Co Holdings Corporation, AA Infrastructure Projects Corporation, Ayala Aviation Corporation, and LiveIt Investments Limited; Director, President, and CEO of AC International Finance Limited and AYC Finance Ltd.; Director and CEO of ACI Solar Holdings (NA), AG Holdings Limited (HK), AG Region Pte. Ltd., Ayala International Holdings Pte. Ltd.

(formerly Ayala International Holdings Limited), Ayala International Pte. Ltd., Azalea International Venture Partners Ltd., Bestfull Holdings Limited, and Fine State Group Limited; and Director of AC Mobility Holdings Incorporated, A.C.S.T. Business Holdings, Inc., AC Logistics Holdings Corporation, AC Ventures Subco, Inc., ACX Holdings Corporation (formerly AG Counselors Corporation), Affinity Express Holdings Ltd., AI North America, Inc., AM 50 Ventures Inc. (formerly AC Ventures Holding Corp.), Ayala Healthcare Holdings, Inc., Evro Mobility Solutions, Inc., KP Motors Corporation, Mobility Access Philippines Ventures Inc., Philwater Holdings Company, Inc., Purefoods International Limited, Strong Group Limited, Total Jade Group Limited, and VIP Infrastructure Holdings Pte. Ltd.

Prior to joining Ayala, Mr. Syquia was Executive Vice President and Head of Institutional Banking at the Bank of the Philippine Islands (BPI), where he led a comprehensive portfolio encompassing Corporate and Commercial Banking, Investment Banking, and Transaction Banking. His strategic oversight and client-centric approach played a pivotal role in strengthening BPI's institutional relationships and financial performance.

Mr. Syquia's earlier career includes key leadership roles at ING, where he served as Managing Director and Head of Corporate Finance in the Philippines. He also held the role of Head of Strategy and Business Development for ING Asia Pacific Ltd., overseeing the firm's insurance and asset management operations across the region. He further broadened his banking experience in the Philippines as Head of Corporate and Institutional Banking at Standard Chartered, where he provided leadership in serving top-tier corporate clients and driving strategic growth initiatives in the local market.

Mr. Syquia holds an MBA in Finance and International Business from Fordham University in New York, where he graduated with honors. He earned his bachelor's degree in Management Economics from the Ateneo de Manila University.

The certifications on the qualifications of the nominees for independent directors, as well as the certification that no directors nor officers are connected with any government agency or instrumentality, are attached to the Company's Information Statement.

Management Committee Members / Senior Leadership Team

Name	Age	Citizenship	Designation
John Eric T. Francia¹	54	Filipino	President and CEO
Hannielynn F. Tucay¹	48	Filipino	Treasurer and CFO
John Philip S. Orbeta	64	Filipino	Chief Administrative Officer; Chief Human Resources Officer; and Chief Risk Officer
Raymundo A. Reyes, Jr.	73	Filipino	General Manager
Dodjie D. Lagazo	46	Filipino	Corporate Secretary; Compliance Officer
Alan T. Ascalon	51	Filipino	Assistant Corporate Secretary 1; Data Protection Officer
Kyla Kamille U. Samson	37	Filipino	Controller
Mae Christine L. Go	44	Filipino	Chief Audit Executive

John Philip S. Orbeta has been the Company's Group Chief Administrative Officer and Group Chief Human Resources Officer since 25 August 2021, and Group Chief Risk Officer since 18 October 2021.

He has served as Managing Director and a member of the Ayala Corporation Management Committee since May 2005 and of the Ayala Group Management Committee since April 2009. He served as Ayala Corporation's Chief Human Resources Officer and Group Head for Corporate Resources, covering Strategic Human Resources, Information & Communications Technology, Knowledge Management, and Corporate Support Services from January 2008 to September 2021. He is also a Director of ACEN Global Development Group, Inc. and ACEN Shared Services, Inc.

Mr. Orbeta is also the Chairman of Ayala Multipurpose Cooperative. He sits on the Board of HCX Technology Partners. He also serves as a Trustee of the Ayala Young Leaders Alumni Association, Inc., World Archery Philippines, La Salle University - Ozamis, and the National Mission Council of De La Salle Philippines, Inc.

¹ Member, Board of Directors; same profile above

He served as President and CEO of Automobile Central Enterprise, Inc., Iconic Dealership, Inc., Honda Cars Makati, Inc., and Isuzu Automotive Dealership, Inc. from Jan 2013 until December 2016. He was the Chairman and President of HCX Technology Partners, Inc. from September 2016 until November 2021 and President of Ayala Retirement Fund Holdings, Inc. (July 2021 – February 2022). He was Chairman of Ayala Group HR Council (October 2005 – September 2021), Ayala Aviation Corporation (August 2010 – October 2021), Ayala Group Corporate Security Council (January 2011 – October 2021), Ayala Business Clubs (January 2008 – November 2021), and Vice-Chairman of Ayala Group Club, Inc. (February 2015 – November 2021). He was a Director of Honda Cars Cebu, Inc. (August 2016 – August 2017), Isuzu Cebu, Inc. (August 2016 – August 2017), BPI Family Savings Bank, Inc. (May 2013 – June 2020), Ayala Foundation, Inc. (March 2013 – December 2021), Ayala Healthcare Holdings, Inc. (Y2016-February 2022), Healthway Medical, Inc. (Y2020 – February 2022), and the Generika Group of Companies (August 2018 – December 2021). Mr. Orbeta served as a Director and Chairman of the Audit Committee of the ALFM group of funds from April 2012 to December 2021 which included the ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., ALFM Money Market Fund, Inc., Philippine Stock Index Fund, Corp. as well as the ALFM Global Multi-Asset Income Fund, Inc. (April 2018 – December 2021), ALFM Retail Corporate Fixed Income Fund, Inc. (June 2019 – December 2021), ALFM Fixed Income Feeder Fund, Inc. (August 2019 – December 2021). Mr. Orbeta was also a Trustee of De La Salle University, Dasmarias, Cavite, and the De La Salle Health Sciences Institute, from December 2013 to September 2019, and the Weather Philippines Foundation, Inc. (October 2015 – June 2020). He was also a member of the Board of Governors of the Management Association of the Philippines from January 2019 to December 2020.

Prior to joining Ayala Corporation, he was the Vice President and Global Practice Director of the Human Capital Consulting Group at Watson Wyatt Worldwide (now Willis Towers Watson), overseeing the firm's practices in executive compensation, strategic rewards, data services, and organization effectiveness worldwide. He was also a member of Watson Wyatt's Board of Directors.

Mr. Orbeta graduated with an A.B. in Economics from the Ateneo de Manila University in 1982 and has completed advanced management programs at Harvard Business School, IMD, and INSEAD.

Raymundo A. Reyes, Jr. has served as the Company's General Manager since 1 January 2022. He was a director of the Company from February 2013 until 31 December 2021, and served as the Company's Chief Operating Officer from 2019 until 31 December 2021. He is currently the President and COO of Palawan55 Exploration & Production Corporation, the Company's sole subsidiary. He has been a Director and COO of Palawan55 since February 2013.

After a brief teaching and graduate assistantship at U.P. Diliman, Mr. Reyes began his professional career in 1976 as a geologist with Petron Corporation, then a subsidiary of the Philippine National Oil Company. He was later seconded to the Department of Energy and its predecessor agencies. In 1987, he joined PHINMA Energy as Exploration Manager and became Senior Vice President in 2012, a role he held until moving to ACEN Corporation in 2019. He held various positions in the PHINMA Group, including EVP, COO, and Director of PHINMA Petroleum and Geothermal, Inc.; Vice President and Director of Maibarara Geothermal, Inc.; and Vice President of Trans-Asia Gold and Minerals Development Corporation.

Mr. Reyes holds a Bachelor of Science in Chemistry and a Master of Science in Geology from the University of the Philippines.

Dodjie D. Lagazo has served as the Company's Corporate Secretary and Compliance Officer since 1 July 2019 and was appointed as General Counsel on 24 April 2023. He is the Group General Counsel, Group Compliance Officer, Assistant Corporate Secretary, and Managing Director of ACEN CORPORATION, a publicly listed company. He previously served as Director and member of AG Counselors Corporation's Management Committee from January 2014 to July 2017. He is also the Assistant Corporate Secretary of ACEIC and other various ACEN subsidiaries and affiliates.

Mr. Lagazo received his undergraduate degree in Political Science from the University of the Philippines, Diliman, graduating magna cum laude. He then completed his Bachelor of Laws degree in the College of Law of the University of the Philippines - Diliman.

Alan T. Ascalon has been the Assistant Corporate Secretary of the Company since 1 July 2019 and the Data Protection Officer since 17 September 2019. He is a Senior Vice President - Legal in ACEN CORPORATION and Data Protection Officer. He currently serves as Corporate Secretary of various ACEN subsidiaries. He was the Assistant Legal Counsel of PHINMA, Inc. from 2005 to 2008. Prior to joining ACEN, he worked as a Senior Associate at SGV & Co Tax Division from 2002 to 2005, a junior associate at Ponce Enrile Cayetano and Manalastas Law Offices from 2001 to 2002, and as a law clerk with the Supreme Court from 2000 to 2001.

He graduated from the University of the Philippines with a Bachelor of Arts degree in Journalism in 1996 and a Bachelor of Laws degree in 2000.

Kyla Kamille U. Samson has been the Company’s Controller since 9 November 2022. She worked in SyCip Gorres Velayo & Co. from July 2010 to June 2021, where she rose to the position of Assurance Senior Director in October 2019.

She graduated in 2009 from De La Salle University – Manila with a Bachelor of Science degree in Accountancy.

Mae Christine L. Go has been appointed as Chief Audit Executive of the Company since 16 November 2023. She has been with the Ayala Group since January 2013 and is currently an Associate Director in the Internal Audit Department of Ayala Corporation. She served as Group Head of the Internal Audit Department of Liveit Investments Limited, Philippine ROHQ, an Ayala subsidiary, from January 2013 to August 2015. She also worked under the Finance and Facilities Management Groups of Ayala Property Management Corporation from July 2005 to May 2008.

Prior to joining the Ayala Group, Ms. Go was a Group Internal Audit Manager at Shang Properties, Inc. from July 2008 to January 2013, and an Accountant at Philam Properties Corporation from May 2002 to July 2005.

Ms. Go obtained her degree of Bachelor of Science in Accountancy from De La Salle University. She is also a Certified Internal Auditor of the Institute of Internal Auditors.

Information required of directors and executive officers

i. Directors and executive officers

The following persons have been nominated to the Board for election at the annual stockholders’ meeting and have accepted their respective nominations:

Nominees	Citizenship	Age	Date of First Nomination to the Board	Number of Listed Companies Where the Nominee Serves as a Director
Gerardo C. Ablaza, Jr.	Filipino	72	24 April 2024	3
John Eric T. Francia	Filipino	54	15 May 2019	2
Juan Carlos L. Syquia	Filipino	59	N/A	0
Roman Miguel G. de Jesus	Filipino	51	24 April 2023	1
Hannielynn F. Tucay	Filipino	48	24 April 2023	1
Ma. Aurora Geotina-Garcia	Filipino	73	17 September 2019	2
Alberto A. Lim	Filipino	76	17 September 2019	1
Mario Antonio V. Paner	Filipino	67	19 April 2021	2
Melinda L. Ocampo	Filipino	69	25 April 2022	1

Mr. Gerardo C. Ablaza, Mr. John Eric T. Francia, Mr. Juan Carlos L. Syquia, Mr. Roman Miguel G. de Jesus, and Ms. Hannielynn F. Tucay were formally nominated as regular directors to the Corporate Governance and Nomination Committee of the Company by ACEN CORPORATION. Ms. Ma. Aurora D. Geotina-Garcia, Mr. Alberto A. Lim, Mr. Mario Antonio V. Paner, and Ms. Melinda L. Ocampo are being nominated as independent directors in accordance with SRC Rule 38 (Requirements on Nomination and Election of Independent Directors).

On 19 February 2026, the Corporate Governance and Nomination Committee evaluated the qualifications of all the nominees and prepared the final list of nominees in accordance with the Amended By-Laws and the Charter of the Board of the Company. All the nominees for independent directors are incumbent independent directors of the Company.

Only nominees whose names appear on the final list of candidates are eligible for election as directors. No nominations will be entertained or allowed on the floor during the Meeting.

The Board is responsible for the overall management and direction of the Company. The Board meets quarterly, or as often as required, to review and monitor the Company’s financial position and operations and decide on such other matters as may be required by law to be decided by the Board. The Company’s Directors are elected at the annual stockholders’ meeting to hold office for one (1) year and until their respective successors have been elected and qualified. Mr. Gerardo C. Ablaza, Jr., Chairman of the Board of the Company, owns 0.00% of the Company’s outstanding capital stock. None of the directors hold more than two percent (2%) of the Company’s shares.

The qualifications of the nominees for directors and officers for election at the meeting are discussed in the preceding section. None of the independent directors have served for more than nine (9) years.

The officers of the Company are elected annually by the Board during its organizational meeting.

ii. Significant employees

The Company has no employee as of 23 March 2026.

iii. Family relationships

There are no known family relationships between the current members of the Board and the key officers.

None of the directors, executive officers or persons nominated to be elected to the Company’s Board are related up to the fourth civil degree, either by consanguinity or affinity.

iv. Involvement in certain legal proceedings

Except as disclosed herein, in the Information Statements of the Company’s subsidiary or affiliates that are themselves public companies, or in the Company’s other public disclosures, there have been no material legal proceedings, bankruptcy petitions, convictions by final judgment, orders, judgments, or decrees, or any violations of securities or commodities laws within the past five (5) years to which the Company, its subsidiary or affiliates, or any of its directors or executive officers is a party, or to which any of its material properties is subject, before any court or administrative agency.

We note, however, that Ms. Ma. Aurora D. Geotina-Garcia and Mr. Alberto A. Lim are presently involved in legal proceedings, but these legal proceedings do not and will not have any material effect on the Company, its operations, reputation, or financial condition.

The details of these legal proceedings are presented below:

Ms. Geotina-Garcia

As of 28 February 2026, Ms. Ma. Aurora D. Geotina-Garcia, independent director, is subject of the following criminal or administrative investigation or proceeding:

Offense charged / investigated	Tribunal / agency involved	Status
Libel during Ms. Geotina-Garcia’s term as director of the Bases Conversion and	Court of Appeals	The case involves statements, which the BCDA caused to be published in the 10 April 2012 issue of the Philippine Daily Inquirer. At the time of publication, the accused

Offense charged / investigated	Tribunal / agency involved	Status
Development Authority (BCDA)	(CA-G.R. SP No. 167213) & Supreme Court (G.R. No. 273440)	<p>were members of BCDA’s Board of Directors, including myself. The private complainant, who is the Chief Executive Officer of CJH Development Corporation (CJH DevCo), contended that by these publications, the accused deliberately, maliciously, knowingly, and publicly imputed crimes, acts, and omissions against him, which supposedly tarnished, tainted, and besmirched his good name, honor, and reputation.</p> <p>In an Order dated 18 September 2020, the trial court granted the accused’s demurrer to evidence and dismissed the case for insufficiency of the prosecution’s evidence. The dismissal was equivalent to an acquittal, which was immediately final and executory.</p> <p>The prosecution filed a Motion for Reconsideration dated 15 October 2020, which was denied by the court at the hearing held on 23 October 2020.</p> <p>The private complainant filed a Petition for <i>Certiorari</i> dated 9 December 2020 with the Court of Appeals, alleging grave abuse of discretion on the part of the trial court. The private complainant’s Petition for <i>Certiorari</i> dated 9 December 2020 was dismissed by the Court of Appeals in a Decision dated 29 August 2023 for failure of the petitioner to show grave abuse of the trial court’s discretion. His motion for reconsideration was denied in a Resolution dated 21 March 2024.</p> <p>The private complainant then filed a Petition for Review on <i>Certiorari</i> dated 13 June 2024, seeking reversal of the Decision dated 29 August 2023 and Resolution dated 21 March 2024 of the Court of Appeals. Ms. Geotina-Garcia awaits the Supreme Court’s disposition of the petition. It may either dismiss the petition outright or order the respondents to file their comments.</p>
Appeal from the dismissal by the Office of the Ombudsman of criminal charges for acts of the BCDA Board of Directors	Supreme Court (G.R. No. 225565)	<p>The case was originally filed with the Office of the Ombudsman. It was dismissed on 15 January 2016.</p> <p>The appeal before the Supreme Court was dismissed in a Decision dated 13 January 2021. The petitioner filed a Motion for Reconsideration dated February 9, 2022, which is pending resolution.</p>
Appeal from the dismissal by the Office of the Ombudsman of administrative charges for acts of the BCDA Board of Directors	Supreme Court (G.R. No. 239272)	<p>The case was originally filed with the Office of the Ombudsman. It was dismissed on 15 January 2016.</p> <p>The appeal before the Supreme Court was dismissed in a Resolution dated 15 August 2018. On 14 March 2019, the Supreme Court’s judgment was entered in the Book of Entries of Judgments and thereby became final and executory.</p>

Notwithstanding the pendency of these cases, the Company believes that these cases will not and do not in any way affect Ms. Geotina-Garica’s ability and bias her judgement and independence to act as an independent director of the

Company. Further, the issues raised therein, as well as the parties to these cases, are not related in any way to the Company or any of its business.

Mr. Lim

As of 28 February 2026, Mr. Alberto A. Lim, independent director, is charged with Violation of Section 24.1(a)(iii) of the Securities Regulations Code, which is still pending with the SEC.

The Company believes that this case will not and does not in any way affect Mr. Lim's ability and bias his judgement and independence to act as an independent director of the Company.

v. Trainings and Continuing Education Programs for the Directors and Key Officers

The Company recognizes the value of providing relevant training to its directors and key officers. Accordingly, it allocates an annual budget to support their participation in continuing professional development programs, as well as related courses, conferences, and seminars.

In 2025, the Company's Directors and Key Officers attended an in-person seminar on Corporate Governance for at least four (4) hours. The details are as follows:

Title: Ayala Integrated Corporate Governance Risk Management and Sustainability Summit 2025

Topic: Purposeful Governance: The Pathway towards Progress and Prosperity for All

Date: 4 November 2025

Venue: SPACE, One Ayala, Ayala Avenue, Makati City

Time: 8:00 a.m. to 12:00 p.m.

Attendees:

1. Alberto M. de Larrazabal
2. Roman Miguel G. de Jesus
3. Hannielynn F. Tucay
4. Melinda L. Ocampo
5. Alberto A. Lim
6. John Philip S. Orbeta
7. Raymundo A. Reyes, Jr.
8. Dodjie D. Lagazo
9. Alan T. Ascalon
10. Kyla Kamilie U. Samson
11. Mae Christine L. Go

Ownership structure and Parent Company

ACEN CORPORATION is the parent company of ENEX. As of February 28, 2026, ACEN owns 75.92% of the Company's outstanding voting shares.

Item 10. Executive Compensation

a. Executive compensation

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
CEO and Most Highly Compensated Executive Officers (1) John Eric T. Francia, President and CEO (2) Raymundo A. Reyes, Jr., General Manager (3) John Philip S. Orbeta, CHRO, CRO, CAO (4) Hannielynn F. Tucay, Treasurer and CFO (5) Dodjie D. Lagazo, Corporate Secretary				
	Actual 2024	-	-	Php600,000.00
	Actual 2025	-	-	Php759,798.00
	Projected 2026	-	-	Php801,487.00
All other officers*** as a group unnamed	Actual 2024	-	-	-
	Actual 2025	-	-	-
	Projected 2026	-	-	-

***All Other Officers includes the CEO and Most Highly Compensated Officers

The total annual compensation consists of basic pay and other taxable income (guaranteed bonus and performance-based bonus).

The Company has no other arrangement with regard to the remuneration of its existing officers aside from the compensation received as herein stated.

b. Compensation of Directors

i. Standard arrangement

The non-independent directors do not receive allowances, per diem, or bonuses. The independent directors receive ₱50,000.00 per Board meeting attended, and ₱10,000.00 per Committee meeting attended.

As of 31 December 2025, the following directors received the following amounts (net of taxes) as per diem for the meetings attended during the fiscal years 2025 and 2024:

	2025 (in Php)	2024 (in Php)
Gerardo C. Ablaza, Jr.	200,000.00	100,000.00
John Eric T. Francia	-	-
Alberto M. de Larrazabal	-	-
Roman Miguel G. de Jesus	-	-
Hannielynn F. Tucay	-	-
Ma. Aurora Geotina-Garcia	230,000.00	300,000.00
Alberto A. Lim	230,000.00	280,000.00
Mario Antonio V. Paner	220,000.00	260,000.00
Melinda L. Ocampo	260,000.00	330,000.00

Total per diem for each independent director in 2026 is estimated at Php520,000.00.

ii. Other arrangements

Aside from the compensation received as herein stated, the Company has no other arrangement with regard to the remuneration of its existing directors for services provided as directors.

The Company’s Personnel and Compensation Committee is chaired by Mr. Mario Antonio V. Paner, with Ms. Ma. Aurora D. Geotina-Garcia and Mr. Roman Miguel G. de Jesus as members. Mr. Paner and Ms. Geotina-Garcia are independent directors.

c. Employment contracts and termination of employment and change-in-control arrangements

The above-named executive officers are covered by letters of appointment stating their respective job functions, among others.

Section 2, Article VI of the Company’s By-Laws provides:

SECTION 2. ELECTION, TERM OF OFFICE & QUALIFICATIONS. The Chairman of the Board, the Vice Chairman, the President, the Vice President(s), the General Manager, the Secretary, and the Treasurer shall be elected annually by affirmative vote of a majority of all the members of the Board. Each officer shall hold office until his or her successor is elected and qualified in his or her stead, or until he or she shall have resigned or shall have been removed in the manner so provided. Such other officers as may from time to time be elected or appointed by the Board shall hold office for such period, have such authority and perform such duties as are provided in these By-Laws or as the Board may determine. The Chairman of the Board, the Vice Chairman and the President shall be chosen from among the directors, and the Secretary shall be a resident and a citizen of the Philippines.

d. Warrants and options outstanding

As of 28 February 2026, none of the Company’s directors and executive officers hold any warrants or options in the Company.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(i) Security ownership of certain record and beneficial owners (of more than 5%) as at 28 February 2026

Title of Class of Shares	Name & Address of Record Owner & Relationship with Issuer	Name & Address of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	% Held
Common	Philippine Depository and Trust Corporation (PDTC) ² 29 th Floor, BDO Equitable Tower, 8751 Paseo de Roxas Street, Makati City Stockholder		Filipino Foreign	184,393,590 ^a 650,578	73.76% ^a 0.26%

¹ Philippine Depository and Trust Corporation (“**PDTC**”) is a wholly-owned subsidiary of Philippine Central Depository, Inc. (“**PCD**”) which acts as trustee-nominee for all shares lodged in the PCD system. It was formerly known as PCD Nominee Corporation. The beneficial owners of such shares are the participants of PCD which holds the shares on their behalf or in behalf of their clients. PCD is a private institution established in March 1995 to improve operations in securities transactions. PCD seeks to provide a fast, safe, and highly efficient system for securities settlement. The PCD was organized to implement an automated book-entry system of handling securities transaction in the Philippines.

