COVER SHEET

3 4 2 1 8

S.E.C. Registration Number

AYALA CORPORATION AND SUBSIDIARIES

(Company's Full Name)

37F TO 39F AYALA TRIANGLE GARDENS

TOWER 2, PASEO DE ROXAS CORNER MAK

ATI AVENUE, MAKATI CITY

(Business Address: No. Street City / Town / Province)

Catherine H. Ang

Contact Person

(632) 7908-3000

Company Telephone Number

12 31

Month Day

Fiscal Year

17-A

FORM TYPE

04 24

Month Day

Annual Meeting

Secondary License Type, If Applicable

CFD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

7230

Total No. of Stockholders

₱16.0 billion bonds

Domestic

₱–

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SEC No. 34218
File No. _____

AYALA CORPORATION

(Company's Full Name)

37F to 39F, Ayala Triangle Gardens Tower 2
Paseo de Roxas corner Makati Avenue
Makati City

(Company's Address)

(632) 7908-3000

(Telephone Number)

December 31, 2025

(Fiscal Year Ending)
(Month & Day)

SEC Form 17-A

(Form Type)

SECURITIES AND EXCHANGE COMMISSION (SEC)

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 year ended: **December 31, 2025**

2. SEC Identification No.: **34218**

3. BIR Tax Identification No. **000-153-610-000**

4. Exact name of the registrant as specified in its charter: **AYALA CORPORATION**

5. Province, country or other jurisdiction of incorporation or organization: **Makati City, Philippines**

6. Industry Classification Code: _____ (SEC Use Only)

7. Address of principal office: **37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City** Postal Code: **1226**

8. Registrant's telephone number: **(632) 7908-3000**

9. Former name, former address, former fiscal year: **Not applicable**

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the RSA:

Title of Each Class	Number of Shares Issued and Outstanding as of December 31, 2025
Preferred A	0*
Preferred A (reissued) (ACPAR)	5,244,515
Preferred B	0**
Preferred B Series 3 (ACPB3)	7,500,000
Preferred B Series 4 (ACPB4)	10,000,000
Voting Preferred	200,000,000
Common	620,036,976***

**net of 6,755,485 treasury shares*
***net of 40,500,000 treasury shares*
****net of 16,174,701 treasury shares*

Amount of debt outstanding as of December 31, 2025: **₱16.0 billion in bonds******

***** amount represents only debt of Ayala Corporation registered with Philippine SEC. The debt of subsidiaries registered with SEC are reported in their respective SEC 17-A reports.*

11. Are any or all of these securities listed in the Philippine Stock Exchange? Yes [**x**] No [ ]

As of December 31, 2025, a total of 629,727,942 common shares, 6,755,485 Preferred A shares, 5,244,515 Preferred A (reissued) ("ACPAR") shares, 40,500,000 Preferred B shares, 7,500,000 Preferred B Series 3 ("ACPB3") shares, and 10,000,000 Preferred B Series 4 ("ACPB4") shares are listed in the Philippine Stock Exchange ("PSE"). A total of 16,174,701 common shares, 6,755,485 Preferred A shares, and 40,500,000 Preferred B shares are held in Treasury by the Company.

12. Check whether the registrant:

    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 12 months (or for such shorter period that the registrant was required to file such reports): Yes [**x**] No [ ]

b. has been subject to such filing requirements for the past 90 days: Yes [**x**] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates: About ₱159.7 billion (based on closing price of Ayala Corporation's common shares as of March 31, 2026 and outstanding shares owned by the public as of December 31, 2025).

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEEDING 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 Opinion on and Individual Supplementary Schedules
    2025 Consolidated Financial Statements of Ayala Corporation and Subsidiaries
    2025 Consolidated SFFS of Ayala Corporation and Subsidiaries
    2025 Ayala Corporation's Financial Statements (with BIR ITR Filing Reference) and SFFS

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The SEC 17-A Report (Report) of Ayala Corporation and Subsidiaries as of December 31, 2025 make reference to certain financial information and disclosures in the December 31, 2025 annual audited consolidated financial statements. This SEC 17-A Report should be read in conjunction with the Group's annual audited consolidated financial statements as at and for the year ended December 31, 2025*.

This SEC 17-A Report also includes financial and operating data with respect to Ayala's material subsidiaries [Ayala Land, Inc. (ALI), Integrated Micro-Electronics, Inc. (IMI), and AC Energy and Infrastructure Corporation (ACEIC or AC Energy) with key subsidiary ACEN Corporation (ACEN)], associates [Bank of the Philippine Islands (BPI) and joint venture [Globe Telecom, Inc. (Globe)]. This SEC 17-A Report should be read in conjunction with the financial information and operating highlights of these investees as contained in their respective December 31, 2025 audited financial statements and SEC 17-A Reports, as applicable.**

** The audited consolidated financial reports and SEC 17-A Report of Ayala Corporation and Subsidiaries (the Group) as of December 31, 2025 are available at Ayala Corporation's (the Parent Company) website www.ayala.com.*

*** The audited consolidated financial reports and SEC 17-A Reports as of December 31, 2025 of the following companies under the Group are available in the following websites: ALI www.ayalaland.com.ph, IMI www.global-imi.com, ACEIC/ACEN www.acenrenewables.com, BPI www.bpi.com.ph, and Globe www.globe.com.ph.*

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SIGNATURES

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Ayala Corporation (the Parent Company, the Company, Ayala, or AC) is the holding company of one of the oldest and largest business groups in the Philippines that traces its history back to the establishment of the Casa Roxas business house in 1834. The Parent Company was incorporated on January 23, 1968, and its Class A Shares and Class B Shares were first listed on the Manila and Makati Stock Exchanges (the predecessors of the PSE) in 1976. In 1997, the Parent Company's Class A and Class B Shares were declassified and unified as Common Shares.

The Parent Company is a corporation having a perpetual corporate term pursuant to Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines. As of December 31, 2025, the Parent Company is 47.84% owned by Mermac, Inc. and the rest by the public. Mermac, Inc., a private holding company incorporated in the Philippines is the dominant shareholder of Ayala. The Parent Company's registered office address and principal place of business is at the 37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City.

The Parent Company, one of the largest conglomerates in the Philippines, is organized as a holding company with equity interests in the various Ayala Group companies. The Ayala Group companies engage in the following sectors: real estate, banking, telecommunications, renewable energy, healthcare, mobility, logistics, fintech, industrial technologies, education, and other ventures.

Ayala's real estate business is primarily conducted through its subsidiary, Ayala Land, Inc. (Ayala Land or ALI), a diversified real estate company in the Philippines. Its involvement in financial services is through an affiliate, the Bank of the Philippine Islands (BPI), which, together with its subsidiaries (collectively, the BPI Group), form a universal banking group in the Philippines. Ayala's telecommunications business is carried out through an affiliate, Globe Telecom, Inc. (Globe), a leading telecommunications company in the Philippines. Ayala's investments in the power sector are held under AC Energy and Infrastructure Corporation (ACEIC or AC Energy), which owns directly and indirectly 58.6% of ACEN Corporation (ACEN) as of December 31, 2025, one of the fastest growing energy companies in the region and Ayala's main platform for its energy investments.

The emerging businesses represent Ayala's presence in healthcare, mobility, and logistics and are housed under Ayala Healthcare Holdings, Inc. (AC Health), AC Mobility Holdings Incorporated (ACMobility), and AC Logistics Holdings Corporation, respectively. ACMobility is a subsidiary of AC Industrial Technology Holdings, Inc. (AC Industrials or ACI).

Ayala has other investments in international business in electronics manufacturing services which are also under AC Industrials. Meanwhile, its investments in consumer retail are held through ACX Holdings Corporation (ACX). Its investments in infrastructure are housed under AC Infrastructure Holdings Corporation (AC Infra). Ayala's interest in education is conducted through iPeople, Inc. (iPeople), where it owns a 36.3% stake as of December 31, 2025 while its investment in Mynt is in AM 50 Ventures Inc. (formerly AC Ventures Holding Corp.).

As of December 31, 2025, Ayala had a market capitalization of ₱290.2 billion based on its closing price of ₱599.00 per share. In addition, certain members of the Ayala Group, namely ALI, BPI, Globe, ACEN, iPeople, Integrated Micro-Electronics, Inc. (IMI), AREIT, Inc. (AREIT), AyalaLand Logistics Holdings Corp. (ALLHC) and ENEX Energy Corp. (ENEX) are likewise publicly listed corporations. Some of Ayala's subsidiaries, associates and joint ventures have holdings in the equity of other subsidiaries, associates and joint ventures.

The lists of subsidiaries, associates and joint ventures are contained in the attached Ayala's Audited Consolidated Financial Statements as of December 31, 2025.

Refer to Annex C: Showing the Relationships Between and Amoung the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered of the 2025 Supplementary Schedules attached as an Index to this Report.

For management purposes, the Group is organized into the following business units:

- Parent Company – represents the operations of the Parent Company including its financing and investing entities such as ACIFL, AYCFL, PFIL, and MHI.

- Real estate and hotels – planning and development of large-scale fully integrated mixed-used communities that become thriving economic centers in their respective regions. These include development and sale of residential, leisure and commercial lots and the development and leasing of retail and office space and land in these communities; construction and sale of residential condominiums and office buildings; development of industrial and business parks; development and sale of high-end, upper middle-income and affordable and economic housing; strategic land bank management; hotel, cinema and theater operations; and construction and property management income and affordable and economic housing; strategic land bank management; hotel, cinema and theater operations; construction and property management, and operating a real estate investment trust.

- Financial services and insurance – commercial banking operations with expanded banking license. These include diverse services such as deposit taking and cash management (savings and time deposits in local and foreign currencies, payment services, card products, fund transfers, international trade settlement and remittances from overseas workers); lending (corporate, consumer, mortgage, leasing and agri-business loans); asset management (portfolio management, unit funds, trust administration and estate planning); securities brokerage (on-line stock trading); foreign exchange and capital markets investments (securities dealing); corporate services (corporate finance, consulting services); investment banking (trust and investment services); a fully integrated bancassurance operations (life, non-life, pre-need and reinsurance services); and other services (internet banking, foreign exchange and safety deposit facilities).

- Telecommunications (Telecoms) – provider of digital wireless communications services using a fully digital network; domestic and international long distance communication services or carrier services; broadband internet and wireline voice and data communication services; also licensed to establish, install, operate and maintain a nationwide local exchange carrier (LEC) service, particularly integrated local telephone service with public payphone facilities and public calling stations, and to render and provide international and domestic carrier and leased line services. In recent years, operations include developing, designing, administering, managing and operating software applications and systems, including systems designed for the operations of bill payment and money remittance, payment facilities through various telecommunications systems operated by telecommunications carriers in the Philippines and throughout the world and to supply software and hardware facilities for such purposes.

- Industrial technologies – global provider of electronics manufacturing services (EMS) and power semiconductor assembly and test services with manufacturing facilities in Asia, Europe, and North America. It serves diversified markets that include those in the automotive, industrial, medical, telecommunications infrastructure, storage device, and consumer electronics industries. Committed to cost, from development to manufacturing and order fulfillment. IMI's comprehensive capabilities and global manufacturing presence allow it to take on specific outsourcing needs.

- Power – unit builds a portfolio of power generation assets using renewable and conventional technologies which in turn will operate business of generation, transmission of electricity, distribution of electricity and supply of electricity, including the provision of related services.

- Automotive and Others – includes operations of the following:
  - Automotive/ Motors – business of manufacturing, distribution, and sale plus providing repairs and services for passenger cars, and commercial vehicles. Initiatives include industrial manufacturing activity for long-term synergy and integration with automotive business.
  - Healthcare – an integrated healthcare ecosystem spanning the continuum of care. The business operates across pharmaceutical distribution and retail, and healthcare service delivery which includes multispecialty clinics and hospitals.
  - Infrastructure – development arm for various types of infrastructure.
  - Logistics – business unit provides end-to-end logistics solutions to cater to all customers across the value chain.

- Finance app – a mobile financial platform offering payment, transfer, lending, investment, and insurance services.
- Retail - consumer retail business aimed at expanding Ayala's presence across food, wholesale, lifestyle, and premium grocery segments through partnerships with globally recognized operators.
- Education – delivering accessible, quality education that enables significantly improved employability for our high school and college graduates; with mission to transform lives and society by innovating Philippine education and research.
- Water – water delivery, sewerage, sanitation, distribution services, pipeworks, used water management and management services; also exclusively provides water services, facilities to all property development projects of major real estate companies.
- Venture capital – platform for peeking into new technologies and business models that are relevant to the group; aims to be an enabler by investing in adjacent businesses that are complementary to Ayala's existing business units and a pathfinder by investing in new sectors, emerging trends, and innovative businesses.
- International unit – strategic investments in overseas property companies and projects.
- Others – includes business outsourcing services unit; aviation (air-chartered services); retail, and other operating companies.

Please refer to Note 29 of Ayala's Audited Consolidated Financial Statements attached as Index to this Report regarding operating segments which presents assets and liabilities as of December 31, 2025 and 2024 and revenue and profit information for the years ended December 31, 2025, 2024 and 2023.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

For the years ended December 31, 2025, 2024 and 2023, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenues from external customers.

Intersegment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, segment expense and segment results include transfers between operating segments. Those transfers are eliminated during consolidation.

The various business segments in the Group is not affected by seasonality in operations.

Ayala has a value creation framework anchored on its purpose of "building businesses that enable people to thrive." The framework is guided by five strategic priorities: (1) dynamic portfolio management, (2) strategic partnerships and business building, (3) a synergistic ecosystem, (4) risk, governance, and sustainability, and (5) talent attraction. These priorities are underpinned by key inputs or "enablers" that support Ayala's business model and drive long-term value creation for its stakeholders.

With these priorities in mind, Ayala achieved multiple milestones that generated impact across its businesses in 2025:

1. Dynamic Portfolio Management

    a. Financial resilience and growth – Delivered a record ₱48 billion in core net income, up 7% year-on-year, demonstrating portfolio resilience amid market headwinds;

    b. Improved equity earnings contribution – Realized a 6% increase in core equity earnings, led by contributions from BPI, Ayala Land, and Mynt;

    c. Turnaround and scaling of non-core businesses – Achieved collective turnaround in non-core businesses driven by Mynt's sustained growth, IMI's shift to profitability, and narrower losses from AC Health, ACMobility, and AC Logistics;

d. Portfolio rationalization and capital reallocation – Exited from AC Logistics' waste management and last-mile delivery businesses, AC Health's KonsultaMD, ACMobility's Volkswagen and Maxus distribution businesses and Honda dealership operations, KTM motorcycle manufacturing, and IMI's VIA Optronics; completed the sale of a 50% ownership stake in AM 50 Ventures (formerly AC Ventures) to Mitsubishi Corporation for ₱19.0 billion, with proceeds earmarked to support growth initiatives; and increased stake in iPeople, Inc. from 33.5% to 36.3% to deepen presence in the Philippine education sector;

e. Active balance sheet management – optimized its cost of capital through capital markets issuances, hedged foreign currency loans, and sustainable finance to fund green and emerging portfolios resulting in 0.79x consolidated net debt-to-equity ratio and 11.5% loan-to-value ratio;

2. Strategic Partnerships and Business Building

a. Scaled financial inclusion through partnerships – Co-invested with Mitsubishi Corporation in AM 50 Ventures (formerly AC Ventures), with each acquiring a 6.6% stake in Mynt, alongside MUFG's 8% stake, strengthening governance and long-term capital support for the platform;

b. Secured growth capital to accelerate healthcare access and scale – Partnered with Temasek backed ABC Impact, which committed primary capital for a 16% minority stake in AC Health to fund expansion across its provider businesses;

c. Entered into partnerships with proven regional operators to build modern retail platforms – Formed joint ventures with CP Axtra for the re entry of Makro and with Al Seer Group for the establishment of Spinneys;

d. Strengthened logistics capability through strategic capital – Signed an agreement with A.P. Moller Capital, committing primary capital for a 40% stake in AC Logistics, subject to closing conditions;

e. Enhanced access to diversified funding sources – Secured a total of ₱74.7 billion in credit lines, 66% of which were committed; broadened international funding access through an inaugural A- JCR rated yen denominated loan; and implemented the Ayala Group insurance panel to improve engagement with insurers and brokers;

3. Synergistic Ecosystem

a. Laid the foundation for group wide data and AI collaboration – Executed a group wide AI strategy anchored on strengthened shared data and AI capabilities; implemented a group wide AI Use Policy with clear guardrails for safe, ethical, and responsible AI use; and established group governance to align priorities and scale value through the AI Governance and Innovation Steering Committee;

b. Unlocked ecosystem synergies through cross business unit collaboration – Carried out collaborative initiatives, including the rollout of ACMobility's EV charging hubs in Makati, in partnership with Ayala Land and Makati Central Estate Association, Inc. (MACEA), and powered by 100% renewable energy through ACEN Renewable Energy Solutions (ACEN RES), the retail electricity arm of ACEN; the execution of a memorandum of understanding between ACEN and STT GDC Philippines to provide renewable energy solutions for data centers; and the positioning of retail formats such as Anko, Makro, and Spinneys as anchor tenants within Ayala Land estates to support foot traffic and rental yields.

4. Risk, Governance, and Sustainability

a. Strengthened enterprise risk discipline and early-warning capabilities – Enhanced climate risk management through the development of a climate risk register and improved early-warning capabilities by strengthening key risk indicators and their effectiveness as leading signals of potential risk events;

b. Upheld strong governance and ethical standards – Maintained strong governance and ethics performance, reflected in Ayala's 5-Golden Arrow recognition in the ASEAN Corporate Governance Scorecard; earned broader external recognition for governance leadership; and reinforced shared governance discipline across the Group through the annual Integrated Corporate Governance, Risk Management, and Sustainability Summit;

c. Integrated sustainability into strategy and capital allocation – Prioritized material sustainability impacts, risks, and opportunities through a European standards-inspired double materiality assessment, yielding six strategic priorities guiding business development, investment focus, partnerships, and communications; increased renewable energy share in purchased electricity across the Ayala Group to 73% from 35% in 2021; and recorded a 31% improvement in GHG intensity and a 55% reduction in Scope 1 and 2 emissions compared to the 2021 baseline.

5. Talent Attraction

a. Built deeper leadership bench strength – Onboarded Juan Carlos Syquia as Ayala's Deputy Chief Financial Officer in May 2025 and Carl Cruz as Globe's President and Chief Executive Officer; conducted leadership development programs focused on strengthening leadership capabilities and supporting employee career growth; and sustained long-running talent pipeline initiatives, including the internship program in its 18th year and the Ayala Young Leaders Congress (AYLC);

b. Expanded the future talent pipeline through targeted partnerships – Partnered with leading institutions, including the Asian Institute of Management and IESE Business School, to deepen leadership development and talent sourcing;

c. Embedded refreshed core values into hiring decisions – Integrated Ayala's refreshed core values, "Do What's Right, Imagine it Better, Inspire Excellence, and Create Value Together," across recruitment and selection processes to reinforce a performance- and integrity-driven culture.

For the detailed discussion on the specific subsidiaries falling under each business unit as well as the major transactions of the Group, please refer to Note 2 of Ayala's Audited Consolidated Financial Statements as of December 31, 2025 which forms part of the Index of this Report. Other major transactions and developments were also disclosed in the Parent Company's previously filed SEC 17-Q and SEC 17-C reports, a listing of which also forms part of the Index of this Report.

The consolidated financial statements of the Group as of December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 was endorsed for approval by the Audit Committee and authorized for issue by the Board of Directors (BOD or "Board") on March 12, 2026.

Strategy

Ayala has been reshaping its portfolio in the past several years to strategically position for future growth. It has redefined its role in the center to strengthen its value as a parent company through dynamic portfolio management, increased focus on its emerging businesses, and strategic partnerships:

1. Dynamic portfolio management – Ayala continues to sharpen its portfolio by divesting or closing businesses that no longer have a strategic fit or destroy value, taking away capital from non-performers and redeploying them to clear winners. At the same time, it has led the turnaround of many of its businesses, including IMI, which has swung to profitability.

2. Increased focused on emerging businesses – One of the Company's priorities is for its emerging businesses, AC Health, ACMobility, and AC Logistics, to become meaningful contributors to its portfolio in the next few years. AC Health has significantly scaled and has reached profitability. ACMobility and AC Logistics have narrowed losses meaningfully either by increasing revenues, being more cost efficient, or a combination of both.

3. Strategic partnerships – Ayala continues to leverage its ability to attract world-class partners as it grows its businesses. Such partnerships provide Ayala access to deep industry expertise and frees up capital at the Parent Company.

For the detailed discussion on the specific subsidiaries falling under each business unit as well as the major transactions of the Group, please refer to Note 2 of Ayala's Audited Consolidated Financial Statements as of December 31, 2025 which forms part of the Index of this Report. Other major transactions and developments were also disclosed in the Parent Company's previously filed SEC 17-Q and SEC 17-C reports, a listing of which also forms part of the Index of this Report.

The consolidated financial statements of the Group as of December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023 was endorsed for approval by the Audit Committee and authorized for issue by the Board of Directors (BOD or "Board") on March 12, 2026.

Based on SEC's Parameters, the Significant Subsidiaries of Ayala Corporation as of December 31, 2025 are Ayala Land, Inc. (ALI – organized in 1988), Integrated Micro-Electronics, Inc. (IMI – organized in 1980), and AC Energy and Infrastructure Corporation (ACEIC or AC Energy – established in 2005). Except as stated in the succeeding paragraphs and in the discussion for each of the Parent Company's significant subsidiaries, there has been no other business development such as bankruptcy, receivership or similar proceedings not in the ordinary course of business that affected the registrant for the past three years.

Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets

For detailed discussions of material reclassification, merger, consolidation, and purchase transactions with subsidiaries and investees, please refer to Notes 2, 10, and 23 of Ayala's Audited Consolidated Financial Statements as of December 31, 2025 which forms part of the Index of this Report.

Distribution Methods of the Company's Products and Services

This is not applicable to the Parent Company being a holding company. The Parent Company's operating companies, however, have their respective distribution methods of products and services. Please refer to the Significant Subsidiaries, Associates and Joint Ventures portion of this Report for the discussion on distribution methods.

Competition

The Parent Company is subject to significant competition in each of the industry segments where its subsidiaries and investees operate. Please refer to the Significant Subsidiaries, Associates and Joint Ventures portion of this Report for the discussion on competition.

Transactions with Related Parties

Please refer to Item 12 on Certain Relationships and Related Transactions of this Report.

Developmental and Other Activities

Other than the trade name and mark "Ayala" and the brands used by its operating companies, being a holding company, the Parent Company has no material patent, trademark, or intellectual property right to a product or any of its direct services. The Parent Company's operating companies, however, may have these material intellectual property rights, but the dates and terms of their expiration or renewal are not perceived to have a material adverse effect on the Parent Company. The Parent Company complies with all existing government regulations and environmental laws, the costs of which are not material. As a holding company, it has no material development activities.

Employees

The Parent Company has a total workforce of 230 employees as of December 31, 2025, classified as follows:

Staff	95
Managers and executives	120
Consultants	15
Total	**230**

Ayala views its employees as essential partners in creating value and has strengthened its Talent Management practices by adopting a dynamic and agile approach. Through a three-year roadmap, the Parent Company focuses on unlocking its internal skills economy, curating meaningful career experiences, and enabling unconventional career paths – fostering a workforce ecosystem where employees can pursue non-linear growth while remaining agile, skilled, and engaged. Employees are offered a competitive renumeration package that reflects pay for performance, internal equity, and external competitiveness.

The Parent Company is committed to fostering a workplace that values diversity, equity, and inclusion, promotes overall health and safety, respects human and labor rights, and builds community engagement across the Ayala Group. These thrusts are at the core of the various Ayala employee programs and initiatives throughout the year.

Risk Factors

Ayala maintains a disciplined approach to managing risks, recognizing that uncertainty is inherent in a diversified portfolio operating in varied and evolving business environments. Developments in market conditions, public policy, technology, and other external factors can influence performance and long-term outcomes. As such, risk oversight is aligned with how the company defines priorities, allocates capital, and evaluates results.

Ayala's integrated risk management approach operates through a combination of top-down oversight and bottom-up identification. Strategic direction and risk parameters are set at the Board level, while functional units surface operational exposures that may affect the company's performance, continuity, or reputation. This interplay provides visibility over material developments from both enterprise and functional unit perspectives.

The Enterprise Risk Management (ERM) Team consolidates these inputs and supports enterprise-level visibility. It coordinates risk assessments, monitors key indicators, ensures the completeness of the risk universe, and evaluates the adequacy of mitigation plans. The team also proposes strategic solutions to address critical risks and prepares reporting for Management and the Board. In 2025, Strategic Resilience and Cybersecurity Risk Management, together with ERM, were integrated into the Risk Unit to strengthen coordination and bring operational continuity and digital risk oversight into a more unified structure.

In 2025, Ayala undertook its periodic enterprise-wide risk assessment to provide an updated view of the company's risk landscape and its potential implications for strategy and performance.

The process began with establishing the context and conducting risk analysis by studying external sources, such as global risk reports and industry publications, and engaging subject matter experts across relevant functions to provide insights on broader industry, regulatory, and market trends. These perspectives were complemented by an internal survey on risks and emerging concerns within the units' respective areas of responsibility. Taken together, these inputs informed the refresh of Ayala's risk universe and supported a comprehensive review of prevailing conditions.

Following the context-setting phase, identified risks were evaluated with Management to determine their relative significance and enterprise-wide impact. The results of this evaluation formed the basis for the updated risk prioritization and overall risk heatmap.

Risk Policy

For the Parent Company

Risk Exposure	Risk Definition	Objective/ Strategy
Information and cyber securityPortfolio management	Our ability to deliver on a portfolio investment strategy, including key execution and	To maintain a well-balanced, strategically aligned portfolio that delivers sustainable

Risk Exposure	Risk Definition	Objective/ Strategy
	transformation of our business portfolio, active value realization and investments in growth areas, may result in the failure to provide long-term value as a holding company.	value by optimizing capital allocation, managing concentration and performance risks, and enabling timely rebalancing in response to changing market conditions
Geopolitical	Political uncertainties surrounding the influence and tenure of key global leaders, interstate conflicts, and instability in governmental regimes may restrict the achievement of growth and profitability objectives.	To ensure the organization remains steadfast and adaptable to geopolitical developments by minimizing disruptions to operations, supply chains, and investments, while safeguarding long-term value and strategic options
Cyber and information security	Failure to safeguard confidentiality, integrity, and availability of critical data and sensitive information may significantly disrupt core operations and damage our brand.	To maintain a resilient and secure digital environment that prevents, detects, and responds to cyber threats effectively, ensuring the uninterrupted delivery of critical operations and the protection of sensitive data

For the Group

Risk Exposure	Risk Definition	Objective/ Strategy
Cyber and information security	Failure to safeguard confidentiality, integrity, and availability of critical data and sensitive information may significantly disrupt core operations and damage our brand.	To establish a cohesive, group-wide cybersecurity posture that effectively prevents, detects, and responds to cyber threats across diverse business units, ensuring the protection of critical assets, continuity of operations, and preservation of enterprise value
Macroeconomic developments	Our ability to respond to macroeconomic developments may impact our financial viability, strategy execution and brand.	To maintain a balanced and adaptive portfolio that can withstand macroeconomic volatility by actively managing exposures to key economic variables, preserving financial flexibility, and ensuring continued value creation across business units
Project execution	Failure to deliver projects on time, within budget, or to required specifications, may compromise expected returns and strategic outcomes.	To drive consistent, disciplined execution of strategic projects across the group by strengthening governance, enhancing delivery capabilities, and proactively managing risks,

Risk Exposure	Risk Definition	Objective/ Strategy
		thereby safeguarding timelines, capital efficiency, and intended business outcomes

Please refer to the Significant Subsidiaries, Associates and Joint Ventures portion of this Report for the detailed discussion on Risk Management.

Financial Risks Management

For detailed discussion, please refer to Note 32 of Ayala's Audited Consolidated Financial Statements as of December 31, 2025, which form part of the Index of this Report.

Risks Associated with the Parent Company and the Group

The Group is active in many regulated sectors and failure to adequately anticipate and/or address regulatory changes may adversely impact the Group.

The Group, one of the largest conglomerates in the Philippines, engages in the following sectors: real estate, financial services, telecommunications, industrial technologies, power, infrastructure, healthcare, education, and others. Some of its business activities are in regulated industries that regularly undergo a significant amount of regulatory and/or political changes. These sectors are subject to the authority of various regulatory bodies, including the DHSUD, the BSP, the PSE, the SEC, the NPC, the BIR, the DICT, the BOI, PEZA, and the Departmetn of Energy (DOE). While Ayala and certain member companies of the Ayala Group have dedicated resources and personnel to monitor and study the potential impact of proposed policies in their respective industries in the Philippines, Ayala cannot fully ensure the accuracy of such studies or the effectiveness of such attempts in a constantly shifting environment. Any failure to accurately predict or address policy outcomes may have a material adverse effect on the Group's business, financial condition and results of operations.

Ayala is actively monitoring the regulatory landscape for current regulations and any changes that may have an impact on its existing and potential markets. Ayala's Regulations Management Unit and the Group's Regulatory Council regularly identify, monitor, and evaluate new policy issues across sectors and industries. The State Affairs Unit, on the other hand, is in charge of maintaining and strengthening relationships with all levels of government by conducting policy dialogues and consultations among others.

Any restriction or prohibition on the Company's Subsidiaries', Associates' or Joint Ventures' ability to distribute dividends would have a negative effect on the Company's financial condition and results of operations.

The Company is a holding company that conducts its operations through its Subsidiaries, Associates and Joint Ventures. As a holding company, the Company's income is derived primarily from dividends received by the Company from its Subsidiaries, Associates and Joint Ventures. For the year ended December 31, 2023, 2024, and 2025, the Company recognized ₱19.2 billion, ₱19.3 billion, ₱23.0 billion in dividends, respectively.

The Company is reliant on these sources of funds with respect to its obligations and in order to finance its Subsidiaries. The ability of the Company's direct and indirect Subsidiaries, Associates and Joint Ventures to pay dividends to the Company (and their shareholders in general) is subject to applicable law and may be subject to restrictions contained in loans and/or debt instruments of such Subsidiaries and may also be subject to the deduction of taxes. Currently, the payment of dividends by a Philippine corporation to another Philippine corporation is not subject to tax.

Any restriction or prohibition on the ability of some or all of the Company's Subsidiaries, Associates and/or Joint Ventures to distribute dividends or make other distributions to the Company, either due to regulatory restrictions, debt covenants, operating or financial difficulties or other limitations, could have a negative effect on the Company's cash flow and therefore, its financial condition.

Claims of creditors of the Company's subsidiaries and associates, including trade creditors, bank lenders and other creditors, will have priority over any claims of the Company with respect to the assets of such subsidiaries and associates.

To ensure that the Company has the capability to honor its obligations, it monitors the level of its net debt to value and cash flow adequacy ratios. The Board has set an internal limit of 20% for its net debt to value ratio. This measures the Company's capability to repay maturing debt with its assets. On the other hand, the cash flow adequacy ratio measures the percentage of incoming cash (includes dividends, rentals, interest, among others) to operating expenses and interest payments. The loan to value and cash flow adequacy ratios for the year ended December 31, 2025 were 11.5% and 1.05x, respectively.

The Group is subject to cyclical risks.

A significant majority of the Group's revenues are derived from its real estate and financial services businesses. Traditionally, these industries have been subject to cyclical risks relating to the broader economic environment. As a result, the Group is subject to cyclical risks and its financial condition may be materially and adversely impacted as a result of any economic slowdown or stagnation in growth in the Philippines.

Furthermore, the receivables and inventories of Ayala Land, Ayala's largest subsidiary, have historically exhibited cyclical trends based on the timing and progress of its projects and their respective stages of development. Historically, such cyclical trends have in turn resulted in similar cyclical trends in the cash flows of Ayala. There is no assurance that Ayala Land's receivables and inventories will not continue to fluctuate in the future, which may adversely impact Ayala's financial condition.

The Investment and Finance Committees review the performance of each business unit at least twice a year: a general review, which covers Ayala's portfolio of businesses; and a specific business unit review. In the latter, the business unit's performance is measured against several metrics including the current budget, the latest medium-term plan and often, against competitors. The objective of these reviews is to refine capital allocation depending on performance, and if needed, suggest changes to the business plans or strategies.

Ayala is increasing its investments in the logistics, healthcare, and other sectors and may not realize short- or long-term gains from these planned investments.

As part of its business strategy, Ayala is rebalancing its portfolio by investing in sectors that it believes are key growth areas in the Philippines, including, but not limited to, logistics, healthcare, technology and retail ventures. Additionally, Ayala, through its Subsidiaries, Associates and Joint Ventures has increased and may continue to increase its investments in other businesses. These investments may not realize short- or long-term gains for multiple reasons. As a result, it is possible that the expected benefits of these investments may not materialize within the time periods or to the extent anticipated or at all, thus affecting Ayala's financial condition.

Ayala's core businesses in real estate, banking, telecommunications, and energy are dominant industry players that will continue to drive a significant component of its earnings and value in the medium term. Over the past decade, Ayala has been establishing a presence in new sectors from which it can derive new sources of growth and value creation.

While Ayala is always open to new areas of investment, it employs a rigorous gating process at the management level, with final evaluation and approval at the board level. During this process, a thorough discussion of the business plan, strategy for execution, and risks is carried out and responsible persons are identified.

In addition, Ayala has adopted a capital allocation process where the board's Finance Committee, upon recommendation of management, determines the amount of capital assigned to the various business ventures. Capital is allocated and committed over a set time frame (usually three to five years), which ensures that management has the funds to execute their proposed business plan. The Finance Committee endorses the recommended capital allocation to the Board which has final approval over all investments.

The Company is controlled by the Controlling Shareholder, whose interests may not be the same as those of other shareholders.

Mermac, Inc. (Mermac or the "Controlling Shareholder") the principal and controlling shareholder of the Company, is a private holding company incorporated in the Philippines. It held 47.84% of the outstanding common shares, and 88.63% of the outstanding voting preferred shares, or 57.79% of the total voting shares of the Company, as of December 31, 2025. Mermac is able to elect members of the Board and pass shareholder resolutions (not including special resolutions, which require a two-thirds (2/3) majority), which under the Amended By-laws generally require a majority vote by its shareholders. If the interests of the Controlling Shareholder conflict with the interests of other shareholders of the Company, there can be no assurance that the Controlling Shareholder would not cause the Company to take action in a manner which might differ from the interests of other shareholders.

The Board is responsible for strategic decisions that affect the business practices or general direction of the Corporation. The Board is responsible for promoting and adhering to the principles and best practices of corporate governance, for fostering the long-term success of the Corporation, for overseeing the proper monitoring and management of enterprise-wide risks, including climate-related risks and opportunities and other sustainability-related concerns and for securing its sustained competitiveness in the global environment in a manner consistent with its fiduciary responsibility. Given the large scale of Ayala's operations, its decision-making process has to be inclusive and responsive to the needs of shareholders and address a wide base of interests. Ayala seeks to maximize good governance to ultimately guarantee that long-term considerations are prioritized over short-term gains. Toward these goals, Ayala strives to adhere to regulatory requirements and global best practices. In addition to compliance with regulations, Ayala develops governance summits and internal councils, supports scholarly efforts on good governance and advanced shared value business models aiming to voluntarily embed global frameworks into Ayala's operations and support sustainable development.

Failure to obtain financing on reasonable terms or at all could adversely impact the execution of Ayala's expansion and growth plans.

Ayala's expansion and growth plans are expected to require significant fund raising from external sources. Ayala's continued access to debt and equity financing as a source of funding for new projects and acquisitions and for refinancing maturing debt is subject to many factors, including: (a) Philippine regulations limiting bank exposure (including single borrower limits) to a single borrower or related group of borrowers; (b) the Parent Company and Group's compliance with existing debt covenants; (c) the ability of Ayala to service new debt; (d) the macroeconomic fundamentals driving credit ratings of the Philippines; and (e) perceptions in the capital markets regarding the Group and the industries in which it operates and other factors, some of which may be outside of its control, including general conditions in the debt and equity capital markets, political instability, an economic downturn, social unrest, changes in the Philippine regulatory environment or the bankruptcy of an unrelated company operating in one or more of the same industries as the Group, any of which could increase borrowing costs or restrict Ayala's ability to obtain debt or equity financing. There is no assurance that Ayala will be able to arrange financing on acceptable terms, if at all. Any inability of Ayala to obtain financing from banks and other financial institutions or from capital markets would adversely affect Ayala's ability to execute its expansion and growth strategies.

Ayala maintains a conservative and diversified funding strategy, mitigating the Company's financing risks for its expansion plans. Ayala sets a maximum amount of debt maturities guided by a strategic capital allocation plan to anticipate funding requirements, manage refinancing, and related market liquidity risks. The Company maintains strong relationships with both domestic and foreign banks, providing wide access for Philippine Peso and U.S. Dollar loans, through committed standby bilateral facilities.

Ayala's strong balance sheet provides flexibility to tap both debt and equity capital markets in various stages of the economic cycle. Ayala, through a sound asset management strategy, may also recycle capital and realize value from its various investments providing additional sources of financing for new projects, acquisitions and continued growth plans.

Ayala has conducted and may continue to conduct acquisitions, the impact of which could be less favorable than anticipated or which could affect its financial situation.

As part of its business strategy, Ayala has conducted and continues to carry out acquisitions of varying sizes, some of which are significant at the Group level. These acquisitions involve numerous risks, including, without limitation, the following: (a) the assumptions used in the underlying business plans may not prove to be accurate, in particular with respect to synergies and expected commercial demand; (b) Ayala may not integrate acquired businesses, technologies, products, personnel, and operations effectively; (c) Ayala may fail to retain key employees, customers and suppliers of the companies acquired; (d) Ayala may be required or wish to terminate pre-existing contractual relationships, which could be costly and/or on unfavorable terms; and (e) Ayala may increase its indebtedness to finance these acquisitions. As a result, it is possible that the expected benefits of completed or future acquisitions may not materialize within the time periods or to the extent anticipated or affect Ayala's financial condition.

Ayala mitigates this risk through coordinated efforts across key functions. The Strategic Planning Unit provides market intelligence and benchmarks performance against competitors, while the Business Development Unit strengthens the gating process to ensure disciplined evaluation and monitoring of potential ventures. Senior Management is expected to cultivate strategic relationships with partners and advisers. In addition, the Portfolio and Asset Management (PAM) Unit, under the CFO, drives portfolio stewardship and leads performance analysis and management.

Members of the Group enter into numerous transactions with related parties.

In the ordinary course of business, Ayala transacts with its related parties, such as its Subsidiaries and certain of its Associates and Joint Ventures, and members of the Group enter into transactions with each other. These transactions have principally consisted of advances, loans, bank deposits, reimbursement of expenses, purchase and sale of real estate and other properties, guarantees, construction contracts and various services such as consultancy, project development, management, marketing and administrative support. Certain members of the Group maintain current and savings accounts, money market placements and other short-term investments with BPI, and have short-term and long-term debt payable to BPI, which are governed by BSP regulations on loans to directors, officers, stockholders, and other related interests. In addition, members of the Group have receivables from officers and employees relating to housing, car, salary and other loans, which are collectible through salary deductions.

The related party transactions entered into by members of the group may involve conflicts of interest, but to ensure its fairness to all stakeholders, Ayala has instituted internal policies with respect to these transactions, including establishing a board committee to oversee such matters. The Company also believes that all past related party transactions have been conducted at arm's length on commercially reasonable terms.

For further information on the Group's related party transactions, see Note 31 of Ayala's Audited Consolidated Financial Statements as of December 31, 2025 which form part of the Index of this Report. Except for those discussed in the said audited consolidated financial statements, no other transaction, other than as appropriately disclosed by Ayala, was undertaken by the Group involving any director or executive officer, any nominee for election as director, any beneficial owner of more than 5% of Ayala's outstanding shares (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest. Ayala's employees are required to promptly disclose any business and family-related transactions with Ayala to ensure that potential conflicts of interest are reviewed and disclosed as appropriate.

The Group may face risks associated with debt financing and refinancing activities.

Ayala, similar to certain Group companies, is party to several loan agreements. Consequently, the Group may be subject to risks normally associated with debt financing, including the risk that it may not be able to meet required payments of principal and interest under such financing. If there is a failure or delay in the payment of any Group company, such Group company could be declared in default resulting in all amounts becoming immediately due and demandable. Pursuant to the terms of certain agreements, a payment default by a Group company could trigger a cross-default on such Group company's other obligations, or those of other Group companies. Further, Ayala Corporation guarantees loans of its wholly-owned subsidiary, AYC Finance Limited. Consequently, any failure of AYC Finance Limited to pay its obligations, could trigger payment obligations on the part of Ayala.

The Group may also be subject to the risk that it may not be able to refinance its indebtedness or that the terms of such refinancing will not be as favorable as the terms of existing indebtedness. In addition, the Group may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations. Such covenants may restrict the ability to acquire properties or require it to set aside funds for maintenance or the paying back of security deposits.

Further, certain Group companies have constituted securities over their respective properties to cover debt financing. In the event that such Group company is unable to meet interest or principal payments in respect of such indebtedness, the properties or any of them could be foreclosed by or otherwise transferred to the creditor, or the creditor could require a forced sale of such property with a consequent loss of income and asset value to the relevant Group company.

To manage these risks, the Issuer (i) closely monitors its financial covenants and (ii) plans and implements interventions to ensure liquidity through recycling of capital.

Certain Group companies are subject to restrictive debt covenants.

Certain Group companies are subject to debt covenants for their respective existing debt. Failure to comply with these covenants may result in an event of default, which if not waived, could result in debt becoming immediately due and payable. This could affect the relevant company's liquidity and ability to generally fund its day-to-day operations. In the event this occurs, it may be difficult to repay or refinance such debt on acceptable terms or at all. Furthermore, if the debt is unsecured debt, then it will be effectively subordinated in right of payment to such company's secured debt to the extent of the value of the assets securing such debt and all debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines without a waiver of preference or priority.

Ayala and its subsidiaries are prudently managing its debt obligations by ensuring that any corporate act, whether or not performed in the ordinary course of business, does not violate any existing debt covenants. Prior to securing any debt, a thorough review of both mid-term and long-term operating, cashflow and performance metrics projections or targets is performed to support the use and settlement of debt. At the parent level, Ayala ensures that its debt maturities are well-spread out and in compliance with its internal policy.

During the life of the debt and major obligations, alongside the semi-annual and annual review of operating results, certain related performance metrics are assessed to ensure these are aligned with targets and would ultimately honor obligations from its creditors, bondholders and shareholders. Metrics include cash level, cash flow adequacy ratio, debt-to-equity ratios and loan to value ratio (please see additional discussion on Parent and the Group's cash and debt in the Management's Discussion and Analysis section of this report).

Ayala may not be able to adequately influence the operations of its Associates and Joint Ventures.

Ayala derives a substantial portion of its income from Associates and Joint Ventures. Ayala does not have majority voting control of its Associates and Joint Ventures and, therefore, may not be able to direct the operations of these entities. As a result, cooperation among its partners or consensus with other shareholders in these entities is crucial to these businesses' sound operation and financial success. Disagreements with these partners or other shareholders over business strategy and direction may lead to a material impact on Ayala's results of operations.

In order for Ayala to operate on the same principles of timeliness, integrity, and transparency, its senior management team regularly engages with business partners and associates through high-level meetings and dialogues to address topics of concern on financial performance, governance, commercial viability, business outlook, and management strategies. Further, Ayala and its senior management participate in relevant global organizations to keep abreast of developments and trends in various sectors.

Ayala is highly dependent on the continued service of key senior management individuals.

Ayala relies on certain key individuals in senior management for leadership. The experience, knowledge, business relationships and expertise that would be lost, should these key individuals depart the business, could be difficult to replace and could result in a decrease in Ayala's financial performance.

Ayala's management team is composed of seasoned professionals with a proven track record of success both within and outside the group. In addition, Ayala has a well-defined succession bench to ensure the presence of strong leaders for the group. Each independent business unit is also led by its own deep bench of skilled executives. The Ayala Group Management Committee, composed of Ayala Corporation's senior management team and the CEOs of the Ayala Group companies, ensures alignment of individual business unit priorities to group-wide targets while maximizing synergies across the group. Ayala acknowledges that its ability to execute strategies is driven by its people who have the experience, expertise and discipline. In order to have such pool of talents, Ayala provides continuing training and development programs, from specific job skills to long-term professional development provided by in-house and external partners to ensure that there is continuity of business in the event that key personnel decide to retire or pursue interests outside Ayala. Ayala periodically implements initiatives to identify potential successors to key senior management position and prepares talent for taking on greater responsibilities as the circumstances may require.

The transactions of the Group may be subject to review under the Philippine Competition Act.

Republic Act (R.A.) No. 10667, the Philippine Competition Act (PCA) became effective on August 8, 2015. The PCA prohibits and penalizes anti-competitive agreements and abuse of dominance; however, it provides that administrative, civil and criminal penalties may only be imposed if violations are not cured upon the expiration of two years after the effectivity of the PCA. This transition period ended on August 8, 2017. Under the PCA, there is a rebuttable presumption of dominance when an entity has a market share of 50% or more. Members of the Group that possess a market share of 50% or more are proscribed from committing any of the acts listed as abuse of dominance.

In the past, members of the Group have been subject to regulatory scrutiny in respect of certain actions. In particular, the Philippine Competition Commission (PCC) has claimed that the acquisition of Vega Telecom, Inc. (VTI) by, among others, Globe cannot be claimed to be deemed approved. Following a decision dated October 18, 2017 by the Court of Appeals (CA) to permanently enjoin and prohibit the PCC from reviewing the acquisition and compelling the PCC to recognize the same as deemed approved, the PCC elevated the case to the Supreme Court via Petition for Review on Certiorari and the case remains pending. As the Group continues its strategy of acquisitions and joint ventures, there could be more reason for certain of its transactions to be subject to the PCA. There can be no assurance that none of the Company's existing or future businesses or strategies will not be subject to PCA scrutiny, and the result of any such scrutiny, whether in terms of review, penalties or any conditions imposed on the Company, may have a material adverse effect on its business and strategies.

In addition, the PCA authorizes the PCC to review mergers and acquisitions to ensure compliance with the PCA. The PCA, its Implementing Rules and Regulations (IRR), as amended, and the Rules on Merger Procedure (collectively "Merger Rules") provides for mandatory notification to the PCC of any merger or acquisition within thirty (30) days of signing any definitive agreement relating to the transaction, where the value of such transaction exceeds ₱3.8 billion, where the size of the ultimate parent entity of either party exceeds ₱9.1 billion and other prescribed thresholds are met. The parties may not consummate the transaction prior to receiving PCC approval or the lapse of the period stated in the Merger Rules. A merger or acquisition that meets the thresholds under the Merger Rules but was not notified to the PCC, or notified but consummated, in whole or in part, prior to the expiration of the waiting period, is considered void, and will subject the parties to a fine equivalent to 5% of 1% of the value of the transaction for the first thirty (30) days of delay or fraction thereof. The fine shall be increased by 1% of 1% of the value of the transaction for every additional thirty (30) days of delay or fraction thereof, provided that the total amount of fine to be imposed shall not exceed ₱2.2 million. Criminal penalties for entities that enter into anti-competitive agreements, as defined, include: (a) a fine of not less than ₱110 million but not more than ₱275 million; and (b) imprisonment for two to seven years for directors and management personnel who knowingly and willfully participate in such criminal offenses. Administrative fines of ₱110 million to ₱275 million may be imposed on entities found violating prohibitions against anti-competitive agreements and abuse of dominant position. Treble damages may be imposed by the PCC or the courts, as the case may be, where the violation involves the trade or movement of basic necessities and prime commodities. Given the usual volume of the Group's transactions, mergers or acquisitions undertaken by the Group would likely meet the notification threshold under the PCA and its IRR. To manage these risks, the Group adheres to corporate best practices as it continually evaluates and explores opportunities to create and enhance business and shareholder value, including considering both potential investment as well as divestment

opportunities. Through the respective compliance offices of the business units, the Group monitors its compliance with the PCA and its IRR, and complies with its obligation to notify the PCC when required by law.

The Group's international businesses and results of operations are subject to the macroeconomic, social and political developments and conditions of the countries where its projects and investments are located.

In addition to the Philippines, the Group's portfolio of projects and investments are located in other jurisdictions around the world. Existing operations and future plans for international expansion may be affected by the respective domestic economic and market conditions as well as social and political developments in these countries, government interference in the economy in certain countries and changes in regulatory conditions. While the Company endeavors to carefully consider the prevailing macroeconomic, social and political conditions in each of the jurisdictions in which it does business, nevertheless it cannot provide assurance of adequate mitigation to such systemic risks. As a result, there is no guarantee that the Group's operations, investments and expansion plans will be successful in those countries. The Group's financial condition, prospects and results of operations could be adversely affected if it is not successful internationally or if these international markets are affected by changes in political, economic and other factors, over which the Group has no control.

The Group, through one of its foreign subsidiaries, has invested in the Yoma Group, the businesses of which are based in Myanmar. The World Bank's Myanmar Economic Monitor notes challenges and risk factors that negatively impact the outlook of the country, particularly due to the elevated conflict, macroeconomic volatility, and a challenging business environment. Also noted were the trade and logistics disruptions, rising inflation, and shortages of key inputs. Various countries have also imposed sanctions on the Myanmar regime and its associates, potentially impacting business in the country. As such, the Yoma Group is subjected to risks surrounding the general Myanmar geopolitical conditions, but it continues to navigate through the current situation and to function despite the operational challenges. The carrying value of the investment in the Yoma Group as of December 31, 2025 is ₱5.3 billion.

The Company's subsidiaries and associates are subject to specific industry risks.

Ayala operates in several key sectors: real estate, financial services, telecommunications, industrial technologies, power, infrastructure, healthcare, education, technology, logistics and retail ventures. These various industries have inherent risks, which ultimately exposes the Group. Below are some of the key risks that Ayala's subsidiaries face in their day-to-day operations:

a. Heightened competition;
b. Presence of market disruptors and changes or shifts in technology and market preferences;
c. Slowdown in business activity due to global financial and local political, socio-economic turmoil, and security concerns;
d. Inability to implement growth strategies across its various business segments, including, but not limited to, realizing value from its various acquisitions and business integrations, securing of business contracts, concessions, and business partnerships, completing its business expansion plans, etc.;
e. Lack of skilled and properly trained workforce to deploy to its various business operations;
f. Loss of key personnel or the inability to attract and retain them;
g. Risks associated with information and cyber security, and technology infrastructure;
h. Non-compliance with, or breach of, regulatory limits imposed on some of its highly regulated businesses;
i. Changes in tax policies, government regulations, laws, or the interpretation thereof, and sudden shifts in government policies and initiatives that could adversely affect Ayala's businesses;
j. Litigation risks both on business dealings with the private and public sectors, which could result in financial losses or harm its businesses; and
k. Business interruption caused by natural catastrophes or supply chain disruption.

To mitigate such risks, Ayala ensures that each of the operating companies has a robust risk management program and a management team who is responsible for developing the appropriate risk mitigation strategies and actions, which are reviewed by their respective Risk Management Committees and periodically by Ayala.

The implementation and effects of current and any future changes in accounting standards may affect the financial reporting of the Group and its members.

The Philippine Financial Reporting Standards Council, or other regulatory bodies, periodically introduce modifications to financial accounting and reporting standards under which the Group and its members prepare their financial statements. Although the Group closely monitors its compliance with the relevant financial accounting and reporting standards, it cannot anticipate the significance of the impact that the implementation of new accounting standards in the Philippines may have on the Group's and its individual members' financial statements in the future.

The Group's business operations are subject to Environmental, Social, and Governance ("ESG") risks.

Over the past years, various stakeholders have begun requiring companies to report on ESG risks as a means of determining the companies' sustainable practices. Investors and creditors in particular are looking into how companies address ESG risks as part of their investment decisions. Customers are increasingly becoming aware of issues concerning ESG and have been seen to not support companies that do not incorporate sustainable practices into their businesses. Governments and regulators around the world, including here in the Philippines, have also begun setting up regulations that will require companies to report on ESG risks as part of ensuring good corporate governance practices. ESG risks include, but are not limited to:

- Environmental Risks – risks concerning responsible use of natural resources, responsible handling and disposal of waste and other pollutants, reduction of greenhouse gas emission and resource consumption footprint, evaluating vulnerability to climate change and biodiversity loss, adopting green technologies and other opportunities.

- Social Risks – risks concerning employee health, safety, and welfare, diversity and inclusion, adherence to labor standards, transparency and accountability over products and services, upholding privacy and data security, and delivering positive impact to the communities served.

- Governance Risks – risks concerning responsible business operations (including supply chain), commitment to good corporate governance practices, transparency and accountability at the top management level, transparent and responsible reporting of financial and tax information, compliance with prevailing laws and regulations, stand against corruption and unethical business practices.

Various stakeholders are becoming increasingly conscious of the manner by which companies address climate-related physical and transition risks.

As the regulatory landscape is slowly shifting its support towards environment-friendly and low GHG emission practices, the Group is monitoring climate change as an emerging risk that could have a major impact in its businesses in the future. Further, the shift in consumer preferences to organic and waste-free products and services is also starting to shape the market in selected industries. If left unaddressed, these may cause significant difficulty in maximizing the Group's value for stakeholders and may adversely impact the Group's brand and reputation.

Ayala Corporation, with majority of its core value drivers, has committed to net zero GhG emissions by 2050. Nonetheless, the Group will continue to identify and assess risks associated with climate change, as well as uncover opportunities and improve disclosures to provide clear and reliable information to stakeholders.

Failure to manage risks associated with information and technology systems ("IT"), cyber threats or other breaches of network or IT security could adversely affect the business of the Group.

The Group is subject to risks relating to its information and technology systems and processes, as the hardware and software used by the Group in their respective IT systems are vulnerable to damage or interruption by human error, misconduct, malfunction, natural disasters, power loss, sabotage, computer viruses or the interruption or loss of support services from third parties such as internet service providers and telephone companies.

Any disruption, outage, delay or other difficulties experienced by any of these information and technology systems could result in delays, disruptions, losses or errors that may result in customer suits, loss of income, regulatory investigations, penalties and fines and decreased consumer confidence in the Group. These may, in turn, adversely affect the Group's business, financial condition and results of operations.

In addition, the flexible work arrangements employed by the Group, and reliance on software as a service and other third-party providers heightens the cybersecurity risk faced by the Group. New technologies and systems being installed in the name of advanced capabilities and processing efficiencies may introduce new risks which could outpace the Group's ability to properly identify, assess and address such risks. For instance, the growing use of artificial intelligence may increase the Groups vulnerability to cyber-attacks and data breaches. Furthermore, new business models that rely heavily on global digitization, use of cloud, big data, mobile and social media may expose the Group to even more cyber-attacks.

The Group seeks to protect its systems and network infrastructure from physical break-ins, as well as security breaches and other disruptive problems caused by the increased use of the internet. Certain Group companies employ security systems, including firewalls, multi-factor authentication and password encryption, designed to minimize the risk of security breaches and maintain operational procedures to prevent break-ins, damage and failures. Further, certain Group companies have obtained insurance covering losses from data leakages, security breaches and any business interruption arising therefrom. Nevertheless, the potential for fraud and security problems is likely to persist and there can be no assurance that these security measures will be adequate or successful. The costs of maintaining such security measures may also increase substantially. Failure in security measures could have a material adverse effect on the Group's business, reputation, financial condition and results of operations.

Ayala or the Group companies may be unable to attract and retain skilled personnel in a competitive job market.

Any loss of key personnel and an inability of Ayala or the individual Group companies to replace personnel and to train and retain replacement personnel, could materially and adversely affect the Group's ability to provide products and services to its customers. Losses of trained personnel could also result in the Group incurring additional expenses in hiring and training replacement personnel and it may take time for these new personnel to reach the level of technical skill and expertise of the personnel they are replacing. Any of the foregoing could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, the Group has relied and will continue to rely significantly on the continued individual and collective contributions of its senior management team. If any of the Group's key personnel are unable or unwilling to continue in their present positions, or if they join a competitor or form a competing business, the Group may not be able to replace them easily, and its business may be significantly disrupted and its business, financial condition, results of operations and prospects could be materially and adversely affected.

Ayala continually seeks to hire talented and dedicated professionals and believes that it is well positioned in the market for talented personnel as it offers opportunities for professional growth in businesses across the Group. Toward this goal, Ayala provides market-competitive compensation and benefits, which are aligned to corporate goals, annual targets, and long-term strategic plans. At Ayala, a performance based variable compensation scheme uses the Key Result Area scorecard accomplishments as metrics. Ayala measures employee engagement every two years and creates and enhances people initiatives to address the employees' evolving priorities.

Negative publicity associated with the "Ayala" brand could negatively impact the Group.

The Group is exposed to reputational risks which may result from its actions or that of its competitors; indirectly due to the actions of an employee, through actions of outsourced partners, suppliers, or joint venture partners. Damage to the Group's reputation and erosion of brand equity could also be triggered by the inability to swiftly and adequately handle negative traditional and social media sentiments against the Group's products and services resulting from unfavorable customer experience, among others.

Regular process effectiveness and efficiency reviews on existing customer-impacting processes are being conducted by the Group to identify and address existing gaps, thus minimizing exposure to reputational risks arising from problem areas. Further, the Group closely monitors online sentiment to quickly detect issues being surfaced in social media and to be able to manage them early on.

Risks Associated with the Philippines

Substantially all of Ayala's operations and assets are based in the Philippines and, therefore, a slowdown in economic growth in the Philippines could materially and adversely affect Company's business, financial position, and results of operations.

While Ayala has foreign Subsidiaries and Affiliates, a substantial component of Ayala's business activities and assets is based in the Philippines, which exposes Ayala to risks associated with the country, including the performance of the Philippine economy. Historically, Ayala derived substantially its revenues and operating profits from the Philippines and, as such, their businesses are highly dependent on the state of the Philippine economy. Demand for Ayala's products and services are all directly related to the strength of the Philippine economy (including its overall growth and income levels), and the overall levels of business activity in the Philippines. Factors that may adversely affect the Philippine economy include:

a. decreases in business, manufacturing or financial activities in the Philippines, the Southeast Asian region or globally;
b. scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, the Southeast Asian region or globally;
c. exchange rate fluctuations and foreign exchange controls;
d. rising inflation or increases in interest rates;
e. levels of employment, consumer confidence and income;
f. changes in the Government's fiscal and regulatory policies;
g. Government budget deficits;
h. adverse trends in the current accounts and balance of payments of the Philippine economy;
i. natural disasters, including but not limited to tsunamis, typhoons, earthquakes, fires, floods and similar events;
j. territorial disputes between the Philippines and China concerning particular areas in the South China Sea;
k. trade tensions and the rise of protectionism among trade partners of the Philippines;
l. political instability, terrorism or military conflict in the Philippines, and other geopolitical tensions in the region or globally; and
m. other regulatory, social, political or economic developments in or affecting the Philippines.

There can be no assurance that the Philippines will maintain strong economic fundamentals in the future. Changes in the conditions of the Philippine economy could materially and adversely affect Ayala's business, financial condition and results of operations. Although Ayala derives revenue from outside the Philippines through its foreign Subsidiaries and Affiliates, there is no assurance that such revenues will be sufficient to offset any negative effects of an economic downturn affecting the Philippines or that Ayala will be able to adequately manage such risk despite risk mitigation strategies in place.

The sovereign credit ratings of the Philippines may adversely affect Ayala's business.

The sovereign credit ratings of the Philippines directly affect companies resident and domiciled in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. The Philippines enjoys investment grade credit ratings from the following major agencies:

- Fitch Ratings - BBB (stable), which was affirmed last April 2025
- Standard & Poor's - BBB+ (positive) which was affirmed last November 2025
- Moody's Investors Service - Baa2 (stable), which was affirmed last February 2026

International credit rating agencies issue credit ratings for companies with reference to the country in which they are resident. As a result, the sovereign credit ratings of the Philippines directly affect companies that are resident in the Philippines, such as Ayala. There is no assurance that Fitch, Moody's, S&P or other international credit rating agencies will not downgrade the credit rating of, or the outlook for, the Philippines in the future. Any such downgrade could have a material adverse effect on liquidity in the Philippine financial markets and the ability of the Philippine Government and Philippine companies, including Ayala, to raise additional financing, and will increase borrowing and other costs. Ayala maintains a diverse portfolio that could withstand various economic cycles. Nonetheless, there is no assurance that Ayala will be able to fully manage the impact of such risk.

Fluctuation in the value of the Peso against the U.S. Dollar and other currencies may affect the Group's business.

The Company's revenues are predominantly denominated in Pesos, while some investment initiatives and certain expenses, including debt obligations, are denominated in other currencies (principally U.S. Dollars).

Further, Globe's foreign exchange risk results primarily from movements of the Philippine Peso against the U.S. Dollar with respect to its USD-denominated financial assets, liabilities, revenues and expenditures. Part of its total service revenues are in USD while substantially all of its capital expenditures are in USD. In addition, part of its long-term debt is denominated in USD before taking into account any related hedges. There can be no assurance that declines in the value of the Philippine Peso will not occur in the future or that the availability of foreign exchange will not be limited. The occurrence of these conditions may adversely affect Globe's financial condition and results of operations.

At present, the country's exchange rate policy supports a freely floating exchange rate system whereby the BSP leaves the determination of the exchange rate to market forces. Under a market-determined exchange rate framework, the BSP does not set the foreign exchange rate but instead allows the value of the Philippine Peso to be determined by the supply and demand of foreign exchange. The implementation of the revised Foreign Exchange rules eased the purchase of foreign currencies in the banking system. There is no assurance that the Philippine Peso will not depreciate further against other currencies and that such depreciation will not have an adverse effect on the Philippine economy and the Group's financial condition and results of operation. As of December 31, 2025, according to the BSP reference exchange rate bulletin, the Peso was at ₱58.805 per US$1.00 from ₱55.892, and ₱55.370 per US$1.00 at the end of 2024 and 2023, respectively.

To fund its foreign currency requirements, the Company taps the international market to raise needed funds and capitalize on the offshore market's flexibility in volume and in pricing. The Company only incurs foreign currency debt for foreign currency assets. To hedge against minimal foreign currency exposure, the Company may utilize short to medium term hedges to protect itself from any Peso depreciation. Furthermore, the Company also keeps short-term U.S. Dollar investment as part of its liquid assets. Despite these efforts, there is no assurance that Ayala will be able to manage such systemic risk.

The Group's business operations may be affected by any political and military instability in the Philippines, including those which may arise from territorial disputes with China and other neighboring countries.

The Philippines has from time to time experienced political and military instability. The Philippine Constitution provides that in times of national emergency, when the public interest so requires, the Government may take over and direct the operation of any privately owned public utility or business. In the last few years, there has been political instability in the Philippines, including public and military protests arising from alleged misconduct by the previous administration.

The Philippine general elections for national and local officials took place on May 9, 2022. Since the 2022 Philippine general elections, there have been public disagreements between the incumbent president, Ferdinand Marcos, Jr. and the vice president, Sara Duterte. Duterte resigned as Secretary of Education in June of 2024, a post she held following her appointment by President Marcos after the 2022 elections. The Vice President has since alleged that threats have been made against her life, attributing them to the present government.

On March 11, 2025, the Philippine National Police (PNP) implemented the arrest warrant issued by the International Criminal Court (ICC) and arrested Former President Rodrigo Duterte in connection with the ICC charge against him for crimes against humanity in relation to killings in the "war on drugs". After his arrest, the Philippine Government turned over custody of Duterte to the ICC in the Hague. As of date, Duterte awaits trial in the Hague.

In July 2025, Philippine news and social media outlets erupted with news on the alleged misappropriation by public officials, favored government contractors, and their families, of hundreds of billions worth of government funds allocated for nationwide flood control projects, spanning decades of misuse over multiple administrations. Since then, the government has named 15 contractors who bagged ₱100 billion worth of

flood control projects since 2022. The DPWH Secretary Manuel Bonoan, which has since been replaced by Transportation Secretary Vince Dizon, admitted that there are “ghost” projects.

Several protest rallies have been held in various parts of the Philippines to denounce the mismanagement of flood control funds. The investigations and protest rallies may create a political instability, a slowdown in private and government investment and diminished consumer sentiment that may affect GDP growth.

There can be no assurance that election-related acts or political violence will not occur in the future, and any such event could negatively impact the Philippine economy.

In addition to domestic issues, territorial disputes with China and other neighboring countries may also give rise to instability, adversely affect the Philippine economy and business environment. The Philippines, Vietnam and several Southeast Asian nations have been engaged in a series of longstanding territorial disputes with China and other Southeast Asian countries over certain territories in the West Philippine Sea, also known as the South China Sea. The Philippines’ efforts at bilateral talks with China failed, and thus the dispute remains unresolved. Actions taken by both sides have threatened to disrupt trade and other ties between the two countries, including a temporary ban by China on Philippine banana imports and a temporary suspension of tours to the Philippines by Chinese travel agencies. In January 2013, the Philippines initiated arbitral proceedings before a tribunal under the United Nations Convention on the Law of the Sea, in which China refused to participate.

Recent months have seen increased frequency of incidents as well as heighted intensity of confrontations between Chinese Coast Guard (CCG) and Philippine personnel in the West Philippine Sea. These have resulted in public accusations and diplomatic protests from both countries. On April 30, 2024, while Philippine government vessels were distributing fuel and food to the fisherfolk in the Scarborough Shoal, CCG vessels attacked them using high-pressure water cannons, causing damage to the vessels. This caused the Philippine government to file another diplomatic protest against China. On January 14, 2025, the Philippines lodged another diplomatic protest over the presence of a 165-meter long Chinese coastguard vessel, which was spotted 142 km off the coast of Zambales province. On February 18, 2025, the Philippine Coast Guard reported that a Chinese military helicopter flew within three meters of a Philippine patrol plane flying over the Scarborough Shoal. On February 21, 2025, the Chinese military drove off three Philippine aircrafts flying over the Spratly Islands. As such, the Philippines has filed a total of 199 diplomatic protests against China during President Marcos’ tenure.

Should territorial disputes between the Philippines and other countries in the region continue or escalate further, the Philippines and its economy may be disrupted and the Company’s operations could be adversely affected as a result.

Should the territorial dispute in the West Philippine Sea escalate or continue, the Philippines’ interests in fishing, trade and offshore drilling, the volume of trade between the Philippines and China, and the supply of steel available to the Philippines may be adversely affected, which in turn may affect, among other things, infrastructure development and general economic and business conditions in the Philippines, any of which could adversely affect Ayala’s business, financial condition and results of operations. Despite these issues being taken up at management meetings and regularly monitored by the Company’s State Affairs Group, there is no full assurance that Ayala will be spared from the impacts of such systemic risk.

An unstable political or social environment in the Philippines could negatively affect the general economic conditions and business environment in the Philippines and critical sectors which, in turn, could have a material and adverse impact on the Group’s business, prospects, financial position and financial performance.

There can be no assurance that the current administration will continue to implement social and economic policies that promote a favorable and stable macroeconomic and business environment. Any major deviation from the previously established policies or a fundamental change of direction, including with respect to Philippine foreign policy, may lead to an increase in political or social uncertainty and instability. Any such instability could materially and adversely affect the Company’s business, financial conditions, results of operations and prospects, reduce consumer demand or result in inconsistent or sudden changes in regulations and policies that affect the Company’s business operations, which could adversely affect the Company’s results of operations and financial condition. Cognizant of the uncertainties in both political and regulatory landscapes, these are actively discussed in management meetings and risk workshops.

Nonetheless, there is no full assurance that Ayala will be able to completely shield itself from the impacts of such systemic risk.

The operations and financial results of the Group may be influenced by major political and economic developments abroad

The current international political environment, including existing and potential changes to U.S. policies related to global trade and tariffs, have resulted in uncertainty surrounding the future state of the global economy. The growth and profitability of the Group may be influenced by these major political and economic developments, which may have a negative effect on the operations and financial results of the Group.

Since 2018, the U.S. began to increase or impose tariffs on many products, particularly from China, including, but not limited to, solar panels, steel and aluminum products, consumer electronics, medical goods, clean tech goods, and industrial chemicals. In response, the European Union, China and other affected jurisdictions have introduced tariffs on U.S. goods. An escalating trade war may have material adverse effects on the power industry and our business may be impacted by these tariffs. Any further expansion in the types or levels of tariffs implemented has the potential to negatively impact our business, financial condition and results of operations. Additionally, there is a risk that the U.S. tariffs on imports are met with tariffs on U.S. produced exports and that a broader trade conflict could ensue, which has the potential to significantly impact global trade and economic conditions. Potential costs and any attendant impact on pricing arising from these tariffs and any further expansion in the types or levels of tariffs implemented could adversely affect the Group's business, financial condition and results of operations. While there are ongoing discussions between the U.S. and China to reduce tariffs in phases, there is no certainty as to the timing and scale of the reduction in tariffs, and overall impact on global markets. U.S. President-elect, Donald Trump, who won a second term in November 2024, is proposing to increase tariffs and renegotiate trade agreements.

On February 21, 2022, Russian president Vladimir Putin announced that Russia recognizes the independence of two pro-Russian breakaway regions in eastern Ukraine. On February 22, 2022, the Russian Federation Council unanimously authorized the use of military force, and the entry of Russian soldiers into both territories. On February 24, 2022, places across Ukraine, including Kyiv, the national capital, were struck with missiles. The Ukrainian Border Guard reported attacks on posts bordering Russia and Belarus. Shortly afterwards, Russian Ground Forces entered Ukraine prompting Ukrainian President Volodymyr Zelenskyy to enact martial law and general mobilization (the "Russo-Ukrainian War"). While the Group does not expect any material impact from the ongoing Russo-Ukrainian War to its current and future businesses, the ongoing tensions may affect oil and commodity prices in the near to medium term.

On April 1, 2024, Israel launched a strike on an Iranian consulate complex in Damascus, killing senior Iranian officials and triggering the first direct Israel-Iran missile exchanges in the Islamic Republic's history. The conflict escalated sharply in June 2025, when Israel conducted major attacks on Iranian nuclear and military sites, prompting Iran to retaliate with sustained missile and drone barrages against Israeli targets. The United States subsequently joined the fighting, striking key Iranian nuclear infrastructure alongside Israel. In February 2026, the war intensified again when the U.S. and Israel launched a new large-scale offensive targeting multiple Iranian cities and military sites, provoking Iranian ballistic missile attacks on Israel and U.S. facilities across the Middle East, materially heightening geopolitical risk and potential economic disruption in the region.

Any political or economic developments of a global scale could impact prices in general and disrupt supply chains, which could in turn increase the costs of the Group. The Group continuously monitors such developments abroad and will assess any direct and indirect impact that the Russo-Ukrainian War may have on its current and future businesses. Despite these efforts, there is no assurance that Ayala will be able to adequately manage such systemic risk.

The operations and financial results of the Group may be adversely affected by heightened impacts of climate change

As a result of the increasing global surface temperatures due to climate change, droughts and catastrophic typhoons will continue to pose a threat not just in the country but globally. The 2025 World Economic Forum Global Risks Report highlights climate related risks as among the top risks to look out for both in

the next two (2) years and in the coming ten (10) years. This means that impacts of climate change such as extreme weather events are already being felt and will only intensify in the next decade. These may cause property damage and prolonged business interruption across the different operating entities. As a result, the Company may incur losses which could materially and adversely affect its business, operations and financial performance.

Any economic slowdown or deterioration in economic conditions in the Philippines may adversely affect the Group's business and operations in the Philippines

In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Philippine currency, imposition of exchange controls, debt restructuring and electricity shortages and blackouts. The Philippine Statistics Authority (PSA) has reported that the headline inflation rate rose to 2.4% in February 2026, an increase from 2.0% in January 2026, and 2.1% in January 2025.

The regional Asian financial crisis in 1997 resulted in, among others, the depreciation of the Philippine Peso, higher interest rates, slower growth and a reduction in the country's credit ratings. Since the Asian financial crisis, the country experienced a ballooning budget deficit, volatile exchange rates and a relatively weak banking sector. Likewise, the 2008 global financial crisis affected the emerging markets, including the Philippines, as global investors limited their exposure in the region to minimize risks. By the end of 2008, the PSEi was down 48%. The 2008 GDP was at 4.2% lower than the 2007 GDP print of 6.6%. The country's GDP output further deteriorated to 1.1% in 2009.

In 2020, the COVID-19 pandemic pushed the country to implement tight quarantine restrictions and constrained economic activity resulting into a 9.6% decline in GDP. However, the country subsequently exhibited signs of recovery and recorded GDP growth rates of 7.6% and 5.6% in 2022 and 2023, respectively. On July 21, 2023, President Marcos issued Proclamation No. 297 lifting the Public Health Emergency throughout the Philippines due to COVID-19, with all orders, memoranda, and issuances effective during a State of Public Health Emergency deemed no longer in effect.

Dividend Policy

Dividends declared by the Parent Company on its shares of stocks are payable in cash, in property, or in additional shares of stock. The Parent Company does not have a minimum dividend policy: the payment of dividends in the future will depend upon the earnings, cash flow and financial condition of the Company and other factors.

Pursuant to Article VII, Section 1 of the Parent Company's Amended By-laws approved by the SEC on October 14, 2020, the net profits before taxes shall be distributed as follows:

a. An amount for management bonus to be recommended by the compensation committee of the Board of Directors and approved by the Board of Directors, and
b. The balance shall be made available for distribution as dividends to stockholders.

As indicated in Ayala's Amended Articles of Incorporation approved by the SEC on June 17, 2022, the dividend rate shall be determined by the Board of Directors at the time of issuance of the shares.

For the details of the dividends declared during the year ended December 31, 2025, refer to Note 20 of Ayala's Audited Consolidated Financial Statements which form part of the Index of this Report.

SIGNIFICANT SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

AYALA LAND, INC.

Background and Business

Ayala Land, Inc. is alternately referred to as "ALI", "Ayala Land", "the Company" or "the Group" in the entire discussion of Ayala Land, Inc.

Refer to Annex C: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered of the 2025 Supplementary Schedules attached as an Index to this Report.

ALI is the real estate arm of the Ayala Group. Its defining project was the 1948 development of a planned mixed-use community on 930 hectares of swamp and grassland in the Makati district of Metro Manila. Over the course of the following 25 years, the Ayala Group transformed Makati into the premier central business district of the Philippines and a site of some of Metro Manila's most prestigious residential communities. Ayala Land has become the largest real estate company in the Philippines engaged principally in the planning, development, subdivision and marketing of large-scale communities having a mix of residential, commercial, leisure and other uses.

Ayala Land was organized on June 30, 1988 when Ayala Corporation decided to spin off its real estate division into an independent subsidiary to enhance management focus on its real estate business. ALI went public in July 1991 when its Class "B" common shares were listed both in the Manila and Makati Stock Exchanges (the predecessors of the Philippine Stock Exchange – PSE). On September 12, 1997, the Securities and Exchange Commission (SEC) approved the declassification of ALI's common class "A" and common class "B" shares into common shares.

Ayala Land is the largest in terms of revenues and land bank and the most diversified real estate conglomerate in the Philippines. It is engaged in land acquisition, planning, and development of large scale, integrated, mixed-use, and sustainable estates, industrial estates, development and sale of residential and office condominiums, house and lots, and commercial and industrial lots, development and lease of shopping centers and offices, co-working spaces, and standard factory buildings and warehouses, and the development, management, and operation of hotels and resorts and co-living spaces. ALI is also engaged in construction, property management and retail electricity supply. It also has investments in AyalaLand Logistics Holdings Corp., AREIT, Inc., Ortigas Land Corp., Avaland Berhad., and Merkado Supermarket. Ayala Land has 54 estates, is present in 57 growth centers nationwide, and has a total land bank of over 9,000 hectares at the end of 2025.

Businesses

Ayala Land's businesses are organized into several core and non-core supporting business units. Its core business units consist of property development, strategic landbank management, and leasing and hospitality. Its non-core, supporting business units include construction and property management.

Property Development

Ayala Land's Property Development comprises the Estates Group, Residential Business Group, and Avaland Berhad, Ayala Land's listed subsidiary in Malaysia.

Estates Group

The Estates Group handles the acquisition, planning, and development of large-scale, mixed-use, and sustainable estates and the development, sale, or lease of its commercial lots in its estates across the country.

Residential Business Group

The Residential Business Group handles the development and sale of residential and office condominiums and house and lots for the luxury, upscale, middle-income, affordable, and socialized housing segments, and the development and sale of commercial lots under the Premium and Core Residential Segments. The Premium Residential Segment is composed of two brands: AyalaLand Premier ("ALP") for luxury lots, residential and office condominiums and Alveo Land Corp. ("Alveo") for upscale lots, residential and office condominiums. The Core Residential Segment is composed of three brands: Avida Land Corp. ("Avida") for middle-income lots, house and lot packages, and residential and office condominiums, Amaia Land Corp. ("Amaia") for affordable house and lot packages and residential condominiums, and BellaVita Land Corp. ("BellaVita") for socialized house and lot packages.

Avaland Berhad.

Avaland Berhad. is a publicly-listed property developer in Malaysia engaged in land acquisition, planning, and development of residential condominiums for sale to the middle-income segment. Avaland has a land bank of 184 acres located in Subang Jaya, Cyberjaya, and Petaling Jaya. Ayala Land owns 66.3% of MCT Bhd.

Leasing and Hospitality

The Leasing and Hospitality Group involves the development and lease of shopping centers through Ayala Malls; offices through Ayala Land Offices; the development, management, and operation of hotels and resorts through AyalaLand Hospitality; industrial real estate facilities such as standard factory buildings and warehouses under the "ALogis" brand, cold storage facilities under the "Artico" brand; co-working spaces through the "Click Space" brand (formerly called "Clock In"); and and co-living spaces through "The CityFlats" brand.

Services

Ayala Land's services include construction, property management and retail electricity supply.

Construction of Ayala Land and third-party projects and land development are conducted through Makati Development Corporation (MDC). Property Management is done through Ayala Property Management Corporation (APMC). Retail electricity supply is done through Direct Power Services, Inc. (DPSI), and Philippine Integrated Energy Solutions, Inc. (PhilEnergy).

Strategic Investments

Ayala Land's strategic investments include AyalaLand Logistics Holdings Corp. (71.5%), AREIT, Inc. (58.5%), Avaland Bhd. (66.3%), Merkado Supermarket (50.0%), and Ortigas Land Corporation (21.0%).

Products / Business Lines (with 10% or more contribution to 2025 real estate revenues before intercompany adjustments):

Property Development	65%
Leasing and Hospitality	28%
Services	7%

Distribution of Products

ALI's residential products are distributed to a wide range of property buyers through various sales groups.

Ayala Land has its own in-house sales teams for the Premium and Core Residential Segments. Ayala Land uses a sales force of about 6,000 brokers and sales agents guided by a strict Code of Ethics. Ayala Land and its subsidiaries also tap external brokers to complement these sales groups.

Marketing to the Overseas Filipino market is handled by Ayala Land International Sales, Inc. (ALISI). Created in March 2005, ALISI leads the marketing, sales and channel development activities and marketing

initiatives of the brands abroad through project websites, permanent sales offices or broker networks, and regular roadshows with strong follow-through marketing support in key cities abroad. ALISI has marketing offices in North America, Hong Kong, Singapore, Dubai, Rome, and London. ALISI likewise assumed operations of AyalaLand Int'l. Marketing in Italy and London, in 2014.

Since 2008, all residential sales support transactions are undertaken by the shared services company Amicassa Process Solutions, Inc. ("APSI") while transactional accounting processes are handled by AyalaLand Business Solutions, Inc. ("ABSI"). Apart from supporting the residential business, ABSI also supports the entire Ayala Land Group for other finance and finance-related processes.

Development of the business of the registrant and its key operating subsidiaries/associates and joint ventures during the past three years

2025

On July 1, 2025, Ayala Land acquired the 578-room New World Hotel at the Makati CBD, expanding ALI's leasing and hospitality portfolio.

On August 20, 2025, ALI and ABS-CBN Corporation's (ABS-CBN) signed the Deeds of Absolute Sale (DOAS) upon the compliance with the conditions precedent in relation to the acquisition of a portion of ABS-CBN Corporation's (ABS-CBN) property located in Quezon City.

On December 15, 2025, ALI executed a share purchase agreement (SPA) for the sale of its 50% ownership of Alabang Commercial Center Corporation, the entity that owns and operates Alabang Town Center in Muntinlupa City, for a total consideration of ₱13.5 billion. The SPA was signed with ALI's existing joint-venture partner and is subject to customary closing conditions.

The unsolicited offer from our joint venture partner provided a premium, allowing ALI to recognize gains from the sale and monetize its stake in Alabang Town Center. Proceeds from the sale will fuel further growth in ALI's Leasing portfolio and provide its stakeholders with return of capital.

2024

On June 14, 2024, ALI entered into a share sale and purchase agreement with Aboitiz Land, Inc. (Aboitiz Land) and Aboitiz Equity Ventures Inc. (AEV) for their combined 50% equity interest in Cebu District Property Enterprise Inc. (CDPEI). This acquisition will consolidate ALI's ownership of CDPEI, the developer of Gatewalk Central estate. ALI envisions Gatewalk Central to be one of its key Cebu estates that will contribute to ALI's growing presence in the Visayas region. On November 4, 2024, ALI received the certificate of approval from the PCC in relation to ALI's proposed acquisition of the 50% equity interest of Aboitiz Land and AEV in CDPEI. Following the PCC's approval and the satisfaction of the closing conditions, Aboitiz Land, AEV, and ALI signed the Deed of Assignment of Shares to effect the transfer of shares.

On July 18, 2024, Ayala Land successfully raised ₱20 billion in debt capital through its pioneering Sustainability-Linked Financing (SLF) Program. The funding package includes a P6 billion Sustainability-Linked Bond (SL-Bond) and ₱14.5 billion Sustainability-Linked Loan (SL-Loan) from the International Finance Corporation (IFC). This initiative marks a first for the Philippine real estate sector, adhering to international guidelines and independently verified by Det Norske Veritas. On November 13, 2024, Ayala Land raised another ₱8 billion in debt capital through SL-Bonds with the Philippine Dealing and Exchange Corp.

On October 7, 2024, ALI Capital Corp., a wholly owned subsidiary of ALI, signed a SPA with Cebu Air Inc. (Cebu Pacific) to acquire 100% of AirSWIFT Transport Inc. for ₱120 million. Following the DOAS, there will be no change in AirSWIFT's flight schedules and service. A boutique airline that caters to the domestic leisure travel market, AirSWIFT operates flights from Manila and Clark to El Nido in northern Palawan, and from El Nido to other major tourist destinations in the country, including Cebu, Boracay, Coron and Bohol. To settle AirSWIFT Transport, Inc.'s debt obligation to ALI Capital Corp., Cebu Pacific, as third-party settled the ₱1.63 billion debt to ALI Capital Corp., and succeeded as AirSWIFT Transport, Inc.'s creditor. The transaction allows both organizations to focus on their respective core businesses, enhancing operational focus and efficiency.

2023

On January 12, 2023, ALI, Ayala Corporation, and Mermac, Inc. received the SEC's approval of the property-for-share swap dated December 29, 2022, involving the transfer of assets having an aggregate value of ₱17.4 billion in exchange for 311,580,000 common shares to be issued by ALI. With the receipt of the approval, the closing condition for the transaction has been met and the parties have closed the transaction. As a result of the transaction, the number of issued and outstanding common shares are now 15,706,946,537 and 15,063,408,731, respectively.

On March 7, 2023, ALI's Executive Committee approved the subscription of ALI and its subsidiaries, Ayalaland Malls, Inc. (ALMI), and Northbeacon Commercial Corporation (NBCC) to 607,559,380 primary common shares of AREIT, Inc. (AREIT), in exchange for flagship offices and malls with an aggregate value of ₱22.5 billion, as validated by a third-party fairness opinion.

On April 20, 2023, the SEC approved the merger of Avida Land, Inc. (Avida) and its subsidiaries namely, Buklod Babayan Realty and Development Corp. and Avida Sales Corp. with Avida Land, Inc. as the surviving entity, effective May 1, 2023.

