

April 23, 2026

ATTY. JOHANNE DANIEL M. NEGRE

Head, Disclosure Department
Philippine Stock Exchange, Inc.
6th Floor, PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City,
Taguig City

Dear Atty. Negre:

We reply to the correspondence sent by the Disclosure Department of the Philippine Stock Exchange (the "Exchange") at 8:33 a.m. today requesting confirmation of the information contained in the news article entitled "ERC orders bigger, faster Meralco refund to ease impact of higher power costs". The news article was published in [bworldnews.com](https://www.bworldnews.com) today.

The article reported in part that:

"THE company is seeking approval for a higher distribution tariff of P2.34 per kWh to fund a proposed PhP532.13-billion capital expenditure program until 2030.

...."

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With reference to the news article that is the subject of the Exchange's request for clarification, we would like to clarify that while the proposed Maximum Average Price (MAP) of about PhP2.34/kWh covering the period July 2026 to June 2030 is part of the application submitted by Manila Electric Company (the "Company" or "Meralco") to the Energy Regulatory Commission ("ERC"), it is not being sought solely to fund the Company's planned Capital Expenditure ("CAPEX") program. Furthermore, we would like to clarify that the PhP532.13 billion amount cited in the news article refers to Meralco's total proposed Annual Revenue Requirement ("ARR") for the period July 2026 to June 2030. The proposed ARR covers all regulated costs, including capital expenditures, operating and maintenance expenses, depreciation, taxes, return on capital, and GSL allowance. The proposed CAPEX program for the period July 2026 to June 2030 is about PhP272.15 billion and is consistent with Meralco's clarificatory letter on February 11, 2026.



customercare@meralco.com.ph



www.meralco.com.ph



Home: +63(2) 16211
Businesses: +63(2) 16210



Meralco Operating Center,
Ortigas Avenue, Pasig City
1600 Philippines



The proposed CAPEX program and corresponding tariff adjustment are intended to support the Company's compliance with its obligations under the Performance Based Regulation and to enable the continued operations and maintenance of a safe, reliable, and efficient distribution network. These are expected to support service quality and operational capabilities over the regulatory period. The Company does not expect any material adverse impact on its business operations or financial condition beyond those already disclosed.

We trust that you find the foregoing clarification in order.

Very truly yours,



WILLIAM S. PAMINTUAN

Senior Vice President

Assistant Corporate Secretary and
Information Disclosure Officer