Title of Class of Shares	Name & Address of Record Owner & Relationship with Issuer	Name & Address of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	% Held
Common	ACEN CORPORATION ³ 35 th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City 1226 Stockholder	ACEN, which is also the record owner. Mr. Cezar P. Consing, the Chairman of ACEN, or in case of his unavailability, Mr. Gerardo C. Ablaza, Jr., the Chairman of the Company, is the person appointed to exercise voting power.	Filipino	62,965,755 126,838,680 ^b	25.19 ^a
Preferred				300,000,000 ^c	100%

^a Includes 126,838,680 shares owned by ACEN

^b Lodged with PDTC

^c Inclusive of 75,055,989 preferred shares, the issuance of which is subject to stockholders' approval and compliance with the requirements of the Securities and Exchange Commission for the conversion of receivables into additional equity.

(ii) Security ownership of directors and management as of 28 February 2026

Title of Class of Outstanding Share	Name of Beneficial Owner	Citizenship	Amount of Beneficial Ownership	Nature of Beneficial Ownership	% of Total Outstanding Shares
Common	Gerardo C. Ablaza, Jr.	Filipino	1	Direct	0.00%
Common	John Eric T. Francia	Filipino	1	Direct	0.00%
Common	Roman Miguel G. de Jesus	Filipino	1	Direct	0.00%
Common	Hannielynn F. Tucay	Filipino	1	Direct	0.00%
Common	Alberto M. de Larrazabal	Filipino	1	Direct	0.00%
Common	Ma. Aurora D. Geotina-Garcia	Filipino	1 600	Direct Indirect	0.00%
Common	Alberto A. Lim	Filipino	75 5,000	Direct Indirect	0.00%
Common	Mario Antonio V. Paner	Filipino	1 1000	Direct Indirect	0.00%
Common	Melinda L. Ocampo	Filipino	1	Direct	0.00%
Common	John Philip S. Orbeta	Filipino	0	N/A	0.00%
Common	Raymundo A. Reyes, Jr.	Filipino	35,428	Indirect	0.01%
Common	Dodjie D. Lagazo	Filipino	0	N/A	0.00%
Common	Alan T. Ascalon	Filipino	1,818	Direct	0.00%

² ACEN was incorporated on 8 September 1969. ACEN is engaged primarily in power generation and retail electricity supply. The immediate parent company of ACEN and its subsidiaries is AC Energy and Infrastructure Corporation, and its ultimate parent company is Mermac, Inc., domiciled and incorporated in the Philippines. ACEN is listed in the Philippine Stock Exchange. As of 28 February 2026, the principal stockholders of ACEN are AC Energy and Infrastructure Corporation, PDTC, and Arran Investment Pte Ltd.

Title of Class of Outstanding Share	Name of Beneficial Owner	Citizenship	Amount of Beneficial Ownership	Nature of Beneficial Ownership	% of Total Outstanding Shares
Common	Kyla Kamille U. Samson	Filipino	0	N/A	0.00%
Common	Mae Christine L. Go.	Filipino	0	N/A	0.00%
TOTAL			43,929		0.01%

No director or member of the Company's management owns 2.0% or more of the outstanding capital stock of the Company.

(iii) Voting trust holders of 5% or more

The Company knows of no person holding more than 5% of common shares under a voting trust or similar agreement.

(iv) Changes in control

No change of control in the Company has occurred.

Item 12. Certain Relationships and Related Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, which include affiliates. Related parties may be individual or corporate entities.

Outstanding balances at period-end are unsecured and are to be settled in cash throughout the financial year.

In the ordinary course of business, the Group transacts with intermediate Parent, affiliates, jointly controlled entities and other related parties on advances, loans, reimbursement of expenses and management service agreements.

The transactions and balances of accounts as at and for the years ended 31 December 2025 and 31 December 2024 with related parties are as follows:

Company	Amount/ Volume	Nature	December 31, 2025		Terms	Conditions
			Receivable	Payable		
Intermediate Parent						
Company						
ACEIC						
Accounts payable and other current liabilities	₱-	Advances	₱-	₱58,200	Due and demandable, noninterest-bearing	Unsecured
Accounts payable and other current liabilities	2,520	Management and professional fees	-	2,141	Due and demandable, noninterest bearing	Unsecured
ACEN						
Accounts payable and other current liabilities	1,277,315	Management and professional fees	-	2,613,000	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities	-	Management and professional fees capitalized as deferred exploration cost	-	12,240,000	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities	-	Management and professional fees charged to a	-	5,100,000	Due and demandable,	Unsecured

December 31, 2025						
Company	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
Accounts payable and other current liabilities	–	Consortium Partner Advances	–	12,001,041	noninterest bearing Due and demandable, noninterest bearing	Unsecured
Entities Under Common Control						
ACES						
Accounts payable and other current liabilities	3,435,102	Management fees	–	1,453,447	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities	380,650	IT cost recoveries	–	96,820	Due and demandable, noninterest bearing	Unsecured
Ingrid3						
Accounts payable and other current liabilities	55,377,600	Reimbursable cost	–	–	Due and demandable, noninterest bearing	Unsecured
Joint venture						
BCEI						
Receivables	2,788,618	Cost recoveries	225,000	–	Noninterest bearing	Unsecured

December 31, 2024						
Company	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
Intermediate Parent Company						
ACEIC						
Accounts payable and other current liabilities	–	Advances	–	₱58,200	Due and demandable, noninterest-bearing	Unsecured
ACEN						
Short-term loans	21,272,858	Short-term loans	–	–	Interest-bearing	Unsecured
Accounts payable and other current liabilities	2,442,999	Management and professional fees	–	1,414,861	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities	–	Management and professional fees capitalized as deferred exploration cost	–	12,240,000	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities	–	Management and professional fees charged to a Consortium Partner	–	5,100,000	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities	–	Advances	–	14,682,686	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities	6,459,565	Interest expense on short-term loans	–	19,324,264	Noninterest bearing	Unsecured
Deposit for future stock subscriptions	30,000,000	Cash subscription	–	–	–	–
Deposit for future stock subscriptions	6,271,153	Assigned ACEN International short-term loans,	–	–	–	–

Company	Amount/ Volume	Nature	December 31, 2024		Terms	Conditions
			Outstanding Balance			
			Receivable	Payable		
Deposit for future stock subscriptions	171,272,858	including accrued interest expense Assigned ACEN short-term loans	–	–	–	–
<i>Entities Under Common Control</i>						
<i>ACES</i>						
Accounts payable and other current liabilities	1,290,759	Management fees	–	890,563	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities	2,742,294	Contracted services	–	2,742,294	Due and demandable, noninterest bearing	Unsecured
<i>BPGC</i>						
Accounts payable and other current liabilities	4,000,000	Advances	–	–	Due and demandable, noninterest bearing	Unsecured
<i>ACEN International</i>						
Short-term loans	700,000	Short-term loans	–	–	Interest-bearing	Unsecured
Accounts payable and other current liabilities	256,905	Interest expense on short-term loans	–	15,913	Noninterest bearing	Unsecured
<i>Joint venture</i>						
<i>BCEI</i>						
Receivables	1,139,386	Cost recoveries	1,139,386	–	Noninterest bearing	Unsecured

ACEIC

Payable to ACEIC includes management fees and professional fees.

ACEN

Management Fees, Working Capital Advances and Interest on Short-term Loans

Payables to ACEN comprise of management fees, advances received by ENEX to cover working capital and interest expense on short-term loans.

For the years ended 31 December 2025 and 2024, ENEX made payments to management fees amounting to ₱3.05 million and ₱12.05 million, respectively, and partial payment of advances and interest on short-term loans amounting to ₱6.24 million in 2024 (nil in 2025)

Short-term Loans

On 10 December 2021, the ENEX BOD approved the availment of a short-term loan from ACEN of up to ₱150.00 million to fund the initial subscription by ENEX to shares in BCEI and authorized ENEX to secure bank loans in an aggregate amount of up to ₱150.00 million to be guaranteed by ACEN, subject to the payment of a guarantee fee. On 13 December 2021, the ACEN BOD approved the short-term loan up to ₱150.00 million in favor of ENEX.

On 13 January 2022, first loan drawdown was made amounting to ₱127.00 million with 3.88% interest per annum, payable on or before 12 July 2022. Maturity date was subsequently extended until 10 November 2022. On 11 November 2022, the loan was restructured to 7.30% interest per annum payable on or before 10 November 2023. On 11 November 2023, the loan was restructured to 8.66% interest per annum payable on or before 30 September 2024.

On 2 August 2023, second loan drawdown was made amounting to ₱23.00 million with 5.75% interest per annum, payable on or before 1 February 2024. On 2 February 2024, the loan was restructured to 8.10% interest per annum payable on or before 30 September 2024.

On 20 June 2024, ENEX availed short-term loan amounting to ₱21.27 million with 0% interest payable on or before 30 September 2024, in immediately available funds.

On 26 June 2024, ACEN converted its short-term loans and interest receivable from ENEX amounting to ₱171.27 million and ₱0.27 million, respectively, to subscription to ENEX's non-voting Preferred Shares at par value of ₱1.00.

Interest expense related to the short-term loans amounted to nil, ₱6.46 million, ₱9.81 million and ₱5.32 million in 2025, 2024, 2023 and 2022, respectively. In 2025, the remaining interest payable in short-term loans amounting to ₱19.32 million were converted to Preferred Shares.

Deposit for Future Stock Subscriptions

In 2024, ENEX received from ACEN deposits for future stock subscriptions to fund its capital and pre-operational requirements.

ACES

Payable to ACES includes management fees and contracted services fees.

ACEN International

Short-term Loan

On 7 June 2023, ENEX's Executive Committee approved the availment of short-term loan of up to ₱6.00 million from ACEN International, which was fully drawn as of 30 September 2024.

The first drawdown, amounting to ₱1.00 million, is subject to 8.20% per annum, payable on or before 5 June 2024. The second drawdown, amounting to ₱1.50 million, is subject to 8.39% per annum, payable on or before 1 August 2024. The third drawdown, amounting to ₱2.80 million, is subject to 8.36% per annum, payable on or before 26 September 2024. The fourth drawdown, amounting to ₱0.70 million, is subject to 8.29% per annum, payable on or before 1 February 2025.

On 26 June 2024, ACEN International assigned its short-term loans and interest receivable from ENEX amounting to ₱6.00 million and ₱0.27 million, respectively, in favor of ACEN.

Interest expense related to the short-term loans amounted to nil, ₱0.26 million, ₱0.15 million and nil in 2025, 2024, 2023 and 2022, respectively. The outstanding interest payable on short-term loans amounting to ₱15,913 was fully paid in 2025.

BCEI

Cost recoveries

On 1 September 2024, the Group and BCEI executed a service and cost recovery agreement wherein BCEI agrees to reimburse ENEX for the cost of the service and personnel from effective date of the agreement to 31 August 2025.

Other income recognized from this transaction amounts to ₱2.79 million and ₱1.14 million for the years ended 31 December 2025 and 31 December 2024, respectively.

Ingrid3

Ingrid3 provided advances to BCEI project on behalf of ENEX amounting to approximately ₱55.38 million. These advances consist of development and lease option costs, with principal aggregating ₱46.70 million and accrued interest of ₱8.68 million, calculated at an annual rate of 8% up to a cut-off date of 24 October 2025.

In 2025, Ingrid3 assigned the receivables to ACEN, which later, ACEN converted to Preferred Shares.

Compensation of Key Management Personnel

The compensation of the Group's key management personnel is paid by ACEN and as such, the necessary disclosures required by PAS 24, *Related Party Disclosures*, are included in the financial statements of ACEN.

Identification, Review and Approval of Related Party Transactions

All (1) SEC-defined material related party transactions, i.e., related party transaction/s, either individually or in aggregate over a twelve (12)-month period of the Group with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited consolidated financial statements; and (2) any related party transaction/s that meet the threshold values approved by the Risk Management and Related Party Transactions Committee (the Committee), i.e., ₱50.00 million or five percent (5%) of the Group's total consolidated assets, whichever is lower, shall be reviewed by the Committee and approved by the BOD before its commencement, except transactions that are explicitly excluded/exempted by the SEC and transactions delegated to management.

For SEC-defined material related party transactions, the approval shall be by at least 2/3 vote of the BOD, with at least a majority vote of the independent directors. In case that the vote of a majority of the independent directors is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.

Other Information

Other information about the Company are disclosed in the appropriate notes in the accompanying Audited Consolidated Financial Statements for December 31, 2025 or discussed in previously filed SEC17Q and SEC17-C reports for 2024 (refer to Item 14. Exhibits and Schedules Reports on SEC Form 17-C). Also, the Company's Definitive Information Statement (DIS) report and Annual Report (AR) document are also sources of other information about the Ayala group. These documents are available at the Company's website www.enexor.com.ph.

PART IV CORPORATE GOVERNANCE AND SUSTAINABILITY

Item 13.A. Corporate Governance

For the full details and discussion, please refer to the Definitive Information Sheet and Annual Corporate Governance Report posted in the Company's website at www.enexor.com.ph.

COMPLIANCE PROGRAM

Corporate Governance

The Board of Directors, officers and employees of the Company commit themselves to the principles and best practices embodied in its Corporate Governance Manual. The Company believes that good corporate governance is a necessary component of what constitutes sound strategic business management and will therefore exert every effort to ensure adherence thereto within the organization.

Compliance Officer

The Board designates a Compliance Officer who reports to the Chairman of the Board. As required of publicly listed companies, the appointment of a Compliance Officer is properly disclosed to the SEC. The Board also ensures the presence and adequacy of internal control mechanisms for good governance.

The Compliance Officer is responsible for ensuring the proper onboarding of new directors, including their orientation on the Company's business, charter, articles of incorporation, and bylaws, among others. He is also tasked with monitoring, reviewing, evaluating, and ensuring the Corporation's, as well as its officers' and directors', compliance with the Code of Conduct, relevant laws, the Corporate Governance Manual, applicable rules and regulations, and all governance-related issuances of regulatory agencies.

In addition, the Compliance Officer must appear before the SEC when summoned in relation to matters involving compliance with the Corporate Governance Manual, ensure the accuracy and integrity of all documentary submissions to regulators, identify any violations of the said Manual, and recommend to the Board appropriate disciplinary action against the responsible parties. He is likewise expected to recommend measures to prevent the recurrence of such violations, identify possible areas of compliance issues, and work toward their resolution.

Further, subject to the approval of the Board, the Compliance Officer shall develop and implement a monitoring and evaluation system for assessing compliance with the Code, including an appropriate due process mechanism. He must also ensure that directors and key officers attend relevant training programs and perform such other duties and responsibilities as may be required by the SEC.

Integrated Annual Corporate Governance Report (I-ACGR)

Under SEC Memorandum Circular No. 15, Series of 2017, all publicly listed companies are required to submit an Integrated Annual Corporate Governance Report (I-ACGR) on or before 30 May of the following year, for as long as they remain listed on the PSE. The report covers the relevant corporate governance information for the preceding year.

The I-ACGR replaced the Annual Corporate Governance Report previously submitted to the SEC and the Compliance Report on Corporate Governance previously submitted to the PSE.

The Company submitted its I-ACGR as follows: for 2017 on 30 May 2018; for 2018 on 30 May 2019; for 2019 on 1 September 2020; for 2020 on 30 June 2021; for 2021 on 30 May 2022; for 2022 on 30 May 2023; for 2023 on 29 May 2024; and for 2024 on 30 May 2025.

As of 31 December 2025, the Company has substantially complied with the principles and best practices set out in its Corporate Governance Manual. No sanctions were imposed on any director, officer, or employee for non-compliance with the Manual. The Company continues to take steps to further strengthen its corporate governance practices.

Annual Report

For information on the Company's corporate governance framework, a copy of the Company's 2025 Annual Report may be accessed via <https://enexor.com.ph/2025-annual-report/>.

Upon the written request of any stockholder to the Company's Corporate Secretary, either by hardcopy at the 35th Floor, Ayala Triangle Gardens, Tower 2, Paseo de Roxas corner Makati Avenue, Makati City, or by email at corpsec.enexor@acenergy.com.ph, the Company agrees to provide a copy of its Annual Report free of charge..

Item 13.B. Sustainability

The Company, together with its parent, ACEN CORPORATION and Ayala Corporation, integrates sustainability principles into all aspects of its business. These principles guide its day-to-day operations and overall business strategy.

ENEX supports inclusive growth in its host communities through programs and initiatives that respond to stakeholder needs. The Company recognizes the value of working closely with communities in developing programs that create meaningful and lasting benefits.

Environmental and Social

As part of the Ayala Group, the Company remains committed to improving lives by creating value for both the environment and the communities where it operates. Through its sustainability initiatives, the Company supports the development and progress of its host communities, with the broader goal of contributing to national development.

Sustainability remains a key consideration in the Company's operations. In line with this, the Company is committed to protecting communities and the environment while advancing the development of indigenous energy sources in support of the government's energy roadmap.

Further information on the Company's sustainability initiatives is provided in the Annual Report, which is available on the Company's website <https://enexor.com.ph/2025-annual-report/>.

PART V **EXHIBITS AND SCHEDULES**

Item 14. Exhibits and Reports on SEC Form 17-C (Current Report)

(a) Exhibits - See accompanying Index to Financial Statements and Supplementary Schedules

(b) Reports on SEC Form 17-C

Aside from compliance with periodic reporting requirements, the Company promptly discloses major and market sensitive information such as dividend declarations, joint ventures and acquisitions, the sale and disposition of significant assets, and other information that may affect the decision of the investing public.

The Company submitted SEC form 17-C and Press Statements to PSE, SEC on the following matters in 2025:

1ST QUARTER

1. January 13, 2025 – Public Ownership Report as of December 31, 2024
2. January 13, 2025 – List of Top 100 Stockholders of December 31, 2024
3. March 4, 2025 – Matters approved at the regular board meeting held on March 4, 2025
 - a. Schedule, mode of conduct, and agenda for the 2025 Annual Stockholders' Meeting (the "2025 ASM");
 - b. Appointment of SGV & Co. as the Company's external auditor for 2025 and endorsement thereof to the stockholders for approval at the 2025 ASM;
 - c. The Company's 2024 Audited Financial Statements; and
 - d. Letter of support in favor of Palawan55 Exploration & Production Corporation.
4. March 5, 2025 – Notice of Annual Stockholders' Meeting
5. March 6, 2025 – Annual Certification of the Department of Energy
6. March 24, 2025 – The Company's Definitive Information Statement will be uploaded at <https://enexor.com.ph/2025-dis/>

2ND QUARTER

1. April 14, 2025 – Public Ownership Report as of March 31, 2025
2. April 14, 2025 – List of Top 100 Stockholders as of March 31, 2025
3. April 14, 2025 – Annual Report for fiscal year ended December 31, 2024
4. April 24, 2025 – Results of Annual Stockholders' Meeting:
 - a. Minutes of the previous meeting
 - b. Ratification of the acts of the Board of Directors and officers
 - c. Election of Directors (including Independent Directors)
 - d. Election of SyCip Gorres Velayo & Co. as the External Auditor of the Corporation for the year 2025 and fixing of its Remuneration
 - e. 2024 Audited Financial Statements, including noting of Annual Report
5. April 24, 2025 – Results of Organizational Meeting of the Board of Directors
6. April 24, 2025 – Clarification of News Report
7. May 15, 2025 – Quarterly Report for period ended December 31, 2024
8. May 26, 2025 – Integrated Annual Corporate Governance Report for year 2024
9. May 27, 2025 – 2025 General Information Sheet

3RD QUARTER

1. July 15, 2025 – Public Ownership Report for period ended June 30, 2025
2. July 15, 2025 – List of Top 100 Stockholders (Common Shares)
3. August 5, 2025 – Quarterly Report for period ended June 30, 2025

4th QUARTER

1. October 14, 2025 – Public Ownership Report for period ended September 30, 2025
2. October 14, 2025 – List of Top 100 Stockholders (Common Shares) as of September 30, 2025
3. November 6, 2025 – Quarterly Report for period ended September 30, 2025
4. November 12, 2025 – Matters approved at the regular board meeting held on November 11, 2025:
 - a. Schedule, agenda, relevant dates for the 2026 annual stockholders' meeting (ASM), and the delegation to the Chairman of other ASM matters that may later be determined and communicated to the stockholders through the Information Statements.
 - b. Company's 2026 Business Plan and Budget.
5. November 12, 2025 – Notice of the 2026 Annual Stockholders' Meeting
6. November 14, 2025 – Discontinuation of proposed Batangas Clean Energy Project
7. November 24, 2025 – SEC Approval of ENEX's Application for Increase of Authorized Capital Stock and Creation of Preferred Shares
8. November 24, 2025 – Amendment of the Articles of Incorporation to Increase the Authorized Capital Stock and Create Preferred Shares
9. December 11, 2025 – Subscription by ACEN CORPORATION to 207,544,011 redeemable preferred shares
10. December 29, 2025 – Subscription by ACEN CORPORATION to additional equity in ENEX

SIGNATURES

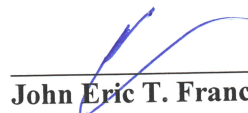
Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on MAR 27 2026.

ENEX ENERGY CORP.