On October 17, 2023, the SEC approved the merger of Ayala Land Premier, Inc. (ALP), Ayala Land Sales, Inc. (ALSI) and Ayala Club Management Inc. (ACMI) with ALP as the surviving entity.

On November 29, 2023, ALI's BOD, upon recommendation of the Related Party Transactions Review Committee, approved a property-for-share swap with AREIT for 642,129,974 primary common shares of AREIT, in exchange for flagship offices and malls, as well as hotels, with an aggregate value of ₱21.8 billion, as validated by a third-party fairness opinion. The asset infusions will be combined with AREIT's planned acquisition of a 276-hectare industrial land located in Zambales, owned by a wholly-owned subsidiary of ACEN Corporation, valued at ₱6.8 billion in exchange for 199,109,438 primary common shares of AREIT. This property-for-share swap, with a total aggregate value of ₱28.6 billion in exchange for 841,259,412 common shares, is subject to AREIT shareholders' approval at their special meeting on February 12, 2024, and pertinent regulatory bodies. ALI's BOD also approved the cash purchase by AREIT of Seda Lio in El Nido, Palawan for ₱1.2 billion.

Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (not ordinary) over the past three years

2025

On February 21, 2025, the SEC approved the merger of MDC Build Plus Inc. with Makati Development Corporation (MDC) as the surviving entity.

During the year, ALI acquired 3,600,000 shares of stocks constituting the remaining 50% of the total outstanding capital stock in Roxas Land Corporation (RLC) from the existing investor for a consideration amounting to ₱158.8 million. As a result, RLC became a wholly owned subsidiary.

On March 13, 2025, the SEC approved the articles of merger of ALI and the following subsidiaries. Based on the Articles of Merger, ALI's parent company shall issue to its subsidiaries' shareholders such number of common shares such that the subsidiaries' operations and its assets and liabilities have been absorbed by ALI effective April 1, 2025.

AyalaLand Estates Inc. (ALEI), a wholly-owned ALI subsidiary, completed acquisitions that increased its ownership in four subsidiaries. ALEI purchased the 40% non-controlling interest in Arabica Midland Holdings, Inc. (AMHI) on January 28, 2025, the 15% non-controlling interest in Torcello Holdings, Inc. (THI), 35% non-controlling interest in Erinome Holdings, Inc. (EHI), and 15% non-controlling interest in Kleysha Development Corp (KDC) on May 28, 2025, with a total consideration of ₱9.6 million, bringing the Group's ownership to 100% in AMHI, 95% in THI, 95% in EHI, and 95% in KDC respectively.

In 2025, ALI's parent company completed two sale transactions of AREIT common shares. On July 3, 2025, ALI sold 12.0 million common shares of AREIT at a transaction price of ₱40.78 per share, equivalent to ₱489.4 million. On November 26, 2025, ALI sold an additional 100.0 million common shares of AREIT

at a transaction price of ₱41.90 per share, equivalent to ₱4.2 billion. On September 25, 2025, the SEC approved the property for-share swap with Accendo Commercial Corporation (Accendo), Cagayan de Oro Gateway Corporation (CDOGC), and Central Bloc Hotel Ventures, Inc. (CBHVI), involving issuance of 505,890,177 AREIT primary common shares to Accendo, CDOGC and CBHVI, in exchange for eight (8) commercial properties with an aggregate value of ₱21.0 billion, effective July 1, 2025.

Ayalaland International Marketing Japan Co, Ltd. was incorporated on October 10, 2025. The company is wholly owned by Ayala Land International Sales Inc., a wholly owned subsidiary of ALI.

2024

On January 19, 2024, the SEC approved the merger of Northeastern Commercial Corp. (NECC) and Bay City Commercial Ventures Corp. (Bay City) with Bay City as the surviving entity.

On January 26, 2024, ALI, and its wholly-owned subsidiaries, AyalaLand Offices, Inc. and Glensworth Development, Inc. sold an aggregate of 181,000,000 common shares of AREIT at a transaction price of ₱31.10 per share, equivalent to ₱5.6 billion. On May 20, 2024, ALI, and its wholly-owned subsidiary, Westview Commercial Ventures Corp., sold an aggregate of 98,000,000 common shares of AREIT at a transaction price of ₱32.45 per share, equivalent to ₱3.2 billion. On September 20, 2024, ALI sold 75,000,000 common shares of AREIT at a transaction price of ₱36.20 per share, equivalent to ₱2.7 billion. On December 9, 2024, ALI sold 75,000,000 common shares of AREIT at a transaction price of ₱37.00 per share, equivalent to ₱2.8 billion. All these transactions were executed in relation to the property-for-share swap with AREIT and accounted as transactions involving entities under common control.

On September 26, 2024, the SEC approved the property-for share swap with ALI, Greenhaven Property Ventures, Inc. (Greenhaven), Cebu Insular Hotel Co.,Inc. (Cebu Insular), and Buendia Christiana Holdings Corp. (BCHC), involving the issuance of 841,259,412 AREIT primary common shares to ALI, Greenhaven, Cebu Insular, and BCHC, in exchange for four (4) commercial buildings located in Ayala Center Makati and Ayala Center Cebu, and a 276 hectare parcel of industrial land located in Zambales, with an aggregate value of ₱28.6 billion. In line with this, the parties have executed an Amendment to the Deed of Exchange for AREIT to recognize the income from the new assets effective July 1, 2024.

On January 31, 2024, the SEC approved the merger of BGWest Properties, Inc. (BGW), BGNorth Properties, Inc. (BGN) and BGSouth Properties, Inc. (BGS) with BGW as the surviving entity. As a result, the effective holdings of the group on BGW remains at 50% broken down into ownership of 27% by Avida, 11% by Alveo, and 12% by ALI.

On March 14, 2024 Alveo Land Corp. acquired 1,370,400 common shares and 6,589,600 preferred shares of Portico Land Corp from the remaining investor for a purchase price of ₱534.3 million. The acquisition is accounted as involving entities under common control. As a result, Portico became a wholly owned subsidiary.

On April 25, 2024 MDTK Corporation was incorporated. The company is 67% owned by Makati Development Corp. (MDC), a wholly owned subsidiary of ALI and is a partnership with Takenaka Corporation of Japan.

2023

On January 12, 2023, ALI, AC, and Mermac, Inc. received the SEC's approval of the property-for-share swap with effectivity date December 29, 2022, involving the transfer of assets having an aggregate value of ₱17.4 billion in exchange for 311,580,000 common shares to be issued by ALI. With the receipt of the approval, the closing condition for the transaction has been met and the parties have closed the transaction. As a result of the transaction, the number of issued and outstanding common shares are now 15,706,946,537 and 15,063,408,731, respectively.

On March 7, 2023, the Executive Committee of ALI, approved the subscription of ALI and its subsidiaries, Ayalaland Malls, Inc. (ALMI), and Northbeacon Commercial Corporation (NBCC) to 607,559,380 primary common shares of AREIT, Inc. (AREIT), in exchange for flagship offices and malls with an aggregate value of ₱22.5 billion, as validated by a third-party fairness opinion. The property-for-share swap was approved by the SEC on September 30, 2023.

On March 29, 2023, ALI sold 205,000,000 shares of AREIT, Inc. (AREIT) at a transaction price of ₱32.10 per share, equivalent to ₱6.6 billion.

On April 20, 2023, the SEC approved the merger of Avida Land, Inc. (Avida) and its subsidiaries namely, Buklod Babayan Realty and Development Corp. and Avida Sales Corp. with Avida Land, Inc. as the surviving entity, effective May 1, 2023.

ALI's parent company acquired additional 175,778 common shares and 139,332 preferred shares of Vesta Property Holdings, Inc. for a value of ₱31.5 million in July 2023. The acquisition involved entities under common control. As a holder of preferred shares, ALI's parent company has voting rights same as that attached to common shares.

On October 17, 2023, the SEC approved the merger of Ayala Land Premier, Inc. (ALP), Ayala Land Sales, Inc. (ALSI) and Ayala Club Management Inc. (ACMI) with ALP as the surviving entity.

On November 14, 2023, ALI's parent company purchased 7,143 common shares and 64,289 preferred shares of SITE Corp. for a total consideration of ₱203.6 million from the existing investor.

On November 29, 2023, ALI's BOD, upon recommendation of the Related Party Transactions Review Committee, approved a property-for-share swap with AREIT for 642,129,974 primary common shares of AREIT, in exchange for flagship offices and malls, as well as hotels, with an aggregate value of ₱21.8 billion, as validated by a third-party fairness opinion. The asset infusions will be combined with AREIT's planned acquisition of a 276-hectare industrial land located in Zambales, owned by a wholly-owned subsidiary of ACEN Corporation, valued at ₱6.8 billion in exchange for 199,109,438 primary common shares of AREIT. This property-for-share swap, with a total aggregate value of ₱28.6 billion in exchange for 841,259,412 common shares, is subject to AREIT shareholders' approval at their special meeting on February 12, 2024, and pertinent regulatory bodies. ALI's BOD also approved the cash purchase by AREIT of Seda Lio in El Nido, Palawan for ₱1.2 billion.

ALI's parent company, through its 50.0% effective ownership and by virtue of Development Management Agreement, exercises control over the operations and management of AKL Properties, Inc. Accordingly, the assets, liabilities, equity, and result of its operations are consolidated into the ALI Group beginning 2023. The Group reclassified the amount from investment in joint ventures to investment in subsidiaries.

Various diversification/ new product lines introduced by the company during the last three years

ALogis (Standard Factory Buildings and Warehouses)

In 2018, Ayala Land started to offer standard factory buildings (SFB) and warehouses for lease inside industrial parks to capture the growing opportunities in manufacturing and logistics. In 2020, these were consolidated under the "ALogis" brand. Ayala Land has 379,600 sq. meters of SFB and warehouse GLA across various locations such as Laguna Technopark, Cavite Technopark,ALogis Calamba in Laguna, ALogis Sto. Tomas and ALogis Naic both in Batangas, and ALogis Mabalacat and Alviera Industrial Park both in Pampanga.

Artico (Formerly called ALogis Artico)

In 2021, Ayala Land through its listed subsidiary, Ayala Land Logistics Holdings Corp. (ALLHC) made its foray into cold storage facilities with the acquisition of an existing 4,000-pallet position facility from an operator in Laguna Technopark. Initially branded as "ALogis Artico", the cold storage portfolio was expanded through development of new assets in existing ALLHC industrial parks and brownfield acquisitions. As of end 2025, the portfolio stood at 31,500 pallet positions across 7 facilities. In 2025 ALogis Artico was rebranded as "Artico".

Competition

Ayala Land is the only full-line real estate developer in the Philippines with a major presence in almost all sectors of the industry. Ayala Land believes that, at present, there is no other single property company

that has a similar presence in all sectors of the property market. Ayala Land has different competitors in each of its principal business lines.

With respect to its mall business, Ayala Land's main competitor is SM Prime Holdings, Inc. whose focus on mall operations gives it some edge over ALI in this line of business. Nevertheless, Ayala Land is able to effectively compete for tenants primarily based on its ability to attract customers – which generally depends on the quality and location of its shopping centers, mix of tenants, reputation as a developer, rental rates and other charges.

For office rental properties, Ayala Land competes both in BPO-type buildings as well as headquarter (HQ)-type offices. For BPO office buildings, Ayala Land competes with the likes of Megaworld, SM Prime and Robinsons Land while for HQ-type offices, Ayala Land sees competition with smaller developers such as Kuok Properties (developer of Enterprise Building), Robinsons Land (developer of Robinsons Summit Center) and non-traditional developers such as the AIG Group (developer of Philam Towers) and RCBC (developer of RCBC towers). Ayala Land is able to effectively compete for tenants primarily based upon the quality and location of its buildings, reputation as a building owner, and quality of support services provided by its property manager, rental and other charges.

With respect to Premium Residential segment, Ayala Land competes with developers such as Megaworld, Shang Properties, Robinsons Land, and more recently SM Prime Holdings. Ayala Land is able to effectively compete for purchasers primarily on the basis of reputation, price, reliability, and the quality and location of the community in which the relevant site is located. For the Core Vertical residential segment, Ayala Land sees the likes of SM Development Corp, Megaworld, Robinsons Land and DMCI Homes as key competitors. ALI's core brands effectively compete for buyers based on quality and location of the project. However, for the Core Horizontal residential development, key competitors include Cebu Landmasters, Century Properties, Vista Land, and 8990 Holdings.

BellaVita will continue to maintain its geographical footprint with product launches primarily located in provincial areas and competing mostly with local players.

Suppliers

Ayala Land has a broad base of suppliers, both local and foreign. Ayala Land is not dependent on one or a limited number of suppliers.

Customers

Ayala Land has a broad market base including local and foreign individual and institutional clients. Ayala Land does not have a customer that will account for twenty percent (20%) or more of its revenues.

Transactions with Related Parties

Please refer to Item 12 on Certain Relationships and Related Transactions of this Report.

Employees

Ayala Land has a total workforce of 248 regular employees as of December 31, 2025.

The breakdown of ALI's employees according to category is as follows:

Senior management	33
Middle management	184
Staff	31
Total	**248**

ALI aims that its leadership development program and other learning interventions reinforce ALI's operating principles and provide participants with tools and frameworks to help them develop skills and desired qualities of an effective leader. The programs are also venues to build positive relations and manage networks within the ALI Group.

ALI has a healthy relationship with its employees' union. Both parties openly discuss employee concerns without the necessity of activating the formal grievance procedure.

Further, employees can report fraud, violations of laws, rules and regulations, or misconduct in the organization through reporting channels under the ALI Business Integrity Program.

Government Approvals/Regulations

Ayala Land secures various government approvals such as the environmental compliance certificate, development permits, license to sell, etc. as part of the ordinary course of its business.

Risk Factors

ALI made an improvement in the overall risk rating of the Company and its subsidiaries.

All the significant risks were identified, managed and tracked periodically resulting to improvements in terms of likelihood and severity. However, Ayala Land remained vigilant in implementing its mitigation and control measures. ALI also continued to monitor external and global risks that could affect its business in the near and far-off future.

Ayala Land has developed and embedded an enterprise risk management (ERM) program into its operations, making it a fundamental part of its business discipline. This ERM program ensures that key risks are properly identified, assessed, and prioritized. It also determines the key mitigation strategies and establishes the risk ownership of various business units, including assignment of senior-level risk champions for each key risk.

The program is a multi-step iterative process that starts with each business unit performing a ground-up risk assessment led by the business unit head, who provides valuable insights and prioritizes the unit's identified risks. These assessments are consolidated by the Chief Risk Officer (CRO) and undergo a cross-functional review by the Risk Council. Composed of senior leaders from various business lines, the Risk Council provides a multi-disciplinary and holistic approach to processing risks and holds cross-functional discussions to better understand risk interdependencies and interrelationships. More importantly, the Risk Council establishes and agrees on the key risks confronting the business.

The results of the discussions are reported to senior management by the CRO to prioritize the risks and their treatment, understand the drivers of emerging risks, and agree on opportunities to be pursued. These are then summarized and presented to the ALI Board Risk Oversight Committee (BROC). To ensure risks are current and relevant, a full review of ALI's risk universe is done every three years, or as deemed necessary.

The BROC meets semi-annually, and provides input, evaluation and feedback on improving ALI's risk management process to the ALI BOD, who oversee the effective management of the ALI's strategic, operational, financial and compliance-related risks.

Notwithstanding the pandemic, Ayala Land continued to track its other key risks by conducting periodic review sessions with its strategic business units (SBUs). Listed below are the more significant risks identified from these sessions:

1. Project Execution and Timely Delivery Risk
2. Marginalization by Competitors
3. Organizational Risk
4. Financial Risk
5. Economic and Country Risk
6. Technology and Innovation Risk
7. Business Continuity Risk
8. Environmental Risks
9. Strategy Risk
10. Government and Political Risk

For more information on Ayala Land's Risk Management, please refer to the 2025 Integrated Report accessible through the link: https://ir.ayalaland.com.ph/financials/annual-reports/

Working Capital

Ayala Land finances its working capital requirements through internally-generated cash, pre-selling, joint venture agreements, borrowings and proceeds from bond issuances, and the sale of non-core assets.

Domestic and Export Sales

The table below illustrates the amounts of revenue, profitability, and identifiable assets attributable to domestic and foreign operations for the years ended December 31, 2025, 2024, 2023 (in ₱'000):

	December 2025		December 2024		December 2023	
	In ₱'000	**In %**	**In ₱'000**	**In %**	**In ₱'000**	**In %**
Revenues						
Domestic	168,579,863	95.37%	167,353,472	93.72%	139,682,111	94.97%
Foreign	8,177,847	4.63%	11,209,617	6.28%	7,394,433	5.03%
Total	**176,757,711**	**100.00%**	**178,563,089**	**100.00%**	**147,076,544**	**100.00%**
Net Operating Income						
Domestic	63,003,934	98.14%	57,192,761	96.71%	49,803,769	97.60%
Foreign	1,195,683	1.86%	1,946,520	3.29%	1,223,655	2.40%
Total	**64,199,617**	**100.00%**	**59,139,281**	**100.00%**	**51,027,425**	**100.00%**
Net Income Attributable to Equity Holders of ALI						
Domestic	39,299,206	100.46%	27,260,440	96.56%	23,835,625	97.26%
Foreign	(178,387)	-0.46%	972,112	3.44%	671,956	2.74%
Total	**39,120,819**	**100.00%**	**28,232,553**	**100.00%**	**24,507,581**	**100.00%**
Total Assets						
Domestic	954,184,611	95.67%	879,226,550	95.70%	812,461,554	95.96%
Foreign	43,179,374	4.33%	39,528,441	4.30%	34,170,927	4.04%
Total	**997,363,985**	**100.00%**	**918,754,992**	**100.00%**	**846,632,482**	**100.00%**

For further information on ALI, please refer to its 2025 Financial Reports and SEC 17-A which are available on its website www.ayalaland.com.ph.

INTEGRATED MICRO-ELECTRONICS, INC.

Background and Business

Integrated Micro-Electronics, Inc. is alternately referred to as IMI, "the Company", "the Parent Company" or "the Group" in the entire discussion of Integrated Micro-Electronics, Inc.

Refer to Annex C: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered of the 2025 Supplementary Schedules attached as an Index to this Report.

Established in 1980, IMI has grown into a global company offering core manufacturing capabilities as well as higher value competencies in design, engineering, prototyping and supply chain management. IMI is a vertically integrated EMS provider to leading global original equipment manufacturers (OEMs) across industries including computing, communications, consumer, automotive, industrial, and medical electronics segments, as well as emerging industries like renewable energy. IMI also provides power semiconductor assembly and test services.

Business Development

IMI, a stock corporation organized and registered under the laws of the Republic of the Philippines on August 8, 1980, has four wholly-owned subsidiaries, namely: IMI International (Singapore) Pte. Ltd. (IMI Singapore), IMI USA, Inc. (IMI USA), and Psi Technologies, Inc. (Psi) (collectively referred to as the IMI Group). IMI is 52.03% owned by AC Industrials, a wholly-owned subsidiary of AC, a corporation incorporated in the Republic of the Philippines and listed in the PSE.

The registered office address of the Parent Company is at North Science Avenue, Laguna Technopark-Special Economic Zone (LT-SEZ), Bo. Biñan, Biñan, Laguna.

IMI was listed by way of introduction in the PSE on January 21, 2010. It has completed its follow-on offering and listing of 215,000,000 common shares on December 5, 2014.

On March 2, 2018, IMI completed the stock rights offer and listing of 350,000,000 common shares to all eligible stockholders.

IMI is registered with the Philippine Economic Zone Authority (PEZA) as an exporter of printed circuit board assemblies (PCBA), flip chip assemblies, electronic sub-assemblies, box build products and enclosure systems. It also provides the following solutions: product design and development, test and systems development, automation, advanced manufacturing engineering, and power module assembly, among others. It serves diversified markets that include those in the automotive, industrial, medical, storage device, and consumer electronics industries, and non-electronic products (including among others, automobiles, motorcycles, solar panels) or parts, components or materials of non-electronic products, as well as to perform and provide information technology services such as but not limited to data labeling/encoding or image annotation services.

IMI Singapore is a strategic management, investment and holding entity that owns operating subsidiaries of the Group and was incorporated and domiciled in Singapore. Its wholly-owned subsidiary, Speedy-Tech Electronics Ltd. (STEL), was incorporated and domiciled also in Singapore. STEL, on its own, has subsidiaries located in Hong Kong and China. STEL and its subsidiaries (collectively referred to as the STEL Group) are principally engaged in the provision of electronic manufacturing services (EMS) and power electronics solutions to original equipment manufacturers (OEMs) in the automotive, consumer electronics, telecommunications, industrial equipment, and medical device sectors, among others. As part of the IMI Group's ongoing efforts to streamline operations and reduce costs and consolidate its footprint into strategically located facilities, the IMI Group ceased the operations of its Chengdu operations in 2024. The liquidation of the IMI Chengdu entity was completed on December 30, 2025.

In 2011, IMI, through its indirect subsidiary, Cooperatief IMI Europe U.A. (Cooperatief) acquired Integrated Micro-Electronics Bulgaria EOOD (formerly EPIQ Electronic Assembly EOOD) (IMI BG), Integrated Micro-Electronics Czech Republic s.r.o. (formerly EPIQ CZ s.r.o.) (IMI CZ) and Integrated Micro-Electronics Mexico, S.A.P.I. de C.V. (formerly EPIQ MX, S.A.P.I. de C.V.) (IMI MX) (collectively referred to as the IMI

EU/MX Subsidiaries). IMI EU/MX Subsidiaries design and produce PCBA, engage in plastic injection, embedded toolshop, supply assembled and tested systems and sub-systems which include drive and control elements for automotive equipment, household appliances, and industrial equipment, among others. IMI EU/MX Subsidiaries also provide engineering, test and system development and logistics management services.

In 2016, Cooperatief acquired a 76.01% ownership interest in VIA Optronics GmbH (VIA), a Germany-based company with operations in Germany and China and sales offices in the USA and Taiwan. VIA is a leading provider of enhanced display solutions for multiple end markets in which superior functionality or durability is a critical differentiating factor. The acquisition allows the IMI Group to strengthen its partnerships with customers by offering complementary automotive camera and display monitor solutions for advanced driver assistance systems. The IMI Group together with VIA enables the scale to introduce patented technology into automotive camera monitor systems for increased safety.

In 2018, VIA acquired 65% ownership interest in VTS-Touchsensor Co., Ltd. (VTS), a Japanese entity that develops and manufactures metal mesh touch sensor technologies and electrode base film.

In 2019, VIA formed VIA Optronics AG (VIA AG) by way of a contribution in kind against issuance of new shares making VIA AG the sole shareholder of VIA Optronics GmbH. The contribution in kind and resulting re-organization was recognized as a business combination under common control. As a result of this contribution, VIA AG became the holding company for the VIA Group. In the same year, VIA Optronics (Taiwan) Ltd was also founded as a new subsidiary with the purpose of conducting sales activities.

In 2020, VIA AG raised some proceeds through an initial public offering and was listed on the New York Stock Exchange under the ticker symbol “VIAO”. As a result of the initial public offering, IMI’s ownership interest in VIA was diluted from 76.01% to 50.32%. On April 9, 2024, VIA announced its intention to voluntarily delist its American Depository Shares (“ADSs”) from the New York Stock Exchange (“NYSE”) and terminate its registration with the U.S. Securities and Exchange Commission (“US SEC”). On July 29, 2024, the delisting from the NYSE and deregistration of its ADS by the SEC was completed.

In 2021, VIA Optronics GmbH (“VIA”) announced the acquisition of Germaneers GmbH (“Germaneers), a high-tech engineering company focusing on automotive system integration and user interfaces. VIA also formed a strategic partnership with SigmaSense, a global leader in touch sensing performance. As part of the strategic partnership, VIA has made a financial investment into SigmaSense and expanded their collaboration to develop new touch solutions for automotive applications, industrial displays and consumer electronics. In December 2021, VIA incorporated a new entity in the Philippines, VIA Optronics (Philippines), Inc. (“VIA Philippines”), to provide customized and platform camera solutions, from design and development to process testing and quality control. VIA Philippines was incorporated to facilitate the integration of a camera design and development team that was previously a part of IMI. VIA Group was sold to a third party in 2025.

In 2018, the IMI Group opened a manufacturing site in Niš, Republic of Serbia in line with the IMI’s strategy to strengthen its global footprint and support the growing market for automotive components in the European region.

In 2017, IMI, through its indirect subsidiary Integrated Micro-Electronics UK Limited (IMI UK), acquired an 80% stake in Surface Technology International Enterprises Limited (STI), an EMS company based in the United Kingdom (UK). STI has factories in the UK and Cebu, Philippines. STI provides electronics design and manufacturing solutions in both PCBA and full box-build manufacturing for high-reliability industries. The acquisition of STI strengthens the Group’s industrial and automotive manufacturing competencies, broadens its customer base, and also provides access to the UK market. Further, the partnership allows the IMI Group’s entry into the aerospace, security and defense sectors. STI was sold to a third party in 2023.

IMI USA acts as direct support to the Group’s customers by providing program management, customer service, engineering development and prototype manufacturing services to customers, especially for processes using direct die attach to various electronics substrates. It specializes in prototyping low to medium PCBA and sub-assembly and is at the forefront of technology with regard to precision assembly capabilities including, but not limited to, surface mount technology (SMT), chip on flex, chip on board and flip chip on flex. IMI USA is also engaged in advanced manufacturing process development, engineering

development, prototype manufacturing and small precision assemblies. In October 2024, IMI entered into a Strategic Alliance/Referral Agreement with XLR8 EMS, LLC and Concisys, LLC., which are California-based firms engaged in prototyping and low volume EMS service. Under the agreement, IMI will channel or refer prototyping and low volume EMS services needs of selected customers to XLR8 and Concisys, while XLR8 and Concisys will refer IMI to their customers for volume production services. Consequently, IMI USA ceased its prototyping and manufacturing operations in December 2024, with production functions to be transitioned to IMI facilities across North America, Europe, and Asia.

IMI Japan was registered and is domiciled in Japan to serve as IMI's front-end design and product development and sales support center. IMI Japan was established to attract more Japanese OEMs to outsource their product development to IMI. In 2024, with a move to better align support costs with current business needs, IMI closed its sales office in Japan and entity was liquidated in March 2025. IMI's extensive sales team, strategically positioned across various regions, will continue to address opportunities in Japan, eliminating the need for a physical office and reducing overhead costs.

PSi is a power semiconductor assembly and test services company serving niche markets in the global power semiconductor market. PSi provides comprehensive package design, assembly and test services for power semiconductors used in various electronic devices. In 2021, the principal office of PSi was changed to North Science Avenue, Laguna Technopark – Special Economic Zone (LTSEZ), Bo. Biñan, Biñan, Laguna following the transfer of its manufacturing operations inside the IMI premises. PSi remains to be a separate legal entity.

Principal Products, Services and Market Segments

Mobility and Automotive Cameras

IMI offers diversified solutions across safety, ADAS, electric vehicles, infotainment, body electronics, powertrain and camera applications. The development of advanced automotive electronics (such as driver assistance, AI safety systems and camera-enabled vehicle monitoring and tracking) continues to propel adoption of the "connected car" and new sophisticated hardware components. Auto-driving and self-parking solutions integrate sensing and actuator robot systems, requiring replacement of legacy systems and driving new business opportunities.

Example programs include:

- Automotive cameras, controls and sensors, HALP adaptive lighting;
- Body control, opening systems; and
- Electric power steering.

The significant investments we made in our automotive camera and lighting systems HALP technology in 2024 and 2025 will be paying dividends in 2026 and beyond. IMI brings deep technical expertise, strong customer confidence, and a proven track record of zero-defect manufacturing to these fast-growing segments. Over the past year, IMI has advanced its commitment to grow these businesses. IMI has refined its engineering skills, improved its process technologies, and solidified its collaboration with leading original equipment manufacturers (OEMs) and Tier 1 suppliers. These focused initiatives have positioned IMI to capture immediate share and support our return to growth in 2026.

While these developments reinforce IMI's long-term momentum, it has also remained mindful of near-term industry conditions. IMI recognized softness in the global automotive market, particularly in Europe. Industry players have noted slower EV adoption, with greatly reduced production schedules, and cautious order behavior from several major OEMs. This environment has affected demand for some of IMI's EV focused programs and contributed to a slight decrease in its core revenues, which ended the year at US$911M, a 7% decrease from 2024. These market conditions underscore the importance of rebalancing IMI's automotive portfolio toward applications that are not dependent on any specific drivetrain technology, including active safety applications (cameras, LIDAR and RADAR), mechatronics for windows, doors, seats, mirrors, and advanced lighting solutions both inside and outside the vehicle.

Industrial and Others

Beyond automotive, IMI has intensified its efforts to expand its industrial revenue by pursuing new, distinct growth vectors. IMI is growing its core EMS and box-build business deeper into industrial markets,

especially security and access control, data center infrastructure, smart city, smart sensors and controls, shipment tracking, and medical devices where customers value IMI's strengths in high-quality, high reliability manufacturing, on time delivery and quick time to market.

Connectivity

IMI offers electronics-intensive solutions across data center, smart grid, robots, HVAC, LEDs, building automation and numerous other applications. Market demand is being driven by rapid innovation across smart technologies, energy solutions, data center applications, power storage and industrial interoperability. Test, measure and process control solutions at scale will continue to be a key need due to the impact on efficiency, cost reduction and time-to-market.

Example programs include:

- Biometrics readers and access control
- Barcode scanners and door security
- C3 systems (IoT, Remote Surveillance, Asset Tracking)

Data Center

Data center market is a key growth area for IMI and has intensified its focus on serving data center programs to benefit from increasing demand driven by market adoption of next generation technologies and data center products where demand is increasing due to digitalization and cloud build-outs. Power delivery, cooling efficiency and reliable electronics are critical components of scaling data center infrastructure to meet exceeding demand. IMI has successfully applied its strengths in mission-critical and complex EMS as well as system integration to deliver solutions aligned with the stringent performance, uptime and energy efficiency requirements of data center environments.

Example programs include:

- Electronic control modules for liquid cooling systems
- Box-build power rack components
- Power and thermal management systems

Medical

IMI offers diverse solutions across test equipment, imaging, monitoring, surgical equipment, ventilation machines and other applications, enabling customers to meet the demand for lead-edge technology. Growing popularity of home healthcare products (e.g., personal tracking, home testing and low-cost diagnostics) due to cost-efficiency. Emergence of IoT in remote monitoring and emergency notification systems as a growing numbers of patients demand real-time access to their health data.

Example programs include:

- Patient monitoring, ultrasound and EKG equipment
- Medical diagnostic equipment
- Hearing aids
- X-ray components

Power Business

IMI's Power Device package platforms in Discrete and Power modules are optimized to enable a wide range of applications meeting market demands from automotive, industrial, renewable energy systems and AI data center.

IMI's Power module division offers customers targeted open package platforms with reduced tooling investment. IMI caters for complete development service for electrical design (simulation to prototyping), material selection and DV / PV testing (power module level). IMI's experience and knowledge in different interconnect technologies: die top side (wire, ribbon, AL, Cu, Al / Cu-clad, clip) and bottom side (solder and sintering), decades of experience in assembly of traditional dies (IGBT, MOSFET), and growing experience in new generation dies (SiC, GaN) are among our key competitive strengths. IMI's spectrum of capabilities from design and development through mass production accelerates time-to-market for its customers' new products.

Example programs include:

- Power supply, switching and control, renewable energy management
- DC fast charging / solar inverters / battery storage

IMI's high performance industry standard and customized power module footprints include innovative packaging capable to accommodate high voltage up to 2.3kV at various current ratings from 200A to 900A. IMI offers advanced process technologies including SiC wafer dicing, silver sintering, heavy aluminum and copper wirebonding, ultrasonic welding interconnects and pre-applied TIM for easy integration.

IMIs experienced engineering team delivers end-to-end OSAT services from design, virtual simulation, NPI, design verification, test and product validation services that meet automotive standards for all power products.

IMI has demonstrated its capability to full turnkey Si top cool DBC baseplate-less transfer molded and SiC pin-fin baseplate package platforms to electric vehicle manufacturers. IMI's own designed plastic enclosure for high voltage and high current package platform is a cost-effective solution for industrial application.

IMI is scaling its power module packaging business in partnership with leading semiconductor and power integrated circuit (IC) manufacturers whose products are designed into data centers, uninterruptible power supply (UPS) systems, telecom infrastructure, and industrial electrification applications. IMI is responding by investing in engineering, process capabilities, and state of the art equipment to be a global leader in the delivery of these higher-performance power module products.

Other Vertically Integrated Capabilities

New Product Introduction (NPI)

IMI's structured NPI process enables early involvement in manufacturing, ensuring a seamless transition from development to high-volume production. This approach guarantees that products meet stringent quality standards, are manufacturable at scale, and align with customer expectations.

Test and Systems Development (TSD)

IMI's TSD group is a full-spectrum provider of advanced test solutions, serving industries such as automotive, industrial, medical, and power electronics. With its in-house development capabilities, seamless automation integration, and global engineering support, IMI empowers EMS clients with fast, flexible, and reliable testing systems.

IMI guarantees customized test solutions of high quality and reliability in your products.

Robotic automation processes in many of IMI's production facilities are implemented in various test platforms while sharing common software and hardware architectures.

Collaboration among IMI's various TSD teams from different regions ensures continuous innovations in complex tester projects.

- Design for Testability
- Parallel test solutions
- Test coverage analysis & improvement
- Rapid turnkey hardware design and fabrication
- Flexible test platforms for product ECNs
- SW revisions
- Hardware field upgrades
- Test process and hardware documentation
- Training and 24x7 manufacturing

IMI treats testing not as a strategic engineering discipline rather than a final checkpoint. IMI's TSD team designs custom, fully automated test platforms in parallel with product development, accelerating time-to-market and ensuring zero-defect performance for high-reliability standards applications.

Analytical Testing and Calibration (ATC)

As one of the Philippines' premier test service providers, IMI's ATC laboratory demonstrates its commitment to excellence by continuously improving and expanding its range of testing capabilities.

The ATC laboratory, an ISO 17025 Accredited Test Service provider, specializes in a wide range of services including reliability testing, failure analysis, and calibration for critical industries: automotive, industrial, power electronics, aerospace, defense & security, communication, and medical. Equipped with advanced instrumentation and guided by specialized expertise, IMI's method development team applies protocols like ISO, VDA, AECQ, Military, and JEDEC to provide innovative test plans and accurate analysis, committed to long-term client partnerships as a global manufacturing solutions provider.

Precision Machining and Plastics Capabilities

Partnering with prominent customers worldwide, IMI designs and molds custom plastic parts and assemblies that enhance end products, reduces overall part and production costs and streamline assembly and manufacturing processes.

IMI delivers advanced plastic injection molding and over-molding solutions, producing high-tonnage automotive parts and specialized housings in-house. This enables seamless box-build integration and ensures optimal fit, finish, and structural integrity for electronic assemblies.

IMI expanded precision machining into a full-spectrum mechanical business unit, offering high-performance Computer Numerical Control (CNC) milling, turning, and fabrication. This capability supports rapid prototyping and production of complex mechanical components, such as fixtures, jigs, and machine parts, that are perfectly calibrated to the electronics they support.

IMI has plastic manufacturing factories in Asia, Europe, and North America making box-built capabilities accessible to our customers from anywhere in the world. With more than 60 injection machines ranging from 50T to 1800T, IMI transforms engineering and commodity thermoplastics for its customers in the automotive, consumer and industrial markets.

As a leading outsource manufacturing company, IMI's global plastic manufacturing group maintains high standards in plastic molding development and manufacturing. In collaboration with the Automation and Test & Systems Development groups, IMI's precision machining and plastics capabilities group provides solutions that include robotized handlers and testers. It also has a highly dependable network of engineers, designers and machines that is unmatched.

Product Capabilities

Automotive & E-Mobility

- ECU Testers: Fully automated for steering column units
- Powertrain PCBA Testers: Inverter, CAN, IGBT, MCU programming
- Window Lifter Testers: Robotic automation, LIN bus communication
- Oil Pump Testers: High-current, carousel-based systems
- Run-in Chambers: High-capacity, temperature-controlled testing

Optics & ADAS

- Camera Focus & Alignment: 6-axis active alignment, UV curing
- Intrinsic Calibration: Automated optical parameter recording
- Straylight Testing: Lens defect screening
- End-of-Line Testers: Sharpness, FOV, color accuracy

Lighting & Electronics

- LED Flex Circuit Testers: Luminosity, wavelength, current
- Integrated Backend Systems: ICT, FCT, barcode, robotics
- AOI for LCD Modules: Dual-bay, brightness/contrast adjustment

Power Semiconductors

- IGBT & SiC Testers: Static/dynamic tests, high voltage/current
- MOSFET Testers: Configurable for automation, high precision
- Reliability Testers: Life endurance, thermal cycling, bias stress

Industrial & IoT

- Wireless Luminaire Controllers: ZigBee, DALI, GSM testing
- Ultrasonic Applications: Multi-board FCTs
- Radiation Dosimeters: Bluetooth, SPI, Wi-Fi testing
- Security Devices: 3-in-1 testers, mechanical & electrical tests

Medical

- CPAP Ventilator Testers: Manual, guided testing with data logging
- Dental PCBAs: Interchangeable fixtures, IR sensor, LED inspection

Other Capabilities and Services

Test and Systems Development

Prototyping and Manufacturing

- Quick-Turn Prototyping: Lead time of 1 week for SMT and 2 weeks for backend line
- Standard SMT Line: Lead time of 2 weeks
- Standard Backend Line: Lead time of 6 weeks

Design for Manufacturability (DFM)

- Software Tools: Vayo DFM Expert, Vayo CLM, Vayo Stencil Designer, Draftsight, LibreCAD, GC-Prevue, ViewMate Pro
- PCB Fabrication Review: Signal layer checks, drill and route checks
- PCB and Mechanical Assembly Review: Component spacing, SMD land pattern checks
- Stencil Design: Solder paste printing, adhesive printing, BGA ball attach, etc.
- Panel Design: Different circuit arrangements, step-and-repeat, combo panels, multi-board designs

Tooling and Design Capabilities

- Tooling Design Engineers: Expertise in CAD/CAM, trim, form, singulation processes, material selection, mold design, and automation design
- Production Jigs & Fixtures: Various holders, racks, carriers/pallets, cleaning fixtures, wire wrapping fixtures, semi-auto attachment jigs, curing jigs. soldering jigs, precision design, prototype design, sheet metal design
- Machine Design: UV curing chambers, cleaning chambers, test fixtures
- Dimensional Drawing Generation: 2D and 3D file generation, Bill of Material (BOM) generation

Tools and Equipment

- Jet Dispense: Stencil-free solder paste jet printing
- Solder Paste Inspection (SPI): Automated inspection of solder paste deposit
- Mounter: Auto Pick and Place with various capabilities
- Reflow Oven: Flexible thermal profile

- AOI (2D and 3D): Offline inspection with a 6-phase lighting system
- PCBA Clean: Batch-type cleaning
- Visual Inspection: Manual inspection with magnification
- X-Ray: Offline oblique inspection
- Flying Probe Tester: Various power supplies and testing equipment. No need for fixtures

Segment Information

Management monitors operating results per geographical area for the purpose of making decisions about resource allocation and performance assessment. It evaluates the segment performance based on gross revenue, interest income and expense and net income before and after tax of its major manufacturing sites. IMI and PSi are combined under the Philippine segment, STEL Group is categorized under the China segment, IMI BG, IMI CZ and IMI Serbia are combined under Europe based on the industry segment and customers served, IMI Mexico is presented under the Mexico segment, VIA under Germany segment, IMI USA, IMI Japan, IMI UK and IMI Singapore are combined being the holding and support facilities for strategic management, research and development, engineering development and sales and marketing.

Prior period information is consistent with the current year basis of segmentation.

IMI and its subsidiaries generally account for inter-segment revenue and transfers as if the revenue and transfers were to third parties at current market prices. These transactions are accounted for in accordance with PFRS Accounting Standards.

Intersegment revenues, cost of sales, and operating expenses are eliminated on consolidation.

The amount of segment assets and liabilities are based on measurement principles that are similar with those used in measuring assets and liabilities in IMI's consolidated statement of financial position which is in accordance with PFRS Accounting Standards.

Revenue Contribution by Industry Segment (in US$)

	2025	2024	2023
Automotive	$643,398,685	$750,049,973	$800,268,154
Industrial	294,968,643	273,984,151	390,166,599
Consumer	19,317,247	32,474,716	33,872,523
Medical	22,825,889	22,237,892	23,204,347
Telecommunication	2,375,108	7,670,651	30,321,101
Aerospace/defense	–	–	36,165,083
Multiple market/others	13,417,093	12,275,269	13,215,125
	$996,302,665	**$1,098,692,652**	**$1,327,212,932**

Revenue Contribution by Customer Nationality (in US$)

	2025	2024	2023
Europe	$731,087,136	$802,970,863	$921,631,187
America	107,170,463	114,236,905	182,120,031
Japan	56,763,740	62,158,240	57,307,924
Rest of Asia/Others	101,281,326	119,326,644	166,153,790
	$996,302,665	**$1,098,692,652**	**$1,327,212,932**

Foreign Subsidiaries' Contribution

	2025		2024		2023	
	Revenue	Net Income*	Revenue	Net Income*	Revenue	Net Income*
Foreign Subsidiaries:						
China/SG	17%	21%	19%	N/A	20%	N/A
Europe/UK	45%	111%	48%	N/A	49%	N/A
Mexico	13%	(65%)	12%	N/A	12%	N/A
Total	**75%**	**67%**	**79%**	**Net Loss**	**81%**	**Net Loss**

**Attributable to equity holders of the IMI Parent Company*

Revenues are attributed to countries on the basis of the customer's location. The current top customer which is under the automotive segment accounts for 31.00% ($308.89 million), 14.76% ($163.05 million), 12.33% ($163.64 million) of the Group's total revenue in 2025, 2024 and 2023, respectively.

Sales and Distribution

IMI's global presence allows it to provide solutions to OEMs thru its Tier 1 customers catering to regional and international markets. IMI's unique global footprint significantly contributes to the differentiated value proposition that it offers to its customers, further driving incremental growth with existing customers as well as attracting new customers.

- Philippines: offers a low-cost manufacturing option with an improved cost structure through low labor and tariff export advantages; in addition, PH capitalized its competencies in camera and power module manufacturing
- Mexico: provides an opportunity for North American customers to onshore manufacturing
- Europe: provides European automotive OEMs close proximity to the manufacturing operation
- China: meets Chinese domestic demand (100% of IMI's revenue with Chinese-domiciled customers is generated out of its China sites)

IMI's sales teams serve as a channel of communication to its customers. They operate as business people who understand cost structures, margin drivers, and the competitive pressure our customers face. They challenge IMI's customers constructively – introducing alternative material and component options, embedding design-for-manufacturing principles early in product development, and consistently seeking ways to enhance cost competitiveness in the marketplace. They also collaborate directly with IMI sites to ensure every quote reflects true cost, sustainable margins, and a compelling value proposition for both IMI and its customers.

IMI's global sales teams have boosted their efforts to ensure a strong rebound for the company. New project wins in 2025 reached US$138 million of annual revenue potential (ARP).

Mergers and Acquisition

IMI did not enter into any merger and acquisition in the last three years.

Competition

IMI has established an extensive global manufacturing network that enables the company to effectively serve blue-chip customers in key world markets. The company positions itself as a technology leader in critical and high-growth segments such as camera vision, power modules, sensors, and connectivity, supported by advanced capabilities in design engineering, manufacturing process innovation, and bare die assembly.

In addition to these core strengths, IMI has continued to invest in precision machining and plastic injection capabilities, which were further strengthened through focused capital allocation and operational enhancements in recent years. These improved competencies support IMI's ability to manufacture complex, high-reliability components required by automotive, industrial, and power electronics customers.

These leading-edge capabilities enable IMI to support advanced-technology products in markets characterized by long product life cycles, including automotive, industrial, communications, medical, and power electronics. IMI also maintains a strong reputation for quality, reliability, and customer trust, reinforcing its standing as a preferred partner in the global electronics manufacturing solutions sector.

IMI's 2025 performance was influenced by its competitive standing in the global Electronics Manufacturing Services (EMS) industry, as well as ongoing structural changes across the global electronics supply chain. After two years of strategic restructuring, IMI achieved a return to profitability in 2025, driven by improved margins, greater operational efficiency, and a significantly strengthened balance sheet. These gains were further supported by streamlined operations, facility consolidations, and the divestment of non-core assets, including VIA Optronics.

Despite this progress, IMI operates in an increasingly competitive EMS landscape. Global EMS players are pivoting toward regionalized production, AI-driven manufacturing, and higher-value offerings such as original design manufacturing (ODM) and hardware platform solutions – a shift that intensifies competitive pressures across product design, service quality, pricing, and delivery lead times. Industry leaders like Celestica and Foxconn Industrial Internet (FII) are moving aggressively up the value chain, leveraging embedded design capabilities and investing heavily in advanced technologies, which raises the innovation bar for all EMS firms.

At the same time, the broader electronics supply chain remains volatile. T he EMS sector continues to face geopolitical tensions, trade policy shifts, and raw material and semiconductor supply constraints. Disruptions range from ongoing global semiconductor shortages to regional manufacturing realignments driven by new trade barriers, export controls, and national industrial policies. Lead times for critical components have extended by 20–30% in some segments, while events like the Nexperia supply chain fracture have introduced new pricing and availability uncertainties, particularly affecting automotive electronics – a key market for IMI.

In response, EMS providers worldwide are adopting smarter globalization strategies, including diversified sourcing, digitalized supply chain systems, predictive analytics, and increased nearshoring to Southeast Asia and Europe. These trends influence IMI's market environment and highlight the importance of operational agility, supply chain resilience, and sustained investment in technology and process optimization.

Overall, while the EMS industry remains highly competitive and exposed to global supply chain disruptions, IMI's recent operational improvements and strategic restructuring have strengthened its ability to navigate these ongoing challenges.

IMI's performance is influenced not only by its own ability to compete, but also by the competitive landscape in the global Electronics Manufacturing Services (EMS) industry and the ongoing disruptions affecting the global electronics supply chain. Although EMS companies generally diversify their offerings and rarely engage in identical business activities, the industry remains highly competitive. Key competitive factors that shape market dynamics include product and service quality, pricing, breadth of capabilities, and the ability to deliver on time.

IMI's success is further tied to the competitiveness of its customers in their respective markets. As IMI manufactures products for various global brands, its performance is directly affected by the ability of these customers to sustain market share, innovate, and maintain demand for the products it builds on their behalf.

Competition within the EMS industry typically occurs on two fronts:

- Price competitiveness
- Robustness of total solution, which encompasses service quality, cost efficiency, technology capabilities, specialized competencies, and end-to-end support.

IMI competes globally with EMS providers and Original Design Manufacturers (ODMs). Among its key competitors are Flex, Plexus, SIIX, and Kimball Electronics.

Flex posted strong fiscal year 2025 results, underscoring its continued position as one of the largest and most competitive EMS providers in the world. For the fiscal year ended March 31, 2025, the company generated US$25.8 billion in annual revenue, reflecting resilient performance across its diversified global operations despite a slight year-over-year decline. This financial strength reinforces Flex's ability to compete aggressively across consumer, industrial, communications, and automotive markets, given its vertical integration, global reach, and continual efficiency improvements.

Plexus also reported solid performance for fiscal year 2025, concluding its year on September 27, 2025 with annual revenues of US$4.033 billion. Its ability to maintain disciplined cost management, deliver strong program wins, and generate competitive returns – as evidenced by a 14.6% ROIC – demonstrates its strong positioning in medical, industrial, aerospace, and defense sectors.

Kimball Electronics experienced a more challenging year relative to Flex and Plexus, but still delivered results that exceeded expectations in several areas. For the fiscal year ended June 30, 2025, Kimball reported annual revenue of US$1.487 billion, a decline from the previous year's US$1.715 billion, reflecting

softening demand in some segments. Kimball posted FY2025 net income of US$17.0 million, down from the prior year but still reflective of solid execution during a difficult operating environment. The company continues to build strength in the medical sector and improve operational efficiencies, which contributed to better margins and positive operating cash flow.

SIIX's 2025 results show that although revenue fell by 4.2% due to softer market demand, the company improved operational efficiency enough to raise operating profit by 3.4% and generate strong cash flow of US$176.7 million. From these indicators, the most reasonable, evidence-aligned is that SIIX improved efficiency through better cost control, tighter working-capital management, and enhanced internal operations, allowing it to increase operating profit and cash flow even in a declining-revenue environment.

Principal Suppliers

IMI's supplier base is extremely diversified in terms of spend and geography, providing it further flexibility across it supply chain. IMI's top 10 suppliers in 2025 comprise about 31% of global purchases. No supplier represents more than 5% of total spend. In 2025, direct material spend comprise 49% active components, 14% passive components, 13% electro-mechanicals, 13% mechanicals, and 11% PCBs.

Purchases from suppliers generally comprise of electronic components processed by its facilities. IMI strives to manage the quality of the products supplied to ensure strict adherence to quality standards and only purchase from suppliers whose product meets all applicable health and safety standards.

Throughout the year, IMI endeavored to make its supply chain more resilient without sacrificing competitiveness. It has mapped the full extent of its supply network and identified both direct and indirect sources. IMI addresses the vulnerabilities by rallying its suppliers and stockpiling essential materials. It also analyzes how it would recover from a disruption.

Transactions with Related Parties

Please refer to Item 12 on Certain Relationships and Related Transactions of this Report.

Intellectual Property

The table below summarizes the intellectual properties registered with the Patent and Trademark Offices in the United States, Europe, and Asia:

Existing / Pending Patents	Descriptions	Filing Date	Publication Date	Expiration Date
United States Patent (US) 9839142 B2	Vacuum Pallet Reflow, a soldering device and method of soldering enabling vacuum reflow while using a standard reflow oven conveyor. **Also published as:** KR101984064B1 (May 2019) RS61026B1 (In Process) WO2012149284A1 (In Process) JP2014515887A (In Process) EP2701871B1 (June 2020) JP6284571B2 (February 2018)	April 2012	December 2017	2032
United States Patent (SG) 7787265 B2	A dual switch forward power converter, and a method of operating the same, employs a self- coupled driver to achieve among other advantages higher efficiency, lower part count and component cost.	February 2007	August 2010	2027
United States Patent (PH) 11086092 B2	Camera Lens Heater, a heating assembly having an annular - shaped heating element	May 2019	August 2021	2039

Existing / Pending Patents	Descriptions	Filing Date	Publication Date	Expiration Date
	disposed on the second surface of the objective lens.			
China National Intellectual Property Administration (SZ) CN114226110B	An electronic component processing equipment with testing function and its usage method	December 2021	December 2022	2041
China National Intellectual Property Administration (SZ) CN113829265B	Clamping device for electronic material research and development	October 2021	December 2022	2041
China National Intellectual Property Administration (JX) CN116400666B	Test framework of RTH base on LabView	March 2023	February 2024	2043
China National Intellectual Property Administration (JX) CN117907675B	High Precision Voltage & Current acquisition device	March 2024	July 2024	2044
China National Intellectual Property Administration (JX) CN111123897B	Rapid ECU test equipment	January 2020	March 2023	2040
China National Intellectual Property Administration (JX) CN111123898B	Rapid test equipment for EV car	January 2020	February 2023	2040
China National Intellectual Property Administration (JX) CN114954598B	Automated carousel equipment with rapid feeding cart	June 2022	April 2023	2042
China National Intellectual Property Administration (JX) CN112630132B	Batch burn-in test equipment for car LED strip	December 2020	August 2022	2040
China National Intellectual Property Administration (JX) CN114475470B	Multi-directional mounting pallet for automotive ECU assembly and testing	January 2022	July 2023	2042
China National Intellectual Property Administration (JX) CN115825618B	Dedicated carousel test equipment for automotive ECU	November 2022	June 2023	2042

Existing / Pending Patents	Descriptions	Filing Date	Publication Date	Expiration Date
China National Intellectual Property Administration (SZ) CN119805166B	A reliability testing device and testing method for integrated circuits	January 2025	November 2025	2045
China National Intellectual Property Administration (SZ) CN110444124B	A display device that can reduce the difference in seam and display screen brightness	September 2019	December 2024	2039
World Intellectual Property Organization PCT (US) WO 2013/028616 A3	A flip chip video camera mounted on a flexible substrate with glass stiffener **Also published as:** JP2014527722A (In Process)	August 2012		In Process

Government Regulations and Approvals

IMI complies with all existing government regulations applicable to the company and secures all government approvals for its registered activities. Currently, there are no known probable governmental regulations that may significantly affect the business of IMI.

IMI is subject to various national and local environmental laws and regulations in the areas where it operates, including those governing the use, storage, discharge, and disposal of hazardous substances in the ordinary course of its manufacturing processes. If more stringent compliance or cleanup standards under environmental laws or regulations are imposed, or the results of future testing and analyses at IMI's manufacturing plants indicate that it is responsible for the release of hazardous substances, IMI may be exposed to liability. Further, additional environmental matters may arise in the future at sites where no problem is currently known or at sites that IMI may acquire in the future.

IMI closely coordinates with various government agencies and customers to comply with existing regulations and continuously looks for ways to improve its environmental and safety standards.

Below is the detailed enumeration of its permits and licenses together with its pertinent details:

License/Permit Name	Regulatory Body
SEC Certificate of Registration	Securities and Exchange Commission
PEZA Certificate of Registration - Export Enterprise	Philippine Economic Zone Authority
PEZA Certificate of Registration – Motorcycle Engine Assembly	Philippine Economic Zone Authority
PEZA Certificate of Registration - Facilities Enterprise	Philippine Economic Zone Authority
PEZA Certificate of Registration –High Power Electric Motorcycle Assembly	Philippine Economic Zone Authority
PEZA Certificate of Registration – Battery Cell Block Assembly	Philippine Economic Zone Authority
PEZA Certificate of Registration – Electric Motorcycle Assembly	Philippine Economic Zone Authority
BIR Form 2303 - Certificate of Registration	Bureau of Internal Revenue

License/Permit Name	Regulatory Body
Permit to Use Computerized Accounting System	Bureau of Internal Revenue
Permit to Use Loose-leaf Invoices	Bureau of Internal Revenue
Authority to Print Invoices	Bureau of Internal Revenue 1. Sales Invoice; Official Receipt (back up invoices during system downtime 2. Billing Invoice; Collection Receipt (back up invoices during system downtime)
Business Permit	City of Biñan
Environmental Compliance Certificate	Department of Environment and Natural Resources
Laguna Lake Development Authority Discharge Permit	Laguna Lake Development Authority
Permit to Operate - Emission Source Installation	Department of Environment and Natural Resources
CG	
SSCG	
Philippine Drug Enforcement Agency Permit	Philippine Drug Enforcement Agency
License to Operate and X-Ray Facility	Department of Health - Food and Drug Administration
License to Handle Controlled Precursors & Essential Chemicals	Philippine Drug Enforcement Agency
License-to-Possess Explosives (Nitric Acid)	Philippine National Police
CG	
SSCG	
Radioactive Material License	Philippine Nuclear Research Institute
Fire Safety Inspection Certificate	Bureau of Fire Protection

License/Permit Name	Location	Integrated Micro-Electronics, Inc.		
		License/Permit No.	Issue Date	Expiry Date
1. SEC Certificate of Registration		94419	08/08/1980	
2. PEZA Certificates & Permits				
PEZA Certificate of Registration - Export and IT Enterprise	Laguna	94-59 (Amended)	12/15/2022	
PEZA Certificate of Registration – Motorcycle Engine Assembly	Laguna	2022-00058-PEZA-EX-C29-1	07/18/2022	
PEZA Certificate of Registration – High Power Electric Motorcycle Assembly	Laguna	2023-00061-PEZA-EX-C29-2-A1	07/08/2024	
PEZA Certificate of Registration – Battery Cell Block Assembly	Laguna	2023-00062-PEZA-EX-C29-3	03/20/2023	

License/Permit Name	Location	Integrated Micro-Electronics, Inc.		
		License/Permit No.	Issue Date	Expiry Date
PEZA Certificate of Registration – Electric Motorcycle Assembly	Laguna	2024-00089-PEZA-EX-C27-4	06/11/2024	
PEZA Certificate of Registration – Facilities Enterprise	Laguna	11-19-F	11/29/2011	
PEZA Permit to Operate – Annual Inspection	Laguna	Site 1: R-052825-L-06-AI Site 2:R-052825-L-05-AI	Site 1:May 28, 2025 Site 2:May 28, 2025	Site 1:May 28, 2026 Site 2:May 28, 2026
PEZA Permit to Operate – Electrical	Laguna	Site 1: R-052825-L-06-EPTO-R Site 2:R-052825-L-05-EPTO-R	Site 1:May 28, 2025 Site 2:May 28, 2025	Site 1:May 28, 2026 Site 2:May 28, 2026
PEZA Permit to Operate – Electronics	Laguna	Site 1: R-052825-L-06-ELPTO-R Site 2:R-052825-L-05-ELPTO-R	Site 1:May 28, 2025 Site 2:May 28, 2025	Site 1:May 28, 2026 Site 2:May 28, 2026
PEZA Permit to Operate – Mechanical	Laguna	Site 1: R-052825-L-06-MPTO-R Site 2:R-052825-L-05-MPTO-R	Site 1:May 28, 2025 Site 2:May 28, 2025	Site 1:May 28, 2026 Site 2:May 28, 2026
3. BIR Form 2303 - Certificate of Registration		OCN: 116RC20240000000218	02/05/2024	
4. Permit to Use Computerized Accounting System	Laguna	AC_116_062024_000338	06/11/2024	
5. Permit to Use Loose-leaf Invoices	Laguna	LTAD-LL-09-769-14	09/05/2014	
6. Authority to Print Invoices		OCN 8AU0000356125	08/28/2019	Valid until exhaustion of invoices
		OCN 8AU0000356126	08/28/2019	Valid until exhaustion of invoices
7. Business Permit	H.O	2026-02218	01/15/2026	12/31/2026
	SSCG	2026-02220	01/15/2026	12/31/2026
	Warehouse	2026-02221	01/15/2026	12/31/2026
8. Business Clearance	H.O	20262344830	01/15/2026	12/31/2026
	SSCG	20262344831	01/15/2026	12/31/2026
	Warehouse	20262344832	01/15/2026	12/31/2026
9. Fire Safety Inspection Certificate	Laguna	Site 2: FSIC No. R4A1542795	October 16, 2025	October 16, 2026
10. Environmental Compliance Certificate	Laguna	Site 1 : ECC-R4A-1607-0233 Site 2: ECC-R4a-2024-11-0141	Site 1: August 2, 2016 Site 2 : January 20,2025	N/A No expiration
11. Hazardous Waste Generator Registration Certificate	Laguna	Site 1: OL-GR-R4A-34-000406 Site 2:OL-GR-R4A-34-000488	Site 1: December 12, 2023 Site 2: July 26, 2020	N/A No expiration
12. Laguna Lake Development Authority (LLDA) – Clearance	Laguna	Site 1: LA-21a-016-00032 Site 2:LX-21a-2025-00199	Site 1 : September 20, 2018	N/A No expiration

License/Permit Name	Location	Integrated Micro-Electronics, Inc.		
		License/Permit No.	Issue Date	Expiry Date
			Site 2: March 28, 2025	
13. LLDA – Discharge Permit	Laguna	Site 1:DP(R)-21a-2024-07945 Site 2:DP(R) 21a-2024-00191	Site 1 : January 17, 2025 Site 2: January 23, 2024	Site 1 : January 19, 2028 Site 2 : January 22, 2027
14. & 15. Department of Environment and Natural Resources (DENR) – Permit to Operate	Laguna	Site 1: PTO-OL-R4A-2022-12507-TR Site 2:PTO-OL-R4A-2023-01979	Site 1 : December 28, 2022 Site 2: December 28, 2022	Site 1 : December 28, 2027 Site 2 : December 28, 2027
16. DOLE Permit to Operate – Power Piping Line	Laguna	PPLDL-IVA-0013-2024	4/11/2025	4/10/2026

IMI paid nominal fees required for the submission of applications for the above-mentioned environmental laws.

Research and Development Activities

IMI launched several package platform variants in its Discrete and Power Module package portfolio. The new T0-247 4-ld HC is an improved version of the T0-247 4-ld with high clearance and creepage distances between the critical leads. It provides an additional connection to the source (Kelvin Connection); the other variant is the Holeless version which can accommodate bigger chip, allows higher heat dissipation. Compared to bigger Discrete it reduces heatsink space and can reduce the number of devices in parallel.

The IMI own designed high CTI, EZ 1 and EZ 2 packs with metal insert and all-plastic options with press fit pins provides high reliability solderless connections can withstand 2.3kV operating voltage offers flexibility and cost-effective solution for industrial applications.

IMI is continuously developing and maintaining its technology roadmap for potential areas of innovation exploring new technologies, materials and processes through regular engagement with its customers, strategic collaboration and partnerships with the academe and industry partners to leverage shared resources and gain competitive advantage.

IMI spent the following for research and development activities in the last three years:

Year	Amount	% of Revenues
2025	$1,749,018	0.18%
2024	$3,854,677	0.35%
2023	$5,265,906	0.40%

Employees

IMI has a total workforce of 8,544 employees as of December 31, 2025, shown in the following table:

	2025	2024
Managers	351	480
Supervisors	992	1,236
Rank-and-file	1,309	1,698
Technicians/Operators	5,892	6,954
Total	**8,544**	**10,368**

IMI will continuously assess its cost structure to adapt effectively to market conditions and remain financially stable. IMI's projected headcount for 2026 is 9,404.

The relationship between management and employees has always been of solidarity and collaboration from the beginning of its operations up to the present. IMI believes that open communication and direct engagement between management and employees are the most effective ways to resolve workplace issues.

IMI has existing supplemental benefits for its employees such as transportation and meal subsidy, group hospitalization insurance coverage and non-contributory retirement plan.

IMI recently approved the 2025 Employee Stock Option Program which may be in the form of a Stock Appreciation Rights Plan that grants cash settled and/or equity settled options (at the option of the Corporation) to its key talents. The Plan was designed to support the long-term success of the company by directly incentivizing key employees who drive IMI's strategy, operations, and financial performance.

IMI has or will have no supplemental benefits or incentive arrangements with its employees other than those mentioned above.

Risk Factors

IM's business, financial condition and results of operation could be materially and adversely affected by risks relating to the company and the Philippines.

IMI's operating results may significantly fluctuate from period to period

There is a risk that IMI's operating results may fluctuate significantly due to various factors including but not limited to natural calamities such as global pandemic, volcanic eruption, weather and climate related incidents, geopolitical issues, macro-economic factors, changes in demand for its products and services, customers' sales outlook, purchasing patterns, and inventory adjustments, changes in the types of services provided to customers, variations in the, volume of products, adjustments in the processes and manner of delivery of services, as well as alterations to product specifications on account of complexity of product maturity, the extent to which IMI can provide vertically integrated services for a product. The result is also affected by IMI's effectiveness in managing its manufacturing processes, controlling costs, and integrating any potential future acquisitions, IMI's ability to make optimal use of its available manufacturing capacity, changes in the cost and availability of labor, skills and expertise, raw materials, and components, which affect its margins and its ability to meet delivery schedules, and the ability to manage the timing of its component purchases so that components are available when needed for production while avoiding the risks of accumulating inventory in excess of immediate production needs. Fluctuations in operating results may also be experienced IMI on account of the advent of new technology and customer qualification of technology employed in the production, and the occurrence of any changes in local conditions or occurrence of events that may affect production volumes and costs of production, such as, but not limited to lockdowns, travel restrictions, labor conditions, political instability, changes in law and regulation, economic disruptions or changes in economic policies affecting flow of capital, entry of competition, substantial rate hikes of utilities required for production. IMI may also experience possible business disruptions as a result of fire and explosion due to presence and use of flammable materials in the operations, or force majeure.

Geopolitical and Trade Risks

Indo-Pacific maritime tensions – Tensions across the Indo-Pacific intensified, particularly in relation to China-Philippines maritime interactions in the West Philippine Sea. These developments heightened risks of shipping delays, rerouting, and increased cost pressures for companies reliant on global supply chains.

Conflict in Eastern Europe – Conflict in Eastern Europe continued to pose material risks to global operating conditions in 2025. Ongoing hostilities between Russia and Ukraine sustained volatility in global logistics networks, commodity markets, and supply chain flows, contributing to heightened uncertainty across major trading corridors and energy-sensitive industries.

Trade policy and tariff environment – The policy environment in the United States shifted considerably following changes in trade and tariff measures implemented in 2025, resulting in higher input costs, supply chain realignments, and increased volatility in international trade flows.

Middle East instability – Geopolitical instability in the Middle East added further complexity. Military actions targeting facilities in Iran in mid-2025 elevated regional tensions and contributed to uncertainty in global energy markets. Through early 2026, additional Israeli and U.S. strikes – along with differing assessments of Iran's remaining nuclear capabilities – sustained concerns over prolonged conflict and potential impacts on energy supply continuity and price stability.

Potential impacts on the Company – Collectively, these geopolitical developments may adversely impact IMI's operations, including increased logistics costs, extended lead times, supply chain disruptions, commodity price volatility, and expanded regulatory or sanctions-related risks.

Monitoring and response – Management continues to monitor geopolitical developments, evaluate alternative sourcing and routing options, engage stakeholders on contingency planning, and comply with applicable trade and sanctions requirements.

The factors identified above, and other risks discussed in this section affect IMI's operating results from time to time.

Some of these factors are beyond IMI's control. IMI may not be able to effectively sustain its growth due to restraining factors concerning corporate competencies, competition, global economies, and market and customer requirements. To meet the needs of its customers, IMI has expanded its operations in recent years and, in conjunction with the execution of its strategic plans, IMI expects to continue expanding in terms of geographical reach, customers served, products, and services. To manage its growth, IMI must continue to enhance its managerial, technical, operational, and other resources, as well as realign strategies to adjust to the new normal brought about by factors such as Covid-19 Global Pandemic, climate change and failure to adopt to new carbon economy.

IMI's ongoing operations and future growth may also require funding either through internal or external sources. There can also be no assurance that any future expansion plans will not adversely affect IMI's existing operations since execution of said plans may involve challenges. For instance, IMI may be required to be confronted with such issues as shortages of production equipment and raw materials or components, capacity constraints, difficulties in ramping up production at new facilities or upgrading or expanding existing facilities, lack of skills and training an increasing number of personnel to manage and operate those facilities. Compounding these issues are other restraining factors such as more aggressive efforts of competition in expanding business, volatility in global economies and market and customer requirements, including requirements related to sustainability and ESG. All these challenges could make it difficult for IMI to implement any expansion plans successfully and in a timely manner.

In response to a very dynamic operating environment and intense industry competition, IMI focuses on high-growth/high-margin specialized product niches, diversifies its markets and products, engages in higher value add services, improves its cost structure, and pursues strategies to grow existing accounts. IMI also incorporates Environment, Social, and Governance (Sustainability) into its strategy and future growth.

IMI may need to raise additional capital from time to time to meet our growth goals and may be unable to do so on attractive terms, or at all.

IMI intends to continue to make investments to support the growth of its business and may require additional funds to respond to business challenges, including the need to complement our growth strategy, increase market share in its current markets or expand into other markets, or broaden its technology, intellectual property or service capabilities. Accordingly, IMI may require additional investments of capital from time to time, and our existing sources of cash and any funds generated from operations may not provide us with sufficient capital. Currently, IMI has existing short-term loans which are renewed every three months, and it relies on the continuing availability of unsecured revolving credit lines for liquidity and financial flexibility. For various reasons, including any non-compliance with existing or future lending arrangements, additional financing may not be available when needed, or may not be available on terms favorable to the company. If IMI fails to obtain adequate capital on a timely basis or if capital cannot be

obtained on terms satisfactory to it or in an amount or manner permitted by any restrictive covenants contained in lending or other arrangements in place as of such time, IMI may not be able to achieve its planned rate of growth, which will adversely affect its business, financial condition and results of operations.

IMI is highly dependent on an industry that is characterized by rapid technological changes

The demand for IMI's solutions is derived from the demand of end customers particularly for end-use applications in the automotive, industrial, communications, consumer, and the increased demands of medical electronics industries as well as fast phase growth in green/clean energy industry. These industries have historically been characterized by rapid technological changes, evolving industry standards, and changing customer needs. Original Equipment Manufacturers (OEMS) continue to make adjustments to the design, and the choice of components, for their PCBAs, therefore requiring IMI to maintain regular communication with OEM customers and share forecast information with suppliers. The sudden change of demand may also create inventory buildup and may affect the supply chain flexibilities of IMI and abilities to adapt to the market change.

New services or technologies may also render IMI's existing services or technologies less competitive. If it does not promptly take measures to respond to technological developments and industry standard changes, the eventual integration of new technology or industry standards or the eventual upgrading of its facilities and production capabilities, taking into account renewed focus on sustainable and renewable technologies, may require substantial time, effort, and capital investment.

IMI is focusing on longer life cycle industries such as automotive, industrial and telecommunication infrastructure to reduce the volatility of model and design changes. It also keeps itself abreast of trends and technology development in the electronics industry and is continuously conducting studies to enhance its technologies, capabilities and value proposition to its customers. It defines and executes technology road maps that are aligned with market and customer requirements.

With rapid technological changes come increasingly sophisticated methods to infiltrate information and communication systems. The rapid deployment of digital and mobile environments, opening of network infrastructure to work from home and telecommuting pose an increase in the risk of unauthorized access and disruption in operations. IMI's maybe vulnerable to increased cybersecurity, information security, and data privacy breach.

As the industry accelerates toward AI-driven manufacturing and digital integration, the threat surface for cyberattacks and data breaches has expanded, requiring vigilant defense of our operational technology (OT) and intellectual property.

Information and cybersecurity risks, DDoS, ransomware, data breach, sabotage of production systems, penalties resulting from data privacy violations, reputation loss are important risk factors that the company needs to be able to manage and ensure sufficient and appropriate controls are in place. In this regard, IMI ensures that strong and adequate information security controls are implemented to safeguard confidentiality, integrity, and prevent loss of its critical information.

Automation, analytics and machine-learning algorithms have taken its step to a number of factories for quicker, more efficient production, with human operators monitoring and maintaining the systems. Understanding the role of its employees as resilient participants in this digital age, IMI's cybersecurity awareness program is continuously running. IMI has engaged a third-party online security training provider to support this initiative.

Secure Email Gateway (SEG), Security Incident & Event Management (SIEM) and Security Operations (SOC) are in place to enhance security controls and mitigate existing risks at the same time.

The company also complies with the Data Privacy Act (DPA) to protect all forms of information that are personal, private, or privileged. IMI also as a global company maintains strict compliance with General Data Protection Regulations (GDPR).

In addition, IMI embarked on ISO 27001 – Information Security Management Systems certification program to ensure integrity and validity of cyber security controls across the IMI enterprise. The program also

includes contracting 3rd party security assessors to determine maturity of IMI's information technology infrastructure, software, policies, procedures, and practices.

The industry where IMI operates in does not serve, generally, firm or long-term volume purchase commitments

Save for specific engagements peculiar to certain products and services required, IMI's customers do not generally contract for firm and long-term volume purchase. Customers may place lower-than-expected orders, cancel existing or future orders, or change production quantities. There are no guaranteed or fixed volume orders that are committed on a monthly or periodic basis.

In addition, IMI makes significant investment decisions, including determining the levels of business that it will seek and accept capacity expansion, personnel needs, and other resource requirements. These key decisions are ultimately based on estimates of customer long-term requirements. The rapid changes in demand for its products reduce its ability to estimate accurately long-term future customer requirements. Thus, there is the risk that resource investments are not optimized at a certain period.

In order to manage the effects of these uncertainties, customers are required to place firm orders within the manufacturing lead time to ensure delivery. IMI does not solely rely on the forecast provided by the clients. By focusing on the longer cycle industry segments, the volatility that comes with rapid model changes is reduced and IMI is able to have a more accurate production planning and inventory management process.

Buy-back agreements are also negotiated by IMI in the event there are excess inventory when customer products reach their end-of-life. To the extent possible, IMI's contract includes volume break pricing, and materials buy-back conditions to taper the impact of sudden cancellations, reductions, and delays in customer requirements.

IMI may not be able to mitigate the effects of the declining prices of goods over the life cycles of its products or as a result of changes in its mix of new and mature products, mix of turnkey and consignment business arrangements, and lower prices offered by the competition

The price of IMI's products tends to decline over the later years of the product life cycle, reflecting decreased costs of input components, improved efficiency, decreased demand, and increased competition as more manufacturers are able to produce similar or alternative products. The gross margin for manufacturing services is highest when a product is first developed but as products mature, average selling prices of a product drop due to various market forces resulting in gross margin erosion. IMI may be constrained to reduce the price of its service for more mature products in order to remain competitive against other manufacturing services providers. This is most apparent in the automotive segment, where the reduction has historically been observed to occur between the first two to three years. IMI's gross margin may further decline to be competitive with the lower prices offered by the competition or to absorb excess capacity, liquidate excess inventories, or restructure or attempt to gain market share.

IMI is moving towards a higher proportion of contracting under a turnkey production (with IMI providing labor, materials and overhead support), as compared to those under a consignment model, indicating a possible deterioration in its margins. IMI will also need to deploy larger amounts of working capital for turnkey engagements.

To mitigate the effects of price declines in its existing products and to sustain margins, IMI continues to improve its production efficiency by increasing yields, increasing throughputs through LEAN and six sigma manufacturing process. In addition, IMI continues to leverage on its purchase base and supplier programs to avail of discounts and reduced costs in component prices. It also utilizes its global procurement network and supply chain capabilities to reduce logistics costs for components including inventory levels. IMI also intensifies its effort to contract with customers with higher-margin products most of which involve higher engineering value add and more complex box build or system integration requirements.

IMI operates in a highly competitive industry

Some of IMI's competitors in the industry may have greater design, engineering, manufacturing, financial capabilities, or superior resources than the company. Customers evaluate EMS and ODMs based on,

among other things, global manufacturing capabilities, speed, quality, engineering services, flexibility, and costs. In outsourcing, OEMs seek to reduce cost. In addition, major OEMs typically outsource the same type of products to at least two or three outsourcing partners in order to diversify their supply risks. The competitive nature of the industry may result in substantial price competition. IMI faces increasing challenges from competitors who are able to put in place a competitive cost structure by consolidating with or acquiring other competitors, relocating to lower cost areas, strengthening supply chain partnerships, or enhancing solutions through vertical integration, among others. IMI's customers may opt to transact with its competitors instead of the company or if IMI fails to develop and provide the technology and skills required by its customers at a rate comparable to its competitors. There can be no assurance that IMI will be able to competitively develop the higher value add solutions necessary to retain business or attract new customers. There can also be no assurance that it will be able to establish a compelling advantage over its competitors.

The industry could become even more competitive if OEMs fail to significantly increase their overall levels of outsourcing. Increased competition could result in significant price competition, reduced revenues, lower profit margins, or loss of market share, any of which would have a material adverse effect on IMI's business, financial condition, and results of operations.

IMI regularly assesses the appropriate pricing model (so as to ensure that it is strategic/value based or demand based, among others) to be applied on its quotation to existing or prospective customers. It is also strengthening its risk management capabilities to be able to turn some of the risks (e.g., credit risks) into opportunities to gain or maintain new or existing customers, respectively. IMI also continues to develop high value-add services that fit the dynamic markets it serves. It continues to enhance capabilities in design and development, advanced manufacturing engineering, test and systems development, value engineering, and supply chain management to ensure an efficient product realization experience for its customers.

In addition, IMI's size, stability and geographical reach allow it to attract global OEMs customers that look for stable partners that can service them in multiple locations. This is evident in the increasing number of global contracts that IMI is able to develop and have multiple sites serving single customers.

IMI has embarked on a deliberate strategic pivot designed to sharpen our focus on core strengths and high-growth segments. Focusing on high value automotive (such as those for ADAS and safety-related, power modules and electronic control units, among others), industrial, and medical segments where strict performance and stringent certification processes are required, IMI is able to establish a high barrier of entry, business sustainability and better pricing. Generally, IMI has observed that it is usually difficult for customers in these industries to shift production as they would have to go through a long lead time in the certification process. The direction IMI has taken resulted in the rise of its ranking in the global and automotive EMS spaces.

IMI may be subject to reputation and financial risks due to product quality and liability issues

The contracts IMI enters into with its customers, especially customers from the automotive and medical industry, typically include warranties that its products will be free from defects and will perform in accordance with agreed specifications. To the extent that products delivered by IMI to its customers do not, or are not deemed to, satisfy such warranties, IMI could be responsible for repairing or replacing any defective products, or, in certain circumstances, for the cost of effecting a recall of all products which might contain a similar defect in an occurrence of an epidemic failure, as well as for consequential damages. Defects in the products manufactured by IMI adversely affect its customer relations, standing and reputation in the marketplace, result in monetary losses, and have a material adverse effect on its business, financial condition, and results of operations. There can be no assurance that IMI will be able to recover any losses incurred as a result of product liability in the future from any third party.

In order to prevent or avoid a potential breach of warranties which may expose IMI to liability, its quality assurance focused on defect prevention, globalizing the culture of early detection and reaction to internal issues. It also refined its Advanced Product Quality Planning (APQP) procedure to ensure customer specific requirements on process and product quality are met early on the design and development phase before the product gets launched into production.

IMI performs a detailed review and documentation of the manufacturing process that is verified, audited and signed-off by the customers. In addition, customers are encouraged, and in some cases, required to perform official audits of IMI's manufacturing and quality assurance processes, to ensure compliance with specifications. It works closely with customers to define customer specifications and quality requirements and follow closely these requirements to mitigate future product liability claims. IMI also insures itself on product liability and recall on a global basis.

IMI's production capacity may not correspond precisely to its production demand

IMI's customers may require it to have a certain percentage of excess capacity that would allow it to meet unexpected increases in purchase orders. On occasion, however, customers may require rapid increases in production beyond the company's production capacity, and IMI may not have sufficient capacity at any given time to meet sharp increases in these requirements. On the other hand, there is also a risk of the underutilization of the production line, which may slightly lower IMI's profit margins. In response, IMI makes the necessary adjustments in order to have a match between demand and supply. In the case of a lack in supply, it equips itself with flexible systems that allow it to temporarily expand its production lines in order to lower the overhead costs, and then make corresponding increases in its capacity when there is a need for it as well.

To soften the impact of this, IMI closely coordinates with customers to provide the parties with regular capacity reports and action plan/s for common reference and future capacity utilizations. IMI also closely collaborates with its customers to understand the required technology roadmaps, anticipate changes in technological requirements, and discuss possible future solutions.

IMI may be involved in intellectual property disputes

IMI's business depends in part on its ability to provide customers with technologically sophisticated products. IMI's failure to protect its intellectual property or the intellectual property of its customers exposes it to legal liability, loss of business to competition and could hurt customer relationships and affect its ability to obtain future business. It could incur costs in either defending or settling any intellectual property disputes. Customers typically require that IMI indemnify them against claims of intellectual property infringement. If any claims are brought against IMI's customers for such infringement, whether these have merit or not, it could be required to expend significant resources in defending such claims. In the event that IMI is subjected to any infringement claims, it may be required to spend a significant amount of money to develop non-infringing alternatives or obtain licenses. IMI may not be successful in developing such alternatives or in obtaining such licenses on reasonable terms or at all, which could disrupt manufacturing processes, damage its reputation, and affect its profitability.

Since IMI is not positioned as an ODM, the likelihood of the company infringing upon product-related intellectual property of third parties is significantly reduced. Product designs are prescribed by and ultimately owned by the customer.

IMI observes strict adherence to approved processes and specifications and adopts appropriate controls to ensure that its intellectual property and that of its customers are protected and respected. It continuously monitors compliance with confidentiality undertakings of both the company and management.

Demand for services in the EMS industry is closely tied to market volatility, the performance and business conditions of its customers, and the overall demand from end consumers for electronic products

IMI is exposed to fluctuations in customer demand, particularly in cyclical industries where order volumes are sensitive to economic conditions, technology transitions, and end consumer behavior. Demand volatility may result in order cancellations, delayed customer forecasts, and pricing pressures. Additionally, global trade tensions, tariffs, and increased competition continue to affect market stability and customer sourcing decisions.

The performance and profitability of IMI's customers' industries are partly driven by the demand for electronic products and equipment by end-consumers. If the end-user demand is low for the industry's customers' products, companies in IMI's industry may see significant changes in orders from customers and may experience greater pricing pressures. Therefore, risks that could harm the customers of its

industry could, as a result, adversely affect IMI as well. These risks include the customer's inability to manage their operations efficiently and effectively, the reduced consumer spending in key customers' markets, the seasonality demand for their products, and failure of the customer's products to gain widespread commercial acceptance.

The impact of these risks was very evident in the aftermath of the global financial crisis which resulted in global reduction of demand for electronics products by end-customers. IMI mitigates the impact of industry downturns on demand by rationalizing excess labor and capacity to geographical areas that are most optimal, and by initiating cost containment programs. With indications of global financial recovery already in place, IMI has been able to re-hire some of its employees. There are also electronics requirements resulting from global regulations, such as those for improving vehicle safety and promoting energy-efficient technologies that would increase the demand for electronic products and equipment.

IMI continuously addresses its concentration risks. There is no single customer that it is dependent on or accounts for more than 15% of IMI's revenues. IMI also serves global customers which are not concentrated on a specific geographic market.

IMI's industry is dependent on the continuous growth of outsourcing by OEMs

IMI belongs to an industry that is dependent on the strong and continuous growth of outsourcing in the communications, consumer automotive, industrial, and medical electronics industries where customers choose to outsource production of certain components and parts, as well as functions in the production process. A customer's decision to outsource is affected by its ability and capacity for internal manufacturing and the competitive advantages of outsourcing.

IMI's industry depends on the continuing trend of increased outsourcing by its customers. Future growth in its revenue depends on new outsourcing opportunities in which it assumes additional manufacturing and supply chain management responsibilities from its customers. To the extent that these opportunities do not materialize, either because the customers decide to perform these functions internally or because they use other providers of these services, IMI's future growth could be limited.

IMI believes that its global footprint with manufacturing operations in Asia, Europe, and North America, its global supply chain systems and capabilities, and its design services will continue to provide strategic advantages for customers to outsource parts of their product development and manufacturing processes to the company.

IMI may be exposed to contract management and governance risks

IMI is exposed to risks inherent in the management and governance of its customer and supplier contracts. As an EMS provider operating under complex, high-volume, and often long-term agreements, its financial performance and operational flexibility are significantly influenced by the structure, execution, and administration of such contracts.

IMI is exposed to risks associated with contractual terms, including pricing structures, cost pass-through mechanisms, service level obligations, and scope definitions. Variability in these terms may affect its ability to respond to changes in input costs, demand fluctuations, and supply chain conditions. In addition, IMI is exposed to risks related to the timely execution, monitoring, and enforcement of contractual obligations, which may impact revenue realization, cost recovery, and overall contract profitability.

IMI is exposed to complexities arising from managing contracts across multiple geographies, customers, and business units, which may result in inconsistencies in contract interpretation, execution, and compliance. It is also exposed to legal and commercial risks associated with contract amendments, renewals, and dispute resolution processes.

To mitigate these risks, IMI maintains a contract governance framework that includes standardized policies, defined approval authorities, and the use of structured contract templates and clause libraries. IMI continues to enhance its contract lifecycle management processes through centralized systems and digital tools to improve contract visibility, compliance tracking, and performance monitoring. In addition, IMI conducts periodic contract reviews and provides training to relevant personnel to support consistent contract execution and risk awareness.

While these measures are intended to strengthen contract management and governance, there can be no assurance that they will fully mitigate all contract-related risks. Any failure to effectively manage contractual arrangements may have a material adverse effect on IMI's business, financial condition, and results of operations.

IMI's industry may experience shortages in, or rises in the prices of components, which may adversely affect business

There is a risk that IMI will be unable to acquire necessary components for its business as a result of strong demand in the industry for those components or if suppliers experience any problems with production or delivery (lockdowns and logistics issues). IMI is also exposed to challenges surrounding lead-times within the electronic component market.