By:



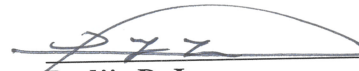
Gerardo C. Ablaza Jr.
Chairman of the Board



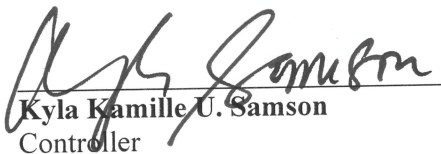
John Eric T. Francia
Vice Chairman, President and
Chief Executive Officer



Hannelynn F. Tucay
Treasurer and Chief Finance Officer



Dodjie D. Lagazo
Corporate Secretary and Compliance Officer



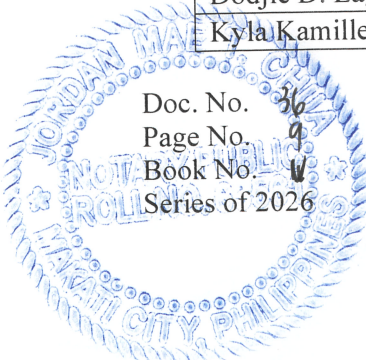
Kyla Kamille U. Samson
Controller

MAR 27 2026

SUBSCRIBED AND SWORN to before me this _____ at Makati City, affiants exhibiting to me his/their respective passports/driver's license, to wit:

Name	Passport No.	Date of Issue:	Place of Issue:
Gerardo C. Ablaza, Jr.	P5889232A	03 Feb 2018	DFA NCR South
John Eric T. Francia	P3923362B	21 Nov 2019	DFA Manila
Hannelynn F. Tucay	P8273576B	24 Nov 2021	DFA Manila
Dodjie D. Lagazo	P8267298B	24 Nov 2021	DFA Manila
Kyla Kamille U. Samson	P4126250B	06 Jan 2020	DFA Manila

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Series of 2026



JORDAN MAE T. CHUA
Notary Public for Makati City

Appointment No. M-046 valid until 31 December 2026
Attorney's Roll No. 63561 issued on 8 May 2014
PTR No. MKT 10764684 / 05 January 2026 / Makati City
IBP Lifetime No. 012851 / 02 April 2015 / Quezon City
MCLE Compliance No. VIII-0013795 valid until 14 April 2028
35/F Ayala Triangle Gardens Tower 2
Makati Avenue corner Paseo de Roxas, Makati City
Tel No. 77306300

35F Ayala Triangle Gardens Tower 2
Paseo de Roxas cor. Makati Avenue
Makati City, 1226 Philippines

Report of the Audit Committee to the Board of Directors For the Year Ended 31 December 2025

The Board-approved Audit Committee (“the Committee”) Charter defines the duties and responsibilities of the Committee. In accordance with the Charter, the Committee assists the Board of Directors in fulfilling its oversight responsibilities to the shareholders with respect to the:

- Integrity of the Company’s financial statements and the financial reporting process;
- Appointment, remuneration, qualification, independence and performance of the external auditors and the integrity of the audit process as a whole;
- Effectiveness of the system of internal control;
- Performance and leadership of the internal audit function; and
- Company’s compliance with applicable legal and regulatory requirements.

In compliance with the Audit Committee Charter, we confirm that:

- All the Audit Committee members are non-executive directors with the necessary qualifications, skills, and knowledge to perform their duties. Majority of the members including the Chairman of the Committee are independent directors;
- We had four (4) regular meetings and one (1) executive session with the external auditors and the internal auditors;
- We recommended for approval of the Board and endorsement to the shareholders the reappointment of SGV & Co. as the Company’s 2025 external auditors and the related audit fee;
- We reviewed and discussed the quarterly unaudited and the annual audited parent and consolidated financial statements of ENEX Energy Corp. and Subsidiary, including the Management’s Discussion and Analysis of Financial Condition and Results of Operations and the significant impact of new accounting standards, with management, internal auditors and SGV & Co. These activities were performed in the following context:
 - ❖ Management has the primary responsibility for the financial statements and the financial reporting process; and
 - ❖ SGV & Co. is responsible for expressing an opinion on the conformity of the ENEX Energy Corp.’s audited parent and consolidated financial statements with the Philippine Financial Reporting Standards.
- We approved the overall scope and the respective audit plans of the Company’s internal auditors and SGV & Co. We reviewed the adequacy of resources, the competencies of staff and the effectiveness of the auditors to execute the audit plans ensuring that resources are reasonably allocated to the areas of highest risks. We also discussed the results of their audits, their assessment of the Company’s internal controls, and the overall quality of the financial reporting process including their management letter of comments;
- We reviewed the reports and updates of the internal and external auditors ensuring that management is taking appropriate corrective actions in a timely manner, including addressing internal control and compliance issues. Based on the assurance provided by the internal audit department as well as SGV & Co. as a result of their audit activities, the Committee assessed

that the Company's system of internal controls, risk management, compliance, and governance processes are adequate;

- We approved the pre-concurrence process and the list of non-audit services which the external auditors maybe engaged to ensure independence risk is manageable;
- We reviewed and approved all audit and non-audit services provided by SGV & Co. to ENEX and the related fees. We also assessed the compatibility of the non-audit services with the auditors' independence to ensure that such services will not impair their independence;
- We reviewed the Audit Committee and Internal Audit Charter to ensure that that it is updated and aligned with regulatory requirements;
- We evaluated the performance of the Chief Audit Executive and the effectiveness of the internal audit function, including compliance with the Global Internal Auditing Standards; and
- We conducted an annual assessment of our performance, in accordance with Securities and Exchange Commission guidelines, and confirmed that the Committee had satisfactorily performed its responsibilities based on the requirements of its Charter.

Based on the reviews and discussions undertaken, and subject to the limitations on our roles and responsibilities referred to above, the Audit Committee recommends to the Board of Directors that the audited financial statements be included in the Annual Report for the year ended December 31, 2025 for filing with the Securities and Exchange Commission and the Philippine Stock Exchange. We are also recommending the reappointment of SGV & Co. as ENEX Energy Corp.'s external auditors and the related audit fee for 2026 based on their performance and qualifications.

20 February 2026

Signed by:



**MA. AURORA D. GEOTINA-
GARCIA**
Chairperson



**MELINDA L.
OCAMPO**
Member

Note:

The third member, Albert de Larrazabal, retired effective January 1, 2026.

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As of December 31, 2025 and 2024 and Years Ended December 31, 2025, 2024 and 2023
and Independent Auditor's Report

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I. 2025 Consolidated Financial Statements of Registrant

ENEX ENERGY CORP. AND SUBSIDIARY
Financial Highlights

	2025 (in Php)	2024 (in Php)	2023 (in Php)
Current Assets	32,827,747	29,359,346	7,590,325
Total Assets	87,177,724	149,965,973	142,881,115
Current Liabilities	64,856,309	87,709,788	255,468,139
Total Liabilities	64,856,309	87,709,788	255,468,139
Total Equity (Capital Deficiency)	22,321,415	62,256,185	(112,587,024)
Total Revenues	—	—	—
Net Loss	129,533,749	32,700,802	51,620,133
Loss Per Share	0.516	0.128	0.206
Current Ratio	0.51:1	0.33:1	0.03:1
Acid Test Ratio	0.50:1	0.33:1	0.03:1
Debt/Equity Ratio	2.91:1	1.41:1	(2.27:1)
Asset-to-Equity Ratio	3.91:1	2.41:1	(1.27:1)
Return on Equity	N/A	N/A	N/A
Return on Assets	N/A	N/A	N/A

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **ENEX Energy Corp. and Subsidiary** (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the Stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the Stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the Stockholders, has expressed their opinion on the fairness of presentation upon the completion of such audit.

GERARDO C. ABLAZA, JR.
Chairman of the Board of Directors

JOHN ERIC T. FRANCIA

Vice Chairman of the Board of Directors,
President and Chief Executive Officer

HANNIELYNN F. TUCAY

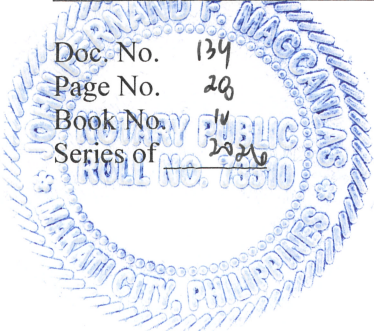
Treasurer and Chief Financial Officer

Signed this 6th day of March 2026

SUBSCRIBED AND SWORN to before me this MAR 06 2026 affiant(s) exhibiting to me their Passport, as follows:

Name	Passport No.	Date of Issue	Place of Issue
Gerardo C. Ablaza, Jr.	P5889232A	03 Feb 2018	DFA NCR South
John Eric T. Francia	P3923362B	21 Nov 2019	DFA Manila
Hannielynn F. Tucay	P8273576B	24 Nov 2021	DFA Manila

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JOHN FERNANDO E. MAGCANLAS
PTR No. MKT 10764681 Makati City, January 5, 2026
IBP No. 575784; December 29, 2025
Attorney's Roll No. 73310
MCL Compliance No. VIII-0038403
ULAS is subject for Compliance
35/F Ayala Triangle Gardens Tower 2
Makati Avenue corner Paseo de Roxas, Makati City
35/F Ayala Triangle Gardens Tower 2
Paseo de Roxas cor. Makati Avenue
Makati City, 1226 Philippines

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
ENEX Energy Corp.
35th Floor, Ayala Triangle Gardens Tower 2
Paseo de Roxas corner Makati Avenue
Makati City

Opinion

We have audited the consolidated financial statements of ENEX Energy Corp. and its subsidiary (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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 audit of the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Recoverability of Deferred Exploration Cost

As at December 31, 2025, the carrying value of the Group's deferred exploration costs amounted to ₱54,349,977. These deferred exploration costs pertain to the Group's participating interests in oil and gas service contracts (SC), which provide for certain minimum work and expenditure obligations and the rights and benefits of a Consortium member. Under PFRS 6, *Exploration for and Evaluation of Mineral Resources*, these deferred exploration costs shall be assessed for impairment when facts and circumstances suggest that the carrying amounts exceed the recoverable amounts. The ability of the Group to recover its deferred exploration costs would depend on the commercial viability of the project. We considered this as a key audit matter because of the materiality of the amount involved, and the significant management judgment required in assessing whether there is any indication of impairment.

The Group's disclosures about deferred exploration costs are included in Note 7 to the consolidated financial statements.

Audit Response

We obtained management's assessment whether there is any indication that deferred exploration costs may be impaired. We inspected the summary of the status of each exploration project as of December 31, 2025, as certified by the Group's technical group head, and compared it with the disclosures submitted to regulatory agencies. We inspected contracts and agreements, and budget for exploration costs. We inspected the licenses/permits of each exploration project to determine that the period for which the Group has the right to explore in the specific area has not expired, will not expire in the near future, and will be renewed accordingly. We also inquired about the existing concession areas that are expected to be abandoned or where any exploration activities are planned to be discontinued.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.



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

In connection with our audits of the consolidated 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 consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 PSAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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 to 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.



The engagement partner on the audit resulting in this independent auditor's report is
Ma. Genalin Q. Arevalo.

SYCIP GORRES VELAYO & CO.



Ma. Genalin Q. Arevalo

Partner

CPA Certificate No. 108517

Tax Identification No. 224-024-926

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 108517-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-123-2026, January 27, 2026, valid until January 26, 2029

PTR No. 10765007, January 2, 2026, Makati City

March 6, 2026



ENEX ENERGY CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
	Notes	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	4,14	₱31,945,121	₱28,107,477
Receivables	5,14	226,250	1,145,848
Other current assets		656,376	106,021
Total Current Assets		32,827,747	29,359,346
Noncurrent Assets			
Investment in a joint venture	6	–	66,256,650
Deferred exploration costs	7	54,349,977	54,349,977
Total Noncurrent Assets		54,349,977	120,606,627
TOTAL ASSETS		₱87,177,724	₱149,965,973
LIABILITY AND EQUITY			
Current Liability			
Accounts payable and other current liabilities	8	₱64,856,309	₱87,709,788
Equity			
Attributable to Equity Holders of the Parent Company:			
Common shares	10	250,000,001	250,000,001
Preferred shares	10	300,000,000	–
Deposit for future stock subscription	9, 10	–	207,544,011
Deficit		(522,056,638)	(390,234,709)
		27,943,363	67,309,303
Non-controlling interest	13	(5,621,948)	(5,053,118)
Total Equity		22,321,415	62,256,185
TOTAL LIABILITY AND EQUITY		₱87,177,724	₱149,965,973

See accompanying Notes to Consolidated Financial Statements.



ENEX ENERGY CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Notes	2025	2024	2023
EXPENSES				
Reimbursable cost	6, 9	₱55,377,600	₱–	₱–
Management and professional fees		8,041,576	8,887,281	10,596,355
Training fund contribution	7	864,013	862,220	3,334,038
Taxes, registration and license fees		705,714	1,422,375	611,306
Advertising and promotion		530,538	1,262,236	280,560
Repairs and maintenance		401,630	168,464	192,584
Rent and storage fees		280,807	218,753	236,821
Communication		15,588	15,588	17,625
Depreciation		–	131,682	158,019
Insurance		–	35,512	–
Transportation		–	450	–
Others		28,935	61,386	55,604
		66,246,401	13,065,947	15,482,912
OTHER CHARGES (INCOME) - NET				
Provision for impairment loss	6	68,830,477	–	–
Foreign exchange loss (gain) - net		38,223	(252,310)	99,286
Interest expense	9	–	6,716,470	9,956,595
Equity in net (income) loss of a joint venture	6	(2,573,827)	14,552,481	30,643,220
Interest income	4	(343,045)	(332,604)	(5,859)
Other income	9	(2,788,618)	(1,140,386)	(4,559,775)
		63,163,210	19,543,651	36,133,467
LOSS BEFORE INCOME TAX		129,409,611	32,609,598	51,616,379
PROVISION FOR INCOME TAX	11	124,138	91,204	3,754
NET LOSS		129,533,749	32,700,802	51,620,133
OTHER COMPREHENSIVE INCOME		–	–	–
TOTAL COMPREHENSIVE LOSS		₱129,533,749	₱32,700,802	₱51,620,133
Total Comprehensive Loss (Income)				
Attributable to:				
Equity holders of the Parent Company		₱128,964,919	₱32,080,945	₱51,624,637
Non-controlling interest	13	568,830	619,857	(4,504)
		₱129,533,749	₱32,700,802	₱51,620,133
Basic/Diluted Loss Per Share	12	₱0.516	₱0.128	₱0.206

See accompanying Notes to Consolidated Financial Statements.



ENEX ENERGY CORP. AND SUBSIDIARY

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

	Common Shares (Note 10)	Preferred Shares (Note 10)	Attributable to Equity Holders of the Parent Company			Non-controlling Interest (Note 13)	Total Equity (Capital Deficiency)
			Deposit for future stock subscription (Notes 9 and 10)	Deficit	Total		
Balances at January 1, 2023	₱250,000,001	₱–	₱–	(₱306,529,127)	(₱56,529,126)	(₱4,437,765)	(₱60,966,891)
Total comprehensive (loss) income	–	–	–	(51,624,637)	(51,624,637)	4,504	(51,620,133)
Balances at December 31, 2023	250,000,001	–	–	(358,153,764)	(108,153,763)	(4,433,261)	(112,587,024)
Total comprehensive loss	–	–	–	(32,080,945)	(32,080,945)	(619,857)	(32,700,802)
Deposit for future stock subscription	–	–	207,544,011	–	207,544,011	–	207,544,011
Balances at December 31, 2024	250,000,001	–	207,544,011	(390,234,709)	67,309,303	(5,053,118)	62,256,185
Total comprehensive loss	–	–	–	(128,964,919)	(128,964,919)	(568,830)	(129,533,749)
Issuance of capital stock	–	300,000,000	(207,544,011)	–	92,455,989	–	92,455,989
Stock issuance costs (Note 10)	–	–	–	(2,857,010)	(2,857,010)	–	(2,857,010)
Balances at December 31, 2025	₱250,000,001	₱300,000,000	₱–	(₱522,056,638)	₱27,943,363	(₱5,621,948)	₱22,321,415

See accompanying Notes to Consolidated Financial Statements.



ENEX ENERGY CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Years Ended December 31		
		2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		(₱129,409,611)	(₱32,609,598)	(₱51,616,379)
Adjustments for:				
Provision for impairment loss	6	68,830,477	–	–
Equity in net (income) loss of a joint venture	6	(2,573,827)	14,552,481	30,643,220
Interest income	4	(343,045)	(332,604)	(5,859)
Unrealized foreign exchange (gain) loss - net		(33,206)	(275,092)	56,001
Interest expense	9	–	6,716,470	9,956,595
Depreciation		–	131,682	158,019
Write-off of receivables	5	–	27,601	–
Gain on disposal of asset		–	(1,000)	–
Recoveries from a consortium partner reported as other income	8	–	–	(4,559,775)
Operating loss before working capital changes		(63,529,212)	(11,790,060)	(15,368,178)
Decrease (increase) in:				
Receivables		914,386	(1,139,385)	–
Other current assets		(511,674)	(81,622)	–
Increase (decrease) in accounts payable and other current liabilities		50,573,216	(13,366,703)	(2,524,384)
Cash used in pre-operations		(12,553,284)	(26,377,770)	(17,892,562)
Interest income received		348,257	326,142	5,859
Income tax paid		(146,945)	(68,397)	–
Net cash used in pre-operating activities		(12,351,972)	(26,120,025)	(17,886,703)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of asset		–	1,000	–
Payment of subscription of investment in a joint venture	6	–	–	(23,436,960)
Additions to deferred exploration costs	7	–	–	(54,614)
Net cash provided by (used in) investing activities		–	1,000	(23,491,574)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of capital stock	10	17,400,000	–	–
Infusion from a consortium partner	8	924,384	2,068,621	1,593,740
Proceeds from deposit for future stock subscription	9	–	30,000,000	–
Availment of short-term loans	9	–	21,972,858	28,300,000
Additions to (payment of) due to related parties		–	(7,542,940)	5,643,527
Payments of stock issuance cost	10	(2,163,590)	–	–
Interest paid		(15,913)	(121,117)	–
Net cash from financing activities		16,144,881	46,377,422	35,537,267
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		3,792,909	20,258,397	(5,841,010)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		44,735	310,755	(56,001)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4	28,107,477	7,538,325	13,435,336
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	₱31,945,121	₱28,107,477	₱7,538,325

See accompanying Notes to Consolidated Financial Statements.



ENEX ENERGY CORP. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information and Status of Operations

ENEX Energy Corp., (“ENEX” or “the Parent Company”) and Palawan55 Exploration & Production Corporation (Palawan55 or the Subsidiary), collectively referred to as “the Group”, were incorporated in the Philippines on September 28, 1994, and November 16, 2012, respectively, to engage in oil and gas exploration, exploitation and production. The Parent Company’s primary purpose also includes engaging in the business of power generation. Palawan55 is 69.35% owned by the Parent Company.

The Parent Company and the Subsidiary are 75.92% and 30.65% directly owned, respectively, by ACEN CORPORATION (“ACEN” or the Intermediate Parent Company), a listed entity in the Philippine Stock Exchange. The direct parent company (or intermediate parent company) of ACEN is AC Energy and Infrastructure Corporation (ACEIC), a wholly owned subsidiary of Ayala Corporation (AC). AC is a publicly listed company which is 47.84% owned by Mermac, Inc. (ultimate parent company), and the rest by the public. ACEN, ACEIC, AC and Mermac, Inc. are all incorporated and domiciled in the Philippines

As at December 31, 2025 and 2024, ACEIC owns 58.60% and 58.23%, respectively, of ACEN’s total outstanding shares of stock. This is based on direct and indirect ownership of ACEIC.

As at March 6, 2026, ENEX and Palawan55 have not yet started commercial operations.

The consolidated financial statements were approved and authorized for issuance by the Parent Company’s Board of Directors (BOD) on March 6, 2026.

2. Summary of Material Accounting Policies

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in Philippine peso (Peso), which is the Parent Company’s functional and presentation currency. All amounts are rounded to the nearest Peso, except when otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- Philippine Accounting Standards (PAS), and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).



Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary, Palawan55, as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025. The financial statements of the subsidiary are prepared for the same reporting year as the Parent Company using uniform accounting policies. When necessary, adjustments are made to the separate financial statements of the subsidiary to bring its accounting policies in line with the Parent Company's accounting policies.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests (NCI), even if this results in the NCI having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the Parent Company and the Subsidiary are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Parent Company loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, NCI and other components of equity while any resulting gain or loss is recognized in the consolidated statement of income. Any investment retained is recognized at fair value.

NCI represents the interest in a subsidiary not held by the Parent Company and are presented separately in the consolidated statement of income and consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to holders of the Parent Company.

The consolidated financial statements comprise the Parent Company and its subsidiary Palawan55. ENEX's ownership interest in Palawan55 is 69.35%, while the remaining 30.65% is directly owned by ACEN.

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these amendments did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.



Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Summary of Material Accounting Policies

The accounting policies set below have been applied consistently to all periods presented in the Group's consolidated financial statements, unless otherwise stated.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition

The Group classifies financial assets, at initial recognition, as measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.



Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses upon derecognition (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. This accounting policy relates to the Group's "Cash and cash equivalents" and "Receivables".

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.



For cash, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value, except for loans and borrowings, and payables that are recognized net of directly attributable transaction costs.

As at December 31, 2025 and 2024, the Group's financial liabilities pertain to "accrued expenses and other payables, due to related parties and due to third parties".

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest and other financing charges in the consolidated statement of income.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Interest in Joint Arrangements

PFRS Accounting Standards defines a joint arrangement as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.



Joint Operations. A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities and share in the revenues and expenses relating to the arrangement. The Group's service contracts (SCs) are considered joint operations.

Investment in a Joint Venture

The Group's investment in joint venture is accounted for using the equity method. Under the equity method, the investment in joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share in the net assets of the joint venture since the acquisition date.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is collectively assessed for impairment.

The consolidated statements of income reflect the Group's share of the results of pre-operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The consolidated financial statements include additional information about joint venture that is material to the Group (see Note 6). Management determined material joint ventures as those joint ventures where the Group's carrying amount of investments is greater than 5% of the total investments and advances in joint ventures as at the end of the period.

Deferred Exploration Costs

The Group follows the full cost method of accounting for exploration costs determined on the basis of each Service Contract (SC) area. The costs recorded pertain to the Group's share in exploration costs, pro-rated based on participating interest held in each joint agreement for each SC. Under this method, all exploration costs relating to each SC are deferred pending the determination of whether the contract area contains oil and gas reserves in commercial quantities, net of any allowance for probable losses. These costs are written off against the allowance when the projects are abandoned or determined to be definitely unproductive.

The Group classifies exploration costs as intangible or tangible according to the nature of the assets acquired and apply the classification consistently. Some costs are treated as intangible, whereas others are tangible to the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is part of the cost of the intangible asset. However, using a tangible asset to develop an intangible asset does not change a tangible asset into an intangible asset. The Group recognizes its exploration costs as intangible assets.

The deferred exploration costs cease to be classified as intangible asset when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. These costs shall be assessed for impairment, and any impairment loss is recognized before reclassification.

Deferred exploration costs are reassessed for impairment on a regular basis. An impairment review is performed, either individually or at the CGU level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the reporting period in which this is determined.



Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources*, are as follows:

- The period for which the Group has the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed;
- Substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- When a service contract where the Group has participating interest in is permanently abandoned; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, impairment loss is measured, presented and disclosed in accordance with PAS 36, *Impairment of Assets*.

Capital Stock

Capital stock represents the portion of the paid-in capital representing the total par value of the shares issued.

Capital stock is measured at par value for all shares issued. When the shares are sold at premium, the difference between the proceeds and the par value is recognized as additional paid-in capital. Direct costs incurred related to the equity issuance are deducted from equity, net of any related tax benefits. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Deposit for Future Stock Subscription

Deposit for future stock subscription represents funds received from existing or potential stockholders to be applied as payment for future issuance of capital stock. Deposit for future stock subscriptions are recognized as equity if and only if, all of the following elements set forth by the SEC are present as at end of the reporting period:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- The Group's BOD and stockholders have approved on the proposed increase in authorized capital stock (for which a deposit was received by the Group); and
- The application for the approval of the proposed increase has been presented for filing or filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be presented as a noncurrent liability.

Deficit

Deficit represents the cumulative balance of net loss.



Other Income

Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Group through an increase in asset or a reduction in the liability that can be measured reliably.

Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decreases of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred and measured at the fair value of consideration paid or payable.

Training fund obligations paid to the Department of Energy (DOE) for SC 55 are reported under expenses in the statements of comprehensive income.

Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operate and generate taxable income.

Loss Per Share

Basic loss per share is computed based on weighted average number of issued and outstanding common shares during each year after giving retroactive effect to stock dividends declared during the year. Diluted loss per share is computed as if the stock options were exercised as at the beginning of the year and as if the funds obtained from exercise were used to purchase common shares at the average market price during the year.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events After the Reporting Period

Post year-end events that provide additional information about the Group's position as at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.



3. Significant Accounting Judgments and Estimates

The preparation of the accompanying consolidated financial statements in conformity with PFRS Accounting Standards requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Future events may occur which can cause the assumptions used in arriving at those estimates to change. Actual results could differ from such estimates.

Judgments and estimates are continually evaluated taking into consideration the Group's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgement

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

Assessment of Impairment Indicators of Deferred Exploration Costs

The carrying value of deferred exploration costs is reviewed for impairment by management when there are indications that the carrying amount exceeds the recoverable amount under PFRS 6. Among the factors considered by management in the impairment review of deferred exploration costs are the status of each exploration project, as certified by the technical group head; review of contract agreements and budget for exploration costs; expiration of the contracts, licenses/permit and continuation plan on the existing concession areas. Considering these factors, management assessed that no indicators of impairment were identified on its deferred exploration costs for the three-year period ended December 31, 2025, 2024 and 2023. The carrying value of deferred exploration costs amounted to ₱54.35 million as of December 31, 2025 and 2024 (see Note 7).

Determining and Classifying a Joint Arrangement

Judgment is required to determine when the Group has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement. Judgment is also required to classify a joint arrangement. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, the Group considers:

- The structure of the joint arrangement - whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
 - o The legal form of the separate vehicle
 - o The terms of the contractual arrangement
 - o Other facts and circumstances (when relevant)

This assessment often requires significant judgment, and a different conclusion on joint control and whether the arrangement is a joint operation or a joint venture, may materially impact the accounting. As at December 31, 2025 and 2024, the Group's SCs are assessed as joint arrangements in the form of joint operations (see Note 6).



The Group's investments in joint ventures are structured in separate incorporated entity. The investment in Batangas Clean Energy, Inc. ("BCEI") is accounted for as an investment in a joint venture since the fundamental business and operational matters require unanimous consent from all parties. The Group and the parties to the agreement only have rights to the net assets of the joint venture through the terms of the contractual arrangements (see Note 6).

Estimates

Impairment Assessment of Non-financial Assets

The Group reviews investment in a joint venture and intangible assets for impairment of value. This includes considering certain indications of impairment such as significant decline in assets' market value, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

The Group has evaluated the conditions and the assets subject to impairment to assess whether any impairment triggers that may lead to impairment have been identified. In doing this, the Group has reviewed the key assumptions in its previous annual impairment assessment to assess whether any changes to the assumptions within that impairment assessment would result in an impairment loss as at December 31, 2025.

For the year ended December 31, 2025, Management assessed the recoverability of the Group's investment in Batangas Clean Energy, Inc. ("BCEI"), a joint venture with Gen X Energy L.P. ("Gen-X"). The assessment was triggered by significant adverse developments, including the approval by the Board of Directors and Shareholders of BCEI to cease operations by December 31, 2025, amend its Articles of Incorporation to shorten its corporate term to December 31, 2026, and the pending approval to discontinue the BCEI project, terminate the joint venture, and dissolve BCEI. In addition, ENEX and Gen-X jointly decided to terminate the project due to the absence of imminent customer offtake opportunities, the Group's strategic refocus on renewable energy generation, and the inability to attract third-party investors given uncertainties surrounding project offtake.

These events and conditions constitute objective evidence of impairment, indicating that the recoverable amount of the investment is lower than its carrying amount. Accordingly, the Group recognized an impairment loss to write off the remaining carrying value of the investment in the joint venture amounting to ₱68.83 million and nil in 2025 and 2024, respectively (see Note 6).

Recognition of Deferred Income Tax Asset

The carrying amount of deferred income tax assets is reviewed at each reporting date. There is no assurance that sufficient taxable income will be generated to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred tax assets as at December 31, 2025 and 2024 amounted to ₱73.76 million and ₱62.64 million, respectively (see Note 11).

4. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash in bank	₱26,945,121	₱2,145,797
Cash equivalents	5,000,000	25,961,680
	₱31,945,121	₱28,107,477



Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three months, depending on the immediate cash requirements of the Group.

Interest income on cash and cash equivalents amounted to ₱343,044, ₱332,604 and ₱5,859 in 2025, 2024 and 2023, respectively.

5. Receivables

This account consists of the following:

	2025	2024
Due from:		
Third party	₱20,000,000	₱20,000,000
Related party (Note 9)	225,000	1,139,386
Interest receivable	1,250	6,462
	20,226,250	21,145,848
Allowance for credit losses	20,000,000	20,000,000
	₱226,250	₱1,145,848

Due from third party pertains to advance payment made pursuant to the Memorandum of Agreement with Frontier Energy and Frontier Oil. This has been fully provided with allowance for impairment since 2016.

The Group has written-off other receivables amounting to ₱27,601 in 2024 (nil in 2025).

6. Investment in a Joint Venture

BCEI

On January 14, 2022, ENEX, BCEI, and Gen X Energy executed the Shareholders' Agreement and Subscription Agreements. ENEX subscribed to a total of 150,002 shares for the 50% acquisition of interest in BCEI for a total subscription price of ₱150.22 million, of which ₱23.44 million and ₱126.78 million were paid in 2023 and 2022, respectively. Gen X Energy L.P. is a portfolio company of Blackstone Inc.

BCEI is a joint venture to develop a 1,100MW combined cycle power plant that will be able to use natural gas and/or green hydrogen as its fuel. BCEI's principal place of business and country of incorporation is Batangas City, Philippines.

The details and movements of investment joint ventures accounted for under the equity method is as follows:

	2025	2024
Acquisition cost	₱150,220,000	₱150,220,000
Accumulated equity in net losses		
Balance at beginning of year	(83,963,350)	(69,410,869)
Equity in net income (loss) of a joint venture	2,573,827	(14,552,481)
Balance at end of year	(81,389,523)	(83,963,350)
Allowance for impairment losses	(68,830,477)	-
Balance at end of year	₱-	₱66,256,650



For the year ended December 31, 2025, Management assessed the recoverability of the Group's investment in Batangas Clean Energy, Inc. (BCEI), a joint venture with Gen X Energy L.P. (Gen-X). The assessment was triggered by objective indicators of impairment, including the decision of BCEI's Board of Directors and Shareholders to cease operations by December 31, 2025, shorten its corporate term to December 31, 2026, and pursue the discontinuation of the project, termination of the joint venture, and dissolution of BCEI. These developments were driven by the lack of imminent customer offtake opportunities, the Group's strategic refocus on renewable energy generation, and the inability to attract third-party investors. Accordingly, the Group recognized an impairment loss to write off the remaining carrying value of the investment amounting to ₱68.83 million.

Following approval to wind down BCEI, ENEX has agreed to reimburse Ingrid3 Power Corp. (Ingrid3) (a wholly owned subsidiary of ACEN) for outstanding costs it incurred for the benefit of ENEX in relation to the BCEI project, amounting to approximately ₱55.38 million. These costs consist of development and lease option costs funded by Ingrid3, with principal aggregating ₱46.70 million and accrued interest of ₱8.68 million, calculated at an annual rate of 8% up to a cut-off date of October 24, 2025. The reimbursement of expense is presented under "Reimbursable cost" account in the consolidated statements of comprehensive income (see Note 9).

The summarized financial information of BCEI and the reconciliation with the carrying amount of the investment in the consolidated financial statements are shown below:

Summarized Statements of Financial Position:

	2025	2024
Cash	₱2,362,387	₱10,496,949
Other current assets	12,291,247	21,464,023
Total assets	14,653,634	31,960,972
Accounts payable and other current liabilities	(112,218)	(22,567,210)
Total liabilities	(112,218)	(22,567,210)
Equity	₱14,541,416	₱9,393,762
Share in net assets	₱7,270,708	₱4,696,881
Notional goodwill	61,559,769	61,559,769
Impairment losses	(68,830,477)	-
Carrying value of the investment	₱-	₱66,256,650

Summarized Statements of Comprehensive Income:

	2025	2024
Revenue	₱-	₱-
Other income	21,281,560	-
Interest income	578	6,280
Cost and expenses	(16,134,494)	(29,111,242)
Net loss	5,147,654	(29,104,962)
Other comprehensive income	-	-
Total comprehensive income (loss)	₱5,147,654	(₱29,104,962)
Group's share in total comprehensive income (loss)	₱2,573,827	(₱14,552,481)



7. Deferred Exploration Costs

Details of deferred exploration costs as at December 31, 2025 and 2024 are as follows:

ENEX	
SC 6 (Northwest Palawan):	
Block A	₱23,963,291
Block B	4,892,178
SC 50 (Northwest Palawan)	11,719,085
	<u>40,574,554</u>
Less allowance for probable losses	40,574,554
	<u> -</u>
Palawan55	
SC 55 (Southwest Palawan)	54,349,977
	<u>₱54,349,977</u>

Below is the rollforward analysis of the deferred exploration costs as at December 31, 2025 and 2024 are as follows:

Cost:	
Balances at beginning and end of year	₱94,924,531
Allowance for a probable loss:	
Balances at beginning and end of year	40,574,554
Net book value	<u>₱54,349,977</u>

The foregoing deferred exploration costs represent the Group's share in the expenditures incurred under the petroleum SCs with the DOE. The contracts provide for certain minimum work and expenditure obligations and the rights and benefits of the contractor. Operating agreements govern the relationship among co-contractors and the conduct of operations under a SC.

The following summarizes the status of the foregoing projects:

ENEX

a. SC 6 (Northwest Palawan)

Block A

ENEX holds 7.78% participating interests in Block A, with Philodrill Corporation (Philodrill) as the Operator. SC 6 is valid until February 28, 2024, subject to fulfillment of work commitments for each of the three 5-year terms comprising the 15-year extension period of SC 6 in respect of Block A and payment of training assistance, development assistance and scholarship funds to the DOE.

In 2021, ENEX withdrew from the SC 6 Block A Consortium. SC 6A did not have any commercial operations. The SC 6A Consortium paid its outstanding financial obligations to the DOE in full as required for the DOE's approval of the relinquishment of the service contract.

In 2022, the DOE approved the relinquishment of SC 6A following the Consortium's compliance with all its technical and financial obligation with DOE.

Provision for probable loss was recognized for SC 6A amounting to ₱23.96 million.



Block B

ENEX holds 14.063% participating interests in Block B with Philodrill. SC 6 is valid until February 28, 2024, subject to fulfillment of work commitments for each of the three 5-year terms comprising the 15-year extension period of SC 6 in respect of Block A and payment of training assistance, development assistance and scholarship funds to the DOE.

On February 20, 2017, ENEX gave notice to the Consortium of relinquishment of its 14.063% participating interest in SC 6 Block B (SC 6B) and the Operating Agreement but said relinquishment shall not include its 2.475% carried interest. The retained interest carried would entitle the Group to a share in the gross proceeds from any production in the block, once all exploration costs have been recovered.

In 2017, the Parent Company recognized full provision for probable loss on deferred exploration costs pertaining to SC 6B amounting to ₱4.89 million due to the Parent Company's relinquishment of its participating interest, but not the carried interest to its partners.

SC 6 has expired in February 2024.

b. SC 50 (Northwest Palawan)

In 2013, ENEX negotiated with Frontier Energy Limited ("Frontier Energy"), the Operator, regarding a Farm-in Agreement that would provide for the Parent Company's acquisition of 10% participating interest in SC 50.

Frontier Oil Corporation, the Operator, applied for a Force Majeure in view of the unilateral cancellation of its rig contract by the other partners in the Consortium. In 2016, the Parent Company recognized full provision for probable loss on SC 50 amounting to ₱11.72 million due to the expiration of the SC's term and denial by the DOE of the request for Force Majeure.

Palawan55

c. SC 55 (Southwest Palawan)

In January 2014, the DOE approved the transfer of the 60% participating interest of BHP Billiton to Otto Energy Philippines, Inc. and the transfer of operatorship to Otto Energy.

On June 14, 2016, the DOE extended the term of SC 55 until December 23, 2017.

On November 21, 2016, Otto Energy and Otto Energy Philippines, Inc notified the DOE of their withdrawal from SC 55.

On November 22, 2017, Palawan55 notified the DOE of its willingness to assume its pro-rata, post- adjustment share (37.50%) amounting to US\$64,613 of Otto Energy's outstanding training fund obligation of US\$172,300 in conjunction with the DOE's approval of the assignment of interests and favorable consideration for a reasonable extension of the moratorium period that would allow execution of the committed technical studies.

On March 26, 2018, the DOE approved the transfer of participating interests from Otto Energy to its Consortium Partners, Palawan55, Century Red and Pryce Gases, Inc. Palawan55's 6.82% participating interest in SC 55 was adjusted to 37.50% upon the DOE's approval of the



withdrawal of Otto Energy. The Moratorium Period until April 26, 2019 was also approved with a budget of US\$478,750 for 3D seismic reprocessing and Quantitative Inversion Study.

On November 19, 2018, Palawan55 requested for an extension of the SC 55 Moratorium Period up to December 31, 2019 since the Quantitative Interpretation Study and Resource Assessment will only be completed after April 2019. The said request was approved by the DOE on April 22, 2019.

In December 2018, a third-party Partner in the Consortium advanced its payment for its share in the 2019 work program amounting to US\$69,669 or ₱3.66 million. This shall be applied to the third party's share in the subsequent expenditure of SC 55. Palawan55 also accrued its share in the training obligations for SC 55 payable to the DOE amounting to ₱3.49 million.

On August 9, 2019, the SC 55 Consortium formally notified the DOE that the project is directly proceeding into the Appraisal Period effective August 26, 2019. The Consortium committed to drill one (1) deepwater well within the first two years of the Appraisal period and re-interpretation of legacy seismic data over the rest of the block which may lead to the conduct of new 3D seismic campaign to mature other identified prospects to drillable status.

On September 26, 2019, Palawan55 informed the DOE of Century Red Pte. Ltd.'s ("Century Red") withdrawal from SC 55 and accordingly requested for the approval of the transfer of Century Red's entire 37.50% participating interest to Palawan55.

On February 13, 2020, Palawan55 received DOE's approval on the transfer of the 37.50% participating interest of Century Red in SC 55. After careful review and evaluation of DOE, Palawan55 is found to be technically, financially and legally qualified to assume the participating interests of Century Red. Palawan55's participating interest in SC 55 is adjusted from 37.50% to 75.00%.

On April 15, 2020, Palawan55 received a letter from the DOE confirming the entry of SC 55 into the Appraisal Period effective April 26, 2020. In the said letter, the DOE stated that after the review and evaluation of the Hawkeye discovery report, "we hereby confirm that the 'Hawkeye-1 well' did encounter a significant volume of movable natural gas and is deemed to be a Non-Associated Gas Discovery under Section 13.02 of SC 55."

On July 2, 2020, SC 55 Consortium submitted to the DOE its 5-year Work Program and Budget for the Appraisal Period. Said program is divided into firm (CY 1 & 2) and contingent (CY 3-5). The firm commitment consists of Geological and Geophysical studies and drilling of a well within the next two years.

On August 28, 2020, Palawan55 received a letter from the DOE approving SC 55's Appraisal Period Work Program and Budget with the firm amount of US\$1,702,020.00. Further, the DOE stated that it expects the submission of the proposed budget for the drilling of one (1) well after the drilling proposal has been approved by the DOE.

On September 23, 2020, the Consortium requested for the declaration of a one-year force majeure in view of the far-reaching adverse effects of the COVID-19 pandemic and the induced low oil price, on the global upstream petroleum industry.



On May 14, 2021, Palawan55 received a letter from DOE dated May 11, 2021 approving its request to place SC 55 under force majeure for a period of one year. The letter also states that the timeline of the SC 55 will be adjusted accordingly, and the end of the period will be adjusted by the same amount of time that SC 55 was on force majeure.

On December 22, 2021, the SC 55 Consortium submitted an updated CINCO-1 Drilling Proposal to the DOE. The DOE has approved the Consortium's CINCO-1 Drilling Proposal, Oil Spill Contingency Plan, and Health, Safety and Environmental Management Plan on March 4, 2022.

On March 4, 2022, the DOE approved the CINCO-1 Drilling Proposal, Oil Spill Contingency Plan, and Health, Safety and Environmental Plan in accordance with the SC 55 Appraisal Work Program.

On October 20, 2022, the Palawan Council for Sustainable Development approved the transfer of SC 55 Strategic Environment Plan from BHP Billiton, the former Operator of SC, to the current Operator Palawan55.

On December 5, 2022, the SC 55 Consortium requested from the DOE a declaration of Force Majeure on the commitment to drill one deepwater well by April 2023 due to the geopolitical issues in the West Philippine Sea and recent regulatory developments in the upstream industry.

On June 7, 2023, the DOE approved the Consortium's request for a force majeure relief in SC 55 until such time that a clearance to proceed with exploration activities in the West Philippine Sea is issued by the National Government.

On December 1, 2023, the DOE granted the request of the Palawan55 to extend the deadline to drill a well under SC 55 by a period of eighteen (18) months. Pursuant to Section 26.01 of SC 55, the DOE had earlier found basis to place SC 55 under force majeure from December 6, 2022 until such time that a clearance to proceed with exploration activities in the West Philippine Sea has been issued by the National Government. The DOE further states that "given that SC 55 is currently still on force majeure, Palawan55 shall have a total of 23 months (the five months remaining plus the 18-month extension) from the lifting of force majeure to drill the committed well." As at December 31, 2025, the SC 55 is still in force majeure.

ENEX's subsidiary, Palawan 55, has 75% participating interest in SC 55 and is the Operator.

As at December 31, 2025 and 2024, Palawan55 holds 75.00% participating interests in SC 55, and has met all the compliance requirements of the DOE.

As at December 31, 2025 and 2024, training fund contribution to DOE amounted to ₱0.86 million of each year.

No impairment was recognized for SC 55 as at December 31, 2025 and 2024 as there are no indicators for impairment.



8. Accounts Payable and Other Current Liabilities

This account consists of:

	2025	2024
Accrued expenses and other payables	₱2,560,586	₱2,671,639
Due to:		
Related parties (Note 9)	33,564,649	56,468,781
Third party	28,672,568	28,248,708
Income tax payable	–	22,807
Withholding tax payable	58,506	297,853
	₱64,856,309	₱87,709,788

Accrued expenses include accruals for professional fees such as retainers fee and audit fee that are noninterest-bearing and are normally settled on 30 to 60-day net terms from the date of billing. This also includes accrual for training obligations for SC 55 payable to the DOE, payable within 30 days.

Due to a third party represents an advance payment made by a partner in the Consortium, which the Company holds on behalf of the Consortium, to be applied to SC 55's work program. During the year ended December 31, 2025 and 2024, infusions from a consortium partner amounted to ₱0.92 million and ₱2.07 million, respectively.

	2025	2024
Balances at beginning of year	₱28,248,708	₱28,733,133
Cash infusion	924,384	2,068,621
Recoveries	(559,863)	(787,022)
Reclassification from (to) accrued expenses	59,339	(1,766,024)
	₱28,672,568	₱28,248,708

9. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individual or corporate entities.

Outstanding balances at period-end are unsecured and are to be settled in cash throughout the financial year.

In the ordinary course of business, the Group transacts with intermediate Parent, affiliates, jointly controlled entities and other related parties on advances, loans, reimbursement of expenses and management service agreements.