IMI is often required by its customers to source certain key components from customer-nominated and accredited suppliers only, and it may not be able to obtain alternative sources of supply should such suppliers be unable to meet the supply of key components in the future. Shortages of components could limit its production capabilities or cause delays in production, which could prevent it from making scheduled shipments to customers.

If IMI is unable to make scheduled shipments, it may experience a reduction in its sales, an increase in costs, and adverse effects on its business. Component shortages may also increase costs of goods sold because it may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components.

To the extent possible, IMI works closely with customers to ensure that there are back up suppliers or manufacturers for customer-supplied components or components supplied by customer-nominated suppliers to mitigate uncertainties in the supply chain. The changes in market also allows opportunities for it to consolidate strategic suppliers and improve supply chain cost, efficiencies and flexibilities, especially in passive and discrete components, and consolidate the global spend for global supplier management and negotiation instead of regional negotiation. In addition, IMI has established supplier certification and development programs designed to assess and improve suppliers' capability in ensuring uninterrupted supply of components to the company.

Any shortage of raw materials or components could impair IMI's ability to ship orders of its products in a cost-efficient manner or could cause IMI to miss its delivery requirements of its retailers or distributors, which could harm IMI's business

The ability of IMI's manufacturers to supply its products is dependent, in part, upon the availability of raw materials and certain components. IMI's manufacturers may experience shortages in the availability of raw materials or components, which could result in delayed delivery of products to the company or in increased costs to it. Any shortage of raw materials or components or inability to control costs associated with manufacturing could increase the costs for IMI's products or impair its ability to ship orders in a timely cost-efficient manner. As a result, it could experience cancellation of orders, refusal to accept deliveries, or a reduction in IMI's prices and margins, any of which could harm IMI's financial performance and results of operations. Other than for customer-nominated suppliers or specialty components for the manufacture of specific products, IMI is not dependent on a single supplier for its raw materials.

IMI may be exposed to risk of inventory obsolescence and working capital tied up in inventories

As an EMS provider, IMI may be exposed to a risk of inventory obsolescence because of rapidly changing technology and customer requirements. Delays in ramp up of new projects may result to inventory buildup therefore giving IMI exposure to potential inventory obsolescence which may require it to make adjustments to write down inventory to the lower of cost or net realizable value, and its operating results could be adversely affected. It is cognizant of these risks and accordingly exercises due diligence in materials planning.

IMI works with key suppliers to establish supplier-managed inventory arrangements that will mutually reduce the risk. It also puts tight control in the inventory with regular negotiation with customers on demand change and suppliers on the pushout and cancellation of deliveries. In addition, IMI often negotiates buy

back arrangements with customers where, in the event the customers' purchase orders are delayed, canceled, or enter in the end-of-life phase, the customers assume the risk and compensate IMI for the excess inventory.

IMI may be exposed to profitability risks due to rising inflationary pressures

IMI may be exposed to profitability risks arising from sustained inflationary pressures across its cost base. As EMS provider operating in a highly competitive and margin-sensitive industry, increases in raw materials, labor, energy, and logistics costs may adversely impact margins.

IMI is exposed to rising input costs, including semiconductors, metals, and other electronic components, which may increase bill-of-materials expenses. Where contractual arrangements limit the timely pass-through of such increases, margins may be compressed. It is also exposed to labor cost inflation driven by wage increases, labor shortages, and regulatory changes in key manufacturing locations.

IMI is exposed to higher energy and freight costs, which may increase manufacturing overhead and distribution expenses, particularly given its reliance on global supply chains. In addition, contractual pricing structures may create a timing mismatch between cost increases and customer price adjustments.

IMI is exposed to supply chain disruptions and component shortages, which may result in higher procurement costs, increased inventory levels, and production inefficiencies. Inflationary conditions may further exacerbate these challenges.

IMI is exposed to foreign exchange volatility and potential softening of end-market demand, particularly in consumer-driven segments, which may lead to lower volumes and pricing pressure.

It is also exposed to increased working capital requirements due to higher input costs, which may strain liquidity and cash flows.

If IMI is unable to effectively manage these inflationary pressures through pricing actions, cost efficiencies, or supply chain strategies, its business, financial condition, and results of operations may be materially and adversely affected.

Macroeconomic pressures in the markets in which IMI operates, including, but not limited to, the effects of COVID-19, political and social conditions or civil unrest in the U.S. and in certain international markets, may adversely affect IMI's financial results.

To varying degrees, our customer's products are sensitive to changes in macroeconomic conditions that impact consumer demand. As a result, consumers may be affected in many different ways, including for example:

- whether or not they make a purchase;
- their choice of brand, model or price-point; and
- how frequently they upgrade or replace their video gaming consoles.

Real GDP growth, consumer confidence, the COVID-19 pandemic, inflation, employment levels, oil prices, interest rates, tax rates, housing market conditions, foreign currency exchange rate fluctuations, costs for items such as fuel and food and other macroeconomic trends can adversely affect consumer demand for the products and services that our direct customers (B2B) offer and hence affects demand for components we supply. Geopolitical issues around the world and how markets are positioned can also impact the macroeconomic conditions and could have a material adverse impact on IMI's financial results.

IMI may, from time to time, be involved in legal and other proceedings arising out of its operations.

IMI's expanding global activities while continuing to present a myriad of growth opportunities, may tend to increase exposure to potential disputes with its employees and various parties involved in its manufacturing operations, including contractual disputes with customers or suppliers, labor disputes with workers or be exposed to damage or personal liability claims. Regardless of the outcome, these disputes may lead to legal or other proceedings that may affect the ability of IMI to realize its short and long-term target revenues

and margins, and may result in substantial costs, delays in its development schedule, and the diversion of resources and management's attention.

IMI may also have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavorable decisions that result in penalties and/or delay the development of its projects. In such cases, IMI's business, financial condition, results of operations and cash flows could be materially and adversely affected.

One of the IMI's subsidiaries is currently the subject of an investigation by a foreign government regulatory agency relating to alleged non-compliance with certain regulatory requirements. Management, together with external legal counsel, believes that there are valid defenses. As of December 31, 2025, no provision has been recognized in the financial statements as the finding of alleged non-compliance is still being disputed and thus, there is yet no final and executory decision. An unfavorable outcome may result in the imposition of penalties, which could be substantial.

IMI is highly dependent on the continued service of its directors, members of senior management and other key officers

IMI's directors, members of its senior management, and other key officers have been an integral part of its success, and the experience, knowledge, business relationships and expertise that would be lost should any such persons depart could be difficult to replace and may result in a decrease in its operating efficiency and financial performance. Key executives and members of management of the Company include the Chief Executive Officer, President, Chief Finance Officer, Chief Operations Officer, VP Finance and Corporate Controller, Global Head – Sales and Marketing, Global Head – Sourcing and Commodities, Chief Human Resources Officer, Global Head – Quality, Global Head – Advanced Competitiveness Engineering, Power – Business Head and Plant General Managers and all other key functions. In the event that IMI loses the services of any such person and is unable to fill any vacant key executive or management positions with qualified candidates, or if the qualified individual takes time to learn the details of the company, IMI's business and results of operations may be adversely affected.

Any deterioration in IMI's employee relations could materially and adversely affect the Company's operations

IMI's success depends partially on its ability, its contractors, and its third-party marketing agents to maintain productive workforces. Any strikes, work stoppages, work slowdowns, grievances, complaints or claims of unfair practices or other deterioration in IMI's, its contractors' or its third party marketing agents' employee relations could have a material and adverse effect on its financial condition and results of operations.

IMI conducts Employee Engagement Survey to better understand the diverse needs and aspiration of its workforce, and ultimately contribute to their professional and personal goals. It also aims to instill corporate values and institutionalize an employee-centric and high impact working culture.

There have been no historical events related to strikes or protests from its employees or unions, despite having higher labor unrest risk due to growing population, given the well-established employee relations programs of IMI.

IMI's success depends on attracting, engaging, and retaining key talents, including skilled research and development engineers

In order to sustain its ability to complete contracted services and deliver on commitments and promote growth, IMI will have to continuously attract, develop, engage and retain skilled workforce highly capable to achieve business goals. IMI recognizes that its competitiveness is dependent on its key talent pipeline, including leadership, talent and skill pool, and succession plan.

IMI continuously identifies top-caliber candidates and keeps the pipeline full to be ready to assume new roles and fuel growth. IMI has a strong ability to hire in terms of the quality of recruits as well as in scale. Specifically, there is a strong recruitment in the Philippines and in China, having been able to tie up with universities. In the case of an immediate need to provide manpower, there are contractual agreements at hand to meet the demand. They have the ability to rapidly organize and train skilled workers for new products and services and retain qualified personnel.

IMI also leverages on its global reach to identify, recruit and develop the right employees who can be deployed to the various operating units or divisions of the company. It also implements on a regular basis pertinent employee training and development programs, including a cadetship program that enables it to tap and employ capable graduates from different leading universities. IMI has implemented proactive measures to retain employees through sound retention programs, encouraging work-life balance among its employees, and providing structured career development paths to promote career growth within the organization and loyalty to the company.

RISKS RELATING TO COUNTRIES WHERE THE COMPANY OPERATES (INCLUDING THE PHILIPPINES)

IMI conducts business in various jurisdictions, exposing it to business, political, operational, financial, regulatory and economic risks due to its operations in these jurisdictions

There is no assurance that there will be no occurrence of an economic slowdown in the countries where IMI operates, including the Philippines. Factors that may adversely affect an economy include but are not limited to:

- decreases in business, industrial, manufacturing or financial activity in the Philippines or in the global market,
- scarcity of credit or other financing, resulting in lower demand for products and services
- the sovereign credit ratings of the country,
- currency exchange rate fluctuations,
- a prolonged period of inflation or increase in interest rates,
- changes in the relevant government's taxation policies,
- climate change, natural (or man-made) disasters, including pandemic, typhoons, earthquakes, fires, floods and similar events,
- political instability, terrorism or military conflict,
- trade wars, and
- other regulatory, political or economic developments in or affecting IMI.

Notwithstanding the foregoing, the global operations, marketing, and distribution of IMI's products inherently integrate the impact of any economic downturn affecting a single country where it operates and enables IMI to shift the focus of its operations to other jurisdictions.

IMI's manufacturing and sales operations are located in a number of countries throughout Asia, Europe, and North America. As a result, it is affected by business, political, operational, financial, climate and economic risks inherent in international business, many of which are beyond IMI's control, including difficulties in obtaining domestic and foreign export, import, and other governmental approvals, permits, and licenses, and compliance with foreign laws, which could halt, interrupt, or delay IMI's operations if it is unable to obtain such approvals, permits, and licenses, and could have a material adverse effect on the its results of operations.

Changes in law including unexpected changes in regulatory requirements affect IMI's business plans, such as those relating to labor, environmental compliance and product safety. Delays or difficulties, burdens, and costs of compliance with a variety of foreign laws, including often conflicting and highly prescriptive regulations also directly affect the Company's business plans and operations, cross-border arrangements and the inter-company systems.

Increases in duties and taxation and a potential reversal of current tax or other currently favorable policies encouraging foreign investment or foreign trade by host countries leading to the imposition of government controls, changes in tariffs, or trade restrictions on component or assembled products may result in adverse tax consequences, including tax consequences which may arise in connection with inter-company pricing for transactions between separate legal entities within a group operating in different tax jurisdictions, also result in increases in cost of duties and taxation.

The Financial Action Task Force (FATF), a global organization based in Paris, has once again placed the Philippines on its "grey list" for failing to address strategic deficiencies in combating money laundering, terrorist financing, and proliferation financing in compliance with its 40+9 recommendations. The Anti-

Money Laundering Act (AMLA)'s shortcomings persisted in the nation even after the 2020 Anti-Terrorism Act and its modifications were passed. The Bank Deposit Secrecy Act has not yet undergone any changes. Being placed on the gray list of FATF implies risk of higher inflation and processing fees, as well as increased scrutiny from financial companies.

Under existing foreign exchange controls in the Philippines, as a general rule, Philippine residents may freely dispose of their foreign exchange receipts and foreign exchange may be freely sold and purchased outside the Philippine banking system. Restrictions exist on the sale and purchase of foreign exchange in the Philippine banking system. In the past, the Government has instituted restrictions on the ability of foreign companies to use foreign exchange revenues or to convert Philippine pesos into foreign currencies to satisfy foreign currency- denominated obligations, and no assurance can be given that the Government will not institute such or other restrictive exchange policies in the future.

A substantial portion of IMI's manufacturing operations is located in China, which has regulated financial and foreign exchange regime. IMI continuously evaluates the options available to the organization to ensure maximum usage of excess liquidity. Among others, excess liquidity may be repatriated out of China through dividend payments, payment of management service or royalty fees, use of leading and lagging payment, and transfer pricing.

Also, because of China's role in many important supply chains, its exports contain a large amount of value added applied in other Asian economies. At least as importantly, China has become a principal final destination for Asian exports. As China, is hit by US trade tariffs, the spill-over into other APAC economies takes place via international supply chains and changes in China's domestic demand.

Climate Change and Environmental laws applicable to IMI's projects could have a material adverse effect on its business, financial condition or results of operations

IMI cannot predict what environmental, climate change legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, laws and regulations applicable to IMI's business could have a material adverse effect on its business, financial condition and results of operations.

There can be no assurance that current or future environmental laws and regulations applicable to IMI will not increase the costs of conducting its business above currently projected levels or require future capital expenditures. In addition, if a violation of any environmental law or regulation occurs or if environmental hazards on land where IMI's projects are located cause damage or injury to buyers or any third party, IMI may be required to pay a fine, to incur costs in order to cure the violation and to compensate its buyers and any affected third parties.

Any political instability in the Philippines and the countries or geographic regions where IMI operates may adversely affect the business operations, plans, and prospects of the Company

The Philippines has from time to time experienced severe political and social instability. The Philippine Constitution provides that, in times of national emergency, when the public interest so requires, the Government may take over and direct the operation of any privately owned public utility or business.

Russia – Ukraine Conflict

The ongoing Russia-Ukraine conflict has had far-reaching effects on the global economy and supply chain. Key impacts as follows:

1. Energy Market Disruptions:

   Soaring Oil and Gas Prices: Russia is a major exporter of oil and natural gas. Sanctions and the conflict have severely disrupted supplies, leading to skyrocketing prices globally. This has increased costs across industries, fueling inflation and reducing consumer spending power.

Energy Security Concerns: Europe relies heavily on Russian gas, and the war has triggered a scramble for alternative sources. This has highlighted the vulnerability of energy supplies and the urgency to diversify energy sources and infrastructure.

2. Agricultural Supply Shocks:

   Grain Export Blockages: Ukraine and Russia are major wheat and grain exporters. Ukrainian ports have been blocked, and sanctions on Russia have hindered its exports. This has led to global shortages, price spikes, and food insecurity, especially in developing countries.

   Fertilizer Supply Constraints: Russia is a significant exporter of fertilizers. Sanctions and disruptions have limited supplies and driven up prices, hurting farmers worldwide and potentially reducing future agricultural yields and further increasing food insecurity.

3. Supply Chain Disruptions:
   Critical Raw Materials: Russia and Ukraine are suppliers of important metals like neon (essential for semiconductors), palladium (used in automobiles), and nickel (used for batteries). Disruptions have caused price volatility and shortages in numerous manufacturing sectors.

   Increased Transportation Costs: The war and sanctions have disrupted trade routes and transportation networks from the region. This has increased shipping costs, adding to the price pressure on goods and creating logjams in global supply chains.

4. Global Economic Ripple Effects:

   Inflationary Pressure: The combined effect of rising energy, food, and commodity prices has caused extreme inflationary pressure worldwide. This erodes purchasing power, slows economic growth, and prompts central banks to raise interest rates, potentially curbing investment, and spending.

   Market Uncertainty: The war has increased geopolitical uncertainty and instability. This volatility dampens investor confidence, leading to increased risk premiums and potentially slowing down global capital flows.

5. Long-Term Consequences

   Shifting Trade Patterns: The conflict and sanctions are accelerating a move away from reliance on Russian commodities. This could lead to more regionalized supply chains and the development of alternative trade routes.

   Strengthening Alliances: The conflict has reinforced geopolitical divisions, with countries potentially aligning themselves into more economically defined blocs. This may reshape international trade and finance in the long run.

Important Note: The situation is still volatile and evolving. The severity and long-term impact of these effects will depend on the duration of the conflict and how global markets adapt.

Israel - Palestine Conflict
Israel has launched new ground invasion into Gaza after breaking ceasefire. The Palestine-Israel conflict has the potential to affect the global economy and supply chain in several ways, although the direct impact may vary depending on the specific dynamics of the conflict at any given time. Key impacts as follows:

1. **Oil Prices**: The Middle East, including Israel and Palestine, is a major oil-producing region. Any escalation of conflict in the area could disrupt oil production and transportation routes, leading to an increase in oil prices globally. This increase can affect various sectors of the economy due to higher transportation and production costs.

2. **Financial Markets**: Political instability and conflict in the Middle East can lead to uncertainty in financial markets. Investors may become more cautious, leading to fluctuations in stock prices and currency values. This uncertainty can affect global investment flows and capital markets.

3. **Trade Disruptions**: Israel and Palestine are both involved in trade with various countries around the world. Any disruption in trade routes, ports, or infrastructure due to the conflict can affect the flow of goods and services globally. This disruption can lead to delays in supply chains and increased costs for businesses reliant on goods from the region.

4. **Investment and Business Confidence**: Persistent conflict can deter foreign investment and business activities in the region. Companies may hesitate to invest in infrastructure or establish operations in areas prone to conflict, leading to a slowdown in economic development. This lack of investment can have indirect effects on the global economy through reduced trade and investment opportunities.

5. **Humanitarian Costs**: The conflict's humanitarian toll can have broader economic implications. Displacement of people, destruction of infrastructure, and loss of life can destabilize communities and strain resources. Humanitarian aid and reconstruction efforts divert resources that could otherwise be used for economic development, impacting the region's overall economic stability.

6. **Regional Stability**: The Palestine-Israel conflict is interconnected with broader geopolitical dynamics in the Middle East, including the Red Sea Crisis. Escalation of the conflict could exacerbate tensions in the region, potentially leading to wider conflicts or geopolitical realignments. Any such developments can have ripple effects on global stability and economic conditions.

Overall, while the direct impact of the Palestine-Israel conflict on the global economy and supply chain may not be as significant as other factors like trade disputes or economic policies of major economies, it nonetheless represents a source of geopolitical uncertainty that can influence global economic dynamics, particularly in the context of the Middle East's strategic importance.

Macro-economic conditions of different countries where IMI operates may adversely affect its business and prospectus

Historically, the Philippines' sovereign debt has been rated relatively low by international credit rating agencies. Although the Philippines' long-term foreign currency-denominated debt was recently upgraded by each of Standard & Poor's, and Moody's to investment-grade, no assurance can be given that Standard & Poor's, or Moody's or any other international credit rating agency will not downgrade the credit ratings of the Government in the future and, therefore, Philippine companies. 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 IMI, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

In addition, some countries in which IMI operates, such as China, Czech Republic and Mexico, have experienced periods of slow or negative growth, high inflation, significant currency devaluations, or limited liability of foreign exchange. In countries such as UK, China and Mexico, governmental authorities exercise significant influence over many aspects of the economy which may significantly affect IMI.

On an as-needed basis, IMI seeks the help of consultants and subject matter experts for changes in laws and regulations that may have a significant impact in IMI's business operations. It also maintains good relationship with local government, customs, and tax authorities through business transparency and compliance and/or payment of all government-related assessments in a timely manner. IMI has been able to overcome major crises brought about by economic and political factors affecting the countries where it operates. The strong corporate governance structure of IMI and its prudent management team are the foundations for its continued success. IMI also constantly monitors its macroeconomic risk exposure, identifies unwanted risk concentration, and modifies its business policies and activities to navigate such risks.

There is no single customer that IMI is dependent on or accounts for more than 15% of its revenues. IMI also serves global customers which are not concentrated on a specific geographic market.

Severe macroeconomic contractions may conceivably lead IMI to tweak or modify its investment decisions to meet the downturn. As a holding company, IMI affirms the principles of fiscal prudence and efficiency in the operations to its subsidiaries operating in various countries.

IMI faces risks of international expansion and operation in multiple jurisdictions

IMI expects to have an international customer base which may require worldwide service and support. IMI may expand its operations internationally and enter additional markets, which will require significant management attention. Any such expansion may cause a strain in existing management resources.

The distances between IMI, the customers, and the suppliers globally, create a number of logistical and communications challenges, including managing operations across multiple time zones, directing the manufacture and delivery of products across significant distances, coordinating the procurement of raw materials and their delivery to multiple locations, and coordinating the activities and decisions of IMI's management team, the members of which are spread out internationally.

While IMI tries to keep its local expertise, it established global functions to ensure that there is adequate coordination of activities. In addition, the availability and use of cell phones, e-mails, and internet-based communication tools by IMI resulted in more efficient and timely coordination of activities and decision making by management from different sites and countries.

IMI aggressively pursues hiring of experienced international managers and staff globally. This enables IMI to ensure that it has sufficient manpower complement possessed with the required skills and experience to work with customers, vendors, and other partners in and out of the relevant country where it operates.

Natural or other catastrophes, including severe weather conditions and epidemics, pandemics, that may materially disrupt IMI's and its supplier's operations, affect its ability to complete projects and result in losses not covered by its insurance

Apart from Covid-19 pandemic, which has affected all countries in 2020, the Philippines has experienced a number of major natural catastrophes over the years, including typhoons, droughts, volcanic eruptions and earthquakes. In 2021 alone, Super Typhoon Kiko and Odette caused massive disruptions in multiple cities and provinces, leaving over 1,500 people injured and resulting in about 500 deaths. In October 2013, a 7.2 magnitude earthquake affected Cebu and the island of Bohol, and in November 2013, Super Typhoon Haiyan (called Yolanda in the Philippines) caused destruction and casualties. Approximately 3.42 million households (161 million people) with 6,300 casualties and 1,061 missing in the Philippines. It damaged 1,084,762 buildings in the country including heavily 489,613 and moderately 595,149 (NDRRMC, 2014), There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt IMI's operations. These factors, which are not within IMI's control, could potentially have significant effects on its manufacturing facilities. As a result, the occurrence of natural or other catastrophes or severe weather conditions may adversely affect IMI's business, financial condition and results of operations.

Natural disasters, such as the 2008 earthquake in China, where a significant portion of IMI's manufacturing operations is located, could severely disrupt IMI's manufacturing operations and increase IMI's supply chain costs. These events, over which we have little or no control, could cause a decrease in demand for IMI's services, make it difficult or impossible for IMI to manufacture and deliver products and for its suppliers to deliver components allowing it to manufacture those products, require large expenditures to repair or replace its facilities, or create delays and inefficiencies in IMI's supply chain.

In addition, epidemic or pandemic such as the Covid-19 Pandemic in 2020, Middle East Respiratory Syndrome (MERS) of 2012, H1N1 Influenza virus of 2009, Severe Acute Respiratory Syndrome (SARS) of 2003 may have severe effects on global supply chain affecting company's employees, and business.

Any escalation in these events or similar future events may disrupt IMI's operations and the operations of its customers and suppliers and may affect the availability of materials needed for IMI's manufacturing services. Such events may also disrupt the transportation of materials to IMI's manufacturing facilities and finished products to its customers.

There can be no assurance that IMI is fully capable to deal with these situations and that the insurance coverage it maintains will fully compensate it for all the damages and economic losses resulting from these catastrophes.

Political instability or threats that may disrupt IMI's operations could result in losses not covered by the Company's insurance

No assurance can be given that the political environment in the Philippines will remain stable and any political instability in the future could reduce consumer demand, or result in inconsistent or sudden changes in regulations and policies that affect IMI's business operations, which could have an adverse effect on the results of operations and the financial condition of IMI.

Increased political instability threats or occurrence of terrorist attacks, enhanced national security measures, and conflicts, as well as territorial and other disputes, which strain international relations, may reduce consumer confidence and economic weakness.

Any impact on the following cases in countries in which IMI has operations could materially and adversely affect its business plans and prospects, financial condition and results of operations.

The Philippines, China, and several Southeast Asian nations have been engaged in a series of long-standing territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. Vietnam, the Philippines, Brunei, Malaysia and Taiwan claim parts of the same maritime area, a thriving fishing zone through which more than $5 trillion of trade passes each year. In July 2016, an international tribunal in The Hague ruled against China in a case brought by the Philippines, saying it had no historic rights to the resources within a dashed line drawn on a 1940s map that had formed the basis of its claims. While the court said the ruling was binding, China said the United Nations Convention on the Law of the Sea (UNCLOS) 29 tribunal had no jurisdiction. China is also in dispute with Japan and India over claims to a separate set of islands.

For further information on IMI, please refer to its 2025 Financial Reports and SEC 17-A which are available on its website www.global-imi.com.

AC ENERGY AND INFRASTRUCTURE CORPORATION

Background and Business

AC Energy and Infrastructure Corporation is alternately referred to as "AC Energy", "ACEIC", "the Company" or "the Group" in the entire discussion of AC Energy and Infrastructure Corporation.

Refer to Annex C: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered of the 2025 Supplementary Schedules attached as an Index to this Report.

Ayala operates its power generation business through AC Energy. AC Energy was incorporated in 2011 as AC Energy Holdings, Inc. (ACEHI) to pursue greenfield/brownfield, as well as currently operating, power-related projects for both renewable and conventional technologies. In 2016, AC Energy expanded its business purpose to include the purchase, retail, supply and delivery of electricity, and in 2017, the business purposes were expanded further to include the development, operation and maintenance of power projects. In June 2019, ACEHI completed the acquisition of PHINMA Energy Corporation (PHEN), an energy platform listed in the PSE, and subsequently renamed it to AC Energy Philippines, Inc. (ACEN) in September 2019. The SEC approved the change of name on October 11, 2019. On March 18, 2020, the ACEN Board voted to rename AC Energy Philippines, Inc. to AC Energy Corporation (ACEN), which the Board later voted on November 11, 2021 to rename to ACEN Corporation (ACEN) to recognize ACEN's offshore expansion through the ACEIC International Transaction and other future strategic initiatives. On April 26, 2021, ACEIC transferred 100% of its shares of stock in AC Energy International (ACEIC's 100%-owned subsidiary holding ACEIC's international business and investments) to ACEN in exchange for the issuance to ACEIC of additional Common Shares (the "ACEIC International Transaction").

In April 2020, ACEIC announced the approval of the consolidation of the Group's energy, water and logistics businesses under ACEIC. In line with the proposed consolidation, on April 14, 2020, AC Energy's board of directors approved the change of name to "AC Energy and Infrastructure Corporation", subject to regulatory approvals. On October 1, 2020, ACEIC's board of directors approved the consolidation of the Group's water and logistics businesses under ACEIC. With certain developments in the logistics business landscape, this plan was not pursued.

In 2020 and 2021, the AC Energy Group embarked on a process of transforming its listed subsidiary ACEN to become the Group's main energy platform. This included several investments for expansion, ACEIC's transfer of certain assets into ACEN, and ACEN's various capital raising activities resulting to additional equity reserve and non-controlling interests. As of December 31, 2025, ACEIC's effective ownership in ACEN was at 58.60%.

ACEN has since been designated as the Ayala group's listed energy platform, with parent ACEIC infusing its Philippines and international assets into the listed platform. ACEN has transitioned from being a Philippine-focused power generation company, into a regional energy player with investment, development, and operations capabilities. Today it is actively scaling up its renewable energy platform with investments in the Philippines and across the region in Vietnam-Lao PDR, Australia, and India. ACEN targets to achieve 15 GW in attributable renewable capacity by 2030, building from its current level of approximately 7 GW. Beyond this, ACEN continues to pursue its longer-term aspiration of 20 GW, which it views as attainable a few years after 2030.

In addition to its power generation businesses, ACEN is also engaged in commercial operations, which includes wholesale and retail electricity supply in the Philippines. ACEN and ACEIC both obtained retail electricity supply ("RES") licenses allowing them to sell electricity to end-users in the contestable market. ACEN has 1,755 MW of retail customer contracts as of December 31, 2025.

ACEN's strategies and objectives are aligned with the United Nations Framework Convention on Climate Change and the Paris Agreement on reducing global carbon emissions to limit global temperature increase to well below two degrees Celsius. Consistent with the ACEIC Group's commitment to the UN Sustainable Development Goals, AC Energy is additionally focused on protecting the wider environment and creating value for the communities it serves. AC Energy's Environmental and Social Policy has the following objectives: (i) achieve a low carbon portfolio by 2030; (ii) aspire for excellence in environmental management; and (iii) fulfill its commitment to the community.

Together with other listed companies in the Ayala group, ACEN has committed to Net Zero emissions by 2050.

Demonstrating the company's commitment to the global clean energy transition, in November 2022, ACEN took a substantial step toward Net Zero by divesting the 246-MW coal-fired South Luzon Thermal Energy Corporation (SLTEC) plant through the world's first market-based energy transition mechanism (ETM). The coal plant's operating life of up to 50 years will be cut in half, as ACEN commits to retire and transition the plant to a cleaner technology by 2040. This will help avoid or reduce up to 50 million metric tons of CO2 emissions. This landmark deal raised ₱7.2 billion, which ACEN will use to fund further renewables expansion.

ACEIC manages a diversified portfolio power plants with renewable and conventional sources. As of December 31, 2025, ACEIC had an attributable capacity of 7,001 MW from owned projects in operation, under construction and committed[1] across the region, which includes strategic investments in renewable and conventional power generation projects.

Power Business

The principal product of power generation and supply is the electricity produced and delivered to the end-consumers. It involves the conversion of fuel or other forms of energy to electricity, or the purchase of electricity from power generation companies and the Philippine Wholesale Electricity Spot Market (WESM).

ACEIC, through ACEN, conducts its power generation and supply activities directly or through its subsidiaries, associates, and joint ventures. In 2025, attributable output reached 7,009 gigawatthours (GWh) from 5,850 GWh in 2024. This includes generation from international plants of 5,143 GWh, up from 3,770 GWh the previous year.

The following tables set forth selected data on ACEN's power generation portfolio in operation and under construction as of December 31, 2025, totaling 6,805 MW. This includes owned assets only, and not leased units.

Plant	Class	Technology	Geography	Status	Net Dependable Capacity (MW)	Approx. Economic Interest	Attributable Capacity (MW)
North Luzon Renewables	Renewable	Wind	Philippines	Operating	**81**	81%	66
Guimaras Wind	Renewable	Wind	Philippines	Operating	**54**	100%	54
Northwind Power	Renewable	Wind	Philippines	Operating	**52**	100%	52
Islasol	Renewable	Solar	Philippines	Operating	**80**	100%	80
Sacasol	Renewable	Solar	Philippines	Operating	**45**	100%	45
Montesol	Renewable	Solar	Philippines	Operating	**18**	100%	18
Alaminos Solar	Renewable	Solar	Philippines	Operating	**120**	100%	120
Palauig 1 Solar	Renewable	Solar	Philippines	Operating	**63**	100%	63
Arayat-Mexico Solar[1]	Renewable	Solar	Philippines	Operating	**116**	50%	58
ACEN RE Tech Hub	Renewable	Solar	Philippines	Operating	**4**	100%	4
Maibarara Geothermal	Renewable	Geothermal	Philippines	Operating	**32**	25%	8
Alaminos Battery Storage	Renewable	Battery	Philippines	Operating	**40**	100%	40
Sitara Solar	Renewable	Solar	India	Operating	**140**	80%	112
Paryapt Solar	Renewable	Solar	India	Operating	**70**	80%	56
Salak & Darajat Geothermal[2]	Renewable	Geothermal	Indonesia	Operating	**671**	15%	101
Ninh Thuan Solar	Renewable	Solar	Vietnam	Operating	**405**	74.5%	302

[1] Projects which have received Board approval but have not yet received Notices to Proceed (NTPs).

Plant	Class	Technology	Geography	Status	Net Dependable Capacity (MW)	Approx. Economic Interest	Attributable Capacity (MW)
Khanh Hoa & Dak Lak	Renewable	Solar	Vietnam	Operating	**80**	80%	64
SUPER (Solar NT) First Phase Closing[3]	Renewable	Solar	Vietnam	Operating	**287**	49%	141
Mui Ne Wind	Renewable	Wind	Vietnam	Operating	**80**	50%	40
Quang Binh Wind	Renewable	Wind	Vietnam	Operating	**252**	80%	202
Ninh Thuan Wind (BIM Wind)	Renewable	Wind	Vietnam	Operating	**88**	82.15%	72
Lac Hoa & Hoa Dong Wind	Renewable	Wind	Vietnam	Operating	**60**	80%	48
Masaya Solar	Renewable	Solar	India	Operating	**420**	80%	336
Capa Wind (Amihan)	Renewable	Wind	Philippines	Operating	**70**	81%	57
SanMar Solar 1 & 2	Renewable	Solar	Philippines	Operating	**385**	100%	385
Pangasinan Solar (Sinocalan)	Renewable	Solar	Philippines	Operating	**60**	100%	60
Cagayan North Solar (CleanTech/NARED CO)	Renewable	Solar	Philippines	Operating	**133**	80%	106
NEFIN	Renewable	Rooftop Solar	Various[4]	Operating	**114**	100%	114
Pagudpud Wind (Bayog/Balaoi)	Renewable	Wind	Philippines	Operating	**160**	100%	160
Palauig 2 Solar	Renewable	Solar	Philippines	Under Construction	**300**	100%	300
SanMar Solar 3	Renewable	Solar	Philippines	Under Construction	**200**	100%	200
New England Solar Farm (NESF) Phase 1	Renewable	Solar	Australia	Operating	**522**	100%	522
Stubbo Solar	Renewable	Solar	Australia	Operating	**520**	100%	520
Monsoon Wind	Renewable	Wind	Lao PDR	Operating	**600**	24%	146
Stockyard Wind	Renewable	Wind	United States	Operating	**136**	80%	109
Chestnut Flats Wind	Renewable	Wind	United States	Operating	**38**	80%	32
Maharashtra C&I Hybrid – Solar	Renewable	Solar	India	Under Construction	**124**	80%	99
Maharashtra C&I Hybrid – Wind	Renewable	Wind	India	Under Construction	**29**	80%	24
New England Bess (2hr) – Section 1	Renewable	Battery	Australia	Under Construction	**200**	100%	200
Quezon North 1 WPP	Renewable	Wind	Philippines	Under Construction	**345**	100%	345
Quezon North 2 WPP	Renewable	Wind	Philippines	Under Construction	**208**	100%	208
Salak Unit 7 Expansion	Renewable	Geothermal	Indonesia	Under Construction	**40**	15%	6
Solarscape Solar	Renewable	Solar	Malaysia	Under Construction	**40**	80%	32
Dayasinar Solar	Renewable	Solar	Malaysia	Under Construction	**40**	80%	32

Plant	Class	Technology	Geography	Status	Net Dependable Capacity (MW)	Approx. Economic Interest	Attributable Capacity (MW)
NEFIN	Renewable	Rooftop Solar	Various[4]	Under Construction	**2**	100%	2
Tejorupa Solar	Renewable	Solar	India	Under Construction	**420**	80%	336
Bijapur Wind	Renewable	Wind	India	Under Construction	**120**	80%	96
Sheo 2 (Solar)	Renewable	Solar	India	Under Construction	**201**	80%	161
Sheo 2 (Wind)	Renewable	Wind	India	Under Construction	**153**	80%	122
Sheo 2 (Battery)	Renewable	Battery	India	Under Construction	**45**	80%	36
Sheo 1 (Solar)	Renewable	Solar	India	Under Construction	**201**	80%	161
Sheo 1 (Wind)	Renewable	Wind	India	Under Construction	**153**	80%	122
Sheo 1 (Battery)	Renewable	Battery	India	Under Construction	**35**	80%	28
					Subtotal		**6,805**
					Committed Capacity		**196**
					Grand Total		**7,001**

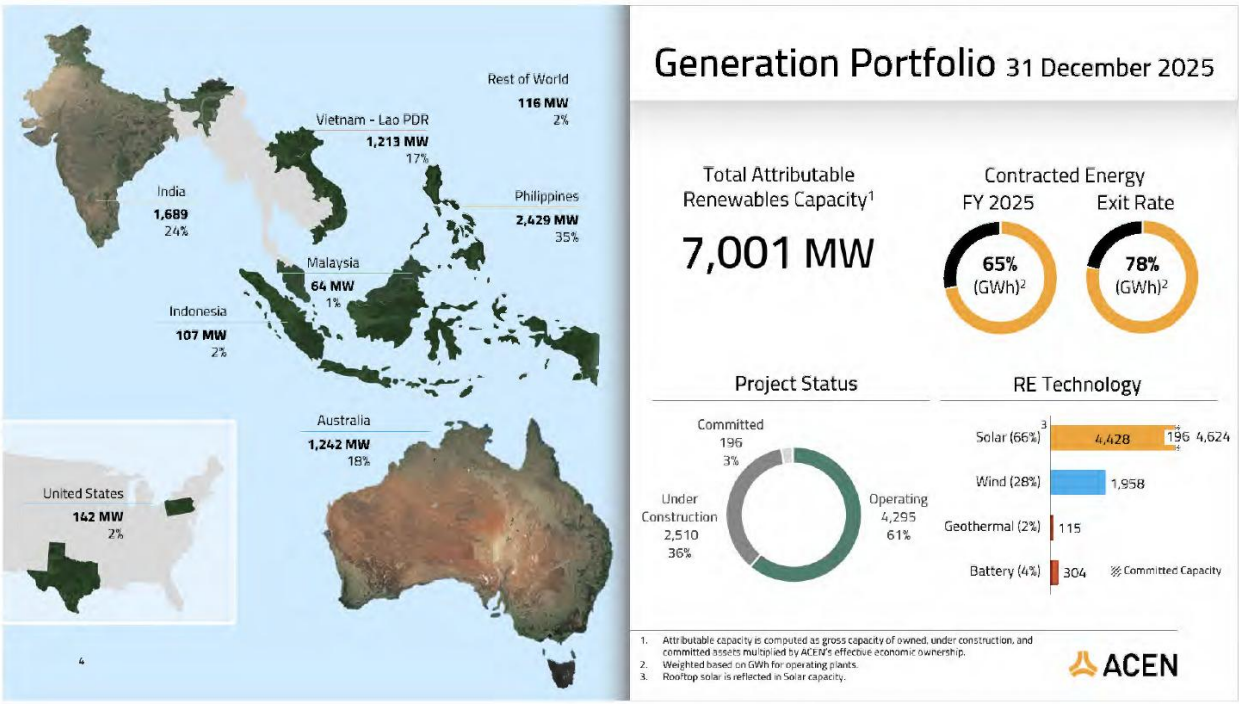
Notes:
1. Includes 44-MW expansion under construction
2. Includes Salak Binary Plant under construction
3. Phases 2, 3, and 4 of the Solar NT acquisition are subject to completion of conditions precedent.
4. Comprises Mainland China, Hong Kong, Malaysia, Thailand, Taiwan, and Singapore.

Renewable Energy Portfolio

As of December 31, 2025, ACEN's renewable energy (RE) platform had a total net attributable capacity of 7,001 MW, covering projects in operation, under construction, and committed. This includes owned assets only, and not leased units. ACEN's RE platform is divided into 4,624 MW of solar energy (including rooftop solar), 1,958 MW of wind power, and 115 MW of geothermal resources. The platform also contains 304 MW of battery storage linked to solar farms.

The charts below show the breakdown of ACEN's power project portfolio per country, technology, and status (in terms of Net Attributable Capacity[2] as of December 31, 2025):

[2] Refers to gross capacity of owned assets, multiplied by ACEN's effective economic ownership. Does not include leased units.



Renewable Energy Projects in Operation in the Philippines

Guimaras Wind

Background. Guimaras Wind Corporation (GWC) was incorporated and registered with the SEC on September 2, 1994 to engage in developing and utilizing renewable energy and pursuing clean and energy-efficient projects. GWC was awarded by the DOE Wind Energy Service Contract (WESC) No. 2009-10-009, pursuant to which it developed the 54 MW San Lorenzo Wind Farm in Guimaras, Iloilo.

On May 20, 2013, the DOE confirmed the Declaration of Commerciality of the Guimaras Wind 54MW San Lorenzo Wind Project (SLWP) in San Lorenzo, Guimaras under WESC No. 2009-10-009. The DOE confirmation affirms the conversion of said WESC from Pre-Development to Commercial Stage. On October 7, 2014, Guimaras Wind started delivering power to the grid from the commissioning operations of the first three units of wind turbine generators. On February 16, 2015, Guimaras Wind received from the DOE the confirmation of Commercial Operation starting December 27, 2014 for its 54 MW SLWP.

Power Offtaker / Energy Sales. Pursuant to Section 7 of Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008 (the "RE Law") and Section 5 of the RE Law Implementing Rules and Regulations (IRR), the ERC adopted and promulgated the FIT Rules. Eligible plants are entitled to the appropriate FIT administered and paid by the National Transmission Corporation ("TransCo"). On June 10, 2015, the wind farm was issued a Certificate of Endorsement for FIT Eligibility by the DOE. On December 1, 2015, GWC received its Certificate of Compliance ("COC")-FIT from the ERC which entitles the company to recognize its FIT at an approved rate of ₱7.40, with a retroactive period beginning December 27, 2014, for a guaranteed period of 20 years until December 26, 2034. On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the project's FIT Rate in 2020 was ₱8.59 per kWh and remains unchanged in 2021.

Operations. Guimaras Wind started delivering power to the grid on October 7, 2014 during the commissioning operations of the first three units of wind turbine generators. The 54MW wind energy plant started Commercial Operations on December 27, 2014.

Maibarara Geothermal

Background. On May 19, 2010, ACEN, PetroGreen Energy Corporation (PetroGreen), and PNOC Renewables Corporation (PNOC RC) signed a joint venture agreement, a wholly-owned subsidiary of

publicly-listed PetroEnergy, to form Maibarara Geothermal Inc. (MGI). MGI, with the following shareholding interests: PetroGreen - 65%; ACEN - 25%; and PNOC RC - 10%, would develop and operate the Maibarara Geothermal Power Project ("Maibarara Thermal Project") pursuant to the geothermal renewable energy service contract awarded by the DOE to PetroEnergy, PetroGreen's parent company, and subsequently assigned by PetroEnergy to MGI. On August 27, 2019, ACEN and MGI executed an Amendment to the Unit 1 Electricity Supply Agreement ("ESA") and Unit 2 ESA where the electricity fee rate structure was amended and the electricity supply period was amended until June 25, 2039.

Operations. Unit 1 and Unit 2 of Maibarara Project commenced commercial operation on February 8, 2014 and on March 9, 2018, respectively.

MonteSol

Background. In 2015, ACEIC entered into a subscription and shareholders' agreement with Visayas Renewables Corp. (VRC) for the development, construction, and operation of the MonteSol Project, a solar power farm located in Bais City, Negros Oriental. This project is owned and operated by Monte Solar Energy Inc. (MonteSol). The first phase of the project was for an 18 MWdc solar power plant with a total project cost of ₱1.3 billion, which was completed in February 2016 and is currently dispatching its full capacity to partially meet the energy requirements of Dumaguete City and Cebu City. ACEN believes that there is further potential for the expansion of the initial 18 MWdc solar power plant to up to 40 MWdc.

Power Offtaker / Energy Sales. On May 26 and October 15, 2015, the MonteSol Project secured the certificates of registration with the DOE and Board of Investments (BOI), respectively, as a renewable energy developer of solar energy resources. On June 3, 2016, the DOE certified the MonteSol Project as an eligible project under the feed-in tariff (FIT) system. On July 14, 2016, the ERC issued a provisional authority to operate in favour of MonteSol and on December 8, 2016 qualified this to a provisional authority to operate as a renewable energy generation company, thereby entitling it to a FIT Rate of ₱8.69 per kWh for a period of 20 years from March 13, 2016. On February 6, 2017, the company received final authority by way of its COC-FIT from the ERC and recognized revenues from energy sales using the FIT Rate.

Pursuant to Section 7 of the RE Law and Section 5 of the RE Law IRR, the ERC adopted and promulgated FIT rules. Eligible plants are entitled to the appropriate FIT Rate for its energy sales, which is administered and paid by the TransCo. On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the project's FIT Rate in 2020 was ₱10.12 per kWh and remains unchanged in 2021.

Operations. The MonteSol Project started commercial operations in February 2016 initially at WESM prices until the receipt of the COC allowing the company to retroactively recognize revenue from generation starting from March 2016 at FIT Rate.

Northwind Power

Background. The wind farm currently has total of 26 wind turbines and is the first commercial wind farm ever established in Southeast Asia. Commercial operations started in June 2005 with 15 wind turbines (Phase 1) followed by an additional five turbines in August 2008 (Phase 2) and another six turbines in September 2014 (Phase 3), increasing the project's generation capacity to 51.9 MW.

Power Offtaker / Energy Sales. Northwind Power delivers all its generation to the national grid via its own 57-kilometre 69kV transmission line from its plant site in Bangui, Ilocos Norte to the substation of the NGCP in Laoag City, Ilocos Norte.

The tariff on the generation of Phases 1 and 2 is a FIT Rate of ₱5.76 per kWh specific to the company, approved by the ERC in its decision dated June 30, 2014. The FIT Rate is valid for 20 years less the actual years of operation as provided for under the FIT Rules.

The tariff on the Phase 3 turbines is the national FIT Rate of ₱8.53 per kWh and is valid for a period of 20 years. Annual adjustment to the FIT Rate is provided for under the FIT Rules. On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the

resolution, the project's FIT Rates in 2020 were ₱6.92 per kWh and ₱9.90 per kWh for Phases 1 and 2, respectively, and remain unchanged in 2021.

Operations. Phases 1 and 2 use Vestas turbines and have a total 33 MW of capacity while Phase 3 uses Siemens turbines and have a total 18.9 MW of capacity.

North Luzon Renewables

Background. The North Luzon Renewables wind farm started commercial operations on November 11, 2014. The wind farm is comprised of 27 wind turbines with individual capacity of 3MW each. The power generated by the wind farm is supplied to the NGCP via its 62-kilometer, 115 kV transmission line from the project site to the NGCP substation in Laoag City, Ilocos Norte.

Power Offtaker / Energy Sales. On December 11, 2014, the DOE through the issuance of a certificate of endorsement certified the project as an eligible project under the feed-in-tariff (FIT) system. In April 2015, NLR received the FIT COC from the ERC entitling the wind farm to a FIT Rate of ₱8.53 per kWh for a period of 20 years. The FIT Rate covers the period from November 11, 2014 to November 10, 2034. On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the project's FIT Rate in 2020 is now ₱9.90 per kWh.

IslaSol

Background. IslaSol owns a 32 MWdc solar farm in La Carlota City, Negros Occidental (IslaSol II) and a 48 MWdc solar farm in Manapla, Negros Occidental (IslaSol III). IslaSol II and IslaSol III began their commercial operations on March 29, 2016 and March 8, 2016, respectively, and are currently dispatching their full capacity to the grid. IslaSol II uses a mix of JA Solar and Astronergy 260W solar panels, while IslaSol III uses JA Solar panels ranging from 265W to 275W.

Power Offtaker / Energy Sales. IslaSol II is connected to the Bacolod-San Enrique 69 kV line, while IslaSol III is directly connected to NGCP's Cadiz substation. On January 13, 2017, the ERC granted IslaSol II provisional authority to operate and issued its COC on June 5, 2017. For IslaSol III, the ERC granted a provisional authority to operate on July 29, 2016, which was extended on January 23, 2017. IslaSol III's COC was eventually issued on July 10, 2017. The power plant supplies the ACEN wholesale and retail electricity supply (RES) business.

SacaSol

Background. Located in San Carlos City, Negros Occidental, SacaSol AB (a 22 MWdc solar farm) and SacaSol CD (a 23 MWdc solar farm) began operating commercially on May 15, 2014 and September 6, 2015, respectively, with both solar farms currently dispatching full capacity to the grid. The SacaSol solar farms use a combination of Astronergy 270W PV solar modules and JA Solar 245W PV Modules.

Power Offtaker / Energy Sales. SacaSol AB and SacaSol CD are connected to the San Carlos-Cadiz 69 kV line. SacaSol AB has been awarded a guaranteed FIT Rate of ₱9.68 per kWh, subject to adjustment as may be approved by the ERC, for 20 years. For SacaSol CD, the awarded guaranteed FIT Rate is ₱8.69 per kWh, also subject to adjustment as may be approved by the ERC, for 20 years. On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible renewable energy plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the project's FIT Rates in 2020 were ₱11.28 per kWh and ₱10.12 per kWh for SacaSol AB and SacaSol CD, respectively, and remain unchanged in 2021.

Palauig 1 Solar

Palauig 1 Solar is a standalone solar farm that is capable of supplying daytime power to the Luzon grid throughout the year. It has a designed capacity of 63 MWdc that can power approximately 30,000 houses in the region and can reduce annual carbon emission by at least 50,000MT of CO2 of greenhouse gases.

Background. In July 2020, ACEN commenced construction of its 63 MWdc solar farm located in the Municipality of Palauig, Zambales, through its wholly-owned subsidiary Gigasol3, Inc. (Gigasol3). In April

2021, ACEN energized its Palauig Solar project and successfully ended commissioning stage in May 2021. In July 2021 the Independent Electricity Market Operator of the Philippines (IEMOP) approved Gigasol Palauig Solar project commercial operations date.

Power Offtaker / Energy Sales. Palauig Solar is connected to the 69kV NGCP Botolan Substation via tap in connection to the 69jV NGCP Botolan-Candelaria Transmission Line. On June 2021, the ERC granted Palauig Solar provisional authority to operate. The power plant supplies the ACEN wholesale and RES business.

Alaminos Solar

Alaminos Solar is a greenfield solar farm that is capable of supplying daytime power to the local grid throughout the year. It is the second largest solar power plant in the Philippines and can generate enough power to supply clean energy to approximately 80,000 homes while avoiding 111,034.37 MT CO2 of greenhouse gases. The Alaminos solar farm is notable for its pioneering Sustainability Hub where ACEN has started to integrate the circular approach.

Background. In January 2020, ACEN commenced construction of its 120 MWdc solar power farm located in the Municipality of Alaminos, Laguna, through its wholly-owned subsidiary SolarAce1 Energy Corp. (SolarAce1). On June 2021, ACEN energized Alaminos Solar and achieved full commercial operations on July 2021.

Power Offtaker / Energy Sales. Alaminos Solar is connected to NGCP's 69kV Bay Substation through a 2.5km 69kV Transmission Line. Although the ERC granted Alaminos Solar provisional authority to operate, the plant is still awaiting COC. The power plant supplies the ACEN wholesale and RES business.

Alaminos Battery Energy Storage System Project

In October 2020, the Company commenced construction of the 2x20 MW Alaminos Battery Energy Storage System Project located in the Municipality of Alaminos, Laguna. The project was completed in the first quarter of 2022.

Bataan Solar (Bataan RE Tech Hub)

Bataan Solar Energy Inc. (BSEI) was incorporated and registered with the SEC on July 27, 2016 with the primary purpose to carry on the business of operating, managing, maintaining, and rehabilitating solar energy systems, including bulk procurement, marketing and setting up of arrangement and brokerage of the same solar energy systems as necessary for the generation, transmission, distribution and sale and delivery of electricity to domestic, commercial, industrial users or distribution companies, and the acquisition and/or lease of franchises from private and/or government entities. It is a wholly-owned subsidiary of Gigasol2, Inc.

Background. It is the holder of Solar Energy Service Contract No. 2017-06-410, pursuant to which it has the exclusive right to explore, develop, and utilize solar energy resources within a certain area in the Municipality of Mariveles in the Province of Bataan. ACEN began the construction of the Bataan RE Tech Hub in September 2020. The renewable energy laboratory shall be used to study state-of-the-art PV modules and other emerging technologies that may be incorporated by ACEN in its upcoming projects.

Power Offtaker / Energy Sales. The Bataan RE Tech Hub is a research facility using various technologies for PV, Inverter, and Energy Storage Systems.

Arayat-Mexico Solar Farm

On April 26, 2021, ACEN issued a notice to proceed for its 72 MWdc Arayat Solar project located in Arayat and Mexico, Pampanga. The project is under Greencore, a joint venture between ACEN and CSCE, and is targeted to be completed by 2022. CSCE (through its affiliates) is expected to provide the engineering, procurement and construction services for the Arayat-Mexico Solar project as well as project development and plant operations and maintenance. The project was expanded to 116 MW through a 44-MW second phase, which was completed in March 2024.

Background. In April 2022, ACEN and Citicore Renewable Energy Corporation announced that they have fully energized the 72-megawatt (MW) first phase of the Arayat-Mexico solar farm in Pampanga in time for the demand surge that summer. Once fully operational, the solar farm will produce an estimated 105 gigawatt-hours of renewable energy per year, enough to power 45,000 households and avoid 72,000 metric tons of carbon dioxide emissions annually.

Capa Wind

Amihan Renewable Energy Corp. (Capa Wind) is the fourth wind farm project of ACEN in Ilocos Norte. Capa Wind provided the lowest winning bid for wind supply at a flat rate of ₱3.8583 per kWh for 20 years under the first round of GEAP. The 70 MW wind farm will generate and supply clean power to more than 60,000 homes per year, and provide over 300 local jobs during its construction stage.

On July 29, 2022, ACEN, through its subsidiary Capa Wind, signed an agreement with Siemens Gamesa Renewable Energy Technology (SGRE) for the supply and installation of fourteen units of wind turbines for the construction of the next wind project of ACEN in Caparispisan, Pagudpud, Ilocos Norte. Once completed, the wind project can produce over 220 GWh of renewable energy per year and eliminate over 130,000 tonnes of CO2 emissions annually.

The 70 MW Capa Wind project will help deliver ACEN's supply commitments secured under the first round of the Department of Energy's Green Energy Auction Program. Capa Wind provided the lowest winning bid for wind renewable energy supply at a flat rate of ₱3.8583 per kWh for 20 years.

The estimated project cost is ₱6 billion, with a target completion by 2024. Capa Wind is a wholly owned subsidiary of North Luzon Renewables, which is a joint venture between ACEN and Diamond Generating Asia, Limited. Capa Wind is the second wind project of the joint venture company.

Pangasinan Solar

In January 2023, ACEN began the construction of the 60 MW Pangasinan Solar farm, ACEN's first development in Pangasinan, and the company's second solar farm to commence major construction works in 2023. The ₱2.8 billion project utilizes ground-mounted solar photovoltaic panels and will be directly connected to the grid through a 2-km transmission line to the NGCP 69 kV San Manuel Substation.

Once operational, Pangasinan Solar is expected to generate 94 GWh of renewable energy per year, enough to power an estimated 55,000 homes and avoid approximately 58,369 metric tons of CO2 emissions annually. The project also aims to boost Pangasinan's local economy with the creation of an estimated 1,000 jobs during the plant's construction phase.

In December 2022, ACEN announced its acquisition of Sinocalan Solar Power Corp. through the signing of a deed of absolute sale of shares with Sungrow Power Renewables Corp. and Havilah AAA Holdings Corp. This allowed ACEN to fast-track the development of Pangasinan Solar, with a potential expansion of up to 100 MW.

SanMar Solar (Phase 1 and 2)

SanMar Solar, a 585 MWdc solar farm located in San Marcelino, Zambales, is one of the largest solar projects in the country as of December 31, 2023. The solar farm's three phases are capable of producing over 871 GWh of renewable energy per year and eliminating 287,796 tonnes of CO2 emissions annually.

The solar farm sits on approximately 300 hectares of unutilized land covered by lahar, effectively converting the area into a sustainable energy source, and has an expansion potential of up to 700 MW. The project is expected to bring significant value to the local community, with up to 500 direct jobs during construction.

As of December 31, 2025, phases 1 and 2 of SanMar Solar representing 385 MW of the plant's capacity was already operational, while the third, 200 MW phase remains under construction and is targeted for completion in 2027.

Cagayan North Solar

On March 24, 2022, ACEN, ACE Endevor, Inc. (Endevor) and CleanTech Renewable Energy 4 Corp. (CleanTech) announced that they formed a joint venture company, Natures Renewable Energy Development Corporation (NAREDCO) to develop, own and operate a 133 MW solar farm and transmission line project located in Lal-lo, Cagayan. The companies signed a shareholders' agreement for the strategic partnership, with ACEN and Endevor to have a combined 60% ownership stake in NAREDCO, and CleanTech owning the remaining 40%.

NAREDCO constructed the solar farm and transmission line, which has a potential expansion of up to 200 MW. The solar farm us located on a 115-hectare flat land known for its high solar irradiance in Barangays Magapit and Sta. Maria, which connects to the 69kV NGCP Lal-lo (Magapit) substation via a 3-km transmission line.

The 133 MW solar farm is expected to produce 188 GWh of renewable energy annually, enough to power 75,000 households while avoiding approximately 112,405 MT of CO2 emissions annually. It began generating power in January 2024.

Pagudpud Wind

Pagudpud Wind Power Corp. (PWPC) was incorporated and registered with the SEC on December 9, 2009 as holding company for renewable energy and other corporations. PWPC holds investments in Bayog Wind Power Corp. (BWPC), which is the project company for the Pagudpud Wind Project in Ilocos Norte.

On May 18, 2021, ACEN commenced construction of the 160 MW GigaWind Pagudpud wind farm in Pagudpud, Ilocos Norte province, which is set to be the biggest wind farm in the Philippines to date. The ₱11.4 billion facility will be ACEN's third wind development in Ilocos Norte. ACEN is developing the Ilocos Norte Wind Project in partnership with UPC Renewables. The Ilocos Norte Wind Project began generating power in 2024.

Pagudpud Wind secured a long-term offtake agreement through the Green Energy Auction Program (GEAP) of the DOE auctioned in June 2022.

Renewable Energy Projects in Operation in Australia

New England Solar

The first phase of New England Solar, operating under ACEN NESF HoldCo Pty Ltd., located near Uralla in New South Wales, is ACEN's first project in Australia. The first 522 MWdc phase of NESF began exporting power in 2023. Its 200 MW battery energy storage system is currently under construction and is expected to be completed in 2026.

New England Solar is expected to be ultimately a combined 720 MW solar farm and 400 MWh battery energy storage development. Once fully constructed, the project will produce enough energy to power approximately 185,000 typical NSW households each year.

Stubbo Solar

ACEN Australia awarded the Engineering, Procurement and Construction (EPC) contract for the construction of the 520 MWdc (400 MWac) Stubbo Solar project to PCL Construction ("PCL"). PCL is an experienced and diverse construction partner that delivers complete solar energy solutions in Australia, the United States, and Canada.

The 520 MWdc (400 MWac) solar project is located within the Central-West Orana Renewable Energy Zone in the Mid-Western Regional Council region and will connect to the existing 330 kV network between Wollar and Wellington. The project will produce enough clean, renewable energy to power more than 185,000 average Australian homes. The project's development approval also includes provisions for a 200 MWh battery energy storage system, allowing for the project to later be adapted to dispatch energy when it is most needed during peak hours and provide important grid stability services.

Stubbo Solar was granted development consent in 2021. Construction of the site access recently commenced, with construction of the main works by PCL also starting in 2023. The solar farm is estimated to have created up to 400 jobs during construction and up to 10 ongoing jobs, generating many contracting opportunities for local businesses. Wherever possible, workers and businesses from the local and regional area are prioritised for employment and contracting opportunities to help maximize the benefits for local communities. The project reached commercial operations in December 2025.

Renewable Energy Projects in Operation in Vietnam & Lao PDR

Khanh Hoa Solar Plant and Dak Lak Solar Plant

Background. The Khanh Hoa Solar Plant has a capacity of 50MWp and is located in the Khanh Hoa province. The Dak Lak Solar Plant has a capacity of 30MWp and is located in the Dak Lak province. The projects reached commercial operations in the second quarter of 2019.

Power Offtaker / Energy Sales. The Khanh Hoa Solar Plant delivers its power through a 5.5 km 110 kV transmission line to a Vietnam Electricity (EVN) substation. EVN is a state-owned corporation which ensures electricity supply for Vietnam. The Dak Lak Solar Plant delivers its power through a 110kV transmission line adjacent to an EVN substation.

The projects have a 20-year power purchase agreement (PPA) with EVN with a FIT rate of U.S.$0.0935 per kWh.

Ninh Thuan Solar Farm

Background. In October 2017, ACEN, through its subsidiary, entered into a partnership with the BIM Group for the development of an up to 330MWp of solar plants – the Ninh Thuan Solar Plants. Total capacity was divided among three sites – 30MWp in site 1, 50MWp in site 2, and up to 250MWp in site 3. The project is the first project under the partnership with the BIM Group and is one of the largest solar farms in Vietnam. The Ninh Thuan Solar Plants commenced operations in the second quarter of 2019. In the second quarter of 2020, ACEN commenced construction of a 75MWp expansion within the site area of the existing 330MWp Ninh Thuan Solar Plants, which reached commercial operations in the fourth quarter of 2020. The expansion was completed in 2021.

Power Offtaker / Energy Sales. All three sites have a 20-year PPA with EVN with a FIT rate of U.S.$0.0935 per kWh. The solar expansion has been awarded the second phase ground mounted solar projects FIT rate of U.S.$0.0709 per kWh 20-year PPA with EVN. The contracts are paid in Vietnamese Dong but amount received is indexed against the U.S. Dollar on a monthly basis, preserving the U.S. Dollar FIT rate under the PPA.

Mui Ne Wind Farm (Phase 1)

Background. Construction of the first phase of the Mui Ne Wind Farm (40MW) located in the Binh Thuan Province commenced in 2019. The project uses 10 4.2MW V150 wind turbines from Vestas.

Power Offtaker / Energy Sales. The project delivers its power through a combination of 6.5km transmission lines to the 110kV Mui Ne substation. The project is qualified for a 20-year PPA with EVN and FIT rate of U.S.$0.085/kWh.

Mui Ne Wind Farm (Phase 2)

Background. In the second quarter of 2021, ACEN awarded to General Electric the turbine supply of the 40MW second phase of the Mui Ne Wind Farm located in Binh Thuan Province under its partnership with The Blue Circle. It began commercial operations in 2021.

Power Offtaker / Energy Sales. The project was completed in 2021 and qualified for the wind FIT rate of U.S.$0.085 per kWh PPA with EVN.

Ninh Thuan Wind Farm

Background. ACEN commenced construction of an 88 MW wind farm located in Ninh Thuan Province, Vietnam under its partnership with the BIM Group (the "Ninh Thuan Wind Farm") in 2020. It is expected to produce 327 GWh per year once fully operational, enough to power around 50,000 homes per year with renewable energy that can help avoid 298,551 tons of CO2 annually.

Power Offtaker / Energy Sales. The project was completed in 2021 to qualify for the wind FIT rate of U.S.$0.085 per kWh PPA with EVN.

Quang Binh Wind Farm

Background. As part of the joint venture with AMI Renewables signed in December 2017, the joint venture, through its subsidiary, B&T WindFarm Joint Stock Company, owns the Quang Binh Wind Farm in Quang Binh Province. In July 2020, construction commenced on one of the largest onshore wind farms in Vietnam with an aggregate capacity of 210 MW. The Quang Binh Wind Farm has two phases consisting of 109.2 MW and 100.8 MW, with firm orders already having been issued to the wind turbine supplier for both phases. In the first quarter of 2021, the joint venture issued a notice to proceed for a 42 MW expansion of the Quang Binh Wind project. The project's capacity is expanded to 252 MW. Quang Binh Wind was completed in 2021.

Power Offtaker / Energy Sales. The Quang Binh Wind Farm qualified for the wind FIT rate of U.S.$0.085 per kWh PPA with EVN.

Lac Hoa Wind & Hoa Dong Wind Farm

ACEN and UPC formed a joint venture in the construction of two wind projects, the Lac Hoa and Hoa Dong Wind Farms, in the Soc Trang province of southern Vietnam, with an aggregate capacity of 60 MW. The projects utilize wind turbines from Vestas delivered in different power ratings with site-specific towers for both projects. To maximize energy yields on both sites, the turbines feature a record hub height of 162m. The project commenced construction in June 2020.

Project construction was impacted by the Vietnam COVID-19 lockdowns wherein stricter restrictions of travel and movement of both people and equipment were imposed, and completed construction in 2024.

Power Offtaker / Energy Sales. The plants initially received a transitional tariff of 793.5 VNĐ per kWh, 50% of the maximum tariff for wind projects that reached commercial operations date after the FIT deadline of October 31, 2021. A permanent tariff at the rate of 1,579 VNĐ per kWh has been negotiated with EVN and will be applied retroactive to COD date.

First Phase Acquisition of SUPER Energy's Vietnam Solar Platform (Solar NT)

ACEN, through its subsidiary, ACEN Vietnam Investments Pte. Ltd., in June 2023, moved forward on signing the Shareholders' Agreement and other definitive agreements for the closing of the acquisition of Super Energy Corporation Public Company Limited's (SUPER) solar power business in Vietnam. This strategic partnership follows the share purchase agreement signed by the two companies in 2022.

SUPER currently owns and operates 837 MW of solar projects in Vietnam through Solar NT; ACEN is to take up 49% ownership of Solar NT through a phased acquisition. The closing of the first phase of the transaction has just been completed, covering 287 MW of net dependable capacity. Meanwhile, the remaining phases are expected to be completed within the year, with a total consideration estimated at $165 million.

Power Offtaker / Energy Sales. Super Solar holds 20-year PPAs with EVN, commencing in June and December 2019. The FIT rate applied to these PPAs is U.S.$0.0935 per kWh.

Monsoon Wind

ACEN, through subsidiary ACEN Renewables International Pte. Ltd., signed the financing documents for the non-recourse project financing for the Monsoon Wind, the first wind power project in Lao PDR. Monsoon Wind will construct, own, and operate a 600 MW wind power plant and its 500 kV transmission

line in the Sekong and Attapeu provinces located in the southeastern provinces of the Lao PDR. Monsoon Wind is also the first cross-border wind project in Southeast Asia.

The Monsoon Wind project is a partnership with ACEN, BCPG Public Company Limited, Impact Electrons Siam Limited, Mitsubishi Corporation and SMP Consultation and STP&I Public Company Limited. The project will be co-financed by the Asian Development Bank as lead arranger, Asia Infrastructure Investment Bank, Japan International Corporation Agency, the Export-Import Bank of Thailand, Hong Kong Mortgage Corporation, Sumitomo Mitsui Banking Corporation, Kasikornbank, and Siam Commercial Bank.Monsoon Wind is one of the key projects in the Vietnamese government's electricity development plan. It is expected to alleviate the electricity supply-demand challenges in Vietnam, while the country pushes through with their decarbonization goal. The project aims to help strengthen the connectivity in the ASEAN region through the provision of cross-border electricity sales. The Lao government will benefit from the project through revenue from royalty fees and other sources based on the Concession Agreement. The project will also bring green energy jobs with the construction of the 600 MW wind power and during its operation. The project achieved commercial operations in August 2025.

Power Offtaker / Energy Sales. Monsoon Wind holds a 25-year PPA with EVN. The FIT rate applied to this PPA is U.S.$0.0695/kWh.

Renewable Energy Projects in Operation in Indonesia

Salak-Darajat Geothermal Projects

Background. The assets include the Salak and Darajat geothermal fields in West Java, Indonesia with a combined capacity of 637MW of steam and power. The project has a combination of long term steam and power supply agreements with PLN.

In December 2024, construction began on Unit 7 of the Salak Geothermal Plant. This expansion will increase the plant's capacity by 40 MW, 6 MW of which attributable to ACEN. It is expected to generate an additional 320 GWh of power annually.

In January 2025, the Salak Binary plant was completed, adding a further 15 MW of net dependable geothermal capacity to the facility for an aggregate of 663 MW.

Power Offtaker / Energy Sales. The project has multiple agreements with PLN to purchase steam and energy with various tariff ranging from U.S.$0.06-0.07 /kWh with various tenors until 2047.

Renewable Energy Projects in Operation in India

Sitara Solar

Background. In July 2020, ACEN, through its joint venture UPC-AC Energy Solar, issued notice-to-proceed for the 140 MWdc Sitara Solar farm in Rajasthan, a desert state with the highest irradiation in India. The project utilizes Risen Energy monocrystalline panels and is expected to start power generation in the first half of 2021. In May 2021, despite the worsening pandemic situation in India, the 140 MWdc Sitara Solar project in Rajasthan started commercial operations.

Power Offtaker / Energy Sales. The project will supply energy to the Solar Energy Corporation of India. UPC-AC Energy Solar won the power supply agreement for Sitara Solar via a competitive bid at INR 2.48 per kWh, fixed over a 25-year period, commencing in May 2021.

Paryapt Solar

Background. In October 2020, ACEN, through its joint venture UPC-AC Energy Solar, issued notice-to-proceed for a 70 MWdc solar plant in Gujarat, one of the first states to develop solar generation capacity in India, aiming for 100 GW of renewables capacity by 2030. The Paryapt Solar Farm (Paryapt Solar Energy Private Limited) uses Jinko monocrystalline solar panels. In April 2021, UPC-AC Energy Solar achieved a significant milestone with the start of commercial operations of its 70 MWdc Paryapt Solar project located in the State of Gujarat, India.

Power Offtaker / Energy Sales. The project supplies energy to Gujarat Urja Vikas Nigam Ltd. UPC-AC Energy Solar won the power supply agreement for the project via a competitive bid at INR 2.55 per kWh, fixed over a 25-year period beginning April 2021.

Masaya Solar

Background: On January 30, 2022, ACEN and UPC Solar Asia Pacific, commenced construction of their 300 MWac (420 MWdc) Masaya Solar farm. Through their joint venture company, UPC-AC Energy Solar, they have built a total of 630 MWdc across India.

The Masaya Solar project is located in the Khandwa District, State of Madhya Pradesh, and is set to produce ~690 GWh of renewable energy per year while avoiding approximately 635,000 MT of CO2 emissions annually. The project will created approximately 500 jobs during its construction stage. The Masaya Solar farm reached full operations in the first quarter of 2024 and its UPC-AC Energy Solar's third and largest solar project in India to date.

Power Offtaker / Energy Sales. The joint venture supplies electricity at INR 2.71 per kWh fixed over a 25-year period commencing March 2024 under a power supply agreement with the Solar Energy Corporation of India.

Renewable Energy Projects in Operation in the United States

Chestnut Flats Wind

Background: In January 2024, UPC Power Solutions, a joint venture between ACEN, PivotGen and UPC Solar & Wind Investments, completed the purchase agreement with EDF Renewables North America to acquire lessee interests in the 38 MW Chestnut Flats operating wind project located near Altoona, Pennsylvania, EDF Renewables will continue to provide asset management and operations and maintenance services.

Chestnut Flats, which has been operating since 2011 uses 19 Gamesa turbines, which are set to be repowered in 2025.

Power Offtaker / Energy Sales: Chestnut Flats supplies electricity at 9 US cents per KWh to the Delmarva Power and Light Company.

Stockyard Wind

In March 2023, ACEN, through its joint-venture company, UPC Power Solutions LLC, signed a Purchase and Sale Agreement with US-based GlidePath Power Solutions LLC (GlidePath) for the acquisition of a portfolio of eight operating wind projects. Collectively known as Stockyard Wind (operating under Stockyard Wind LLC), the assets have a total net dependable capacity of 136 MW, located in northern Texas, USA. The resulting strong-growth U.S. platform leverages the combined expertise of ACEN and its partners, Pivot Power Management and UPC Solar & Wind Investments. The wind assets are expected to generate approximately 360 GWh of wind energy per year, enough to power approximately 24,000 households and estimated to avoid approximately 127,000MT of carbon dioxide emissions.

This milestone marked ACEN's anticipated entry into the fast-growing U.S. renewables market as it expands its geographic footprint beyond the Asia-Pacific region. Announced in April 2022, ACEN, through its subsidiary ACEN USA LLC, formed a strategic partnership with Pivot Power Management and UPC Solar & Wind Investments LLC to pursue opportunities to acquire operating wind projects in the U.S., and explore strategies for extending their useful life through preventative maintenance and repowering.

Repowering of the plant's turbines was completed in March 2025, with generation to ramp up throughout the year.

Power Offtaker / Energy Sales. Stockyard Wind sells its output on a merchant basis to the Southwest Power Pool. It also generates production tax credits (PTC) which can be sold once contracted with a third-party buyer.

Renewable Energy Projects Under Construction in the Philippines

Palauig 2 Solar

ACEN further boosted its renewable energy portfolio the Philippines, with the construction of the 300 MW Palauig 2 Solar farm located in Zambales, an area with one of the country's highest irradiance zones and solar energy potential.

In proximity to ACEN's operating 63 MW Palauig 1 Solar project, the cost of the new development, including the construction of the 1,200 MW transmission line, is estimated at ₱16 billion. 540 MWp high-efficiency solar panels will be supplied by module manufacturer, Seraphim.

ERS Energy Pte. Ltd. (ERS) and Global Electric Power Development Corporation (GEC) are signed on as the project's Engineering Procurement and Construction (EPC) contractors, with ERS as the offshore supplier and GEC as the onshore construction contractor.

Upon completion expected in the first half of 2026, Palauig 2 Solar is expected to produce over 450 GWh of clean energy per year, and together with Palauig 1 Solar's 90 GWh output, is expected to sustainably power the equivalent of approximately 139,000 homes and avoid approximately 350,000MT of carbon dioxide emissions annually.

San Marcelino Solar 3

ACEN is progressing with the development of the third phase of the San Marcelino Solar project in Zambales, further strengthening its expanding solar platform in the region. San Marcelino Solar Phase 3 will add 200 MW of new capacity and is expected to generate nearly 300 GWh of clean energy annually, contributing to ACEN's growing renewable energy portfolio. The project has an estimated project cost of over ₱8 billion, reflecting ACEN's continued investment in large scale, utility grade solar infrastructure.

Phase 3 builds on the success of the earlier phases, leveraging existing site infrastructure and transmission access to accelerate development. Once operational, it will enhance Luzon's renewable supply while supporting local economic activity through additional green energy jobs.

Quezon North Wind

Quezon North is a multi-phase onshore wind project spanning the municipalities of Real and Mauban, in Quezon Province. When completed, it will be the largest wind project in the Philippines, with a capacity of up to 553 MW and over 1,700 GWh of annual renewable energy generation. The first 345 MW phase, which will be powered by 53 Envision wind turbines received approval to begin construction in October 2024, and is expected to be completed by Q2 2027.

Quezon North 1 is a GEAP project, and will have a 20-year contract with a tariff of ₱5.79 per kWh.

Renewable Energy Projects under Construction in India

Maharashtra C&I Hybrid Solar & Wind

The 153 MWdc (115 MWac) project, developed in partnership with US-based power company Yanara, is ACEN's first hybrid wind-solar and round-the-clock asset that is expected to deliver up to 290 GWh of clean and dispatchable higher CUF power to commercial and industrial (C&I) customers in Narangwadi in the state of Maharashtra. Hybridization optimizes multiple renewable technologies mix to meet customers' load requirements.

The project has secured a 25-year 89 MW PPA for INR 3.62 per kWH with the Maharashtra State Electricity Distribution Company, and is expected to be completed in 2026.

Bijapur Wind

The 120 MWp Bijapur 1 Wind project in Karnataka, India, is being developed in partnership with UPC Renewables. The 120 MWp Bijapur 1 Wind project (operating under Diyos Renewables India Project

Private Limited) in Karnataka, India, is being developed in partnership with UPC Renewables. 100 MW of the plant's capacity is contracted with SJVN at 1NR 3.99 per kWh.

Upon completion in 2027, the plant is expected to generate ~318 GWh of renewable energy annually.

Tejorupa Solar

Tejorupa Solar (operating under Tejorupa Renewables India Project Private Limited) is a 405 MW project co-developed with UPC Renewables in Rajasthan, India. It is expected to be completed in 2027, with 250 MW of its capacity already contracted with the Solar Energy Corporation of India (SECI) at INR 2.56 per kWh, and 50 MW allocated for the IEX. The planned capacity of 405 MW as of March 31, 2025 has been increased to 420 MW as of 30 June 2025.

It is expected to generate 762 GWh of electricity annually once fully operational.

Sheo 1 Hybrid

Sheo 1 Hybrid, developed in partnership with Yanara, is a power facility combining wind, solar, and battery storage, with a total installed capacity of 389 MW. The project is expected to be completed in 2027, with 120 MW of its capacity already contracted with the National Hydroelectric Power Corporation (NHPC)

Upon completion, Sheo 1 Hybrid is expected to deliver approximately 894 GWh of clean energy annually.

Sheo 2 Hybrid

Sheo 2 Hybrid is a wind-solar-battery project developed in collaboration with Yanara. The asset is designed to deliver dispatchable renewable energy to National Thermal Power Corporation (NTPC).

Sheo 2 Hybrid is estimated to have an annual generation of up to 886 GWh and expected to be completed in 2027.

Renewable Energy Projects Under Construction in Malaysia

Solarscape and Dayasinar Solar

In the first quarter of 2025, construction began on the Solarscape and Dayasinar solar plants, each with a capacity of 40 MW, in the state of Kedah, Malaysia. The projects are being developed with ib vogt, with ACEN holding 80% economic interest in both plants. Upon completion in 2026, the plants' output will be fully contracted to corporate offtakers through Malaysia's New Enhanced Dispatch Arrangement (NEDA) program, which allows generators to sell directly to customers above a certain demand threshold.

Other Businesses

Retail Electricity Supply Business

AC Energy began its active participation in the WESM when it obtained membership as a Wholesale Aggregator on September 20, 2007. The WESM serves as a platform where electricity generated by power producers are centrally coordinated and traded like any other commodity in a market of goods. On November 19, 2012, AC Energy secured its RES license from the ERC under RES License No. SL-2012-11-009 to supply electricity to the Contestable Market. On November 20, 2019, the ERC issued to ACEN RES License No. 11-2019-0057RS valid until November 19, 2022. On November 18, 2022, AC Energy was issued RES License No. 01-2023-0091RS valid from November 20, 2022 until November 19, 2027. For the years ended December 31, 2025, 2024 and 2023, revenue from power supply contracts amounted to ₱16.8 billion, ₱22.1 billion, and ₱25.0 billion, respectively.

As of December 31, 2025, AC Energy has an estimated 1,755 MW of retail customer contracts and 100 MW of wholesale customer contracts.

Bulk Water Supply Business

ACE Endevor owns 100% ownership interests in bulk water supply companies SCC Bulk Water, HDP Bulk Water, LCC Bulk Water, and MCV Bulk Water. The companies entered into water supply contracts for the provision of water to the power generation plants of San Carlos Biopower Inc. (SCBP), San Carlos Bioenergy, Inc., South Negros Biopower, Inc., and North Negros Biopower, Inc., respectively, in Negros Occidental.

Land Lease and Development

AC Energy, through its subsidiaries, owns 100% ownership interests in Solienda Incorporated (Solienda) and San Julio Land Development Corporation (SJLD) and approximately 66% of Manapla Sun Power Development Corp. (MSPDC). These companies enter into various contracts with AC Energy's projects to assist in the management and maintenance, among others, of select renewable projects.

Solienda

Solienda was incorporated and registered with the SEC on November 29, 2016 to deal and engage in land lease and real estate business. On December 5, 2016, San Julio Realty, Inc. assigned to Solienda the absolute and irrevocable title, rights and interest in the contract of lease, and the subsequent amendment agreements, with San Carlos Sun Power, Inc., SacaSol and SCBP.

San Julio Land (SJLD)

SJLD was incorporated on June 20, 2014 with a primary purpose to deal and engage in land and real estate business, to hold, own, develop, manage, administer, purchase, lease, encumber, construct, alter in whole or in part, or otherwise deal in and dispose of, for itself or for others, for profit, all kinds of real estate projects, including, but not limited to, residential, commercial, industrial, as well as utilities, with or for persons and entities an under such terms and conditions as may be permitted by law; to enter into joint ventures and other similar arrangements in the furtherance of such land and real estate business. SJLD has ownership interest in MSPDC.

Manapla Sun Power Development Corp. (MSPDC)

MSPDC was incorporated and registered with the SEC on December 16, 2014 with a primary purpose to engage in the business or renewable energy such as, but not limited to biomass, mini-hydro or solar power and ancillary business, and to own, lease, operate, manage or develop public or private lands. In March 2017, ACEIC acquired 66.2% of MSPDC. MSDPC is the landowner of and the lessor for IslaSol's solar farm in Manapla, Negros Occidental.

Sources and Availability of Raw Materials

For its power business, 100% of AC Energy's attributable capacity from owned assets is fueled by renewable energy sources, as of December 31, 2025.

Transactions with Related Parties

Please refer to Item 12 on Certain Relationships and Related Transactions of this Report.

Intellectual Property

AC Energy applies with the Intellectual Property Office of the Philippines for the registration of various trademarks as part of its continuing efforts to protect and strengthen its brand. As of February 28, 2026, the following trademarks are registered in the name of ACEN under the following terms:

Trademark	Date of Registration	Term
Gigawind (with logo)	March 10, 2022	10 years (until March 10, 2032)
CampMak (tradename only)	March 10, 2022	10 years (until March 10, 2032)
Energy Storage (with logo)	April 7, 2022	10 years (until April 7, 2032)

Trademark	Date of Registration	Term
Renewable Energy TechHub An AC Energy Research Center (with logo)	7 April 2022	10 years (until April 7, 2032)
Bulacan Thermal (with logo)	April 7, 2022	10 years (until April 7, 2032)
La Union Thermal (with logo)	April 7, 2022	10 years (until April 7, 2032)
Subic Thermal (with logo)	April 7, 2022	10 years (until April 7, 2032)
Ingrid Power Pililla (with logo)	April 7, 2022	10 years (until April 7, 2032)
ACEN (with logo)	April 23, 2022	10 years (until April 23, 2032)
Gigasol (with logo)	April 23, 2022	10 years (until April 23, 2032)
Giga Storage (tradename only)	June 10, 2022	10 years (until June 10, 2032)
ENEX (tradename only)	August 25, 2022	10 years (until August 25, 2032)
ACEN RES (tradename only)	July 31, 2023	10 years (until July 31, 2033)
ACEN RES Recharge (tradename only)	August 25, 2023	10 years (until August 25, 2033)
ACEN RES Renewable Energy Solutions (tradename only)	October 5, 2023	10 years (until October 5, 2033)
ACEN RES Renewable Energy Solutions (with logo)	October 5, 2023	10 years (until October 5, 2033)
SanMar Solar Renewable Energy from ACEN (with logo)	December 24, 2023	10 years (until December 24, 2033)
Palauig 1 Solar Renewable Energy from ACEN (with logo)	January 6, 2024	10 years (until January 6, 2034)
Palauig 2 Solar Renewable Energy from ACEN (with logo)	January 6, 2024	10 years (until January 6, 2034)
Guimaras Wind Renewable Energy from ACEN (with logo)	January 6, 2024	10 years (until January 6, 2034)
IslaSol Renewable Energy from ACEN (with logo)	January 6, 2024	10 years (until January 6, 2034)
MonteSol Renewable Energy from ACEN (with logo)	January 6, 2024	10 years (until January 6, 2034)
NorthWind Renewable Energy from ACEN (with logo)	January 6, 2024	10 years (until January 6, 2034)
Pagudpud Wind Renewable Energy from ACEN	January 6, 2024	10 years (until January 6, 2034)
North Luzon Renewables (with logo)	February 3, 2024	10 years (until February 3, 2034)
ACEN RES Powered by Renewable Energy (tradename only)	March 23, 2024	10 years (until March 22, 2034)
ACEN RES Powered by Renewable Energy (with logo)	March 23, 2024	10 years (until March 22, 2034)
Alaminos Solar Renewable Energy from ACEN (with logo)	May 18, 2024	10 years (until May 17, 2034)
Capa Wind Renewable Energy from ACEN & DGA (with logo)	May 18, 2024	10 years (until May 17, 2034)

Trademark	Date of Registration	Term
SaCaSol Renewable Energy from ACEN (with logo)	May 18, 2024	10 years (until May 17, 2034)
ACEN Tech Hub Renewable Energy Research Center (with logo)	May 18, 2024	10 years (until May 17, 2034)
Pangasinan Solar Renewable Energy from ACEN	June 8, 2024	10 years (until June 7, 2034)
Gigasol (tradename only)	October 10, 2024	10 years (until October 10, 2034)
Gigawind (tradename only)	October 10, 2024	10 years (until October 10, 2034)
Alaminos Energy Storage Renewable Energy from ACEN (with logo)	October 17, 2024	10 years (until October 17, 2034)
ACES (with logo; in full color and reverse color)	October 19, 2024	10 years (until October 19, 2034)
Palauig Solar 1 Renewable Energy from ACEN	November 23, 2024	10 years (until November 23, 2034)
Palauig Solar 2 Renewable Energy from ACEN (with logo)	November 23, 2024	10 years (until November 23, 2034)
Palauig Solar Renewable Energy from ACEN (with logo)	November 23, 2024	10 years (until November 23, 2034)
Laguna Lake Solar Renewable Energy from ACEN (with logo)	March 6, 2025	10 years (until March 6, 2035)
ACEN OPS OPERATIONS SERVICES INC (with logo)	October 16, 2025	10 years (until October 16, 2035)
ACEN OPS (tradename only)	October 16, 2025	10 years (until October 16, 2035)
ACEN TSI (tradename only)	October 16, 2025	10 years (until October 16, 2035)
ACEN TSI TECHNICAL SERVICES INC (with logo)	October 16, 2025	10 years (until October 16, 2035)
QUEZON NORTH WIND RENEWABLE ENERGY FROM ACEN (with logo)	November 13, 2025	10 years (until November 13, 2035)
BOTOLAN SOLAR RENEWABLE ENERGY FROM ACEN (with logo)	November 13, 2025	10 years (until November 13, 2035)

AC Energy maintains a record of all its trademark applications and ensures the timely execution and filing of the relevant Declaration of Actual Use (DAU) within three (3) years from the date of filing of the application to avoid removal of its trademarks from the Intellectual Property Office's registry. AC Energy also files the 5th year DAU within one (1) year from the 5th anniversary of the date of registration. Finally, AC Energy files for renewal no later than six (6) months before expiration of the registration to safeguard its rights over the trademark/s.