The balances and transactions of accounts as at and for the years ended December 31, 2025 and 2024 with related parties are as follows:

Company	December 31, 2025					
	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
Intermediate Parent Company						
ACEIC						
Accounts payable and other current liabilities (see Note 8)	₱-	Advances	₱-	₱58,200	Due and demandable, noninterest-bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	2,520	Management and professional fees	-	2,141	Due and demandable, noninterest bearing	Unsecured
ACEN						
Accounts payable and other current liabilities (see Note 8)	1,277,315	Management and professional fees	-	2,613,000	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	-	Management and professional fees capitalized as deferred exploration cost	-	12,240,000	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	-	Management and professional fees charged to a consortium Partner	-	5,100,000	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	-	Advances	-	12,001,041	Due and demandable, noninterest bearing	Unsecured
Entities Under Common Control						
ACES						
Accounts payable and other current liabilities (see Note 8)	3,435,102	Management fees	-	1,453,447	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	380,650	IT cost recoveries	-	96,820	Due and demandable, noninterest bearing	Unsecured
Ingrid3						
Accounts payable and other current liabilities (see Note 8)	55,377,600	Reimbursable cost	-	-	Due and demandable, noninterest bearing	Unsecured
Due to related parties			₱-	₱33,564,649		
Joint venture						
BCEI						
Receivables (Note 5)	₱2,788,618	Cost recoveries	₱225,000	₱-	Noninterest bearing	Unsecured
Due from related party			₱225,000	₱-		

Company	December 31, 2024					
	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
Intermediate Parent Company						
ACEIC						
Accounts payable and other current liabilities (see Note 8)	₱-	Advances	₱-	₱58,200	Due and demandable, noninterest-bearing	Unsecured

(Forward)



Company	December 31, 2024					
	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
ACEN						
Short-term loans	₱21,272,858	Short-term loans	₱–	₱–	Interest-bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	2,442,999	Management and professional fees	–	1,414,861	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	–	Management and professional fees capitalized as deferred exploration cost	–	12,240,000	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	–	Management and professional fees charged to a Consortium Partner	–	5,100,000	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	–	Advances	–	14,682,686	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	6,459,565	Interest expense on short-term loans	–	19,324,264	Noninterest bearing	Unsecured
Deposit for future stock subscriptions (see Note 10)	30,000,000	Cash subscription	–	–	–	–
Deposit for future stock subscriptions (see Note 10)	6,271,153	Assigned ACEN International short-term loans, including accrued interest expense	–	–	–	–
Deposit for future stock subscriptions (see Note 10)	171,272,858	Assigned ACEN short-term loans	–	–	–	–
<i>Entities Under Common Control</i>						
ACES						
Accounts payable and other current liabilities (see Note 8)	1,290,759	Management fees	–	890,563	Due and demandable, noninterest bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	2,742,294	Contracted services	–	2,742,294	Due and demandable, noninterest bearing	Unsecured
BPGC						
Accounts payable and other current liabilities (see Note 8)	4,000,000	Advances	–	–	Due and demandable, noninterest bearing	Unsecured
ACEN International						
Short-term loans	700,000	Short-term loans	–	–	Interest-bearing	Unsecured
Accounts payable and other current liabilities (see Note 8)	256,905	Interest expense on short-term loans	–	15,913	Noninterest bearing	Unsecured
<i>Due to related parties</i>			₱–	₱56,468,781		
<i>Joint venture</i>						
BCEI						
Receivables (Note 5)	1,139,386	Cost recoveries	1,139,386	–	Noninterest bearing	Unsecured
<i>Due from related party</i>			₱1,139,386	₱–		



ACEIC

Payable to ACEIC includes management fees and professional fees.

ACEN

Management Fees, Working Capital Advances and Interest on short-term loans

Payables to ACEN comprise of management fees, advances received by ENEX to cover working capital and interest expense on short-term loans.

For the years ended December 31, 2025 and 2024, ENEX made payments to management fees amounting to ₱3.05 million and ₱12.05 million, respectively, and partial payment of advances and interest on short-term loans amounting to ₱6.24 million in 2024 (nil in 2025).

Short-term Loans

On December 10, 2021, the ENEX BOD approved the availment of a short-term loan from ACEN of up to ₱150.00 million to fund the initial subscription by ENEX to shares in BCEI and authorized ENEX to secure bank loans in an aggregate amount of up to ₱150.00 million to be guaranteed by ACEN, subject to the payment of a guarantee fee. On December 13, 2021, the ACEN BOD approved the short-term loan up to ₱150.00 million in favor of ENEX.

On January 13, 2022, first loan drawdown was made amounting to ₱127.00 million with 3.88% interest per annum, payable on or before July 12, 2022. Maturity date was subsequently extended until November 10, 2022. On November 11, 2022, the loan was restructured to 7.30% interest per annum payable on or before November 10, 2023. On November 11, 2023 the loan was restructured to 8.66% interest per annum payable on or before September 30, 2024.

On August 2, 2023, second loan drawdown was made amounting to ₱23.00 million with 5.75% interest per annum, payable on or before February 1, 2024. On February 2, 2024, the loan was restructured to 8.10% interest per annum payable on or before September 30, 2024.

On June 20, 2024, ENEX availed short-term loan amounting to ₱21.27 million with 0% interest payable on or before September 30, 2024, in immediately available funds.

On June 26, 2024, ACEN converted its short-term loans and interest receivable, respectively, from ENEX amounting to ₱171.27 million and ₱0.27 million to subscription to ENEX's non-voting Preferred Shares at par value of ₱1.00.

In 2025, the remaining interest payable in short-term loans amounting to ₱19.32 million were converted to Preferred Shares (see Note 10).

Deposit for Future Stock Subscriptions

In 2024, ENEX received from ACEN deposits for future stock subscriptions (see Note 10) to fund its capital and pre-operational requirements.

ACES

Payable to ACES includes management fees and contracted services.

ACEN International

Short-term Loan

On June 7, 2023, ENEX's Executive Committee approved the availment of short-term loan of up to ₱6.00 million from ACEN International, which was fully drawn as of September 30, 2024.



The first drawdown amounted to ₱1.00 million is subject to 8.20% per annum, payable on or before June 5, 2024. The second drawdown amounted to ₱1.50 million is subject to 8.39% per annum, payable on or before August 1, 2024. The third drawdown amounted to ₱2.80 million is subject to 8.36% per annum, payable on or before September 26, 2024. The fourth drawdown amounted to ₱0.70 million is subject to 8.29% per annum, payable on or before February 1, 2025.

On June 26, 2024, ACEN International assigned its short-term loans and interest receivable from ENEX amounting to ₱6.00 million and ₱0.27 million, respectively, in favor of ACEN.

Interest expense related to the short-term loans amounted ₱0.26 million in 2024 (nil in 2025). The outstanding interest payable on short-term loans amounting to ₱15,913 was fully paid in 2025.

BCEI

Cost recoveries

On September 1, 2024, the Group and BCEI executed a service and cost recovery agreement wherein BCEI agrees to reimburse ENEX for the cost of the service and personnel from effective date of the agreement and shall remain valid until August 31, 2025.

Other income recognized from this transaction amounts to ₱2.79 million and ₱1.14 million as at December 31, 2025 and 2024, respectively.

Ingrid3

Ingrid3 provided advances to BCEI project on behalf of ENEX amounting to approximately ₱55.38 million. These advances consist of development and lease option costs, with principal aggregating ₱46.70 million and accrued interest of ₱8.68 million, calculated at an annual rate of 8% up to a cut-off date of 24 October 2025. (see Note 6).

In 2025, Ingrid3 assigned the receivables to ACEN, which later, ACEN converted to preferred shares (see Note 10).

Compensation of Key Management Personnel

The compensation of the Group's key management personnel is paid by ACEN and as such, the necessary disclosures required by PAS 24, *Related Party Disclosures*, are included in the financial statements of ACEN.

Identification, Review and Approval of Related Party Transactions

All (1) SEC-defined material related party transactions, i.e., related party transaction/s, either individually or in aggregate over a twelve (12)-month period of the Group with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited consolidated financial statements; and (2) any related party transaction/s that meet the threshold values approved by the Risk Management and Related Party Transactions Committee (the Committee), i.e., ₱50.00 million or five percent (5%) of the Group's total consolidated assets, whichever is lower, shall be reviewed by the Committee and approved by the BOD before its commencement, except transactions that are explicitly excluded/exempted by the SEC and transactions delegated to management.

For SEC-defined material related party transactions, the approval shall be by at least 2/3 vote of the BOD, with at least a majority vote of the independent directors. In case that the vote of a majority of the independent directors is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.



10. Equity

Capital Stock

Following are the details of the Parent Company's capital stock as at December 31, 2025 and 2024:

	2025	2024
<u>Authorized</u>		
Common shares - ₱1 par value	1,000,000,000	1,000,000,000
Preferred shares - ₱1 par value	300,000,000	-
<u>Issued and outstanding</u>		
Common shares - ₱1 par value	250,000,001	250,000,001
Preferred shares - ₱1 par value	300,000,000	-

The issued and outstanding shares as at December 31, 2025 and 2024 are held by 2,879 and 2,858 equity holders, respectively.

On March 14, 2024 special meeting, the Group's BOD approved the amendment to the Seventh Article of the Articles of Incorporation (AOI) to increase the authorized capital stock (ACS) of the Parent Company from ₱1,000 million consisting of 1,000.00 million common shares at ₱1.00 par value a share, to ₱1,300 million consisting of 1,000.00 million common shares at ₱1.00 par value a share and 300.00 million Preferred Shares at ₱1.00 par value a share. This was subsequently approved during the Annual Stockholders' Meeting held on April 24, 2024.

The Preferred Shares shall have the following features:

- Non-voting;
- With cumulative dividends;
- Non-participating;
- Non-convertible
- Non-reissuable;
- Redeemable at the option of the issue at issue price;
- With preference as to liquidation; and
- With preference as to dividend distribution, at a dividend rate to be determined by the Board of Directors at the time of issuance of the shares.

On November 12, 2025, the Securities and Exchange Commission (SEC) approved amendment to AOI. The related stock issuance costs pertain to documentary stamp taxes and SEC filing fees amounted to ₱2.86 million, of which, ₱2.16 million was paid during the year, while ₱0.70 million was paid by ACEN on behalf of ENEX and subsequently converted to preferred shares.

Out of the net increase in ACS, ACEN's subscribed deposit for future stock subscription (DFFS) was applied to 207,544,011 Preferred Shares (see Note 9).

On December 26, 2025, ACEN subscribed to 17,400,000 Preferred Shares, for an aggregate amount of ₱17.40 million.



ACEN's subscription to Preferred Shares are as follows:

Application of deposit for future stock subscription	₱207,544,011
Cash infusion	17,400,000
Conversion of ENEX payables to ACEN:	
Advances and interest on short-term loans (see Note 9)	19,678,389
Assignment from Ingrid3 (see Note 9)	55,377,600
Total Preferred Shares subscribed	₱300,000,000

Deposit for future stock subscription (DFFS)

On April 30, 2024, ENEX signed a subscription contract with ACEN for the subscription by ACEN to 30,000,000 non-voting Preferred Shares of ENEX at par value of ₱1.00, for a total subscription price of ₱30.00 million.

On June 26, 2024, ENEX signed a subscription agreement with ACEN for the subscription by ACEN to 177,544,011 non-voting Preferred Shares of ENEX at par value of ₱1.00, for a total subscription price of ₱177.54 million, to be paid out of the assignment of short-term loans and interest receivable from ENEX via the Deed of Assignment between ACEN and ENEX.

On August 19, 2024, ENEX submitted its application for increase of authorized capital stock and creation of non-voting Preferred shares for review of the SEC. The non-voting Preferred shares are to be issued upon the SEC's approval of the increase in the authorized capital stock of the Company and the creation of the non-voting Preferred shares.

ACEN's subscription to Preferred Shares will be in exchange of below ACEN receivables from ENEX and cash infusion:

Short-term loan principal	₱171,272,858
Assigned receivables from ACEN International:	
Short-term loan principal	6,000,000
Short-term loan interest accrued	271,153
	177,544,011
Cash infusion	30,000,000
Deposit for future stock subscription	₱207,544,011

ACEN's subscribed DFFS was eventually applied to Preferred Shares upon the SEC's approval of ENEX's amendment of AOI on November 12, 2025.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may issue new shares or in the future adjust the dividend payment to shareholders or return capital to shareholders. No changes were made in the objectives, policies or processes in 2025 and 2024.



11. Income Taxes

The Group's provision for income tax consists of:

	2025	2024	2023
Current			
Minimum corporate income tax	₱55,772	₱22,807	₱3,754
Final	68,366	68,397	–
	₱124,138	₱91,204	₱3,754

The reconciliation of the Group's provision for (benefit from) income tax using the statutory tax rate is as follows:

	2025	2024	2023
Benefit from income tax at statutory rate	(₱32,352,403)	(₱8,152,399)	(₱12,905,545)
Tax effects of:			
Movement in temporary differences, NOLCO and MCIT for which no deferred income tax assets were recognized	11,116,900	4,597,430	5,248,209
Expiration of NOLCO	21,622,552	–	–
Expiration of MCIT	3,754	–	–
Equity in net loss of a joint venture	(643,457)	3,638,120	7,660,805
Other income subject to MCIT	55,772	91,204	–
Interest income subject to final tax	(17,395)	(83,151)	(1,465)
Nondeductible expenses	338,415	–	1,750
	₱124,138	₱91,204	₱3,754

Deferred income tax assets related to the following temporary differences, including MCIT and NOLCO were not recognized because management believes that it is not probable that sufficient future taxable income will be available to allow deferred income tax assets to be utilized.

	2025	2024
NOLCO	₱165,027,231	₱189,375,090
Provisions for:		
Impairment loss (Note 6)	68,830,477	–
Probable loss (Note 7)	40,574,554	40,574,554
Credit loss (Note 5)	20,000,000	20,000,000
MCIT	146,977	–

Unrecognized deferred income tax assets amounted to ₱73.76 million and ₱62.64 million as at December 31, 2025 and 2024, respectively.



Movements in the NOLCO for the year ended December 31, 2025:

Year Incurred	Availment Period	As at January 1, 2025	NOLCO Applied Previous Year/s	NOLCO Expired	NOLCO Applied Current Year	As at December 31, 2025
2020	2021-2025*	₱13,595,875	₱-	(₱13,595,875)	₱-	₱-
2021	2022-2026*	16,891,327	-	-	-	16,891,327
2022	2023-2025	72,894,332	-	(72,894,332)	-	-
2023	2024-2026	51,671,238	-	-	-	51,671,238
2024	2025-2027	34,322,318	-	-	-	34,322,318
2025	2026-2028	62,142,348	-	-	-	62,142,348
		₱251,517,438	₱-	(₱86,490,207)	₱-	₱165,027,231

*RR-25-20 Bayanihan Act 2: NOLCO incurred for the taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive years.

Movements in the NOLCO for the year ended December 31, 2024:

Year Incurred	Availment Period	As at January 1, 2024	NOLCO Applied Previous Year/s	NOLCO Expired	NOLCO Applied Current Year	As at December 31, 2024
2020	2021-2025*	₱13,595,875	₱-	₱-	₱-	₱13,595,875
2021	2022-2026*	16,891,327	-	-	-	16,891,327
2022	2023-2025	72,894,332	-	-	-	72,894,332
2023	2024-2026	51,671,238	-	-	-	51,671,238
2024	2025-2027	34,322,318	-	-	-	34,322,318
		₱189,375,090	₱-	₱-	₱-	₱189,375,090

*RR-25-20 Bayanihan Act 2: NOLCO incurred for the taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive years.

The details of the Group's MCIT as at December 31, 2025 and 2024 follows:

Year Incurred	Availment Period	As at January 1, 2025	MCIT Applied Previous Year/s	MCIT Expired	MCIT Applied Current Year	As at December 31, 2025
2022	2023-2025	₱3,754	₱-	(₱3,754)	₱-	₱-
2024	2025-2027	91,204	-	-	-	91,204
2025	2026-2028	55,772	-	-	-	55,772
		₱150,730	₱-	(₱3,754)	₱-	₱146,976

Year Incurred	Availment Period	As at January 1, 2024	MCIT Applied Previous Year/s	MCIT Expired	MCIT Applied Current Year	As at December 31, 2024
2022	2023-2025	₱3,754	₱-	₱-	₱-	₱3,754
2024	2025-2027	91,204	-	-	-	91,204
		₱94,958	₱-	₱-	₱-	₱94,958



12. Basic/Diluted Loss Per Share

Basic/diluted loss per share is computed as follows:

	2025	2024	2023
(a) Net loss attributable to equity holders of the Parent Company	₱128,964,919	₱32,080,945	₱51,624,637
(b) Weighted average number of common shares outstanding	250,000,001	250,000,001	250,000,001
Basic/diluted loss per share (a/b)	₱0.516	₱0.128	₱0.206

As at December 31, 2025, 2024 and 2023, the Group does not have any potential common share nor other instruments that may entitle the holder to common shares. Hence, diluted loss per share is the same as basic loss per share.

13. Material Partly Owned Subsidiary

Financial information of Palawan55 is provided below:

	2025	2024
Equity interest held by NCI	30.65%	30.65%
Accumulated balances of NCI	(₱5,621,948)	(₱5,053,118)
Net loss allocated to NCI	(568,830)	(619,857)

The summarized financial information of Palawan55 is provided below.

Statements of Comprehensive Income

	2025	2024	2023
Other income	₱16,454	₱263,186	₱4,481,405
Expenses	(1,872,342)	(2,285,627)	(4,465,045)
Total comprehensive income (loss)	(₱1,855,888)	(₱2,022,441)	₱16,360
Total comprehensive income (loss) attributable to NCI	(₱568,830)	(₱619,857)	₱4,504

Statements of Financial Position

	2025	2024
Total current assets	₱4,394,095	₱7,519,073
Total noncurrent assets	54,349,977	54,349,977
Total current liabilities	(77,086,480)	(78,356,123)
Total capital deficiency	(18,342,408)	(₱16,487,073)
Attributable to equity holders of the Parent Company	(₱12,720,460)	(₱11,433,955)
Non-controlling interest	(₱5,621,948)	(₱5,053,118)



Cash Flow Information

	2025	2024	2023
Net cash flows used in:			
Operating activities	(P4,048,706)	(P1,476,558)	(P1,925,553)
Investing activities	-	-	(54,614)
Financing activity	924,385	2,068,621	-

There were no dividends paid to NCI in 2025, 2024 and 2023.

14. Financial Assets and Financial Liabilities

Financial Risk Management Objectives and Policies

The main purpose of the Group's principal financial instruments is to fund its operations and capital expenditures. The main risk arising from the use of the financial instruments are credit risk and liquidity risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Group's holding of cash and cash equivalents and due from related parties exposes the Group to credit risk of the counterparty. Credit risk management involves dealing only with institutions for which credit limits have been established.

The following table shows the maximum exposure to credit risk for the components of the statement of financial position:

	2025	2024
Cash and cash equivalents (Note 4)	P31,945,121	P28,107,477
Receivables (Note 5)	226,250	1,145,848
	P32,171,371	P29,253,325

With respect to credit risk arising from the receivables of the Group, the Group's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

	December 31, 2025					
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due Individually Impaired	Total
	Class A	Class B	Class C			
Due from third party	P-	P-	P-	P-	P20,000,000	P20,000,000
Due from related party	-	-	225,000	-	-	225,000
Interest Receivables	-	-	1,250	-	-	1,250
	P-	P-	P226,250	P-	P20,000,000	P20,226,250

	December 31, 2024					
	Neither Past Due nor Impaired			Past Due but not Impaired	Past Due Individually Impaired	Total
	Class A	Class B	Class C			
Due from third party	P-	P-	P-	P-	P20,000,000	P20,000,000
Due from related party	-	-	1,139,386	-	-	1,139,386
Interest Receivables	-	-	6,462	-	-	6,462
	P-	P-	P1,145,848	P-	P20,000,000	P21,145,848



The Group uses the following criteria to rate credit risk as to class:

<u>Class</u>	<u>Description</u>
Class A	Collateralized accounts with excellent paying habits
Class B	Secured accounts with good paying habits
Class C	Unsecured accounts

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. These financial assets are assessed as high grade since these are deposited in or transacted with reputable banks, which have low probability of insolvency.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The Group manage liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover working capital requirements. The Group maintains a level of cash deemed sufficient to finance its operations. As part of liquidity risk management, the Group regularly evaluates its projected and actual cash flows.

The Group's financial assets and financial liabilities are settled within one year.

Fair Value Information

The carrying value of the Group's cash and cash equivalents, receivables, accounts payable and other liabilities, and short-term loans approximate their fair values due to short-term nature of these instruments.

15. Segment Information

The Group has only one reportable segment, Petroleum and Gas, which is engaged in oil and gas exploration and development. The Group planned to expand its operations to include geothermal exploration and development, however, there are no activities undertaken under this segment during the year and all activities reported pertains to oil and gas exploration. Management monitors the operating results of the reportable segment for the purpose of making decisions about resource allocation and performance assessment.

Capital expenditure in 2025 and 2024, were nil, respectively, whereas, in 2023 amounting to ₱0.05 million.

As at March 6, 2026, the Group has not started commercial operations yet and has no revenue or gross profit. The total assets of the segment of ₱87.18 million and ₱149.97 million and liabilities amounting to ₱64.86 million and ₱87.71 million as at December 31, 2025 and 2024, respectively, are the same as that reported in the consolidated statements of financial position.



Management’s Discussion and Analysis or Plan of Operation

The following discussion and analysis of the financial position and results of operations of ENEX Energy Corp. or “ENEX” and its subsidiary, Palawan55 Exploration and Production Corp. or “Palawan55” (together, the “Group”), should be read in conjunction with its audited consolidated financial statements as at December 31, 2025 and 2024, and for the years ended December 31, 2025, 2024 and 2023. The audited consolidated financial statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards.