AC Energy regularly monitors applications with the Intellectual Property Office to ensure that it can timely oppose trademarks that are confusingly or deceptively similar to its registered marks.

Future Projects

ACEIC, through ACEN, continues to scale up its RE platforms and strengthen its partnerships, supported by a robust pipeline of projects across the region at various stages of development.

The development of these projects is intended to help ACEN achieve its 2030 objective of reaching 15 GW in attributable renewable energy capacity, building from its current level of approximately 7 GW. Beyond this, ACEN continues to pursue its longer-term aspiration of 20 GW, which it views as attainable a few

years after 2030. A significant portion of the pipeline is being advanced with strategic partners. While the geographic distribution of ACEN's future capacity will remain dependent on market conditions in the intervening years, the Company will continue focusing on four key markets – Philippines, Australia, India, and Vietnam-Lao PDR – while maintaining a strategic presence in its other markets to capture emerging opportunities.

In GW	Current
Philippines	2.4
Australia	1.2
Vietnam-Lao PDR	1.2
India	1.7
Indonesia and other markets[3]	0.5
Total	**7.0**

Distribution of Products

For the power business, electricity sales have been sold at the ERC approved rates for electric cooperatives and distribution utilities (DUs) and at negotiated, market-determined prices for bilateral contracts. The WESM is another default market where electricity purchases are settled based on market or spot rates. Delivery of the product is coursed through transmission lines currently owned by NGCP and to a certain extent, the electric cooperatives and DUs in exchange for payment of distribution wheeling charges. H owever, any "delivery" to a customer is in reality electricity generated and delivered to the grid by AC Energy which is indistinguishable from the electricity generated by other generators.

Existing off-take agreements assure a certain level of demand from AC Energy 's customers. In 2019, AC Energy was declared one of the best bids for MERALCO's 1,200 MW baseload demand and 500 MW mid-merit supply. AC Energy was awarded supply agreements for 200 MW baseload and 110 MW mid-merit MERALCO's demand for ten (10) and five (5) years, respectively. ACEN also has other large customers aside from MERALCO, and is thus not dependent on any single customer for the viability of the power business.

As of December 31, 2025, AC Energy holds around 482 MW of retail/contestable customer contracts, 64 percent of which through the Green Energy Option Program and 36 percent through the Retail Competition and Open Access program. Furthermore, AC Energy also has a wholesale contract with MERALCO for 200 MW baseload capacity. In addition, the recent Supreme Court ruling, upholding the requirement of Power Supply Agreements submitted by MERALCO and other DUs with the ERC after June 30, 2015 to undergo a competitive selection process, provided an opportunity for the Company to enter into wholesale supply contracts with the distribution utility. AC Energy won the bid to supply MERALCO with a 200 MW baseload demand from December 26, 2019 to December 26, 2029. Subsequently, AC Energy won the bid to supply 110 MW mid-merit supply to MERALCO from December 26, 2019 to December 26, 2024, which was terminated on November 2, 2024. AC Energy received a copy of the provisional ERC approvals for the contracts on January 31, 2020 and the final approvals on May 13, 2020 for the baseload and on June 1, 2020 for the mid-merit. AC Energy's larger supply portfolio will help supply this demand, coupled with the new projects in the pipeline.

Internationally, AC Energy's operating portfolio provides power mainly to four markets as of December 31, 2025: Indonesia, India, Vietnam, and Australia. In Indonesia, AC Energy provides power to PLN, under a PPA. As for India, AC Energy provides power through PPAs to various DUs, which are linked to respective state and local governments. As of December 31, 2025, these are the Solar Energy Corporation of India (SECI) and Gujarat Urja Vikas Nigam Ltd. (GUVNL). In Vietnam, ACEN's platform provides power under FIT contracts to state-owned power company EVN, which has total control of the national power transmission and distribution market. In Australia, as of December 31, 2025, the New England Solar Farm (NESF) was contracted at 64 percent based on contracted capacity, while Stubbo was contracted at 10 percent. These long-term contracts provide a stable revenue base, with the remainder of the offtake sold into the National Electricity Market (NEM). Efforts are underway to increase overall contracting levels, with a target of reaching about 40 percent combined contracting across the platform in the following year.

With the exception of Australia, revenues from foreign sources are not consolidated into AC Energy's total revenues because the international assets are not accounted for as subsidiaries; thus, the percentage of

[3] Includes United States of America, as well as markets covered by ACEN's joint venture with NEFIN Holding Limited.

sales or revenues and net income contributed by foreign sales for each of the last three (3) financial years is not material.

Competition

ACEIC believes that it will face competition in both the development of new power generation facilities, the acquisition of existing power plants, competition for financing for these activities, as well as in the electricity supply business. The performance of the Philippine economy and the potential for a shortfall in the Philippines' energy supply have attracted many potential competitors, including multinational development groups and equipment suppliers, to explore opportunities in the development of various electric power generation projects within the Philippines. Accordingly, competition for and from new power projects, and in retail electricity supply may increase in line with the long-term economic growth in the Philippines.

In Vietnam, EVN controls the generation, transmission, and distribution of energy but it also encourages independent power producers (IPP) to supplement its own generation capacity. In the renewable energy space, local and international developers are actively competing to secure allocation for the FIT. The government's support and initiatives on renewable energy to grow its supply portfolio mix will continue to bring in more market players.

Australia has a fully open energy market that is dominated by a few big generator-retailers ("gentailers"). Several international and smaller domestic players are also very active in the market.

In Indonesia, similar to Vietnam, the generation, transmission, and distribution is controlled by PLN, but the Indonesian government also encourages IPP. Indonesia is a highly competitive market with major domestic and international developers. Given the continuing growth of the Indonesian economy, AC Energy sees competition to continue to intensify moving forward.

In India, coal continues to fuel India's economy, accounting for more than 50% of the country's installed generation capacity. However, India has added to the current target of 175GW of renewable energy capacity by 2022 with a 450GW of renewable energy capacity target by 2030. This higher RE target and the decreasing cost of RE power prices discovered through competitive tenders will likely result to the displacement of coal-based power production in India.

Research and Development

ACEIC intends to utilize the 4-MWdc Bataan RE Laboratory under ACEN Tech Hub, Inc. (formerly Bataan Solar Energy, Inc.) as its main hub for the research and development of innovative renewables solutions to energy-related challenges. ACEN believes that adopting emerging technologies will play a prominent role in expanding its business. At the Bataan RE Tech Lab, different energy and energy storage technologies will be tested for possible large-scale use in the Philippines.

In 2025, 2024, and 2023, AC Energy's estimated spend for research and development activities at its Bataan RE Tech Lab amounted to ₱46 million, ₱40 million, and ₱ 30 million, respectively. These constitute 0.14%, 0.11%, and 0.08% of AC Energy's consolidated revenues for the aforesaid years.

Employees

As of February 28, 2026, ACEN has three hundred sixty-five (365) employees. Of the total employees, two hundred eleven (211) are managers and officers, one hundred fifty-one (151) are supervisors, and three (3) are non-supervisory employees. ACEN intends to hire eighteen (18) additional employees in the coming months.

ACEN has no Collective Bargaining Agreement with its employees. No employees went on strike within the past three (3) years, nor are they planning to go on strike.

The relationship between management and employees has always been one of coordination and collaboration. AceN believes that professionalism, open communication, and upright engagement between management and employees are effective ways to resolve workplace concerns.

Aside from standard compensation packages and cash benefits, ACEN offers a competitive employee benefit package that comprehensively supports employees' financial and personal well-being. Medical and wellness benefits include comprehensive health insurance, medical allowances, a defined-contribution retirement plan, entitlement to extended paid medical leave (cancer care leave), sponsorship of professional or organizational club memberships, and a subsidy for activities that promote overall well-being. ACEN's reward system includes long-term incentive plans, which are equity-based compensation programs designed to incentivize the management team in driving high performance and achieve our targeted 3-year performance indicators on growth, total shareholder return, and ESG. Rewards under this plan are granted in the form of performance shares, which are awarded to executives and key employees in the year following the completion of the performance cycle.

Risk Factors

Risks Relating to the Company and its Businesses

Increased competition in the power industry, including competition resulting from legislative, regulatory and industry restructuring efforts could have a material adverse effect on the Company's operations and financial performance.

AC Energy's success depends on its ability to identify, invest in and develop new power projects, and AC Energy faces competition to acquire future rights to develop power projects and to generate and sell power. No assurance can be given that t AC Energy will be able to acquire or invest in new power projects successfully.

In recent years, the Philippine government has sought to implement measures designed to establish a competitive power market. These measures include the planned privatization of at least 70% of the NPC-owned-and-controlled power generation facilities and the grant of a concession to operate transmission facilities. The move towards a more competitive environment could result in the emergence of new and numerous competitors. These competitors may have greater financial resources, and have more extensive experience than AC Energy, giving them the ability to respond to operational, technological, financial and other challenges more quickly than AC Energy. These competitors may therefore be more successful than AC Energy in acquiring existing power generation facilities or in obtaining financing for and the construction of new power generation facilities. The type of fuel that competitors use for their generation facilities may also allow them to produce electricity at a lower cost and to sell electricity at a lower price. AC Energy may therefore be unable to meet the competitive challenges it will face.

The impact of the ongoing restructuring of the Philippine power industry will change the competitive landscape of the industry and such changes are expected to affect AC Energy's financial position, results of operations and cash flows in various ways.

Any decision to develop and construct power projects in various jurisdictions, including, but not limited to, the Philippines, Indonesia, Vietnam, India and Australia, will be made after careful consideration of regulatory requirements, availability of fiscal incentives, market conditions (including the demand and supply conditions), land availability, and other considerations. For those jurisdictions that require participation through a competitive bidding process or through the submission of a formal proposal, in which AC Energy will need to compete for projects based on pricing, technical and engineering qualifications, the financial condition of AC Energy, availability of land, access to financings, track record and other specifications of the proposed project, the bidding or proposal submission process and selection process may be affected by a number of factors, including factors which may be beyond AC Energy's control, such as market conditions or government incentive programs. In such cases, AC Energy may not acquire the rights to develop new power projects in the event that AC Energy misjudges its competitiveness when submitting its bids or proposals or, where bidding includes price competition, if AC Energy's competitors have more competitive pricing. The ability of AC Energy's competitors to access resources that it does not have access to, including labour and capital, may prevent AC Energy from acquiring additional power projects in strategic locations or from increasing its generating capacity, and AC Energy may not be able to expand its business as a result.

The Company may not successfully implement its growth and other strategic objectives, and the impact of acquisitions and investments could be less favourable than anticipated.

As part of its business strategy, AC Energy continues to carry out acquisitions and investments of varying sizes, some of which are significant, as well as develop additional power projects. This strategy may require entering into strategic alliances and partnerships and will involve substantial investments. In addition, AC Energy may from time to time divest its interests in certain of its assets in order to realise value or to structure its portfolio to align with AC Energy's long-term objectives. AC Energy's success in implementing its strategic priorities will depend on, among other things, its ability to identify and assess potential partners, investments and acquisitions, successfully finance, close and integrate such investments and acquisitions, control costs, identify value realisation initiatives and potential purchasers, and maintain sufficient operational and financial controls.

AC Energy's strategic initiatives could place significant demands on AC Energy's management and other resources. AC Energy's future growth may be adversely affected if it is unable to make these investments, form these partnerships or engage in value realisation and portfolio restructuring initiatives, or if AC Energy's investments and partnerships prove unsuccessful. Further, AC Energy's strategic goals, including acquisitions and investments, involve numerous risks, including, without limitation, the following: (i) the assumptions used in the underlying business plans may not prove to be accurate, in particular with respect to synergies and expected demand; (ii) AC Energy may not integrate acquired businesses, technologies, products, personnel, and operations effectively; (iii) AC Energy may fail to retain key employees, customers and suppliers of the companies acquired; (iv) AC Energy may be required or wish to terminate pre-existing contractual relationships, which could be costly and/or on unfavourable terms; and (v) AC Energy may increase its indebtedness to finance these acquisitions. As a result, it is possible that the expected benefits of completed or future acquisitions, investments, or value realisation or portfolio restructuring initiatives may not materialise within the time periods or to the extent anticipated and may affect AC Energy's financial condition.

AC Energy may not be able to identify suitable acquisition, investment, value realisation and portfolio restructuring opportunities or make acquisitions, investments, value realisations or portfolio restructuring, on beneficial terms, or obtain financing necessary to complete and support such acquisitions and investments. Regulation of merger and acquisition activity by relevant authorities or other regulators may also limit AC Energy's ability to engage in future acquisitions or mergers. The impact on AC Energy of any future acquisitions or investments cannot be fully predicted and any of the risks outlined above, should they materialise, could have a material adverse effect on AC Energy's business, financial condition, results of operations and prospects.

The operations of the Company's power projects are subject to significant government regulation, including regulated tariffs such as FIT, and the Company's margins and results of operations could be adversely affected by changes in the law or regulatory schemes.

AC Energy's inability to predict, influence or respond appropriately to changes in law or regulatory schemes, including any inability or delay in obtaining expected or contracted increases in electricity tariff rates or tariff adjustments for increased expenses, or any inability or delay in obtaining or renewing permits for any facilities, could adversely impact AC Energy's results of operations and cash flow. Furthermore, changes in laws or regulations or changes in the application or interpretation of laws or regulations in jurisdictions where power projects are located, particularly utilities where electricity tariffs are subject to regulatory review or approval, could adversely affect AC Energy's business, including, but not limited to:

- adverse changes in tax law;
- changes in the timing of tariff increases or in the calculation of tariff incentives;
- change in existing subsidies and other changes in the regulatory determinations under the relevant concessions;
- other changes related to licensing or permitting which increase capital or operating costs or otherwise affect the ability to conduct business; or
- other changes that have retroactive effect and/or take account of revenues previously received and expose power projects to additional compliance costs or interfere with the Company's existing financial and business planning.

Any of the above events may result in lower margins for the affected businesses, which could adversely affect AC Energy's results of operations.

For renewable energy assets, pricing is fixed by regulatory arrangements which operate instead of, or in addition to, contractual arrangements. To the extent that operating costs rise above the level approved in

the tariff, AC Energy's businesses that are subject to regulated tariffs would bear the risk. During the life of a project, the relevant government authority may unilaterally impose additional restrictions on the project's tariff rates and related payments, subject to the regulatory frameworks applicable in each jurisdiction.

Failure to obtain financing on reasonable terms or at all could adversely impact the execution of the Company's expansion and growth plans.

AC Energy's expansion and growth plans are expected to require significant fund raising. As part of AC Energy's current strategy to reach 15,000 MW of renewable energy capacity by 2030, AC Energy estimates that it will require around U.S.$2 billion. AC Energy's continued access to debt and equity financing as a source of funding for new projects, acquisitions and investments, and for refinancing maturing debt is subject to many factors, including: (i) laws, regulations, and internal bank policies limiting bank exposure (including single borrower limits) to a single borrower or related group of borrowers; (ii) AC Energy's compliance with existing debt covenants; (iii) the ability of AC Energy to service new debt; (iv) the macroeconomic fundamentals driving credit ratings of the Philippines and other jurisdictions; and (v) perceptions in the capital markets regarding AC Energy and the industries and regions in which it operates and other factors, some of which may be outside of its control, including general conditions in the debt and equity capital markets, political instability, an economic downturn, social unrest, changes in the regulatory environments where any power projects are located or the bankruptcy of an unrelated company operating in one or more of the same industries as AC Energy, any of which could increase borrowing costs or restrict AC Energy's ability to obtain debt or equity financing. There is no assurance that AC Energy will be able to arrange financing on acceptable terms, if at all. Any inability of AC Energy to obtain financing from banks and other financial institutions or from capital markets would adversely affect AC Energy's ability to execute its expansion and growth strategies.

The Company's international businesses and results of operations are subject to the macroeconomic, social and political developments and conditions of the countries where the Company's portfolio of projects are located.

AC Energy's portfolio of power projects in operation and under construction include those located in Australia, Indonesia, Vietnam, USA, and India. International operations and plans for further international expansion may be affected by the respective domestic economic and market conditions as well as social and political developments in these countries, government interference in the economy in certain countries, and changes in regulatory conditions. There is no guarantee that AC Energy's operations as well as expansion plans will be successful in those countries, and AC Energy cannot provide assurance of effective mitigation to systemic risks in those countries. AC Energy's financial condition, prospects and results of operations could be adversely affected if it is not successful internationally or if these international markets are affected by changes in political, regulatory, economic and other factors, over which AC Energy has no control.

Changes in tax policies, affecting tax exemptions and tax incentives could also adversely affect AC Energy's results of operations. Certain Associates of AC Energy are registered with the BOI and the Philippine Economic Zone Authority as new operators with pioneer status and non-pioneer status for greenfield projects and benefit from certain capital tax exemptions and tax incentives, deductions from taxable income subject to certain capital requirements and duty-free importation of capital equipment, spare parts and accessories.

If these tax exemptions or tax incentives expire, are revoked, or are repealed, the income from these sources will be subject to the corporate income tax rate, which is 25% of net taxable income. As a result, AC Energy's tax expense would increase, and its profitability would decrease. The expiration, non-renewal, revocation or repeal of these tax exemptions and tax incentives, and any associated impact on AC Energy, could have a material adverse effect on AC Energy's business, financial condition and results of operations.

Future pandemics, 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 business, financial condition and results of operations.

The Philippines remains vulnerable to exposure and spread of the disease for the following reasons: (a) the considerable number of Overseas Filipino Workers (OFWs) globally; (b) the impact of international

travel which raises the probability of transmission; and (c) lack of the necessary infrastructure to contain the spread of the disease. In response to the 2020 outbreak of COVID-19, the Philippines imposed travel bans on several affected countries, which had an adverse impact to its suppliers' ability to deliver, which could delay the construction of AC Energy's projects.

Preventive and corrective quarantine measures may cause disruptions to businesses and economic activities, and its impact on businesses continue to evolve. In particular, the various degrees of community quarantine imposed across the jurisdictions where AC Energy operates have affected and could adversely impact (a) the completion of AC Energy's projects as construction is not an activity given priority under the government guidelines, (b) demand for the Company's product, as industries, offices, and shopping malls account for bulk of energy consumption, (c) spot market prices as demand for electricity may be lower, and (d) ability to collect from its customers, which could negatively impact its cash flows. Another outbreak similar to COVID-19 and the measures to contain it may have an adverse effect on economic activity in the countries where AC Energy has investments and operations in, thus, could materially and adversely affect AC Energy's business, financial condition, and results of operations.

The Company's long-term success is dependent upon its ability to attract and retain key personnel and in sufficient numbers.

AC Energy depends on its senior executives and key management members to implement AC Energy's projects and business strategies. If any of these individuals resigns or discontinues his or her service, it is possible that a suitable replacement may not be found in a timely manner or at all. If this were to happen, there could be a material adverse effect on AC Energy's ability to successfully operate its power projects and implement its business strategies.

Power generation involves the use of highly complex machinery and processes, and AC Energy's success depends on the effective operation and maintenance of equipment for its power generation assets. Technical partners and third-party operators are responsible for the operation and maintenance of certain power projects. Although AC Energy is circumspect in its selection of technical partners and third-party operators, any failure on the part of such technical partners and third-party operators to properly operate and/or adequately maintain these power projects could have a material adverse effect on AC Energy's business, financial condition and results of operations.

In addition, AC Energy's growth to date has placed, and the anticipated further expansion of AC Energy's operations will continue to place, a significant strain on AC Energy's management, systems, and resources. In addition to training, managing, and integrating AC Energy's workforce, AC Energy will need to continue to develop AC Energy's financial and management controls. AC Energy can provide no assurance that AC Energy will be able to efficiently or effectively manage the growth and integration of AC Energy's operations dispersed businesses and any failure to do so may materially and adversely affect AC Energy's business, financial condition, results of operations and prospects. In addition, if general economic and regulatory conditions or market and competitive conditions change, or if operations do not generate sufficient funds or other unexpected events occur, AC Energy may decide to delay, modify or forego some aspects of its growth strategies, and its future growth prospects could be adversely affected.

The Company's business depends on various governmental policy commitments to the promotion of renewable energy.

The countries in which AC Energy has investments have demonstrated a commitment to renewable energy. As a result, these countries have created favourable regulatory and tax regimes and financial incentives, as well as renewable portfolio standards that require distributors to source a certain percentage of their power requirements from renewable energy sources.

For the Philippines, it adopted a FIT programme in 2010 for eligible renewable power projects from wind, solar, hydro, biomass, and hybrid energy sources, among others. Eligible renewable power plants are granted a 20-year entitlement. Subsequent to the FIT programme in the Philippines, the DOE also issued the Rules and Guidelines Governing the Establishment of the Renewable Portfolio Standards (RPS) for On-Grid Areas and Off-Grid Areas in 2017 and 2018, respectively. The RPS is a market-based policy that mandates power DUs, electric cooperatives, and retail electricity suppliers to source an agreed portion of their energy supply from eligible renewable energy facilities. The RPS Rules established a minimum annual RPS requirement. This pertains to the RE share of electricity coming from RE resources in the

energy mix based on an aspirational target of 35% in the generation mix expressed in MWh by 2030, subject to regular review and assessment by the DOE. The RPS Rules also established the minimum annual incremental RE percentage, which was initially set at 1%, to be applied to the net electricity sales of the mandated participant for the previous year, and thereafter adjusted by the DOE as may be necessary. It has been since adjusted to 2.52% effective 2023.

In 2021, the DOE also established the Green Energy Auction Program (GEAP), which aims to facilitate investments in renewable energy in the country. Similar to the FIT programme, under the GEAP, eligible power plants who succeed in the auctions are granted 20-year renewable energy payment agreements.

For Vietnam, its FIT programme provides for a FIT rate of U.S.$0.0935 per kWh for 20 years for solar plants completed by June 2019, with the exception of solar power projects in located in Ninh Thuan province, which has extended this period to December 2019, and U.S.$0.0850 per kWh for wind projects completed by November 2021. In April 2020, the Vietnam government unveiled a second round of FIT rates as follows for project commissioned within 2020: U.S.$0.0769 per kWh for floating solar, U.S.$0.0709 per kWh for ground mounted solar, and U.S.$0.0838 per kWh for rooftop energy solar energy projects. Both FIT rates for solar and wind projects are expected to be set for 20 years once awarded.

Further, the FIT commitments are generally matters of domestic public policy and are subject to the execution of the relevant power purchase agreement. Should these commitments to renewable energy be reduced for any reason, it could affect the project company's ability to operate or renew the project company's permits and licenses and reduce the financial incentives available to the project companies, which could, in turn, have a material adverse effect on AC Energy's business, financial condition, results of operations and prospects.

The Company may not be able to adequately influence the operations of its associates and joint ventures and the failure of one or more of its strategic partnerships may negatively impacts its business, financial condition, results of operations and prospects.

AC Energy derives a portion of its income from investments in Associates and joint ventures, in which it does not have majority voting control. These relationships involve certain risks including the possibility that these partners:

- may have economic interests or business goals that are not aligned with AC Energy's;
- may be unable or unwilling to fulfil their obligations under relevant agreements, including shareholder agreements under which AC Energy has certain voting rights in respect of key strategic, operating and financial matters;
- may take actions or omit to take any actions contrary to, or inconsistent with, AC Energy's policies or objectives or prevailing laws;
- may have disputes with AC Energy as to the scope of their responsibilities and obligations; and/or
- may have difficulties in respect of seeking funds for the development or construction of projects.

The success of these partnerships depends significantly on the satisfactory performance by the partners and the fulfilment of their obligations. If AC Energy or a strategic partner fails to perform its obligations satisfactorily, or at all, the partnership may be unable to perform adequately. As a result, cooperation among its partners or consensus with other shareholders in these entities is crucial to these businesses' sound operation and financial success. AC Energy's business, financial condition, results of operations and prospects may be materially adversely affected if disagreements develop between AC Energy and its strategic partners, and such disagreements are not resolved in a timely manner.

In addition, if any of AC Energy's strategic partners discontinues its arrangement with AC Energy, is unable to provide the expected resources or assistance, or competes with AC Energy on business opportunities, AC Energy may not be able to find a substitute for such strategic partner. Failure of one or more of AC Energy's strategic partners to perform their obligations may have a material adverse effect on AC Energy's business, financial condition, results of operations and prospects.

Risks and delays relating to the development of greenfield power projects could have a material adverse effect on the Company's operations and financial performance.

The development of greenfield power projects involves substantial risks that could give rise to delays, cost overruns, unsatisfactory construction or development in the projects. Such risks include the inability to

secure adequate financing, inability to negotiate acceptable offtake agreements, extreme weather conditions, and unforeseen engineering and environmental problems, among others. Any such delays, cost overruns, unsatisfactory construction or development could have a material adverse effect on the business, financial condition, results of operation and future growth prospects of AC Energy.

For AC Energy's projects under development, the estimated time frame and budget for the completion of critical tasks may be materially different from the actual completion date and costs, which may delay the date of commercial operations of the projects or result in cost overruns. AC Energy is expanding its power generation operations and there are projects in its energy portfolio under construction. These projects involve environmental, engineering, construction and commission risks, which may result in cost overruns, delays or performance that is below expected levels of output or efficiency. In addition, projects under construction may be affected by the timing of the issuance of permits and licenses by government agencies, any litigation or disputes, inclement weather, natural disasters, accidents or unforeseen circumstances, manufacturing and delivery schedules for key equipment, defect in design or construction, and supply and cost of equipment and materials. Further, project delays or cancellations or adjustments to the scope of work may occur from time to time due to incidents of force majeure or legal impediments.

Depending on the severity and duration of the relevant events or circumstances, these risks may significantly delay the commencement of new projects, reduce the economic benefit from such projects, including higher capital expenditure requirements and loss of revenues, which in turn could have a material adverse effect on AC Energy's business, financial condition, results of operations and cash flows.

AC Energy's expected Net Attributable Capacity from its pipeline to be undertaken together with various partners and through various subsidiaries, associates and joint ventures have not yet been determined. The target pipeline reflects its current strategy and may change as proposed projects are reviewed or contracts are entered into, and subject to various factors, including market conditions, the general state of the economy and investment environment where the projects will be located and the ability to obtain financing, among others.

Any restriction or prohibition on the Company's Associates' or joint ventures' ability to distribute dividends would have a negative effect on its financial condition and results of operations and its ability to fulfil its guarantee obligations under the Notes.

AC Energy is a holding company that conducts its operations through its Associates and joint ventures. As a holding company, AC Energy's income is derived primarily from dividends paid to it by its associates and joint ventures.

AC Energy is reliant on these sources of funds with respect to its obligations and in order to finance its associates. The ability of AC Energy's associates and joint ventures to pay dividends to AC Energy (and their shareholders in general) is subject to applicable law and may be subject to restrictions contained in loans and/or debt instruments of such associates and may also be subject to the deduction of taxes. Currently, the payment of dividends by a Philippine corporation to another Philippine corporation is not subject to tax. Under Philippine law, dividends may be declared by a corporation's board of directors, however, any stock dividend declaration requires the approval of shareholders holding at least two-thirds of such corporation's total outstanding capital stock. Additionally, SEC approval is required if the issuance of stock dividends requires an increase in such corporation's authorized capital stock.

In addition, certain associates are subject to debt covenants for their respective existing debt. Failure to comply with these covenants may result in a potential event of default, which if not cured or waived, could result in an actual event of default and the debt becoming immediately due and payable. This could affect the relevant company's liquidity and ability to generally fund its day-to-day operations. In the event this occurs, it may be difficult to repay or refinance such debt on acceptable terms or at all. Furthermore, such restrictions could likewise impact AC Energy's ability to fulfil its guarantee obligations under the Notes.

Any restriction or prohibition on the ability of some or all of AC Energy's associates and/or joint ventures to distribute dividends or make other distributions to AC Energy, either due to regulatory restrictions, debt covenants, operating or financial difficulties or other limitations, could have a negative effect on AC Energy's cash flow and therefore, its financial condition.

The administration and operation of power generation projects by project companies involve significant risks.

The administration and/or operation of power generation projects by project companies involve significant risks, including:

- breakdown or failure of power generation equipment, transmission lines, pipelines or other equipment or processes, leading to unplanned outages and operational issues;
- flaws in the equipment design or in power plant construction;
- issues with the quality or interruptions in the supply of key inputs, including fuel or water;
- material changes in legal, regulatory or licensing requirements;
- operator error;
- performance below expected levels of output or efficiency;
- actions affecting power generation assets owned or managed by AC Energy, its associates, joint ventures or its contractual counterparties;
- pollution or environmental contamination affecting the operation of power generation assets;
- claims or issues in relation to potential environmental, ecological and social effects in relation to the sites of its power development projects;
- force majeure and catastrophic events including fires, explosions, earthquakes, volcanic eruptions, floods and terrorist acts that could cause forced outages, suspension of operations, loss of life, severe damage and plant destruction;
- planned and unplanned power outages due to maintenance, expansion and refurbishment;
- inability to obtain or the cancellation of required regulatory, permits and approvals;
- opposition from local communities and special interest groups; and
- there is no assurance that any event similar or dissimilar to those listed above will not occur or will not significantly increase costs or decrease or eliminate revenues derived by AC Energy, its joint ventures and affiliates from their power projects.

Climate change may adversely affect the Company's business and prospects.

Policy and regulatory changes, technological developments and market and economic responses relating to climate change may affect AC Energy's business and the markets in which it operates. The enactment of an international agreement on climate change or other comprehensive legislation focusing on greenhouse gas emissions could have the effect of restricting the use of coal. Other efforts to reduce greenhouse gas emissions and initiatives in various countries to use cleaner alternatives to coal such as natural gas may also affect the use of coal as an energy source. In addition, technological developments may increase the competitiveness of alternative energy sources, such as renewable energy, which may decrease demand for coal generated power. Other efforts to reduce emissions of greenhouse gases and initiatives in various countries to encourage the use of natural gas or renewable energy may also discourage the use of coal as an energy source. Similarly, recent trends in investment mandates and strategies favouring renewable over conventional energy sources may make it more difficult for AC Energy to obtain financing or refinance existing financing in respect of its thermal coal projects. The physical effects of climate change, such as changes in rainfall, water shortages, rising sea levels, increased storm intensities and higher temperatures, may also disrupt AC Energy's operations. As a result of the above, AC Energy's business, financial condition, results of operations and prospects may be materially and adversely affected.

Environmental regulations may cause the relevant project companies to incur significant costs and liabilities.

The operations of the project companies are subject to environmental laws and regulations by central and local authorities in which the projects operate. These include laws and regulations pertaining to pollution, the protection of human health and the environment, air emissions, wastewater discharges, occupational safety and health, and the generation, handling, treatment, remediation, use, storage, release and exposure to hazardous substances and wastes. These requirements are complex, subject to frequent changes and have tended to become more stringent over time. The project companies have incurred, and will continue to incur, costs and capital expenditures in complying with these laws and regulations and in obtaining and maintaining all necessary permits. While the project companies have procedures in place to allow it to comply with environmental laws and regulations, there can be no assurance that these will at all times be in compliance with all of their respective obligations in the future or that they will be able to

obtain or renew all licenses, consents or other permits necessary to continue operations or that there will be no complaints filed or issues raised by environmental groups and local communities against AC Energy, its subsidiaries, or its affiliates for its operations. Any failure to comply with such laws and regulations or to address such complaints or issues could subject the relevant project company to significant fines, penalties and other liabilities, which could have a material adverse effect on AC Energy's business, financial condition, results of operations and prospects.

In addition, environmental laws and regulations, and their interpretations, are constantly evolving and it is impossible to predict accurately the effect that changes in these laws and regulations, or their interpretation, may have upon AC Energy's business, financial condition, results of operations or prospects. If environmental laws and regulations, or their interpretation, become more stringent, the costs of compliance could increase. If AC Energy cannot pass along future costs to customers, any increases could have a material adverse effect on AC Energy's business, financial condition, results of operations and prospects.

Grid curtailments may limit the generation capacity of power projects.

From time to time, national grid operators curtail the energy generation for a number of reasons, including to match demand with supply and for technical maintenance reasons, including as a result of grid infrastructure that is not up to international standards. For example, in the first half of 2021, AC Energy experienced a 5.8% curtailment in respect of the power generation of its solar assets in Vietnam as a result of lower demand due to the COVID-19 pandemic and the Tet holidays in the country, and it is possible that AC Energy will be subject to further curtailments in the future as electricity generation and supply is adjusted in line with demand and other market factors. In such circumstances, a power project's access to the grid and thus its generation capacity can be reduced. Such reductions result in a corresponding decrease in revenue, which if prolonged or occur frequently could have a material adverse effect on AC Energy's business, financial condition, results of operations and prospects.

The Company enters into transactions with related parties.

In the ordinary course of business, AC Energy transacts with its related parties, such as its associates and certain of its associates and joint ventures enter into transactions with each other. These transactions have principally consisted of advances, loans, bank deposits, reimbursement of expenses, purchase and sale of real estate and other properties and services, sale of electricity, construction contracts and development, management, marketing and administrative service agreements.

While AC Energy believes that all past related party transactions have been conducted at arm's length on commercially reasonable terms, these transactions may involve conflicts of interest, which, although not contrary to law, may be detrimental to AC Energy.

The Company is exposed to credit and collection risks.

As in other businesses, the power business is exposed to credit and collection risks related to its customers. These include the TransCo, rated corporations as well as cooperatives that have varying credit ratings and private DUs. Further, the government may impose moratorium on collections. For example, the Bayanihan 2 Act imposed a minimum 30-day grace period for the payment of electricity and other utilities falling due within the period of ECQ or modified ECQ without penalty and further provides that such payments may be settled on a staggered basis in no fewer than three monthly instalments. In April 2021, the ERC released a public advisory that there will be a moratorium on the imposition of interest on delayed FIT payments due to the COVID-19 pandemic. This moratorium will be imposed for six billing periods from the relevant billing period wherein the interest had first been incurred. In addition, the power projects in Indonesia and in Vietnam are exposed to collection risks from the Perusahaan Listrik Negara (PLN) as the sole electricity business authority in Indonesia and Vietnam Electricity (EVN), which has total control of the national power transmission and distribution market in Vietnam, respectively. The power projects in India, once operational, may also be exposed to collection risk from government related entities such as SECI and GUVNL, which are its off-takers. There can, however, be no assurance that all customers will pay AC Energy in a timely manner or at all. In such circumstances, AC Energy's working capital needs would increase, which could, in turn, divert resources away from AC Energy's other projects. If a large amount of its customers were unable or unwilling to pay AC Energy, its financial condition could be negatively affected.

Exchange rate and/or interest rate fluctuations may have a significant adverse impact on the Company's business, financial condition, results of operations and prospects.

AC Energy's functional currency is the Philippine Peso, and AC Energy has and may have assets, income streams and liabilities denominated in a number of currencies, including U.S. Dollars, Indonesian Rupiah, Vietnamese Dong, Indian Rupee, and Australian Dollars. Changes in foreign currency rates could have an adverse impact on AC Energy's business, financial condition, results of operations and prospects. Currency fluctuations affect AC Energy because of mismatches between the currencies in which operating costs are incurred and those in which revenues are received. While AC Energy implements hedging strategies for its foreign exchange currency exposure, there may still be residual exposures.

The insurance coverage of the power projects may not be adequate.

The power projects maintain levels of insurance, which AC Energy believes are typical with the respective business structures and in amounts that it believes to be commercially appropriate. However, a power project may become subject to liabilities against which it has not insured adequately or at all, or are unable to insure. In addition, insurance policies contain certain exclusions and limitations on coverage, which may result in claims not being honoured to the extent of losses or damages suffered. Further, such insurance policies may not continue to be available at economically acceptable premiums, or at all. The occurrence of a significant adverse event, the risks of which are not fully covered or honoured by such insurers, could have a material adverse effect on a power project's business, financial condition, results of operations and prospects. In addition, under some of the power project's debt agreements, the power project is required to name the lenders under such debt agreements as a beneficiary or a loss payee under some of its insurance policies, or assign the benefit of various insurance policies to the lenders. Therefore, even if insurance proceeds were to be payable under such policies, any such insurance proceeds will be paid directly to the relevant lenders instead of to the power project. If an insurable loss has a material effect on a power project's operations, the power project's lenders may not be required to pay any insurance proceeds or to compensate the power project for loss of profits or for liabilities resulting from business interruption, and this could have a material adverse effect on AC Energy's business, financial condition, results of operations and prospects.

The Company may be adversely affected by WESM price fluctuations.

Market prices for electric power fluctuate substantially. As electric power can only be stored on a very limited basis and generally must be produced concurrently with its use, frequent supply and demand imbalances result in power prices that are subject to significant volatility. Electricity prices may also fluctuate substantially due to other factors outside of AC Energy's control, including, but not limited to:

- changes in the generation capacity in the markets, including additional new supply of power from development or expansion of power plants, and decreased supply from closure of existing power plants;
- additional transmission capacity;
- electric supply disruptions, such as power plant outages and transmission disruptions;
- changes in power demand or in patterns of power usage, including the potential development of demand-side management tools and practices;
- the authority of the ERC to review and adjust the prices on the WESM;
- climate, weather conditions, natural disasters, wars, embargoes, terrorist attacks and other catastrophic events;
- availability of competitively priced alternative power sources; and
- changes in the power market and environmental regulations and legislation.

The foregoing factors may have a material adverse effect on the business, financial condition, and operations of AC Energy.

Increased volatility and uncertainty in fuel and commodity prices resulting from the war in Ukraine and the ongoing conflict between the United States, Israel, and Iran may affect the supply and pricing of raw materials for thermal energy production and the direct supply costs borne by ACEN and its supplier network.

On February 24, 2022, the Russian Federation launched a "special military operation" to invade the country of Ukraine in Eastern Europe, resulting in the escalation of the Russo-Ukrainian War. Armed conflict

between Russian and Ukrainian forces soon ensued, killing, and injuring several military and civilian personnel, and which continues to date.

To impose sanctions on Russia as a result of the invasion, the United States has banned the importation of Russian oil and gas, while the United Kingdom has committed to phase out the said petroleum products by the end of 2022. Both Russia and Ukraine are major exporters of raw materials for thermal energy production, namely coal, oil, and gas. As of end-2020 (latest available data), Russia is one of the world's largest producers of oil and coal.[4] In addition, Ukraine is an important transit country for supplies of oil and natural gas from Russia to countries throughout Europe, and prior to the war, also a major exporter of coal.[5]

With sanctions and conflict cutting thermal raw material supply in both countries, market expectations of oil and gas production from Russia, as well as coal production from Ukraine have similarly been reduced. Global market prices of petroleum and coal products in general subsequently began to rise, with Newcastle coal (ICE commodity symbol: NEWC) reaching US$336.00 per metric ton[6] and Brent Crude Oil reaching US$118.05 per barrel[7]. As a result, since the Philippines remains mostly dependent on thermal energy, spot market prices remain elevated. Should the war in Ukraine continue, high power prices may adversely impact ACEN's trading position, if it continues to be a net buyer on the WESM. However, with the completion of new projects in its aggressive RE expansion, the company believes that it may achieve a net seller position with an RE portfolio that may be able to take elevated power prices in the merchant market without the higher costs associated with raw materials for thermal resources.

As of early 2026, the ongoing conflict involving the United States, Israel, and Iran may present risks to ACEN'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 AC Energy's prospects and financial performance.

Risks Relating to the Philippines

Any political instability in the Philippines may adversely affect the Company.

The Philippines has from time to time experienced political and military instability. The Philippine constitution provides that in times of national emergency, when the public interest so requires, the Government may take over and direct the operation of any privately-owned public utility or business. In the last few years, there has been political instability in the Philippines, including public and military protests. No assurance can be given that the political environment in the Philippines will stabilise or that periods of political instability will not occur in the future. There can be no assurance that the next administration will continue to implement the economic policies favoured by the current administration. Major deviations from the policies of the current administration or fundamental change of direction, including with respect to Philippine foreign policy, may lead to an increase in political or social uncertainty and instability. Any political instability in the future may result in inconsistent or sudden changes in the economy, regulations and policies that affect AC Energy, which could have an adverse effect on its business, results of operations and financial condition.

Any decrease in the credit ratings of the Philippines may adversely affect the Company's business.

The Philippines is currently rated investment grade by major international credit rating agencies such as Moody's S&P and Fitch. While in recent months these rating agencies have assigned positive or stable outlooks to the Philippines' sovereign rating, no assurance can be given that these agencies will not in the future downgrade the credit ratings of the Government and, therefore, Philippine companies, including AC Energy. Any such downgrade could have an adverse impact on the liquidity in the Philippine financial

[4] BBC News. <https://www.bbc.com/news/58888451>
[5] U.S. Energy Information Administration. <https://www.eia.gov/international/analysis/country/UKR>
[6] As of March 18, 2022, end of trading, for March 2022 contracts.
[7] As of March 18, 2022, end of trading, for front-month contracts.

markets, the ability of the Government and Philippine companies, including AC Energy, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

Territorial disputes among the Philippines and its neighbouring nations may adversely affect the Philippine economy and the Company's business.

China and other Southeast Asian nations, such as Brunei, Malaysia, and Vietnam, have been engaged in competing and overlapping territorial disputes over islands in the West Philippine Sea (also known as the South China Sea). This has produced decades of tension and conflict among the neighbouring nations. The West Philippine Sea is believed to house unexploited oil and natural gas deposits, as well as providing home to some of the biggest coral reefs in the world. China, in recent years, has been vocal in claiming its rights to nearly the whole of the West Philippine Sea – as evidenced by its increased military presence in the area. This has raised conflict in the region among the claimant countries.

In 2013, the Philippines filed a case to legally challenge China's claims in the West Philippine Sea and to resolve the dispute under the United Nations Convention on the Law of the Sea. The case was filed on the Permanent Court of Arbitration, the international arbitration tribunal at The Hague, Netherlands. In July 2016, the tribunal ruled in favour of the Philippines and stated that China's claim was invalid. China rejected the ruling, claiming that it did not participate in the proceedings as the tribunal had no jurisdiction over the case. News reports have reported increased Chinese activity in the area, including the installation of missile systems and the deployment of bomber planes. Other claimants have challenged China's actions in the West Philippine Sea.

There is no guarantee that tensions will not escalate further or that the territorial disputes among the Philippines and its neighbouring countries, especially China, will cease. In an event of escalation, the Philippine economy may be disrupted and AC Energy's business and financial standing may be adversely affected, particularly as to the operations of ENEX's SC 55 block which is located near the West Philippine Sea.

Corporate governance and disclosure standards in the Philippines may differ from those in more developed countries.

Although a principal objective of Philippine securities laws is to promote full and fair disclosure of material corporate information, there may be less publicly available information about Philippine public companies, such as AC Energy, than is regularly made available by public companies in the U.S. and other countries. As a result, public shareholders of AC Energy may not have access to the same amount of information or have access to information in as timely of a manner as may be the case for companies listed in the U.S. and many other jurisdictions. Furthermore, although AC Energy and its Philippine subsidiaries comply with the requirements of the Philippine SEC with respect to corporate governance standards, these standards may differ from those applicable in other jurisdictions. For example, the Revised Corporation Code of the Philippines requires AC Energy to have independent Directors constituting at least 20.0% of its board of directors. AC Energy exceeds that requirement and currently has four (4) independent directors.

Furthermore, corporate governance standards may be different for public companies listed on the Philippine securities markets than for securities markets in developed countries. Rules and policies against self-dealing and regarding the preservation of interests of public shareholders of AC Energy may be less well-defined and enforced in the Philippines than elsewhere, putting public shareholders at a potential disadvantage. Because of this, the directors of Philippine companies may be more likely to have interests that conflict with the interests of shareholders generally, which may result in them taking actions that are contrary to the interests of public shareholders of AC Energy.

Volatility in the value of the Peso against the U.S. dollar and other currencies as well as in the global financial and capital markets could adversely affect the Company's businesses.

The Philippine economy has experienced volatility in the value of the Peso and also limitations to the availability of foreign exchange. The value of the Peso underwent significant fluctuations between July 1997 and December 2004 and the Peso declined from approximately ₱29.00 to U.S.$1.00 in July 1997 to ₱56.18 to U.S.$1.00 by December 2004, recovering to ₱43.89 at the end of December 2010. The value of the Peso has generally depreciated since 2010, and its valuation may be adversely affected by certain events and circumstances such as the strengthening of the U.S. economy, the rise of the interest rates in

the U.S. and other events affecting the global markets or the Philippines, causing investors to move their investment portfolios from the riskier emerging markets such as the Philippines. Consequently, an outflow of funds and capital from the Philippines may occur and may result in increasing volatility in the value of the Peso against the U.S. Dollar and other currencies. As at December 31, 2025 and 2024, according to the BSP reference exchange rate bulletin, the Peso was at ₱58.81 per U.S.$1.00 and ₱58.01 per U.S.$1.00, respectively, at the end of each year.

Investors may face difficulties enforcing judgments against the Company.

AC Energy is organized under the laws of the Republic of the Philippines. A substantial portion of AC Energy's assets is located in the Philippines. It may be difficult for investors to effect service of process outside of the Philippines upon AC Energy. Moreover, it may be difficult for investors to enforce judgments against AC Energy outside of the Philippines in any actions pertaining to the Notes. In addition, most of the directors and officers of AC Energy are residents of the Philippines, and all or a substantial portion of the assets of such persons are or may be located in the Philippines. As a result, it may be difficult for investors to effect service of process upon such persons or enforce against such persons judgments obtained in courts or arbitral tribunals outside of the Philippines predicated upon the laws of jurisdictions other than in the Philippines.

The Philippines is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments but is a signatory to the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Moreover, the Philippine enacted Republic Act No. 9285, otherwise known as the Alternative Dispute Resolution Act of 2004, to facilitate the enforcement of arbitral awards in the Philippines. Judgments obtained against AC Energy in any foreign court may be recognized and enforced by the courts of the Philippines in an independent action brought in accordance with the relevant procedures set forth in the Rules of Court of the Philippines to enforce such judgment. The enforceability of foreign judgments in the Philippines is specifically provided for in the 1997 Rules of Civil Procedure. Section 48 of Rule 39 of the Rules of Civil Procedure provides that a judgment or final order of a tribunal of a foreign country having jurisdiction to give the judgment or final order is as follows: (a) in case of a judgment or final order upon specific property, is conclusive upon the title to that property; and (b) in case of a judgment or final order against a person, is presumptive evidence of a right between the parties and their successors in interest by a subsequent title. Further, Philippine courts have held that a foreign judgment is presumed to be valid and binding in the country from which it issues, until the contrary is shown, and the party contesting the foreign judgment has the burden of overcoming the presumption of its validity. However, such foreign judgment or final order may be rejected in the following instances: (i) such judgment was obtained by collusion or fraud, (ii) the foreign court rendering such judgment did not have jurisdiction, (iii) such order or judgment is contrary to good customs, public order, or public policy of the Philippines, (iv) AC Energy did not have notice of the proceedings before the foreign court, or (v) such judgment was based upon a clear mistake of law or fact.

Regulatory uncertainty may result in delays in implementation of government programs, or in changes in regulations

The Philippines is a unitary democratic republic, with a President as its head of state and government, elected to a non-renewable six-year term. General elections for the President and Vice President, are held every six years, while Congress and officials of local government units are elected to three-year terms. Presidential administrations and legislative sessions, as well as the officials and political parties holding these offices, vary from term to term, due to term limits prescribed by the 1987 Philippine Constitution and results of elections. As a result, the President and his administration may implement programs, endorse legislation, enforce executive orders, and/or execute other actions, that may result in delays of implementation of government programs, or may result in changes in regulations that benefit ACEN, its partners, and its affiliate businesses. In addition, the bicameral Philippine Congress, may also pass legislation that delays said implementation of government programs or change regulations that promote RE in the Philippines. Several government programs such as the Renewable Energy Law, the RCOA Program, and the Green Energy Option Program, benefit the Company through the expansion of its RE market.

For further information on ACEIC, please refer to its 2025 Financial Reports which are available on its website www.acenergy.com.ph.

Bank of the Philippine Islands (BPI or the Bank) and **Globe Telecom** (Globe) are significant associates and joint venture of the Group.

BANK OF THE PHILIPPINE ISLANDS

Background and Business

The Ayala Group conducts its financial services business through Bank of the Philippine Islands (alternately referred to as BPI, "the Bank" or "the Company" in the entire discussion of Bank of the Philippine Islands).

Bank of the Philippine Islands' highlights of its Consolidated Statements of Condition and Statements of Income are shown in the Note 10 of Ayala's 2025 Audited Consolidated Financial Statements.

Business Development

BPI, established in 1851, is the first bank in the Philippines and Southeast Asia. Licensed by the Bangko Sentral ng Pilipinas (BSP) as a universal bank, BPI has evolved from a commercial banking institution into a diversified financial services provider. Together with its subsidiaries, BPI offers a comprehensive range of financial services, including institutional and consumer banking, lending, investment banking, agency banking, asset management, securities distribution, insurance, and leasing. These services are extended to a broad client base comprising multinationals, government entities, large corporates, small and medium-sized enterprises (SMEs), and individual customers.

BPI is one of the biggest banks in the country in terms of total assets, capital, and market capitalization, and has a significant share of total banking system deposits, loans, and assets under management. BPI also has the country's second largest branch network and operates the fourth largest ATM network. It has been a market leader in electronic banking where it has been a first mover and innovator in the use of automated teller machines (ATMs), cash acceptance machines (CAMs), point-of-sale debit systems, kiosk banking, phone banking, internet banking and mobile banking.

Historical Background

BPI was established in 1851 in Manila, then under Spanish colonial rule, as Banco Español Filipino de Isabel II, by decree of the Governor General of the Philippines. It was the first bank in the Philippines and issued the country's earliest currency notes in 1855. BPI expanded with its first branch in Iloilo in 1897, pioneering sugar crop financing, and subsequently supported the development of key infrastructure, including Manila's initial tram service, telephone system, electric utility, and the country's first steamship. Through these milestones, BPI and its "escudo" have become enduring symbols of the Philippine banking system, representing one of the nation's oldest and most recognized home-grown financial institutions.

Recent History

For many years following its establishment, BPI was the sole domestic commercial bank in the Philippines, primarily engaged in deposit-taking and extending credit to exporters and local traders of raw materials and commodities, such as sugar, tobacco, coffee, and indigo, as well as funding public infrastructure. Consistent with the regulatory framework modeled after the Glass Steagall Act of 1932, BPI operated as a private commercial bank. In the early 1980s, the Monetary Board of the Central Bank of the Philippines (now the Bangko Sentral ng Pilipinas, or BSP) authorized BPI's transition into a fully diversified universal bank. This transformation was achieved through both organic growth and mergers and acquisitions, enabling it to expand into investment and consumer banking, and to integrate operations across an investment house, a stock brokerage, a leasing company, a savings bank, a retail finance company, and bancassurance platforms.

Since the late 1990's, BPI has completed five major bank mergers. In 1996, BPI merged with City Trust Banking Corp., the retail banking arm of Citibank in the Philippines, strengthening its consumer banking arm franchise. In 2000, BPI acquired Far East Bank & Trust Company (FEBTC), then the largest banking merger in the country, which reinforced its leadership in asset management, trust services, and branch banking, while expanding its reach to middle market clients. That same year, BPI formalized the acquisition of several major insurance companies in the life, non-life and reinsurance fields. In 2005, BPI merged with

Prudential Bank, a medium-sized institution serving middle market entrepreneurs. More recently, effective January 1, 2022, BPI completed its merger with its wholly owned subsidiary, BPI Family Savings Bank, Inc., followed by its merger with Robinsons Bank Corporation on January 1, 2024.

In 2011, BPI became the first bank in the Philippines to acquire the trust business of a foreign institution through its purchase of the trust and investment management business of ING Bank N.V. Manila.

In 2014, BPI entered into a strategic partnership with Century Tokyo Leasing Corp., one of Japan's largest leasing companies, to form BPI Century Tokyo Lease & Finance Corp., with BPI retaining majority ownership at 51%. In November 2020, BPI announced that Tokyo Century Corporation ("TCC") has decided to acquire an additional 2% of the issued shares of BPI Century Tokyo Lease & Finance Corp ("BPI CTL"). As a result, BPI's ownership was reduced to 49%.

In 2015, BPI formed another strategic partnership with Global Payments (GPN), an Atlanta-based, NYSE-listed provider of international payment services, combining merchant acquiring networks while maintaining a 49% ownership stake.

In August 2016, BPI acquired a 10% minority stake in Rizal Bank Inc. (RBI), a member institution of Center for Agriculture and Rural Development Mutually Reinforcing Institutions (CARD MRI), a group of social development organizations that specialize in microfinance.

Effective September 20, 2016, BPI assumed full control over BPI Globe BanKO, Inc. after acquiring the 20% and 40% stake of Ayala Corporation and Globe Telecom, respectively. On December 29, 2016, the SEC approved the change of corporate name to BPI Direct BanKo, Inc., A Savings Bank, following the absorption of BanKo's assets and liabilities by BPI Direct.

BPI completed the spin-off of its BPI Asset Management and Trust Group (BPI AMTG) into a Stand-Alone Trust Corporation (SATC), BPI Asset Management and Trust Corporation (BPI AMTC), which commenced its operations on February 1, 2017.

On December 2021, the SEC approved the merger of BPI with its wholly owned subsidiary, BPI Family Savings Bank, Inc., with BPI as the surviving entity effective January 1, 2022.

Business Milestones (2023-2025)

On January 17, 2023, shareholders approved the merger of BPI and Robinsons Bank Corporation with BPI as the surviving bank. The merger was subsequently approved by the Philippine Competition Commission approved the merger on March 9, 2023; the BSP through Monetary Board Resolution No. 1633 on December 14, 2023, and the SEC on December 29, 2023. Following the receipts of all corporate and regulatory the merger became effective on 1 January 2024.

On March 20, 2024, the BOD of BPI approved the sale of its 752,056,290 common shares representing all of its stakes in Go Tyme Bank Corporation to Go Tyme Financial Pte. Ltd. and Giga Investment Holdings Pte. Ltd. at ₱1.20 per share. In October 2024, the transaction was approved by the BSP. The Go Tyme shares were acquired by BPI pursuant to the merger between BPI and RBC with BPI as the surviving bank.

On December 17, 2025, the BOD of BPI authorized its management to pursue plans to merge BPI Direct BanKo, Inc., a Savings Bank (BanKo) and Legazpi Savings Bank, Inc. (LSB), with the former as the surviving entity, subject to the consideration and approval of their respective BOD and stockholders.

Principal Subsidiaries

The Bank's principal subsidiaries are:

a. BPI Capital Corp. (BPI Cap) is an investment house registered with the SEC in February 1976. It offers a comprehensive suite of corporate finance services covering debt and equity capital markets, financial advisory, project finance, loan syndication, and securities distribution. BPI Capital wholly owns BPI Securities Corporation, a stock brokerage and trading participant of the PSE.

b. BPI Securities Corporation is the full-service stock brokerage house of the Bank. It is a wholly owned subsidiary of BPI Capital Corporation and is primarily involved in the purchase and sale of shares of publicly listed companies on the PSE for its institutional and retail clients.

c. BPI Direct BanKo, Inc., A Savings Bank (or BanKo), is a wholly owned subsidiary and microfinance arm of BPI. Since 2016, it has endeavored to strengthen the financial capacities of thousands of Filipino Self-Employed Micro-Entrepreneurs (SEMEs) nationwide by creating an enabling business environment for them. True to its mission of empowering the Negosyanteng Pinoy, BanKo has provided access to easy, convenient and affordable loan products to fund their operations, and provided them with an opportunity to grow and expand their businesses. BanKo has achieved remarkable milestones, firmly establishing its commitment to sustainable growth and financial inclusion. Successfully reaching SEMEs, BanKo has emerged as a catalyst for economic development, creating sustainable employment opportunities and leaving a lasting impact on the lives of individuals and communities.

d. Legazpi Savings Bank, Inc. (LSB) is focused on providing financial assistance to teachers, including deposit-related financial services. LSB was incorporated and registered with the SEC on May 8, 1976, and was acquired by Robinsons Bank Corporation on December 26, 2012. On January 1, 2024, when the merger between the Ayala-led BPI and RBC took effect, with the former as the surviving entity, LSB became a subsidiary of BPI.

e. BPI Asset Management and Trust Corporation, doing business under the trade name and style of BPI Wealth – A Trust Corporation, (BPI Wealth) is a stand-alone trust corporation serving both individual and institutional investors with a full suite of local and global investment solutions. It also holds (i) an Investment Company Adviser license and (ii) a Transfer Agency license, both issued by the SEC, authorizing BPI Wealth to act as fund manager, distributor, and transfer agent of mutual funds under the Investment Company Act, Securities Regulation Code, and their implementing rules and regulations.

f. BPI Investments Inc. (formerly BPI Investment Management Inc.) is a wholly owned subsidiary of BPI and serves as the transfer agent of the ALFM & PAMI Mutual Funds – open-end investment companies registered with, and regulated by, the SEC.

g. BPI Wealth Hong Kong Limited (BPI Wealth HK), formerly BPI International Finance Limited ("BPI IFL"), is a wholly-owned subsidiary of the BPI, registered under the Hong Kong Companies Ordinance on August 16,1974 and subsequently as a deposit-taking company on April 26, 1976. BPI Wealth HK is regulated by the Hong Kong Monetary Authority and is licensed by the Securities and Futures Commission of Hong Kong to carry out Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. Its principal business activities are the provision of financial services and dealing in securities on behalf of customers. BPI IFL was renamed BPI Wealth Hong Kong Limited on August 26, 2024.

h. BPI Wealth Singapore Pte. Ltd is licensed by the Monetary Authority of Singapore under the Securities and Futures Act of 2001 (SFA) of Singapore as a Capital Markets Services Licensee to conduct fund management activities for Accredited and Institutional Investors as defined under the SFA. BPI Wealth Singapore commenced operations on 1 October 2025.

i. BPI Remittance Centre Hong Kong Ltd. (BERC HK) is a licensed money service operator in Hong Kong providing remittance services to beneficiaries residing throughout the Philippines. On November 21, 2018, BPI IFL (now BPI Wealth Hongkong Limited) distributed its shares in BERC HK as a property dividend to the Parent Bank. BERC HK became an immediate subsidiary of the Parent Bank following this.

j. BPI (Europe) Plc (BPI Europe) is a UK-licensed bank authorized by the Prudential Regulation Authority (PRA), jointly regulated by the PRA and the Financial Conduct Authority (FCA). It has been in operation since 2007, and started off with paid-up capital of £20 million, subsequently increased to £100 million after equity infusions in 2020 and 2021. The bank offers retail deposit products and engages in the proprietary trading of fixed income securities, foreign exchange and syndicated loans.

k. BPI MS Insurance Corporation (BPI MS) is a non-life insurance company established in 2001 through a joint venture between the Bank of the Philippine Islands (BPI), which holds a 50.85% ownership stake, and Mitsui Sumitomo Insurance Company (MSI), which owns the remaining 49.15%.

Principal Products & Services

BPI offers a wide range of corporate and retail banking products. BPI has two major categories for products and services. The first category covers its core financial intermediation business, which includes deposit taking, lending, and securities investments. Revenue from this category is collectively termed as net interest income and accounts for 76% of net revenues. The second category covers services ancillary to BPI's financial intermediation business, and from which it derives transaction-based commissions, service charges and other fees. These include investment banking and corporate finance fees, asset management and trust fees, stock brokerage fees, credit card-related fees, rental of bank assets, income from insurance subsidiaries and service charges or commissions earned on international trade transactions, drafts, fund transfers, various deposit-related services, and revenues from transactions on digital channels. Commissions, service charges, and other fees, when combined with trading gains and losses arising from the Bank's fixed income and foreign exchange operations, constitute non-interest income, which accounts for the remaining 24% of net revenues.

Foreign Offices Contribution

	2023	2024	2025
Share in Total Revenue (%)	0.44	0.45	0.39
Hongkong	0.33	0.29	0.26
Singapore	0.00	0.00	0.01
Europe	0.10	0.16	0.12
Share in Total Net Income (%)	(0.03)	0.12	(0.03)
Hongkong	0.08	0.06	0.11
Singapore	0.00	(0.00)	(0.15)
Europe	(0.11)	0.06	0.01

Distribution Network

BPI has 864 branch licenses as of end-2025. In response to the declining over-the-counter transactions and increasing customer adoption of digital channels, BPI has initiated branch network optimization by co-locating and consolidating branches to improve cost efficiency and productivity. As of December 31, BPI has 823 physical branches nationwide. Additionally, BPI Direct BanKo has 412 branches and Branch-Lite Units (BLUs) in strategic locations in the country, while LSB has 42 branches. Overseas, BPI has three banking subsidiaries: BPI Wealth Hong Kong Limited, Bank of the Philippine Islands (Europe) Plc in London, and BPI Wealth Singapore Pte. Ltd.

BPI maintains a specialized network of overseas offices to service Filipinos working abroad. To date, BPI has two (2) Remittance Centers located in Hong Kong and two (2) representative offices located in UAE and Japan. BPI also maintains remittance tie-up arrangements with various foreign entities in several countries to widen its network in serving the needs of Filipinos overseas.

On the lending side, there are 29 business centers and desks, servicing both corporate and retail clients, across the country to process loan applications, loan releases, and international trade transactions. These centers also provide after-sales servicing of loan accounts.

BPI's branch network is supported by a network of 2,241 ATMs (including 860 ATMs provided by Euronet) and 369 CAMs as of December 31, 2025, which together provide cash-related banking services to customers 24/7, located in both branches and off-site locations, such as shopping malls and high-density office buildings. BPI's interconnection with Bancnet, a Philippine-based interbank network connecting the ATM networks of local and offshore banks, also gives the Bank's cardholders access to over 20,000 ATMs across the Philippines. BPI's ATM network is likewise interconnected with Mastercard, China Union Pay, Discover/Diners, JCB and Visa. BPI aims to provide more secured cash withdrawals for its depositors

through the implementation of the ATM withdrawal notification feature, which allows BPI's cardholders to receive notifications via e-mail or SMS when withdrawals beyond a specified amount are made.

BPI aims to leverage its digital assets and capabilities across various businesses. It has launched seven digital user platforms:

- VYBE by BPI, BPI's e-wallet which also carries its rewards program.
- BPI mobile app, remains the Bank's largest digital platform, serving over retail clients
- BPI Trade app is for clients who invest in equities
- BPI BanKo app for self-employed micro-entrepreneurs
- BPI BizKo app for SMEs
- BPI BizLink app for corporate clients, and
- BPI Wealth Online for high net-worth individuals.

These seven platforms enable all Filipinos in their respective financial journeys to enjoy the benefits that BPI channels provide. In addition, BPI envisions these platforms to be a major vehicle for client acquisition, financial inclusion, and business growth.

BPI continues to lead in Philippine open banking and is among the Philippine banks with the most number of brands and services, and successful monetization. By creating and launching a diverse range of Application Programming Interfaces (APIs), BPI has been actively forming various fintech partnerships, ranging across e-wallets, utility providers, remittance centers, e-commerce platforms and even government agencies. It also has an integrated fraud management solution to reduce the risk of fraud in open banking transactions.

BPI's early investments in technology paved the way for it to be the most API-ready Bank. As of December 31, 2025, BPI has a growing list of over 100 API-partners, which includes various e-wallets, utility providers, remittance centers, e-commerce platforms, and even government agencies.

GCash remains BPI's top partner in open banking and the Bank continuously collaborates with GCash in providing various financial products and services.

All these digital initiatives are underpinned by strong cybersecurity, agile core systems, and data-driven decisions.

Competition

With 44 universal and commercial banks operating in the Philippines as of December 31, 2025, the banking industry in the Philippines is characterized by high levels of regulation and highly competitive pricing and service offerings. BPI competes against domestic and foreign banks that offer similar products and services as BPI. Since the further liberalization of the Philippine banking industry in 2014, foreign banks have expanded from their traditional focus on Metro Manila and large-scale corporations to building their own networks to increase market share, primarily through acquisitions of small domestic savings banks. Foreign banks tend to benefit from the support of their parent companies or established regional operations, but they are limited by local regulations to a maximum of six Philippine branches to protect the growth and participation of local banks.

According to industry data on Philippine banks, BPI is second largest in terms of gross customer loans and second in terms of deposits among private universal banks, with market shares of 16,6% and 13.0%, respectively, as of December 31, 2025.

Patents, Trademarks, Licenses, Franchises, etc.

BPI sells its products and services through the BPI trademark and/or trade name. All its major financial subsidiaries carry the BPI name prefix (e.g., BPI Capital, BPI Securities, and BPI BanKo).

The following are some of BPI's trademarks for its products and services:

a. BPI Debit and BPI Debit Cards, for its debit cards
b. BPI Rewards, for its credit cards business
c. BPI Direct BanKo, BanKo Mobile, May Ngiti and Bukas mo, BanKo Smiley, BanKo Mare, BanKo Pare, Save-Ipon and Save-Tipid, for its microfinance subsidiary

d. BPI Wealth, BPI Wealth Online, BPI Private Wealth Signature Experience, ALFM, ALFM Dollar Bond Fund, ALFM Euro Bond, ALFM Global Multi-Asset Income Fund, ALFM Growth Fund, ALFM Money Market Fund, ALFM Mutual Funds and ALFM Peso Bond Fund; for its wealth management subsidiary
e. Bizlink, for its internet banking platform for business and corporate clients, including the BizLink mobile app
f. BPI Securities Corporation, BPI Trade Horizontal, BPI Trade Vertical, and Trade Better. Live Better, for its stockbrokerage subsidiary

Other product brands of BPI and BanKo are BPI Save-Up, BPI Jumpstart, BPI Pamana Savings, Todo Savings, PondoKo Savings, NegosyoKo Loan, NegosyoKo Lite, AgriNegosyoKo Loan, Insta CashKo Personal Loan, and InstaCashKo Credit Line

All BPI's trademark registrations are valid for 10 years with years of expiration varying from 2027 to 2034. Trademarks intended to be used or maintained by BPI are so maintained and renewed in accordance with applicable Intellectual Property laws and regulations. BPI closely monitors the expiry and renewal dates of its trademarks to protect BPI's brand equity.

In terms of business licenses, BPI has an expanded commercial banking license while BanKo has a savings bank license. BPI Capital operates under an Investment House license issued by the SEC and is engaged in dealing government securities. It previously held a Mutual Fund Distribution license, which it voluntarily surrendered to the SEC and was subsequently cancelled in October 2025. BPI Securities is a holder of a broker-dealer license duly registered with SEC, a Trading Participant of the Philippine Stock Exchange, and a member of the Securities Clearing Corp. of the Philippines and the Securities Investor Protection Fund. BPI Wealth holds a (i) trust license and (ii) a securities custodian/registry license issued by the Bangko Sentral ng Pilipinas (BSP). BPI Wealth is also accredited by the BSP and Bureau of Internal Revenue as an Administrator for Personal Equity and Retirement Accounts (PERA). BPI Wealth likewise holds the following licenses issued by the SEC: (i) Investment Company Advise license and (ii) a Transfer Agency license. BII is a registered transfer agent with the SEC. BPI MS was granted by the Insurance Commission a Certificate of Authority to transact and sell non-life insurance products.

For foreign business licenses, BPI (Europe) Plc is a UK-licensed bank authorized by the Prudential Regulation Authority (PRA) and regulated by the PRA and the Financial Conduct Authority (FCA). BPI Wealth Hongkong Limited (BPI Wealth HK), formerly BPI IFL is a deposit-taking company authorized and regulated by the Hong Kong Monetary Authority and licensed by the Securities and Futures Commission of Hong Kong to undertake Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. Meanwhile, BPI Wealth Singapore Pte. Ltd is licensed by the Monetary Authority of Singapore under the Securities and Futures Act of 2001 (SFA) of Singapore as a Capital Markets Services Licensee, authorized to provide fund management services to Accredited and Institutional Investors as defined under the SFA.

Transactions with Related Parties

In the ordinary course of business, BPI has entered into various transactions with its Directors, Officers, Stockholders and their Related Interest (DOSRI), including loan transactions. BPI and all its subsidiaries have always been in compliance with the General Banking Act, BSP Circulars and regulations on DOSRI loans and transactions. As of December 31, 2025, DOSRI loans amounted to 0.9% of loans and advances.

Government Regulations (2023-2025)

Under the General Banking Act, the Monetary Board of the BSP is responsible for regulating and supervising financial intermediaries like BPI. The implementation and enforcement of the BSP regulations is primarily the responsibility of the supervision and examination sector of the BSP.

BPI, as a publicly listed company (PLC), is also governed by SEC memorandum circulars and BIR revenue regulations. Below is a non-exhaustive list of the regulations BPI has adopted in the last three years:

Issuance No.	Issue Date	Effective Date	Title/Summary
BSP Circulars			

Issuance No.	Issue Date	Effective Date	Title/Summary
No. 1165	January 19 2023	January 26, 2023[1]	Amendments to the Ceiling on Interest or Finance Charges for Credit Card Receivables
No. 1170	March 30, 2023	April 13, 2023[1]	Amendments to Section 921/921Q of the Manual of Regulations for Banks (MORB)/ Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) on Customer Due Diligence, including Guidelines on Electronic Know-Your-Customer
No. 1176	June 29, 2023	June 30, 2023[1]	Amendments to the Rules and Regulations on the Reserves Against Deposits and Deposit Substitute Liabilities of Banks
No. 1187	February 21, 2024	March 14, 2024	Adoption of the Philippine Sustainable Finance Taxonomy Guidelines (SFTG) for banks.
No. 1190	March 12, 2024	March 20, 2024	Revised Guidelines in the Computation of Annual Supervision Fee under Section 28 of the Republic Act (R.A.) No. 7653 or "The New Central Bank Act" as Amended by R.A. No. 11211
No. 1201	September 20, 2024	October 25, 2024	Reduction in Reserve Requirements
No. 1207	January 15, 2025	January 23, 2025	Participation of trust entities via investment management accounts in accessing the BSP Issued Securities' market
No. 1212	April 11, 2025	May 23, 2025	Amendments to foreign exchange (FX) regulations covering FX derivatives, involving the Philippine Peso, and other transactions under the Manual of Regulations on Foreign Exchange Transactions and the Manual of Regulations for Banks
No. 1213	May 30, 2025	June 25, 2025	Amendments to Regulations on Information Technology Risk Management to Implement Section 6 of the Anti-Financial Account Scamming Act (AFASA)
No. 1215	May 30, 2025	July 9, 2025	Regulations on the Temporary Holding of Funds Subject of Disputed Transactions and Coordinated Verification Process
No. 1216	July 16, 2025	August 16, 2025	Amendments to the Regulations on Disqualification of Directors and Officers
BSP Memorandum			
M-2024-003	January 10, 2024		Guidelines on the Submission of the Revised Published Balance Sheet (PBS) Report
M-2024-016	May 27, 2024		Guidelines on the Electronic Submission of the Money Laundering (ML)/Terrorist Financing (TF)/Proliferation Financing (PF) Risk Event Report (RER)
M-2025-020	June 25, 2025		Guidelines on the Registration, Replacement, and Use of E-mail Accounts Intended for Official Communications with the Consumer Account Protection Office in Relation to the Conduct of Inquiry into Financial Accounts with

Issuance No.	Issue Date	Effective Date	Title/Summary
			Clarification on the Submission of Report on Temporary Holding of Disputed Funds
M-2025-030	August 20, 2025		Unit Investment Trust Funds (UITFs) Structured as Feeder Funds/Fund-of-Funds wth Foreign Exposures/Investments as Personal Equity and Retirement Account (PERA) Investment Products
M-2025-033	October 23, 2025		Philippine Sustainable Finance Taxonomy Guidelines: Sample Climate Adaptation-related Projects and Activities
SEC			
MC No. 1-2023	March 1, 2023		Extension for Deadlines for the 2023 filing of AFS
MC No. 13-2023	September 12, 2023		Guidelines on Annex C of Rule 12 of the Securities Regulation Code interpreting the comparative periods required in the management's discussion and analysis
MC No. 02-2024	February 1, 2024		Filing of Annual Financial Statements and General Information Sheet
MC No. 01-2025	March 5, 2025		2025 Filing of AFS and GIS
MC No. 11-2025	September 12, 2025		Providing further guidelines on exempt transactions
MC. No. 16-2025	December 23, 2025		Adoption of PFRS on Sustainability Disclosures and Issuance of Reporting Guidelines for Publicly Listed Companies and Large Non-Listed Entities

[1] *The Circular took effect 15 calendar days following its publication in the Official Gazette or in a newspaper of general circulation*

[2] *Subsequently, BPI also complied with all pertinent BIR revenue regulations implementing it.*

Research and Development Activities

BPI spent the following for the last three years on Personnel Training and on Systems/Application Software:

	In Million Pesos	% of Revenues
2023	2,760.6	2.0
2024	675.1	0.4
2025	821.5	0.4

Employees

Below is a breakdown of the manpower complement of BPI in 2024 and 2025:

	December 31, 2024 Actual			December 31, 2025 Actual		
	Officer	Staff	TOTAL	Officer	Staff	TOTAL
UNIBANK	**8,960**	**13,097**	**22,057**	**9,460**	**13,568**	**23,028**
Consumer	5,026	10,271	15,297	5,347	10,784	16,131
Corporate	1,065	529	1,594	1,142	538	1,680
Investment	553	160	713	574	153	727
Support	2,316	2,137	4,453	2,397	2,093	4,490
Insurance	**124**	**422**	**546**	**128**	**424**	**552**
Total	**9,084**	**13,519**	**22,603**	**9,588**	**13,992**	**23,580**

Manpower complement includes headcount of BPI/MS Insurance Corporation.

Majority or 89% of the staff in the Unibank are members of various unions and are subject to Collective Bargaining Agreements (CBAs). The current CBA of the BPI parent company was concluded / signed last May 3, 2024, which covers the period of April 1, 2024 to March 31, 2026.

Enterprise Risk Management

BPI has an established enterprise risk management and capital management framework that enables it to systematically identify, measure, control, and monitor its significant financial and non-financial risk exposures, ensuring adequate liquidity levels and sufficient capital in support of business growth and operational resilience. The framework covers not only traditional risks that BPI is exposed to such as credit, market, and operational and information technology (IT) risks, but also includes emerging risks such as environmental and social risks.

BPI's framework is anchored on the regulatory guidance set by the BSP which emphasizes effective risk management governance, robust business continuity and operational resiliency standards, financial viability, and soundness through the conduct of internal capital adequacy assessments, and the adoption of various risk management processes and methods. BPI's ERM is anchored on the pillars of:

- Sound risk management governance
- Value-enhancing risk methods and processes
- Risk-intelligent data and technologies

BPI's Board of Directors fulfils its risk management function through the Risk Management Committee (RMCom), which defines risk appetite statements at functional and enterprise levels. The RMCom also oversees and reviews risk management structures, metrics, limits, and issues across the BPI Group. The Chief Risk Officer (CRO) of the BPI Group reports directly to the RMCom and is responsible in leading the formulation of risk management policies and methodologies, aligned with BPI's overall business strategies, ensuring a prudent and rational approach to risk-taking that is commensurate with returns on capital, and within its risk appetite. Led by the CRO, the Risk Management Office (RMO) actively engages with the RMCom, management, and business units to promote a robust risk culture. This includes risk awareness campaigns and learning programs, and promoting risk management industry best practices through internal communications.

BPI's risk exposures are identified, measured, controlled, and monitored according to three major risk classifications of credit, market and liquidity, and operational and IT risks.

Credit risk, the single largest financial risk for most local banks, arises from BPI's core lending and investing businesses, and involves thorough credit evaluation, appropriate approvals, administration, management, and continuous monitoring of risk exposures such as borrower (or counterparty) risk, facility, collateral, industry, and concentration risks relating to each loan account and on a portfolio basis. In BPI, the entire credit risk management system is governed by stringent credit underwriting policies and risk rating parameters, as well as lending procedures and standards which are regularly reviewed and updated in line with regulatory requirements and market developments. BPI's loan portfolio is continuously monitored and risk reviewed as to overall asset quality, credit risk ratings, loan loss reserves coverage, credit concentration, and utilization of limits, among others. It continuous to experience modest growth in loan volumes, but is able to manage the overall credit risk profile and maintain asset quality (as evidenced by

acceptable levels of non-performing loans (NPLs), generally at par with or lower than industry NPLs, and adequate reserves coverage), and does so in general compliance with internal and prudential requirements relating to credit risk management including compliance with Related Party Transactions (RPT) guidelines, single borrower's limits, credit risk concentration limits, and internal and regulatory stress tests, among others.

Market and liquidity risks are risks to earnings and capital from adverse movements in risk factors that affect the market value of financial instruments, products and transactions in BPI's portfolios, and the risk arising from the potential inability to meet obligations to clients, counterparties or markets when they fall due. Market risk arises from its trading and distribution activities of securities, foreign exchange, and derivative instruments (as allowed by regulations), and interest rate risk in the banking book while liquidity risk mainly arises from cash flow gaps and mismatches in our assets, liabilities, and off-balance sheet accounts. Market and liquidity risks are managed using a set of established policies and metrics guided by BPI's market, interest rate risk in the banking book (IRRBB), and liquidity risk management frameworks set by the Board-level RMCom. BPI employs various risk metrics such as Value-at-Risk (VaR) and stop loss limits for price risk, and Balance sheet Value-at-Risk (BS VaR), and Earnings-at-Risk (EaR) for interest rate risk in the banking book, supplemented by quarterly stress tests. It liquidity profile is measured and monitored through internal metrics – the Minimum Cumulative Liquidity Gap (MCLG) or the smallest net cumulative cash inflow (if positively gapped) or the largest net cumulative cash outflow (if negatively gapped) over the next three months; the Intraday Liquidity Ratio (ILR) is a measure that promotes BPI's resilience against intraday liquidity risk by ensuring that adequate liquidity buffers are in place to meet outflows throughout the business day; and the regulatory metrics – Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). BPI ensures adequate levels of liquidity at all times and that contingency plans are in place in the event of liquidity stress. It conducts regular liquidity stress tests which consistently show that it can generate sufficient liquidity during stress events. Periodic testing of BPI's established liquidity contingency funding plan (LCFP) is also performed to build awareness and preparedness among key business groups, test the effectiveness of various funding options, and refine its assumptions to ensure the quality and reasonableness of the contingency plan. As of end-December 2025, BPI's market, IRRBB, and liquidity risk exposures are generally well within the RMCom-approved risk limits at the BPI Parent and Group levels.

Operational risks arise from inadequate or failed internal processes, people and systems, or from external threats and events such as cybercrime that lead to financial losses, pandemics, natural disasters, that damage physical assets, or electronic or telecommunication failures, that disrupt BPI's operations, and which may give rise to adverse legal, tax, regulatory, or reputational consequences. Information Technology (IT) risk is a significant risk factor subsumed under operational risks, arise from the use of or reliance on IT (e.g., computer hardware, software, devices, systems, applications, and networks). IT risk includes, but not limited to, information security, service availability, reliability and availability of IT operations, completion of IT development projects, and regulatory compliance, among others.

As of end-December 2025, BPI maintained actual operational losses below 1% of its annual gross income. Such minimal losses are well within the Senior Management and BOD/RMCom's conservative and prudent risk appetite and are generally attributed to inherent risks associated with the products and services being provided by the bank. The rapidly evolving risk landscape that can trigger risks at any point is duly considered by BPI in regular risk assessments and in updating its risk strategies. Operational risk stress tests, through scenario analysis, are regularly performed to assess the impact of unexpected and extreme operational risk events.

There is regular monitoring and reporting of BPI's Operational and IT risks levels, as well as current cybercrime landscapes, emerging risks, industry developments, and mitigating measures implemented.

BPI affirms the implementation of its organizational resilience through adherence to established resiliency programs and governance frameworks. Likewise, BPI's hybrid work setup ensures employees have secure remote access and digital tools that support flexible, diversified continuity arrangements. Through BPI's ongoing digital transformation, business continuity processes, including recovery plans, documentation, and internal campaigns, have been fully digitized using BPI's workflow management platform thereby enhancing efficiency, streamlining coordination, and ensuring that teams can respond quickly and effectively to any disruption.

In response to an evolving and increasingly complex cyber threat landscape, BPI continues to strengthen its security infrastructure and implement advanced technical controls to safeguard physical and digital environments. BPI's comprehensive security program encompasses preventive, detective, and recovery mechanisms that enable proactive threat management and timely incident response.

Recognizing the importance of supply chain security, BPI maintains a comprehensive third-party and vendor risk management program which includes a rigorous due diligence and onboarding process for service providers and IT suppliers, complemented by ongoing performance monitoring to ensure compliance with our information security and data privacy requirements.

Risk management is carried out by a dedicated team of skilled risk managers and senior officers who have extensive operational experience working within BPI. BPI's risk managers regularly monitor key risk indicators and report exposures against well-defined credit, market, liquidity, and operational risk metrics and limits approved by the RMCom. Independent reviews are regularly conducted by BPI's Internal Audit, external auditors, and regulatory examiners to ensure that controls and risk mitigation are in place and functioning effectively as intended.

Compliance

Business or compliance risk, which can be defined as "the risk of regulatory or legal sanctions, material financial loss, or loss to reputation a bank may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its banking activities", is addressed and managed within BPI through its compliance function and its component system and program.

As BPI's second line of defense, the compliance function has also evolved in recent years to adapt to the shift towards more technology-heavy strategies, as it seeks to deliver the compliance risk management outcomes required in an era of digital transformation. While remaining a key advisory function, it has embraced a more forward-thinking, risk-based and stress-tested approach to continuously monitor, evaluate and improve its ability to ensure compliance in a banking landscape that is subject to disruption and rapid change.

BPI's compliance system is critically important in identifying, evaluating, and addressing the regulatory and reputational risks while the enterprise-wide compliance program helps it to look at and across business lines and activities of the organization as a whole and to consider how activities in one area of the bank may affect the business or compliance risks of other business lines and the entire group/enterprise. The compliance program also helps the BOD and management in understanding where such regulatory and reputational risks in the organization are concentrated, provide comparisons of the level and changing nature of risks, and identify those control processes that most need enhancement.

Oversight of the management of BPI's business risk and implementation of its compliance function is the responsibility of its BOD, through the Audit Committee and the Corporate Governance and Sustainability Committee with respect to corporate governance compliance. At the management level, the compliance function is carried out by the Compliance Office, headed by the Chief Compliance Officer, who is not a member of the BOD. The Compliance Office oversees the implementation of BPI's enterprise-wide compliance programs. These programs take into account the size and complexity of BPI, the relevant rules and regulations that affect its operations, and the business risks that may arise due to non-compliance. By using regulatory and self-assessment compliance matrices, compliance measures are formulated to mitigate identified business risks and tested to ensure effectiveness.

The Compliance Office is currently organized to cover Regulatory Compliance with includes RPT Post-Review and FATCA, Corporate Governance and Subsidiaries Regulatory Oversight, Anti-Money Laundering Compliance, Compliance Systems, Projects and Analytics, and the Enterprise Information Security Management & Data Privacy Office. Considering the rapid developments in the regulatory sphere as well as the growing complexity of bank products, services and transactions, the Compliance Office is evolving in its coverage of compliance practice areas to anticipate and meet forward challenges. Enhancement of BPI's compliance function's scope and domain is redefined for new and emerging sources of compliance risk. The Compliance Office is also empowered by BPI Group Compliance Officers (GCOs) and Subsidiary Compliance Officers (SCOs), who are embedded in operational units throughout BPI and

BPI Group subsidiaries, respectively. The GCOs and SCOs are charged with enforcing compliance office initiatives, as well as providing timely reports to the compliance office.

Overall enforcement is through self-regulation within the business units, and independent testing and reviews conducted by the Compliance Office and Internal Audit. Results of these reviews are elevated to the BOD's Audit Committee and Corporate Governance and Sustainability Committee, with respect to governance issues. The Compliance Office promotes adherence to and awareness of laws, rules and regulations by electronically posting information and documents in a compliance database that is accessible to all employees. Regular meetings are conducted by the Compliance Office with the GCOs and SCOs to discuss the impact of new regulations, decide on the required compliance measures, and amend compliance matrices as necessary. Through continued liaison and dialogue with regulators, the Compliance Office ensures the prompt dissemination of new regulations and other developments affecting bank operations.

Financial Consumer Protection

BPI has in place a Financial Consumer Protection Assistance Mechanism (FCPAM), which was established by the Client Experience Center (now Customer Experience Center; effective 2025) to institutionalize guidelines that ensure effective and compliant handling of customer feedback in accordance with the Bank's consumer protection policies.

BPI's BOD and Senior Management are responsible for the development of BPI's consumer protection strategy and establishment of an effective oversight over the Bank's consumer protection programs.

BPI's BOD is primarily responsible for approving and overseeing the implementation of the bank's Consumer Protection Risk Management System (CPRMS) which shall include the following:

- Approve CPRMS and FCPAM considering business model, market, products, and relationship with third parties that may give rise to risks to Financial Consumers.
- Promote ethical culture and ensure compliance with standards and regulations.
- Provide resources and policies for training and competency requirements.
- Approve compensation policy promoting ethical practices, equitable treatment, and conflict prevention, including performance-based rewards and contract renewal criteria.
- Approve product oversight to ensure products meet consumer needs and are accessible to all, including vulnerable groups.
- Adopt a policy on fees and charges, including justification and rationalization.
- Approve and review a Code of Conduct for directors, personnel, and agents, defining corporate culture and reporting violations.
- Periodically assess the CPRMS's implementation, efficiency, and relevance, including audit mechanisms.

The BOD-level Executive Committee exercises the powers and fulfills the duties and responsibilities of the BOD in the management of BPI's consumer protection activities, including other duties and responsibilities delegated by the BOD. Senior Management ensures that the approved policies and procedures on consumer protection and consumer assistance are clearly documented, properly understood, and appropriately implemented across all levels and business units through:

- Establishment of an effective monitoring and management information system to regularly measure, aggregate and analyze consumer related issues to determine level of consumer protection risk;
- Integration into the risk governance framework of appropriate and clear reporting and escalation mechanisms;
- Putting in place of adequate systems and controls to promptly identify issues that affect the consumer across all phases of the relationship;
- Ensure that weaknesses in FCP practices or emerging risks are addressed, and corrective actions are taken in a timely manner;
- Observance of expectations and requirements prescribed under relevant regulations on compliance and internal audit.

CXMO became Client Experience Center (CXC) in July 2020 and renamed to Customer Experience Center in January 2025 and integrated all the major customer touchpoints to strengthen our focus on customer

experience. CXC is now composed of three (3) units: Customer Care, Insights and Governance, and Integration & Programs. These three (3) units work together to safeguard the interests and well-being of BPI customers as it addresses their financial needs. There are also related policies in place such as the Managing the BPI Financial Consumer Protection, Managing BPI Financial Consumer Protection Assistance Mechanism and Handling Customer Complaints to properly equip our bank personnel in the handling of customer feedback. Preventive measures and treatment plans from business units with top customer concerns are presented to senior management regularly for appropriate service improvements and customer satisfaction.

A new and more robust system to gather complaints data was acquired for the use of the bank in the last quarter of 2021, to replace the Customer Feedback Database created in 2017. This is a vital tool in identifying areas of concern and process improvements which is part of the FCP program.

As part of BPI's FCPAM, different touch points or channels are in place where clients can file their feedback. These include its Contact Center via phone, e-mail, and social media accounts, CX Customer Care, branches, and the business units. BPI's employees are guided by the internal bank policies on FCP where client feedback, specifically complaints, are classified according to complexity which will determine the turnaround time within which the complaint should be addressed and resolved.

BPI maintains a vigilant approach in addressing feedback and concerns regarding its products and services. Throughout 2025, BPI diligently addressed and resolved issues, achieving a 99.29% complaint resolution, consistent with its previous performance. By year-end 2025, reported complaints have been effectively resolved, reflecting our dedication to swift and satisfactory resolutions. BPI's adherence to regulatory standards remains steadfast, with no confirmed incidents of non-compliance in 2025, underscoring its unwavering commitment to product and service excellence. BPI continuously upholds its enterprise-wide complaint reporting to BPI Management, ensuring transparency and accountability across its operations. Despite a marginal increase in complaint volume (percentage of transactions and unique customers with complaint) in 2025, BPI's financial consumer protection efforts resulted in consistently strong performance.

The designated Customer Assistance Officers (CAOs) undergo training to ensure that they are equipped to address customer issues and ensure compliance with BPI's Consumer Protection Program. Employees are made aware of the FCP Program through a continuous information and education campaign. Since 2018, the CXC has conducted roll-outs and training sessions on FCP and held alignment meetings with the CAOs in various business areas.

Employees also take the mandatory FCP Training course annually available via BPI University. With the revision of the FCP module in 2025, there has been a notable improvement in performance among Unibankers, evidenced by a completion rate of 99.8%, which surpasses the 99.66% achieved in 2024. To further improve service and align with the customer obsessed culture of BPI, its Human Resource – Learning & Development Department provides soft-skills trainings such as business writing, oral communications, problem solving, professional image development, and collections overview, among others. FCP is also embedded in the employee code of conduct.

For the awareness of its customers, BPI regularly updates its product features and services in its website and social media pages. This also includes frequent reminders on phishing, vishing, and other forms of fraudulent schemes to warn and protect its customers. Marketing materials and offerings involving its customers are also reviewed for proper and necessary disclosure and transparency. BPI's social media team closely monitors customer engagements in its social media pages and the data collected is regularly reported to management.

Since the establishment of the FCP Framework in 2017, BPI has maintained full compliance with product and service regulations, bolstering trust and confidence in its brand with a commitment to customer satisfaction.

Enterprise Information Security Management & Data Privacy

BPI has established an Enterprise Information Security Management to manage the development, implementation and maintenance of its information security management system to ensure the attainment

of information security objectives and to align initiatives to overall business and risk management strategies.

Moreover, in compliance with the Republic Act No. 10173, known as the Data Privacy Act of 2012, which requires government and private sector entities to apply the principles of Transparency, Legitimate Purpose and Proportionality in their processing of personal data so that the data is (1) only used in relevant and specifically stated ways, (2) not stored for longer than necessary, (3) kept safe and secure, (4) used only within the confines of the law, and (5) stored following people's data protection rights. Cybersecurity and data privacy and protection have become corporate governance and risk management concerns.

BPI has also established a comprehensive Data Privacy Program utilizing a combination of policies, organizational structure, access controls and technologies designed for risk reduction. It has a Data Privacy Office, headed by a BOD-appointed Data Privacy Officer (DPO), a senior management officer. The key focus of the DPO is to oversee data privacy compliance and manage data protection risks for the organization consistent with the Data Privacy Act rules and regulations, issuances by the National Privacy Commission and other applicable laws. Management has also appointed Compliance Officers for Privacy (COP) for major business units of BPI to augment the Data Privacy Office and ensure the sustained implementation of the Data Privacy Management Program across business lines.

For further details on the BPI's financial condition and operations and other information, please refer to its 2025 Financial Reports and SEC 17-A which are available on its website www.bpi.com.ph.

GLOBE TELECOM, INC.

Background and Business

The Ayala Group conducts its telecommunications business through Globe Telecom, Inc (alternately referred to as Globe, Globe Telecom, Globe Group or "the Company" in the entire discussion of Globe Telecom, Inc.).

Globe Telecom, Inc.'s highlights of its Consolidated Statements of Financial Position and Statements of Income are shown in the Note 10 of Ayala's 2025 Audited Consolidated Financial Statements.

Globe Telecom, Inc. is a leading digital platform in the Philippines with interests in telecommunications, fintech, venture building, shared services, and digital marketing. Globe serves the telecommunications and technology needs of consumers and businesses across an entire suite of products and services including mobile, fixed, broadband, data connectivity, internet and managed services. Globe currently has 65.8 million mobile subscribers, 2.1 million Home Broadband customers, and over 628 thousand landline subscribers. Globe is supported by 6,689 employees and over 378 thousand AutoloadMax (AMAX) retailers, distributors, and business partners nationwide.

Globe is one of the largest companies in the country, and has been consistently recognized both locally and internationally for its corporate governance practices. It is listed on the PSE under the ticker symbol GLO and had a market capitalization of US$3.9 billion as of the end of December 2025.

Globe's principal shareholders are Ayala Corporation and Singapore Telecom, both acknowledged industry leaders in the country and in the region. Aside from providing financial support, this partnership has created various synergies and has enabled the sharing of best practices in the areas of purchasing, technical operations, and marketing, among others.

Sustainability at Globe is anchored on The Globe Purpose, "Uplift Filipino Lives Everyday". As a purpose-led organization, Globe aims to contribute to the UN Sustainable Development Goals by promoting innovation and technology for greater social and environmental impact. Globe became a signatory to the United Nations Global Compact in 2019, wherein the company has committed to implement universal sustainability principles on human rights, labor, environment, and anti-corruption (Ten Principles of the UN Global Compact).

Globe is the first publicly listed company in the Philippines to get the Science Based Targets initiative's (SBTi) validation and approval of its science-based net-zero target by 2050. (Published in the SBTi website (https://sciencebasedtargets.org/companies-taking-action) in March 2024).

Globe is composed of the following companies:

- Globe Telecom, Inc. (Globe) provides digital wireless communications services in the Philippines under Globe Postpaid and Prepaid (including fully Mobile, internet-on-the-go service and GOMO), and Touch Mobile (TM). Globe provides digital mobile communication and internet-on-the-go services nationwide using a fully digital network. It provides voice, SMS, data and value-added services to its mobile subscribers. It also offers domestic and international long distance communication services or carrier services.

- Innove Communications Inc. (Innove), a wholly-owned subsidiary, holds a license to provide digital wireless communication services in the Philippines. Innove also has a license to establish, install, operate and maintain a nationwide local exchange carrier (LEC) service, particularly integrated local telephone service with public payphone facilities and public calling stations, and to render and provide international and domestic carrier and leased line services.

- GTI Business Holdings, Inc. (GTI) and Subsidiaries
  Globe owns 100% of GTI. GTI was incorporated and registered under the laws of the Philippines, on November 25, 2008, as a holding company.

  GTI Corporation (GTIC)

In July 2009, GTI incorporated a wholly owned subsidiary, GTI Corporation (GTIC), a company organized under the General Corporation Law of the United States of America, State of Delaware as a wireless and data communication services provider.

Globe Telecom HK Limited (GTHK)
In December 2011, GTI incorporated a wholly owned subsidiary, GTHK, a limited company organized under the Companies Ordinance of Hong Kong as a marketing and distribution company.

On March 17, 2015, GTHK applied for a services-based operator license (SBO) with the Office of the Communications Authority in Hong Kong (OFCA) which was subsequently approved on May 7, 2015.

As of June 1, 2020, the SBO was cancelled and surrendered to the OFCA and GTHK has been winding down its operations. GTHK was previously engaged in the marketing and selling of telecommunication products and services in the international market, except the United States of America and the Philippines, under a distributor arrangement.

On March 27, 2024, the sole director resolved and signed a written resolution with the purpose of placing GTHK into liquidation. As of the reporting date, the completion of the regulatory requirements on the liquidation of GTHK is still in process.

Globetel European Limited (GTEU)
On May 10, 2013, GTI incorporated a wholly owned subsidiary, GTEU as holding company for the operating companies of Globe located in the United Kingdom, Spain and Italy.

Globetel Singapore Pte. Ltd. (GTSG)
On November 12, 2014, GTI incorporated GTSG, a wholly owned subsidiary, for the purpose of offering full range of international data services in Singapore under a facilities-based operations license (FBO) with Infocomm Media and Development Authority (IMDA) in Singapore which was granted on January 7, 2015.

- CaelumPacific Corp. (CaelumPacific) and Subsidiaries
  On July 30, 2020, GTI incorporated CaelumPacific, a wholly owned subsidiary organized under the laws of the Philippines for the purpose of providing technical consulting and IT related services.

  On July 31, 2020, Caelum US Holdings Inc. (Caelum US), a wholly owned subsidiary of Caelum Pacific, was incorporated under the laws of the state of Delaware as a holding company.

  On August 3, 2020, Caelum Northwest Corp. (Caelum Northwest), a wholly owned subsidiary of Caelum US, was incorporated under the laws of the state of Washington for the purpose of customized cloud software development and providing cloud consulting services.

  On November 3, 2020, the definitive agreements between Caelum Group and Cascadeo were signed and executed following the completion of all relevant conditions relating to the sale of assets of Cascadeo in the Philippines and the US. Cascadeo is a group of companies in the Philippines and US which offers cloud-native consulting and managed services capabilities for enterprises and small and medium business customers. The asset purchase agreement entered into by Caelum Group and Cascadeo entities also mandated a holding company established by the sellers to invest in 16.67% of CaelumPacific's capital, effectively reducing GTIBH's ownership to 83.33%.

  On May 30, 2021, the BOD approved GTI's additional capital infusion amounting to $500,000, effectively increasing GTI's ownership to 85%.

  On February 11, 2022, the BOD approved GTI's additional capital infusion amounting to $2.00 million, which further increased GTI's ownership to 88%.

  On December 15, 2022, the ownership of CaelumPacific and Subsidiaries was transferred from GTI to Yondu, Inc., a wholly-owned subsidiary of Globe.

On March 7, 2024, the directors of Caleum Northwest and Caelum US approved the dissolution of the companies. Subsequently, on July 29, 2024, the Department of Revenue State of Washington issued a revenue clearance certificate, allowing the companies to proceed with its dissolution. As of reporting date, regulatory requirements have been completed and both companies are considered dissolved.

On October 28, 2024, the ownership of CaelumPacific and Subsidiaries was transferred from Yondu, Inc. to GTI, a wholly-owned subsidiary of Globe.

On February 6, 2025, GTI and Cirrus Mountain Investments (Cirrus) signed a deed of assignment for the latter's transfer of its 51 million shares in CaelumPacific to GTI for a total consideration of $0.39 million (₱22.55 million). The excess of consideration over the carrying amount of the non-controlling interest was recognized under equity reserves amounting to ₱40.89 million. The acquisition increased GTI's ownership to 100%.

On May 30, 2025, the CaelumPacific's Board of Directors (BOD) and Shareholders approved resolutions of shortening CaelumPacific's corporate term to end on July 30, 2027 and subsequent closure.

- Kickstart Ventures, Inc. (Kickstart) and Subsidiaries
  On March 28, 2012, Globe incorporated Kickstart, a stock corporation organized under the laws of the Philippines and formed primarily for the purpose of investing in individual, corporate, or start-up businesses, and to do research, technology development and commercializing of new business ventures.

  In February 2014, Kickstart acquired 40% equity interest in Flipside Publishing Services, Inc. (FPSI). Since Kickstart was able to demonstrate control over FPSI despite having less than 50% ownership interest, FPSI was assessed to be a subsidiary of Kickstart and is included in the consolidation of Globe. FPSI is engaged in acquiring publishing rights to produce, publish, market, and sell printed and electronic books (e-books) and other electronic documents and content for international and domestic sales. FPSI ceased operations in July 2016. FPSI remains a dormant company as of reporting date.

  In February 2020, Kickstart registered three Cayman Islands exempted companies with limited liabilities, namely (1) Kickstart Capital Co. Ltd. (KCCL), a wholly owned subsidiary of Kickstart; (2) AG Active Associated I, Limited, a wholly owned subsidiary of KCCL; and, (3) Kickstart Ventures Co. Ltd., a 65% owned subsidiary of KCCL. These entities were formed as a platform for the management of third-party venture capital investment funds.

  On December 15, 2023, KCCL incorporated its wholly-owned subsidiary, Kickstart Holdings Company, Ltd., (KHCL) for future venture capital investments.

- Asticom Holding Co. Inc. (Asticom, formerly known as Asticom Technology, Inc.) and Subsidiaries
  On June 3, 2014, Globe signed an agreement with Azalea Technology Investments Inc. (ASTI) and SCS Computer Systems, Pte. Ltd. acquiring 100% ownership stake in Asticom. Asticom is primarily engaged in providing business process and shared service support, as well as IT system integration and consultancy services.

  On August 20, 2020, Asticom incorporated its wholly owned subsidiary, Asticom Business Services, Inc. (ABSI). ABSI was incorporated to leverage Asticom's business growth, particularly its full-BPO services offering.

  On January 26, 2021, Asticom incorporated its wholly owned subsidiary, Fiber Infrastructure and Network Services Inc. (FINSI). FINSI was incorporated to provide end-to-end services and industry-specific solutions to telecommunications and telecommunications-related companies. In March 2021, FINSI started its commercial operation.

  On April 12, 2021, Asticom incorporated its wholly owned subsidiary, BRAD Warehouse and Logistics Services Inc. (BRAD). BRAD was incorporated to engage in the business of transporting,

shipping, receiving, storing and managing products and services using technology platforms for third-party providers.

On November 29, 2021, ABSI acquired 100% of HCX Technology Partners, Inc., a full-fledged systems integration company offering human capital, customer relationship management and digital solutions to its clients.

On July 27, 2022, Asticom incorporated its wholly owned subsidiary, Acquiro Solutions and Tech Inc. (ACQR) to provide manpower services for support and shared services of administrative functions, information technology including consultancy services for offshore development services and other related services.

On June 14, 2024, SEC approved the amendment of Asticom's articles of incorporation which effectively changed its corporate name to Asticom Holding Co. Inc., as well as its primary purpose as an investing and holding company.

- Globe Capital Venture Holdings, Inc. (GCVHI) and subsidiaries
  On June 29, 2015, Globe incorporated its wholly owned subsidiary, GCVHI as an investing and holding company primarily engaged in purchasing, subscribing, owning, holding, assigning real and personal property, shares of stock and other securities.

  In August 2019, GCVHI was rebranded to "917 Ventures" and will house Globe's non-telco incubated products.

  On October 13, 2015, GCVHI incorporated its wholly owned subsidiary Adspark Holdings, Inc. (AHI), a holding company established for the acquisition of additional investment in Globe's non-core business. AHI holds 100% of Adspark Inc. (AI), an advertising company. AI holds 100% of Socialytics Inc. (Socialytics), a social media marketing firm. On September 1, 2021, AHI acquired 100% of Techgroowers, Inc., a company engaged in data and software-related services through the utilization of telecommunications facilities. On March 22, 2022, the SEC approved the amendment of Techgroowers' articles of incorporation which effectively changes its corporate name to M360, Inc., as well as its primary purpose which is to engage in the business of application-to-person (A2P) messaging.

  On February 4, 2020, GCVHI incorporated 917Ventures, Inc. as a holding company for GCVHI's business incubators.

  On December 1, 2022, AHI acquired 49% and 51% of outstanding shares of Inquiro from 917Ventures, Inc. and Jerusalem Ventures Holdings Inc. (JVHI), respectively. The acquisition increased Globe's ownership interest from 49% to 100% and was accounted for as an acquisition of a subsidiary. Inquiro was incorporated to provide data management and other data-related services, through the utilization of telecommunication facilities.

  On February 14, 2023, the SEC approved the amendment of AHI's articles of incorporation which effectively changed its corporate name to Brave Connective Holdings, Inc. (BCHI).

  On June 5, 2023, 917Ventures, Inc. incorporated its wholly owned subsidiary Slyce Digital, Inc. to engage in the business of developing, marketing, advertising, managing, and operating technology platforms.

- Bayan Telecommunications, Inc. (BTI) and Subsidiaries
  Globe owns 99% of BTI, a stock corporation organized under the laws of the Philippines and enfranchised under RA No. 11503 and its related laws to render domestic and international telecommunications services. BTI is a facilities-based provider of data services and fixed-line telecommunications.

  BTI's subsidiaries are: Radio Communications of the Philippines, Inc. (RCPI), Telecoms Infrastructure Corp. of the Philippines (Telicphil), Sky Internet, Incorporated (Sky Internet), GlobeTel Japan (formerly BTI Global Communications Japan, Inc.), and NDTN Land, Inc. (NLI), (herein collectively referred to as "BTI Group").

- TaoDharma Inc. (Tao)
  Globe owns 67% of Tao, an entity incorporated and registered under the laws of the Philippines. Tao operates and maintains retail stores in strategic locations within the Philippines that sell telecommunications or internet-related services, and devices, gadgets and accessories.

- GTowers Inc. (GTowers)
  On August 17, 2018, GTowers was incorporated as a wholly owned subsidiary of Globe. GTowers is still under pre-operating stage as of reporting date.

- Yondu, Inc, and Subsidiaries
  Globe owns 100% of Yondu, an entity engaged in the development and creation of wireless products and services accessible through mobile devices or other forms of communication devices. It also provides internet and mobile value-added services, information technology and technical services including software development and related services. Yondu is registered with the Department of Transportation and Communication (DOTC) as a content provider.

  Yondu holds 100% of Rocket Search, Inc. (formerly Yondu Software Labs, Inc.), a company primarily engaged in providing information technology (IT) products and services and engaged in IT placement services.

  On December 15, 2022, Yondu acquired the ownership of Third Pillar Business Applications, Inc. (TPBAI) and Subsidiaries and CaelumPacific and Subsidiaries from GTI, a wholly-owned subsidiary of Globe.

  On October 28, 2024, Yondu sold its ownership of CaelumPacific and Subsidiaries to GTI, a wholly-owned subsidiary of Globe.

  On March 26, 2025, Globe entered into an agreement with NCSI Holdings Pte. Ltd (NCSI) to hold 51% ownership in Globe's subsidiary, Yondu, as well as Yondu's acquisition of NCSI Philippines (NCS PH), making NCS PH a fully owned subsidiary of Yondu. Upon closing, Globe will retain 49% ownership in Yondu and NCS PH. Consequently, Yondu's assets and liabilities with net book value ₱1,665.16 million (including cash and cash equivalents of ₱529.76 million) and ₱519.97 million, were reclassified as assets held-for-sale and liabilities held-for-sale, respectively, in Globe's consolidated statements of financial position as of December 31, 2025.

  Yondu, while a distinct Cash Generating Unit, is not considered as a separate major line of business. Consequently, its operational results will continue to be reported as part of Globe's continuing operations in the consolidated statements of comprehensive income until the transaction's closing date.

  As of December 31, 2025, the closing of the transaction and actual transfer of ownership are still in progress.

  Third Pillar Business Applications, Inc. (TPBAI) and Subsidiaries
  On August 17, 2020, GTI entered into a Share Purchase Agreement for the acquisition of 67% of TPBAI. TPBAI, a corporation organized under the laws of the Philippines, is engaged in systems integration, license reselling, and data management services.

  Third Pillar Global Delivery Center Inc. (TPGDC) is a wholly owned subsidiary of TBAI that is engaged in software implementation and maintenance services and the outsourcing arm of TPBAI.

  On January 1, 2022, TPBAI incorporated Third Pillar Asia Pacific Pte. Ltd. (TPAPPL), a wholly owned subsidiary organized under the laws of Singapore, as part of TPBAI's expansion to Asia Pacific.

  On December 15, 2022, the ownership of TPBAI and Subsidiaries was transferred from GTI to Yondu, Inc., a wholly-owned subsidiary of Globe.

On July 8, 2024, the BOD approved Yondu's additional capital infusion amounting to ₱20.00 million, which further increased Yondu's ownership to 85%.

In April 2025, Yondu and Third Pillar's minority shareholders signed a deed of assignment to transfer the latter's shares to Yondu for a total consideration of ₱6.80 million. The excess of consideration over the carrying amount of the non-controlling interest was recognized under equity reserves amounting to ₱4.58 million. The acquisition increased Yondu's ownership in Third Pillar to 100%.

- Electronic Commerce Payments, Inc. (EC Pay)
  On October 25, 2019, Globe Telecom acquired 77% ownership of ECPay. ECPay is primarily engaged in the business of providing IT and e-commerce solutions, including, but not limited to, prepaid phone and internet products, bills payments and others.

  On September 29, 2023, Globe entered into a Share Purchase Agreement with Globe Fintech Innovations, Inc. (Mynt) for the sale of Globe's 77% investment in ECPay for a total consideration of ₱2,310.00 million. Thereafter, Globe ceased to consolidate ECPay as certain terms and conditions in the Share Purchase Agreement constrained Globe's ability to exercise control over ECPay's relevant activities, including its exposures and rights to variable returns. At the date of deconsolidation, the fair value of Globe's interest in ECPay was reclassified to Assets classified as held-for-sale under the current assets sections in Globe's consolidated statement of financial position. The resulting gain, amounting to ₱76.67 million was recognized in the consolidated statements of comprehensive income in 2023.

  The closing of the transaction and actual transfer of ownership was subjected to review by the PCC.

  On May 14, 2025, PCC issued a certification allowing the transaction to proceed, subject to strict compliance by ECPay and Mynt of their voluntary commitments.

  On August 5, 2025, the closing of the transaction and transfer of ownership were completed.

Globe Telecom is a grantee of various authorizations and licenses from the National Telecommunications Commission (NTC) as follows: (1) license to offer and operate facsimile, other traditional voice and data services and domestic line service using Very Small Aperture Terminal (VSAT) technology; (2) license for inter-exchange services; and (3) Certificate of Public Convenience and Necessity (CPCN) for: (a) international digital gateway facility (IGF) in Metro Manila, (b) nationwide digital cellular mobile telephone system under the GSM standard (CMTS-GSM), (c) nationwide local exchange carrier (LEC) services after being granted a provisional authority in June 2005, and (d) international cable landing stations located in Nasugbu, Batangas, Ballesteros, Cagayan and Brgy. Talomo, Davao City.

Globe is organized along two key customer facing units (CFUs) tasked to focus on the integrated mobile, Fixed Line and international voice and roaming needs of specific market segments. Globe has a Consumer CFU with dedicated marketing and sales groups to address the needs of retail customers, and a Business CFU (Globe Business) focused on the needs of big and small businesses. Globe Business provides end-to-end mobile and Fixed Line solutions and is equipped with its own technical and customer relationship teams to serve the requirements of its client base. Moreover, it is tasked to grow Globe's international revenues by leveraging Globe's product portfolio and developing and capitalizing on regional and global opportunities.

Business Development and Corporate History

In 1928, Congress passed Act No. 3495 granting the Robert Dollar Company, a corporation organized and existing under the laws of the State of California, a franchise to operate wireless long distance message services in the Philippines. Subsequently, Congress passed Act No. 4150 in 1934 to transfer the franchise and privileges of the Robert Dollar Company to Globe Wireless Limited which was incorporated in the Philippines on January 15, 1935.

Globe Wireless Limited was later renamed as Globe-Mackay Cable and Radio Corporation (Globe-Mackay). Through Republic Act ("RA") 4630 enacted in 1965 by Congress, its franchise was further

expanded to allow it to operate international communications systems. Globe-Mackay was granted a new franchise in 1980 by Batasang Pambansa under Batas Pambansa 95.

In 1974, Globe-Mackay sold 60% of its stock to Ayala Corporation, local investors and its employees. It offered its shares to the public on August 11, 1975.

In 1992, Globe-Mackay merged with Clavecilla Radio Corporation, a domestic telecommunications pioneer, to form GMCR, Inc. (GMCR). The merger gave GMCR the capability to provide all forms of telecommunications to address the international and domestic requirements of its customers. GMCR was subsequently renamed Globe Telecom, Inc. (Globe).

In 1993, Globe welcomed a new foreign partner, Singapore Telecom, Inc. (STI), a wholly-owned subsidiary of Singapore Telecommunications Limited (SingTel), after Ayala and STI signed a Memorandum of Understanding.

In 2001, Globe acquired Isla Communications Company, Inc. (Islacom) which became its wholly-owned subsidiary effective June 27, 2001. In 2003, the NTC granted Globe's application to transfer its fixed line business assets and subscribers to Islacom, pursuant to its strategy to integrate all of its fixed line services under Islacom. Subsequently, Islacom was renamed as Innove Communications, Inc. (Innove).

In 2004, Globe invested in G-Xchange, Inc. (GXI), a wholly-owned subsidiary, to handle the mobile payment and remittance service marketed under the GCash brand using Globe's network as transport channel. GXI started commercial operations on October 16, 2004. In 2020, Mynt raised over $175 million in fresh capital from Bow Wave and its existing shareholders in multiple tranches, with post-money valuation of the final tranches at close to $1 billion. Mynt holds 100% ownership interest on Fuse Lending Inc. (Fuse) and GXI. In 2021, Mynt raised over $300 million in another funding round, led by global investment giant Warburg Pincus, New York-based global private equity and venture capital firm Insight Partners, and Bow Wave, one of Mynt's existing investors. The investment round resulted in dilution of Globe's ownership in Mynt from 40% to 36%.

In November 2004, Globe and seven other leading Asia Pacific mobile operators ("JV partners") signed an agreement ("JV agreement") to form Bridge Alliance. The joint venture company operates through a Singapore-incorporated company, Bridge Mobile Pte. Limited (BMPL) which serves as a commercial vehicle for the JV partners to build and establish a regional mobile infrastructure and common service platform to deliver different regional mobile services to their subscribers. The Bridge Alliance currently has a combined customer base of over 250 million subscribers among its partners in India, Thailand, Hong Kong, South Korea, Macau, Philippines, Malaysia, Singapore, Australia, Taiwan and Indonesia.

In 2005, Innove was awarded by the NTC with a nationwide franchise for its fixed line business, allowing it to operate a Local Exchange Carrier service nationwide and expand its network coverage. In December 2005, the NTC approved Globe's application for third generation (3G) radio frequency spectra to support the upgrade of its cellular mobile telephone system ("CMTS") network to be able to provide 3G services. Globe was assigned with 10-Megahertz (MHz) of the 3G radio frequency spectrum.

On May 19, 2008, following the approval of the NTC, the subscriber contracts of Touch Mobile or TM prepaid service were transferred from Innove to Globe which now operates all wireless prepaid services using its integrated cellular networks.

In August 2008, and to further grow its mobile data segment, Globe acquired 100% ownership of Entertainment Gateway Group (EGG), a leading mobile content provider in the Philippines. EGG offers a wide array of value-added services covering music, news and information, games, chat and web-to-mobile messaging.

On November 25, 2008, Globe formed GTI Business Holdings, Inc. (GTIBH) primarily to act as an investment company.

On October 30, 2008, Globe, BPI, and AC signed a memorandum of agreement to form a joint venture that would allow rural and low-income customers' access to financial products and services. In October 2009, the BSP approved the sale and transfer by BPI of its shares of stock in Pilipinas Savings Bank, Inc. (PSBI), formalizing the creation of the venture. Globe's and BPI's ownership stakes in PSBI is at 40% each, while

AC's shareholding is at 20%. The partners plan to transform PSBI (now called BPI Globe BanKO, Inc.) into the country's first mobile microfinance bank. The bank's initial focus will be on wholesale lending to other microfinance institutions but will eventually expand to include retail lending, deposit-taking, and micro-insurance. BPI Globe BanKO opened its first branch in Metro Manila in the first quarter of 2011.

In March 2012, Globe launched Kickstart Ventures Inc. (Kickstart). Kickstart is the largest corporate venture capital firm in the Philippines. Kickstart's consistent growth for over more than a decade counts 65 investments in nine countries, with 5 exits and 2 unicorns boosting returns and asset value. With Kickstart managing the early-stage technology venture capital investments for both Globe and the Ayala Group, Globe enjoys early exposure to digital innovation, favored partnerships, and pole position to be a leading TechCo in the Philippines and beyond.

In October 2013, following the court's approval of the Amended Rehabilitation Plan (jointly filed by Globe and Bayantel in May 2013), Globe acquired a 38% interest in Bayantel by converting Bayantel's unsustainable debt into common shares. This follows Globe's successful tender offer for close to 97% of Bayantel's outstanding indebtedness as of December 2012. As part of the amended rehabilitation plan and pending regulatory approvals, Globe would further convert a portion of its sustainable debt into common shares of Bayantel, bringing up its stake to around 56%. In October 2014, Globe Telecom received a copy of the Temporary Restraining Order (TRO) issued by the Court of Appeals stopping the NTC's proceedings in connection with the bid of Globe to take over Bayan Telecommunications Inc. (Bayantel). Despite the lapse of the TRO last December 9, 2014, the Court of Appeals has advised the NTC to refrain from conducting any proceedings in connection with the bid of Globe to assume majority control of Bayantel.

On June 3, 2014, Globe signed an agreement with Azalea Technology, Inc. and SCS Computer Systems, acquiring the entire ownership stake in Asticom, a systems integrator and information technology services provider to domestic and international markets.

On July 20, 2015, Globe agreed to purchase from Bayan Telecommunications Holdings, Corporation (BTHC) and Lopez Holdings, Corporation (LHC) all the equity in the capital stock of Bayan Telecommunications, Inc. (Bayantel) held by BTHC and LHC. The transaction involved up to 70,763,707 Bayantel shares and increased Globe's equity interests in Bayantel from 56.87% to 98.57% of outstanding capital stock.

On November 12, 2015, Globe received the resolution from the rehabilitation court granting its motion for the termination of the rehabilitation proceedings involving Bayan. The resolution sets a key milestone for Bayan, wherein it successfully exits rehabilitation and provides key steps for Globe to continue to unlock opportunities for synergies with Bayantel.

Globe, AC, and BPI signed an agreement on August 27, 2015 to turn over full ownership of BPI Globe BanKO (BanKO) to BPI, one of the majority owners of the joint venture. Despite the change in shareholder structure, BanKO will continue to provide broader and more competitive access to funds and critical financial services to the underbanked. Globe and AC sold their respective 40% and 20% stakes in BanKO to BPI, which already owned 40% of BanKO.

Xurpas Inc. signed an agreement with Globe Telecom on September 1, 2015, investing ₱900 Million for a 51% equity stake in Yondu Inc. The investment solidifies the Globe and Xurpas partnership in the internet and digital space and will transform Yondu into a regional arm for digital content distribution and other technology driven services. The strategic alliance of Globe and Xurpas in Yondu bolsters Globe's track record of partnering with leading digital players to strengthen its position as the purveyor of the Filipino digital lifestyle.

On September 1, 2015, Yondu Inc. and GCVHI entered into a Deed of Assignment to assign the former's interest in Global Telehealth, Inc. (GTHI) to GCVHI for a total consideration of ₱15 million.

On September 15, 2015, Globe sold its controlling interest in Yondu for a total consideration of ₱670 million. On the same date, Yondu issued additional 5,000 common shares from its unissued authorized capital stock to Xurpas Inc., which further dilutes Globe's ownership interest to 49% as of September 2015.

On May 30, 2016, the BOD of Globe, through its Executive Committee, approved the acquisition and signing of a sale and share purchase agreement and other related definitive agreements for the following entities:

- 50% of the issued and outstanding capital stock of Vega Telecom, Inc. (VTI) from San Miguel Corporation ("MC) (PSE: SMC);
- 50% of the issued and outstanding capital stock of Bow Arken Holdings Company Inc. (BAHC); and
- 50% of the issued and outstanding capital stock of Brightshare Holdings Corporation (BHC).

VTI owns an equity stake in Liberty Telecom Holdings, Inc., a publicly listed company in the PSE. It also owns, directly and indirectly, equity stakes in various enfranchised companies, including Bell Telecommunication Philippines, Inc., Eastern Telecom Philippines, Inc., Express Telecom, Inc., and Tori Spectrum Telecom, Inc., among others.

The remaining 50% equity stake in VTI, BAHC and BHC was acquired by Philippine Long Distance Telephone Company (PLDT) under similar definitive agreements.

The acquisition provided Globe access to certain frequencies assigned to Bell Tel in the 700 Mhz, 900 Mhz, 1800 Mhz, 2300 Mhz and 2500 Mhz bands through a co-use arrangement approved by the NTC on May 27, 2016. NTC's approval is subject to the fulfillment of certain conditions including roll out of telecom infrastructure covering at least 90% of the cities and municipalities in three years to address the growing demand for broadband infrastructure and internet access.

On June 21, 2016, Globe Telecom exercised its rights as holder of 50% equity interest of VTI to cause VTI to propose the conduct of a tender offer on the common shares of Liberty Telecom Holdings, Inc. (LIB) held by minority shareholders as well as the voluntary delisting of LIB. At the completion of the tender offer and delisting of LIB, VTI's ownership of LIB is at 99.1%.

On August 17, 2018, Globe Telecom incorporated GTowers, Inc., a fully owned subsidiary aimed at the building and deployment of cellular towers in the country. GTowers is still under pre-operating stage as of reporting date.

On September 11, 2019, the BOD of Globe Telecom approved the acquisition of 51% of the outstanding shares of Yondu, equivalent to 22,950 shares. The acquisition increased Globe Telecom's ownership interest from 49% to 100% and was accounted for as an acquisition of a subsidiary.

On October 25, 2019, Globe Telecom signed and executed an agreement with third parties to complete its transaction to acquire 77% ownership of ECPay. ECPay is a company engaged in the provision of information technology and electronic commerce related solutions in the Philippines.

In August 2020, Globe Telecom, through its wholly-owned subsidiary GTI Business Holdings, Inc. entered into a share purchase agreement for the acquisition of 67% of Third Pillar Business Applications, Inc. (TPBAI). TPBAI is a Business Application Consulting and Systems Integration company. It focuses on delivering innovative enterprise solutions that help organizations boost sales, improve customer intimacy, ensure data integrity, and reduce annual spending.

In November 2020, Globe Telecom, through its wholly-owned subsidiary GTI Business Holdings, Inc., acquired substantially all of Cascadeo's assets. Cascadeo is a group of companies in the Philippines and US which offers cloud-native consulting and managed services capabilities for enterprises and small and medium business customers. The asset purchase agreement entered into by Caelum Group and Cascadeo entities also mandated a holding company established by the sellers in 16.67% of CaelumPacific's capital, effectively reducing GTIBH's ownership to 83.33%. On December 15, 2022, the ownership of CaelumPacific and Subsidiaries was transferred from GTI to Yondu, Inc., a wholly-owned subsidiary of Globe Telecom.

In September 2021, AHI acquired 100% of Techgroowers Inc. (Techgroowers), a company engaged in data- and software-related services through the utilization of telecommunications facilities. On March 22, 2022, the Philippine SEC approved the amendment of the articles of incorporation of Techgroowers, changing its corporate name to M360, Inc. ("M360") and its primary purpose to engage in the business of application-to-person ("A2P") messaging.

On October 15, 2021, Globe Telecom, through its wholly-owned subsidiary GTI Business Holdings, Inc. incorporated KarmanEdge Inc. as a wholly owned subsidiary in the Philippines for the purpose of installing, building, owning, operating, maintaining and managing data centers and other related infrastructure, information technology equipment and facilities. On March 31, 2022, Globe Telecom formed a joint venture partnership with AC and ST Telemedia Global Data Centres (STT GDC), wherein STT GDC and AC subscribed to new shares in KarmanEdge Inc. On May 19, 2022, the SEC approved the amendment of KarmanEdge's articles of incorporation which effectively changes its corporate name to Globe STT GDC, Inc. Subsequent to the execution of the share subscription agreement, Globe remained the largest shareholder with a 50% ownership, followed by STT GDC with 40% and AC taking up the balance.

On December 1, 2021, 917Ventures, Inc. and JVHI incorporated Rush Technologies, Inc. (Rush), a Joint Venture company engaged in the business of business-to-business (B2B) and business-to-consumer (B2C) cloud-based platforms and software solutions that are necessary for, but not limited to, loyalty and e-commerce management systems. Globe Telecom owns 49% of Rush. Globe infused ₱57.40 million and nil of additional capital in 2022 and 2021, respectively.

On December 22, 2021, 917Ventures, Inc. and Entenso Equities Incorporated formed Pure Commerce, Inc. (PureGo), a joint venture company established to engage in the buying, selling, distribution and marketing of grocery items through an online e-commerce platform. Globe Telecom owns 50% of PureGo. The Company infused ₱62.50 million and nil of additional capital in 2022 and 2021, respectively.

On January 1, 2022, TPBAI incorporated Third Pillar Asia Pacific Pte. Ltd. (TPAPPL), a wholly owned subsidiary organized under the laws of Singapore, as part of TPBAI's expansion to Asia Pacific.

On December 1, 2022, AHI acquired 49% and 51% of outstanding shares of Inquiro from 917Ventures, Inc. and Jerusalem Ventures Holdings Inc. (JVHI), respectively. The acquisition increased Globe Telecom's ownership interest from 49% to 100% and was accounted for as an acquisition of a subsidiary. Inquiro was incorporated to provide data management and other data-related services, through the utilization of telecommunication facilities.

On December 15, 2022, the ownership of TPBAI and Subsidiaries was transferred from GTI to Yondu, Inc., a wholly-owned subsidiary of Globe Telecom.

On June 5, 2023, 917Ventures, Inc., Gogoro Network Pte. Ltd and AC formed Gogoro Philippines Inc. (Gogoro), a joint venture company established to engage in, operate, conduct, and maintain the business of importing, selling, distributing, operating, managing, and maintaining two-wheeled and three-wheeled electric vehicles, for retail, and battery-swapping stations, and to provide after-sales services. Globe Telecom owns 49% of Gogoro. The initial investment infused by Globe amounted to ₱234.14 million in 2023.

On September 29, 2023, Globe Telecom entered into a Share Purchase Agreement with Globe Fintech Innovations, Inc. (Mynt) for the sale of Globe's 77% investment in ECPay for a total consideration of ₱2,310.0 million. Thereafter, Globe Telecom ceased to consolidate ECPay as certain terms and conditions in the Share Purchase Agreement constrained Globe's ability to exercise control over ECPay's relevant activities, including its exposures and rights to variable returns. At the date of deconsolidation, the fair value of Globe's interest in ECPay was reclassified to Assets classified as held-for-sale under the current assets sections in Globe's consolidated statement of financial position. The resulting gain, amounting to ₱76.7 million was recognized in the consolidated statements of comprehensive income in 2023. The closing of the transaction and actual transfer of ownership was subjected to review by the PCC.

On December 15, 2023, KCCL incorporated its wholly-owned subsidiary, Kickstart Holdings Company, Ltd., (KHCL) for future offshore venture capital investments.

On March 7, 2024, the directors of Caelum Northwest and Caleum US approved the dissolution of the companies. Subsequently, on July 29, 2024, the Department of Revenue State of Washington issued a revenue clearance certificate, allowing the companies to proceed with its dissolution. As of the reporting date, regulatory requirements for the dissolution of both companies are still subject to completion.

On March 27, 2024, the sole director resolved and signed a written resolution with the purpose of placing GTHK into liquidation. As of the reporting date, the completion of the regulatory requirements on the liquidation of GTHK is still in process.

On June 14, 2024, SEC approved the amendment of Asticom's article of incorporation which effectively changes its corporate name to Asticom Holding Co. Inc., as well as its primary purpose as an investing and holding company.

On July 8, 2024, the BOD approved Yondu's additional capital infusion in TPBAI amounting to ₱20.0 million, which further increased Yondu's ownership in TPBAI to 85%.

On August 1, 2024, Mynt secured fresh strategic investments from AC, through its wholly-owned subsidiary, AC Ventures Holdings, Inc. (ACV), and Mitsubishi UFJ Financial Group (MUFG), through its consolidated subsidiary, MUFG Bank Ltd., pushing Mynt's valuation to $5 billion. On February 12, 2025, Mynt and MUFG closed its transaction on MUFG's acquisition of Mynt shares, completing the MUFG's 8% stake in Mynt. The deal resulted in the dilution of Globe's ownership in Mynt from 36% to 34%. Accordingly, gain on deemed sale of investment in Mynt amounting to ₱2,560.36 million was recognized in the consolidated statements of comprehensive income.

On October 28, 2024, the ownership of CaelumPacific and Subsidiaries was transferred from Yondu, Inc. to GTI, a wholly-owned subsidiary of Globe Telecom.

On February 6, 2025, GTI and Cirrus Mountain Investments (Cirrus) signed a deed of assignment for the latter's transfer of its 51 million shares in CaelumPacific to GTI for a total consideration of $0.39 million (₱22.55 million). The excess of consideration over the carrying amount of the non-controlling interest was recognized under equity reserves amounting to ₱40.89 million. The acquisition increased GTI's ownership to 100%.

On March 6, 2025, GCVH, Vigos and Salud entered into a Sale and Purchase Agreement with mWell for the acquisition of 100% of Konsulta's shares for a total consideration of ₱200.6 million. On April 11, 2025, the closing of the transaction and transfer of ownership were completed resulting in the recognition of the ₱21.1 million gain on sale of Investment in Konsulta.

On March 26, 2025, Globe entered into an agreement with NCSI Holdings Pte. Ltd (NCSI) to hold 51% ownership in Globe's subsidiary, Yondu, as well as Yondu's acquisition of NCSI Philippines (NCS PH), making NCS PH a fully owned subsidiary of Yondu. Upon closing, Globe will retain 49% ownership in Yondu and NCS PH. Consequently, Yondu's assets and liabilities with net book value ₱1,665.16 million (including cash and cash equivalents of ₱529.76 million) and ₱519.97 million, were reclassified as assets held-for-sale and liabilities held-for-sale, respectively, in Globe's consolidated statements of financial position as of December 31, 2025. Yondu, while a distinct Cash Generating Unit, is not considered as a separate major line of business. Consequently, its operational results will continue to be reported as part of Globe's continuing operations in the consolidated statements of comprehensive income until the transaction's closing date. As of December 31, 2025, the closing of the transaction and actual transfer of ownership are still in progress.

In April 2025, Yondu and Third Pillar's minority shareholders signed a deed of assignment to transfer the latter's shares to Yondu for a total consideration of ₱6.80 million. The excess of consideration over the carrying amount of the non-controlling interest was recognized under equity reserves amounting to ₱4.58 million. The acquisition increased Yondu's ownership in Third Pillar to 100%.

On May 14, 2025, PCC issued a certification allowing the transaction related to Globe's Share Purchase Agreement with Mynt for the sale of Globe's 77% investment in ECPay to proceed, subject to strict compliance by ECPay and Mynt of their voluntary commitments. On August 5, 2025, the closing of the transaction and transfer of ownership were completed.

On May 30, 2025, the CaelumPacific's BOD and shareholders approved resolutions of shortening the Company's corporate term to end on July 30, 2027 and subsequent closure.

On June 2, 2025, the BOD and shareholders of Mynt approved the amendments to the articles of incorporation by amending the number of common shares and par value from 2,149,773,612 shares with

par value of ₱1.00 per share to 71,659,120,400 shares with par value of ₱0.03 per share with authorized capital stock being retained at ₱2,149,773,612. The SEC subsequently approved these changes on October 27, 2025.

Globe's investment in VTI includes redeemable preference share, which VTI partially redeemed on September 2, 2025, at the issue price, resulting in ₱600.0 million proceeds in cash for Globe.

In 2025, Globe celebrated its 50th year of public listing at the PSE, commemorating five decades of remarkable growth, innovation, and leadership in telecommunications and digital solutions. The ceremonial bell ringing was held on August 11, 2025 at the PSE.

There was no bankruptcy, receivership or similar proceedings initiated during the past four years.

Core Telco Business Segments

1. Mobile Business

Globe provides digital Mobile communication and internet-on-the-go services nationwide using a fully digital network (https://www.globe.com.ph/5g.html). It provides voice, SMS, and data to its mobile subscribers through three major brands: Globe Postpaid, Globe Prepaid and TM (including fully Mobile, internet-on-the-go service and GOMO).

Postpaid

Globe Postpaid is the leading brand in the postpaid market, with various plan offerings. Over the years, these plans have evolved in order to cater to the changing needs, lifestyles and demands of its customers.

All-New GPlan PLUS
All-New GPlan PLUS, is the most flexible mobile plan from Globe Postpaid. The All-New GPlan PLUS is designed to cater to the evolving needs of today's consumers who demand more control over their mobile plans and seek value in every aspect of their subscriptions.

Now, the All-New GPlan PLUS now comes with the following benefits that Postpaid customers can enjoy to ensure unlimited freedom and peace of mind:

- Rewards Forever: No-Expiry Rewards Points and Exclusive Perks for all GPlan PLUS customers
- Upgraded Network + Unli 5G: Priority network experience vs Globe Prepaid, Free unlimited 5G data for 12 months for new and renewing GPlan PLUS customers (for All-New GPlan PLUS 799 and up)
- Flagship Forever: Monthly subscription for guaranteed latest device upgrade every year

Through the GlobeOne app, users of All-New GPlan PLUS 799 to 2499 can exclusively enjoy Data Swap wherein it allows them to swap and convert their allocated gigabytes to a variety of offers based on their liking, including call and text promos, unli data access to mobile games, social media, and messaging apps. They can also choose content subscriptions from Disney+, BeIN Sports,Viu , and Booky or GrabUnlimited.

To get more data, customers can also convert their call and text allowance into gigabytes or choose to get a 12 or 24-month contract period with their plan. The additional data can be used to further customize their plans to fit their unique needs and lifestyles. This Do-It-Yourself approach ensures that no data goes to waste, allowing customers to maximize the value of what they paid for.

Moreover, the All-New GPlan Plus includes discounts of up to 30% OFF and other best-value deals on the latest devices, giving customers more reasons to upgrade. Whether applied for or renewed through Globe Stores or the Globe Online Shop, the process remains seamless, ensuring customers can easily access the latest technology and elevate their mobile experience.

Customers may opt to purchase select mobile devices at "discounted" prices, with various payment options such as via select credit card either straight or installments for up to 36 months at zero interest,

and charge to bill for renewing customers. See also https://www.globe.com.ph/postpaid.html for more details.

Platinum GPlan and GPlan PLUS
Enjoy all the things that matter and live life worry-free with Globe Platinum, bringing simplicity made with greatness.

The Platinum GPlan Plus comes with no lock-up, unlimited mobile data surfing, built-in inclusions such as Cyber Insurance, International Lounge Access via DragonPass, Gadget Xchange device protection coverage through the Gadget Xchange add-on, free access to THEA, your Platinum Digital Concierge, and a dedicated Platinum Relationship Manager. Beyond these services, customers also benefit from Globe Priority Network, ensuring fast speeds for uninterrupted browsing, streaming, and gaming. Positioned at the forefront of the mobile data highway, Globe Platinum customers get to experience optimal network performance.

Platinum GPlan Plus 3799 comes with unlimited mobile data surfing, three days built-in data roaming, built-in Cyber Insurance with up to ₱50,000 coverage, and free one (1) DragonPass voucher for international airport lounge access; All-new Platinum GPlan Plus 4999 comes with unlimited mobile data surfing, five days built-in data roaming, built-in Cyber Insurance with up to ₱75,000 coverage, free two (2) DragonPass vouchers for international airport lounge access, free two (2) years Gadget Xchange coverage when you avail a device, and a dedicated Platinum Relationship Manager; All-new Platinum GPlan 7999 comes with unlimited mobile data surfing, seven days built-in data roaming, built-in Cyber Insurance with up to ₱100,000 coverage, free three (3) DragonPass vouchers for international airport lounge access, free two (2) years Gadget Xchange coverage when you avail a device, a dedicated Platinum Relationship Manager, and free one Home Squad visit.

Moreover, Globe Platinum aims to reinforce the Platinum Advantage by sharing more relevant, curated perks, and championing advocacies that matter.

Globe Platinum has accelerated in sharing delightful perks, and privileges. Customers get a freebie when dining at renowned spots such as A Mano, Steak & Frice, Ramen Ron, and Cibo. When it comes to retail, Globe Platinum has partnered with Innovator, ArmouryPH, and AMEN, to provide online discounts when shopping luxury accessories, travel needs, and thoughtful jewelry. The brand has also extended customers' lifestyle privileges with the extension of Okada's Rewards Circle Elite card, providing them with an extensive array of benefits such as discounts and perks at the Philippines' largest integrated resort.

Globe Platinum has also continued in its support of the arts, and indulging customers in this passion by inviting customers to art and lifestyle-inclined events.

Globe likewise simplified the renewal of mobile postpaid plans (once the subscriber gets past their contract period of 24 months or 6 months) via online. Subscriber can simply go to https://shop.globe.com.ph/ and follow these simple steps (1) Click “Renew My Current Plan”, and choose their preferred Plan and Inclusions (2) Verify the account details (3) Accomplish the Checkout Form (4) Pay any corresponding fees for chosen inclusions (5) Upon submitting the form, subscriber will receive a confirmation email regarding their order.

In addition, Globe launched Gadget Xchange, OneNumber and Globe Trade-In for its mobile postpaid customers in 2023.

- Gadget Xchange is a device protection program for Globe Postpaid that lets you switch or replace your device, no questions asked. This means that no documentation will be requested (e.g., police reports. affidavit of loss) upon claim for device switch or replacement. The following services may be availed with Gadget Xchange: (1) Screen Repair or Replacement (2) Device Repair or Replacement and (3) Device Switching. Gadget Xchange is available to new Globe Postpaid and Platinum customers and those qualified for plan renewal.
- Globe’s ONENUMBER is an add-on service that allows you to share your mobile phone number with your smartwatch. With ONENUMBER, you can stay connected even if you're away from your phone.
- Globe Trade-In to Upgrade is a program that allows new and renewing Globe Postpaid customers to trade-in their old device in exchange for a cashback that will be applied to their

postpaid bill. Globe Trade-In is currently available at participating GOS and PD Stores nationwide.

Postpaid Exclusives

Globe Postpaid gives you online to offline exclusive perks and experiences with Postpaid Exclusives. Enjoy experiences such as access to major events, dining experiences, exclusive retail sales, and fitness classes curated especially for our Postpaid customers. They can also enjoy Postpaid Exclusive Rewards from lifestyle discount vouchers to chance to win gadgets and travel packages with their Globe Rewards points.

Prepaid

Globe Prepaid (including GOMO[8]) and TM are the prepaid brands of Globe. Globe Prepaid is focused on the mainstream market while TM caters to the value-conscious segment of the market. Each brand is positioned at different market segments to address the needs of the subscribers by offering affordable innovative products and services.

Globe Prepaid and TM subscribers can reload airtime value or credits using various reloading channels including the GlobeOne app, Gcash, bank channels such as ATMs, credit cards, through internet banking, and online loading through https://new.globe.com.ph/buy-load. Subscribers can also top-up via AutoLoadMax retailers nationwide, all at affordable denominations and increments.

Loyalty & Rewards Program

The Globe Rewards Program is the Company's way of granting special treats to its active customers for their continued loyal use of Globe's products and services. Awesome rewards await its loyal customers in exchange for the points earned – more rewards points mean more wonderful perks. Customers need to register/join the Globe Rewards program so they can start earning points and enjoy their rewards. They just need to go to the GlobeOne App, Tap Redeem Rewards, and Click Join Now. Subscribers can:

- Earn Points from Prepaid reloads or monthly Postpaid payments made via the GlobeOne App
- Redeem Rewards in the form of Mobile and Broadband promos, Vouchers for local and global brands, Donation to beneficiaries, and as Cash to select ECPay Retailers. Subscribers have the option to redeem rewards instantly, or accumulate points to avail of higher value rewards.
- Enjoy Perks through special discounts, exclusive treats, and more wonderful surprises

Globe Rewards also supports customers and extends their buying power even beyond telco services such as food, medicine, and retail products. Customers can use their earned Rewards points to buy the products they need.

The Globe Rewards points can be used at over 100 local and global partners for shopping, dining, entertainment, travel, and Globe products nationwide. Customers can also use Globe Rewards points to shop in Lazada, order meals from GrabFood, watch Korean movies using Viu, or even play games through Razer Gold pins.

Redeeming of the Globe Rewards points was made easy via the GlobeOne app:
Step 1- Download the GlobeOne app and click on the “Rewards” tab.
Step 2 - Select an offer
Step 3 - Click “Redeem.”
Step 4 - Wait for the confirmation notification, along with a message from 4438
See also Globe rewards for more details.

a. Mobile Data

Globe's Mobile Data services provide subscribers with the ability to access the internet through various devices like handsets, tablets, modems, and even smartwatches. Customers can choose

[8] GOMO is a fully digital service brand of Globe created to address the needs of the underserved digitally savvy yuppie segment. Simply buy the sim from gomo.ph or through the GOMO PH mobile app.

See also https://www.gomo.ph/data-offers

from multiple consumable data plans. Globe continuously collaborates with local, regional, and global brands to bring relevant content tailored to its customers' diverse needs, including videos, music, games, and eCommerce. Popular content and entertainment services like Disney+, Facebook, Beetzee Play, Spotify, TikTok, Viber, Grab, Shoppee, Lazada are accessible to Globe subscribers.

b. Mobile Voice

Globe's voice services include local, national and international long-distance call services. It has one of the most extensive local calling options designed for multiple calling profiles. In addition to its standard, pay-per-use rates, subscribers can choose from various voice offerings for all-day, and in several denominations to suit different budgets.

Globe keeps Filipinos connected wherever they may be in the world, through its tie-up with 616 roaming partners in 240 calling destinations worldwide. Globe also offers roaming coverage on-board selected shipping lines and airlines, via satellite. Globe also provides an extensive range of international call and text services to allow OFWs (Overseas Filipino Workers) to stay connected with their friends and families in the Philippines. This includes prepaid reloadable call cards and electronic PINs available in popular OFW destinations worldwide.

c. Mobile SMS

Globe's mobile SMS service includes local and international SMS offerings. Globe also offers various SMS packages to cater to the different needs and lifestyles of its postpaid and prepaid subscribers.

2. Fixed Line and Home Broadband Business

Globe offers a full range of fixed line communications services, wired and wireless Broadband access, and end-to-end connectivity solutions customized for consumers, SMEs (Small & Medium Enterprises), large corporations and businesses.

a. Fixed Line Voice

Globe's fixed line voice services include local, national and international long-distance calling services in postpaid and prepaid packages through its Globelines brand. Subscribers get to enjoy toll-free rates for national long-distance calls with other Globelines subscribers nationwide. Low-MSF (monthly service fee) fixed line voice services bundled with internet plans are available nationwide and can be customized with value-added services including multi-calling, call waiting and forwarding, special numbers and voicemail. For corporate and enterprise customers, Globe offers voice solutions that include regular and premium conferencing, enhanced voice mail, IP-PBX solutions and domestic or international toll-free services. With the Company's cutting-edge Next Generation Network (NGN), Globe Business Voice solutions offer enterprises a bevy of fully-managed traditional and IP-based voice packages that can be customized to their needs.

b. Corporate Data

Corporate Data services include end-to-end data solutions customized according to the needs of businesses. Globe's product offerings include international and domestic leased line services, wholesale and corporate internet access, data center services and other connectivity solutions tailored to the needs of specific industries.

Globe's international data services provide corporate and enterprise customers with the most diverse international connectivity solutions. Globe's extensive data network allows customers to manage their own virtual private networks, subscribe to wholesale internet access via managed international private leased lines, run various applications, and access other networks with integrated voice services over high-speed, redundant and reliable connections. In addition to bandwidth access from multiple international submarine cable operators, Globe also has four international cable landing stations situated in different locales to ensure redundancy and network resiliency.

Globe's domestic data services include point-to-point and point-to-multipoint private connectivity as well as data center solutions such as business continuity and data recovery services, 24x7 monitoring and management, dedicated server hosting, maintenance for application-hosting, managed space and carrier-class facilities for co-location requirements and dedicated hardware from leading partner vendors for off-site deployment. Other Corporate Data services include premium-grade access solutions combining voice, Broadband and video offerings designed to address specific connectivity requirements. These include symmetric Broadband, dedicated Internet service, and Managed WiFi for in-room internet access for hotels.

Globe Business knows that success is made up of different elements: effective products, streamlined processes, and reliable manpower, and that is why Globe's business solutions are a fusion of all three. Among the products and solutions are as follows:

- Mobility – mobility solutions that increase productivity within and beyond the workplace. Globe's enterprise mobility solutions include: (1) Postpaid – leveraging on flexible postpaid plans that suit companies of every scale; (2) Enterprise Mobile Management – allows customers to gain more control over enterprise mobile devices while simultaneously maximizing workforce productivity; and (3) Satellite Phones.
- Voice – Globe's wide range of cost-efficient voice solutions simplifies communications infrastructure and tailors services to fit business needs. Globe's voice products for business include Globelines; Toll-Free Services; Enhanced Managed Voice Solution (EMVS); Managed IP-PBX; SIP Trunk; Hosted Contact Center Solutions; and Collaboration Solutions.
- Connectivity – Globe Business offers a fast and resilient connection powered by dedicated and reliable technologies (comprising Broadband, Direct Internet Access, Domestic Data, including ELine, ELAN, and MPLS; International Data; Internet Services; Managed Infrastructure Services including SDWAN and Managed WiFi).
- Cloud – Improve efficiency and agility in the face of evolving business environments while keeping costs low with Globe's range of cloud services: Infrastructure-as-a-Service (IaaS); Backup-as-a-Service (BaaS); Disaster-Recovery-as-a-Service (DRaaS); Amazon Web Services; AWS Direct Connect.
- Data Center – Globe Data Center provides a superior experience that goes beyond technology. It allows customers to outsource data center hosting and management. The services offered include the following:
  - Co-location – managed space for customer's servers and IT equipment that run mission critical systems and applications;
  - Cross Connect – provides direct connection from customer racks to its service provider;
  - LAN-Based Internet – provides a redundant, stable, secure and high-speed connection to hosted environments within the Globe Data Center;
  - Media Storage – physical off-site data storage in a clean, controlled, safe and secure environment within the Data Center; and
  - Disaster Recovery ("DR") Seats – provides a DR facility and workstations for customers in the event of a disaster or a business interruption
- Cybersecurity – the Cyber Security Solutions portfolio is designed for end-to-end security orchestration, ensuring pervasive and cohesive coverage across the entire threat landscape and meeting the distinct needs of every segment, from SME-level velocity to Enterprise-grade depth.
- Business Applications – a diverse range of solutions to streamline and enhance business operations, and raise efficiency, productivity, and customer satisfaction (G Suite; Go Canvas, Office 365; Learning Management Solutions, HR Solutions, M2M).
- Business Continuity – enable enterprises with the right digital solutions for uninterrupted business operations for their customers. Ensure seamless connectivity (reliable and redundant data solutions, Prepaid Mobile Wifi and Corporate Managed Broadband), Empower remote workforce (Amazon Chime, Amazon Workdocs, Office 365 and Zoom), and Safeguard business operations (Amazon WorkSpaces, Amazon Appstream 2.0, SASE, Cloud/Application/Endpoint Security).

c. Home Broadband

Globe offers wired and fixed wireless broadband services, across various technologies and connectivity speeds for its residential and enterprise customers. Globe AT Home Broadband consists of postpaid and prepaid fiber broadband packages, as well as wireless Home Prepaid WiFi powered by Globe's 4G and 5G network.

Globe AT Home GFiber Plans provides the best connectivity for your home with fast and unlimited plans which ensures smooth connection to productivity apps like teleconferencing, high definition streaming, and low latency gaming. GFiber plans range from ₱1499 per month for up to 300 Mbps to as high as 1 Gbps for ₱4,999 per month. All comes with a WiFi 6 modem that delivers faster speeds, greater capacity, and improved performance for multiple connected devices simultaneously. The GFiber Unli Plan also comes with access to relevant apps like Disney+, Blast TV, Home Squad, and devices that can provide Fiber-to-the-room connectivity depending on the plan you get. See also GFiber broadband-plans for more updated details.

As part of Globe's thrust to make fiber-speed internet accessible to all Filipinos, Globe launched the revolutionary offering GFiber Prepaid last July 2023. GFiber Prepaid is designed to reach the mass market segment which remains to be under-served. It aims to democratize access to fiber connectivity, offering a No Monthly Bills, Reloadable Unli Internet at up to 300Mbps speed. Customers can acquire a GFiber Prepaid service with a special offer of a one-time fee of ₱699, inclusive of modem, installation and seven days of unlimited internet. GCash's G-Credit and G-Gives may be used to pay the one-time fee if the upfront cashout is an issue. Customers can also choose from a selection of unlimited data promos with the speed of their choice. 50Mbps offers include GFiberSurf249 for 7 days, GFiberSurf749 for 30 days, and GFiber SurfAnnual6999 for 365 days. 100Mbps and 300Mbps speed offers are available for those with higher device use in the household.

Moreover, GFiber Prepaid provides customers with a fully digital experience from application to scheduling of installation and account management. Customers can apply, register their accounts, load GFiberSurf promos, and manage their accounts by downloading the GlobeOne app. Also, as part of Globe's commitment to sustainability and circularity, GFiber Prepaid comes in recyclable and upcyclable packaging, which can be repurposed and used as a laptop stand.

Globe is enhancing its service delivery and offering innovative plans aiming to broaden its customer base and meet the evolving digital needs of Filipinos.

- GCash users can now subscribe to GFiber Prepaid promos and get reloadable UNLI Fiber internet. On the app, they can click load then broadband, and choose the GFiberSurf promo they need. Users can schedule automatic reloads to ensure they don't lose internet service.
- Globe At Home is giving GFiber customers unlimited access to the world of entertainment via a free Blast TV subscription. This unlocks a vast selection of channels, movies, and series, ensuring that customers have access to top-notch digital content at their fingertips.
- Existing Globe mobile subscribers will get the best GFiber Prepaid offers which they can claim via rewards (discounts).

In areas without fiber connectivity, Globe At Home Prepaid WiFi provides a reliable and budget-friendly internet solution for households. The device is plug-and-play, making it easy to install and use. Customers can subscribe to FamSURF data promos tailored to their browsing needs, with prices starting at just PHP 199. FamSURF data allocations can be shared as mobile data with up to four mobile phones or other Globe prepaid WiFi devices, enabling family members to stay connected even when they are outside the home. This feature is accessible through the GlobeOne app. Additional promos are available, including FamSURF UNLI 999 (unlimited data for 30 days) for heavy users, and FamSURF 399 (30GB) for backup connectivity needs. For the latest Home Prepaid WiFi offer, visit globe.com.ph/broadband/prepaid-wifi. For setup guidance, visit globe.com.ph/broadband/help/home-prepaid-wifi-set-up.

Last December 2024, Globe AT Home unveiled its affordable 5G WiFi, delivering high-speed internet using wireless technology for those looking for fast, reliable and plug-and-play connectivity. Equipped with a best-in-class router featuring one-click support plus a money-back guarantee, this pioneering service ensures hassle-free internet access tailored to the evolving demands of modern

users. The tech innovation is available in select cities including BGC, Makati, and Ortigas. Globe AT Home 5G WiFi is offering UNLI data for 30 days at just Php 999.

In September 2025, Globe launched the Globe AT Home 5G loop, the world's first portable 5G-powered broadband loop, designed to deliver fiber-like internet through 5G technology. Portable and WiFi 6-enabled, the device features a built-in speaker, camera, and touchscreen, allowing users to stay connected at home, in cafés, or while traveling. It is perfectly built for shared WiFi experiences while offering the flexibility to enjoy reliable, high-speed connectivity anywhere – whether indoors or on the go. The Globe AT Home 5G loop is tailor-made for modern Filipino families, offering seamless performance for streaming in, creating content, and connecting through music, calls, and shared entertainment. Pre-orders began on September 1, 2025, at Globe stores in Megamall, Glorietta, and the Globe Iconic Store in BGC, priced at ₱10,999 with 30 days of unlimited data. The Globe AT Home 5G loop marks a global milestone in redefining shared digital experiences, bringing families a simple, portable, and powerful way to stay connected wherever they are.

3. Non-telco Products and Services

Globe is steadfast in solidifying its standing as a leading innovator in the country. Leveraging its core telco business and driven by the surge in consumer digital adoption, Globe now offers a diverse portfolio of promising high-growth enterprises spanning sectors such as fintech, healthtech, adtech, e-commerce, and climatech, among others.

917Ventures

917Ventures, Globe's corporate venture builder, specializes in identifying, launching, accelerating, and expanding promising business concepts. Operating as a startup incubator, 917Ventures provides teams, frameworks, infrastructure, and strategies that have been validated, tested, and backed by Globe, Ayala, and other partners to expedite the growth of new ventures. Here's an overview of the companies that make up its portfolio:

- *GCash*
  Mynt, Inc. ("Mynt") is a strategic partnership between Globe, Ayala Corporation, and Ant International, a Singapore-headquartered leading global digital payment, digitization, and financial technology provider.

  Mynt is a leader in mobile financial services focused on accelerating financial inclusion through mobile money, financial services, and technology. Mynt primarily operates through two wholly-owned subsidiaries: G-Xchange, Inc. ("GXI"), the mobile wallet operator of GCash, offering convenient financial services to Filipinos, and Fuse Financing Inc. ("Fuse"), a technology-based lending company, which empowers Filipinos with access to microloans and business loans.

  Based on third-party provider Sensor Tower, as of December 31, 2025, GCash remains as the number one finance super-app in the country, bannered by ubiquity across its active user base. Under its Payments offerings, customers can easily send and receive money anywhere in the Philippines, even to other bank accounts, purchase prepaid airtime load, pay bills nationwide, and purchase from their partner merchants and social sellers.

  Mynt has also gone beyond the nation's borders. It offers payments in over 220 countries and territories with the GCash Visa Card and Global Pay, in partnership with Alipay+, to enable a seamless and secure payment experience across millions of merchants abroad through Scan to Pay. Through GCash Overseas, overseas Filipinos in 145 countries can also use the GCash app with their international mobile numbers, giving them access to services such as Send Money, Pay Bills, and Buy Load. In 2025, GCash also introduced the GCash Virtual US Account, enabling its users to directly receive US dollars in their e-wallets, converting them to Philippine Pesos as needed with reduced fees compared to traditional methods.

  Beyond Payments, the GCash app also features a range of Digital Financial Services through its CreditTech and WealthTech products. On CreditTech, backed by a proprietary trust platform and credit scoring via GScore, Fuse has provided credit access to millions of borrowers, of which the

majority are from lower socio-economic classes. These milestones were achieved through innovative lending products covering credit lines (via GCredit), cash loans (via GLoan), buy-now-pay-later (via GGives), and micro-credit starter loans (via Sakto Loan and Borrow Load), providing loans to more Filipinos who need it the most. The GCash application also provides a comprehensive suite of WealthTech services, covering savings (via GSave), investments (via GFunds, GStocks, GCrypto, and the newly launched GBonds), and insurance products (via GInsure).

Moving beyond transactions, GCash incorporates sustainability across its innovation initiatives. The GForest movement empowers users to accumulate green energy and plant trees by simply using GCash. As of December 31, 2025, more than 4.7 million trees have been planted, enabling GCash users to build a greener tomorrow.

- *Brave Connective Holdings, Inc. (BCHI)*
  BCHI links together under its umbrella, the companies that bring brands closer to their customers through the use of data, storytelling, and messaging. BCHI provides omnitech solutions through AI-driven insights, innovative programmatic tools, and multi-channel communication.

  - AdSpark is a digital advertising firm specializing in Marketing and Advertising Technology (MADTech) solutions. The company leverages a synergistic ecosystem that integrates its proprietary DeepSea data-intelligence platform with the creative execution capabilities of Secret Menu. AdSpark delivers data-optimized, end-to-end campaigns designed to maximize audience engagement and provide quantifiable ROI for brand partners.

  - iNQUiRO is a cutting-edge data analytics company that transforms insights into actionable intelligence for businesses. Inquiro's core offerings are structured around three key areas: Market Analytics, Targeting and Acquisition, and Credibility Scoring. The company provides actionable market research using products like Audience Builder, Market Scan, and Footfall Analysis. These solutions deliver valuable insights derived from diverse behavioral and location data. Targeting and Acquisition is also a core service of Inquiro, where businesses can acquire new customers through various channels such as SMS, programmatic ads, and social ads. Credibility Scoring is a specialized product that allows businesses to measure the overall trustworthiness of their individual consumers. By leveraging innovative solutions and committing to smarter decision-making, Inquiro empowers brands to unlock growth and achieve their objectives.

  - M360 is a leading communications platform offering seamless, multi-channel solutions through its innovative One API. Empowering businesses with scalable messaging capabilities, m360 connects brands to their customers effectively and efficiently.

Sales and Distribution

Globe has various sales and distribution channels to address the diverse needs of its subscribers.

1. Independent Dealers

Globe utilizes a number of independent dealers throughout the Philippines to sell and distribute its prepaid wireless services. This includes major distributors of wireless phone handsets who usually have their own retail networks, direct sales force, and sub-dealers. Dealers are compensated based on the type, volume and value of reload made in a given period. This takes the form of fixed discounts for SIM packs, and discounted selling price for phonekits. Additionally, Globe also relies on its distribution network of over 373 thousand AutoloadMax retailers nationwide who offer prepaid reloading services to Globe and TM subscribers.

2. Globe Stores

As of December 31, 2025, Globe has a total of 94 Globe Stores all over the country where customers are able to inquire and subscribe to wireless, broadband and fixed line services, reload prepaid credits, make GCASH transactions, purchase handsets and accessories, request for handset repairs, try out

communications devices, and pay bills. The Globe Stores are also registered with the BSP as remittance outlets.

In line with Globe's thrust to become a more customer-focused and service-driven organization, Globe departed from the traditional store concept which is transactional in nature and launched the redesigned Globe Store which carries a seamless, semi-circular, two-section design layout that allows anyone to easily browse around the product display as well as request for after sales support. It boasts of a wide array of mobile phones that the customers can feel, touch and test. There are also laptops with high speed internet broadband connections for everyone to try. The Globe store has an Express Section for fast transactions such as modification of account information and subscription plans; a Full-Service Section for more complex transactions and opening of new accounts; and a Cashier Section for bill payments. The store also has a self-help area where customers can, among others, print a copy of their bill, and use interactive touch screens for easy access to information about the different mobile phones and Globe products and services. Globe stores also include NegoStore areas, which serve as additional sales channels for current and prospective Globe customers. Moreover, select stores also have 'Tech Coaches' or device experts that can help customers with their concerns on their smartphones. Globe opened the first concept store in Greenbelt 4 in 2010.

In 2012, Globe introduced other store formats in response to the need for more customer service channels to accommodate more subscribers availing of Globe postpaid, prepaid and internet services. The new store formats – the premium dealership store, pop-up store, microstore, kiosk, and store-on-the-go – were carefully designed based on demographics, lifestyle and shopping behaviors of its customers, each providing a different retail mix and experience to subscribers.

In 2013, Globe opened 50 concept stores as part of its commitment to a wonderful customer service experience.

In 2014, Globe simultaneously unveiled its Generation 3 flagship stores in SM North EDSA, Quezon City, Manila and in Limketkai Mall, Cagayan de Oro. Designed by Tim Kobe, the founder and CEO of Eight, Inc. and designer of Apple Stores, the Globe Gen3 stores feature reconfigurable and interactive elements, all designed to empower the growing digital lifestyle of customers. The stores feature four lifestyle zones – music, entertainment, productivity, and life – each with their own interactive kiosks.

Continuing with its journey of transforming customer experience, Globe opened two more Gen3 stores in 2015. In July 2015, Globe opened its third Gen3 store in Ayala Center, Cebu and in August 2015, opened its fourth Gen3 and first two-storey store in Greenbelt, Makati.

In 2016, Globe opened its Flagship ICONIC store in Bonifacio Global City Central Square Taguig. Designed by Tim Kobe of Eight Inc., the same designer of the Globe GEN3 stores, the Globe ICONIC store is the first all-in-one retail and entertainment space and was launched in two phases. Phase 1 was completed in June 2016 and featured the entertainment space that will house shows, concerts, and a variety of on-ground events and activities. Phase 2, completed in December 2016 features the complete Globe ICONIC Store with a glass bridge that links two Globe stores from opposite sides of the BGC Central Square.

In October 2021, Globe introduced the Globe EasyHub, a new store concept that combines traditional brick-and-mortar stores with a digital retail format. The Globe EasyHub aims to create a better experience for Filipinos looking for safe and convenient ways to make transactions during the pandemic.

In 2023, Globe began the gradual phase-out of Globe EasyHub locations as part of the company's strategic retail initiatives. That same year, Globe introduced its Generation 4 (Gen4) store concept in Glorietta, Makati. This was followed by the conversion of selected existing stores, including SM Marikina, Alabang Town Center, and Robinsons Manila, into the new Gen4 format.

The Gen4 store features a modern, digital-first layout equipped with self-service kiosks for transactions such as SIM purchases, bill payments and postpaid plan inquiries. It also includes interactive screens and demo units for product exploration, along with a more sustainable design that utilizes digital signage, LED lighting, and eco-friendly materials.

In 2025, Globe began reopening stores in new locations to better serve its customers. Two new stores were launched at Island City Mall in Bohol and SM City Sta. Mesa in Quezon City, marking Globe's renewed presence in these areas in response to strong customer demand. Through these openings, Globe continues to bring its services closer to customers and improve overall service delivery.

3. Others

Globe also distributes its prepaid products SIM packs and credits through consumer distribution channels such as convenience stores, gas stations, drugstores, and bookstores.

Operating Revenues

Gross Operating Revenues by Business Segment	Year Ended December 31			
(in Php Mn)	2025	% of total	2024	% of total
Service Revenues				
Mobile*	**116,850**	**66%**	**116,713**	**65%**
Voice[1]	10,883	6%	12,653	7%
SMS[2]	4,801	3%	6,691	4%
Data[3]	101,166	57%	97,369	54%
Fixed Line and Home Broadband**	**45,902**	**26%**	**45,665**	**25%**
Home Broadband[4]	23,980	13%	23,785	13%
Corporate Data[5]	20,671	12%	20,380	11%
Fixed Line Voice[6]	1,251	1%	1,500	1%
Others***	**2,326**	**1%**	**2,638**	**1%**
Service Revenues	**165,078**	**93%**	**165,016**	**91%**
Non-Service Revenues	**13,162**	**7%**	**15,570**	**9%**
Operating Revenues	**178,240**	**100%**	**180,586**	**100%**

**Mobile business includes mobile and fully mobile broadband*
***Home Broadband includes fixed wireless and wired broadband*
****Others include non-telco revenues from subsidiaries*

[1] Mobile voice service revenues include the following:
a) Prorated monthly service fees on consumable minutes of postpaid plans;
b) Subscription fees on unlimited and bucket voice promotions including the expiration of the unused value of denomination loaded;
c) Charges for intra-network and outbound calls in excess of the consumable minutes for various Globe Postpaid plans, including currency exchange rate adjustments, or CERA, net of loyalty discounts credited to subscriber billings;
d) Airtime fees for intra network and outbound calls recognized upon the earlier of actual usage of the airtime value or expiration of the unused value of the prepaid reload denomination (for Globe Prepaid and TM) which occurs between 3 and 120 days after activation depending on the prepaid value reloaded by the subscriber net of (i) bonus credits and (ii) prepaid reload discounts; and revenues generated from inbound international and national long distance calls and international roaming calls; and
e) Mobile service revenues of GTI and MVNO.

Revenues from (a) to (e) are reduced by any payouts to content providers.

[2] Mobile SMS revenues consist of revenues from value-added services such as inbound and outbound SMS and MMS, infotext, and subscription fees on unlimited and bucket prepaid SMS services, net of any interconnection or settlement payouts to international and local carriers and content providers.

[3] Mobile Data service revenues consist of revenues from Mobile internet browsing and content downloading, Mobile commerce services, other add-on value added services (VAS), and service revenues of GXI and MVNO, net of any interconnection or settlement payouts to international and local carriers and content providers, except where Globe is acting as principal to the contract where revenues are presented at gross billed to subscriber and settlement pay-out are classified as part of costs and expenses. Revenues from premium content services (where Globe is acting as principal to the contract) is reported gross of licensors' fees.

[4] Home broadband service revenues consist of the following:
a) Monthly service fees of wired, fixed wireless, bundled voice and data subscriptions;
b) Browsing revenues from all postpaid and prepaid wired, fixed wireless Broadband packages in excess of allocated free browsing minutes and expiration of unused value of prepaid load credits;
c) Value-added services such as games; and
d) Installation charges and other fees associated with the service.
e) Revenues from premium content services (where Globe is acting as principal to the contract) are reported gross of the licensors' fees. The latter is reflected as part of maintenance expenses.

[5] Corporate data (previously called Fixed line data) service revenues consist of the following:
a) Monthly service fees from international and domestic leased lines;
b) Other wholesale transport services;

c) Revenues from value-added services and ICT; and
d) Connection charges associated with the establishment of service.

[6] Fixed Line voice service revenues consist of the following:
a) Monthly service fees;
b) Revenues from local, international and national long-distance calls made by postpaid, prepaid fixed line voice subscribers and payphone customers, as well as Broadband customers who have subscribed to data packages bundled with a voice service. Revenues are net of prepaid and payphone call card discounts;
c) Revenues from inbound local, international and national long-distance calls from other carriers terminating on Globe's network;
d) Revenues from additional landline features such as caller ID, call waiting, call forwarding, multi-calling, voice mail, duplex and hotline numbers and other value-added features;
e) Installation charges and other fees associated with the establishment of the service; and
f) Revenues from DUO and SUPERDUO (Fixed line portion) service consisting of monthly service fees for postpaid and subscription fees for prepaid.

Globe's mobile business contributed ₱116.9 billion in 2025 accounting for 66% of total operating revenues, comparable to last year's level of ₱116.7 billion. Mobile voice service revenues amounted to ₱10.9 billion in 2025, contributing 6% of operating revenues. Mobile SMS service revenues contributed ₱4.8 billion or 3% of operating revenues. Mobile data service revenues contributed ₱101.2 billion or 57% of operating revenues.

Accounting for 26% of total operating revenues, Globe's fixed line and broadband business registered ₱45.9 billion in 2025, compared to ₱45.7 billion in 2024. Home broadband contributed revenues of ₱23.9 billion, or 13% of operating revenues. Corporate data contributed 12%, at ₱20.7 billion while fixed line voice and other revenue contributed ₱1.3 billion and ₱2.3 billion, accounting for 1% and 1% of operating revenues, respectively.

Competition

1. Industry, Competitors and Methods of Competition

a. Mobile Market

The Philippine mobile market has a total industry SIM base of more than 140 million with an industry penetration rate of 120.6% as of December 31, 2025. With the growing penchant of Filipinos for smartphones, the mobile data business in the Philippines presents more opportunities for revenue growth. Mobile data usage of both prepaid and postpaid subscribers continues to grow.

Today, with the high level of mobile penetration, driven by the prevalence of multi-SIMming (i.e., individuals having two SIMs), and the emergence of a third player, DITO Telecommunity, the competition in the mobile market remains intense, albeit in a more rational environment. Since its commercial launch in March 2021, DITO has gained over 15 million subscribers as of September 2025.