2025

Causes of material changes from period to period: 2025 compared with 2024

Consolidated Statements of Comprehensive Income

	2025	2024	Increase	
			Amount	%
Expenses (a)	₱66,246,401	₱13,065,947	₱53,180,454	407
Other charges, net of other income (b)	63,163,210	19,543,651	43,619,559	223
Loss before income tax	129,409,611	32,609,598	96,800,013	297
Provision for income tax	124,138	91,204	32,934	36
Net loss/Total comprehensive loss	₱129,533,749	₱32,700,802	₱96,832,947	296

The following are the material changes in the Consolidated Statements of Comprehensive Income for the years ended December 31, 2025 and 2024:

- Increase in expenses is mainly due to reimbursable costs billed by Ingrid3 Power Corp., an affiliate, for its advances to the Batangas Clean Energy, Inc. or “BCEI” project, incurred for pre-development and lease option costs, amounting to ₱55.38 million, and IT cost recoveries from ACEN Corporation or “ACEN”. These were partially offset by the decreases in management fees from ACEN and ACEN Shared Services, Inc. or “ACES” and in advertising and promotion expenses incurred for the annual stockholders meeting.
- Increase in other charges, net of other income, mainly from the following:
 - provision for impairment loss of ₱68.83 million in 2025 (nil in 2024) on the carrying value of the investment in BCEI due to BCEI’s cessation of operations as at December 31, 2025 and its plans to pursue the discontinuation of the project, termination of the joint venture and eventual dissolution of the company
 - partially offset by the decrease in interest expense and increases in other income as follows:
 - non-incurrence of interest expense in 2025 due to the conversion of short-term loans from ACEN into equity investment on June 26, 2024; while recognition of interest expense on short-term loans from ACEN and ACEN International of ₱6.72 million in 2024.
 - recognized equity share in net income of BCEI (joint venture) in 2025 amounting to ₱2.57 million largely due to BCEI’s reversal of intercompany dues for pre-development costs and lease option payments, which offsets costs incurred in 2025 and resulted to BCEI’s net income for the period; while recognized equity share in net loss of BCEI (joint venture) in 2024 amounting to ₱14.55 million representing ENEX’s share in noncapitalizable pre-development expenses of BCEI.
 - recognition of other income for services and cost recoveries to BCEI amounting to ₱2.79 million and ₱1.14 million in 2025 and 2024, respectively.
 - higher interest income due to time deposit placements.

Consolidated Statements of Financial Position

	2025	2024	Increase (Decrease)	
			Amount	%
Current Assets				
Cash and cash equivalents (a)	₱31,945,121	₱28,107,477	₱3,837,644	14
Receivables (b)	226,250	1,145,848	(919,598)	(80)
Other current assets	656,376	106,021	550,355	519
Noncurrent Assets				
Investment in a joint venture (c)	–	66,256,650	(66,256,650)	(100)
Deferred exploration costs	54,349,977	54,349,977	–	–
Total Assets	₱87,177,724	₱149,965,973	(₱62,788,249)	(42)
Current Liability				
Accounts payable and other current liabilities (d)	₱64,856,309	₱87,709,788	(₱22,853,479)	(26)
Equity				
Capital stock (e)	550,000,001	250,000,001	300,000,000	120
Deposit for future stock subscription (e)	–	207,544,011	(207,544,011)	(100)
Deficit	(522,056,638)	(390,234,709)	(131,821,929)	(34)
Non-controlling interest	(5,621,948)	(5,053,118)	(568,830)	(11)
Total Liability and Equity	₱87,177,724	₱149,965,973	(₱62,788,249)	(42)

The following are the material changes in the Consolidated Statements of Financial Position as at December 31, 2025 and 2024:

- a. Increase in cash and cash equivalents primarily due to the receipt of ACEN's ₱17.40 million subscription payment to its subscribed preferred shares, net of disbursements for working capital requirements and settlement of liabilities.
- b. Decrease in receivables due mainly to the collection from BCEI of cost recoveries on administrative support provided.
- c. Full impairment provision on the carrying value of the investment in BCEI (joint venture), which includes the investment subscription cost amounting to ₱150.22 million, net of the accumulated equity share in net losses as of December 31, 2025 of ₱81.39 million. As at December 31, 2025, ENEX's management assessed that its investment in BCEI (joint venture) is no longer recoverable, thus impaired, due to BCEI's cessation of operations as at December 31, 2025 and its plans to pursue the discontinuation of the BCEI project, termination of the joint venture arrangement and eventual dissolution of the company.
- d. Decrease in accounts payable and other current liabilities due mainly to the conversion of advances from ACEN into equity (preferred shares) and the settlement of ACEN and ACES payables pertaining to management fees and contracted services.
- e. Issuance of 300 million preferred shares to ACEN at a total subscription price of ₱300.00 million (₱1.00 per preferred share). The total subscription price were settled by ACEN by way of (i) application of the ₱207.54 million deposit for future stock subscription balance as at December 31, 2024 following the approval by the SEC of ENEX's increase in authorized capital

stock (and creation of non-voting preferred shares) on November 12, 2025, (ii) conversion of payables to ACEN amounting to ₱75.06 million, and (iii) cash infusion from ACEN amounting to ₱17.40 million.

Financial Soundness Indicators

Key Performance Indicator	Formula	2025	2024	Increase	
				Amount	%
Liquidity Ratios Current ratio	Current assets	0.51	0.33	0.18	55%
	Current liability				
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets	0.50	0.33	0.17	52%
	Current liability				
Solvency Ratios Debt-to-equity ratio	Total liability	2.91	1.41	1.50	106%
	Total equity				
Asset-to-equity ratio	Total assets	3.91	2.41	1.50	62%
	Total equity				
Net bank debt to equity ratio	Short and long-term loans – Cash and cash equivalents	N/A	N/A	N/A	N/A
	Total equity				
Profitability Return on equity	Net income after tax	N/A	N/A	N/A	N/A
	Average stockholders' equity				
Return on assets	Net income after tax	N/A	N/A	N/A	N/A
	Average total assets				
Asset turnover	Revenues	N/A	N/A	N/A	N/A
	Average total assets				

Current ratio and acid test ratio

Current and acid test ratios increased as the Group's current liability decreased with the conversion of ACEN's advances into equity combined with the increase in cash and cash equivalents primarily due to ACEN's cash infusion.

Debt-to-equity ratio

The Group's debt-to-equity ratio unfavorably increased due to higher deficit in 2025, which was partially offset by the cash infusion from ACEN.

Asset-to-equity ratio

Asset-to-equity ratio improved largely due to the conversion of ACEN's advances into equity.

Net bank debt to equity ratio, return on equity, return on assets and asset turnover

These ratios are not applicable since the Group has not started commercial operations yet.

During the calendar year 2025:

- ENEX's subsidiary, Palawan55, is the Operator of SC 55 and has 75% participating interest in it.
 - On June 7, 2023, the Department of Energy ("DOE") approved the SC 55 Consortium's request for a force majeure relief in SC 55 until such time that a clearance to proceed with exploration activities in the West Philippine Sea is issued by the National Government.
 - On December 1, 2023, the DOE granted the request of Palawan55 to extend the deadline to drill a well under SC 55 by a period of eighteen (18) months. Pursuant to Section 26.01 of SC 55, the DOE had earlier found basis to place SC 55 under force majeure from December 6, 2022 until such time that a clearance to proceed with exploration activities in the West Philippine Sea is issued by the National Government. The DOE further states that "given that SC 55 is currently still on force majeure, Palawan55 shall have a total of twenty three (23) months (the five (5) months remaining plus the 18-month extension) from the lifting of force majeure to drill the committed well."
 - As at December 31, 2025, the SC 55 is still under force majeure.
- i. Any known trends, events or uncertainties (with material impact on liquidity)
- There were no other material trends, demands, commitments, events or uncertainties known to the Group that would likely adversely affect the liquidity of the Group.
- ii. Events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation
- There were no events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.
 - There were no contingent assets nor contingent liabilities since the last annual balance sheet date.
- iii. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period
- There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

iv. Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures

- The Group has no material commitment for capital expenditure as at the reporting period.

v. Any known trends, events or uncertainties (material impact on sales)

- There were no trends, events or uncertainties that have had or that were reasonably expected to have material favorable or unfavorable impact on net revenues/income from continuing operations.
- There were no unusual items that affected assets, liabilities, equity, net income or cash flows.

vi. Any significant element of income or loss (from continuing operations)

- There were no other significant elements of income or loss that arise from continuing operations that had material effect on the financial condition or result of operations.

vii. Seasonal aspects that have a material effect on the audited consolidated financial statements

- There were no operations subject to seasonality and cyclicity.

II. 2025 Supplementary Schedules

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
ENEX Energy Corp.
35th Floor, Ayala Triangle Gardens Tower 2,
Paseo de Roxas corner Makati Avenue, Makati City

We have audited the accompanying financial statements of ENEX Energy Corp. and Subsidiary (the Group), as at December 31, 2025 and for the year then ended, on which we have rendered the attached report dated March 6, 2026.

In compliance with Revised Securities Regulation Code Rule No. 68, we are stating that the above Group has 325 stockholders owning 100 or more shares each.

SYCIP GORRES VELAYO & CO.



Ma. Genalin Q. Arevalo

Partner

CPA Certificate No. 108517

Tax Identification No. 224-024-926

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 108517-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

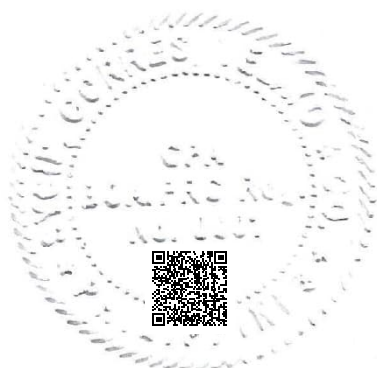
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-123-2026, January 27, 2026, valid until January 26, 2029

PTR No. 10765007, January 2, 2026, Makati City

March 6, 2026



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
ENEX Energy Corp.
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of ENEX Energy Corp. and its subsidiary (the Group) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 6, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Ma. Genalin Q. Arevalo

Partner

CPA Certificate No. 108517

Tax Identification No. 224-024-926

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 108517-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

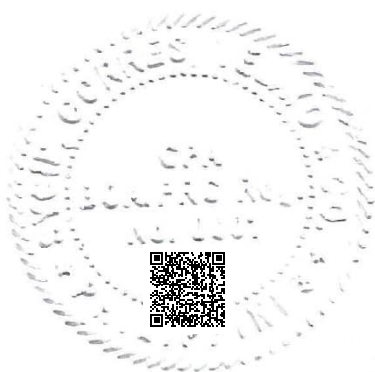
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-123-2026, January 27, 2026, valid until January 26, 2029

PTR No. 10765007, January 2, 2026, Makati City

March 6, 2026



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
ENEX Energy Corp.
35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner,
Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of ENEX Energy Corp. and its subsidiary (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 6, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Ma. Genalin Q. Arevalo
Partner

CPA Certificate No. 108517

Tax Identification No. 224-024-926

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 108517-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-123-2026, January 27, 2026, valid until January 26, 2029

PTR No. 10765007, January 2, 2026, Makati City

March 6, 2026



**INDEPENDENT AUDITOR'S REPORT
ON THE SCHEDULE OF RECONCILIATION
OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION**

The Board of Directors and Stockholders
ENEX Energy Corp.
35th Floor, Ayala Triangle Gardens Tower 2,
Paseo de Roxas corner Makati Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of ENEX Energy Corp. and its subsidiary (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 6, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic consolidated financial statements. This has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Ma. Genalin Q. Arevalo

Partner

CPA Certificate No. 108517

Tax Identification No. 224-024-926

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 108517-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-123-2026, January 27, 2026, valid until January 26, 2029

PTR No. 10765007, January 2, 2026, Makati City

March 6, 2026



ENEX ENERGY CORP. AND SUBSIDIARY
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
FORM 17-A, ITEM 7

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B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)*	Not Applicable
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E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)*	Not Applicable
F. Guarantees of Securities of Other Issuers*	Not Applicable
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Schedule of Retained Earnings (Deficit) Available for Dividend Declaration**	Attachment II
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<i>* These schedules are either not required, not applicable or the information required to be presented is included in the Company’s consolidated financial statements or notes to consolidated financial statements.</i>	
<i>** The Company is in a deficit position and has not started commercial operations as presented and disclosed in the financial statements.</i>	

ATTACHMENT I

ENEX ENERGY CORP. AND SUBSIDIARY

Schedule A. Financial Assets

December 31, 2025

Name of Issuing Entity and Association of each Issue	Amount Shown in the Balance Sheet	Income Received and Accrued
Loans and Receivables:		
Cash and cash equivalents	₱31,945,121	₱343,044
	₱31,945,121	₱343,044

ATTACHMENT I

ENEX ENERGY CORP. AND SUBSIDIARY

**Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2025**

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Non Current	Balance at End of Period
			Amount Collected	Amount Written-Off			

Not Applicable: The Group has no receivable from directors, officers, employees, related parties and principal stockholders as at December 31, 2025 equal to or above the established threshold of the Rule.

ATTACHMENT I

ENEX ENERGY CORP. AND SUBSIDIARY

**Schedule C. Accounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
December 31, 2025**

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Non-Current	Balance at End of Period
			Amount Collected	Amount Written-Off			
<i>Subsidiary</i>							
Palawan55 Exploration and Petroleum Corporation	₱13,437,397	₱-	₱-	₱-	₱13,437,397	₱-	₱13,437,397
	₱13,437,397	₱-	₱-	₱-	₱13,437,397	₱-	₱13,437,397

ATTACHMENT I

ENEX ENERGY CORP. AND SUBSIDIARY
Schedule D. Long-Term Debt
December 31, 2025

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under Caption "Current Portion of Long-Term Debt" in related Balance Sheet	Amount shown under Caption "Long-Term Debt" in related Balance Sheet	Interest Rate	Periodic Payments	Maturity Date
--	--------------------------------------	--	--	---------------	-------------------	---------------

Not Applicable: The Group has no long-term indebtedness as at December 31, 2025.

ATTACHMENT I

ENEX ENERGY CORP. AND SUBSIDIARY

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

December 31, 2025

Name and Designation of Debtor	Balance at Beginning of Period	Balance at End of Period
--------------------------------	--------------------------------	--------------------------

Not Applicable: The Group has no long-term loans from related parties as at December 31, 2025 equal to or above the established threshold of the Rule.

ATTACHMENT I

ENEX ENERGY CORP. AND SUBSIDIARY
Schedule F. Guarantees of Securities of Other Issuers
December 31, 2025

Name of Issuing Entity of Securities Guaranteed by the Group for which Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by the Company for which Statement is Filed	Nature of Guarantee
Not Applicable: The Group has no guarantees of securities of other issuers as at December 31, 2025.				

ATTACHMENT I

ENEX ENERGY CORP. AND SUBSIDIARY
Schedule G. Capital Stock
December 31, 2025

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Deductions		
				Related Parties	Directors, Officers and Employees	Others
Common stock	1,000,000,000	250,000,001	-	190,729,377	43,930	59,226,694
Preferred stock	300,000,000	300,000,000	-	300,000,000	-	-

ATTACHMENT II

ENEX ENERGY CORP.

RECONCILIATION OF RETAINED EARNINGS (DEFICIT)

AVAILABLE FOR DIVIDEND DECLARATION*

December 31, 2025

Unappropriated Retained Earnings (Deficit), beginning of the reporting period	(₹ 287,902,300)
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings appropriation	–
Effect of reinstatements or prior-period adjustments	–
Others	–
	–
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	–
Retained Earnings appropriated during the reporting period	–
Effect of reinstatements or prior-period adjustments	–
Others	–
	(2,857,010)
Unappropriated Retained Earnings (Deficit), as adjusted	(290,759,310)
Add/Less: Net income (loss) for the current year	
	(211,641,152)
Less: Category C.1 Unrealized income recognized in the profit or loss during the reporting period (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 (FVPTL)	–
Unrealized fair value gain of Investment Property	–
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–
Subtotal	–
Add: Category C.2 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 fair value through profit or loss (FVPTL)	–
Realized fair value gain of Investment Property	–
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–
Subtotal	–
Add: Category C.3 Unrealized income recognized in the profit or loss in prior reporting 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 instruments at fair value through profit or loss (FVPTL)	–
Reversal of previously recorded fair value gain of Investment Property	–
Reversal of other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	–
Subtotal	–
Adjusted Net Income / Loss	(211,641,152)
Add: Category D: Non actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	–
Subtotal	–

(Forward)

Add/Less: Category E: Adjustments related to the relief granted by SEC and BSP

Amortization of the effect of reporting relief	—
Total amount of reporting relief granted during the year	—
Others	—
Subtotal	<u>—</u>

P—

Add/Less: Category F: Other items that should be excluded from the determination of the amount available for dividends distribution

Net movement of the treasury shares (except for reacquisition of redeemable shares)	—
Net movement of the deferred tax asset not considered in reconciling items under previous categories	—
Net movement of the deferred tax asset and deferred tax liabilities related to same transaction, e.g, set-up of right of use asset and lease liability, set-up of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	—
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—
Others	—
Subtotal	<u>—</u>

—

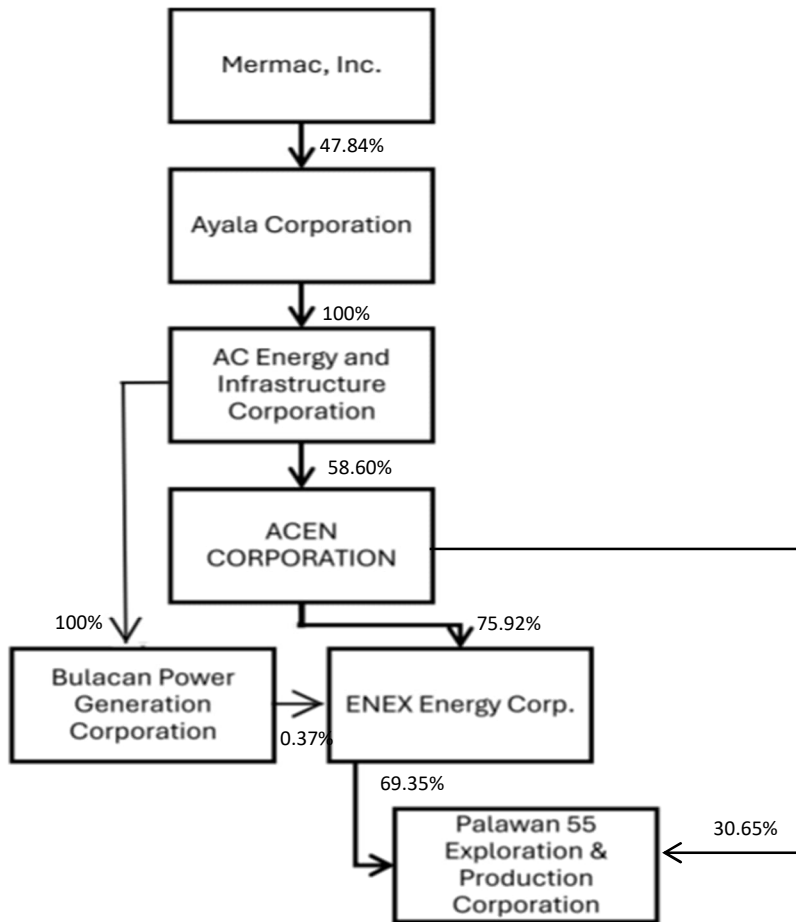
Total Retained Earnings (Deficit), end of the reporting period available for dividend**(₱502,400,462)**

**The Company is in a deficit position and has not started commercial operations as presented and disclosed in the financial statements.*

ATTACHMENT III

ENEX ENERGY CORP. AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68

Conglomerate Map
As of December 31, 2025



ATTACHMENT IV

**ENEX ENERGY CORP. AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE REQUIRED
UNDER REVISED SRC RULE 68**

Financial Soundness Indicators

Key Performance Indicator	Formula	Dec 2025	Dec 2024	Increase (Decrease)	
				Amount	%
Liquidity Ratios Current Ratio	Current assets	0.51	0.33	0.18	55%
	Current liabilities				
Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets	0.50	0.33	0.17	52%
	Current liabilities				
Solvency Ratios Debt-to-equity ratio	Total liabilities	2.91	1.41	1.50	106%
	Total equity				
Asset-to-equity ratio	Total assets	3.91	2.41	1.50	62%
	Total equity				
Net bank Debt to Equity Ratio	Short & long-term loans - Cash & Cash Equivalents	N/A	N/A	N/A	N/A
	Total Equity				
Profitability Return on equity	Net income after tax	N/A	N/A	N/A	N/A
	Average stockholders' equity				
Return on assets	Net income after taxes	N/A	N/A	N/A	N/A
	Average total assets				
Asset turnover	Revenues	N/A	N/A	N/A	N/A
	Average total assets				

ATTACHMENT V

ENEX ENERGY CORP. AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
December 31, 2025

	2025	2024
Total Audit Fees	₱278,900	₱265,650
Non-audit services fees:		
Other assurance services	₱88,000	₱50,000
Tax services	–	–
All other services	–	–
Total Non-audit fees	₱88,000	₱50,000
Total Audit and Non-audit fees	₱366,900	₱315,650

III. 2025 Parent Company Financial Statements

(with BIR ITR Filing Reference)

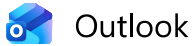


REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 004-500-964-000
Name	: ENEX ENERGY CORP.
RDO	: 050
Form Type	: 1702
Reference No.	: 462600071656805
Amount Payable (Over Remittance)	: -550,519.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2025
Date Filed	: 03/26/2026
Tax Type	: IT

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COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A S O 9 4 - 8 8 1 1

COMPANY NAME

E N E X E N E R G Y C O R P .

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

3 5 T H F L O O R , A Y A L A T R I A N G L E
G A R D E N S T O W E R 2 , P A S E O D E
R O X A S C O R N E R M A K A T I A V E N U E ,
M A K A T I C I T Y 1 2 2 6

Form Type

A A F S

Department requiring the report

S E C

Secondary License Type, If Applicable

N A

COMPANY INFORMATION

Company's Email Address

corpsec.aceph@acenergy.com.ph

Company's Telephone Number

+(632) 7730-6300

Mobile Number

-

No. of Stockholders

2,879

Annual Meeting (Month / Day)

April 23

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Alan T. Ascalon

Email Address

alan.ascalon@acenrenewables.com

Telephone Number/s

+(632) 7730-6300

Mobile Number

-

CONTACT PERSON'S ADDRESS

35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City

NOTE 1 In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **ENEX Energy Corp.** (the "Company") is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as at and for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the Stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the Stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the Stockholders, has expressed their opinion on the fairness of presentation upon the completion of such audit.