	Mobile Subscribers (Mn)	Penetration Rates (%)	Growth Rate
2012	102.99*	106.4	10%
2013	108.52*	110.0	5%
2014	113.89*	116.0	5%
2015	124.79	115.2	10%
2016[1]	125.56	120.4	1%
2017[2]	118.98	111.9	-5%
2018[3]	134.59	124.3	13%
2019	167.32	151.8	24%
2020	149.58	133.3	-11%
2021	157.48	137.9	5%
2022	153.00	132.2	-3%
2023[4]	122.00	104.3	-21%
2024	133.57	115.3	12%
2025	140.87	120.6	5%

Source: National Telecommunications Commission, publicly available information and Globe estimates

[1] Starting 2016, nomadic subscribers are included in mobile subscribers (previously reported under broadband subscribers)
[2] In 2017, the industry has excluded in their reporting the prepaid subscribers who do not reload within 90 days of the second expiry period, versus the previous cut-off of 120 days
[3] In 2018, under Joint Memorandum Circular No. 05-12-2017, all prepaid load now carries a one-year expiration period
[4] In 2023, the industry churned out non-active mobile users following the government-mandated, nationwide SIM card registration exercise.

Since 2000, the mobile communications industry has experienced a number of consolidations and ushered in new entrants, namely:

- In 2000, Philippine Long Distance and Telephone Company ("PLDT") acquired and consolidated Smart and Piltel, complementing the former's fixed line businesses with the latter's wireless businesses. Subsequently in 2008, PLDT, through Smart, purchased CURE, one of the four recipients of 3G licenses awarded by the NTC.

- In 2003, Sun Cellular, Digitel's mobile brand, entered the market and introduced value-based unlimited call and text propositions which allowed it to build subscriber scale over time.

  In October 2011, PLDT acquired 99.4% of the outstanding common stock of Digitel, thereby allowing it to control over two-thirds of the industry subscribers. As a condition of PLDT's acquisition of Digitel, PLDT returned to the NTC the 3G license in CURE.

- In 2008, San Miguel Corporation ("SMC"), partnering with Qatar Telecom, bought interests in Liberty Telecom Holdings, Inc. ("Liberty") and announced plans to enter the mobile and broadband businesses.

  In 2010, SMC acquired 100% stake in Bell Telecommunication Philippines, Inc. ("BellTel"), after acquiring shares in three companies that own the shares of BellTel. Also in 2010, SMC purchased a 40% stake in Eastern Telecommunications Philippines, Inc. ("ETPI") to expand its telecommunications services. SMC subsequently gained a majority stake of ETPI in 2011, owning 77.7% of the telecommunications company.

  In 2012, NTC granted BellTel, San Miguel Corporation's mobile telephony arm, an extension to its operating license to provide cellular mobile telephone system (CMTS) service in the country for another three years.

- In 2001, Globe acquired Islacom (now Innove). Globe, likewise, acquired approximately 96.5% of the total debt of Bayantel, in December 2012. In October 2013, Globe converted a portion of the debt it holds in Bayantel into a 38% interest in the latter, based on the Amended Rehabilitation Plan approved by the Rehabilitation Court in August of the same year. Upon obtaining relevant and regulatory approvals, Globe would further convert debt into a total 56.6% share of the common stock of Bayantel.

- In May 2013, ABS-CBN Convergence, Inc. ("ABS-C", formerly Multimedia Telephony, Inc.) announced the launch of its mobile brand, ABS-CBN Mobile. The launch of the new mobile brand was being supported through a network sharing agreement with Globe, wherein the latter provides network capacity and coverage to ABS-C on a nationwide basis. ABS-C formally launched the brand on November 26, 2013. On November 30, 2018, ABS-C discontinued its mobile phone services business and terminated the mobile network sharing arrangement with Globe Telecom.

- In November 2015, Cherry Mobile, a leading mobile phone company in the Philippines, entered into a co-branding partnership with Globe to launch the Cherry Prepaid SIM that also comes bundled with a Cherry Mobile phone. The Cherry Prepaid SIM will operate through a network sharing agreement with Globe.

- In November 2018, the Department of Information and Communications Technology (DICT) and the National Telecommunications Commission (NTC) declared Mislatel a new major telco player, a consortium composed of Mindanao Islamic Telephone Inc., Udenna Corporation, Chelsea Logistics Holdings, and China Telecom. In 2019, Mislatel was

renamed to DITO Telecommunity Corporation. DITO launched commercial operations in March 2021.

- In October 2020, Globe launched the fully digital telecom brand GOMO aimed towards digitally savvy Filipinos.

b. Fixed Line Market

Fixed Line Voice

The number of lines in service in the fixed line voice market is estimated at 4.3 million subscribers as of December 31, 2025 with PLDT's subscriber market share at 85.6% and Globe subscriber market share at 14.4%.

The fixed line voice market is currently in decline as the country continues to shift towards alternative communication solutions like VoIP and chat messaging applications.

Corporate Data

The fixed line data business is a growing segment of the fixed line industry. As the Philippine economy grows, businesses are increasingly utilizing new networking technologies and the internet for critical business needs such as sales and marketing, intercompany communications, database management and data storage. The expansion of the local IT Enabled Service (ITES) industry which includes call centers and Business Process Outsourcing (BPO) companies has also helped drive the growth of the corporate data business.

Dedicated business units have been created and organized within Globe to focus on the mobile and fixed line needs of specific market segments and customers – be they residential subscribers, wholesalers and other large corporate clients or smaller scale industries. This structure has also been driven by Globe's corporate clients' preferences for integrated mobile and fixed line communications solutions.

c. Home Broadband Market

Home broadband continues to be a major growth area for the local telecom industry. In a 3-player market, industry home broadband subscribers are now at 9.4 million, up 15% versus 2024 with Globe's subscriber market share at 23% as of December 31, 2025. PLDT's subscriber market share is at 45% while Converge's market share is 32%. The aggressive network roll-out of the various operators, the wider availability of affordable prepaid broadband packages, as well as lower PC and tablet prices were the main drivers of subscriber growth. Operators used both wired and wireless technologies to serve the growing demand for internet connectivity.

The Philippine postpaid broadband market is nearing saturation, however, if not saturated already. This is why Globe's focus has now shifted to increasing utilization of its current network by delivering fiber connectivity to the broader market through prepaid fiber products.

2. Principal Competitive Strengths of the Company

a. Market Leadership Position

Globe is a major provider of telecommunications services in the Philippines. It is a strong player in the market and operates one of the largest and most technologically-advanced mobile, fixed line and broadband networks in the country, providing reliable, superior communications services to individual customers, small and medium-sized businesses, and corporate and enterprise clients. Globe's distinct competitive strengths include its technologically advanced mobile, fixed line and broadband network, a substantial subscriber base, high quality customer service, a well-established brand identity and a solid track record in the industry. Globe has also focused on bringing innovations and partnerships with leading content creators and digital platforms across entertainment, music, gaming, social networking and eCommerce to respond to trends and demands among its data users.

b. Strong Brand Identity

Globe has some of the best-recognized brands in the Philippines. This strong brand recognition is a critical advantage in securing and growing market share, and significantly enhances Globe's ability to cross-sell and push other product and service offerings in the market.

c. Financial Strength and Prudent Leverage Policies

Globe's financial position remains strong with ample liquidity, and gearing comfortably within bank covenants. At the end of 2025, Globe had total interest bearing debt of ₱256 billion representing 59% of total book capitalization. As of December 31, 2025, gross debt to EBITDA is well within the 3.5:1 covenant level, currently at 2.63x. Before taking into account any swap and hedges, approximately 22% of debt is denominated in foreign currencies. After swaps, effectively none of the total debt is denominated in foreign currencies.

Globe intends to maintain its strong financial position through prudent fiscal practices including close monitoring of its operating expenses and capital expenditures, debt position, investments, and currency exposures.

d. Proven Management Team

Globe has a strong management team with the proven ability to execute on its business plan and achieve positive results. With its continued expansion, it has been able to attract and retain senior managers from the telecommunications, consumer products and finance industries with experience in managing large scale and complex operations.

e. Strong Shareholder Support

Globe's principal shareholders are Ayala Corporation and Singapore Telecom, both industry leaders in the country and in the region. Apart from providing financial support, this partnership has created various synergies and has enabled the sharing of best practices in the areas of purchasing, technical operations, and marketing, among others.

Suppliers

Globe works with both local and foreign suppliers and contractors. Equipment and technology required to render telecommunications services are mainly sourced from foreign countries. Its principal suppliers, among others, are as follows:

Globe's suppliers of mobile equipment include Huawei International Pte. Ltd. (Singapore), Huawei Technologies Phils. Inc. and Nokia Shanghai Bell Co., Ltd. (China); and for transmission and IP equipment, the Company has partnered with Huawei International Pte. Ltd. (Singapore), Huawei Technologies Phils. Inc., Nokia Shanghai Bell Co., Ltd. (China), and ZTE Corporation (China). For small cell access solutions for residential and enterprise, Globe partnered with Huawei International Pte. Ltd. (Singapore), Huawei Technologies Phils. Inc., and Nokia Shanghai Bell Co., Ltd. (China), and Wuhan Fiberhome International (China).

For Fixed Line and Fixed Broadband equipment, including Optical Line Terminals (OLT's), Globe's principal equipment suppliers include Huawei International Pte. Ltd. (Singapore), Nokia Shanghai Bell Col, Ltd, and Wuhan Fiberhome International Technologies Co., Ltd.

For Network Management and Operational Support Systems, Globe's primary solution providers include Mycom OSI (Singapore), Amdocs Software Solutions (Hungary), Huawei International Pte. Ltd. (Singapore), Huawei Technologies Phils. Inc., Digitata Networks Corp (USA) among others.

Globe's IT systems and infrastructure, Globe also engaged Amdocs Software Solutions (Hungary), Lotusflare Asia Pte. Ltd. (Singapore), Google Asia Pacific Pte Ltd, Amazon Web Services, Inc., Philippine companies Novare Technologies, Inc., Yondu Inc. ,and Metro East Technology for continuous enhancement of its Services and Operations.

Customers

Globe has a large subscriber base across the country, ending 2025 with 65.8 million mobile subscribers, broken down into 2.4 million postpaid and 63.3 million prepaid subscribers. Globe also has 2.14 million home broadband subscribers and over 628 thousand fixed line voice subscribers.

No single customer and contract accounted for more than 20% of Globe's total sales in 2025.

Licenses, Patents, and Trademarks

Licenses

Globe currently holds the following major licenses:

Service	Type of License	Date Issued or Last Extended	Expiration Date
Globe			
Wireless	CPCN (1)	July 22, 2002	December 24, 2030
Local Exchange Carrier	CPCN (1)	July 22, 2002	December 24, 2030
International Long Distance	CPCN (1)	July 22, 2002	December 24, 2030
Interexchange Carrier	CPCN (1)	February 14, 2003	December 24, 2030
VSAT	CPCN (1)	February 6, 1996	February 5, 2021 (2)
International Cable Landing Station & Submarine Cable System (Nasugbu, Batangas)	CPCN (1)	October 19, 2007	December 24, 2030
International Cable Landing Station & Submarine Cable System (Ballesteros, Cagayan)	CPCN (1)	June 29, 2010	December 24, 2030
International Cable Landing Station (Davao City, Davao del Sur)	CPCN (1)	June 19, 2025	December 24, 2030
International Cable Landing Station in Luna, La Union	CPCN (1)	June 19, 2025	December 24, 2030

Innove	Type of License	Date Issued or Last Extended	Expiration Date
Wireless	CPCN (1)	December 14, 2018	January 29, 2044
Local Fixed line	CPCN (1)	December 14, 2018	January 29, 2044
International Long Distance	CPCN (1)	December 14, 2018	January 29, 2044
Interexchange Carrier	CPCN (1)	December 14, 2018	January 29, 2044
Local Exchange Carrier (LEC) Service Nationwide	PA	June 17, 2005	December 16, 2006 (7)

Innove	Type of License	Date Issued or Last Extended	Expiration Date
International and Domestic Leased Line Services and Local Exchange Carrier Service within the Territorial Jurisdiction of Subic Bay Metropolitan Authority (SBMA)	CPCN	December 10, 2007	January 29, 2044 (8)
International Cable Landing Station in Claveria, Cagayan	CPCN	June 19, 2025	January 29, 2044

Bayantel	Type of License	Date Issued or Last Extended	Expiration Date
Local Exchange Carrier			
(a) Quezon City, Malabon & Valenzuela, all in M.M., Albay, Camarines Norte, Camarines Sur, Catanduanes, Sorsogon & Masbate, all in Bicol Region	CPCN (1)	(a) July 19, 1999	(a) July 18, 2024
(b) Manila, Caloocan, Navotas	CPCN (1)	(b) January 27, 2021	(b) August 9, 2046 (3)
(c) Tacloban City, Tanauan and Palo, Leyte & Sogod, Southern Leyte	CPCN (1)	(c) January 27, 2021	(c) August 9, 2046 (3)
(d) Leyte (Abuyog, Baybay, Burauen, Carigara, Dulag, Hilongos, Isabel, Palompon & Hilaga) Eastern Samar (Guiuan & Borongan) Western Samar (Catbalogan & Basey) Southern Leyte (Maasin)	CPCN (1)	(d) January 27, 2021	(d) August 9, 2046 (3)
(e) Antique, Iloilo, Bohol (except Tagbilaran City), Bukidnon, Misamis Occidental, Misamis Oriental (except Cagayan de Oro City), Zamboanga del Sur, Davao del Norte (except Tagum City), Davao del Sur, Davao Oriental, Saranggani, South	PA	(e) November 18, 2004	(e) July 25, 2006 (4)

Bayantel	Type of License	Date Issued or Last Extended	Expiration Date
Cotabato and Surigao del Su r			
(f) Aklan, Capiz (including Roxas City), Guimaras, Negros Occidental (including cities of Bacolod and Bago), Negros Oriental (including Dumaguete City), Cebu (including cities of Cebu, Lapu-Lapu and Mandaue), Zamboanga del Norte, Surigao del Norte (including Surigao City), Tagbilaran City, Cagayan de Oro City and Tagum City	PA	(f) November 18, 2004	(f) May 18, 2006 (4)
(g) Butuan City, Agusan del Norte & Agusan del Sur	PA	(g) June 27, 2002	(g) June 14, 2005 (4)
VSAT	CPCN (1)	January 11, 2001	January 10, 2026
International Gateway Facility	CPCN (1)	April 19, 1996	April 18, 2021 (5)
Trunked Mobile Radio System	CPCN (1)	April 2, 1998	April 1, 2023
Domestic Data and Voice Communications	CPCN (1)	January 27, 2021	August 9, 2046 (3)

[1]Certificate of Public Convenience and Necessity.
[2] Motion to Extend the Effectivity/Lifespan of the CPCN was filed on January 20, 2021 and is still pending with the NTC.
[3] CPCN automatically extended upon the effectivity of Republic Act 11503 (Bayantel franchise renewal) pursuant to Section 16 of Republic Act 7925.
[4] Motion for Extension of PA still pending with the NTC.
[5] Ex-Parte Motion to Extend the Effectivity/Lifespan of CPCN was filed on 13 April 2021 and is still pending with the NTC.
[6] Motion for Issuance of a CPCN and/or Extension of PA was filed on March 6, 2019 and still pending with the NTC.
[7] Motion for Issuance of a CPCN and/or Extension of PA was filed on November 2, 2006 and still pending with the NTC.
[8] The effectivity of this CPCN was originally co-terminus with the life of legislative franchise under Republic Act No. 7372 which has expired and automatically extended upon the effectivity of Republic Act No. 11151 (Innove franchise renewal) pursuant to Section 16 of Republic Act 7925.

In July 2002, the NTC issued CPCNs to Globe and Innove which allow Globe to operate respective services for a term co-terminus with the congressional franchise under RA 7229 (Globe) and RA 11151 (amending RA 7372; Innove). Globe was granted permanent licenses after having demonstrated legal, financial and technical capabilities in operating and maintaining wireless telecommunications systems, local exchange carrier services and international gateway facilities. Additionally, Globe and Innove have exceeded the 80% minimum roll-out compliance requirement for coverage of all provincial capitals, including all chartered cities within a period of seven years.

Trademarks

Globe has the following registered trademarks in the Philippines: #Globe of Good, #OneDigitalPH, 0917, After 5, Bawa't Bahay May Wifi, Creator Culture, Cyberheist, Digital Thumbprint Program, Easy Watch, EZ Extend, FamSurf, FunAliw, FunKwentuhan, FunLaro, FunPasikat, FunPinoy Packs, FunRaket, FunRewards, G Creator Con, G Fiber Prepaid, G Fiber Surf, G Platinum Plan, G Platinum Plan Plus, Game sa Lahat, GCreator Con, GFiber, Globe, Globe At Home, Globe at Home Prepaid Wifi, Globe At Home Unli Fiber Up,Globe Benta, Globe Blue, Globe Gamer Grounds, Globe Hangouts, Globe Platinum, Globe Prepaid, GlobeOne, GMusic Fest, Go Lang Nang Go, Go Roam, Go+, GOMO, GOMO Fiber, GOMO Roam, GoSakto, GoSurf, GoUnli, K-mmunity PH, Kaya Mo Now, Loaded sa Love, MakeItSafe.PH, Midnight Surf, Mindhive, MOCreds, Pie, Pie Channel, Pie Experience, Pie Network, Pie TV, Pie XP, Recreate, Better Days, Secret Surf, Sugoi Society PH, The Hapag Movement, The World Right at Home, TM, TM All-In, TM Bayan Fiber Wifi, TM Bayan Unli, TM Easy Plan, TM Secret, TM Tambayan, We don't stop, We GOMO!, and Whiskey Business.

Globe has the following pending application trademarks in the Philippines: E-Waste Zero, Reduce, Recover, Recycle, PlayItRight. Help Stop Piracy, Digitest, G Verify, and Globe Verify.

Further, Globe has the following registered trademarks: Globe Telecom (Taiwan, Canada, Singapore, Macau), Globe: Bahrain, Kuwait, Malaysia, Singapore, Macau, Italy, Japan, Taiwan, Globe and Globe Life Device (Hong Kong, Malaysia, Taiwan, Singapore, Japan, EU (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden) United Kingdom, Kuwait, Macau, Qatar, UAE, Canada, USA, Saudi Arabia), Globe Life Device (Australia, Hong Kong, Malaysia, Taiwan, Singapore, Japan, EU (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden) United Kingdom, Kuwait, Macau, Qatar, UAE, Canada, USA, Saudi Arabia).

Globe subsidiaries and affiliates have applied/registered their respective marks with the Intellectual Property Office, namely:

a. Acquiro Solutions and Tech, Inc. has the registered trademark: Acquiro.
b. Adspark, Inc. has the following registered trademarks: Adspark, SparkEd, SparkIntelligence, SparkRewards, SparkStudio, SparkSuite, and Secret Menu.
c. Asticom Holding Co., Inc. has the registered trademark: Asticom Bridging People, Fueling Passions.
d. Brave Connective Holdings, Inc. has the following registered trademarks: Brave Connective, Courageous Brands Connect Better, DeepSea, Veda Brava and Veda Connective.
e. Inquiro, Inc. has the following registered trademarks: Inquiro and Inquiro Audience Builder.
f. Globe Capital Venture Holdings, Inc. has the following registered trademarks: Concati, Kodego, and Pettr.
g. M360, Inc. has the following registered trademarks: M, M360, Mobile360, More than Messaging, and Hummingbird by M360,
h. Rush Technologies, Inc. has the following registered trademarks: Rush, Rush E-Store, Rush Loyalty, and Powering Stores, Winning Customers.
i. Mynt, Inc. (formerly Globe Fintech Innovations, Inc.) and its subsidiaries and affiliates have the following registered trademarks : Mynt Logos, Mynt A Fresh Look At Money Logo, and MYNT, BlockG, GCrypto, GStocks, and GFunds, and trademark applications for mynt finance for all (logo marks).Powerpay+, G-Xchange, GCash Logos,, GCash Forest, G Logo, GCash & G Logo GCat, GSave, GCredit, GInvest, GInsure, GLife, Send Ang Pao & Logo, KKB & Logo, GForest, GCash Pera Outlet Logo, GCredit Logo, GCash Padala Logo, GForest Logo, GInvest Logo, GLIfe Logo, GLoan Logo, GSafe Logo, GSave Logo, GCash Jr., GScore, GGives, GCash PO, GCash Pera Outlet, GSafe, GPO, GDeals, GCash for Good, GCash Padala; GSafe Tayo, GImpact, and a trademark applications for GCash for Business Soundpay, Soundpay, GCash for Business Soundpay +, GCash Soundpay +, Soundpay +, Soundpay Plus, GCash Soundpay, GCash for SoundPay Plus,Fuse Lending Logo, Fuse Logo, Fuse, GLoan, GGives and trademark applications for Ryse and Ryse logo.

In addition, they have registered the following patents in the Philippines:

- Person-to-Person Virtual Cash Transfer Transaction Using Mobile Phones;
- A Method of Converting Virtual Cash to Cash and Deducting from a Mobile Phone Cash Account.
- A Method of Cashless, Cardless Purchase Transaction Using Mobile Phones;
- A Method of Converting Cash into Virtual Cash and Loading it to Mobile Phone Cash Account; and
- A Method of Switching the Billing Mode of a Subscriber's Mobile Phone Services from Postpaid to Prepaid and Vice Versa Using One Subscriber Identity Module (SIM) Card Having One Mobile Phone Number;.

Further, they have likewise registered the following patent in the United States:

- Method of Converting Cash into Virtual Cash and Loading it to Mobile Phone Cash Account.

Government approvals/regulations

Globe Telecom, Inc. is regulated by the NTC under the provisions of the Public Service Act (CA 146), Executive Order (EO) 59, EO 109, and RA 7925. Under these laws, Globe is required to do the following:

a. To secure a CPCN/PA from the NTC for those services it offers which are deemed regulated services, as well as for those rates which are still deemed regulated, under RA 7925.
b. To observe the regulations of the NTC on interconnection of public telecommunications networks.
c. To observe (and has complied with) the provisions of EO 109 and RA 7925 which impose an obligation to rollout 700,000 fixed lines as a condition to the grant of its provisional authorities for the cellular and international gateway services.
d. Globe remains under the supervision of the NTC for other matters stated in CA 146 and RA 7925 and pays annual supervision fees and permit fees to the NTC.

On October 19, 2007, the NTC granted Globe a CPCN to operate and maintain an International Cable Landing Station and submarine cable system in Nasugbu, Batangas.

On May 19, 2008, Globe Telecom, Inc. announced that the National Telecommunications Commission (NTC) has approved the assignment by its wholly-owned subsidiary Innove Communications (Innove) of its Touch Mobile (TM) consumer prepaid subscriber contracts in favor of Globe. Globe would be managing all migrated consumer mobile subscribers of TM, in addition to existing Globe subscribers in its integrated cellular network.

On September 11, 2008, the NTC granted Globe a CPCN to operate and maintain an International Cable Landing Station in Ballesteros, Cagayan Province.

Research and Development

Globe incurred market research costs amounting to ₱113.28 million in 2025, a 0.7% increase versus 2024 spend of ₱112.49 million.

Compliance with Environmental Laws

Globe complies with the Environmental Impact Statement ('EIS') system of the Department of Environment and Natural Resources ('DENR') and pays nominal filing fees required for the submission of applications for Environmental Clearance Certificates ('ECC') or Certificates of Non-Coverage ('CNC') for its cell sites and certain other facilities, as well as miscellaneous expenses incurred in the preparation of applications and the related environmental impact studies. Globe does not consider these amounts material.

Globe has not been subject to any significant legal or regulatory action regarding non-compliance to relevant environmental regulations.

Employees

Globe has 6,684 active regular employees as of December 31, 2025, of which 2.2% or 148 are covered by a Collective Bargaining Agreement (CBA) through the Globe Telecom Employees' Union (GTEU).

Breakdown of employees by main category of activity from 2023 to 2025 are as follows:

Employee Type	2025	2024	2023
Rank & File, CBU	607	706	1,325
Supervisory	3,436	3186	3,742
Managerial	2,106	1958	2,124
Executives	535	531	563
Total	**6,684**	**6381**	**7,754**

In conformance with the Department of Labor and Employment's (DOLE) Collective Bargaining Agreement (CBA), the Globe Telecom Employees Union-Federation of Free Workers (GTEU-FFW) remains active to pledge the right of every Ka-Globe to form a collective bargaining unit. All employees are allowed to participate in CBA and through GTEU-FFW, everyone is informed and made aware of the mandates.

Globe has a long-standing, healthy, and constructive relationship with the GTEU characterized by healthy and constructive discussions and industrial peace. Both have shared goals such as enhancing productivity levels and ensuring consistent quality of service to customers across various segments.

Globe and GTEU-FFW renewed their collective bargaining agreement on March 2021. This is a testament to the strong partnership built between them and the alignment in their advocacies.

Risk Management

Globe believes that effective Risk Management (RM) practices play a crucial role in ensuring sustainable company growth and building resiliency towards future risk scenarios. Hence, Globe ensures that RM remains a core capability and an integral part of how decisions are made in the organization to deliver value to shareholders. Globe's thrust is to embed RM in the daily lives of employees, empowering them to make intelligent choices when confronted by risks and opportunities.

Globe lives out its RM philosophy via three key pillars – Structure, Process and Culture.

Structure	Process	Culture
We strive to cultivate an organizational structure that supports strong corporate governance, clearly defines risk taking responsibility and authority, facilitates ownership and accountability for risk taking, and ensures proper segregation of duties.	We strive to sustain sound processes that facilitate the identification, assessment, quantification, mitigation, management, monitoring and communication of risks at the enterprise and operational level. We also regularly review our RM processes and policies on a continuing basis and stay abreast of current developments to ensure that we remain robust and relevant, through benchmarking against industry and global best practices.	We strive to nurture a risk aware culture by setting the appropriate tone at the top, defining clear accountability for risks, espousing transparency and timeliness in sharing risk information, enabling risk-adjusted decisions, recognizing appropriate risk-taking attitudes, and embedding the right risk skills across the organization.

Roles and Responsibilities

Board of Directors

The Board of Directors ("Board") has the overall accountability in the oversight of Globe's risk management policies and practices. The Board oversees and conducts an annual review of the company's material controls, covering operational, financial and compliance areas and overall RM systems. To enable the Board to effectively discharge its roles and functions, various board sub-committees have been created that handle specific risk areas in accordance with sound corporate governance practices.

Board Risk Oversight and Sustainability Committee

A Board Risk Oversight and Sustainability Committee (BROSC) was created to provide focus and effectively consolidate the decentralized and overlapping risk oversight duties performed by various Board sub committees. The establishment of the BROSC will ensure an integrated and holistic oversight on RM at the Board level.
The BROSC is mandated to assist the Board in fulfilling its oversight responsibilities in relation to Risk Governance in Globe. This ensures that the Board and Globe's Management will be able to make well-informed decisions based on thorough assessment of risks and opportunities. This includes:

- Ensuring that there is an effective, efficient and integrated risk management process working in place;
- Enabling the identification, analysis, and assessment of key risk exposures its impact to Globe's strategic and business objectives, as well as the formulation of an effective RM strategy. This includes exposures related to Environmental, Social, and Governance (ESG) risks, as well as climate-related risks and opportunities;
- Cultivating a sound organizational structure with effective Enterprise Risk Management ("ERM") and Sustainability frameworks working in place;
- Establishing clear definitions of risk-taking authority, ownership, accountability, and proper segregation of duties; and
- Fostering a risk-aware culture that is pervasive throughout Globe, and ensures transparency in reporting of key risks to relevant stakeholders.
- The BROSC is led by a Chairperson who must be an independent, non-executive director. At present, it is composed of four (4) directors, three (3) of which are independent, non-executive directors. The Board appoints all members of the committee.

The BROSC meets on a quarterly basis or as frequently as needed. The BROSC also submits and presents a report to the Board at least two (2) times a year containing updates on all actions initiated by the committee at the board meeting following the BROSC meetings, as well as a year end report outlining the committee's actions for the year, confirmation of how its responsibilities were discharged, assessment performed on the effectiveness of the committee, and recommendations for improvement.

Management
With guidance provided by the Board and its sub-committees, Globe's management is collectively responsible and accountable for the design, implementation, and continuous improvement of Globe's RM strategies, culture, practices, and capabilities intended to address the identified risks that impact the delivery of the company's strategic and business objectives.

Chief Executive Officer
The Chief Executive Officer (CEO), with respect to RM, is primarily accountable for the company's overall RM strategies, culture, capabilities, and practices in order to effectively mitigate risks that impact the achievement of the company's strategic and business objectives.

Chief Risk Officer
The Chief Finance Officer (CFO) and concurrent Treasurer and Chief Risk Officer (CRO) supports the CEO and the BROSC at the Management level, and is responsible and accountable for the overall design, implementation, and continuous improvement of the company's ERM program.

This includes:

- There is adequate supervision and guidance over the development, implementation, maintenance and continuous improvement of RM policies, processes and documentation;
- Risk Management processes and activities are embedded within the organization's policies, business cycles, and operational decisions;
- Responsibilities for managing specific risks by Senior Management are clear;
- The level of risk accepted by the company is appropriate;
- An effective control environment exists for the company as a whole; and
- In collaboration with Senior Management, the Board and its sub-committees, and other stakeholders, provide periodic information on the results of the annual risk assessment exercise and updates on the status of top risks, key risk mitigation activities, key risk and performance indicators and emerging risks that could impact the attainment of Globe's objectives.

Enterprise Risk Management team

The Enterprise Risk Management (ERM) team supports the CRO in undertaking its role. The ERM team is responsible for developing, implementing, maintaining, and continuously improving the company's ERM program. Key functions of the ERM team include:

- Assisting the CRO and CEO in enabling the BROSC discharge its RM governance and oversight functions.
- Conducting the company's annual enterprise-wide risk assessment and monitoring exercise.
- Acts as the RM Program Management Office (PMO), providing overall RM direction and guidance across all RM Functions within the second line of defense in RM to ensure that said functions are able to effectively and efficiently manage the company's risks, is integrated into the company's strategic and business objectives, and complements the overall ecosystem of RM capabilities and functions.
- Developing, implementing, and improving risk culture building programs and activities, as well as supporting similar programs led by various RM functions within the company, that drive and embed the right RM disciplines and risk taking behaviors/attitudes across the organization.

On a quarterly basis, the Board, through the BROSC, is apprised of the company's critical risks, control issues and key mitigation plans by the CRO and ERM team. Insights on the following are provided:

- Risk management processes are working as intended;
- Risk measures and mitigation plans are reported and continuously reviewed by risk owners for effectiveness; and
- Established risk policies and procedures are being complied with.

The CRO and ERM team can schedule executive sessions outside the scheduled BROSC meetings with the BROSC Chairwoman on an as-needed basis to discuss new or emerging risks, as well as critical risk updates that need immediate attention.

To ensure that the competencies of the ERM team remain up-to-date, all ERM team members are trained in the ISO 31000:2018 standard and are holders of certifications related to RM. The team also actively participates in various training programs, summits, and professional organization events related to RM throughout the year.

Internal Audit

The Internal Audit Group (IAG) provides independent assurance on the effectiveness of RM systems and processes. Internal Audit's examinations cover a regular evaluation of adequacy and effectiveness of RM and control processes encompassing the company's governance, operations, information systems, reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules and regulations.

RM Functions and Risk Owners

Risk Owners and RM Functions (first and second line of defense in RM respectively) are primarily responsible and accountable for the effective management of the risk(s) assigned by management and/or identified within their area(s) of responsibility. Their responsibilities and accountabilities include, but not limited to:

- Understanding the risk/s and determining its drivers
- Implement Risk Management Practices and Capabilities (RMP&Cs) that operationalizes set RM strategies to effectively mitigate and manage risks.
- Monitoring and reviewing the level of risk exposures and continuing relevance of RM strategies and risk mitigation plans.
- Providing timely updates on the status of RM information and activities to concerned stakeholders.

In addition, specific responsibilities and accountabilities for RM functions include, but not limited to:

- Planning for and executing appropriate RM strategies, including the adoption of the necessary RM framework/s, standard/s, and policy/ies.
- Design, develop, and continuously improve Risk Management Practices and Capabilities (RMP&Cs).
- Securing required resources needed to enable RMP&Cs.

Risk Management Approach

Globe Telecom's overall RM framework and policy is anchored on the ISO 31000:2018 framework for Risk Management. Given the complexities of the telecommunications sector, Globe is inherently exposed to a diverse set of risks from both internal and external factors. To ensure that these sets of risks are effectively and efficiently managed, Globe adopts a decentralized, 3-lines-of-defense model approach to effectively manage its risks.

- Risk Owners, having firsthand experience and expertise in managing risks on a daily basis, are given primary responsibility and accountability to address risks, including the adoption of one or more specialized frameworks and best practices that enable sound RM practices. Risk owners report timely updates on its risks and emerging threats to management.
- The CRO, enabled by the ERM, provides oversight of critical enterprise-wide, and operational risks to ensure that the individual RM practices of risk owners are designed in accordance with the overall RM framework and policy, and managed appropriately in accordance with the company's set risk appetites and tolerance levels.
- The Chief Audit Executive (CAE), enabled by the Internal Audit team, provides independent assurance that the RM policies and practices are both designed effectively and operating as intended.

Both the CRO and CAE report to the board via the Board Risk Oversight and Sustainability Committee (BROSC) and Audit and Related Party Transactions (ARC) committees, respectively. Through the BROSC and ARC, in conjunction with other board sub-committees, the board discharges and maintains its oversight role on the company's risks.

To ensure that our RM approach remains effective, efficient, and relevant, the ERM continues to iterate and improve upon the company's RM policies and ways of working throughout the year. In 2021, the team embarked on the process of adopting the COSO ERM Framework to improve its overall RM approach, as well as integrating specific requirements of the TCFD Framework to further strengthen Environmental (including Climate related risks and opportunities), Social, and Governance (ESG) risk oversight and improve overall program efficiency.

Risk Management Process

Globe's RM cycle starts with an enterprise-wide assessment of risks is performed by the Management Team as part of the annual planning and budgeting process. This process starts with the identification of key risks that threaten the achievement of Globe's business and strategic objectives at the corporate and business unit level. These risks are then identified, analyzed, evaluated to identify the company's top risks for the next fiscal year. These risks are approved up to the BROSC level, and are assigned to the appropriate risk owner/s for the development of plans to manage said risks.

To ensure effective risk oversight and governance over the company's risks, Globe through the CRO and ERM has institutionalized a process to monitor the status of risks through monitoring key risk indicators, key performance indicators, status of mitigation plans, and identification of any emerging risks. On a periodic basis, the ERM, together with the risk owners, provide reports on the status of said risks to the CRO, management, and to the board via the BROSC and other board committees. A summary of the risk topics discussed throughout the year can be found in the BROSC report to the BOD.

At the operational level, risk owners ensure that the established strategies and mitigation plans to address the risks are continuously developed, updated, improved, and reviewed for effectivenessthroughout the year as part of their BAU activities. The examinations performed by internal audit over internal controls, which include the review of established risk mitigation plans, provide independent assurance that said plans are in place.

Throughout the year, management through the various RM functions including ERM, also conducts various coordinated, end-to-end risk assessment studies on identified critical risk areas and emerging risks. Management believes that these studies are essential for a strong RM process as it reinforces the lines of defense while providing relevant insights both decision making and the management of Globe's top enterprise-wide risks. When necessary, the company seeks external technical support from 3rd party experts to aid management and the board in the performance of their RM duties and responsibilities.

Fostering the Right Risk Culture

Globe believes that fostering a culture of risk awareness and intelligence across the organization is essential in embedding and ensuring consistent application of sound RM practices in every decision point by every ka-Globe.

The ERM partners with various risk owners to ensure that RM advocacies are effectively cascaded to every employee through various culture building activities. Learning sessions, summits, and information drives are organized throughout the year by risk owners. These activities provide every ka-Globe with opportunities to understand the latest technologies, solutions, and trends in various fields, and learn about the risks, both at present and in the future and how they are effectively managed.

Risk and Sustainability

Given the accelerated pace of change in the business landscape brought about by business disruptions, global megatrends, and changes in stakeholder mindsets, Globe's management looks into various Environmental (which include climate-related risks and opportunities), Social, and Governance (ESG)-linked risks and how these interact with the company's principal risks. Globe has started integrating specific requirements of the Task Force on Climate-related Financial Disclosures (TCFD) Framework into its RM programs to further strengthen the climate-related risk oversight function of the BROSC. This was done through a climate-scenario analysis to contextualize the company's short-term, medium-term, and long-term climate-related risks (Physical and Transition) and opportunities as an input for financial and strategic decision-making. Globe also supports the Ayala vision of integrating RM and Sustainability practices as the way forward towards long-term sustainable business growth.

The ERM team, together with our Sustainability team, continue to work towards synergizing both practices to ensure that the company's ESG-linked risks are appropriately managed and in line with the company's sustainability commitments. Synergies include:

- Semi-annual reporting on ESG-linked risks and its management by the sustainability team to the BROSC;
- Integration of Sustainability-linked risks into the company's annual enterprise-level risk assessment exercise;
- Fulfilling sustainability disclosure requirements, as it relates to RM.
- Working towards the adoption of, and transition to, the requirements outlined in IFRS S1 and S2.

Risk and Property Management (RPM)

ERM is part of the RPM organization under Finance. RPM brings together several RM programs that espouses the right risk management practices and cultures across the company. other RM programs alongside ERM in RPM include:

<u>Integrated Management Systems (IMS) Program</u>
The IMS program is a collective effort between a cross-functional team within RPM that is responsible for the design, implementation, review, continuous improvement, and certification of the following ISO certified management systems:

- *ISO 22301: Business Continuity Management*
  The program aims to achieve a constant state of readiness to respond to disruptions through proactive and responsive teams, effective and efficient processes, and a resilient network, ensuring continued delivery of critical products and services.
- *ISO 14001: Environmental Management*
  The program aims to ensure that the company's environmental impact is at a minimum, as a result of effective and efficient use of resources, pollution prevention, and waste management programs.
- *ISO 45001: Occupational Health and Safety*
  The program aims to achieve a workplace with prime consideration for the safety and well-being of its employees, partners, and the public.
- *ISO 50001: Energy Management System*
  The program aims to continuously improve the company's energy consumption and efficiency, either through energy consumption reduction and/or increasing the use of renewable energy solutions.

In addition, the same cross-functional team is responsible for the following:

- Works with risk owners to ensure compliance with the requirements of various government and regulatory bodies as it relates to the management systems under its scope. These include National Disaster Risk Reduction and Management Council (NDRRMC), Department of Labor and Employment (DOLE), Department of Health (DOH), the Department of Environment and Natural Resources (DENR), National Telecommunications Commission (NTC), among others.
- The development, implementation, activation, and continuous improvement of the company's disaster response and recovery frameworks. This includes operationalizing the company's disaster response capabilities to enable rapid, coordinated response towards various natural and man-made disasters.

Corporate Insurance Program

RPM is also responsible for the design, implementation, and continuous improvement of the company's corporate insurance program, ensuring that the company has sufficient and appropriate risk transfer solutions in place across various types of risk.

Globe Principal Risks

The achievement of Globe's key business objectives can be affected by a wide array of internal and external risk factors. Some of these risk factors are universal while some are unique to the telecommunications industry. The risks vary widely in occurrence and severity, some of which are beyond the company's control. There may also be risks that are either presently unknown or not currently assessed as significant, which may later prove to be material.

Globe aims to manage these exposures through developing appropriate RM strategies, establishing strong internal controls and capabilities, risk transfer methodologies (e.g., insurance covers) and close monitoring of risks (including emerging risks) and mitigation plans. This section outlines the various principal risks that impact Globe, listed in no particular order of significance:

Political and Socio-Economic Risks (External)

Globe's growth and financial health is influenced by the nation's political and socio-economic structures and conditions. The uncertainties in the political, geopolitical and social environment may have an adverse impact on the Philippine economy which in turn directly impacts the company's business, financial condition or results of operations, including the ability to sustain and enhance the growth of its customer base, improve its revenue base and implement its business strategies.

Globe is also susceptible to regional and geo-political shifts, as Globe relies on foreign vendors for telecommunications equipment/hardware, IT software and services including cloud-based services, handsets, among others. Key areas of concern include, but not limited to:

- International and regional conflicts, trade wars resulting in higher costs;
- Protectionism and deglobalization leading to supply chain disruptions;
- Threats to national security, such as terrorism, nation sponsored cyberattacks; and pandemics, among others, resulting in business disruptions.

Mitigation:

- A regular environmental scanning exercise is performed to ensure the identification of any uncertainties arising from global and local political and socio-economic factors;
- Create fall-back policies in cases of supply chain disruptions due to international trade ban and territorial lockdown;
- Maintaining a healthy relationship with various government sectors including dialog with regulators and legislators; and
- Strengthening the tie-ups with government programs and initiatives.

Regulatory Risk (External)

Globe is regulated by the National Telecommunications Commission (NTC), an attached agency of the Department of Information and Communications Technology (DICT), for its telecommunications business, and by the Securities and Exchange Commission (SEC) for other aspects of the business as well as the Philippine Stock Exchange (PSE) as one of its capital market regulators, to name a few. On the other hand, the Philippine Competition Commission (PCC) has oversight on the company's mergers,

acquisitions, and other similar transactions as it is tasked to effectively level the playing field among businesses and penalize anti-competitive agreements and abuse of market dominance.

Globe is also working with the government in implementing key laws and regulations that affect the telecommunications industry. These include, but not limited to:

- Continuous improvements on the country's telecom network;
- Sharing of network/facilities across operators;
- Number portability;
- Regulations on service pricing and tariffs;
- Spectrum reallocations by regulators;
- National roaming capabilities; and
- Sustainability-linked laws and regulations impacting the telecom sector

Globe is closely monitoring the developments in relation to laws and regulations and has taken the necessary steps to ensure compliance. Compliance to new laws or regulations may significantly affect the company's operations and increase compliance costs. Globe maintains strong lines of communication with our government partners both local and national levels and remains supportive and compliant with regulations set by the government.

Mitigation:

- Maintain strong lines of communication with the government at the local and national levels, ensuring compliance with regulations set by the government;
- Partner with the government in improving communities and contributing to nation building;
- Quarterly reporting to the Board of Directors on the updates from upcoming laws and regulations and the current implementation status of new laws and regulations; and
- Enhance compliance effectiveness of Globe by/through:
    - Proactive internal compliance assessments;
    - Enhancing internal controls on processes impacted by specific laws and regulations;
    - Training the required staff and management on new laws and regulations; and
    - Programs that will establish and enhance the culture of compliance.

<u>Competition Risk (External)</u>

a) Traditional Competition (External)

Competition remains intense in the Philippine telecommunications industry amidst a mature mobile market and high growth data business, as new and incumbent competitors seek to increase market share with aggressive offerings. These factors are seen to further heighten the competitive dynamics amidst a mature mobile market.

Mitigation:

- Assert Globe's market position through the offering of personalized plans and launching of innovative products and services that are relevant and responsive to the need of the customers, focusing on superior customer experience;
- Continuously invest, build, and improve the Globe network to deliver superior network experience to customers;Launch programs that aim to maintain high value customers and improve customer loyalty for both consumer and business segments; and
- Leverage synergies within the Globe group to deliver superior customer service.

b) Substitute and Alternative Competition (External)

The competitiveness of the industry is further underscored by alternatives such as instant messaging, social network services and voice over internet protocol (VOIP). These alternatives are also driven by the proliferation of affordable smartphones and internet-capable mobile devices. The entry of Satellite Internet providers, using the Low Earth Orbit (LEO) technology, also poses a threat in disrupting the Telecom sector as a whole, with their promise of a high-speed broadband internet service available to areas unserved by local internet providers.

As customers move towards an "everything on demand" lifestyle, there is an increased demand for telecom operators to be more than just service providers, opening the door for companies to offer content, media, and other services bundled with internet services at competitive prices as substitute products and services as compared with traditional telecom data services.

As new technology and innovations emerge, such as Artificial Intelligence (AI), Smart Cities, exploration towards Satellite Internet Access, among others, potential new substitutes and alternatives to existing telecom services may arise in the future that can impact the company's growth and sustainability should it fail to respond well.

Mitigation:

- Partner with leading providers of content, mobile messaging, social media and other popular applications in order to provide products and services that anticipate and cater to shifting customer preferences;
- Enable swift responses to new market developments and customer preferences by implementing an agile organization and open technologies;
- Develop innovative services with new business and pricing models that will cater to the changing needs of the customers, as well as adopt new technologies that improve overall service delivery; and
- Develop a monitoring program that will identify key changes and developments in market environment, supply chain management, technological advancements and customer preferences.

Talent and Succession Risks (Internal)

Globe believes that its greatest asset is its people, thus ensuring that the company is able to acquire and retain competent, purpose-driven, and future-thinking talents is crucial to the company's continued success. Succession planning is also a critical area in order to build a Globe that lasts, developing the next generation of leaders ensures that there will always be people who can, and will, lead Globe into the future.

Increasing need for specialized talent that is in short supply, the threat of talent poaching both from competition and other industries that aim to acquire talents with telecom exposure, the allure of working abroad versus working locally due to better compensation, opportunities, and alternative working arrangements (e.g., full work from home, rise of digital nomads, etc.) are the key risks that Globe faces in securing talent. On the other hand, the lack of ready-now talents for key leadership positions, as well as the inability to provide the right work environment, office culture, and development opportunities where high potential talents can thrive and develop into the next generation of leaders and where the entire people of the organization remains engaged and productive, are the key risks that Globe faces in retaining and developing talent.

Mitigation:

- Development of robust talent succession development program that identifies high potential talents and ensure a healthy supply of ready-now talents to key leadership positions;
- Implementation of various people engagement and development programs and activities that boost employee morale, including programs that promote workplace psychological safety and fostering purpose-driven mindset to all Globe employees;Robust internal training programs for continuous learning and development, including specialized courses that upskill the workforce to new technologies and disciplines that would otherwise be not readily available on traditional learning channels;
- Strategic partnerships with universities and academic institutions to harness fresh talents and meet the organization's long-term talent needs and promote internal growth;
- Strict compliance monitoring for accredited third-party vendor partners on pertinent labor laws and regulations; and
- Implementing measures to secure employee health and wellbeing, including mental health.

Financial Risks (External/Internal)

a) Foreign Exchange Risk (External)

Globe's revenues are predominantly denominated in Philippine Pesos, while some investment initiatives (ex. capex) and certain expenses, including debt obligations, are denominated in other currencies (principally U.S. dollars). Foreign exchange risks are managed such that foreign currency flows from operations (transaction exposures) are balanced or offset by the net foreign currency position (translation exposures). Transactional exposures are comprised of foreign currency linked revenues and expenses. Globe's foreign exchange translation exposures result primarily from movements of the Philippine Peso against foreign currency-denominated financial assets, liabilities and certain U.S. dollar-denominated assets.

There are no assurances that declines in the value of the Peso will not occur in the future or that the availability of foreign exchange will not be limited. Recurrence of these conditions may adversely affect the company's financial condition and results of operations.

Mitigation:

- Regular monitoring and review of foreign currency exposures to ensure Globe remains within policy;
- Assessing foreign exchange risk through sensitivity analysis to estimate the impact of foreign currency movements on the Profit & Loss (P&L);
- Entering into appropriate hedging instruments, including foreign currency forwards, cross-currency swaps, and principal-only swaps, to manage transaction and translation exposures, including foreign exchange risk on principal repayments of foreign currency debt (USD and JPY).

b) Interest Rate Risk (External)

Globe is exposed to financial risks arising from fluctuations in interest rates on its debt obligations. Interest rates are influenced by many factors, including monetary policies and domestic and international economic and political conditions. An increase in interest rates may increase Globe's financial expenses. Globe seeks to manage its interest rate risk by using a mix of fixed and variable rate debt that is meant to achieve a balance between cost and volatility. There are no assurances that any of the strategies implemented by Globe to manage its debt profile will be successful and any failure to manage interest rate risk could adversely affect the company's financial condition and results.

Mitigation:

- Assessing interest rate risk exposures through sensitivity analysis to estimate the impact of interest rate movemnets on the P&L;
- Setting a target level of fixed and variable debt mix; and
- Entering into appropriate heging instruments; including interest rate swaps to reduce volatility related to interest rate movements.

c) Liquidity Risk (Internal)

The telecommunications industry is capital intensive. The pace at which new technologies are developed is rapid, and companies operating in the telecommunications industry need to keep up with these changes in order to remain competitive. This requires constant investment in updating technologies and corresponding funding needs. Globe has made, and intends to continue to make, capital investments to develop, launch and enhance its service offerings. These ongoing investments increase Globe's liquidity requirements and funding needs, requiring adequate operating cash flows and access to financing to support capital expenditures and debt refinancing.

Mitigation:

- Regularly evaluate projected and actual cash flows and continuously assess financial markets conditions to identify and pursue funding opportunities;
- Strengthen capital expenditure (CAPEX) planning through a data-driven decision making process;
- Maintain stable access to the bank financing and capital market by maintaining disciplined capital structure management, diversified funding sources, and adequate liquidity buffers; and
- Maintain strong and diversified relationships with partner banks and other creditors to support funding flexibility and reliable access to financing.

<u>Information and Communications Technology Risk (Internal)</u>

The transformation of Globe's product portfolio from traditional telecom services to a data driven ecosystem of product and service offerings is enabled by the right systems and technologies. Mobile data applications and the rising popularity of smartphones, social media platforms as enabled by mobile and connected devices continue to drive the exponential surge in data traffic. Consequently, this leads to a clamor for fast, reliable, yet affordable data services. In response, Globe's Network infrastructure and Information Technology platforms and systems undergo constant change and improvement to remain robust and anticipate and meet future demands. This ensures improved network quality, enhanced customer service and experience, optimized total cost of ownership.

Globe considers the following factors as its key risks in this area:

- Anticipating and selecting the right mix of technologies to adopt and implement;
- Constant change and improvement leading to disruption of customer service and experience;
- Technology ecosystems not working harmoniously with one another ;
- Continuous upgrade and change-out of legacy/outdated platforms;
- Total cost of ownership and operation are not optimized; and
- The right technologies are not implemented at the right place at the right time.

Mitigation:

- Continuous environmental scanning for the latest innovations and trends in telecom technologies, devices, and gadgets to determine the right information and communication technologies needed to both support new products and services, and for future-proofing both from a technology and cost to maintain and operate perspective;
- Adoption of best practice frameworks and standards to ensure that Network and IT transformation programs meet global standards in execution, efficiency, and security; and
- Institutionalize appropriate program governance organizations with Management oversight to ensure that key Network and IT transformation programs are on track, its risks managed, integrates harmoniously with the overall technology ecosystem, and does not result in unintended disruptions that negatively impact customer experience.

Business Disruptions (External/Internal)

The quality and continued delivery of Globe's services are highly dependent on Globe's network/IT infrastructure and a well-functioning work force, which are vulnerable to threats caused by extreme weather disturbances, natural calamities, fire, acts of terrorism, intentional damage, malicious acts, pandemic and other similar events which could negatively impact the attainment of revenue targets and the company's reputation.

Mitigation:

- Enhance Globe's incident and crisis management plans and capabilities and incorporate disaster risk reduction and response objectives in the company's business continuity planning;
- Regular exercising of established plans to ensure that they stay relevant and effective, updating the plans as needed; and
- Continuous partnerships with local and national government, as well as non-government organizations, in responding to natural and man-made crises.

Cybersecurity Risk (External/Internal)

The cybersecurity landscape is rapidly evolving and users are heavily relying on digitized information and sharing vast amounts of data across complex and inherently vulnerable networks. As Globe continues to introduce personalized products and services and customized transactions to its customers, it stores personal information through product and service preferences and transaction history. This exposes Globe to various forms of cyberattacks which could result in disruption of business operations, damage to reputation, legal and regulatory fines and customer claims.

New technologies and systems being installed in the name of advanced capabilities and processing efficiencies may introduce new risks which could outpace the organization's ability to properly identify, assess and address such risks. Further, new business models that rely heavily on global digitization, use of cloud, big data, mobile and social media expose the organization to even more cyberattacks.

Mitigation:

- Strengthening and enhancement of Globe's existing security detection, vulnerability and patch management, configuration management, identity access management, event monitoring, data loss prevention and network/end-user perimeter capabilities to ensure that cyber threats are effectively managed;
- Implementing programs that enhance information security awareness among the organization;
- Conducting information security reviews on outsourced processes and systems from Globe's third party suppliers; and
- Educating the youth to better understand the impact of their online behavior so they can be responsible digital citizens, thereby lessening cyber threats to Globe.

Data Privacy (External/Internal)
In the course of regular business, Globe acquires personal information of its customers and retains the same either electronically or via hard copies. Existing laws require that information, especially customer information, must be adequately protected against unauthorized access and or/disclosure. The risk of data leakage is high with the level of empowerment granted to in-house and outsourced employees handling sales and after sales support transactions to enable the efficient discharge of their functions.

A Chief Information Security Officer (CISO) ensures the adequacy of information/cybersecurity capabilities and controls. On the other hand, a Data Protection Officer manages programs and initiatives to address the risks relating to the confidentiality and integrity of customer information while ensuring compliance with the Data Privacy Act of 2012 (Republic Act 10173).

Mitigation:
- Promote employee awareness on data protection and loss prevention through regular corporate communication channels;
- Enforce employee accountability on maintaining confidentiality of data handled, including disclosures and information shared in various social media platforms;
- Strengthen controls over processes that require handling of customers' personal information and existing security capabilities to prevent compromise of customer data; and
- Conduct regular compliance reviews of third party suppliers handling customer information to Data Privacy Act of 2012 (Republic Act 10173).

Digital Transformation Risk (Internal)
In the age of Digital, Globe strives to be an agile organization – in the technologies it uses, in its day-to-day processes, and in its people and how the company is organized, to keep up with the needs and demands of its customers. Failure to drive the entire organization to quickly adapt to new ways of working, to new technologies that reduce complexity and increase efficiency, and make the right shift in skills and competencies necessary for Globe to lead in the digital space and forge into adjacent spaces, may lead to missed business opportunities, ineffective and bureaucratic processes and systems, and inefficient use of limited resources.

Mitigation:
- Implement cultural change programs and adoption of new ways of working, focusing on customer centricity, innovation, and agile;
- Opportunistic hiring of talents required for innovation and new investment areas; and
- Build the right leadership structures and systems that will support an agile, future-ready, and customer centric organization.

Reputation and Customer Experience Risk (External)
Globe is recognized as one of the Philippines' top companies providing innovative and superior products and services, creating wonderful experiences and constantly striving to delight its customers at every corner. Globe is also recognized as a company that commits its purpose of creating a Globe of Good by helping build a Digital Nation, caring for the Environment, as well as treating people right and leaving a Positive Societal Impact to the nation.

These promises and commitments expose the company to reputational risks. Damage to Globe's reputation and erosion of brand equity could also be triggered by several factors such as the inability to swiftly and adequately handle customer complaints, negative social media sentiments, adverse public perceptions, failure to deliver on customer promises, inability to understand customer preferences and overall service experience, among others.

Mitigation:
- Frequent reviews of existing processes influenced by customers to identify and address existing gaps, minimizing exposure from risk areas;
- Train front line staff to enhance customer handling and dispute resolution;
- Implement comprehensive programs that farm customer feedbacks effectively and analyze them to create customer centric strategies; and
- Closely monitor customer online sentiments to immediately address customer issues before it surfaces to mainstream online platforms.

Revenue Leakage Risk (Internal)
The telecommunications industry is inherently vulnerable to revenue leakage, with the continuing innovations in Telecom Technologies, Network and IT systems and the multitude of its service/bundle/plan offerings accompanying such advancements. The pace at which new offers are launched in the market and the speed of technological innovations being adopted by Globe, coupled with the ongoing Network and IT transformation programs heightens the need to identify and plug revenue leakages becomes an even more important capability in maximizing revenues and returns.

Mitigation:
- Identify and embed appropriate revenue assurance controls into new products and services;
- Ensure solid internal controls on existing revenue-impacting processes through periodic controls review exercises, controls discovery and review of critical processes; and
- Implement a revenue assurance tool that would increase efficiency in its operations through automated execution of controls.

Fraud (Internal/External)
Globe runs the risk of falling victim to fraud perpetrated by unscrupulous persons or syndicates either to avail of "free" services, to take advantage of device offers or defraud Globe's customers. With the increased complexity of technologies, network elements and IT infrastructure, new types of fraud that are more difficult to detect or combat could also arise. This risk also involves irregularities in transactions or activities executed by employees for personal gain.

Mitigation:
- Institutionalize processes and build capabilities that enable the early detection, investigation, resolution and enforcement of sanctions and legal options, close monitoring and timely reporting of various instances of fraudulent activities;
- Increase organizational awareness of fraud policies and its consequences through regular communication channels of the company. The company promotes a positive work environment through clear organizational structure, written policies and fair employment practices, effectively preventing employee fraud and theft;
- Strengthen internal controls on processes with high vulnerability on fraud risks;
- Implement various programs to equip its customers with the right information so that they do not fall victim to fraudsters; and
- Closely coordinates with law enforcement agencies to help protect its customers from activities meant to defraud them.

3rd Party Risk (External)
In an increasingly globalized and interconnected world, Globe seeks out various 3rd party providers who play significant roles in delivering superior products and services, managing total cost to operate to remain competitive. Globe banks on the partners' industry expertise and wealth of experience to extend the reach and expand the capabilities of the company. Currently, Globe engages 3rd party partners across key aspects of the company's operations - from supply chain and procurement, managed services, billing and collection, facilities management and security, call center services, store operations, among others.

As a result, these partners indirectly carry the Globe brand. Thus, this exposes the company to 3rd party risks on business continuity, cybersecurity, legal and regulatory compliance, supply chain management, and responsible business operations, to name a few.

Mitigation:
- Implementation of strict vendor accreditation, selection/award and retention process. Vendors are also closely monitored for compliance with agreed-upon quality and service level standards as a means for retention, and imposition of rewards and penalties;
- Vendor trainings and indoctrination on Globe's processes, policies, quality standards and targets;
- Conduct 3rd party partner audits on key standards and best practices such as business continuity management, information security management system, environmental compliance, among others; and
- Identification of alternative suppliers for key network components, devices, services, etc.

Environmental, Social, and Governance (ESG)-linked Risks (Internal/External)
Globe conducts a materiality study every two years to determine sustainability-linked or ESG-linked risks. These risks can cause not just financial and reputational damage but also negative impacts to the environment and society if left unguarded. Globe's stakeholders are interested to know its ability to effectively mitigate said risks - Investors and creditors in particular are looking into how companies address ESG-linked risks as part of their investment decisions. Customers are increasingly becoming aware of issues concerning ESG, and have been seen to give less preference to companies that do not incorporate sustainable practices into their businesses. Governments and regulators around the world, including here in the Philippines, have also begun setting up regulations that will require companies to report on ESG-linked risks as part of ensuring good corporate governance practices. ESG-linked risks include, but are not limited to:

a) Environmental Risks – responsible use of natural resources, biodiversity conservation, responsible handling and disposal of waste, management and control of pollution, reduction of carbon and resource consumption footprint, assessment of vulnerability to climate-related risk and opportunities, adoption of green technologies and other opportunities.
b) Social Risks – human rights, adherence to labor standards, equal opportunities, employee health, safety, and welfare, transparency and accountability over products and services, privacy and data security, unfair and unethical sourcing of resources and labor, and delivering positive impact to the communities served.
c) Governance Risks – responsible business operations, commitment to good corporate governance practices, board management practices, transparency and accountability at the top management level, transparent and responsible reporting of financial and tax information, compliance with prevailing laws and regulations, stand against corruption and unethical business practices.

Mitigation:

- Institutionalize an enterprise-wide sustainability strategy that oversees Globe's programs and initiatives as well as ensure delivery of commitments made to various sustainability targets (e.g., UN SDG commitments, carbon reduction commitments, GSMA commitments, among others);
- Institutionalize capabilities, processes, and frameworks that address one or more ESG-linked risks, which include 3rd party audit and certification of said capabilities wherever possible to ensure that practices are up to international and/or generally accepted standards as well as seek 3rd party consultants' help and expertise to build capabilities whenever applicable;
- Commitments by management towards sustainability frameworks and principles that tackle one or more ESG-linked risks (e.g., UN SDGs, UN Global Compact, TCFD framework adoption, among others);
- Establish board oversight over the management of environmental, social, and governance (ESG) risks;
- Monitor ESG-linked trends to anticipate risks and opportunities;
- Regularly report on progress on sustainability-related targets and initiatives; and
- Regular awareness campaigns and training across the company to continuously build support for and raise appreciation on sustainable practices and how they contribute to the creation of value for the company.

For further details on Globe's financial condition and operations and other information, please refer to its 2025 Financial Reports and SEC17-A which are available on its website www.globe.com.ph.

Ayala Group also conducts business in the areas of automotive/ motors, infrastructure, logistics, healthcare, technology ventures, and education.

AC Industrials

Ayala engages in the industrial technology and automotive businesses through AC Industrials. AC Industrials manages a portfolio of subsidiaries and investments in global manufacturing, emerging technologies and components, and the assembly, distribution and retail of vehicles in the Philippines.

AC Industrials' global manufacturing interests consist of a 52.03% stake in Integrated Microelectronics Inc., a Philippine publicly listed company and ranks among the top 25 EMS service providers in the world.

AC Industrials also houses ACMobility, one of the largest multi-brand vehicle distributor and dealership group in the Philippines which carries the *BYD, Kia, and Isuzu* automobile brands. AC Mobility is also present in the automotive aftermarket space through the Philippine Master Franchise of Bosch Car Service. ACMobility also operates Ayala's EV infrastructure development unit which is responsible for growing the network of electric vehicle charging stations across the Philippines.

AC Industrials has rationalized its portfolio by selling MT Technologies Gmbh and its C-CON subsidiaries and by the cessation of its *Volkswagen* and *Maxus* distribution and dealership, *Honda* dealership, and *KTM* and *Husqvarna* motorcycle distribution, dealership and manufacturing operations.

ACMobility

ACMobility is the umbrella name for a group of companies held under AC Industrials which is active across the Philippine mobility solutions value chain. It is one of the largest mobility groups in the Philippines with investments and operations in automotive distribution and retail, independent aftersales services, and electric mobility infrastructure. From a single-brand automotive dealership business, it has since grown its portfolio to offer a total of five (5) automotive brands, an EV charging infrastructure division, and an automotive aftermarket services unit. The ACMobility Group is organized into several legal entities but in practice operates as a single unit.

In 1990, the Group invested in the national manufacturer and distributor of Honda automobiles, Honda Cars Philippines, Inc ("HCPI"), of which it owns 12.88% in a joint venture with Honda Motors Co. Ltd. of Japan and Rizal Commercial Banking Corporation ("RCBC"). AC Industrials subsequently established the dealer group under Honda Cars Makati, Inc ("HCMI"), which operates the largest Honda dealership network in the Philippines, with twelve outlets. The Group later expanded its automotive holdings with Isuzu Automotive Dealership, Inc ("IADI"), which is also the largest Isuzu dealer group in the Philippines, with eleven dealerships. In addition, AC Industrials has a 15% share in Isuzu Philippines Corporation ("IPC"), the brand's distributor in the Philippines. IPC is a joint venture with Isuzu Motors, Ltd., Mitsubishi Corporation, and RCBC.

In 2013, AC Industrials began its entry into automotive distribution when it was appointed as the Philippine distributor of Volkswagen vehicles. In 2018, AC Industrials further expanded its brand portfolio when it acquired the national distributorships of Kia (through KP Motors Corporation ("KPMC"), a 65% joint venture with Roadworthy Cars, Inc. (RCI), the brand's previous Philippine distributor) and Maxus (through Automobile Central Enterprises, Inc.). In 2024, AC Industrials purchased the 35% stake of RCI. On March 18, 2026, KPMC renewed its distributorship with Kia Corporation until 2028, marking a decade of the partnership. As of the end of 2025, ACMobility managed a network of 79 BYD dealerships and 39 Kia dealerships.

With the reorganization of the automotive businesses of AC Industrials under the ACMobility Group in 2023 including the August 1, 2023 effectivity of the merger among HCMI, IADI, Honda Cars Cebu, Inc., Isuzu Cebu, Inc., Isuzu Benguet Corporation, and Iconic Dealership, Inc. ("IDI"), with IDI as the surviving entity, the ACMobility Group now actively retails its automobile and motorcycle distributor brands through IDI. HCMI and IADI ceased to exist as a result of said merger. As of December 31, 2025, IDI owns and operates 12 Isuzu, 6 BYD, and 3 Kia dealerships.

On August 11, 2023, Ayala and BYD Philippines executed a Distribution Agreement (the "Agreement"), which granted Ayala the right to distribute and sell BYD passenger electric vehicles in the Philippines and appoint dealers for the purpose of selling and maintenance of said electric vehicles. The Agreement with BYD Philippines was renewed on January 22, 2026. Ayala assigned its rights and obligations under the Agreement to ACMobility's subsidiary, Mobility Access Philippines Ventures Inc. ("MAPVI"). As distributor, MAPVI will oversee the sale of BYD's passenger vehicles through a dealer network, drive the expansion of the brand's footprint in the country, and support customers' aftersales requirements through the provision of parts and technical support, both to new buyers as well as existing BYD owners. BYD Co. Ltd. is the largest manufacturer of new energy vehicles globally, selling over 4.6 million plug-in hybrid electric vehicles and battery electric vehicles in 2025. It is also a major manufacturer of electric industrial equipment,

batteries, and solar panels. Listed on both the Hong Kong and Shanghai stock exchanges, BYD is represented in the Philippines by its local subsidiary, BYD Philippines Corp.

On January 22, 2026, ACMobility Premium Dealership, Inc. ("APDI") was appointed by BYD Philippines as one of a few select dealer principals authorized to sell DENZA's premium new energy vehicles in the Philippine market. APDI will operate the DENZA Alabang and DENZA Cebu dealerships.

The ACMobility Group also established its Mobility Infrastructure division in late 2023, which aims to support the adoption of electric vehicles by establishing one of the largest networks of electric vehicle charging stations nationwide, and by rolling out innovative charging solutions which cater to the unique needs of Philippine consumers. This division also includes Greenstrum, Inc., acquired by ACMobility in 2024, which oversees the importation, design, installation, and maintenance of charging stations; and Evro Mobility Solutions, Inc., also acquired in 2024, which builds and operates the EVRO application and e-mobility service provider that allows customers to connect with charging stations and pay for their charging sessions.

As part of its strategy to increase touchpoints with the customer across the automotive ecosystem, the ACMobility Group secured the Philippine Master Franchise of Bosch Car Service on October 18, 2023, its first venture into the independent automotive aftermarket space. Through the Master Franchise, AC Industrials' subsidiary, AC Automotive Business Services Inc. ("AABSI"), obtained the rights to manage, grow, and supply the network of Bosch Car Service outlets across the country. These outlets will be able to provide a wide range of repair and maintenance services to vehicles from all major car brands.

According to the Chamber of Automotive Manufacturers of the Philippines Inc. ("CAMPI") and the Truck Manufacturers Association ("TMA"), the Philippine automotive industry grew 3.7% with over 489,000 vehicles sold. The solid growth was due to a combination of factors including sustained economic growth, more accessible vehicle financing, and an expansion in model offerings from both incumbents and new market entrants.

New energy vehicles ("NEVs"), comprising both battery electric vehicles ("BEVs") and plug-in hybrid electric vehicles ("PHEVs"), are an emergent segment of the industry, — making up 6.5% of total industry sales in 2025 from 1.2% the prior year. The increase was in large part due to improving regulatory support, as the introduction of the Electric Vehicle Industry Development Act ("EVIDA") in 2023 provided strong backing for the nascent space. The legislation includes key enabling mechanisms such as tax incentives for importers and manufacturers of NEVs, mandates for businesses to integrate NEVs into their company fleets, and exemption from the Unified Vehicular Volume Reduction Program for NEV users. This enabling regulatory support is complimented by a growing number of competitively priced models, making NEVs more accessible to a broader customer base.

Aside from NEVs, the Hybrid Electric Vehicle ("HEV") segment also continues to gain popularity in the Philippines. HEVs accounted for 5.3% of vehicle sales in 2025, as incumbent players introduced more models throughout the year. The combined NEV and HEV segments now account for 11.8% of the industry, representing growing consumer demand for the technology.

For the full year 2025, ACMobility saw revenue growth of 83.6%, from ₱29.5 billion in 2024 to ₱54.1 billion in 2025, on the back of strong growth in unit sales. However, the company posted an attributable net loss of ₱847.0 million, an increase from the ₱464.6 million attributable net income booked in 2024, mainly due to costs incurred for the ramp-up of new businesses, foreign exchange impact, exit costs and one-off adjustments.

ACMobility's total wholesale sales reached 42,684 units across its multi-brand portfolio, translating to a year-on-year growth of 81.8%. The performance was driven by distributor brands BYD and Kia, as BYD sold a total of 26,000 units wholesale while Kia sold 7,305 units wholesale. Meanwhile, the dealerships group recorded sales of 14,435 units as it focused on defending share in the network. At the end of 2025, ACMobility had a consolidated market share of 9.0%, and an estimated 82.3% share of the NEV market.

The strong volume growth of ACMobility was primarily due to numerous product launches by BYD and Kia. ACMobility launched six new models of passenger vehicles in different segments in 2025: the Kia Sorento Turbo Hybrid, BYD Shark 6 DMO, BYD eMAX 7, BYD Sealion 5 DM-i, BYD Tang DM-i, BYD eMAX 9 DM-

i. These launches enabled ACMobility to gain significant presence across multiple price points in varying product categories across the market.

ACMobility also made significant strides in expanding its EV charging infrastructure network, having installed a total of 287 charging points in 2025. At the end of the year, its charging network was comprised of 459 charge points, 419 of which have been electrified and powered with 346 AC chargers and 73 DC chargers, with a total power capacity of about 7,450 kilowatts. These charging stations are strategically located in malls, offices, hotels, country clubs, condominiums, and parking facilities, most of which are in Ayala Land developments and are increasingly utilizing renewable energy.

Plans are in place to increase the number of charge points to 1,000 by the end of 2026. Additionally, ACMobility has started to pilot innovative solutions such as mobile and on-demand charging services, all with the intention of creating solutions that address customer challenges today. Moreover, ACMobility has received funding by way of a financing package awarded by the Asian Development Bank to Ayala Corporation in the amount of US$100 million, which will be used to accelerate and expand the company's EV charging infrastructure projects and to facilitate the introduction of even more electric mobility options into the Philippine market.

Given the rapid evolution of the automotive industry, ACMobility is consistently reviewing partnerships and opportunities with its various investments in the automotive space. Strategic changes across brands for model line-ups and service facilities may occur on a regular basis, while portfolio management changes may be applied over time in response to new trends.

Cessation of Volkswagen Distribution and Honda Dealership

In July 2025, the Importer and Distributor Contract between Volkswagen AG and Automobile Central Enterprise, Inc. ("ACEI") was terminated. A Temporary Continuation Agreement was signed effective August 1, 2025 for a period of eight weeks to support the wind down of operations.

IDI's Dealership Agreement with HCPI was terminated effective December 31, 2025. IDI continued to operate its network of Honda dealerships until the end of 2025, after which management and dealership operations were transitioned to trusted new dealer principals appointed by HCPI.

Two-Wheel Business

AC Industrials invested in its first motorcycle brand in 2016 when it formed a strategic partnership with Austrian motorcycle group KTM AG, establishing Adventure Cycle Philippines ("ACPI") to distribute KTM motorcycles in the Philippines. In addition, AC Industrials holds a 60% share in KTM Motorcycle Manufacturing, Inc. ("KAMMI"), a joint venture with KTM AG that assembles and manufactures KTM motorcycles in the Philippines to supply both the local and export markets. In 2020, ACPI was also appointed as the Philippine distributor of Swedish motorcycle brand Husqvarna, with KAMMI manufactured selected models at its assembly line in Laguna.

Cessation of KTM and Husqvarna Distribution Business and Cessation of Motorcycle Manufacturing Operations

As part of AC Industrials' portfolio rationalization initiatives, ACPI ceased its operations as Philippines distributor of KTM and Husqvarna motorcycles effective on September 30, 2024. On the same date, IDI, a wholly owned vehicle dealership subsidiary of AC Industrials, ceased selling and servicing KTM and Husqvarna motorcycles.

On January 20, 2026, the Board and shareholders of KAMMI unanimously decided to cease operations effective February 28, 2026.

Enabling Technologies Group

In 2017, AC Industrials started assembling its portfolio of enabling technologies when it acquired a 94.9% stake in Germany-based Misslbeck Technologies, which was subsequently renamed MT Technologies Gmbh. It is a tooling, cubing, and serial production business that primarily produces tools, provides modelling services, and manufactures parts for German automotive original equipment manufacturers

("OEMs"). These capabilities were further strengthened when MT Technologies acquired a 75.1% share in the C-CON entities, a group of four companies based in Germany that provides development, design, manufacturing, and process design services to automotive and aerospace OEMs. C-CON also offers a unique proprietary process for carbon fiber reinforced polymer production.

On August 18, 2023, AC Industrials sold its 92.45% stake in MT Technologies to Germany-based Callista Asset Management 18 GmbH, an affiliate of Callista Private Equity.

AC Industrials also entered the smart energy space after acquiring a 98.96% stake in Merlin Solar Technologies in February 2018. Based in San Jose, California, Merlin holds proprietary grid technology that enables specialty solar panels for unique and demanding applications primarily in transport, marine, roofing and mobile. Merlin Solar Technologies, Inc. manufactures in the Philippines, U.S. and Thailand.

On July 23, 2024, an equity funding round was concluded for Merlin (with the participation of AI North America Inc. (AINA) and new investors) resulting in the dilution of Ayala's combined ACI and AINA indirect stake from 93% to 56%. On February 3, 2025, the final close for the capital raise was completed. This further reduced the effective ownership of Ayala in Merlin to 38.78%.

For further information on AC Mobility, please refer to its website www.acmobility.ph.

Infrastructure

Ayala selectively pursues infrastructure projects in regulated and non-regulated sectors in the Philippines through AC Infra, its 100% owned vehicle for investments in the infrastructure sector.

Euronet Technology Services, Inc.

Joint venture between the Ayala Group and the Nasdaq-listed company, Euronet Worldwide. It plays a strategic role in promoting financial inclusion by providing the physical and digital channels that facilitate transactions of banks and fin techs with their customers and consumers. ETSI provides the ATM outsourcing services to financial institutions and has launched a network of white-label ATMs to serve the cash dispensing and cash-in requirements of banks and e-wallets. ETSI also supports technologies that enable digital payments and other value-added services on its white label ATM network.

Light Rail Manila Corporation

Light Rail Manila Corporation (LRMC) is a joint venture company of AC Infra, Metro Pacific Rail Corporation, and Philippine Investment Alliance for Infrastructure fund. LRMC operates and maintains the existing LRT Line 1 and finished the construction of LRT-1 Cavite Extension Phase 1 which opened last November 2024.

The LRT-1 extension under Phase 1 has five new stations including Redemptorist – Aseana Station, MIA Road Station, PITX Station, Ninoy Aquino Avenue Station, and Dr. Santos (formerly Sucat) Station. These additional stations are part of the 27 kilometers of the rail line's alignment from its previous 20.7 kilometers with only 20 stations. It is expected to significantly improve connectivity to the south area of Metro Manila, easing traffic congestion and providing commuters with a faster and more convenient travel option. It will not only reduce travel time, but will also decongest major thoroughfares in the area by servicing additional 50,000 passengers to LRT-1's daily ridership of ~377,000.

In 2025, LRMC collected ₱391.29 million from the Grantors various payments, including plumbing works, the LRV shortfall, and Structural Deficit Restoration costs, as well as claims to the grantors and free ride reimbursements. On January 29, 2026, LRMC received an additional significant payment, with a total of ₱522.01 million.

AF Payments Inc.

AF Payments Inc. (AFPI) is a consortium (the "AF Consortium") between two of the Philippines' largest conglomerates, the Ayala Group and the First Pacific Group. The AF Consortium brings together companies that have strong track records and experience in operating banking and payments, utilities, retail, telecommunications, and toll road businesses, focused on developing commuting efficiency and improving customer experience.

AFPI provides the beep card, a contactless and electronic payment systems used in various mass transportation systems. The cashless payment system is used to make payments on the LRT lines 1 and 2, the MRT 3, and on partner public utility buses and jeepneys.

In the first quarter of 2024, Mastercard and AFPI announced their execution of the Mastercard-Beep EMV Contactless Acceptance in Transport Partnership, a strategic partnership to enable contactless acceptance of Mastercards in the MRT-3 and buses in the Philippines.

The concession agreement between DOTr and the AF Consortium, which lapsed on December 15, 2025 after its 10-year term, was extended for another two years.

Risk Factors

AC Infra's ability to successfully operate its transport infrastructure business

AC Infra's ability to successfully grow and operate its transport infrastructure business is subject to various risks and uncertainties, including:

a. the need to procure materials, equipment and services at reasonable costs and in a timely manner;
b. reliance on third-party providers and consultants, for those aspects of the business where AC Infra has limited expertise or experience;
c. the possible need to raise additional financing to fund transport infrastructure projects, which AC Infra may be unable to obtain on satisfactory commercial terms or at all;
d. errors or delays in the design, engineering, construction, installation, inspection, commissioning, management or operation of each project;
e. penalties if concession requirements are not satisfied;
f. its ability to secure adequate right-of-way for its railway projects;
g. its ability to complete projects according to budgeted costs and schedules;
h. its ability to reach forecasted traffic figures;
i. its ability to implement increases in tariff/fees; and
j. delays or denials of required approvals, including required concessional and environmental approvals.
k. technological advancements in infrastructure development projects
l. workforce shortage
m. supply chain failure

In addition, exposure to the following risks have been growing in significance alongside AC Infra's expansion into investments outside of traditional transport infrastructure businesses:

a. systems security breach and other potential systems integrity issues that will hamper the businesses from rendering technology-driven solutions to their clients or customers;
b. brand and reputational hits may discourage clients or customers from patronizing services offered;
c. inability to differentiate products or services may lead to losing market share due to increasing competition; and
d. inability to attract and retain talent may hamper the development of value-adding solutions or impede the delivery of services.

Occurrence of any of the foregoing or a failure by AC Infra to successfully operate its transport infrastructure business could have a material adverse effect on its business, financial condition and results of operations.

AC Infra's ability to secure new concessions

AC Infra's plans in relation to the transport infrastructure business contemplate the continued operations and improvement of existing concessions and projects. AC Infra's ability to expand its business in this sector and increase operating profits may be limited as a result of various external events. For example,

concessions for new projects under consideration may be awarded to competing bidders or competition for such concessions may increase the cost of new concessions, thereby reducing returns.

In addition, changes in laws, rules or regulations or government policy, such as unexpected changes in regulatory requirements (including with respect to taxation and tariffs), or additional environmental regulations which may need compliance, could increase the cost of conducting the transport infrastructure business or change the potential return available to AC Infra from the project which could have a material adverse effect on its business, financial condition, results of operations and prospects.

Logistics

AC Logistics was established in September 2021 to serve as Ayala Corporation's dedicated vehicle for investments in the logistics sector. AC Logistics made strategic investments in 2022 to fast-track its aspiration to create an end-to-end logistics platform. Today, AC Logistics through its investment in AIR21 Holdings Inc. (AHI), has a portfolio of companies that provide services that cut across the logistics supply chain including International Freight Forwarding via air and sea, Customs Facilities Warehousing, Nationwide Domestic Freight Forwarding, Cold and Ambient Warehousing and value- added services, and Door-to-Door Express Deliveries.

AC Logistics' strategic shift towards solution-based services is carried out by its management team that collectively has 214 years of experience in the space. On July 1, 2024, Erry Hardianto was appointed as the new chief executive officer of AC Logistics. The team's focus is to grow the businesses through logistics excellence built on customer trust and quality. Amid this transformation are three key initiatives around creating an organization fit for growth, sharpening its product portfolio, and growing with its customers.

While AC Logistics' acquisitions in its first few years were critical in achieving scale, these also created redundancies that hindered growth. It therefore became management's priority to streamline the company at the organizational and operational levels to enable profitability. The initiative led to a deep dive of the AC Logistics' assets and manpower to determine needed right-sizing measures. Among the most significant of these efforts were the transfer of people and assets from Entrego to the AIR21 Group, which led to the eventual closure of the latter early in 2024. These, along with the programs put in place to strengthen people's capabilities, have improved AC Logistics' cost to serve significantly.

Due to streamlining efforts AC Logistics made headway in its own turnaround efforts as net losses in 2025 narrowed to ₱1.9 billion from ₱2.2 billion a year ago. The 15% reduction in losses was despite the discontinuation of the express business, and was driven by cost reduction and asset streamlining initiatives.

An integral part of AC Logistics' strategy is to be deliberate in owning or outsourcing assets and capabilities. This enables the company to be asset light while leveraging partners' and/or vendors' core competencies to work towards providing the best solutions for customers. Among the capabilities nestled in AC Logistics are supply chain solutions, network design, and consulting services. It harnesses partnerships to offer services in cold chain and project cargo, and outsources various assets including in warehousing and transportation. AC Logistics' growth is inherently linked with the success of its customers, making bespoke products vital to its business model. To enable this, AC Logistics is establishing a network of nodes in the country's major catchment areas and is expanding dry and cold footprints. The goal is to have a modal distribution network that can easily adjust to the needs of customers while also creating efficiencies that benefit all parties. By identifying targeted industries, AC Logistics aims be able to build best-in-class solutions and develop industry-specific capabilities.

In December 2024, AC Logistics signed a joint operation agreement with FLS Global, a leading project cargo provider in the region. The partnership aims to service the specialized logistics requirements of the energy and infrastructure sectors, as well as other sectors that require movement of big equipment.

In March 2025, A.P. Moller Capital (APMC) and Ayala Corporation's announced a joint investment in AC Logistics intended to spur further growth and strengthen its service offerings within key segments. The transaction will result in APMC owning a ~40% economic stake in AC Logistics, subject to finalization of pricing and fulfillment of conditions precedent. The partnership positions AC Logistics for success by leveraging APMC's industry expertise and AC's local know-how.

In January 2026, AC Logistics has signed an agreement to acquire a majority stake in Glacier Megafridge, Inc. (GMI), one of the leading players in the Philippine cold storage industry, subject to closing conditions and regulatory approval. The move to acquire GMI is in line with AC Logistics' strategy to transform itself into a comprehensive logistics solutions provider, with the cold chain logistics segment among its key products. Once finalized, the agreement with GMI will provide AC Logistics with a strong platform to develop integrated cold chain services, addressing the significant supply-demand gap in the sector and contributing to efforts to reduce spoilage rates of agricultural products. By strengthening its cold storage capabilities, AC Logistics is poised to deliver customer-focused cold chain solutions that leverage technology, reliability, and responsiveness, creating long-term value for stakeholders and supporting the country's economic development.

Air21 Holdings, Inc. (AHI)

AHI is a portfolio of logistics companies considered among the leading companies in the Philippine logistics industry. The business units under AHI provide international freight forwarding services, customs facilities warehousing services in key regional airports in the country, nationwide domestic freight forwarding and door-to-door express services, and waste management. AC Logistics currently has an 80% controlling stake in AHI following its ₱6.06 billion (US$106 million) acquisition of AHI that closed in August 2022. This acquisition enabled AC Logistics an immediate presence in the end-to-end logistics value chain.

During the 4th quarter of 2023, Entrego Fulfillment Solutions, Inc, a last mile delivery service established under AC Infrastructure Holdings in 2018, was integrated under A-Movement Corporation, a new entity formed under AHI to consolidate and integrate all logistics businesses. The objective of the integration is to eliminate redundancies, optimize asset utilization, and extract efficiencies across the Domestic Freight Forwarding, Warehousing, and Express businesses. The integration has yielded initial positive results with a significant reduction in Q-o-Q losses.

In 2025, streamlining processes bore fruit, resulting in a 15% reduction in net losses, including ₱260 million in savings from productivity improvement.

In 2025, the waste management companies, Integrated Waste Management Inc (IWMI) and Waste and Resource Management Inc. (WARM), were deconsolidated from AHI Group focusing its investment portfolio to logistics services.

GMAC Logitech Refrigeration Corp. (GMAC)

Established in 2021, GMAC is a 51% joint venture between AC Logistics and Glacier Megafridge Inc., respectively. GMAC is AC Logistics' investment vehicle for the expansion into Cold Storage.