GERARDO C. ABLAZA, JR.
Chairman of the Board of Directors



JOHN ERIC T. FRANCIA

Vice Chairman of the Board of Directors,
President and Chief Executive Officer



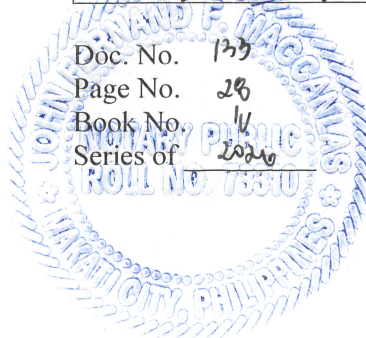
HANNIELYNN F. TUCAY

Treasurer and Chief Financial Officer


Signed this 6th day of March 2026

SUBSCRIBED AND SWORN to before me this MAR 06 2026 affiant(s) exhibiting to me their Passport, as follows:

Name	Passport No.	Date of Issue	Place of Issue
Gerardo C. Ablaza, Jr.	P5889232A	03 Feb 2018	DFA NCR South
John Eric T. Francia	P3923362B	21 Nov 2019	DFA Manila
Hannielynn E. Tucay	P8273576B	24 Nov 2021	DFA Manila



Doc. No. 139
Page No. 28
Book No. 11
Series of 2026



JOHN FERDINAND F. MACANLAS
PTR No. MKT 10764681 Makati City; January 5, 2026
IBP No. 575784; December 29, 2025
Attorney's Roll No. 73310
MCL Compliance No. VIII-0038403
ULAS is subject for Compliance
35/F Ayala Triangle Gardens Tower 2
Makati Avenue corner Paseo de Roxas, Makati City

35/F Ayala Triangle Gardens Tower 2
Paseo de Roxas cor. Makati Avenue
Makati City, 1226 Philippines

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
ENEX Energy Corp.
35th Floor, Ayala Triangle Gardens Tower 2,
Paseo de Roxas corner Makati Avenue, Makati City

Report on the Audit of the Parent Company Financial Statements

Opinion

We have audited the parent company financial statements of ENEX Energy Corp. (the Parent Company), which comprise the parent company statements of financial position as at December 31, 2025 and 2024, and the parent company statements of comprehensive income, parent company statements of changes in equity and parent company statements of cash flows for the years then ended, and notes to the parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Financial Statements* section of our report. We are independent of the Company 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 audit 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.

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

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

In preparing the parent company financial statements, management is responsible for assessing the Parent Company'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 Parent Company or to cease operations, or has no realistic alternative but to do so.



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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 PSAs 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 parent company financial statements.

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

- Identify and assess the risks of material misstatement of the parent company 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 Parent Company'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 Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 13 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of ENEX Energy Corp. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is
Ma. Genalin Q. Arevalo.

SYCIP GORRES VELAYO & CO.



Ma. Genalin Q. Arevalo

Partner

CPA Certificate No. 108517

Tax Identification No. 224-024-926

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 108517-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-123-2026, January 27, 2026, valid until January 26, 2029

PTR No. 10765007, January 2, 2026, Makati City

March 6, 2026



ENEX ENERGY CORP.**PARENT COMPANY STATEMENTS OF FINANCIAL POSITION**

		December 31	
	Notes	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	4, 12	₱27,551,026	₱20,625,450
Receivables	5, 12	13,663,648	14,582,589
Other current assets		656,376	106,021
Total Current Assets		41,871,050	35,314,060
Noncurrent Assets			
Investment in a subsidiary	6	6,935,103	6,935,103
Investment in a joint venture	6	–	150,220,000
Total Noncurrent Assets		6,935,103	157,155,103
TOTAL ASSETS		₱48,806,153	₱192,469,163
LIABILITY AND EQUITY			
Current Liability			
Accounts payable and other current liabilities	8	₱1,206,614	₱22,827,451
Equity			
Common shares	10	250,000,001	250,000,001
Preferred shares	10	300,000,000	–
Deposit for future stock subscription	10	–	207,544,011
Deficit		(502,400,462)	(287,902,300)
Total Equity		47,599,539	169,641,712
TOTAL LIABILITY AND EQUITY		₱48,806,153	₱192,469,163

See accompanying Notes to Parent Company Financial Statements.



ENEX ENERGY CORP.**PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

		Years Ended December 31	
	Notes	2025	2024
EXPENSES			
Reimbursable cost	6, 9	₱55,377,600	₱–
Management and professional fees		7,241,698	7,709,421
Taxes, registration and license fees		374,810	1,335,948
Advertising and promotion		473,494	1,262,236
Repairs and maintenance		327,533	19,600
Membership dues		302,831	74,838
Rent and storage fees		280,807	218,753
Postal and communication		15,588	15,588
Depreciation		–	131,682
Insurance		–	35,512
Others		16,549	45,139
		64,410,910	10,848,717
OTHER CHARGES (INCOME) - NET			
Provision for impairment loss	6	150,220,000	–
Foreign exchange loss (gain) - net		3,642	(78)
Interest expense	9	–	6,716,470
Interest income	4	(326,590)	(321,650)
Other income	9	(2,788,618)	(1,140,386)
		147,108,434	5,254,356
LOSS BEFORE INCOME TAX		211,519,344	16,103,073
PROVISION FOR INCOME TAX	11	121,808	22,807
NET LOSS		211,641,152	16,125,880
OTHER COMPREHENSIVE INCOME		–	–
TOTAL COMPREHENSIVE LOSS		₱211,641,152	₱16,125,880

See accompanying Notes to Parent Company Financial Statements.



ENEX ENERGY CORP.**PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	Common Shares (Note 10)	Preferred Shares (Note 10)	Deposit for future stock subscription (Note 10)	Deficit	Total
Balances at January 1, 2024	₱250,000,001	₱–	₱–	(₱271,776,420)	(₱21,776,419)
Total comprehensive loss	–	–	–	(16,125,880)	(16,125,880)
Deposit for future stock subscription	–	–	207,544,011	–	207,544,011
Balances at December 31, 2024	250,000,001	–	207,544,011	(287,902,300)	169,641,712
Total comprehensive loss	–	–	–	(211,641,152)	(211,641,152)
Issuance of capital stock	–	300,000,000	(207,544,011)	–	92,455,989
Stock issuance cost (Note 10)	–	–	–	(2,857,010)	(2,857,010)
Balances at December 31, 2025	₱250,000,001	₱300,000,000	₱–	(₱502,400,462)	₱47,599,539

See accompanying Notes to Parent Company Financial Statements.



ENEX ENERGY CORP.**PARENT COMPANY STATEMENTS OF CASH FLOWS**

		Years Ended December 31	
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(P211,519,344)	(P16,103,073)
Adjustments for:			
Provision for impairment loss	6	150,220,000	–
Interest income	4	(326,590)	(321,650)
Unrealized foreign exchange gain - net		(64)	(94)
Interest expense	9	–	6,716,470
Depreciation		–	131,682
Gain on disposal of asset		–	(1,000)
Operating loss before working capital changes		(61,625,998)	(9,577,665)
Decrease (increase) in:			
Receivables		914,385	(1,111,784)
Other current assets		(511,673)	(81,622)
Increase (decrease) in accounts payable and other current liabilities		52,741,771	(11,372,711)
Cash used in pre-operations		(8,481,515)	(22,143,782)
Interest received		331,146	315,844
Income tax paid		(144,616)	–
Net cash used in pre-operating activities		(8,294,985)	(21,827,938)
CASH FLOWS FROM AN INVESTING ACTIVITY			
Proceeds from disposal of an asset		–	1,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of preferred stock	10	17,400,000	–
Payments of stock issuance cost	10	(2,163,590)	–
Proceeds from deposit for future stock subscription	9	–	30,000,000
Availment of short-term loans	9	–	21,972,858
Payment of due to related parties		–	(10,010,763)
Interest paid	9	(15,913)	(121,117)
Net cash from financing activities		15,220,497	41,840,978
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,925,512	20,014,040
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		64	94
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		20,625,450	611,316
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	P27,551,026	P20,625,450

See accompanying Notes to Parent Company Financial Statements.



ENEX ENERGY CORP.

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

ENEX Energy Corp., (“ENEX” or “the Company” or “the Parent Company”) was incorporated in the Philippines on September 28, 1994 and is registered to engage in oil and gas exploration, exploitation and production. The Parent Company’s primary purpose also includes generally engaging in the business of power generation.

The Company is 75.92% directly-owned by ACEN CORPORATION (ACEN), a listed entity in the Philippine Stock Exchange. The intermediate parent company of ACEN is AC Energy and Infrastructure Corporation (ACEIC), a wholly owned subsidiary of Ayala Corporation (AC). AC is a publicly listed company which is 47.84% owned by Mermac, Inc. (ultimate parent company), and the rest by the public. ACEN, ACEIC, AC and Mermac, Inc. are all incorporated and domiciled in the Philippines.

As at December 31, 2025 and 2024, ACEIC owns 58.60% and 58.23%, respectively, of ACEN’s total outstanding shares of stock. This is based on direct and indirect ownership of ACEIC.

The Company is domiciled in the Philippines and has not yet started commercial operations as at March 6, 2026.

The financial statements were approved and authorized for issuance by the Parent Company’s Board of Directors (BOD) on March 6, 2026.

2. Summary of Material Accounting Policy Information

Basis of Preparation

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Philippine peso (Peso), which is the Parent Company’s functional and presentation currency. All amounts are rounded to the nearest Peso, except when otherwise indicated.

Statement of Compliance

The financial statements of the Parent Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- Philippine Accounting Standards (PAS), and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments effective in 2025. The Parent Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.



Unless otherwise indicated, adoption of these amendments did not have an impact on the financial statements of the Company.

- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Parent Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Parent Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Summary of Material Accounting Policies

The material accounting policies that have been used by the Parent Company in the preparation of the financial statements are discussed below.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Parent Company's business model for managing them. For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Parent Company commits to purchase or sell the asset.

Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

The Parent Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Parent Company's financial assets at amortized cost pertains to "Cash and cash equivalents" and "Receivables".

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Parent Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or



- the Parent Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Parent Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Parent Company's "Cash" are graded to be low credit risk investment. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loan and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

As at December 31, 2025, and 2024, the Parent Company's financial liabilities pertain to "Accounts payable and other current liabilities".

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Parent Company's statement of comprehensive income.

Investment in a Subsidiary and a Joint Venture

The Parent Company's investment in a subsidiary and a joint venture are accounted for under the cost method less accumulated provision for impairment losses, if any.



A subsidiary is an entity in which the Parent Company exercises control over the company. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if and only if the Parent Company has:

- a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- b. Exposure, or rights, to variable returns from its involvement with the investee; and
- c. The ability to use its power over the investee to affect its returns.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a. The contractual arrangement with the other vote holders of the investee;
- b. Rights arising from other contractual arrangements; and
- c. The Parent Company's voting rights and potential voting rights.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries.

On acquisition of the investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is included in the carrying amount of the investment and not amortized.

The Parent Company recognizes income from the investment only to the extent that the Parent Company receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

The Parent Company reduces the carrying value of its investment based on average acquisition cost per share (historical cost) when the Parent Company disposes the investment, or the investee reacquires its own equity instruments from the Parent Company.

If a Parent Company disposed of an asset in exchange for an increased investment in a subsidiary, the shares of stocks acquired is recorded at the fair value of the consideration given.

Deferred Exploration Costs

The Company follows the full cost method of accounting for exploration costs determined on the basis of each service contract (SC) area. The costs recorded pertain to the Company's share in exploration costs, pro-rated based on participating interest held in each joint agreement for each SC. Under this method, all exploration costs relating to each SC are deferred pending the determination of whether the contract area contains oil and gas reserves in commercial quantities, net of any allowance for probable losses. These costs are written off against the allowance when the projects are abandoned or determined to be definitely unproductive.



The Parent Company classifies exploration costs as intangible or tangible according to the nature of the assets acquired and apply the classification consistently. Some costs are treated as intangible, whereas others are tangible to the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is part of the cost of the intangible asset. However, using a tangible asset to develop an intangible asset does not change a tangible asset into an intangible asset. The Parent Company recognizes its exploration costs as intangible assets.

The deferred exploration costs cease to be classified as intangible asset when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. These costs shall be assessed for impairment, and any impairment loss recognized, before reclassification.

Impairment of Non-Financial Assets

The Parent Company assesses, at each reporting date, whether there is an indication that a non-financial asset (property and equipment, prepaid expenses and investment in a subsidiary and joint venture) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognized in the profit or loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Parent Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss.

Deferred Exploration Costs

Deferred exploration costs are reassessed for impairment on a regular basis. An impairment review is performed, either individually or at the CGU level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the reporting period in which this is determined.



Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources*, are as follows:

- The period for which the Company has the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed;
- Substantive expenditure on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;
- When a service contract where the Company has participating interest in is permanently abandoned; and,
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, impairment loss is measured, presented and disclosed in accordance with PAS 36, *Impairment of Assets*.

Capital Stock

Capital stock represents the portion of the paid-in capital representing the total par value of the shares issued.

Capital stock is measured at par value for all shares issued. When the shares are sold at premium, the difference between the proceeds and the par value is recognized as additional paid-in capital. Direct costs incurred related to the equity issuance are deducted from equity, net of any related tax benefits. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Deposit for Future Stock Subscription

Deposit for future stock subscription represents funds received from existing or potential stockholders to be applied as payment for future issuance of capital stock. Deposit for future stock subscriptions are recognized as equity if and only if, all of the following elements set forth by the SEC are present as at end of the reporting period:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- The Parent Company's BOD and stockholders have approved on the proposed increase in authorized capital stock (for which a deposit was received by the Parent Company); and
- The application for the approval of the proposed increase has been presented for filing or filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be presented as a noncurrent liability.

Deficit

Deficit represents the cumulative balance of net losses.

Interest Income

Income is recognized as the interest accrues using effective interest rate.



Other Income

Other income is recognized when there is an incidental economic benefit, other than the usual business operations, that will flow to the Company through an increase in asset or a reduction in the liability that can be measured reliably.

Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decreases of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

Income Taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Current tax relating to items recognized directly in equity is recognized in equity and not in the Parent Company statement of comprehensive income.

Provisions

Provisions are recognized when the Parent Company has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. Where the Parent Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Provisions are reviewed at each reporting and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

3. Significant Accounting Judgment and Estimates

The preparation of the accompanying financial statements in compliance with PFRS Accounting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used in the accompanying financial statements are based on management's evaluation of relevant facts and circumstances as of the date of the financial statements. Future events may occur which can cause the assumptions used in arriving at those estimates to change. Actual results could differ from such estimates.

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.



Judgments

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

Determining and Classifying a Joint Arrangement

Judgment is required to determine when the Company has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Company has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement. Judgment is also required to classify a joint arrangement. Classifying the arrangement requires the Company to assess their rights and obligations arising from the arrangement. Specifically, the Company considers:

- The structure of the joint arrangement - whether it is structured through a separate vehicle
- When the arrangement is structured through a separate vehicle, the Company also considers the rights and obligations arising from:
 - o The legal form of the separate vehicle
 - o The terms of the contractual arrangement
 - o Other facts and circumstances (when relevant)

This assessment often requires significant judgment, and a different conclusion on joint control and whether the arrangement is a joint operation or a joint venture, may materially impact the accounting. As at December 31, 2025 and 2024, the Company's SCs are assessed as joint arrangements in the form of joint operations (see Note 7).

The Company's investment in a joint venture is structured in a separate incorporated entity. The investment in Batangas Clean Energy, Inc. (BCEI) is accounted for as investment in a joint venture since the fundamental business and operational matters require unanimous consent from all parties. The Company and the parties to the agreement only have rights to the net assets of the joint venture through the terms of the contractual arrangements (see Note 6).

Estimates

Impairment Assessment of Non-financial Assets

The Company reviews investment in a joint venture and intangible assets for impairment of value. This includes considering certain indications of impairment such as significant decline in assets' market value, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

The Company has evaluated the conditions and the assets subject to impairment to assess whether any impairment triggers that may lead to impairment have been identified. In doing this, the Company has reviewed the key assumptions in its previous annual impairment assessment to assess whether any changes to the assumptions within that impairment assessment would result in an impairment loss as at December 31, 2025.

For the year ended December 31, 2025, Management assessed the recoverability of the Company's investment in BCEI, a joint venture with Gen X Energy L.P. ("Gen-X"). The assessment was triggered by significant adverse developments, including the approval by the BOD and Shareholders of BCEI to cease operations by December 31, 2025, amend its Articles of Incorporation to shorten its corporate term to December 31, 2026, and the pending approval to discontinue the BCEI project, terminate the joint venture, and dissolve BCEI. In addition, ENEX and Gen-X jointly decided to terminate the project due to the absence of imminent customer offtake opportunities, the Company's



strategic refocus on renewable energy generation, and the inability to attract third-party investors given uncertainties surrounding project offtake. These events and conditions constitute objective evidence of impairment, indicating that the recoverable amount of the investment is lower than its carrying amount. Accordingly, the Company recognized an impairment loss to write off the remaining carrying value of the investment in the joint venture amounting to ₱150.22 million and nil in 2025 and 2024, respectively (see Note 6).

Recognition of Deferred Income Tax Asset

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized. However, there is no assurance that sufficient taxable income will be generated to allow all or part of the deferred income tax assets to be utilized.

Unrecognized deferred tax assets as at December 31, 2025 and 2024 amounted to ₱79.40 million and ₱37.02 million, respectively (see Note 11).

4. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash in bank	₱22,551,026	₱1,625,450
Cash equivalents	5,000,000	19,000,000
	₱27,551,026	₱20,625,450

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods of up to three months, depending on the immediate cash requirements of the Company.

Interest income on cash and cash equivalents amounted to ₱0.33 million and ₱0.32 million in 2025 and 2024, respectively.

5. Receivables

This account consists of the following:

	2025	2024
Due from:		
Third party	₱20,000,000	₱20,000,000
Related parties (Note 9)	13,662,397	14,576,783
Interest receivable	1,251	5,806
	33,663,648	34,582,589
Allowance for credit loss		
Balance at beginning and end of year	20,000,000	20,000,000
	₱13,663,648	₱14,582,589

Due from third party pertains to advance payment made pursuant to the Memorandum of Agreement with Frontier Energy and Frontier Oil. This has been fully provided with allowance for impairment since 2016.



The Company has written-off other receivables amounting to ₱27,601 in 2024 (nil in 2025).

6. Investment in a Subsidiary and a Joint Venture

Palawan55

In 2012, the Company subscribed to 69.35% of the outstanding shares of stock of Palawan55 Exploration & Production Corporation (Palawan55), a company incorporated on November 16, 2012 in the Philippines. Palawan55 is also 30.65% directly owned by ACEN. Palawan55 is a corporation organized to engage in oil and gas exploration and production. As at March 6, 2026, Palawan55 has not yet started commercial operations.

The carrying value of investment in a subsidiary amounted to ₱6.94 million as at December 31, 2025 and 2024.

BCEI

On January 14, 2022, ENEX, BCEI, and Gen X Energy executed the Shareholders' Agreement and Subscription Agreements. ENEX subscribed to a total of 150,002 shares for the 50% acquisition of interest in BCEI for a total subscription price of ₱150.22 million of which ₱23.44 million and ₱126.78 million were paid in 2023 and 2022, respectively. Gen X Energy L.P. is a portfolio company of Blackstone Inc.

BCEI is a joint venture to develop a 1,100MW combined cycle power plant that will be able to use natural gas and/or green hydrogen as its fuel. BCEI's principal place of business and country of incorporation is Batangas City, Philippines.

For the year ended December 31, 2025, Management assessed the recoverability of the Company's investment in Batangas Clean Energy, Inc. (BCEI), a joint venture with Gen X Energy L.P. (Gen-X). The assessment was triggered by objective indicators of impairment, including the decision of BCEI's Board of Directors and Shareholders to cease operations by December 31, 2025, shorten its corporate term to December 31, 2026, and pursue the discontinuation of the project, termination of the joint venture, and dissolution of BCEI. These developments were driven by the lack of imminent customer offtake opportunities, the Company's strategic refocus on renewable energy generation, and the inability to attract third-party investors. Accordingly, the Company recognized an impairment loss to write off the remaining carrying value of the investment in the joint venture amounting to ₱150.22 million.

Following approval to wind down BCEI, ENEX has agreed to reimburse Ingrid3 Power Corp. (Ingrid3) (a wholly owned subsidiary of ACEN) for outstanding costs it incurred for the benefit of ENEX in relation to the BCEI project, amounting to approximately ₱55.38 million. These costs consist of development and lease option costs funded by Ingrid3, with principal aggregating ₱46.70 million and accrued interest of ₱8.68 million, calculated at an annual rate of 8% up to a cut-off date of October 24, 2025. The reimbursement of expense is presented under "Reimbursable cost" in the consolidated statements of comprehensive income (see Note 9).



7. Deferred Exploration Costs

Details of deferred exploration costs as at December 31, 2025 and 2024 are as follows:

a. SC 6 (Northwest Palawan):	
Block A	₱23,963,291
Block B	4,892,178
b. SC 50 (Northwest Palawan)	11,719,085
	<hr/>
	40,574,554
Less allowance for probable losses	40,574,554
	<hr/>
	₱-

The foregoing deferred exploration costs represent the Company's share in the expenditures incurred under the petroleum SCs with the Department of Energy (DOE). The contracts provide for certain minimum work and expenditure obligations and the rights and benefits of the contractor. Operating agreements govern the relationship among co-contractors and the conduct of operations under a SC.

The following summarizes the status of the foregoing projects:

a. SC 6 (Northwest Palawan)

Block A

ENEX holds 7.78% participating interests in Block A, with Philodrill Corporation (Philodrill) as the Operator. SC 6 is valid until February 28, 2024, subject to fulfillment of work commitments for each of the three 5-year terms comprising the 15-year extension period of SC 6 in respect of Block A and B and payment of training assistance, development assistance and scholarship funds to the DOE.

In 2021, ENEX withdrew from the SC 6 Block A Consortium. SC 6A did not have any commercial operations. The SC 6A Consortium paid its outstanding financial obligations to the DOE in full as required for the DOE's approval of the relinquishment of the service contract.

In 2022, the DOE approved the relinquishment of SC 6A following the Consortium's compliance with all its technical and financial obligation with DOE.

Provision for probable loss was recognized for SC 6A amounting to ₱23.96 million.

Block B

ENEX holds 14.063% participating interests in Block B with Philodrill. SC 6 is valid until February 28, 2024, subject to fulfillment of work commitments for each of the three 5-year terms comprising the 15-year extension period of SC 6 in respect of Block A and payment of training assistance, development assistance and scholarship funds to the DOE.