Its first newly built facility, GMAC Cagayan De Oro, is a 5,348-pallet cold storage warehouse that began operations in June 2023. The facility achieved 100% utilization within four months from the start of operations and has yielded positive net income contribution in the first quarter of 2024.

GMAC is expanding to its second facility in Panabo City, Davao Del Norte located within the Anflo Industrial Estate and in close proximity to the Davao International Container Terminal. The second facility will be a 11,798-pallet cold storage facility. GMAC Davao is to be completed by March 2026. Once online, it will be the largest and most advanced cold storage facility in the region, serving the agriculture, aquaculture, food processing, retail and manufacturing sectors. Combined with GMAC CDO, this will increase the total cold storage capacity of the GMAC portfolio by 3x to 17,146 pallets. The facility supports the growth of MSMEs and large enterprises by enabling more efficient and modern logistics operations. It forms part of the companies' expanding partnership to broaden cold chain capacity, extend network coverage and enhance service delivery nationwide.

Risk Factors

AC Logistics' ability to successfully grow and operate its logistics business is subject to various risks and uncertainties, including:

- The need to secure adequate funding and manage capital access to meet obligations and pursue growth.
- Delays in collecting receivables from top clients, which could create cash flow gaps.
- Exposure to market fluctuations such as spikes in freight rates or fuel costs.
- Challenges in attracting and retaining talent in a competitive logistics market.
- Lack of clear succession planning for senior leadership and critical functions.
- Reputational damage arising from client dissatisfaction or service failures.
- Errors or delays in operational performance, including KPIs and claims management.
- Gaps in internal compliance processes that could lead to unreported control failures and regulatory penalties.
- Infrastructure maintenance risks that may disrupt service delivery.
- Shifts in Philippine trade policy or taxation that could alter cost structures for freight forwarding and warehousing.
- Failure to anticipate new SEC requirements for equity restructuring or Bureau of Customs import/export regulations.
- Environmental and health, safety, and security (HSS) regulations that may increase compliance costs.
- IT control failures or breaches that may expose confidential client data.
- Failure to achieve outcomes of strategic plans, initiatives, or transformations undermining growth.
- Capacity constraints in warehouse space restricting scalability.
- Political instability and geopolitical uncertainty that may limit growth and profitability.
- Interstate conflicts or cross-border relations affecting airfreight volumes.
- Supply chain disruptions caused by natural disasters such as typhoons.
- Incomplete business continuity planning leaving the company vulnerable to crises.

For further information on AC Logistics, please refer to its website www.aclogistics.com.ph.

Healthcare

AC Health is the Ayala Group's portfolio company for its healthcare investments. It aims to transform health for every Filipino by building, investing, and connecting pharma and provider businesses into an integrated and seamless ecosystem.

AC Health's pharma pillar aims to pioneer innovative pharmaceutical solutions that improve access to quality and affordable medicines. It also seeks to expand retail presence nationwide through a multi-brand retail approach and source more product internally through supply chain integration. It does this through its pharma retail footprint of 780+ Generika Drugstores nationwide and 120+ St. Joseph Drug stores in Northern and Central Luzon. This is complemented by its pharma importation and distribution business through I.E. Medica and MedEthix, which carry 1,170+ Certificates of Product Registration across 18 therapeutic areas.

On the provider side, AC Health differentiates itself from other industry players via an integrated network of hospitals, corporate clinics, and multi-specialty centers. It also continues to deepen and expand its presence in key cities through organic and inorganic expansion. Throughout the Philippines, AC Health oversees the Healthway Medical Network of clinics and hospitals composed of 18 Multi-Specialty Clinics, 300+ Corporate Clinics, an Ambulatory Surgical Center, 6 General Hospitals, and the Healthway Cancer Care Hospital, the first dedicated cancer specialty hospital in the country.

AC Health continues to meet its targets. In 2025, AC Health's revenues grew 36% to ₱12.8 billion. The provider group under Healthway Medical Network saw revenue growth of 71%. Retail pharma was up 7% on higher score count and transaction amount.

AC Health is keen on scaling up organically and inorganically to get closer to touching the lives of 1 in 5 Filipinos by 2030. AC Health will also continue to leverage synergies and collaborate with both public and private sectors to innovate, explore new models, and find better solutions towards improving healthcare for all Filipinos.

Risks Relating to the Group's Healthcare Business

AC Health is an emerging player in the healthcare industry, which continues to be highly fragmented and competitive.

The Ayala Group's entry into healthcare, through AC Health, could not have been more timely. With promising growth in healthcare spending, an encouraging regulatory environment, the clear need for better outcomes throughout the Filipino patient's life cycle, and most recently, a global pandemic that severely challenged the country's healthcare system, the sector is primed for disruption.

With such a dynamic environment, however, comes AC Health's challenges across key areas:

- On managing customer/patient demand: While demand recovers post-COVID, there is a need for health facilities to innovate and adapt to the change in health-seeking behavior for patients with primary, chronic, and preventive care concerns, across its clinics and hospitals.
- On the availability of healthcare professionals: The network remains challenged in attracting and retaining human resources for health, including doctors, nurses, pharmacists and other allied medical professionals. The country's nurse shortage is a massive pain point, as brain drain persists given better working conditions overseas, and as local companies (such as BPOs) promise higher compensation versus that in a health facility.
- On the overall market landscape: AC Health remains steadfast in pursuing its vision for healthcare, despite competing alongside well-established players that have built trusted brands, have a longer operating history, have cost advantages and/or have greater expertise and financial resources. New entrants also pose a risk as they further recognize the opportunities and upside of the Philippine healthcare market.
- On scale and profitability: Given a favorable regulatory environment, it has been opportune for the business to actively push its advocacies on accessible medicines, primary care, and specialty care. However, scaling operations and realizing profitability will require more time and substantial expenditures. While its vision to build an integrated healthcare ecosystem sets it apart from other players in the industry, the Group will need to consistently deliver excellence in the near-term, with limited available resources for investment.

For further information on AC Health, please refer to its website www.achealth.com.ph.

AM 50 Ventures Inc., formerly AC Ventures Holding Corp. (AC Ventures)

AC Ventures was established in 2017 to invest in new sectors, emerging trends and disruptive businesses in the areas of fintech, e-commerce and digital infrastructure that would complement the Ayala Group's existing verticals.

Investment in BF Jade E-Services Philippines, Inc. (BF Jade)

On February 23, 2017, the Ayala Group, through AC, ALI, BPI Capital Corporation (BPI Capital), and Kickstart Ventures, Inc. (Kickstart) entered into an investment agreement to acquire a total ownership stake of 49.0% in BF Jade, the company that owns and operates the online fashion platform Zalora Philippines (Zalora). Global Fashion Group (GFG), a fashion retailer with platforms in Southeast Asia, Australia, New Zealand and Latin America, held the 51.0% ownership stake in BF Jade. BPI Capital and Kickstart are wholly owned subsidiaries of BPI and Globe, respectively.

The transaction was closed on August 31, 2017, on which date AC and ALI transferred their subscription rights to their wholly owned subsidiaries, AC Ventures and Ayala Malls Synergies, Inc. (AMSI), respectively. Subscription payments were made in tranches until October 4, 2018, after which AC Ventures ended with a 43.9% ownership interest in BF Jade for a total investment of ₱1.3 billion.

On April 8, 2020, AC Ventures infused an additional capital of ₱214.8 million into BF Jade, but AMSI, BPI Capital and Kickstart waived their rights to infuse additional capital. As result, AC Ventures' stake in BF Jade increased to 44.6%.

As part of its portfolio rationalization, the Ayala Group sold its entire holdings in BF Jade to GFG on December 5, 2025.

Globe Fintech Innovations, Inc. (Mynt)

AC Ventures' most notable investment is Globe Fintech Innovations, Inc. or Mynt, the operator of GCash, the number one finance super app with the largest digital cashless ecosystem in the Philippines. On September 27, 2017, AC Ventures acquired a 10% stake in Mynt for ₱506 million, equivalent to US$10 million at that time.

On August 1, 2024, AC Ventures entered into a Share Purchase Agreement to acquire an additional 8.5% stake in Mynt from existing shareholders for approximately ₱22.4 billion. The transaction was completed on August 20, 2024, establishing Mynt's post-money valuation at US$4.9 billion.

On October 18, 2024, AC and AC Ventures executed a binding term sheet with Mitsubishi Corporation (MC) to form a 50:50 joint venture investing in consumer-related and digital opportunities in the Philippines, including AC Ventures' 13.2% stake in Mynt. MC will contribute expertise and prospects from its global consumer portfolio to Mynt and the Ayala Group.

After getting the clearance of the PCC, MC invested ₱19.1 billion in AC Ventures on July 31, 2025. Subsequently, on August 4, 2025, AC Ventures redeemed PhP19.0 billion in redeemable preferred shares previously held by AC. Following the completion of these transactions, AC Ventures became a 50:50 joint venture between AC and MC.

Marking the 50th anniversary of AC and MC's partnership, the name of the company was changed from AC Ventures Holding Corp. to AM 50 Ventures Inc. through an amendment of the company's articles of incorporation and by-laws, which was approved by the Securities and Exchange Commission (SEC) on August 29, 2025.

Education

IPO is the holding and management company under House of Investments, Inc. and the Yuchengco Group of Companies (YGC) that drives investments in the education sector. IPO is a publicly listed company in the Philippine Stock Exchange (PSE:IPO).

Its main operating subsidiaries are the Malayan Education System, Inc. (operating under the name of Mapúa University) ("Mapúa University" or "MESI"), National Teachers College (doing business under the name The National Teachers College) ("NTC"), and University of Nueva Caceres ("UNC").

Mapúa University also has three main wholly owned subsidiaries, the Malayan Colleges Laguna, Inc. A Mapúa School ("MMCL"), Malayan High School of Science, Inc. ("MHSS") and Malayan Colleges Mindanao, Inc. A Mapúa School ("MMCM"). MMCM is Mapúa University's newest incorporated school. MMCM opened its doors to senior high school and college students in July 2, 2018.

With the effectivity of the merger between IPO and AC Education, Inc. (AEI), the wholly owned education arm of Ayala Corporation (AC), on May 2, 2019, iPeople, inc. became 48.18% owned by HI and 33.5% owned by AC. The merger brought together the educational group of HI and AC and will enable accelerated growth and provide stronger academic offerings and career prospects for the students. The merger also unlocked synergies among all IPO schools to be able to deliver quality education, aimed not only at educating the Filipino youth but also at preparing their graduates to become major players in sustainable businesses driven by adaptive technology.

On September 6, 2023, the merger between NTC and APEC Schools became effective with NTC as the surviving entity. This merger will mutually strengthen the NTC and APEC Schools brand and will allow the latter to become a feeder school to NTC which will result to increased enrollment.

On October 28, 2025, the merger between NTC and AC College of Enterprise and Technology, Inc. ("ACCET") became effective with NTC as the surviving entity. The merger will allow IPO to utilize ACCET's

6,098 sqm. asset in Altaraza in San Jose Del Monte, Bulacan, while supporting NTC's plan to expand its campus presence. Prospectively, with the continued development of Altaraza, the future appreciation of the property will benefit NTC.

As of December 31, 2025, House of Investments, Inc. and its affiliates together with Ayala Corporation controls 51.3% and 36.3%, respectively, of iPeople, inc.

Risk Factors

IPO is a holding company with no revenue-generating operation of its own. IPO as a holding company with significant involvement in education through its subsidiaries, is exposed to sector-specific risks which may impact reputation, stakeholder confidence, and overall business sustainability. IPO believes that risk management is the responsibility of all stakeholders and underscores the importance of an integrated risk management approach across the IPO Group. As such, risk management is integrated into the businesses' organizational activities and processes, embedded into the regular functions and operational requirements to achieve the corporate goals.

IPO's Board Risk Oversight Committee (BROC) assists its BOD in fulfilling its corporate governance functions on risk management. The BROC is responsible for the oversight of the company's enterprise risk management system. The Chief Risk Officer reports to the BROC developments and matters relevant to risk management. Management, through the company's Risk Management Council, is accountable for managing the associated risks. The management team of the subsidiaries are responsible for managing their respective risk exposures and reports periodically to IPO.

As the risk environment for the IPO Group continues to evolve, IPO periodically reviews and conducts a group-wide risk assessment, monitoring the identified risks to ensure that these are current and regularly taken into account. The following key risks have been identified which may impact the operations, objectives, and long-term value creation of the IPO Group.

Reputational and Stakeholder Risk

The inability of IPO to maintain and failure to protect its reputation may adversely affect its objective of creating and growing its value for its stakeholders. IPO's reputation is closely linked to the performance and image of its education subsidiaries. Negative publicity or poor performance within any subsidiary may damage IPO's overall brand which may impact stakeholder confidence. A reputational setback in one subsidiary can cascade across the IPO Group, affecting its ability to fulfill its growth and value objectives.

Competition and Market Risk

The Philippine and global economic condition may impact the student enrollment in IPO Schools and growth commitments to its stakeholders. The education landscape remains highly competitive, the improvements in the public and private education and the evolving trends require IPO and its subsidiaries to continuously innovate and adapt to maintain competitiveness and enrollment growth. IPO's lack of direct revenue-generating activities renders it dependent on subsidiary performance and vulnerable to broader economic trends.

Compliance and Regulatory Risk

IPO's business may be impacted by changes in laws and policies or the introduction of new laws or regulations which may affect its business operations and financial results. The education subsidiaries are subject to a range of legal and regulatory requirements like accreditation, licensing, environmental and other relevant local and national regulations. Failure to adapt to education-sector regulations or non-compliance may result in fines, legal action, reputational damage, and even the loss of accreditation or operating licenses.

Operational and Cybersecurity Risk

The inefficiencies and/or failure of internal processes and/or systems, non-compliance with policies and regulatory requirements, human errors in the conduct of the IPO's daily activities may result in financial losses. Disruptions in operations not only affect service delivery but can impact stakeholder trust and legal compliance. Increasing reliance on digital infrastructure exposes the group to additional risks.

Cybersecurity threats and data breaches in student data, learning management systems, or infrastructure could lead to security incidents.

Technology Risk
IPO's business may be impacted by technological innovations and/or changes which may affect its operations, competitiveness, and financial results. The education industry is rapidly evolving, and technology is playing an increasingly important role in teaching and learning, which may significantly alter the way business operate. Dependence on technology for teaching, learning, and other administrative tasks exposes the Company to technological disruptions or online services. Inability to adapt to AI-driven educational and administrative transformations may place subsidiaries at a competitive disadvantage.

ESG and Sustainability Risk
The failure to address and manage the environmental, social, and governance concerns of the subsidiaries may impact IPO's reputation, financial performance, or result in regulatory fines. Climate change may affect school infrastructure and disrupt operations.

For further information on iPeople, please refer to its 2025 Financial Reports and SEC 17-A which are available on its website www.ipeople.com.ph.

Retail

ACX Holdings Corporation (ACX) is the holding company of the Ayala Group's interests in consumer retail, aiming to bring greater value to the Filipino consumer and capture a larger share of the consumer wallet. To accelerate this ambition, ACX partnered with globally recognized operators with strong domain expertise. In 2024, ACX teamed up with Wesfarmers Australia's Kmart Group to introduce Anko, a lifestyle and value retail brand, to the Philippine market. In 2025, ACX expanded further by partnering with Thailand's CP Group and Dubai's Al Seer Group to bring in Makro and Spinneys, respectively. The re-entry of the Makro-brand supermarket will bring into the Ayala Group a large format food retail, wholesale, and e-commerce business while Spinneys will offer fresh food, curated groceries, and premium retail experiences.

These strategic partnerships position ACX to establish a meaningful presence across the food retail, wholesale, and premium grocery segments, strengthening Ayala's broader consumer ecosystem.

Item 2. Properties

Ayala Corporation

In April 2021, Ayala Corporation entered into a Contract of Lease with Ayala Land, Inc. for the lease of three (3) floors at the Ayala Triangle Gardens Tower Two located at the corner of Paseo de Roxas and Makati Avenue, Makati City to serve as the corporate headquarters of the Parent Company.

Other properties of the Parent Company include various provincial lots totaling about 792.02 hectares and lots located in Metro Manila totaling about 2.75 hectares. The Parent Company leases out some of its Metro Manila lots for ACMobility dealerships. The Parent Company is compliant with conditions, restrictions, and covenants related to its properties.

ALI

The following table provides summary information on ALI's land bank as of December 31, 2025. Properties included are either wholly-owned or part of a joint venture and free of lien unless noted.

In Estates	Hectares	Outside Estates	Hectares
Metro Manila	**181**	**Metro Manila**	**44**
Taguig	77	Caloocan	14
Makati	51	Quezon City	12
Quezon City	25	Muntinlupa	5
Muntinlupa	24	Marikina	4
Pasig	3	Paranaque	3
		Pasig	2
		Makati	2
		Mandaluyong	1
		Pasay	0.3
Luzon	**5,538**	**Luzon**	**2,752**
Pampanga	1,334	Cavite	1,413
Laguna	1,188	Laguna	499
Cavite	1,081	Palawan	383
Bulacan	856	Bulacan	193
Batangas	383	Batangas	109
Bataan	274	Quezon Province	40
Palawan	212	Pampanga	36
Tarlac	211	Camarines Sur	27
		Cagayan	25
		Bataan	7
		Tarlac	7
		Rizal	5
		Pangasinan	4
		Nueva Ecija	2
Visayas	**843**	**Visayas**	**265**
Iloilo	734	Cebu	101
Cebu	83	Negros Occidental	83
Negros Occidental	27	Iloilo	80
Mindanao	**131**	**Mindanao**	**140**
Davao	128	Misamis Oriental	114
Misamis Oriental	23	Davao	26
2025 Land Bank: 9,893	**6,693**		**3,200**

Leased Properties

Ayala Land has an existing contract with Bases Conversion and Development Authority (BCDA) to develop, under a lease agreement a mall with an estimated gross leasable area of 152,000 square meters on a 9.8-hectare lot inside Fort Bonifacio. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounts to ₱106.5 million while the variable rent ranges from 5% to 20% of gross revenues. Subsequently, Ayala Land transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity.

On January 28, 2011, a notice was given to ALI for the ₱4.0 billion development of a 7.4-hectare lot at the University of the Philippines' Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. ALI signed a 25-year lease contract for the property last June 22, 2011, with an option to renew 58,000 square meters for another 25 years by mutual agreement. The project involves the construction of a retail establishment with 63,000 square meters of available gross leasable area and a combination of Headquarter-and-BPO- type buildings with an estimated 8,000 square meters of office space.

Rental Properties

ALI's properties for lease are largely shopping centers, office buildings and hotels and resorts. As of December 31, 2025, rental revenues from these properties amounted to ₱48.7 billion equivalent to 28% of real estate revenues. This is 7% higher than ₱45.6 billion recorded in 2024. Lease terms vary depending on the type of property and tenant.

Property Acquisitions

With 9,893 hectares in its land bank as of December 31, 2025, Ayala Land believes that it has sufficient land bank for development.

Nevertheless, ALI continues to be open new opportunities for additional, large-scale, master-planned developments in order to replenish its inventory and provide investors with an entry point into attractive long-term value propositions. The focus is on acquiring key sites in the Mega Manila area and other geographies with progressive economies that offer attractive potential and where projected value appreciation will be fastest.

On August 20, 2025, ALI and ABS-CBN signed the DOAS upon the compliance with the conditions precedent in relation to the acquisition of a portion of ABS-CBN's property located in Quezon City.

On July 19, 2019, AyalaLand Logistics Holdings, Corp. (ALLHC), formerly Prime Orion Philippines, Inc. acquired 100% ownership of Unity Realty & Development Corporation (URDC). URDC owns a 192-hectare property in Mabalacat City, Pampanga which will be developed into an industrial park.

On April 4, 2018, Ayala Land signed a DOAS with Central Azucarera de Tarlac, Inc. for the acquisition of several parcels of land with an aggregate area of approximately 290 hectares located in Barangay Central, City of Tarlac, Province of Tarlac.

On February 20, 2018, the PCC approved the setting up of a joint venture between ALI and Royal Asia Land, Inc. to acquire, own, and develop a 936-hectare commercial and residential project in Silang and Carmona, Cavite. Both firms will own 50% equity in the joint venture vehicle while Royal Asia Land will receive a consultation fee of 2% of the joint venture firm's gross revenue for its participation in the planning and development of the property. ALI, meanwhile, will develop and market the project and receive a management fee of 12% and sales and marketing fee of 5% of the gross revenue. The PCC has deemed that the transaction does not result in a substantial lessening of competition because it will not have a structural effect on the market.

Mortgage, Lien or Encumbrance over Properties

ALI has certain properties in Makati City that are mortgaged with BPI in compliance with the BSP rules on directors, officers, stockholders and related interests.

For further details on ALI's Property, plant and equipment and Leased properties, refer to Notes 12 and 30 of Ayala's Audited Consolidated Financial Statements as of December 31, 2025 which is part of the Index of this Report.

IMI

IMI has production facilities in the Philippines (Laguna), China (Shenzhen, Jiaxing, Chengdu, and Suzhou), Bulgaria, Czech Republic, Serbia, Germany, and Mexico. Engineering and design centers, on the other hand, are located in the Philippines, China, Bulgaria, Czech Republic, and Germany. IMI also has a global network of sales and logistics offices in Asia, North America and Europe.

IMI's global facilities and capabilities of each location as of December 31, 2025 are shown below:

Location	Floor Area (square meters)	Capabilities
Manufacturing Sites		
Philippines-Laguna (2 sites) VIA Philippines PSi Technologies	92,136 2,585	• 14 SMT lines, 2 FC lines • 3 COB/COF lines • Box build to Complex Equipment manufacturing • Power Semiconductors Manufacturing (Modules and Discrete Packaging) • LVHM, HVLM • Solder Wave, Selective Soldering, Potting, Al & AG W/B • Protective Coating • ICT, FCT, AOI, RF Testing, Flying Probe • Cleanroom to class 100 • Low Pressure Molding (Overmold) • Vacuum reflow • Precision Metals/Machining
China-Pingshan	29,340	• 9 SMT lines • Box Build • SMT, Solder Wave, COB, Selective soldering, Backend line • ICT, FCT, 3D AOI, RF Testing, 3D X-ray • Test & System Development • Potting, Varnishing, Conformal coating and Burn-in • Design & Development • LVHM, HVLM • Sourcing, Procurement and Material Purchasing • Logistics & Regional Support
China-Jiaxing	18,388	• 10 SMT lines, High Accuracy LED Placement ▪ Pin Through-Hole, Auto Pin Insertion, SMD Odd-shape Component Auto Mount • Vapor Phase, Vacuum Reflow • Solder Wave, Selective Solder Wave • Box Build (w/ Automated Customized Assembly Line)

Location	Floor Area (square meters)	Capabilities
		• Full Auto Selective Conformal Coating Line and Coating AOI • Resistance Welding, Heat Staking, Ultrasonic welding and lamination • Plastic injection (180T/300T press) • SPI, 2D & 3D AOI, ICT, FCT, 3D X-ray, Run-in • Test & System Development • HVLM, LVHM
Botevgrad, Sofia, Bulgaria (2ites)	115,416	• 25 SMT Lines • PCB Assembly and Testing • Plastic injection • Box build • Cabling • Chip on Board • Tooling • Metrology & Laboratory • Automation
Niš, Serbia	50,213	• 25 SMT Lines • PCB Assembly and Testing • Plastic injection • Box build • Cabling • Chip on Board • Tooling • Metrology & Laboratory • Automation
El Salto, Guadalajara, Mexico (2 sites)	26,780	• 12 SMT lines • Box build (w/ Automated Customized Assembly Line) • PTH, Solder Waves, Selective Solder Waves • Full Auto Selective Conformal Coating Line and CC AOI, Automated potting • SPI, 2D & 3D AOI, ICT, FCT, 3D X-Ray, Run-in • 39 Plastic Injection Machines (50-1,800T) incl. over molding • Embedded Tool shop • Metrology • Test & System Development • Failure Analysis • BE Automation • 41 Plastic Injection Machines (50-1,800T) incl. over molding, insert molding, two-shot molding • Tool shop
IMI Batangas	6,572	• Capacity: 1600 energy storages • Sub Assembly Lines • Coil Winding, Potting, DCR Test • Inductance Test • 4 Final Assembly Lines • High Pot Test, Helium Leak Test • EIT/CLS • Test System & Development • 8 Reliability Spin Test Pits

Location	Floor Area (square meters)	Capabilities
		• 8 Final Spin Test pits
Total Manufacturing Space	**341,430**	
Sales/Support Office in sqm		
Singapore	15	Finance office
Total Support	**15**	
Total Space	**341,445**	
Manufacturing sites ceased operation as of December 31, 2025		
China-Kuichong	19,004	• 21 SMT lines • Box Build • PTH, Auto Pin Insertion, Solder Wave • ICT, FCT, AOI, SPI, RF Testing • Test & System Development • LVHM, HVLM • X-RAY 3D testing, RoHS screening instrument, BGA rework • Burn-in test for high-end power supply, Thermal cycle test, Vibration test. • Conformal Coating, Potting, PCB router, Underfill • Bar-code tracking system
Manufacturing sites sold as of December 31, 2025		
Třemošná, Plzeňská, Czech Republic	7,470	• 5 SMT lines • 2 Pin Insertion • 3 Wave soldering • 2 Selective soldering • 3 Selective coating • ICT, FCT, AOI (SMT, CC) • Mechanical Assembly • 4 Automated line • Further customized assembly line
Nuremberg, Germany (VIA) Wettstetten, Germany VIA Optronics AG VIA Optronics GmbH Germaneers GmbH	4,650	• VIA bond plus qualification • Bonding material development • Manual line, mainly lower quantity projects • Prototype 84Inch • 2 clear rooms (ISO class 6 & ISO class 7) • ESD control • Engineering, prototyping and production process improvement • Test & system development (electrical) • Optical test labor (mainly for display evaluation)
Suzhou, China (VIA) VIA optronics Suzhou	14,220	• Semi autoline and full autoline • Large size bonding in MaxVu II • Touch capabilities, ACF process

Location	Floor Area (square meters)	Capabilities
		• Curved bonding & bonding to plastic cover
Shiga, Japan (VIA) (2 sites) VTS-Touchsensor Co., Ltd	12,634	• Metal Mesh Sensor on roll • Customized design • 100µm/50µm Film thickness • Up to 55“ VTS internal • Up to 85“ through external partners
Taiwan (VIA)	73	Sales office
USA (VIA)	199	Sales office

Lease Commitments

IMI as Lessee

In 2023, IMI entered into a lease agreement for the use of a warehouse building located in Laguna. The non-cancellable lease is for a period of five years and four months from September 1, 2023 to August 31, 2028.

IMI entered into an amended lease contract with AREIT, formerly owned by Technopark Land, Inc. (TLI), an affiliate, for the lease of parcels of land situated at the Special Export Processing Zone, Laguna Technopark, Biñan, Laguna. The lease contract which expired on December 31, 2022 was extended by another five years up to 2027 subject to new lease rates beginning 2023 based on market with annual escalation of five percent beginning January 1, 2024 until the end of the lease term.

IMI (lessee) has existing agreement involving the lease of residential house and lots located in Sta. Rosa, Laguna covering a period of five years from January 1, 2021 to December 31, 2025.

IMI as Lessor

IMI enters into lease agreements for office and warehouse facilities. On October 1, 2025, IMI subleased a portion of its leased space to a third party under a sublease arrangement.

The sublease contract is coterminous with IMI’s head lease agreement and covers the same leased premises. The sublease requires the sublessee to pay fixed monthly lease payments in Philippine Peso. The sublessee also reimburses IMI for certain operating costs such as utilities and common area maintenance charges.

IMI remains primarily obligated under the head lease agreement and continues to recognize the lease liability to the head lessor.

IMI Singapore and STEL Group

STEL Group have various operating lease agreements on office premises, plant and equipment, leasehold building and improvement, and motor vehicles. These non-cancellable lease contracts have lease terms of between two to eight years. There are no lease commitments for IMI Singapore.

In 2024, IMI SZ entered into a lease agreement on its manufacturing facility covering a period of eight years from August 2024 to July 2032. The lease premise is a five-floor building with 29,340 square meters located in an industrial park in Pingshan district of Shenzhen. IMI SZ also entered a two-year lease agreement effective July 1, 2024 to June 30, 2026, for a dormitory located in Pingshan.

IMI SZ executed a renewal of lease agreement for its 23,211 square meters plant in Kuichong with coverage period from April 2024 to December 2033. This lease agreement for the Kuichong plant was

formally terminated on November 15, 2025 following the consolidation of the IMI SZ operations into a single facility located in the Pingshan District of Shenzhen.

In 2017, STJX extended its existing lease agreement up to 2027 with Jiaxing Economic Development Zone Investment and Development Group Co., Ltd to use as its manufacturing facility located in He Ping Street, Jiaxing.

In November 2020, IMI CD entered a five-year lease agreement effective January 2021 to January 2026, for its electronic production, office and staff accommodation. The lease premises is a three-floor building and a dormitory located at Xindu district, Chengdu City. In September 2022, IMI CD entered a three-year non-cancellable lease, effective October 1, 2022 to September 30, 2025, located at Xindu district, Chengdu City to serve as their external warehouse. In relation to the cessation of the IMI CD operations, the production facility and warehouse were formally handed back to the landlord on July 30, 2025 and the balance of the ROU amounting to $0.12 million was written off.

IMI BG

IMI BG have lease agreements related to office and warehouse building rent with lease terms of five years. These leases have renewal options.

I*MI CZ*

IMI CZ have various operating lease agreements in respect of its company cars with lease terms of four to five years.

I*MI MX*

IMI MX have various lease agreements related to building and automobiles used in operation with lease terms of three to five years. In 2024, IMI MX entered into a lease agreement for the use of a building located in Mexico. The non-cancellable lease is for a period of five years from October 1, 2024 to September 30, 2029.

VIA Group

VIA Group has lease contracts for various items of office, plant and vehicles used in its operations. Leases of office and plant have lease terms between 1 and 6 years, while motor vehicles generally have lease terms of 3-4 years. VIA's obligations under its leases are secured by the lessor's title to the leased assets. For certain leases, VIA is restricted from entering into any sub-lease agreements. There are several lease contracts that include extension and termination options. VIA Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. VIA Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

IMI USA

On June 5, 2020, IMI USA entered into a fourth amendment to a standard industrial commercial single tenant lease contract for an extended term of five years commencing from November 1, 2020 to October 31, 2025 for the lease of office premises. The lease contract contains provisions including, but not limited to, an escalation rate of 3% per year and early termination penalties and an option to extend the lease up to two years. In relation to the cessation of prototyping and manufacturing operations of IMI USA, the right to terminate the lease has been exercised and the lease expired on March 31, 2025.

For further details on IMI's Property, plant and equipment and Leased properties, refer to Notes 12 and 30 of Ayala's Audited Consolidated Financial Statements as of December 31, 2025 which forms part as Index of this Report.

AC Energy

ACEN and its subsidiaries own the following fixed assets as of December 31, 2025:

Properties	Location	Amount (in Thousand PhP)
Land and land improvements	Bacnotan, La Union/ Norzagaray, Bulacan/ San Lorenzo, Guimaras/ Manapla, Negros Occidental/ Bangui, Ilocos Norte/ Palauig, Zambales/ Botolan, Zambales	2,363,982
Buildings and improvements	Makati City/ San Lorenzo, Guimaras/ Norzagaray, Bulacan/ Subic, Olongapo/ San Carlos, Negros Occidental	3,502,856
Machinery and equipment	San Lorenzo, Guimaras/ Norzagaray, Bulacan/ Bacnotan, La Union// San Carlos, Negros Occidental/ Bangui, Ilocos Norte/ Lanao Del Norte/ Subic, Olongapo/ Iloilo/ Bais City, Negros Oriental/ Alaminos, Laguna/ Palauig, Zambales/ Mariveles, Bataan	99,293,972
Transportation equipment	Makati City/ San Lorenzo, Guimaras/ Norzagaray, Bulacan/ Subic, Olongapo/ Bacnotan, La Union/ Pililia, Rizal/ San Carlos, Negros Occidental	412,372
Tools and other miscellaneous assets	Makati City/ San Lorenzo, Guimaras/ Bacnotan, La Union/ Lal-lo, Cagayan/ San Carlos, Negros Occidental	9,084,049
Office furniture, equipment and others	Makati City/ San Lorenzo, Guimaras/ Bacnotan, La Union/ Norzagaray, Bulacan/ San Carlos, Negros Occidental/ Lal-lo, Cagayan	626,470
Construction in progress	Alaminos, Laguna/ San Marcelino, Zambales/ Pagudpud, Ilocos Norte/ Lal-lo, Cagayan/ Uralla, New South Wales, Australia/ Real, Quezon/ Mauban, Quezon/ Paete, Laguna/ Palauig, Zambales/ San Manuel, Pangasinan/ Jakarta, Indonesia	43,078,099
Total		**158,361,800**
Less: Accumulated depreciation, amortization and impairment		10,081,410
Net		**148,280,390**

Source: ACEN Audited consolidated financial statements as of December 31, 2025

ACEIC invested significant capital expenditures related to the following consolidated projects amounting to ₱24,053.37 million and ₱34,885.90 million for the years ended December 31, 2025 and 2024, respectively.

Development cost totaling to ₱5,305.76 million (US$90.53 million) of New England Solar Farm 1 was reclassified as property, plant and equipment upon the project's commercial date of operations on May 1, 2024.

			% Completion	
Project	**Capacity (MW)**	**Location**	**2025**	**2024**
San Manuel Solar	60	Pangasinan, Philippines	100%	99.5%
Palauig 2 Solar	300	Zambales, Philippines	97%*	84%*
Quezon North Wind (Phase 1)	553	Real and Mauban, Quezon, Philippines	17%	--
San Marcelino Solar (Phase 3)	200	Zambales, Philippines	13%	5%

			% Completion	
Project	**Capacity (MW)**	**Location**	**2025**	**2024**
Stubbo Solar	520	Central Western Central Western Tablelands, New South Wales, Australia	100%	91%
New England BESS	200	Uralla, New South Wales, Australia	74%	8%

**Excluding transmission line with 67.45% and 55% completion as of December 31,2025 and 2024, respectively.*

On March 19, 2024, AREIT and BCHC, among other parties, executed a Deed of Exchange, for the subscription by BCHC to AREIT shares in exchange for a 276-hectare parcel of land located in Zambales, Philippines. Total cost of the land disposed during the transaction amounted to ₱500.76 million.

Lease Commitments

Lease with Laguna Lake Development Authority (LLDA)

On August 8, 2023, AC Energy signed a Renewable Energy Contract Area Utilization (RECAU) agreement with Laguna Lake Development Authority (LLDA) to lease 800 hectares of Renewable Energy Areas (REAs) in Laguna, Philippines for a floating solar project with 800 MW capacity.

The term of the lease shall be 25 years commencing from the signing of the contract and may be renewed for a maximum of 25 years subject to terms and conditions as mutually agreed by the Lessor and the Group. Upon signing of the contract, AC Energy was required to pay an initial bid fee, to be settled based on the scheduled payment tranches until 2025. Upon payment of the initial bid fee, AC Energy was given the exclusive right to use the lake to build, construct projects for renewable energy within the area. Upon commercial operation, the lessee is also required to pay an annual user's fixed fee until the expiration of the lease agreement, subject to compounded increase of 2% per year.

New England Solar Farm Stage 2

Between February and November 2023, AC Energy entered into several lease agreements totalling 2,331 acres of land located in Uralla, New South Wales as site for the construction and operation of the proposed 416MW solar power plant project.

The term of the leases is for a period of 30 years, with a fixed annual rental payment per acre of leased area per annum, exclusive of GST. The rental fee is subject to annual adjustment of whichever is higher between 3% per annum and CPI. The period of lease may be extended, under the same terms and conditions, at the sole discretion of AC Energy for up to another 20 years. It is a requirement that AC Energy returns the leased area to the landholder in substantially the same condition it was in at the Commencement date.

Stubbo Solar

Between February and August 2023, AC Energy entered into several lease agreements totalling 4,077 acres of land located in Stubbo, New South Wales as the site for the construction and operation of the proposed 520MW solar power plant project.

The term of the lease is for a period of 30 years, with a fixed annual rental payment per acre of leased area per annum, exclusive of GST. The rental fee is subject to an annual adjustment of CPI. The period of lease may be extended, under the same terms and conditions, at the sole discretion of AC Energy for up to another 20 years. It is a requirement that AC Energy returns the leased area to the landholder in substantially the same condition it was in at the commencement date.

San Carlos Solar 1A and 1B

On March 7, 2014, AC Energy entered into a lease agreement with a third party for the lease of 35 hectares of land located in Barangay Punao, San Carlos City, Negros Occidental as site for the construction and operations of the Phase 1A and Phase 1B solar power plant projects. Upon execution of the agreement,

AC Energy holds the land area delineated for Phase 1A for a period of 25 years. The area delineated for Phase 1B is held for the remaining term of the agreement upon the receipt of notice by AC Energy.

On June 18, 2020, AC Energy had its lease modified with the lessor. The modification amends the timing of payment and the basis of the annual escalation rate, which is now every 10th day of January, and is based on the average of the available and published inflation rates of the CPI for the immediately preceding twelve-month period, respectively. The lease modification did not result in a separate lease.

San Carlos 1C and 1D

On October 21, 2014, the Group entered into a lease agreement with a third party for the lease of 32.4214 hectares of land located in Barangay Punao, San Carlos City, Negros Occidental as the site for the construction and operations of Phases 1C and 1D solar power plant projects. Upon execution of the agreement, SACASOL holds the land area for a period of 25 years.

On June 18, 2020, the Group had its lease modified with lessor. The modification amends the timing of payment and the basis of the annual escalation rate, which is now every 10th day of January, and is based on the average of the available and published inflation rates of the CPI for the immediately preceding twelve-month period. The lease modification did not result in a separate lease.

La Carlota 2A and 2B

On June 5, 2014, AC Energy entered into a lease agreement for the lease of 24.4258 hectares of land located at La Carlota City, Negros Occidental as the site for the construction and operations of Phases 2A and 2B solar power plant projects of AC Energy. AC Energy holds the land area delineated for a period of 25 years. The lease may be subjected to re-negotiation upon written notice served upon the lessor by the lessee not earlier than one (1) year but not later than six (6) months before the expiration of the original period of lease. The extension of lease shall be in writing executed by both parties three (3) months before the expiration of the original period of lease.

On May 6, 2015, AC Energy entered into another lease agreement for the lease of approximately 180,331.76 sq.m. of land located at La Carlota City, Negros Occidental. AC Energy holds the land area delineated for a period of 25 years. The lease may be subjected to re-negotiation upon written notice served upon the lessor by the lessee not earlier than 1 year but not later than 6 months before the expiration of the original period of lease. The extension of lease shall be in writing executed by both parties 3 months before the expiration of the original period of lease.

Alaminos Solar Plant

On September 30, 2019, AC Energy entered into a lease agreement with a related party ALI, Crimson Field Enterprises Inc., and Red Creek Properties Inc., for 106.59 hectares of land located in Barangay San Andres, Alaminos, Laguna as the site for the construction and operation of a solar power facility.

The term of the lease is for a period of 21 years, with a fixed monthly rental payment of per square meter, exclusive of VAT. The rental fee is subject to annual adjustment of whichever is higher between 3% per annum and the rate of increase of real property tax where the property is located. The period of lease may be extended, under the same terms and conditions, at the sole discretion of AC Energy for up to another 21 years.

Bataan BESS

On April 22, 2020, AC Energy entered into a lease agreement with a third party for 13.95 hectares of land located in Batangas II, Mariveles, Bataan. The property is used to develop, operate and maintain a 5MW RE Laboratory facility. The term of the sublease is for a period of 25 years, with a fixed monthly rental payment per square meter, exclusive of VAT. The period of lease may be extended, under the same terms and conditions at the sole discretion of AC Energy for up to another 25 years.

Palauig 2 Solar

On September 26, 2024, AC Energy executed a lease contract over the property of AC Energy's 300MW solar power plant project in Palauig, Zambales. The lease term is from the rent commencement date on July 1, 2024 (referred to as "Rent Commencement Date") to June 30, 2049, renewable for another twenty-five years at the option of the lessee, upon the written agreement of the lessor and lessee under such terms and conditions as may acceptable to them. The initial rent is based on a fixed rate per sq.m per annum, exclusive of VAT, with annual escalation of 1.50% commencing on July 1, 2025. Lease payment commencing from July 1, 2025 shall be done in advance on a quarterly basis. This lease is part of the sale and leaseback transaction of AC Energy and its affiliate,

For further details on AC Energy's Property, plant and equipment and Leased properties, refer to Notes 12 and 30 of Ayala's Audited Consolidated Financial Statements which forms part as Index of this Report.

BPI

BPI's executive office and select business and support units relocated to Ayala Triangle Gardens Tower 2, located at Paseo de Roxas corner Makati Avenue in May 2023, as the BPI Head Office building located at 6768 Ayala Avenue, Makati City, is still undergoing redevelopment. Prior to this, the executive office and select business and support units were located at Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo St., Legaspi Village, Makati City, whose lease expired in July 2023. The remaining business and support units are located in various other sites in Makati, Manila, San Juan, Quezon City, and Muntinlupa.

Of BPI's 864 branch licenses (excluding BanKo), 419 operate in Metro Manila/Greater Metro Manila Area and 445 in the provincial area. BPI owns 28% of the branch locations and leases the remaining 72%. On January 1, 2019, BPI adopted PFRS 16: Leases which requires recognition of both right-of-use assets and lease liability arising from long-term leases. As of December 31, 2025, right-of-use assets and lease liabilities amounted to ₱8,482 million and ₱9,989 million, respectively.

These offices and branches are maintained in good condition for the benefit of both the employees and the transacting public. BPI enforces standards for branch facade, layout, number and types of equipment and upkeep of the premises. As it adjusts to the needs of its customers, BPI also continuously reconfigures the mix of its traditional branches, kiosk branches, and branch-lite units, while complemented by its digital channels.

BPI (as lessee) has various lease agreements which mainly pertain to branch premises and equipment that are renewable under certain terms and conditions. The average lease term is from 5 to 7 years.

For further information, please refer to BPI's 2025 Financial Reports and SEC 17-A which are available on its website www.bpi.com.ph.

Globe

Buildings and Leasehold Improvements

Globe Telecom's Corporate Office is located at The Globe Tower, 32nd Street corner 7th Avenue, Bonifacio Global City, Taguig.

Globe also owns several floors of condominium corporation Pioneer Highlands Towers 1 and 2, located at Pioneer Street in Mandaluyong City. In addition, Globe also owns host exchanges in the following areas: Bacoor, Batangas, Ermita, Iligan, Makati, Marikina, Cubao-Aurora, among others.

Globe leases office spaces in W City Center, located at 7th Avenue corner 30th Street, Bonifacio Global City, Taguig, for its Network Technical Group. It also leases office spaces in Limketkai Gateway Tower located in Cagayan de Oro City and in Abreeza Technohub located in Davao City. It also leases the space

for most of its Globe Stores, as well as Globe's base stations and cell sites scattered throughout the Philippines.

Globe's existing business centers and cell sites located in strategic locations all over the country are generally in good condition and are covered by specific lease agreements with various lease payments, expiration periods and renewal options. As Globe continues to expand its network, it intends to lease more spaces for additional cell sites, stores, and support facilities with lease agreements, payments, expiration periods and renewal options that are undeterminable at this time.

Telecommunications Equipment

As of end December 2025, Globe has nationwide 2G and 4G-LTE providing nationwide voice, SMS, and mobile broadband services. In addition, Globe has also launched 5G which provides mobile broadband and fixed wireless broadband services in selected areas.

Globe's wireless network has a Circuit Switched Core Network and IP Multimedia System (IMS) to provide voice service via 2G and 4G (using Circuit Switch Fallback or Voice over LTE). In addition, it has a nationwide network of Packet Gateways to support its mobile broadband data services. Globe's wireless core network also includes an IP Multimedia Subsystem (IMS) for its VoLTE (Voice over LTE) and VoWifi (Voice over WiFi) services which were commercially launched in 2020. The rest of Globe's nationwide core network includes Home Location Register / Home Subscriber Server / Unified Data Management (HLR/HSS/UDM), Signaling Gateways, and mobile broadband backend equipment. It also utilizes a number of Short Messaging Service Centers, and other Value Added Services application platforms to cater to Globe's rich portfolio of Value Added Service which includes an Emergency Cell Broadcast Messaging system to provide for emergency alert messaging in compliance to Republic Act 10639 other known as "AN ACT MANDATING THE TELECOMMUNICATIONS SERVICE PROVIDERS TO SEND FREE MOBILE ALERTS IN THE EVENT OF NATURAL AND MAN-MADE DISASTERS AND CALAMITIES".

The infrastructure for Innove's fixed telephone service includes a Nationwide Virtual IP Multimedia System (vIMS) infrastructure, an advanced Next Generation Network (NGN) International Gateway Facility that supports both traditional international long distance calls and international Voice Over IP Service. For Fixed Broadband service, Globe leverages primarily on Fiber (FTTx) technologies, as well as fixed wireless broadband technologies based on 4G-LTE and 5G. Previous broadband deployments on copper (VDSL) are progressively being migrated to fiber.

As part of its continuous network modernization program, Globe has also introduced Network Function Virtualization (NFV) technologies in the core network layer of its network. Network function virtualization leverages on commercial off-the-shelf hardware and the capabilities of cloud computing thus providing flexibility in deployment, capacity efficiency, better scalability, resiliency and ultimately lower total cost of ownership for Globe's network. As part of the deployment of SDN-NFV, Globe has deployed, in both its wireless and fixed broadband core network virtualized network elements including virtual unified service nodes (vUSN), and virtual unified packet gateways (vUGW), virtual IP Multimedia Subsystem (vIMS), virtual DNS (vDNS), virtual Session Border Controller (vSBC), and virtual Home Subscriber Server (vHSS) node which stores and manages identities, authentication data, subscription information, and location information about our subscribers. At the same time, Globe has started to use Containerized Network Functions (CNFs) to deliver Globe's 5G services, to deliver both Fixed Wireless Broadband and mobile broadband service in areas where fiber deployment is challenged by various permit and right of way issues.

Globe also has a national transmission network. Globe established, operates and maintains three (3) geo-redundant and complementary Fiber Optic Backbone Network (FOBN) linking the Luzon, Visayas and Mindanao island groups. These three (3) FOBNs are now the primary national transmission backbone for Globe backbone to support all of the different telecommunication services and Value Added Service offered by Globe to its customers. In addition to these two (3) FOBNs, Globe also operates and maintains a fiber optic backbone linking the island of Luzon to the province of Palawan. Complementing this fiber optic backbone is the Digital Microwave (MW) Terrestrial network employing Next Generation Internet Protocol (IP) MW supplemented by an extensive fiber optic networks in the key urban areas. Globe also leverages the Philippine Domestic Submarine Cable Network (PDSCN) which enables fiber network connectivity towards other major islands currently connected by MW radio. Aside from upgrades in capacity, this also helps improve the level of resiliency by providing alternate physical route diversity.

Of note also is Globe's successful commercial launch of 5G technology for Fixed Wireless Access in selected towns in June 20, 2019 and 5G enhanced Mobile Broadband in February 6, 2020 initially in Metro Manila in line with its commitment to deliver 1st World Internet Access Service to the Filipino consumers. Globe made history as the pioneer in launching 5G in the Philippines, and the company remains committed to expanding its accessibility to areas with a high concentration of 5G devices.

By extending the company's 5G coverage, Globe aims to enhance the overall customer experience for those residing in these areas. The availability of 5G connectivity not only enhances the speed and reliability of their internet connection but also alleviates the load on our 4G network, resulting in a more consistent network performance.

Investments in Cable Systems

To provide resiliency and geographic diversity, the Globe Group has also invested in several submarine cable systems, which Globe either owns or has rights of use on, a share of the systems'' total capacity. Investments in cable systems include the cost of the Globe Group's ownership share in the capacity of certain cable systems under Construction & Maintenance Agreements (C&MA) or Indefeasible Right of Use (IRU) Agreements.

To date, Globe has investments in the following international cable systems (shown below with their major connectivity paths):

- APCN2 (Asia Pacific Cable Network-2), a Trans-Asia cable system;
- C2C-EAC (City-to-City/East Asia Crossing), a Trans-Asia cable system;
- SJC (Southeast Asia Japan Cable System), a Trans-Asia cable that connects Singapore, Brunei, Hong Kong, China Mainland, Japan and the Philippines;
- TGN-IA (Tata Global Network–Intra Asia) cable system that connects the Philippines to Japan, Hong Kong, and Singapore with onward connectivity via the TGN-P (Tata Global Network-Pacific) network to the United States;
- SEA–US (Southeast Asia-United States), Trans-Pacific cable that connects Indonesia, Philippines, Guam, Hawaii and the mainland United States;
- AAG (Asia-America Gateway), a Trans-Asia and Trans-Pacific cable that connects Singapore, Malaysia, Thailand, Vietnam, Brunei, Hong Kong, and Philippines to Guam, Hawaii and California (investment thru Globe's subsidiary Bayan Communications);
- JUNO Cable System, a Trans-Pacific cable system connecting Japan and the U.S. (investment thru Globe's subsidiary, GTI Corporation dba GTI); and
- ADC (Asia Direct Cable), a Trans-Asia cable system thru Globe subsidiary GTI Corporation dba GTI).

Globe opened its first international cable landing station located in Nasugbu, Batangas that directly accessed the C2C cable network, now owned and operated by Telstra, a 17,000 kilometer long submarine cable network linking the Philippines to Hong Kong, Taiwan, China, Korea, Japan and Singapore. Globe had separately purchased capacity in the C2C cable network which it subsequently transferred to its subsidiary, Innove Communications, Inc.

Additionally, Globe has acquired capacities, either through lease or IRU, in selected cable systems where it is not a consortium member or a private cable partner. These include capacities in C2C-EAC and ADC for Trans-Asia capacities as well as JUNO, FASTER, UNITY and PC1 cable systems, to name a few, where Globe, thru its international subsidiary, GTI Corporation, had invested in Trans-Pacific capacities to connect the Philippines via Japan for its onward connectivity to the U.S. for Globe diverse routes in the Trans-Pacific.

On March 17, 2009, Globe formally opened its second international cable landing station (CLS) in Ballesteros, Tuguegarao, Cagayan Valley Globe being the exclusive landing party in the Philippines to the Tata Global Network – Intra Asia (TGN-IA) cable system. TGN-IA is a 6,700 kilometer Trans-Asian submarine cable system that links the Ballesteros, Cagayan cable landing station in the Philippines to Japan, Hong Kong, and Singapore with onward connectivity via the TGN-Pacific network to Guam and the United States.

On September 30, 2013, the Southeast Asia-Japan Cable (SJC) System was formally launched and landed in its own cable station in Nasugbu, Batangas where Globe is the exclusive landing party in the Philippines. At the time, the SJC System was one of the highest capacity systems in the world (supporting an initial design capacity of 28 terabits per second, the fastest speed an undersea cable system can provide). This enhanced Globe's global links to support businesses and consumers' increasing demand for high-speed internet and connectivity. Globe joined some of the biggest names in the industry including Unified National Networks Sdn Bhd. (UNN, formerly Brunei International Gateway Sendirian Berhad) of Brunei, Google Singapore, SingTel, KDDI, PT Telekomunikasi Indonesia International (Telin), China Mobile, China Telecom, China Telecom Global Limited (an affiliate of China Telecom), Donghwa Telecom Co., Ltd., and National Telecom Public Company Limited (NT, formerly TOT) of Thailand, in this consortium.

In August 2014, the Globe Group joined a consortium of international telecommunications companies to build a $250 million cable system directly connecting Southeast Asia and the United States, called the South East Asia-United States (SEA-US) Cable System. Completed on August 8, 2017, the SEA-US undersea cable system provides superior latency, delivering an additional 20 terabits per second capacity, utilizing the latest 100 gigabits per second transmission equipment. Such additional capacity will cater to the exponential growth of bandwidth between the two continents. The SEA-US cable system is connected to Globe's cable landing station in Brgy. Talomo, Davao City which also houses the Power Feed Equipment necessary to run the system. Outside of Luzon, the undersea cable is the first direct connection of Globe to the United States via Guam, Hawaii, and California, offering faster transmission of data directly to the U.S.

On November 22, 2022, Globe signed the C&MA and its Supply Contract to partner up with 11 of the biggest Asian telco companies to invest about $300 million for a new international submarine cable system, named Asia Link Cable System (ALC). Once completed by Y2027, the 6,000-km ALC system will add at least 18Tbps of capacity to Globe's existing network for its internal and customer requirements through Singapore and Hong Kong, the two main Asian hubs for internet traffic. Through Globe's landing station in Luna, La Union, connecting to these nodes will boost Globe's capacity to service the growing connectivity needs of its customers. ALC will also help prepare the Philippines as a new major information and communications technology hub in the region, as the country's strategic location already attracts the interests of hyperscalers companies offering big data or cloud computing on a massive scale.

On July 16, 2025, Globe joined the Asia United Gateway East (AUG East) submarine cable consortium, partnering with two major hyperscaler companies and the leading regional carriers in Asia. This strategic investment addresses the region's surging demand for high-speed, high-capacity connectivity – a need fueled by AI and data-intensive technologies, with industry forecasts indicating traffic from AI and AI-enhanced applications surpassing conventional usage by 2031. Spanning 8,900km, the AUG East system will link the digital hubs of Singapore and Japan, with landing points in the Philippines, Indonesia, Malaysia, Brunei, Taiwan, and South Korea. Engineered as a high fiber-pair count system, this next-generation infrastructure will provide massive data capacity – equivalent to streaming millions of 4K videos simultaneously. With NEC Corporation as the system supplier, system completion is scheduled for Q3 2029. Once operational, the system will not only meet bandwidth demands but also bolster regional network resilience against natural disasters.

Another cable investment of Globe is the US$150-million Philippine Domestic Submarine Cable Network (PDSCN), the longest (2,568kms) of its kind in the country with 33 landing points. Globe partnered with Eastern Communications (a company jointly owned by Globe and PLDT) and InfiniVAN, Inc. (a subsidiary of IPS, Inc. of Japan) for the PDSCN project, which aims to provide equitable and reliable connectivity across the country, including previously unserved and underserved areas across the Philippines. The project kicked off in Subic Bay, Zambales in July 2022 and has already completed 2,568kms of the 24 segments across the country from Luzon, Visayas and Mindanao, including key cities and tourism destinations. To date, all 24 segments are currently serving Globe's domestic core backbone traffic from Luzon to VISMIN regions.

For further information, please refer to Globe's 2025 Financial Reports and SEC 17-A which are available on its website www.globe.com.ph.

Item 3. Legal Proceedings

Except as disclosed herein or in the Information Statements of the Parent Company's subsidiaries or affiliates which are themselves public companies or as has been otherwise publicly disclosed, there are no material legal proceedings, bankruptcy petition, conviction by final judgment, order, judgment or decree or any violation of a securities or commodities law for the past five years to which the Parent Company or any of its subsidiaries or affiliates or its directors or executive officers is a party or of which any of its material properties is subject, in any court or administrative agency.

Ayala Corporation

As of December 31, 2025, the Parent Company is not involved in any litigation it considers material.

ALI

There are no material legal proceedings, bankruptcy petition, conviction by final judgment, order, judgment or decree or any violation of a securities or commodities law for the past five years to which ALI or any of its subsidiaries or affiliates or its directors or executive officers is a party or of which any of its material properties is subject, in any court or administrative agency.

As of December 31, 2025, ALI, its subsidiaries, and its affiliates, are not involved in any litigation regarding an event which occurred during the past five (5) years that they consider material.

However, there are certain ongoing and unresolved litigations ALI is involved in which it considers material although the events giving rise to the said litigation occurred beyond the five (5) year period. These include:

Las Piñas Properties

Certain individuals and entities have claimed an interest in ALI's properties located in Las Piñas, Metro Manila.

Prior to purchasing the aforesaid properties, ALI conducted an investigation of titles to the properties and had no notice of any title or claim that was superior to the titles purchased by the Issuer. The Issuer traced its titles to their original certificates of title and the Issuer believes that it has established its superior ownership position over said parcels of land. The Issuer has assessed these adverse claims and believes that its titles are in general superior to the purported titles or other evidence of alleged ownership of these claimants. O n this basis, beginning October 1993, the Issuer filed petitions in the Regional Trial Courts of Makati and Las Piñas for quieting of title to nullify the purported titles or claims of these adverse claimants. These cases are at various stages of trial and appeal. Some of these cases have been decided by the Supreme Court. These include decisions affirming the title of ALI to some of these properties, which have been developed and offered for sale to the public as Sonera, Ayala Southvale. The Supreme Court issued a decision adverse to ALI's title over some of these properties dated July 26, 2017 and denied the Issuer's motions for reconsideration.

Tomas R. Osmena vs. City of Cebu

Ayala Land is a respondent to a case for Declaratory Relief with Prayer for Temporary Restraining Order and Writ of Preliminary Injunction,7 filed by the former Cebu City Mayor Tomas R. Osmena, seeking among others, to nullify the purchase of the 26-hectare property located in South Road Properties 2, Cebu City, from the Local Government Unit of Cebu City by a Consortium composed of the Issuer, Cebu Holdings, Inc. (CHI) and SM Prime Holdings, Inc. In an Order dated January 13, 2021, the Regional Trial Court ordered the dismissal of the case. Former Mayor Osmena appealed to the Court of Appeals, which was denied in a Resolution dated September 27, 2023. He then appealed to the Supreme Court. The appeal is still pending.

IMI

There are no material pending legal proceedings, bankruptcy petition, conviction by final judgment, order, or decree or any violation of a securities or commodities law for the past five years up to the present date to which IMI or any of its subsidiaries or its directors or executive officers is a party or of which any of its material properties are subject in any court or administrative government agency.

ACEIC

Except as disclosed in the Information Statements of AC Energy's subsidiaries or affiliates that are themselves public companies, or in ACEN'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 AC Energy, any of its subsidiaries 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.

BPI

BPI does not have any material pending legal proceedings which may impair the registrant's or any of its subsidiaries' or affiliates' the capacity to perform its obligations.

Globe

Interconnection Charges for Short Messaging Service

On October 10, 2011, the NTC issued Memorandum Circular (MC) No. 02-10-2011 titled Interconnection Charge for Short Messaging Service requiring all public telecommunication entities to reduce their interconnection charge to each other from ₱0.35 to ₱0.15 per text, which Globe Telecom complied as early as November 2011. On December 11, 2011, the NTC One Stop Public Assistance Center ("OSPAC") filed a complaint against Globe Telecom, Smart and Digitel alleging violation of the said MC No. 02-10-2011 and asking for the reduction of SMS off-net retail price from ₱1.00 to ₱0.80 per text. Globe filed its response maintaining the position that the reduction of the SMS interconnection charges does not automatically translate to a reduction in the SMS retail charge per text.

On November 20, 2012, the NTC rendered a decision directing Globe to:

- reduce its regular SMS retail rate from P1.00 to not more than ₱0.80;
- refund/reimburse its subscribers the excess charge of ₱0.20; and
- pay a fine of ₱200.00 per day from December 1, 2011 until date of compliance.

On May 7, 2014, the NTC denied the Motion for Reconsideration (MR) filed by Globe last December 5, 2012 in relation to the November 20, 2012 decision. Globe filed a petition for review of the NTC decision and resolution with the Court of Appeals.

The Court of Appeals granted the petition in a resolution dated September 3, 2014 by issuing a 60-day Temporary Restraining Order on the implementation of Memorandum Circular 02-10-2011 by the NTC. On October 15, 2014, Globe posted a surety bond to compensate for possible damages as directed by the Court of Appeals.

On June 27, 2016, the Court of Appeals rendered a decision reversing the NTC's abovementioned decision and resolution requiring telecommunications companies to cut their SMS rates and return the excess amount paid by subscribers. The Court of Appeals said that the NTC order was baseless as there is no showing that the reduction in the SMS rate is mandated under MC No. 02-10-2011. Further, there is no showing, either, that the present ₱1.00 per text rate is unreasonable and unjust, as this was not mandated under the memorandum. Moreover, under the NTC's own MC No. 02-05-2008, SMS is a value-added service whose rates are deregulated. The respective motions for reconsideration filed by NTC and that of intervenor Bayan Muna Party List ("Bayan Muna") Representatives Neri Javier Colmenares and Carlos Isagani Zarate were both denied.

The NTC thus elevated the Court of Appeals' ruling to the Supreme Court via a Petition for Review on Certiorari dated September 15, 2017.

For its part, Bayan Muna filed its own Petition for Review on Certiorari of the Court of Appeals' Decision. On January 4, 2018, Globe received a copy of the Supreme Court's Resolution dated November 6, 2017, requiring it to comment on said petition of Bayan Muna. Subsequently, on February 21, 2018, Globe received a copy of the Supreme Court's Resolution dated December 13, 2017 consolidating the Petitions for Review filed by Bayan Muna and NTC, and requiring Globe to file its comment on the petition for review filed by NTC. Thus, on April 2, 2018, Globe filed its Consolidated Comment on both Bayan Muna and the NTC's petitions for review. On September 18, 2018, Globe received a copy of Bayan Muna's Consolidated Reply to Globe's Consolidated Comment and Digitel and Smart's Comment.

Globe believes that it did not violate NTC MC No. 02-10-2011 when it did not reduce its SMS retail rate from ₱1.00 to ₱0.80 per text, and hence, would not be obligated to refund its subscribers. Nevertheless, if it is ultimately decided by the Supreme Court (in case an appeal is taken thereto by the NTC from the adverse resolution of the Court of Appeals) that Globe is not compliant with said circular, Globe may be contingently liable to refund to its subscribers the ₱0.20 difference (between ₱1.00 and ₱0.80 per text) reckoned from November 20, 2012 until said decision by the Supreme Court becomes final and executory. Management does not have an estimate of the potential claims currently.

Guidelines on Unit of Billing of Mobile Voice Service

On July 23, 2009, the NTC issued NTC MC No. 05-07-2009 (Guidelines on Unit of Billing of Mobile Voice Service). The MC provides that the maximum unit of billing for the Cellular Mobile Telephone System (CMTS) whether postpaid or prepaid shall be six seconds per pulse. The rate for the first two pulses, or equivalent if lower period per pulse is used, may be higher than the succeeding pulses to recover the cost of the call set-up. Subscribers may still opt to be billed on a one minute per pulse basis or to subscribe to unlimited service offerings or any service offerings if they actively and knowingly enroll in the scheme.

On December 28, 2010, the Court of Appeals rendered its decision declaring null and void and reversing the decisions of the NTC in the rates applications cases for having been issued in violation of Globe and the other carriers' constitutional and statutory right to due process. However, while the decision is in Globe's favor, there is a provision in the decision that NTC did not violate the right of petitioners to due process when it declared via circular that the per pulse billing scheme shall be the default.

On January 21, 2011, Globe and two other telecom carriers, filed their respective Motions for Partial Reconsideration (MPR) on the pronouncement that "the Per Pulse Billing Scheme shall be the default". The petitioners and the NTC filed their respective Motion for Reconsideration, which were all denied by the Court of Appeals on January 19, 2012.

On March 12, 2012, Globe and Innove elevated to the Supreme Court the questioned portions of the Decision and Resolution of the Court of Appeals dated December 28, 2010 and its Resolution dated January 19, 2012. The other service providers, as well as the NTC, filed their own petitions for review. The adverse parties have filed their comments on each other's petitions, as well as their replies to each other's comments. Parties were required to file their respective Memoranda and Globe filed its Memorandum on May 25, 2018.

On September 18, 2024, Globe and Innove received the Supreme Court's Decision promulgated on February 13, 2023 sustaining the said CA's Decision dated December 28, 2010 and Resolution dated January 19, 2012, which reversed and set aside the NTC's Orders dated December 5, 2009 and Show Cause Orders and Cease and Desist Orders dated December 9, 2009. The High Court also made permanent the writ of preliminary injunction issued by the CA enjoining the NTC from enforcing its assailed Orders.

In due course, the NTC filed its Motion for Reconsideration (MR) of the Supreme Court's aforesaid Decision.

On August 5, 2025, Globe and Innove received the Supreme Court Resolution dated May 19, 2025, denying the NTC's MR with FINALITY, the basic issues raised therein having been duly considered and

passed upon by the court in its aforesaid decision. On August 27, 2025, Globe and Innove received a copy of the Entry of Judgement rendering the case closed and terminated.

Acquisition by Globe Telecom and PLDT of the Entire Issued and Outstanding Shares of VTI

In a letter dated June 7, 2016 issued by Philippine Competition Commission (PCC) to Globe, PLDT, San Miguel Corp. (SMC) and Vega Telecom, Inc. (VTI) regarding the Joint Notice filed by the aforementioned parties on May 30, 2016, disclosing the acquisition by Globe and PLDT of the entire issued and outstanding shares of VTI, the PCC claims that the Joint Notice was deficient in form and substance and concludes that the acquisition cannot be claimed to be deemed approved.

On June 10, 2016, Globe formally responded to the letter reiterating that the Joint Notice, which sets forth the salient terms and conditions of the transaction, was filed pursuant to and in accordance with Memorandum Circular No. l6-002 issued by the PCC. MC No. 16-002 provides that before the implementing rules and regulations for RA No. 10667 or the Philippine Competition Act of 2015 come into full force and effect, upon filing with the PCC of a notice in which the salient terms and conditions of an acquisition are set forth, the transaction is deemed approved by the PCC and as such, it may no longer be challenged. Further, Globe clarified in its letter that the supposed deficiency in form and substance of the Joint Notice is not a ground to prevent the transaction from being deemed approved. The only exception to the rule that a transaction is deemed approved is when a notice contains false material information. In this regard, Globe Telecom stated that the Joint Notice does not contain any false information.

On June 17, 2016, Globe received a copy of the second letter issued by PCC stating that notwithstanding the position of Globe, it was ruling that the transaction was still subject for review.

On July 12, 2016, Globe petitioned the Court of Appeals to enjoin the government's anti-trust body from reviewing the acquisition of SMC's telecommunications business. Globe maintains the position that the deal was approved after Globe notified the PCC of the transaction and that the anti-trust body violated its own rules by insisting on a review. On the same day, Globe filed a Petition for Mandamus, Certiorari and Prohibition against the PCC, docketed as CA-G.R. SP No. 146538. On July 25, 2016, the Court of Appeals, through its 6th Division issued a resolution denying Globe's application for a Temporary Restraining Order and injunction against PCC's review of the transaction. In the same resolution, however, the Court of Appeals required the PCC to comment on Globe's petition for certiorari and mandamus within 10 days from receipt thereof. The PCC filed said comment on August 8, 2016. In said comment, the PCC prayed that the ₱70 billion deal between PLDT-Globe and SMC be declared void for PLDT and Globe's alleged failure to comply with the requirements of the Philippine Competition Act of 2015. The PCC also prayed that the Court of Appeals direct Globe to: cease and desist from further implementing its co-acquisition of the SMC telecommunications assets; undo all acts consummated pursuant to said acquisition; and pay the appropriate administrative penalties that may be imposed by the PCC under the Philippine Competition Act for the illegal consummation of the subject acquisition.

Meanwhile, PLDT filed a similar petition with the Court of Appeals, docketed as CA G.R. SP No. 146528, which was raffled off to its 12th Division. On August 26, 2016, PLDT secured a Temporary Restraining Order from said court. Thereafter, Globe's petition was consolidated with that of PLDT, before the 12th Division. The consolidation effectively extended the benefit of PLDT's Temporary Restraining Order to Globe. The parties were required to submit their respective Memoranda, after which, the case shall be deemed submitted for resolution.

On February 17, 2017, the Court of Appeals issued a Resolution denying PCC's Motion for Reconsideration dated September 14, 2016 for lack of merit. In the same Resolution, the Court granted PLDT's Urgent Motion for the Issuance of a Gag Order and ordered the PCC to remove the offending publication from its website and also to obey the sub judice rule and refrain from making any further public pronouncements regarding the transaction while the case remains pending. The Court also reminded the other parties, PLDT and Globe, to likewise observe the sub judice rule. For this purpose, the Court issued its gag order admonishing all the parties to refrain, cease and desist from issuing public comments and statements that would violate the sub judice rule and subject them to indirect contempt of court. The parties were also required to comment within ten days from receipt of the Resolution, on the Motion for Leave to Intervene, and Admit the Petition-in Intervention dated February 7, 2017 filed by Citizenwatch, a non-stock and non-profit association.

On April 18, 2017, PCC filed a petition before the Supreme Court docketed as G.R. No. 230798, to lift the Court of Appeals' order that has prevented the review of the sale of SMC's telecommunications unit to PLDT Inc. and Globe. On April 25, 2017, Globe filed before the Supreme Court a Motion for Intervention with Motion to Dismiss the petition filed by the PCC.

As of June 30, 2017, the SC did not issue any Temporary Restraining Order on the PCC's petition to lift the injunction issued by the Court of Appeals. Hence, the PCC remains barred from reviewing the SMC deal.

On July 26, 2017, Globe received the SC en banc Resolution granting Globe's Extremely Urgent Motion to Intervene. In the same Resolution, the Supreme Court treated as Comment, Globe's Motion to Dismiss with Opposition Ad Cautelam to PCC's Application for the Issuance of a Writ of Preliminary Injunction and/or TRO.

On August 31, 2017, Globe received another Resolution of the SC en banc, requiring the PCC to file a Consolidated Reply to the Comments respectively filed by Globe and PLDT, within ten (10) days from notice.

On November 16, 2017, after several extensions of time were granted to the PCC, Globe through its external counsel, received a copy of the Consolidated Reply dated November 7, 2017 filed by the PCC.

In the meantime, in a Decision dated October 18, 2017, the CA, in CA-G.R. SP No. 146528 and CA-G.R. SP No. 146538, granted Globe and PLDTs Petition to permanently enjoin and prohibit PCC from reviewing the acquisition and compelling the PCC to recognize the same as deemed approved. The PCC elevated the case to the SC via Petition for Review on Certiorari.

On June 1, 2018, Globe received a copy of the Court of Appeals' Notice of Resolution dated May 25, 2018 and attached Resolution dated May 24, 2018 denying Citizenwatch's Motion for Partial Reconsideration on the ground of lack of legal standing and mootness. No further action has been taken since the Resolution dated May 24, 2018 of the Court of Appeals.

Co-use of frequencies by PLDT/Smart and Globe Telecom as a result of the acquisition of controlling shares in VTI

On January 21, 2019, Globe filed its Comment to a petition filed by lawyers Joseph Lemuel Baligod and Ferdinand Tecson before the Supreme Court, against the NTC, PCC, Liberty Broadcasting Network, Inc., (LBNI), Bell Telecommunications Inc. (BellTel), Globe, PLDT and Smart, docketed as G.R. No. 242352. The petition sought to, among others, enjoin PLDT/Smart and Globe from co-using the frequencies assigned to LBNI and BellTel in view of alleged irregularities in NTC's assignment of these frequencies to these entities. In its Comment, Globe argued that the frequencies were assigned in accordance with existing procedures prescribed by law and that to prevent the use of the frequencies will only result in its being idle and unutilized. Moreover, in view of the substantial investments made by Globe, for the use of these frequencies, enjoining its use will cause grave and irreparable injury not only to Globe but to subscribers who will be deprived of the benefits of fast and reliable telecommunications services. The other Respondents have likewise filed their respective Comments to the petition.

Bypass/ISR penalty provision in the Interconnection Agreement between Globe and Dito

Dito filed with the NTC a petition for Globe to provide sufficient interconnection capacity as provided in their Interconnection Agreement. On April 18, 2022, Globe filed its Answer arguing that the petition is unjustified. Article 10 of their Interconnection Agreement provided that the interconnect facilities shall not be used for Bypass/International Simple Resale (ISR) activities and in case of violation, the aggrieved party shall be entitled to compensation. Prior to Dito's petition, Globe detected bypass/ISR activities emanating from the DITO network. Despite several notifications and demands, Dito failed to pay. On July 22, 2022, Globe filed a Motion to Temporarily Deactivate and/or Disconnect Interconnection of its trunk lines with Dito since Dito had not addressed the bypass traffic and the unpaid bypass liability amounted to ₱622 million already. On August 9, 2022, Globe issued a public statement in relation to the matter. On August 8, 2022, it was reported that the PCC had received a complaint filed by Dito against Globe alleging breach of the Interconnection Agreement. On February 17, 2025, Globe and DITO executed a Compromise Agreement to fully settle bypass provision and ISR penalties, affecting the Interconnection Agreement. Through the

Compromise, the parties decided to: (i) extend their mutual cooperation and augment interconnection subject to completing relevant implementation works and required testing activities; and (ii) provide sufficient interconnection capacity as required under existing laws and regulatory issuances. The settlement also includes Globe's offer to substantially reduce the penalties charged against DITO for ISR or bypass traffic and for its part, DITO has agreed to withdraw the NTC Case. Globe and DITO are still conducting technical and confidence testing to ensure network integrity. The NTC has yet to issue orders or resolutions regarding the Compromise Agreement.

Item 4. Submission of Matters to a Vote of Security Holders

Except for matters taken up during the annual meeting of stockholders, there was no other matter submitted to a vote of security holders during the period covered by this Report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

A) Market Information

Principal market where the registrant's common equity is traded.

The following table shows the high and low prices (in PHP) of Ayala Corporation's shares in the Philippine Stock Exchange for the years 2025 and 2024:

	2025		2024	
	High	**Low**	**High**	**Low**
1st qtr	613.00	544.00	725.00	623.00
2nd qtr	614.00	545.00	662.50	565.00
3rd qtr	618.00	483.00	703.00	565.00
4th qtr	490.00	402.00	740.00	593.50

Source: Bloomberg

The high and low prices of Ayala Corporation's shares for and as of March 26, 2026 are ₱513.00 and ₱503.00, respectively.

The market capitalization of the Parent Company's common shares as of end-2025, based on the closing price of ₱468.00/share, was approximately ₱290.2 billion.

The price information of Ayala common shares as of the close of the latest practicable trading date, March 26, 2026, is ₱503.50.

The price information of Ayala preferred A shares as of the close of the latest practicable trading date, March 25, 2026, is ₱2,500.00.

The price information of Ayala preferred B series 3 shares as of the close of the latest practicable trading date, March 26, 2026, is ₱2,000.00.

The price information of Ayala preferred B series 4 shares as of the close of the latest practicable trading date, March 24, 2026, is ₱1,955.00.

B) Holders

The following are the top 20 registered holders of the Parent Company's securities based on the records of our stock transfer agents:

Common shares

There are 6,143 registered holders of common shares as of January 31, 2026.

	Stockholder Name	No. of Common Shares	Percentage of Common Shares
1.	Mermac, Inc	296,625,706	47.8400%
2.	PCD Nominee Corporation (Non-Filipino)	162,754,163	26.2491%
3.	PCD Nominee Corporation (Filipino)	116,113,564	18.7269%
4.	SM Investments Corporation	13,297,121	2.1446%
5.	Shoemart, Inc.	7,529,203	1.2143%
6.	Henfels Investments Corporation	7,261,790	1.1712%
7.	Sysmart Corporation	1,514,701	0.2443%
8.	ESOWN Administrator 2020	1,303,601	0.2102%
9.	Phil. Remnants Co., Inc.	823,046	0.1327%
10.	Sybase Equity Investments Corp.	752,570	0.1214%
11.	Social Security System	749,700	0.1209%
12.	ESOWN Administrator 2024	654,060	0.1055%

	Stockholder Name	No. of Common Shares	Percentage of Common Shares
13.	2023 ESOWN Administrator	607,370	0.0980%
14.	2021 ESOWN Administrator	549,418	0.0886%
15.	ESOWN Administrator 2019	487,004	0.0785%
16.	2022 ESOWN Administrator	465,880	0.0751%
17.	ESOWN Administrator 2018	449,738	0.0725%
18.	ESOWN Administrator 2016	445,102	0.0718%
19.	ESOWN Administrator 2025	439,637	0.0709%
20.	ESOWN Administrator 2017	403,209	0.0650%

A list of the Parent Company's top 100 shareholders as of December 31, 2025 can be found through this link:
https://edge.pse.com.ph/openDiscViewer.do?edge_no=092e61c05108b5ea64d70b69f0a3140b.

Preferred A (Reissued) Series shares

There are six (6) registered holders of Preferred A series shares as of January 31, 2026.

	Stockholder Name	No. of Preferred A (Reissued) Series Shares	Percentage of Preferred A (Reissued) Series Shares
1.	PCD Nominee Corporation (Filipino)	5,193,441	99.0261%
2.	PCD Nominee Corporation (Non-Filipino)	45,794	0.8732%
3.	Diana Barretto Sy	2,000	0.0381%
4.	G.D. Tan & Co., Inc.	2,000	0.0381%
5.	ECP Holdings OPC	1,200	0.0229%
6.	Josefina B. Alberto	80	0.0015%

Preferred B Series 3 shares

There are five (5) registered holders of Preferred B series 3 shares as of January 31, 2026.

	Stockholder Name	No. of Preferred B Series 3 Shares	Percentage of Preferred B Series 3 Shares
1.	PCD Nominee Corp – Filipino	7,457,040	99.4272%
2.	PCD Nominee Corp – Non Filipino	40,285	0.5371%
3.	Roberto Ngo Barretto Sy	2,500	0.0333%
4.	Josefina B. Alberto	100	0.0013%
5.	Rowena Parino Pangilinan	75	0.0010%

Preferred B Series 4 shares

There are six (6) registered holders of preferred B series 4 shares as of January 31, 2026.

	Stockholder Name	No. of Preferred B Series 4 Shares	Percentage of Preferred B Series 4 Shares
1.	PCD Nominee Corp – Filipino	9,832,300	98.3230%
2.	PCD Nominee Corp – Non Filipino	133,700	1.3370%
3.	Ralph Kenneth Cheng Ty	22,500	0.2250%
4.	Sin Chiok Ong	5,000	0.0500%
5.	Roberto Ngo Barretto Sy	4,000	0.0400%
6.	Lew Chester Cheng Ty	2,500	0.0250%

Voting preferred shares

There are 1,062 registered holders of voting preferred shares as of January 31, 2026.

	Stockholder Name	No. of Voting Preferred Shares	Percentage of Voting Preferred Shares
1.	Mermac, Inc.	177,252,144	88.6261%
2.	Mitsubishi Corporation	15,072,294	7.5361%
3.	Deutsche Bank AG Manila OBO UBS HH A/C 12105904001	1,561,478	0.7807%
4.	Fernando Zobel De Ayala	554,983	0.2775%
5.	Jaime Augusto Zobel De Ayala	543,802	0.2719%
6.	CBNA MLA OBO AC 6002079755	364,810	0.1824%
7.	Delfin L. Lazaro	258,297	0.1291%
8.	Britel Fund Trustees Limited	170,064	0.0850%
9.	HSBC Manila OBO A/C 000-808154-573	169,803	0.0849%
10.	Deutsche Regis Partners Inc. A/C Clients	137,372	0.0687%
11.	BDO Securities Corporation	115,794	0.0579%
12.	AB Capital Securities Inc.	113,164	0.0566%
13.	Mercedita S. Nolledo	84,996	0.0425%
14.	Ariston Dela Rosa Estrada Jr	84,396	0.0422%
15.	Deutsche Bank Ag Manila Obo A/C 12129924646	81,974	0.0410%
16.	Asiasec Equities, Inc.	78,007	0.0390%
17.	HSBC Manila OBO A/C 000-083766-550	73,272	0.0366%
18.	HSBC Manila OB A/C 000-171512-575	72,884	0.0364%
19.	Papa Securities Corporation	69,646	0.0348%
20.	Ansaldo Godinez & Company, Inc.	65,977	0.0330%

C) Dividends

Cash dividends on common shares

Year	Payment Date	Rate (Php)	Record Date
2023	August 17, 2023 January 10, 2024	3.806/share 3.806/share	August 1, 2023 December 26, 2023
2024	July 26, 2024 January 11, 2025	4.1866/share 4.1866/share	July 11, 2024 January 2, 2025
2025	August 8, 2025 January 14, 2026	4.605/share 4.605/share	July 24, 2025 January 5, 2026

*Cash dividends on Preferred "A" shares (ACPAR)**

Year	Payment Date	Rate (Php)	Record Date
2023	August 29, 2023 November 29, 2023	39.741875/share 39.741875/share	August 14, 2023 November 16, 2023
2024	February 29, 2024 May 29, 2024 August 29, 2024 November 29, 2024	39.741875/share 39.741875/share 39.741875/share 39.741875/share	February 13, 2024 May 14, 2024 August 13, 2024 November 15, 2024
2025	February 28, 2025 May 29, 2025 August 29, 2025 November 29, 2025	39.741875/share 39.741875/share 39.741875/share 39.741875/share	February 13, 2025 May 14, 2025 August 13, 2025 November 14, 2025
2026	February 28, 2026	39.741875/share	February 12, 2026

**issued on May 29, 2023*

*Cash dividends on Preferred "B" Series 1 shares (ACPB1)**

Year	Payment Date	Rate (Php)	Record Date
2023	February 15, 2023 May 15, 2023 August 1, 2023 November 15, 2023	6.56250/share 6.56250/share 6.56250/share 6.56250/share	January 30, 2023 May 3, 2023 August 15, 2023 October 27, 2023

**redeemed on November 15, 2023*

*Cash dividends on Preferred "B" Series 2 shares (APB2R)**

Year	Payment Date	Rate (Php)	Record Date
2023	February 28, 2023 May 16, 2023 August 14, 2023 November 29, 2023	6.02675 /share 6.02675/share 6.02675/share 6.02675/share	February 13, 2023 May 29, 2023 August 14, 2023 November 16, 2023
2024	February 29, 2024 May 29, 2024 August 29, 2024 November 29, 2024	6.02675 /share 6.02675 /share 6.02675 /share 6.02675 /share	February 14, 2024 May 14, 2024 August 13, 2024 November 15, 2024

**redeemed on November 29, 2024*

*Cash dividends on Preferred "B" Series 3 shares (ACPB3)**

Year	Payment Date	Rate (Php)	Record Date
2025	January 15, 2025 April 15, 2025 July 15, 2025 October 15, 2025	30.269 /share 30.269 /share 30.269 /share 30.269 /share	January 6, 2025 March 31, 2025 June 30, 2025 September 29, 2025
2026	January 15, 2026	30.269 /share	January 6, 2026

**issued on October 15, 2024*

*Cash dividends on Preferred "B" Series 4 shares (ACPB4)**

Year	Payment Date	Rate (Php)	Record Date
2025	September 19, 2025 December 19, 2025	31.45150 /share 31.45150 /share	September 5, 2025 December 3, 2025
2026	March 19, 2026	31.45150 /share	March 4, 2026

**issued on June 19, 2025*

Cash dividends on voting preferred shares

Year	Payment Date	Rate (Php)	Record Date
2023	May 20, 2023	0.048096/share	May 8, 2023
2024	May 20, 2024	0.048096/share	May 7, 2024
2025	May 20, 2025	0.048096/share	May 6, 2025

Property dividends

Entitlement Ratio	Record Date	Payment Date
3 ACEN shares per 1 AC common share	May 27, 2022	January 9, 2023

Dividend policy

As a holding company, Ayala's policy is to provide a fixed-rate, semi-annual cash dividend on common shares. For voting preferred shares, the rate is 5.7730% per annum from 2019 to 2022 and 4.8096% from 2023 until 2025. For reissued Preferred A shares, the dividends are distributed at the rate of 6.3587% per annum, while the dividends are distributed at the rate of 6.0538% for non-voting Preferred B Series 3 shares. For the redeemed non-voting Preferred B Series 1 and 2 shares, the dividends were distributed at the rates of 5.25% and 4.8214% per annum, respectively. For non-voting Preferred B Series 4 shares, the dividends are distributed at the rate of ¼ of 6.2903% per annum.