On February 20, 2017, ENEX gave notice to the Consortium of relinquishment of its 14.063% participating interest in SC 6 Block B (SC 6B) and the Operating Agreement but said relinquishment shall not include its 2.475% carried interest. The retained carried interest would entitle ENEX to a share in the gross proceeds from any production in the block, once all exploration costs have been recovered.



In 2017, the Parent Company recognized full provision for probable losses on deferred exploration costs pertaining to SC 6B amounting to ₱4.89 million due to the Parent Company's relinquishment of its participating interest, but not the carried interest to its partners.

SC 6 has expired in February 2024.

b. SC 50 (Northwest Palawan)

In 2013, ENEX negotiated with Frontier Energy Limited ("Frontier Energy"), the Operator, regarding a Farm-in Agreement that would provide for the Parent's acquisition of 10% participating interest in SC 50.

Frontier Oil Corporation, the Operator, applied for a Force Majeure in view of the unilateral cancellation of its rig contract by the other partners in the Consortium. In 2016, the Parent Company recognized full provision for probable loss on SC 50 amounting to ₱11.72 million due to the expiration of the SC's term and denial by the DOE of the request for Force Majeure.

8. Accounts Payable and Other Current Liabilities

This account consists of:

	2025	2024
Due to related parties (Note 9)	₱745,665	₱22,003,755
Accounts payable and other current liabilities	404,418	505,832
Withholding tax payable	56,531	295,056
Income tax payable	–	22,807
	₱1,206,614	₱22,827,451

Accounts payable and other current liabilities include professional fees, postal and communication expenses and other various expenses that are normally settled 30 to 60-day net terms from the date of billing.

Withholding tax payables include taxes withheld at source on payments for management fees and other various expenses tax and percentage tax payable.

9. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individual or corporate entities.

Outstanding balances at period-end are unsecured and are to be settled in cash throughout the financial year. In the ordinary course of business, the Parent Company transacts with associates, affiliates, jointly controlled entities and other related parties on advances, loans, reimbursement of expenses and management service agreements.



The balances and transactions of accounts as at and for the years ended December 31, 2025 and 2024 with related parties are as follows:

Company	December 31, 2025					
	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
Entities Under Common Control						
ACES						
Accounts payable and other current liabilities (Note 8)	₱2,552,386	Management fees and professional fees	₱-	₱578,524	Due and demandable, noninterest-bearing	Unsecured
Accounts payable and other current liabilities (Note 8)	292,440	IT cost recoveries	-	-	Due and demandable, noninterest-bearing	Unsecured
Ingrid3						
Accounts payable and other current liabilities (Note 8)	55,377,600	Reimbursable cost	-	-	Due and demandable, noninterest-bearing	Unsecured
Intermediate Parent Company						
ACEN						
Accounts payable and other current liabilities (Note 8)	-	Advances and reimbursement of expenses	-	165,000	Due and demandable, noninterest-bearing	Unsecured
Accounts payable and other current liabilities (Note 8)	1,277,315	Management and professional fees	-	-	Due and demandable, noninterest-bearing	Unsecured
ACEIC						
Accounts payable and other current liabilities (Note 8)	2,520	Management and professional fees	-	2,141	Due and demandable, noninterest-bearing	Unsecured
Due to related parties			₱-	₱745,665		
Joint venture						
BCEI						
Receivables (Note 5)	2,788,618	Cost recoveries	225,000	-	30-60 day terms; noninterest-bearing	Unsecured
Subsidiary						
Palawan55						
Receivables (Note 5)	-	Advances	13,437,397	-	30-60 day terms; noninterest-bearing	Unsecured; unimpaired
Due from related parties			₱13,662,397	₱-		

Company	December 31, 2024					
	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
Entities Under Common Control						
ACES						
Accounts payable and other current liabilities (Note 8)	₱950,637	Management fees	₱-	₱-	Due and demandable, noninterest-bearing	Unsecured
Accounts payable and other current liabilities (Note 8)	1,960,182	Contracted services	-	1,015,072	Due and demandable, noninterest-bearing	Unsecured
ACEN International Short-term loan	700,000	Short-term loan	-	-	Interest-bearing	Unsecured
Accounts payable and other current liabilities (Note 8)	256,905	Interest expense on short-term loans	-	15,913	Noninterest-bearing	Unsecured
Intermediate Parent Company						
ACEN						
Short-term loan	21,272,858	Short-term loan	-	-	Interest-bearing	Unsecured

(Forward)



Company	Amount/ Volume	Nature	December 31, 2024		Terms	Conditions
			Outstanding Balance			
			Receivable	Payable		
Accounts payable and other current liabilities (Note 8)	₱-	Advances and reimbursement of expenses	₱-	₱233,645	Due and demandable, noninterest-bearing	Unsecured
Accounts payable and other current liabilities (Note 8)	6,459,565	Interest expense on short-term loans	-	19,324,264	Noninterest-bearing	Unsecured
Accounts payable and other current liabilities (Note 8)	2,442,999	Management and professional fees	-	1,414,861	Due and demandable, noninterest-bearing	Unsecured
Deposit for future stock subscriptions (Note 10)	30,000,000	Cash subscription	-	-	-	-
Deposit for future stock subscriptions (Note 10)	6,271,153	Assigned ACEN International short-term loans, including accrued interest expense	-	-	-	-
Deposit for future stock subscriptions (Note 10)	171,272,858	Assigned ACEN short-term loans	-	-	-	-
<i>Due to related parties</i>			₱-	₱22,003,755		
<i>Joint venture</i>						
BCEI Receivables (Note 5)	1,139,386	Cost recoveries	1,139,386	-	30-60 day terms; noninterest-bearing	Unsecured
<i>Subsidiary</i>						
Palawan55 Receivables (Note 5)	-	Advances	13,437,397	-	30-60 day terms; noninterest-bearing	Unsecured; unimpaired
<i>Due from related parties</i>			₱14,576,783	₱-		

ACEIC

Payable to ACEIC includes management fees and professional fees.

ACEN

Management Fees, Working Capital Advances and Interest on short-term loans

Payables to ACEN comprise of management fees, advances received by ENEX to cover working capital and interest expense on short-term loans.

For the years ended December 31, 2025 and 2024, ENEX made payments to management fees amounting to ₱3.05 million and ₱12.05 million, respectively, and partial payment of advances and interest on short-term loans amounting to ₱6.24 million in 2024 (nil in 2025).

Short-term Loans

On December 10, 2021, the ENEX BOD approved the availment of a short-term loan from ACEN of up to ₱150.00 million to fund the initial subscription by ENEX to shares in BCEI and authorized ENEX to secure bank loans in an aggregate amount of up to ₱150.00 million to be guaranteed by ACEN, subject to the payment of a guarantee fee. On December 13, 2021, the ACEN BOD approved the short-term loan up to ₱150.00 million in favor of ENEX.

On January 13, 2022, first loan drawdown was made amounting to ₱127.00 million with 3.88% interest per annum, payable on or before July 12, 2022. Maturity date was subsequently extended until November 10, 2022. On November 11, 2022, the loan was restructured to 7.30% interest per annum payable on or before November 10, 2023. On November 11, 2023 the loan was restructured to 8.66% interest per annum payable on or before September 30, 2024.



On August 2, 2023, second loan drawdown was made amounting to ₱23.00 million with 5.75% interest per annum, payable on or before February 1, 2024. On February 2, 2024, the loan was restructured to 8.10% interest per annum payable on or before September 30, 2024.

On June 20, 2024, ENEX availed short-term loan amounting to ₱21.27 million payable on or before September 30, 2024, in immediately available funds.

On June 26, 2024, ACEN converted its short-term loans and interest receivable from ENEX amounting to ₱171.27 million and ₱0.27 million to subscription to ENEX's non-voting Preferred Shares at par value of ₱1.00.

In 2025, the remaining interest in short-term loans amounting to ₱19.32 million were converted to preferred shares (see Note 10).

Deposit for Future Stock Subscriptions

In 2024, ENEX received from ACEN deposits for future stock subscriptions (see Note 10) to fund its capital and pre-operational requirements.

ACES

Payable to ACES includes management fees and contracted services.

Palawan55

The Company's non-interest-bearing advances made to Palawan55 are for the latter's working capital requirements.

ACEN International

Short-term Loan

On June 7, 2023, ENEX's Executive Committee approved the availment of short-term loan of up to ₱6.00 million from ACEN International, which was fully drawn as of September 30, 2024.

The first drawdown amounted to ₱1.00 million is subject to 8.20% per annum, payable on or before June 5, 2024. The second drawdown amounted to ₱1.50 million is subject to 8.39% per annum, payable on or before August 1, 2024. The third drawdown amounted to ₱2.80 million is subject to 8.36% per annum, payable on or before September 26, 2024. The fourth drawdown amounted to ₱0.70 million is subject to 8.29% per annum, payable on or before February 1, 2025.

On June 26, 2024, ACEN International assigned its short-term loans and interest receivable from ENEX amounting to ₱6.00 million and ₱0.27 million, respectively, in favor of ACEN.

Interest expense related to the short-term loans amounted ₱0.26 million in 2024 (nil in 2025). The outstanding interest payable on short-term loans amounting to ₱15,913 was fully paid in 2025.

BCEI

Cost recoveries

On September 1, 2024, the Company and BCEI executed a service and cost recovery agreement wherein BCEI agrees to reimburse ENEX for the cost of the service and personnel from effective date of the agreement and shall remain valid until August 31, 2025.

Other income recognized from this transaction amounts to ₱2.79 million and ₱1.14 million as at December 31, 2025 and 2024, respectively.



Ingrid3

Ingrid3 provided advances to BCEI project on behalf of ENEX amounting to approximately ₱55.38 million. These advances consist of development and lease option costs, with principal aggregating ₱46.70 million and accrued interest of ₱8.68 million, calculated at an annual rate of 8% up to a cut-off date of 24 October 2025 (see Note 6).

In 2025, Ingrid3 assigned the receivables to ACEN, which later, ACEN converted to preferred shares (see Note 10).

Compensation of Key Management Personnel

Starting January 1, 2020, the compensation of the Company's key management personnel are paid by ACEN and as such, the necessary disclosures required by PAS 24, *Related Party Disclosures*, are included in the financial statements of ACEN.

Identification, review and approval of related party transactions

All (1) SEC-defined material related party transactions, i.e., related party transaction/s, either individually or in aggregate over a twelve (12)-month period of the Group with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited consolidated financial statements; and (2) any related party transaction/s that meet the threshold values approved by the Risk Management and Related Party Transactions Committee (the Committee), i.e., ₱50,000,000 or five percent (5%) of the Group's total consolidated assets, whichever is lower, shall be reviewed by the Committee and approved by the BOD before its commencement, except transactions that are explicitly excluded/exempted by the SEC and transactions delegated to management.

For SEC-defined material related party transactions, the approval shall be by at least 2/3 vote of the BOD, with at least a majority vote of the independent directors. In case that the vote of a majority of the independent directors is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.

10. Capital Stock

Following are the details of the Company's capital stock:

	2025	2024
<u>Authorized</u>		
Common shares - ₱1 par value	1,000,000,000	1,000,000,000
Preferred shares - ₱1 par value	300,000,000	—
<u>Issued and outstanding</u>		
Common shares - ₱1 par value	250,000,001	250,000,001
Preferred shares - ₱1 par value	300,000,000	—

The issued and outstanding shares as at December 31, 2025 and 2024 are held by 2,879 and 2,885 equity holders, respectively.



On March 14, 2024 ENEX's BOD approved the amendment to the Seventh Article of the Articles of Incorporation to increase the authorized capital stock of the Parent Company from ₱1,000 million consisting of 1,000.00 million common shares at ₱1.00 par value a share, to ₱1,300 million consisting of 1,000.00 million common shares at ₱1.00 par value a share and 300.00 million preferred shares at ₱1.00 par value a share. This was subsequently approved during the Annual Stockholder's Meeting held on April 24, 2024.

The preferred shares have the following features:

- Non-voting;
- With cumulative dividends;
- Non-participating;
- Non-convertible
- Non-reissuable;
- Redeemable at the option of the issue at issue price;
- With preference as to liquidation; and
- With preference as to dividend distribution, at a dividend rate to be determined by the Board of Directors at the time of issuance of the shares.

On November 12, 2025, the Securities and Exchange Commission (SEC) approved the amendment to the AOI. The related stock issuance costs pertain to documentary stamp taxes and SEC filing fees amounting to ₱2.86 million, of which, ₱2.16 million was paid during the year, while ₱0.70 million was paid by ACEN on behalf of ENEX and subsequently was made part of the advances for conversion to additional equity by way of preferred shares.

Out of the net increase in ACS, ACEN's subscribed deposit for future stock subscription (DFFS) was applied to 207,544,011 Preferred Shares (see Note 9).

On September 2, 2025, the Board of Directors of the ENEX approved the use of the remaining balance of the subscription from the approved increase in authorized capital stock to support the winding down of activities related to the Group's investment in BCEI. This involves reimbursement of ACEN for advances related to the BCEI project and financial cover for two-and-a-half years of operating expenses. Consequently, on December 26, 2025, ENEX converted its payables to ACEN amounting to ₱75.06 million into additional equity (preferred shares) subject to completion documentation and applicable regulatory approvals..

On December 26, 2025, ACEN subscribed to 17,400,000 preferred shares, for an aggregate amount of ₱17.40 million.

ACEN's subscription to preferred shares are as follows:

Application of deposit for future stock subscription	₱207,544,011
Cash infusion	17,400,000
Conversion of ENEX payables to ACEN:	
Advances and interest on short-term loans (see Note 9)	19,678,389
Assignment from Ingrid3 (see Note 9)	55,377,600
<u>Total preferred shares subscribed</u>	<u>₱300,000,000</u>

Deposit for future stock subscription

On April 30, 2024, ENEX, signed a subscription contract with ACEN for the subscription by ACEN to 30,000,000 non-voting Preferred Shares of ENEX at par value of ₱1.00, for a total subscription price of ₱30.00 million.



On June 26, 2024, ENEX signed a subscription agreement with ACEN for the subscription by ACEN to 177,544,011 non-voting Preferred Shares of ENEX at par value of ₱1.00, for a total subscription price of ₱177.54 million, to be paid out of the assignment of short-term loans and interest receivable from ENEX via the Deed of Assignment between ACEN and ENEX.

On August 19, 2024, ENEX submitted its application for increase of authorized capital stock and creation of non-voting Preferred shares for review of the SEC. The non-voting Preferred shares are to be issued upon the SEC's approval of the increase in the authorized capital stock of the Company and the creation of the non-voting Preferred shares.

ACEN's subscription to Preferred Shares will be in exchange of below ACEN receivables from ENEX and cash infusion:

Short-term loan principal	₱171,272,858
Assigned receivables from ACEN International:	
Short-term loan principal	6,000,000
Short-term loan interest accrued	271,153
	<u>177,544,011</u>
Cash infusion	30,000,000
Deposit for future stock subscription	<u>₱207,544,011</u>

ACEN's subscribed DFFS was eventually applied to Preferred Shares upon the SEC's approval of the Company's amendment of AOI on November 12, 2025.

Capital Management

The primary objective of the Parent Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Parent Company manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Parent Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes in 2025 and 2024.

11. Income Taxes

The Company's provision for income tax consists of:

	2025	2024
Current		
Minimum corporate income tax	₱55,772	₱22,807
Final	66,036	—
	<u>₱121,808</u>	<u>₱22,807</u>



The reconciliation of the Parent Company's benefit from income tax using the statutory tax rate is as follows:

	2025	2024
Benefit from income tax at statutory tax rate	(P52,879,836)	(P4,025,768)
Tax effects of:		
Movements in unrecognized deferred tax	42,378,817	4,108,908
Expiration of NOLCO	10,301,541	-
Nondeductible expenses	333,415	20,080
Expiration of MCIT	3,484	-
Interest income subject to final tax	(15,613)	(80,413)
Benefit from income tax	P121,808	P22,807

As at December 31, 2025 and 2024, deferred tax assets related to the following temporary differences were not recognized because management believes that it is not probable that sufficient future taxable income will be available to allow deferred income tax assets to be utilized.

	2025	2024
NOLCO	P106,476,722	P87,390,545
Provisions for:		
Impairment loss (Note 6)	150,220,000	-
Probable loss (see Note 7)	40,574,555	40,574,555
Credit loss (see Note 5)	20,000,000	20,000,000
MCIT	78,580	26,291

Unrecognized deferred income tax assets amounted to P79.40 million and P37.02 million as at December 31, 2025 and 2024, respectively.

In 2025, the Company recognized deferred tax liability on its unrealized foreign exchange gain and deferred tax asset on its NOLCO only up to the extent of its deferred tax liability amounting to P16.

The details of the Company's NOLCO as at December 31, 2025 and 2024 follows:

Year Incurred	Availment Period	Amount	NOLCO Applied Previous Year/s	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2020*	2021-2025	P5,682,515	P-	(P5,682,515)	P-	P-
2021*	2022-2026	8,853,019	-	-	-	8,853,019
2022	2023-2025	35,523,647	-	(35,523,647)	-	-
2023	2024-2026	20,986,960	-	-	-	20,986,960
2024	2025-2027	16,344,404	-	-	-	16,344,404
2025	2026-2028	60,292,339	-	-	-	60,292,339
		P147,682,884	P-	(P41,206,162)	P-	P106,476,722

*RR-25-20 Bayanihan Act 2: NOLCO incurred for the taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive years

The details of the Company's MCIT as at December 31, 2025 and 2024 follows:

Year Incurred	Availment Period	Amount	MCIT Applied Previous Year/s	MCIT Expired	MCIT Applied Current Year	MCIT Unapplied
2022	2023-2025	P3,484	P-	(P3,484)	P-	P-
2024	2025-2027	22,807	-	-	-	22,807
2025	2026-2028	55,772	-	-	-	55,772
		P82,063	P-	(P3,484)	P-	P78,579



12. Financial Assets and Liabilities

Financial Risk Management Objectives and Policies

The main purpose of the Parent Company's principal financial instruments is to fund its operations and capital expenditures. The main risk arising from the use of the financial instruments are credit risk and liquidity risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Parent Company's holding of cash and cash equivalents and due from related parties exposes the Parent Company to credit risk of the counterparty. Credit risk management involves dealing only with institutions for which credit limits have been established.

The following table shows the maximum exposure to credit risk for the components of the statement of financial position:

	2025	2024
Cash and cash equivalents (Note 4)	₱27,551,026	₱20,625,450
Receivables (Note 5)	13,663,648	14,582,589
	₱41,214,674	₱35,208,039

With respect to credit risk arising from the receivables of the Parent Company, the Parent Company's exposures arise from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

	December 31, 2025					
	Neither Past Due nor Impaired			Past Due but not	Past Due Individually	Total
	Class A	Class B	Class C	Impaired	Impaired	
Due from third party	₱-	₱-	₱-	₱-	₱20,000,000	₱20,000,000
Due from related party	-	-	13,662,397	-	-	13,662,397
Interest Receivables	-	-	1,251	-	-	1,251
	₱-	₱-	₱13,663,648	₱-	₱20,000,000	₱33,663,648

	December 31, 2024					
	Neither Past Due nor Impaired			Past Due but not	Past Due Individually	Total
	Class A	Class B	Class C	Impaired	Impaired	
Due from third party	₱-	₱-	₱-	₱-	₱20,000,000	₱20,000,000
Due from related party	-	-	14,576,783	-	-	14,576,783
Interest Receivables	-	-	5,806	-	-	5,806
	₱-	₱-	₱14,582,589	₱-	₱20,000,000	₱34,582,589

The Parent Company uses the following criteria to rate credit risk as to class:

Class	Description
Class A	Collateralized accounts with excellent paying habits
Class B	Secured accounts with good paying habits
Class C	Unsecured accounts

With respect to credit risk arising from the other financial assets of the Parent Company, which comprise cash and cash equivalents, the Parent Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. These financial assets are assessed as high grade since these are deposited in or transacted with reputable banks, which have low probability of insolvency.



Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The Parent Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover working capital requirements. The Parent Company maintains a level of cash deemed sufficient to finance its operations. As part of liquidity risk management, the Parent Company regularly evaluates its projected and actual cash flows.

The Parent Company's financial assets and financial liabilities are settled within one year.

Fair Value Information

The carrying value of the Parent Company's cash and cash equivalents, receivables, accounts payable and other liabilities, and short-term loans approximate their fair values due to short-term nature of these instruments.

13. Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010

In compliance with RR No. 15-2010, following are information about the taxes paid or accrued by the Company during the taxable year:

Taxes and Licenses

The Company paid the following taxes and license fees:

Annual listing fees	₱279,978
Percentage tax	83,659
Business permit fees and licenses	11,113
Others	60
	<hr/>
	₱374,810

a. Withholding Taxes

Expanded withholding taxes (EWT) paid was ₱620,185 while accrued EWT is ₱49,780 as at December 31, 2025.

b. Percentage Taxes (PT)

As at December 31, 2025, the total percentage tax amounting to ₱83,659. PT is related to the Parent Company's other income from BCEI.

c. Documentary Stamp Tax (DST)

The Company paid documentary stamp taxes amounting to ₱2.25 million which was charged directly under Deficit account in the 2025 statement of financial position.



d. Tax Assessment and Litigation

The Company has neither tax deficiency assessments nor tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies within and outside the BIR as at December 31, 2025.



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
ENEX Energy Corp.
35th Floor, Ayala Triangle Gardens Tower 2,
Paseo de Roxas corner Makati Avenue, Makati City

We have audited the accompanying financial statements of ENEX Energy Corp. (the Parent Company), as at December 31, 2025 and for the year then ended, on which we have rendered the attached report dated March 6, 2026.

In compliance with Revised Securities Regulation Code Rule No. 68, we are stating that the above Parent Company has 325 stockholders owning 100 or more shares each.

SYCIP GORRES VELAYO & CO.



Ma. Genalin Q. Arevalo

Partner

CPA Certificate No. 108517

Tax Identification No. 224-024-926

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 108517-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-123-2026, January 27, 2026, valid until January 26, 2029

PTR No. 10765007, January 2, 2026, Makati City

March 6, 2026