On September 28, 2023, the BOD approved and ratified the resolution approving the optional redemption of the ₱10.0 billion 5.2500% Preferred "B" Series 1 shares. The redemption was effective November 15, 2023 (the 10th year anniversary from the issue date of the shares) by payment in cash of the redemption price equal to 100% of the issue price of the shares plus accrued and unpaid dividends up until November 15, 2023 based on the dividend rate of 5.25% per annum. AC's Executive Committee, in the exercise of its authority under the By-Laws, and upon endorsement of the Finance Committee, approved on September 30, 2024 the optional redemption of the ₱15 billion 4.8214% Preferred "B" Series 2 shares (APB2R). The redemption was effective November 29, 2024 (the 5th year anniversary from the listing of the shares) by payment in cash of the redemption price equal to

100% of the issue price of ₱500 per share plus accrued and unpaid dividends up until November 29, 2024 based on the dividend rate of 4.8214% per annum. The redeemed shares is part of the treasury shares until re-issued.

D) Recent Sale of Securities

The following shares were issued to/subscribed by the Parent Company's executives as a result of the exercise of stock options (ESOP) and the subscription to the stock ownership (ESOWN) plans:

	No. of Shares	
Year	**ESOP**	**ESOWN***
2024	0	719,200
2025	0	440,200

**Net of cancelled subscriptions.*

The above shares formed part of the 8,864,000 ESOP and ESOWN shares subject of the Commission's resolution dated January 12, 2006, and 5,697,007 and 9,902,993 ESOWN shares subject of the Commission's resolution dated December 11, 2024. Both resolutions confirm the issuance of such shares as exempt transactions pursuant to Section 10.2 of the Securities Regulation Code.

E) Corporate Governance

The Parnet Company's corporate governance principles were formalized in its Manual on Corporate Governance, as revised and with the latest version filed with the SEC on July 14, 2022 (the "Revised Manual"), in compliance with SEC Memorandum Circular No. 19, Series of 2016. The Revised Manual establishes corporate governance practices that are founded on internationally recognized rigorous standards, systems and processes designed to ensure the Company's progress and stability, that an effective system of check and balance is in place and that a high standard of accountability and transparency to all stakeholders is enforced.

The Revised Manual conforms to the SEC's requirements for manuals on corporate governance. It defines primarily the roles and responsibilities of the Board and Management. More importantly, it includes a statement of their respective liabilities in the event of non-compliance with or violation of any of the provisions of the Revised Manual. It also establishes, among others, policies on (a) independent directors, (b) Board committees, (c) conflicts of interest, (d) internal and external audit procedures and practices, including risk management, (e) whistleblowing, (f) stockholders' rights and interests and (g) management's responsibility to communicate and inform stakeholders on matters related to the Company's affairs. The principles embodied in the Revised Manual lay the foundation for the appropriate supervision and proper management of the Company to safeguard shareholders and other stakeholders' interests and to ensure the Company's long-term growth and sustainability. In line with this, Ayala endeavors to fully comply with the Revised Manual, through among others, the following:

i. The Company annually assesses its compliance with the SEC Code of Corporate Governance for Publicly Listed Companies and its Revised Manual through the Integrated Annual Corporate Governance Report submitted to the SEC.

ii. The Board conducts and accomplishes an annual Board Performance Self-Assessment exercise to measure or determine the level of compliance of the Board of Directors and top-level management with the Revised Manual and the ratings are submitted to the Chief Compliance Officer who prepares the required Integrated Annual Corporate Governance Report submitted to the SEC. The Compliance Officer reports the results of the Board Performance Self-Assessment to the Board in the next meeting after the assessment. Every three years, the board assessment is conducted by an independent third party. In 2023, the Company's Board and Board Committee evaluation for year 2022 was facilitated by Aon Singapore Pte. Ltd (Aon) and covered the Board's performance across several criteria, including board composition, board roles, functions and processes, information management, representation of shareholders and ESG factors, managing company's performance, senior executive's talent management and corporate governance practices related to strategy, policy,

risk and accountability. The evaluation was conducted through a questionnaire answered by each director and interviews with the President & CEO, lead independent director and corporate secretary. The results and analyses of Aon showed that the Company rated above 75th percentile for all categories, in comparison to the market. Prior to this, the last assessment conducted by a third party was in 2020. The next one is scheduled in 2026.

iii. To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating Management's performance.

iv. The Company strives to fully adhere to the leading practices and principles of good corporate governance contained in the Revised Manual.

v. The Company periodically reviews and updates its By-Laws, Board Charter and Revised Manual as further steps to ensure adherence to prevailing principles and practices of good corporate governance. The Board Charter and Revised Manual were updated on July 14, 2022 to align with the Board's oversight responsibility on Sustainability and Climate-related matters.

vi. The Board actively performs its fiduciary duty to the Company, including regularly meeting at least six times every calendar year.

vii. The Board ensures the presence and adequacy of internal control mechanisms for good governance in accordance with the Revised Manual. The minimum internal control mechanisms for the Board's oversight responsibility include, but are not limited to:

(1) Ensuring the presence of organizational and procedural controls, supported by an effective management information system and risk management reporting system;

(2) Reviewing conflict-of-interest situations and providing appropriate remedial measures for the same;

(3) Appointing a CEO with the appropriate ability, integrity and experience to fill the role, as well as defining the CEO's duties and responsibilities;

(4) Reviewing proposed senior management appointments;

(5) Ensuring the selection, appointment and retention of qualified and competent management; reviewing the Company's personnel and human resources policies, compensation plan and the management succession plan;

(6) Institutionalizing the internal audit function; and

(7) Ensuring the presence of, and regularly reviewing, the performance and quality of external audit.

viii. The Company adopts necessary policies to promote stronger corporate governance practices. In line with the increasing stakeholder focus on diversity in the boardroom, the Board adopted a Board Diversity Policy and elected its first female director in 2020. To date, the Board has two female directors, meeting its board diversity target. Further, to ensure the protection of shareholder interests and the integrity of its related party transactions, the Company regularly reviews and updates its Related Party Transactions Policy (the "RPT Policy") in compliance with SEC Memorandum Circular No. 10, Series of 2019. The RPT Policy was last updated on March 12, 2026. The Company also strictly implements its Insider Trading Policy.

As of December 31, 2025, the Company has substantially complied with the principles and best practices contained in the Manual. There were no sanctions imposed on any director, officer or employee for non-compliance of the Manual.

For the full details and discussion, please refer to the Definitive Information Sheet and Annual Corporate Governance Report posted in the Company's Official Website www.ayala.com.

Item 6. Management's Discussion and Analysis (MD&A) or Plan of Operations

2025 vs. 2024 Highlights

Ayala Corporation's ("Ayala" or "the Company") core net income, which excludes one-off items, rose 7 percent to an all-time high of ₱48.3 billion on the back of higher earnings from BPI and Ayala Land ("ALI") and collective turnaround of non-core business units, which more than offset the decline in Globe and AC Energy & Infrastructure ("ACEIC").

Accounting for one-offs, Ayala's net income jumped 46 percent to ₱61.4 billion, mainly driven by Mynt-related revaluation gains and ALI's sale of its share in Alabang Commercial Corporation.

- BPI's net income rose 7 percent to ₱66.6 billion driven by record revenues despite higher operating expenses and provisions. Full-year Return on Equity was at 14.5 percent.

- ALI's core net income grew 8 percent to ₱30.6 billion driven by its expanding leasing and hospitality segment and stable property development revenues.
    - ALI's reported net income reached ₱39.1 billion, 39 percent higher, due to a one-time gain from the sale of its 50 percent stake in Alabang Commercial Corporation.

- Globe's core net income, which excludes non-recurring items such as accounting gains from the Mynt transaction, towers sale and leaseback, and foreign exchange and mark-to-market adjustments, decreased 3 percent to ₱20.9 billion due to higher depreciation and interest expenses which offset record gross service revenues, lower OPEX, and improved equity contributions from affiliates.

- ACEN's core net income increased 4 percent to ₱6.3 billion driven by higher renewables output.
    - On a reported basis, ACEN's net income of ₱3.8 billion was weighed by the one-off impairment of the Lac Hoa and Hoa Dong wind projects in Vietnam, lower spot prices, and weaker irradiance.
    - ACEIC, the parent company of ACEN, posted a net income of ₱6.6 billion, down 47 percent year-on-year. In addition to ACEN's performance, ACEIC received softer earnings from its thermal investments.

- Ayala's balance sheet remained healthy despite market volatility with parent net debt reduced by 18 percent to ₱136.3 billion from ₱167.1 billion. This resulted in an improvement in the parent net debt-to-equity ratio by 30 basis points to 0.76x from 1.06x a year ago.

Consolidated Sales of Goods and Rendering of Services

Sale of goods and rendering services rose 3 percent to ₱336.9 billion driven by higher revenues from Healthway Medical Network and the inclusion of FEU-NRMF and Cebu Velez General Hospital in AC Health, and higher electric vehicle sales in AC Industrials. These were partially offset by ACEIC's lower electricity sales, ALI's lower revenues from construction and residential businesses, and IMI's lower service revenue from EU and China. As a percentage of total revenues, this account was at 88 percent for both years ended December 31, 2025 and 2024.

Real Estate

- Core net income of ALI from its organic operations reached ₱30.6 billion, up 8 percent, on the back of growing contributions of its Leasing and Hospitality portfolio and steady earnings from its Property Development business.
    - ALI's reported net income amounted to ₱39.1 billion, 39 percent higher, due to a one-time gain from the sale of its 50 percent stake in Alabang Commercial Corporation.

- Property development revenues stood at ₱113.9 billion, up 1 percent from a year ago.
    - Residential revenues dipped 4 percent to ₱91.4 billion as stronger bookings from the Core segment were offset by softer Premium sales.
    - Combined revenues from Estate lots and Office-for-sale accelerated 25 percent to ₱22.5 billion on the back of healthy bookings from projects located in ALI estates such as Arca South, Circuit Makati, and Centrala in Pampanga.

- Property development sales were steady at ₱142.3 billion as strong demand for estate lots and stable take up of Core developments.

- Property development launches amounted to ₱60.4 billion, 40 percent lower, comprised of 77 percent residential developments, supplemented by 23 percent worth of prime commercial and industrial lots in key locations within ALI estates.

- Leasing and hospitality revenues were up 7 percent to ₱48.7 billion on the back of positive contributions across all segments.
    - Shopping center revenues grew 5 percent to ₱24.2 billion driven by higher occupancy and higher portfolio-wide merchant sales, despite reinventions in key malls.
    - Office leasing revenues likewise rose 5 percent to ₱12.2 billion on better-than-industry occupancy and contracted lease escalations.
    - Hotels and resorts revenues increased 9 percent to ₱10.6 billion lifted by the value-accretive acquisition of New World Hotel Makati during the second half of the year.
    - Industrial real estate revenues jumped 37 percent to ₱1.7 billion on the back of the contributions of industrial land for lease and additional cold storage capacity.

- Capital expenditures reached ₱92.9 billion, with 38 percent allocated to residential projects, 29 percent to leasing and hospitality assets, 18 percent to estate development, and 15 percent to land acquisition commitments and other expenses.

- Meanwhile, ALI's REIT vehicle, AREIT, saw its net income jump 28 percent to ₱9.4 billion, as stable operations from its existing portfolio were boosted by contributions from newly infused developments.
    - Assets under management reached ₱139.3 billion at the end of 2025.
    - On December 11, 2025, AREIT secured stockholder approval for a property-for-share swap with ALI and its subsidiary to infuse ₱19.5 billion worth of retail assets, namely Ayala Center Cebu and Ayala Malls Feliz, subject to regulatory approvals. This planned infusion is expected further increase AREIT's AUM to ₱159 billion.

Power

- ACEN's core net income rose 4 percent to ₱6.3 billion driven by higher renewables output.
    - Including one-off items, primarily the ₱2.7 billion impairment in the first half related to the Lac Hoa and Hoa Dong wind projects in Vietnam, ACEN's net income declined 60 percent to ₱3.8 billion.

- Core attributable EBITDA, which includes ACEN's share of EBITDA from non-consolidated operating projects, expanded 17 percent to ₱22.5 billion.

- Total attributable renewables output grew 24 percent to 7,009 gigawatt-hours (GWh) driven by contributions from newly operational plants.
    - Output from Philippine renewable plants went up 2 percent to 1,866 GWh due to the completion of wind turbine repairs in Ilocos Norte.
    - Output from international renewable plants jumped 34 percent to 5,143 GWh as all markets posted higher generation due to strong wind and solar resources, along with new capacity added in 2025.

- Today, ACEN has 7,001 MW of attributable capacity, consisting of 4.3 GW in operation and 2.7 GW under construction projects.

Share in Net Profits of Associates and JV

Share in net profits of associates and joint ventures increased 6 percent to ₱46.8 billion due to higher equity in net earnings from ACEIC and ALI AJVs, BPI's higher net interest and non-interest income despite higher expenses and provisions, Globe's ₱2.2 billion dilution gain (AC's equity share of ₱0.7 billion) in Mynt and lower operating expenses which helped offset flat revenues, higher earnings in Mynt supported by growth across key business pillars such as lending, payments, and transfers. These were partially offset by the impact of MWC's divestment in May 2024. As a percentage of total revenue, this account was 12 percent for both years ended December 31, 2025 and 2024.

Banking

- BPI reported a net income of ₱66.6 billion, up 7 percent from a year ago, supported by record revenues which more than offset the increase in operating expenses and provisions. Return on Equity stood at 14.5 percent.

- Total revenues grew 15 percent to ₱195.3 billion driven by all-time high net interest income.
  - Total loans increased 15 percent to ₱2.6 trillion, driven by broad-based credit demand.
  - Non-institutional loans, which accounted for 30.4 percent of total loans, grew 26 percent as all categories showed robust growth.
  - Annual net interest margin ("NIM") expanded 28 basis points to 4.59 percent, marking its fourth consecutive year of expansion, despite reduction in policy rates.
  - Fee income was up 9 percent to ₱39 billion, driven by higher customer count and customer activities.

- Total deposits increased 9 percent to ₱2.8 trillion mainly from the growth in time deposits.

- Asset quality remained healthy with adequate cover despite the portfolio's expansion into higher-yielding non-institutional segment.
  - NPL ratio rose 6 basis points to 2.18 percent.
  - NPL cover dropped 11 percentage points to 94.92 percent.
  - Total provisions amounted to ₱17.8 billion, up 169 percent from last year.

- Operating expenses grew 10 percent to ₱92.1 billion on higher manpower, technology, and volume-related expenses. Sustained operational efficiencies brought the cost-to-income ratio down further to 47.2 percent.

Telco

- Globe's core net income, which excludes non-recurring items such as accounting gains from the Mynt transaction, tower sale and leaseback, and foreign exchange and mark-to-market charges, dropped 3 percent to ₱20.9 billion driven by higher depreciation and interest expenses which offset record gross service revenues, lower OPEX, and improved equity contributions from affiliates.
  - Net income went down 4 percent to ₱23.3 billion due to increased depreciation and amortization costs.

- Gross service revenues reached an all-time high of ₱165.1 billion.
  - Mobile service revenues increased to record high of ₱116.9 billion on robust mobile data usage which more than offset the continued structural decline in legacy voice and SMS services.
  - Home broadband revenues inched up 1 percent to ₱24 billion supported by sustained fiber adoption.
  - Corporate data revenues climbed 1 percent to ₱20.7 billion as growth in ICT-related services partly offset the decline in core data services amid cautious enterprise spending.
  - Non-telco revenues decreased 12 percent to ₱2.3 billion as softer advertising results from AdSpark and lower Asticom revenues outweighed improvements from Yondu.

- EBITDA rose to ₱87.6 billion on the back of higher revenues and ongoing cost management initiatives that improved operational efficiencies.
  - Operating expenses, including subsidies, dipped 1 percent to ₱77.5 billion.
  - EBITDA margin rose to 53.1 percent, exceeding full-year guidance of 50 percent.

- Equity earnings from Mynt rose 64 percent to ₱6.1 billion supported by growth across key business pillars such as lending, payments and transfers. Mynt's contribution accounted for 22 percent of Globe's pre-tax net income.
    - Total loan disbursements since inception surged 65 percent with a 35 percent increase in unique borrowers.
    - Insurance policies sold life-to-date soared 198 percent driven by a 45 percent rise in GInsure users.

- Capital expenditures dropped 18 percent to ₱46.2 billion, in line with Globe's focus on free cash flow generation. This brought CAPEX-to-revenue ratio down to 28 percent from 34 percent, underscoring a disciplined approach to capital efficiency.

Emerging Business Updates

- AC Health achieved a net income of ₱34 million, a turnaround from the ₱607 million in net losses prior year, driven by the strength of its Provider Group, absence of KMD losses, and a ₱102 million gain from the sale of KMD. EBITDA more than doubled to ₱1.5 billion from ₱0.6 billion.
    - Revenues from the provider group, consisting of hospitals and clinics, soared 71 percent on higher patient census, increased average spend per patient, and more corporate clinic accounts, supported by the consolidation of full-year revenues from FEU-NRMF and continuous ramp-up of the Cancer Hospital.
    - Revenue from the pharma group were flat as growth in retail were offset by lower distribution revenues.

- ACMobility narrowed its core net losses to ₱386 million from ₱465 million as robust volume growth were offset by higher marketing expenses.
    - Total unit sales grew to 42,684 from 23,483 driven by standout models such as BYD Sealion 6, BYD Seal 5, and Kia Sonet, supplemented by new launches including the BYD Shark 6 DMO and BYD Sealion 5 DM-i. This improved ACMobility's total market share to 9 percent from 4.9 percent last year. AC Mobility continues to hold the largest market share in New Electric Vehicles ("NEV") segment at 82.3 percent.
    - On the charging infrastructure side, AC Mobility ended 2025 with 459 installed charging points, of which 419 are electrified, across 166 locations.
    - In January 2026, ACMobility renewed its distribution agreement with BYD to accelerate the country's shift toward electrified mobility. Additionally, ACMobility Premium Dealership was officially appointed as one of the three dealers for DENZA, BYD's luxury brand, expanding ACMobility's reach into the premium NEV segment.

- IMI posted a net income of US$13.5 million, marking a significant turnaround from the -US$49.8 million net loss last year, due to improvements in operational efficiency and cost restructuring measures despite the weaker demand in the global automotive market. Core adjusted EBITDA rose 42 percent to US$65.6 million from US$46.2 million.

- AC Logistics trimmed its net loss to ₱1.9 billion from ₱2.2 billion driven by ongoing rationalization initiatives. Attributable EBIT losses likewise narrowed to ₱517 million from ₱815 million due to cost-saving measures which helped offset lower revenues.

Costs of Goods Sold and Rendering Services

Cost of sales and services up 2 percent to ₱242.7 billion on the back of improved sales performance which led to improved gross profits for AC Health and AC Industrials. The increase also reflects generally higher prices for direct costs and overhead across various BUs. As a percentage of total costs and expenses, these accounts were 83 percent and 82 percent for the years ended December 31, 2025 and 2024, respectively.

General and Administrative Expenses

General and Administrative Expenses decreased 5 percent to ₱48.9 billion due to lower Group impairment provision, including ACEN's ₱8.4 billion (₱4.9 billion AC equity share) provision for expected credit loss (ECL) on receivables from PPLC and Vietnam Wind projects and an additional ₱885.0 million provision for

IPO. This is compared to last year's provisions on investments such as IMI (including VIA) and AC Infra/AC Logistics. Meanwhile, excluding impairment provisions, normalized GAE increased 1 percent on higher advertising, taxes and licenses, and ECL provisions on receivables. These were partially offset by cost rationalization and restructuring measures in AC Logistics and IMI. As a percentage of total costs and expenses, this account was 17 percent and 18 percent for the years ended December 31, 2025 and 2024, respectively.

Balance Sheet Highlights (FY25 vs FY24)

- Total assets grew 8 percent to ₱1.9 trillion by end 2025 mainly due to higher accounts and notes receivable, property, plant and equipment, and investments in associates and joint ventures.

    - Accounts and notes receivable rose 13 percent to ₱350.8 billion driven by AC's higher dividends receivable, ACEIC's higher interest receivable from development loans and bridge financing, ALI's increase in real estate revenues and receivables from the sale of its investment in Alabang Commercial Corporation, and AC Health's higher hospital and clinic receivables from HMOs and government. These gains were partially offset by ACEIC's ECL provisions on receivables from PPLC and the Vietnam Wind projects, ACEIC's partial conversion of loan receivables into equity in associates and joint ventures, and Philwater's collections of installment receivables from the sale of MWCI shares. These accounts represented 19 percent and 18 percent of total assets as of December 31, 2025 and 2024, respectively.

    - Property, plant and equipment increased 19 percent to ₱211.4 billion due to ACEIC's continued investments in solar and wind farm projects (including capitalized borrowing costs and development management fees), and ALI's New World Hotel acquisition and hotel renovations, AC Health's new assets from the Healthway Medical Network and the newly acquired Cebu Velez General Hospital, and AC Industrials' new dealership and charging network facilities. These were partially offset by IMI's disposal of its Czech subsidiary, AC Industrials' divestment of its Honda operations, and the Group's depreciation and amortization during the year. This account was 11 percent and 10 percent of total assets as of December 31, 2025 and 2024, respectively.

    - Investments in associates and joint ventures increased 6 percent to ₱426.5 billion on the back of equity earnings from BPI, Globe, Mynt, LRMHI, ACEIC, and ALI, Globe's ₱2.2 billion dilution gain (₱0.7 billion AC share) on Mynt following MUFG's entry, AC's purchase of additional IPO shares from Anscor equivalent to a 2.8 percent effective ownership, and additional investments by ACEIC and ALI, net of disposals. The increase also reflects the impact of AC's strategic partnership with Mitsubishi Corporation, which resulted in the partial divestment and remeasurement of the 50 percent retained interest of AC Ventures Holding Corp. (renamed to "AM 50 Ventures Inc."). These were partially offset by dividends received from BPI, Globe, LHI, and IPO, provisions net of reversals during the year, and the reclassification of AC Industrials' investment in Honda Car Philippines, Inc. (HCPI) following the transfer of its dealerships to another operator. This account represented 23 percent of total assets as of December 31, 2025 and 2024.

- Consolidated cash stood at ₱67.3 billion. Consolidated net debt increased 8 percent to ₱637.2 billion.

- Consolidated net debt-to-equity ratio improved to 0.79x from 0.81x, well within the Company's covenant of 3.0x.

- Parent level cash increased 19 percent to ₱13.8 billion.

- Parent net debt declined 18 percent to ₱136.3 billion.

- Parent net debt-to-equity ratio improved by 30 basis points to 0.76x from 1.06x.

- Loan-to-value ratio, the ratio of its parent net debt (excluding the fixed-for-life perpetuals which have no maturity) to the total value of its assets, decreased 240 basis points to 11.5 percent.

Key performance indicators of the Company and its significant subsidiaries

The table sets forth the comparative key performance indicators of the Company and its significant subsidiaries.

Ayala Corporation (Consolidated)			
(In Million Pesos, except ratios)	**2025**	**2024**	**2023**
Revenue	383,636	370,052	341,898
Net Income Attributable to Equity Holders	61,428	42,026	38,073
Total Assets	1,891,567	1,749,326	1,608,713
Total Debt	704,488	666,759	589,844
Total Stockholders' Equity	809,849	725,582	674,941
Current Ratio[1]	1.48	1.50	1.65
Debt to Equity Ratio[2]	0.87	0.92	0.87
Ayala Land, Inc.			
(In Million Pesos, except ratios)	**2025**	**2024**	**2023**
Revenue	176,758	178,563	147,077
Net Income Attributable to Equity Holders	39,121	28,233	24,508
Total Assets	997,364	918,755	846,632
Total Debt	318,037	282,156	258,254
Total Stockholders' Equity	385,054	358,496	319,929
Current Ratio[1]	1.59	1.75	1.76
Debt to Equity Ratio[2]	0.83	0.79	0.81
AC Energy and Infrastructure Corporation			
(In Million Pesos, except ratios)	**2025**	**2024**	**2023**
Revenue	37,803	42,402	43,790
Net Income Attributable to Equity Holders	6,983	12,516	12,583
Total Assets	433,519	394,740	342,975
Total Debt	202,101	171,559	135,364
Total Stockholders' Equity	190,146	183,230	173,699
Current Ratio[1]	1.63	2.05	1.82
Debt to Equity Ratio[2]	1.06	0.94	0.78
Integrated Micro-Electronics, Inc.			
(In Thousand US Dollars, except ratios)	**2025**	**2024**	**2023**
Revenue	996,303	1,098,693	1,327,213
Net loss Attributable to Equity Holders	13,526	(49,788)	(105,626)
Total Assets	676,973	792,924	994,627
Total Debt	196,009	290,460	356,725
Total Stockholders' Equity	255,718	224,103	310,585
Current Ratio[1]	1.32	1.39	1.44
Debt to Equity Ratio[2]	0.77	1.30	1.15

[1] Current Assets/ Current Liabilities.
[2] Total Debt/ Total Stockholders' Equity (Total Debt includes short-term debt, long-term debt both current and noncurrent portion).

Causes of Any Material Variances
(Increase or decrease of 5% or more in the financial statements)

Balance Sheet Items
As at December 31, 2025 and 2024

Cash and cash equivalents and Short-term investments (Notes 5 and 6) – 12% decrease from ₱76,226 million to ₱67,306 million*
Decrease was from AC and ALI's share buybacks, ACEIC's construction of new solar farms and additional investments in associates and joint ventures, and at fair value through other comprehensive income (FVOCI), ALI's construction of real estate inventories, the Group's payments for other capital expenditures, interest, and dividends. These were offset by AC's ₱20.0 billion gross proceeds from the reissuance of its Preferred "B" shares, ALI's partial proceeds from the sale of its investment in Alabang Commercial Corporation (ACC) and from the sale of receivables, proceeds from redemption of AC Infra and AC Ventures redeemable preferred shares, proceeds ABC Impact's initial subscriptions of AC Health shares, the Group's net short-term and long-term borrowings, and dividends from associates and joint ventures. This account is 4% of total assets as of December 31, 2025 and 2024.

Accounts and notes receivable (Note 7):*

(In Millions)	**December 2025**	December 2024	% Inc. (Dec.)	% of Total Assets December 2025	% of Total Assets December 2024
Current	**₱164,321**	₱158,358	4%	9%	9%
Noncurrent	**186,473**	151,065	23%	10%	9%
Total	**₱350,794**	₱309,423	13%	19%	18%

Combined movements came from AC's higher dividends receivable, ACEIC's higher interest receivable on development loans and bridge financing, ALI's increase in real estate revenues and receivable from the sale of its investment in ACC, AC Health's higher hospital and clinic receivables from HMOs and government; offset by ACEIC's provisions for expected credit loss on its receivables from PPLC and Vietnam Wind projects, ACEIC's partial conversion of loan receivables into additional equity in its associates and joint ventures (see Note 10*), and collections of Philwater's installment receivable from the sale of MWCI shares. These accounts are 19% and 18% of total assets as of December 31, 2025 and 2024, respectively.

Inventories (Note 8) – 8% increase from ₱247,753 million to ₱267,318 million*
Increase attributable to ALI's new land acquisitions and completed project constructions, and AC Industrials' additional BYD vehicle units; offset by IMI's reduced inventories as lower sales consumed existing inventories and tempered additional purchases. This account is 14% of total assets as of December 31, 2025 and 2024.

Investments in associates and joint ventures (Note 10) – 6% increase from ₱401,222 million to ₱426,502 million*
Increase attributable to equity earnings from BPI, Globe, Mynt/GCash, LRMHI, ACEIC and ALI investees; ₱2.2 billion dilution gain (₱0.7 billion as AC's equity share) recognized by Globe on its investment in Mynt/GCash as a result of MUFG's entry into Mynt; AC's purchase of additional IPO shares from Anscor equivalent to 2.8% effective ownership; and ACEIC and ALI's additional investments net of disposals, the impact of AC's strategic partnership with Mitsubishi Corporation which led to partial divestment of AC Ventures (renamed "AM 50 Ventures", see Note 2*) and corresponding remeasurement of the 50.0% retained interest. These were offset by dividends received from investments such as BPI, Globe, LHI, and IPO; provisions net of reversals during the year, and the reclassification of AC Industrials' investment in Honda Car Philippines, Inc. (HCPI) as a result of the transfer of its dealerships to another operator. This account is 23% of total assets as of December 31, 2025 and 2024.

Investment properties (Note 11) – 8% increase from ₱262,904 million to ₱285,074 million*
Increase primarily from ALI's ongoing construction and renovations of mall buildings, land acquisitions, and acquisition of ABS-CBN property; offset by the impact of the sale of ALI's investment in ACC which operates the Alabang Town Center property. This account is 15% of total assets as of December 31, 2025 and December 31, 2024.

Property, plant and equipment (Note 12) – 19% increase from ₱178,131 million to ₱211,389 million*
Increase attributable to ACEIC's continued investments in solar and wind farm projects including capitalized borrowing costs and development management fees, ALI's New World Hotel acquisition and hotel properties renovations, AC Health's additions from the Healthway Medical Network and from the newly acquired Cebu Velez General Hospital, AC Industrials' new dealership and charging network facilities; offset by the effect of IMI's disposal of its Czech subsidiary, the impact of AC Industrials' disposal of its Honda operations, as well as the Group's period depreciation and amortization. This account is 11% and 10% of total assets as of December 31, 2025 and 2024, respectively.

Right-of-use assets (Note 30) – 9% decrease from ₱24,562 million to ₱22,385 million*
Decrease due to Group's period depreciation and amortization of leased assets, AC Logistics' and IMI's lease modifications, derecognition of various leases of AC Logistics; offset by AC Health's additional long-term lease with FEU and AC Industrials' new leases for BYD and Denza dealerships. This account is 1% of total assets as of December 31, 2025 and 2024.

Deferred tax assets (DTA) (Note 25) – 8% decrease from ₱20,220 million to ₱18,563 million*

Decrease due to the difference between ALI's tax and book basis of accounting for real estate transactions, and partially from the impact of IMI's divestment of its investment in VIA. This account is 1% of total assets as of December 31, 2025 and 2024.

Other noncurrent assets (Note 15) – 16% increase from ₱87,276 million to ₱100,900 million*
Increase arose from ACEIC and ALI's advances to contractors and suppliers, ACEIC's advances for land acquisitions and derivative asset related to the Australian market's 20-year Long-term Energy Service Agreements (LTESAs) for two of its solar projects in New South Wales, ACEIC and Bestfull's additional investments in redeemable preferred shares, and the Group's higher CWTs and input VAT. This account is 5% of total assets as of December 31, 2025 and 2024.

Short-term debt (Note 18) – 8% increase from ₱75,556 million to ₱81,298 million*
Increase due to net borrowings of ACEIC, ALI, AYCFL, and AC Industrials, partly offset by net loan settlements of AC, AC Logistics, and IMI. This account is 8% and 7% of total liabilities as of December 31, 2025 and 2024, respectively.

Accounts payable and accrued expenses (Note 16) –13% increase from ₱223,662 million to ₱253,625 million*
Increase due to AC's dividends payable, ALI and AC Industrials' trade payables and accruals from ramp up of activities; offset by ACEIC's settlements to suppliers and service providers, and IMI's lower material purchases and accruals. This account is 23% and 22% of total liabilities as of December 31, 2025 and 2024, respectively.

Income tax payable – 13% decrease from ₱820 million to ₱717 million
Decrease mainly from ALI's income tax payments during the year. This account is less than 1% of total liabilities as of December 31, 2025 and 2024.

Other current liabilities (Note 17) – 19% decrease from ₱23,729 million to ₱19,227 million*
Decrease primarily from ALI's conversion of customer deposits to sales bookings. This account is 2% of total liabilities as of December 31, 2025 and 2024.

Long-term debt (Note 18):*

				% of Total Liabilities	
(In Millions)	**December 2025**	December 2024	% Inc. (Dec.)	December 2025	December 2024
Current	**₱46,564**	₱60,875	(24%)	4%	6%
Noncurrent	**576,625**	530,328	9%	53%	52%
Total	**₱623,189**	₱591,203	5%	58%	58%

Combined movements due to net loan availments of various BUs led by ACEIC and ALI (including its sustainability-linked bonds issuance); offset by net debt settlements of AC and IMI. This account is 58% of total liabilities as of December 31, 2025 and 2024.

Lease liabilities (Note 30):*

				% of Total Liabilities	
(in Millions)	**December 2025**	December 2024	% Inc. (Dec.)	December 2025	December 2024
Current	**₱3,326**	₱4,648	(28%)	0%	0%
Noncurrent	**28,324**	28,794	(2%)	3%	3%
Total	**₱31,650**	₱33,442	(5%)	3%	3%

Combined decrease driven by Group's lease payments, lease modifications, and lease terminations during the year; offset by additional leases of AC Health and AC Industrials. Refer to the corresponding decrease in right of use assets. This account is 3% of total liabilities as of December 31, 2025 and 2024.

Deferred tax liabilities (Note 25) – 9% decrease from ₱15,383 million to ₱14,076 million*
Decrease from ALI's real estate transactions and Philwater's payment of deferred capital gains tax on the sale of its investment in MWC. This account is 1% and 2% of total liabilities as of December 31, 2025 and 2024, respectively.

Paid-in capital (Note 20) – 21% increase from ₱93,384 million to ₱112,568 million*
Increase from mainly from the proceeds of AC's reissuance of its Preferred "B" shares during the year. This account is 14% and 13% of total equity as of December 31, 2025 and 2024, respectively.

Remeasurement losses on defined benefit plans (Note 27) – 19% increase from (-)₱6,618 million to (-)₱7,857 million*
Increase due to the Group's higher remeasurement losses during the year. This account is 1% of total equity as of December 31, 2025 and 2024.

Fair value reserve of financial assets through FVOCI (Note 15) – 30% decrease from (-)₱3,127 million to (-)₱2,195 million*
Decrease mainly due to BPI's net gains on mark-to-market valuation of its financial assets at FVOCI, and IPO's revaluation gain on land property carried at appraised values; offset by AC Parent's net fair value adjustments of hedging instruments, ACEIC and Bestfull's mark-to-market net losses of financial assets at FVOCI. This account is below 1% of total equity as of December 31, 2025 and 2024.

Cumulative translation adjustments (CTA) – 78% increase from ₱4,411 million to ₱7,868 million
Increase due to forex translation (movement in forex) of the Ayala Group's business units with US Dollar functional currencies. Closing rate of PHP per USD1.00 was ₱58.79 vs. ₱57.85 as of December 31, 2025 and 2024, respectively. This account is below 1% of total equity as of December 31, 2025 and 2024.

Equity reserve (Note 2) – 10% increase from ₱25,476 million to ₱28,021 million*
Increase from AC's dilution gain on its investment in AC Health from the entry of ABC Impact, ACEIC's acquisition of an additional equity stake in ISLASOL, ALI's additional equity investment in Roxas Land and gain from block sale of AREIT shares; offset by AC's dilution loss on its investment in ALI as a result of the latter's share buybacks. This account is 3% and 4% of total equity as of December 31, 2025 and 2024, respectively.

Retained earnings (Note 20) – 16% increase from ₱335,194 million to ₱388,402 million*
Increase arose mainly from the overall net income growth of the Group net of AC dividends declared during the year. This account is 48% and 46% of total equity as of December 31, 2025 and 2024, respectively.

Treasury stock (Note 20) – 6% increase from negative (-)₱14,221 million to negative (-)₱15,145 million*
Increase due to AC's reissuance of its Preferred "B" shares previously held in treasury, net of the effect of AC's common share buyback. This account is 2% of total equity as of December 31, 2025 and 2024.

Income Statement Items
For the Years Ended December 31, 2025 and 2024

Share in net profits of associates and joint ventures (AJVs) (Note 10) – 6% increase from ₱44,308 million to ₱46,750 million*
Minimal increase compared to last year due to higher equity in net earnings from ACEIC and ALI AJVs and LRMHI, BPI's higher net interest and non-interest income despite its higher expenses and provision for losses, Globe's ₱2.2 billion dilution gain (AC's equity share of ₱0.7 billion) on Mynt/GCash and managed operating expenses countering almost flat revenue growth, higher earnings of Mynt/GCash supported by growth across key business pillars such as lending, payments, and transfers. These were offset by the impact of last year's divestment of MWC in May 2024. As a percentage of total revenues, this account is at 12% for the years ended December 31, 2025 and 2024.

General and administrative expenses (GAE) (Note 22) – 5% decrease from ₱51,270 million to ₱48,919 million*
Decrease mainly from this year's lower Group impairment provisions which includes ACEN's ₱8.4 billion (₱4.9 billion AC equity share) provision for expected credit loss (ECL) on receivables from PPLC and Vietnam Wind projects (see Note 7*), ₱885.0 million additional provision for IPO (see Note 10*); versus impact of last year's provisions on investments such as IMI including VIA, and for AC Infra/AC Logistics. Isolating both years' provisions for impairment, normalized GAE increased by 1% due to higher advertising, taxes and licenses, and provisions for ECL on receivables; despite the cushioning impact of cost rationalization and restructuring measures in AC Logistics and IMI. As a percentage of total costs and expenses, this account is at 17% and 18% for the years ended December 31, 2025 and 2024, respectively.

Interest income (Note 22) – 30% increase from ₱13,264 million to ₱17,212 million*
Increase primarily due to ACEIC's investments and from various receivables such as the receivable from PPLC.

Other income (Note 22) – 100% increase from ₱14,509 million to ₱29,077 million*
Increase attributable to ALI's ₱11.4 billion gain from the sale of its investment in ACC, ₱10.4 billion remeasurement gain on the Group's remaining interest in AM 50 Ventures (see Notes 2 and 10*); AC Ventures' ₱1.0 billion calculated dilution gain on its investment in Mynt/GCash arising from Mynt's issuance of primary shares to MUFG in February 2025, wherein AC Ventures did not participate, resulting in a change in AC Ventures' effective % ownership in Mynt from 13.67% to 13.22%; and AC Infra's ₱248.1 million reversal of provision for the investment in LRMHI (see Note 10*). These were offset by the impact of last year's one-offs such as the ₱4.2 billion calculated Group dilution gain arising from BPI and Robinsons Bank's merger, ₱0.6 billion gain on the sale of MWCI shares, and ACEIC's gain on early redemption of ACRI redeemable preferred shares and on early extinguishment of convertible loans. In addition, there were higher income from dividends, liquidated damages, and tolling fees in the current year.

Interest and other financing charges (Note 22) – 10% increase from ₱36,199 million to ₱39,757 million*
Increase came from the Group's new borrowings and higher interest rates during the year partly offset by ACEIC's capitalization of financing costs related to its projects.

Provision for income tax (current and deferred) (Note 25) – 13% increase from ₱10,388 million to ₱11,723 million*
Increase from ALI's higher current year taxable income; offset by the ACEIC's higher deferred tax benefit this period.

Income attributable to owners of the Parent – 46% increase from ₱42,026 million to ₱61,428 million
Increase came from better operating results of the Parent Company, ALI, BPI, IMI, AC Infra, AC Ventures/AM 50 Ventures; offset by lower contribution from ACEIC, AC Industrials, and Globe. As a percentage of total net income, this account is at 71% and 68% for the years ended December 31, 2025 and 2024, respectively.

Income attributable to non-controlling interests – 31% increase from ₱19,436 million to ₱25,441 million
Increase due to the improvement in the current year performance of ALI and lower attributable net losses of IMI; offset by the reduced share of non-controlling interests on ACEIC's current period earnings. As a percentage of total net income, this account is at 29% and 32% for the years ended December 31, 2025 and 2024, respectively.

**Refer to Ayala's Audited Consolidated Financial Statements as of December 31, 2025, which form part of the Index of this Report.*

Outlook for 2026

The Philippine economy faced notable headwinds in 2025 as GDP growth slowed to 4.4%, down from 5.7% in 2024, brought by the alleged issues in flood control projects. The issue weighed on consumer and business sentiment, dragging household spending in the second half of the year despite earlier gains supported by lower inflation. Meanwhile, government spending on construction contracted by 17.9% in 2025 as the government suspended the implementation of certain projects amid the investigations. Still, key structural drivers such as strong remittances, a young labor force, and continued BPO expansion, helped sustain economic activity.

Looking ahead, BPI expects growth to recover to 5.1% in 2026, with a stronger second half as government spending normalizes and sentiment gradually improves. Remittances, which grew 3.3% in 2025, and stable employment conditions, including a low 4.4% unemployment rate, will continue to support consumption.

Inflation eased sharply to 1.7% in 2025 due to improved rice supply following the end of El Niño, though it may rise to 3.2% in 2026 as base effects fade and weather risks emerge. Even so, price pressures are expected to remain within the BSP's target band. This outlook gives the BSP space to extend its monetary

policy easing cycle, with policy rates projected to fall from 4.5% in 2025 to 4.0% in 2026, supporting credit growth and private investment.

The Peso weakened early in the year amid slower economic momentum, constrained government spending, and expectations of further rate cuts. The currency may remain under pressure given the country's wide trade deficit, though lower oil prices could offer relief. Movements will also hinge on the US Federal Reserve's rate cutting path, which markets currently expect to involve two adjustments in 2026.

However, there are downside risks to the world economy if the ongoing conflict in the Middle East as of this writing is prolonged. Rising commodity prices, specifically oil, gas, and energy, has become a growing concern, putting pressure on markets globally. Tensions in the Middle East also creates issues on security in other parts of the world as the United States, Israel, and Iran have their own sets of ally nations in other regions. These may affect the growth prospects of the Philippines, as with other countries.

2024 vs. 2023 Highlights

- Ayala Corporation's ("Ayala" or "the Company") core net income, which excludes one-off items, increased 10 percent to an all-time high of ₱45.0 billion. BPI, Ayala Land, Globe, and AC Energy & Infrastructure (ACEIC) delivered strong performances, underpinning the Company's results. Accounting for one-offs, Ayala's net income rose 10 percent to ₱42.0 billion.

    - BPI achieved a record net income of ₱62.0 billion, up 20 percent driven by record revenues despite higher operating expenses and provisions. Full-year return on equity was 15.1 percent.

    - Ayala Land's net income grew 15 percent to ₱28.2 billion on the back of solid growth across its business units.

    - Globe's core net income, which excludes non-recurring charges, foreign exchange and mark-to-market charges, improved 14 percent to ₱21.5 billion in 2024 with EBITDA reaching an all-time high on the back of improved topline growth and lower spending. The lift in Globe's core earnings was further supported by Mynt, the operator of GCash, as it sustained its growth momentum. Net income was down one percent to ₱24.3 billion due to lower one-time gains from the tower sales.

    - ACEN's reported net income accelerated 27 percent to ₱9.4 billion, driven by higher attributable renewables output, and supported by ₱2.8 billion in value realization gains.
        - ACEIC, the parent company of ACEN, registered a core net income of ₱10.7 billion, up 13 percent driven by increased contributions from ACEN's new capacity and higher financing income which offset lower earnings from its thermal assets.

Consolidated Sales of Goods and Rendering of Services

Sale of goods and rendering services increased 12 percent to ₱325.7 billion due to higher revenues from residential business, incremental construction project activities, improved mall and hotel operations in ALI, higher automotive sales driven by electronic vehicles in AC Industrials, and higher import/export services, warehouse, and trucking revenues in AC Logistics. These were partially offset by lower sales in IMI. As a percentage of total revenues, this account was at 88 percent and 85 percent for the years ended December 31, 2024 and 2023, respectively.

Real Estate

- Ayala Land's net income was up 15 percent to ₱28.2 billion in 2024, driven by solid growth across its business units. This was anchored by higher residential as well as commercial and industrial lot bookings which pushed revenues to ₱180.7 billion, up 21 percent.
- Property development revenues grew 22 percent to ₱112.9 billion.
    - Residential revenues increased 23 percent to ₱94.9 billion.
    - Office-for-sale revenues declined 18 percent to ₱3.5 billion as lower incremental percentage of completion (POC) weighed on new bookings.
    - Commercial and industrial lots revenues jumped 34 percent to ₱14.6 billion.

- Reservation sales climbed 12 percent to ₱127.1 billion on the back of resilient demand from the premium segment, horizontal projects, and developments in suburban estates.

- Total launches for the year reached ₱80.5 billion, of which 66 percent were located outside Metro Manila. In the fourth quarter, Ayala Land introduced ₱34.9 billion-worth of residential projects.
    - Notable launches include Ayala Land Premier's Enara and Anvaya Seabridge Residences Buildings A & B, Avida's Makati Southpoint Tower, and Serin Terraces in Tagaytay.

- Leasing and hospitality revenues increased nine percent to ₱45.6 billion on higher rental rates and contributions from newly completed assets.
    - Despite ongoing reinvention initiatives, shopping center revenues increased nine percent to ₱23.0 billion due to higher rent, full-year contribution of One Ayala, and improved operations from AyalaMalls Manila Bay.
    - Office revenues grew nine percent to ₱12.9 billion from increased rental rates and fresh contributions from One Ayala BPO Towers and Ayala Triangle Tower Two.
    - Hotels and resorts revenues increased 11 percent to ₱9.7 billion on the back of higher average room rates and contributions from new rooms of Seda Manila Bay and Nuvali Tower 2.

- Revenues from service business, comprised of construction and property management among others, surged 57 percent to ₱18.0 billion.
    - Net construction revenues nearly doubled to ₱13.0 billion on the back of increased bookings from external projects.

- Capital expenditures totaled ₱84.6 billion. Of this, 46 percent was allocated to residential projects, 27 percent to estate development, 15 percent to leasing and hospitality assets, and 12 percent to land acquisition commitments.
    - Ayala Land projects its capital expenditures to reach ₱95.0 billion in 2025, of which 37 percent will be in residential, 25 percent in estate development, and 23 percent in leasing and hospitality assets.

- Meanwhile, Ayala Land's REIT vehicle (before change in fair value of investment properties), AREIT, saw its net income soar 49 percent to ₱7.4 billion, boosted by contributions from new asset infusions and full-year contributions of 2023 acquired assets.
    - Assets under management reached ₱117.3 billion at the end of 2024.
    - In 2025, AREIT plans to infuse ₱21.0 billion worth of commercial properties located in Cebu, Davao, and Cagayan de Oro from its sponsor Ayala Land and its subsidiaries. This will bring the total gross leasable area to 4.3 million sqm composed of 1.4 million sqm of building GLA and 2.9 million sqm of industrial land.

Power

- ACEN's reported net income grew 27 percent to ₱9.4 billion in 2024, driven primarily by expanded attributable renewables output. This growth included value realization gains of ₱2.8 billion.

- Core attributable EBITDA, which includes ACEN's share of EBITDA from non-consolidated operating projects, expanded 25 percent to ₱19.3 billion on strong operating performance and additional generation from 1.8 gigawatts (GW) newly operationalized plants.

- Total attributable renewables output jumped 25 percent to 5,596 gigawatt-hours (GWh).
    - Output from Philippine renewable plants surged 60 percent to 1,826 GWh due to operationalization of SanMar Solar Phases 1 & 2 (Zambales), Pagudpud Wind and Capa Wind (Ilocos Norte), Cagayan North Solar (Cagayan), Arayat-Mexico Solar 2 (Pampanga). This increased capacity grew ACEN's net seller position in the WESM by 57 percent to 1,131 GWh.
    - Output from international renewable plants increased 13 percent to 3,770 GWh due to the operationalization of large-scale projects such as New England Solar in Australia, and Masaya Solar in India, and the addition of attributable capacity from SUPER Solar NT (Vietnam).

- ACEN currently has 6,978 megawatts (MW) of attributable capacity, comprised of 3.3 GW in operation, 2.3 GW under construction, and 1.4 GW of projects that have been approved by the company's Board and expected to begin construction within the next 12-18 months.

Share in Net Profits of Associates and JV

Share in net profits of associates and joint ventures decreased five percent to ₱44.3 billion due lower equity in net earnings of AJVs in ACEIC and the impact of the divestment from MWC in May 2024. These were partially offset by higher net interest and non-interest income despite its higher expenses and provision for losses in BPI, better results from AJVs of ALI, revenue growth outpacing higher expenses and lower one-time gains from tower sales in Globe, and higher earnings from Mynt. As a percentage of total revenue, this account was at 12 percent and 14 percent for the years ended December 31, 2024 and 2023, respectively.

Banking

- BPI delivered a record full-year net income of ₱62.0 billion in 2024, up 20 percent, driven by robust revenues which more than offset the increase in operating expenses and provisions. Return on equity stood at 15.1 percent.

- Total revenues grew 23 percent to ₱170.1 billion, driven by higher net interest income due to strong loan growth and higher net interest margin ("NIM").
    - Total loans increased 18 percent to ₱2.3 trillion due to growth in both institutional and non-institutional segments.
        - Institutional loans were up 12.8 percent to ₱1.7 trillion while non-institutional loans surged 37.9 percent.
        - Of the total loan mix, non-institutional loans accounted for 24.4 percent, 360 basis points higher from last year.
    - Net interest margin widened 22 basis points to 4.31 percent.
    - Fee income was up 24 percent to ₱35.7 billion on sustained volume growth.

- Total deposits increased 14 percent to ₱2.6 trillion mainly from the growth in time deposits.

- Asset quality remained healthy with sufficient cover despite the continued shift in the loan mix in favor of the non-institutional segment.
    - NPL ratio increased 29 basis points to 2.13 percent.
    - NPL cover decreased 50 percentage points to 106.2 percent.
    - Total provisions booked amounted to ₱6.6 billion, up 65 percent.

- Operating expenses grew 21 percent to ₱83.8 billion on higher manpower, technology, and volume-related expenses. Cost-to-income ratio continued with its steady decline, dropping 71 basis points to 49.3 percent.

Telco

- Globe's core net income, which excludes non-recurring charges, foreign exchange and mark-to-market charges, improved 14 percent to ₱21.5 billion in 2024. The performance was driven by Mynt's solid performance and record gross service revenues despite challenges from home broadband normalization, the ECPay deconsolidation, and prolonged inflation.
    - Net income slightly dipped one percent to ₱24.3 billion due to lower one-time gains from tower sales.

- Gross service revenues hit an all-time high of ₱165.0 billion as the mobile and corporate data delivered strong performances.
    - Mobile data revenues were up seven percent to ₱97.4 billion due to continued growing usage of mobile applications and higher data traffic.
    - Corporate data business grew 11 percent to ₱20.4 billion driven by growth in core accounts and ICT related services.
    - Home broadband revenues declined five percent to ₱23.8 billion mainly attributed to customer migration from fixed wireless to fiber products. GFiber Prepaid continued to gain traction,

hitting 260 thousand customers as of end-2024. As a result, total fiber revenues rose two percent and total fiber subscriber count increased 16 percent.
    - Non-telco revenues decreased 47 percent to ₱2.6 billion due to the deconsolidation of ECPay following Globe's sale of its 77 percent stake to Mynt last year.

- Equity earnings from Mynt surged to ₱3.8 billion, driven by its strong performance, partially tempered by non-recurring charges taken up by Mynt related to certain long-standing accounts. This represents 12 percent of Globe's pre-tax net income compared to seven percent in 2023.
    - Total loan disbursements soared 85 percent with unique borrowers accelerating 101 percent.
    - Insurance policies sold life-to-date grew 171 percent, with GInsure users surging 256 percent.

- EBITDA reached a new high of ₱86.8 billion, a seven percent growth on the back of improved topline growth and lower spending.
    - OPEX including subsidies declined three percent to ₱78.2 billion.
    - EBITDA margin climbed to 53 percent, above Globe's guidance of 50 percent.

- Capital expenditures dropped by 20 percent to ₱56.2 billion, in line with Globe's guidance of lowering spending and improved capital utilization. This led to a 10 percentage-point improvement in its CAPEX-to-revenue ratio, which ended at 34 percent.

Portfolio Updates

- AC Health's revenues (excluding equity share in net earnings and management fee) grew 10% to ₱9.4 billion. The provider group, consisting of clinics and hospitals, saw revenue growth of 22 percent, well above industry growth of 8 percent. FEU-NRMF turned EBITDA positive with revenues rising 19 percent to ₱957 million. Revenue from the pharma group remained flat but still outperformed the industry's five percent decline. Meanwhile, net loss widened to ₱610 million mainly due to a one-time impairment in Konsulta MD and ramp-up costs of the cancer hospital.

- AC Logistics' reported net loss widened to ₱2.2 billion from ₱1.8 billion due to losses from Entrego, higher manpower costs and rent, and an increased stake in Air21 Holdings, Inc. Meanwhile, attributable EBITDA losses improved 34 percent to ₱633 million from ₱995 million as streamlining initiatives enhanced operational efficiency. Its cold storage facility, GMAC CDO, reached 74 percent average utilization in 2024 since its opening in June 2023. On March 5, 2025, Ayala Corporation, AC Logistics, and A.P. Moller Capital ("APMC"), through EMIF II Holding III B.V. ("EMIF"), signed a share subscription agreement for EMIF to subscribe to common and redeemable preferred shares of AC Logistics equivalent to a ~40 percent economic stake. The completion of the transaction is subject to finalization of subscription price and satisfaction of conditions precedent including but not limited to regulatory approvals and the achievement of certain business milestones.

- AC Industrials narrowed its net loss to ₱2.4 billion from ₱7.3 billion due to lower impairments. Core net loss widened to ₱1.6 billion from ₱1.2 billion because of softer demand and restructuring costs in IMI, start-up expenses and one-off costs in ACMobility as well as closure costs in the 2-wheel segment.
    - IMI's revenues declined to US$1.1 billion in 2024 from US$1.3 billion. Core businesses' net loss amounted to US$24.6 million due to continued rationalization efforts. A leaner organization and a more optimized global footprint should position the company for sustainable growth.
    - ACMobility's net loss amounted to ₱465 million from ₱119 million. However, unit sales grew 46 percent to 23,483 from 16,111 driven by 8 successful model launches across BYD and Kia. Total market share improved by 120 basis points to 4.9 percent. AC Mobility continues to hold the largest market share in New Electric Vehicles at 85 percent. On the charging infrastructure side, AC Mobility ended 2024 with 215 charging points in 86 locations nationwide.

Costs of Goods Sold and Rendering Services

Cost of sales and services increased 8 percent to ₱238.5 billion resulting from improvement in sales and impact of generally higher prices for direct costs and overhead of various BUs. These were partially offset by lower cost of purchased power by ACEIC amid better matching of power output and purchases to demand. As a percentage to total costs and expenses, these accounts were 82 percent and 84 percent for the years ended December 31, 2024 and 2023, respectively.

General and Administrative Expenses

Excluding provisions for impairment, normalized GAE increased 15 percent due to higher personnel costs, professional fees, advertising, and taxes and licenses. The Group also recognized provisions for expected credit losses (ECLs) of various BUs' receivables, as well as provisions on the impairment risk of certain investments and non-financial assets, such as inventories, property, plant and equipment, and intangible assets, identified during the Group's annual impairment testing exercise. As a percentage of total costs and expenses, this account was at 18 percent and 16 percent for the years ended December 31, 2024 and 2023, respectively.

Balance Sheet Highlights

- Total assets increased nine percent to ₱1.7 trillion from end-2023 mainly due to increases in accounts and notes receivables, property, plant and equipment, and investments in associates and joint ventures.
    - Accounts and notes receivables collectively jumped 11 percent to ₱309.4 billion due to property development and residential revenues and adoption of PIC Q&A 2018-12 on PFRS 15's significant financing component requirement in ALI, higher development loans and bridge financing in ACEIC, and additional receivable of Philwater from Trident Water from the sale of its investment in MWCI this year. These accounts were 18 percent and 17 percent of total assets as of December 31, 2024 and 2023, respectively.
    - Property, plant, and equipment grew 20 percent to ₱178.1 billion due to ACEIC's continued investments in solar and wind farm projects including higher capitalized borrowing costs. This were partially offset by disposals of ALI mainly from the sale of AirSwift, net disposals and impairments in IMI, and the Group's depreciation and amortization. This account was 10 percent and nine percent of total assets as of December 31, 2024 and 2023, respectively.
    - Investments in associates and joint ventures were up 13 percent to ₱401.2 billion from equity earnings net of dividends in BPI and Globe, higher earnings from Mynt, additional investments in BIM Energy Holdings, BrightNight India, UPC Power Solutions, PhilWind, and North Luzon Renewable of ACEIC, investment in St. Joseph Drugstore of AC Health, and additional investment in GCash of AC Ventures. These were partially offset by the sale of MWCI as well as provisions for LRMC and UPC Renewables Asia III. This account was 23 percent and 22 percent of total assets as of December 31, 2024 and 2023, respectively.
    - Investment properties increased 8 percent to ₱262.9 billion primarily due to land acquisitions, construction progress in leasing assets in ALI and transfers from property, plant, and equipment. This account was 15 percent of total assets for both years as of December 31, 2024 and 2023.

- Ayala's balance sheet remained healthy despite market volatility as Ayala continues to have good access to credit from domestic and international banks, multilaterals and the capital markets.

- Consolidated cash stood at ₱76.2 billion.

- Consolidated group capex for 2025 estimated at ₱230.0 billion vs. 2024 group capex of ₱224.0 billion.

- Consolidated net debt increased 17 percent to ₱590.5 billion.

- Consolidated net debt-to-equity ratio climbed six basis points to 0.81x, well within the Company's covenant of 3.0x.

- Parent level cash slipped one percent to ₱11.6 billion.

- Parent net debt jumped 14 percent to ₱167.1 billion.

- Loan-to-value ratio, the ratio of its parent net debt (excluding the fixed-for-life perpetuals which have no maturity) to the total value of its assets, stood at 13.9 percent.

- Parent net debt-to-equity ratio was at 1.06x.

- Parent average cost of debt decreased to 5.33 percent from 5.37 percent in 2023, supported by AC's high fixed rates ratio at 70 percent.

Key performance indicators of the Company and its significant subsidiaries
The table sets forth the comparative key performance indicators of the Company and its significant subsidiaries.

Ayala Corporation (Consolidated)			
(In million pesos, except ratios)	**2024**	**2023**	**2022**
Revenue	370,052	341,898	306,644
Net Income Attributable to Equity Holders	42,026	38,073	27,398
Total Assets	1,749,326	1,608,713	1,478,545
Total Debt	666,759	589,844	552,488
Total Stockholders' Equity	725,582	674,941	595,299
Current Ratio1	1.50	1.65	1.75
Debt to Equity Ratio2	0.92	0.87	0.93
Ayala Land, Inc.			
(In million pesos, except ratios)	**2024**	**2023**	**2022**
Revenue	178,563	147,077	124,481
Net Income Attributable to Equity Holders	28,233	24,508	18,617
Total Assets	918,755	846,632	779,655
Total Debt	282,156	258,254	236,039
Total Stockholders' Equity	358,496	319,929	293,665
Current Ratio[1]	1.75	1.76	1.78
Debt to Equity Ratio[2]	0.79	0.81	0.80
AC Energy and Infrastructure Corporation			
(In million pesos, except ratios)	**2024**	**2023**	**2022**
Revenue	42,402	43,790	40,373
Net Income Attributable to Equity Holders	12,516	12,583	4,639
Total Assets	394,740	342,975	281,565
Total Debt	171,559	135,364	117,753
Total Stockholders' Equity	183,230	173,699	142,625
Current Ratio[1]	1.82	1.82	4.48
Debt to Equity Ratio[2]	0.94	0.78	0.83
Integrated Micro-Electronics, Inc.			
(In thousand US dollars, except ratios)	**2024**	**2023**	**2022**
Revenue	1,098,693	1,327,213	1,401,730
Net loss Attributable to Equity Holders	(49,788)	(105,626)	(8,308)
Total Assets	792,924	994,627	1,102,994
Total Debt	290,460	356,725	343,074
Total Stockholders' Equity	224,103	310,585	414,958
Current Ratio[1]	1.39	1.44	1.51
Debt to Equity Ratio[2]	1.30	1.15	0.83

[1] *Current Assets/ Current Liabilities.*
[2] *Total Debt/ Total Stockholders' Equity (Total Debt includes short term debt, long-term debt both current and noncurrent portion).*

Causes of Any Material Variances
(Increase or decrease of 5% or more in the financial statements)

Balance Sheet Items
As at December 31, 2024 and 2023

Accounts and notes receivable (Note 7):*

				% of Total Assets	
(In Millions)	**December 2024**	December 2023	% Inc. (Dec.)	December 2024	December 2023
Current	**₱158,358**	₱159,553	(1%)	9%	10%
Noncurrent	**151,065**	119,341	27%	9%	7%
Total	**₱309,423**	₱278,894	11%	18%	17%

Combined movements came from ALI's increase in property development and residential revenues and slightly from the impact of its adoption of PIC Q&A 2018-12 on PFRS 15's significant financing component requirement, ACEIC's higher development loans and bridge financing, plus Philwater's additional receivable from Trident Water from the sale of its investment in MWCI this year. These were offset by lower IMI trade receivables and AC Logistics advances to an affiliate. These accounts are 18% and 17% of total assets as of December 31, 2024 and 2023, respectively.

Inventories – 7% increase from ₱231,279 million to ₱247,753 million
Increase attributable to ALI's new land acquisitions and completed project constructions and AC Industrials' delivery of vehicle units in the last quarter of the year; offset by IMI's reduced inventories as sales consumed existing inventories and lower demand tempered purchases. This account is 14% of total assets as of December 31, 2024 and 2023.

Other current assets (Note 9) – 6% decrease from ₱108,452 million to ₱102,226 million*
Decrease came from ALI's lower advances to contractors and suppliers, input VAT, and ACEIC's full disbursement of the proceeds from ACEN's issuance of redeemable preferred shares which was held in an escrow as restricted cash last year. This account is 6% and 7% of total assets as of December 31, 2024 and 2023, respectively.

Investments in associates and joint ventures (Note 10) – 13% increase from ₱353,964 million to ₱401,222 million*
Increase attributable to equity earnings less dividends from BPI and Globe; ACEIC's additional investments in BIM Energy Holdings, BrightNight India, UPC Power Solutions, PhilWind, and North Luzon Renewable; AC Health's purchase of a 49% investment in St. Joseph Drugstore; and AC Ventures' additional investment in GCash equivalent to an incremental ~8% stake; offset by the sale of MWCI and provisions for LRMC and UPC Renewables Asia III. This account is 23% and 22% of total assets as of December 31, 2024 and 2023, respectively.

Investment properties (Note 11) – 8% increase from ₱242,485 million to ₱262,904 million*
Increase primarily from ALI's land acquisitions, additional construction-in-progress of buildings to be leased as retail and office spaces upon completion, and transfers from property, plant and equipment. This account is 15% of total assets as of December 31, 2024 and 2023.

Property, plant and equipment (Note 12) – 20% increase from ₱149,055 million to ₱178,131 million*
Increase attributable to ACEIC's continued investments in solar and wind farm projects including higher capitalized borrowing costs and management fees; offset by disposals of ALI mainly from the sale of AirSwift, IMI net disposals and impairment, and the Group's period depreciation and amortization. This account is 10% and 9% of total assets as of December 31, 2024 and 2023, respectively.

Right-of-use assets (Note 30) – 5% increase from ₱23,498 million to ₱24,562 million*
Increase mainly from AC Logistics' new warehouse long-term lease offset by disposal of ALI's leased aircrafts as a result of the AirSwift sale. This account is 1% and 2% of total assets as of December 31, 2024 and 2023, respectively.

Short-term debt (Note 18) – 52% increase from ₱49,871 million to ₱75,556 million*
Increase due to net borrowings of AC, ACEIC, ALI, and AC Industrials; partly offset by net loan settlements of IMI and AC Infra. This account is 7% and 5% of total liabilities as of December 31, 2024 and 2023, respectively.

Income tax payable – 24% decrease from ₱1,076 million to ₱820 million
Decrease attributable to income tax payments of ACEIC, ALI, and IMI. This account is less than 1% of total liabilities as of December 31, 2024 and 2023.

Other current liabilities (Note 17) – 39% decrease from ₱39,125 million to ₱23,729 million*
Decrease primarily from ALI's conversion of customer deposits to sales bookings offset by increase in ACEIC's refundable customer deposits. This account is 2% and 4% of total liabilities as of December 31, 2024 and 2023, respectively.

Long-term debt (Note 18):*

(In Millions)	**December 2024**	December 2023	% Inc. (Dec.)	% of Total Liabilities December 2024	% of Total Liabilities December 2023
Current	**₱60,875**	₱49,461	23%	6%	5%
Noncurrent	**530,328**	490,511	8%	52%	53%
Total	**₱591,203**	₱539,972	9%	58%	58%

Combined movements due to net loan availments of various BUs led by ACEIC and ALI; offset by net debt settlements of AC and AC Industrials. This account is 58% of total liabilities as of December 31, 2024 and 2023.

Lease liabilities (Note 30):*

(in Millions)	**December 2024**	December 2023	% Inc. (Dec.)	% of Total Liabilities December 2024	% of Total Liabilities December 2023
Current	**₱4,648**	₱3,070	51%	0%	0%
Noncurrent	**28,794**	27,636	4%	3%	3%
Total	**₱33,442**	₱30,706	9%	3%	3%

Combined increase driven by AC Logistics' new warehouse lease and the renewal of IMI leases related to its foreign operations, offset by reduction from the sale of ALI leased AirSwift aircraft. Refer to corresponding increase in right of use assets. A higher increase in lease liabilities is expected in the early years of contracts due to the present value factor of lease obligations. This account is 3% of total liabilities as of December 31, 2024 and 2023.

Deferred tax liabilities (Note 25) – 34% increase from ₱11,459 million to ₱15,383 million*
Increase mainly from ALI's real estate transactions. This account is 2% and 1% of total liabilities as of December 31, 2024 and 2023, respectively.

Pension liabilities (Note 27) – 12% increase from ₱5,331 million to ₱5,952 million*
Increase attributable to the Group's retirement expense, interest, and net remeasurement loss on defined benefit plans during the year countered by benefit payments and AC's retirement fund contribution[9]. This account is below 1% of total liabilities as of December 31, 2024 and 2023.

Other noncurrent liabilities (Note 19) – 9% increase from ₱49,472 million to ₱53,996 million*
Increase due to ALI's higher customer deposits this year. This account is 5% of total liabilities as of December 31, 2024 and 2023.

Fair value reserve of financial assets at FVOCI (Note 15) – 4,620% increase from negative (-)₱66 million to negative (-)₱3,127 million*
Increase mainly due to ACEIC's net losses on mark-to-market valuation of its financial assets at FVOCI offset by IPO's P817 million revaluation gain on land property carried at appraised values. This account is below 1% of total equity as of December 31, 2024 and 2023.

Cumulative translation adjustments (CTA) – 34% increase from ₱3,295 million to ₱4,411 million
Increase due to forex translation (movement in forex) of the Ayala Group's business units with US Dollar functional currencies. The closing rate of PHP per USD1.00 was ₱57.85 vs. ₱55.37 as of December 31, 2024 and 2023, respectively. This account is below 1% of total equity as of December 31, 2024 and 2023.

Retained earnings (Note 20) – 13% increase from ₱297,883 million to ₱335,194 million*
Increase arose mainly from the overall net income growth of the Group net of AC dividends declared; combined with the upward impact of ALI's adoption of PIC Q&A 2018-12 on PFRS 15's significant financing component requirement (see Note 3*). This account is 46% and 44% of total equity as of December 31, 2024 and 2023, respectively.

Income Statement Items
For the Years Ended December 31, 2024 and 2023

[9] The Parent Company's pension fund is known as the AC Employees Retirement Fund (ACERF). Further details on ACERF are discussed in Note 27 of the 2024 Audited Consolidated Financial Statements.

Sale of goods and rendering of services (Note 21) – 12% increase from ₱289,905 million to ₱325,744 million*
Increase due to ALI's higher revenues from residential business, incremental construction project activities, improved mall and hotel operations, AC Industrials' higher automotive sales driven by electronic vehicles, and AC Logistics' higher import/export services, warehouse, and trucking revenues. These were offset by IMI's lower sales across sites. As a percentage of total revenues, this account is at 88% and 85% for the years ended December 31, 2024 and 2023, respectively.

Share in net profits of associates and joint ventures (AJVs) (Note 10) – 5% decrease from ₱46,633 million to ₱44,308 million*
Decrease due to lower equity in net earnings of ACEIC's AJVs and the impact of the divestment from MWC in May 2024; offset by BPI's higher net interest and non-interest income despite its higher expenses and provision for losses, better results from ALI's AJVs, and Globe's revenue growth countering higher expenses and lower one-time gains from the sale of tower assets plus higher earnings from Mynt/GCash. As a percentage of total revenues, this account is at 12% and 14% for the years ended December 31, 2024 and 2023, respectively.

Cost of goods sold and rendering services – 8% increase from ₱219,832 million to ₱238,506 million
Increase resulting from improvements in sales as explained above; impact of generally higher prices for direct costs and overhead of various BUs offset by ACEIC's lower cost of purchased power as a result of better matching of power output and purchases to demand. As a percentage of total costs and expenses, this account is at 82% and 84% for the years ended December 31, 2024 and 2023, respectively.

General and administrative expenses (GAE) (Note 22) – 20% increase from ₱42,647 million to ₱51,270 million*
Isolating the provisions for impairment taken up in both years, normalized GAE increased by 15% due to higher personnel costs, professional fees, advertising, and taxes and licenses. In addition, during the year, the Group recognized provisions for expected credit losses (ECLs) on various BUs' receivables as well as provisions on the impairment risk of certain investments and non-financial assets, such as inventories, property, plant and equipment, and intangible assets, identified during the Group's annual impairment testing exercise (see Notes 7, 8, 10, 11, 12, and 14*). As a percentage of total costs and expenses, this account is at 18% and 16% for the years ended December 31, 2024 and 2023, respectively.

Interest income (Note 22):*

(In Millions)	**December 2024**	December 2023	% Inc. (Dec.)
Interest income from real estate	**₱–**	₱5,360	(100%)
Interest income from non-real estate	**13,264**	11,504	15%
Total	**₱13,264**	₱16,864	(21%)

Absence of interest income from real estate is due mainly to ALI's adoption of PFRS 15's significant financing component requirement per PIC Q&A 2018-12 offset by the increase in non-real estate interest income from ACEIC's investments and from various receivables.

Other income (Note 22) – 188% increase from ₱5,034 million to ₱14,509 million*
Increase mainly from the Group's ₱3.8 billion calculated dilution gain arising mainly from BPI and Robinsons Bank's merger (see Note 10*); ₱0.6 billion consolidated gain on the sale of MWCI shares (excluding related expenses and taxes on the sale; see Note 10*); ACEIC's gain on early redemption of ACRI redeemable preferred shares and on early extinguishment of convertible loans; the Group's higher net foreign exchange gains the year; and the impact of last year's one-offs items such as the ₱1.5 billion loss on sale of MWCI shares and ₱0.9 billion calculated dilution loss in BPI from its share issuances on stock incentive plans and property dividends. These were offset by ACEIC's gains from the ACEHI Netherlands, gain on settlement of its receivable from Provincia in exchange for SPNEC shares, and gain on sale of shares in KPHLC, all in 2023.

Interest and other financing charges (Note 22) – 16% increase from ₱31,200 million to ₱36,199 million*
Increase came from the Group's new borrowings and higher interest rates during the year partly offset by ACEIC's capitalization of financing costs related to its projects.

Provision for income tax (current and deferred) (Note 25) – 8% increase from ₱9,580 million to ₱10,388 million*
Increase mainly from ACEIC and ALI's higher taxable income this period reduced by last year's AC Industrials deferred tax asset reversal.

Income attributable to owners of the Parent – 10% increase from ₱38,073 million to ₱42,026 million
Increase came from better operating results of core units BPI, ALI, Globe and ACEN/ Energy (please refer to the Group's Management Discussion and Analysis for full year 2024). As a percentage of total net income, this account is at 68% and 69% for the years ended December 31, 2024 and 2023, respectively.

Income attributable to non-controlling interests – 14% increase from ₱17,103 million to ₱19,436 million
Increase came from the improvement in the current year performance of ALI and ACEIC offset by higher attributable net losses of IMI and AC Logistics. As a percentage of total net income, this account is at 32% and 31% for the years ended December 31, 2024 and 2023, respectively.

**Refer to Ayala's Audited Consolidated Financial Statements as of December 31, 2024, which form part of the Index of this Report.*

Outlook for 2025

The Philippine economy remained resilient despite heightened uncertainties and geopolitical tensions as it registered a 5.6% growth in 2024, the fastest in the region. Household consumption continued to be the primary driver of economic activity, contributing 60-70% to annual GDP growth. This was supported by favorable demographics, strong OFW remittances, robust revenues from the BPO sector, and historically low unemployment. For 2025, BPI projects GDP growth to accelerate to 6.3%, driven by stronger domestic consumption.

BPI expects inflation to stabilize to 3.6% in 2025, barring any significant external shocks. This favorable outlook gives the Bangko Sentral ng Pilipinas (BSP) room to implement further interest rate cuts this year. Combined with reductions in reserve requirements, these measures are expected to encourage borrowing by consumers and businesses, providing a boost to economic activity.

The Peso may remain under pressure as markets assess the potential impact of President Trump's economic policies, particularly on tariffs, on inflation and monetary policy. While the Federal Reserve has signaled potential rate cuts of up to 50 basis points in 2025, these remain contingent on economic data. However, a shift in the Fed's policy is possible if higher tariffs and mass deportations trigger a resurgence in US inflation.

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 SEC 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.

Information on Independent Public Accountant

a. The external auditor of the Company is the accounting firm of SyCip, Gorres, Velayo & Company (SGV & Co.). The Board, upon the recommendation of the Company's Audit Committee (with Ms. Mantaring as Chairperson, and Ms. Chua and Mr. Maceda as members), approved the election of

SGV & Co. as the Company's external auditor for 2026 based on its performance and qualifications, and fixed its remuneration amounting to ₱18.17 million, exclusive of value-added tax. The increase in audit fees was attributable to the inclusion of the regular mid-year review fees, which were previously reported under "Non-Audit Services – Other Assurance." Beginning in 2026, the mid-year review fees were reclassified and included under "Audit" fees pursuant to SEC MC No. 18, s. 2024. The election of SGV & Co., and the fixing of its remuneration will be presented to the stockholders for their approval at the Annual Stockholders' Meeting.

b. Representatives of SGV & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Pursuant to the General Requirements of Revised SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the Company has engaged SGV & Co. as external auditor, with Mr. Sherwin V. Yason as the Partner-in-Charge starting audit year 2023.

Audit and Non-audit Services Fees

Ayala Corporation

At the Annual Stockholders' Meeting held on April 25, 2025, the shareholders approved the re-appointment of SGV & Co. as the external auditor of Ayala Corporation for the calendar year 2025. Fees approved in connection with the audit services rendered by SGV & Co., pursuant to the regulatory and statutory requirements, for the years ended December 31, 2025 and 2024 amounted to ₱11.68 million and ₱11.23 million, respectively, exclusive of value-added tax (VAT).

Ayala Corporation and Subsidiaries (Consolidated)

Pursuant to the requirements of SEC MC No. 18, s. 2024 for supplemental disclosure of fee-related information of the external auditors in the audited financial statements, the circular mandates the reporting of fees related to both audit and non-audit services fees rendered by SGV & Co. and its network firms to Ayala Corporation and subsidiaries. Breakdown of fees follows:

	(Amounts exclusive of VAT)	
	2025	**2024**
Total Audit Fees*	**₱113,199,604**	**₱127,809,363**
Non-audit Services**		
Other Assurance Services	18,364,310	19,233,714
Tax Services	3,718,449	8,097,492
All Other Services	11,337,821	2,485,257
Total Non-audit Services Fees	**33,420,580**	**29,816,463**
TOTAL	**₱146,620,184**	**₱157,625,826**

**Agreed audit fees*
***Billed fees for the years ended December 2025 and 2024*

Audit fees include audits of Ayala Corporation and subsidiaries' standalone and/or consolidated financial statements for the years ended 2025 and 2024 where SGV & Co. and its network firms expressed an opinion.

Non-audit fees pertain to other assurance services that are directly related to the review of quarterly and mid-year financial statements and integrated reports, review of consolidated comparative financial statements for the issuance of preferred shares, tax services such as business tax advisory, transfer pricing documentation and study, and other tax activities. This also includes all other services relating to human process transformation, computer forensic investigation, annual stockholders' meeting validation, hedge accounting and derivate instruments, share-based payment advisory and other services.

The Audit Committee has reviewed the nature of non-audit services rendered by SGV & Co., including the corresponding fees, and concluded that these are not in conflict with the audit function of the external auditors.

The Audit Committee has an existing policy to review and approve the audit and non-audit services rendered by the Company's external auditors. It does not allow Ayala Corporation and its subsidiaries to engage the external auditors for non-audit services expressly prohibited by the SEC. This is to ensure that the external auditors maintain the highest level of independence from the Company, both in fact and appearance.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

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

Name	Age	Citizenship	Date of First Election to Board
Jaime Augusto Zobel de Ayala	67	Filipino	May 21, 1987
Cezar P. Consing	66	Filipino	December 3, 2020
Fernando Zobel de Ayala[10]	66	Filipino	September 28, 2023
Chua Sock Koong *(Independent Director)*	68	Singaporean	April 29, 2022
Emmanuel P. Maceda *(Independent Director)*	63	American	April 25, 2025
Cesar V. Purisima *(Independent Director)*[11]	65	Filipino	First elected in April 29, 2022 until April 25, 2025; Nominated for re-election on April 24, 2026
Edgar O. Chua *(Independent Director)*	69	Filipino	Nominated for the first time for election on April 24, 2026

Messrs. J. Zobel de Ayala, Consing and F. Zobel de Ayala were nominated by Mermac, Inc. Meanwhile, all the independent directors were formally nominated by a minority shareholder of the Company, Ms. Elma Y. Guinto, who holds 100 common shares, or 0.00001% of the total outstanding voting shares of the Company, and who is not related to any of the nominees. Messrs. Maceda, Purisima and Chua and Ms. Chua are being nominated as independent directors in accordance with SRC Rule 38 (Requirements on Nomination and Election of Independent Directors). On March 10, 2026, the Corporate Governance and Nomination Committee evaluated the qualifications of all the nominees and endorsed the final list of nominees to the Board of Directors for approval. The Board approved the final list of nominees during its regular meeting on March 12, 2026, in accordance with the Amended By-Laws, revised Corporate Governance Manual, and the Charter of the Board of 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 annual stockholders' meeting.

A summary of the qualifications of the incumbent directors, who are also nominees for directors for election at the stockholders' meeting, and of the incumbent officers is set forth in Annex B. (The certifications on the qualifications of the nominees for independent directors are attached herewith as Annex B-1.

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

The write-ups below include positions held as of December 31, 2025 and in the past five years and personal data as of December 31, 2025, of directors and executive officers, unless otherwise stated.

Board of Directors

Name	Position
Jaime Augusto Zobel de Ayala	Chairman of the Board, Non-Executive Director
Cezar P. Consing	President and Chief Executive Officer, Executive Director
Delfin L. Lazaro	Non-Executive Director
Fernando Zobel de Ayala	Non-Executive Director
Rizalina G. Mantaring	Lead Independent Director
Chua Sock Koong	Independent Director

[10] Served as director of the Corporation from May 19, 1994 to September 12, 2022, and re-elected on September 28, 2023.
[11] Served as independent director of the Corporation from April 28, 2023 to April 25, 2025.

Name	Position
Emmanuel P. Maceda	Independent Director

JAIME AUGUSTO ZOBEL DE AYALA, Filipino, 67
Chairman of the Board since April 2006, Director since May 21, 1987

Committee Membership:
- Chairman of Executive Committee
- Member of Finance Committee

Skills and experience:
Mr. Zobel was the Chief Executive Officer of the Company from 2006 to April 2021. He is the Chairman of the Board of Globe Telecom, Inc., Ayala Land, Inc., and Bank of the Philippine Islands. He is a Director of AC Energy and Infrastructure corporation and Asiacom Philippines Inc. Outside the Ayala group, he is a member of various business and socio-civic organizations in the Philippines and abroad. He is a member of the Boards of Directors of Temasek Holdings, the J.P. Morgan International Council, the J.P. Morgan Asia Pacific Council, and LeapFrog Investments' Global Leadership Council. He sits on various advisory boards of Harvard University, including the Global Advisory Council and the Harvard Business School Asia-Pacific Advisory Board. He is Chairman Emeritus of the Asia Business Council and served as the Philippine Representative to the Asia-Pacific Economic Cooperation Business Advisory Council from 2010 to 2015. He is also a Steering Committee Member and Steward of the Council for Inclusive Capitalism and a Trustee Emeritus of Eisenhower Fellowships. He has been a director of the U.S.–Philippines Society since 2012 and assumed the Co-Chair position in 2024. He was awarded the Presidential Medal of Merit in 2009, the Philippine Legion of Honor with the rank of Grand Commander in 2010, and the Order of Mabini with the rank of Commander in 2015 by the President of the Philippines. In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer for his work in sustainable business strategy and operations. The first SDG Pioneer from the Philippines, he was one of ten individuals recognized for championing sustainability and the pursuit of the 17 SDGs in business. He received his BA in Economics (with honors) from Harvard University in 1981, his MBA from Harvard Business School in 1987, and an Honorary Doctorate in Management from the Asian Institute of Management in 2024.

Directorship in other publicly listed companies:
Chairman of the Board of Globe Telecom, Inc., Ayala Land, Inc., and Bank of the Philippine Islands.
Director of Temasek Holding (Private) Limited

CEZAR P. CONSING, Filipino, 66
President and CEO since September 27, 2022; Director since December 3, 2020; Member of the Ayala Group Management Committee since April 2013

Committee Membership:
- Member of Executive Committee
- Member of Finance Committee

Skills and experience:
He is the Chairman of ACEN Corporation; Vice Chairman of the Bank of the Philippine Islands, Ayala Land, Inc., and Globe Telecom, Inc. He is Chairman or Vice Chairman of many of the Ayala Group's unlisted companies: Chairman of AC Logistics Holdings Corporation, AC Infrastructure Holdings Corporation, AC Industrial Technology Holdings, Inc., AC Mobility Holdings Incorporated and Globe Capital Venture Holdings, Inc.; Vice Chairman of AC Energy and Infrastructure Corporation and Ayala Healthcare Holdings, Inc.; and, Director of ACEN International, Inc., AC International Finance Limited, Asiacom Philippines, Inc., and Mynt, Inc. He is Chairman of the Philippine Dealing and Exchange Corporation. He is a non-executive director of the Private Infrastructure Development Group, an infrastructure development and finance organization owned by the governments of Australia, Germany, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom. He is a member of the Trilateral Commission. He is a member of the boards of trustees of the Philippine-American Educational (Fulbright) Foundation, the Philippines–Japan Economic Cooperation Committee, De La Salle University, and the Manila Golf Club Foundation. Mr. Consing was President & CEO of the Bank of the Philippine Islands from 2013 to 2021. He was a Partner & Co-Head for Asia of the Rohatyn Group, a global alternative asset manager with a focus on emerging markets, from 2004 to 2013. He was an investment banker with J.P. Morgan & Co. from 1985 to

2004. For seven years, he was the Head or Co-Head of Investment Banking for Asia Pacific and President of J.P. Morgan Securities Asia. He worked for the Bank of the Philippine Islands from 1981 to 1985. He has previously served as Chairman of Philippine Dealing System Holdings; Chairman of the College of St. Benilde; Chairman and President of the Bankers Association of the Philippines; President of Bancnet; and Chairman of the National Reinsurance Corporation. He has also previously served as an independent director of Jollibee Foods Corporation, CIMB Group Holdings Berhad, and First Gen Corporation. Mr. Consing has previously served as a board director of the Asian Youth Orchestra, the US-Philippines Society, Endeavor Philippines, and International Care Ministries. He received an A.B. in Economics, magna cum laude, from De La Salle University, Manila, in 1979. He obtained an M.A. in Applied Economics from the University of Michigan, Ann Arbor, in 1980.

Directorship in other publicly listed companies:
Chairman of ACEN Corporation; Vice Chairman of the Bank of the Philippine Islands, Ayala Land, Inc., and Globe Telecom, Inc.

DELFIN L. LAZARO, Filipino, 80
Non-Executive Director from January 1, 2007 to April 24, 2026

Committee Membership:
- Chairman of Finance Committee
- Vice Chairman of Executive Committee

Skills and experience:
He is an Advisor to the Board of Ayala Land, Inc. His other significant positions include Chairman of Atlas Fertilizer & Chemicals Inc., Chairman and President of A.C.S.T. Business Holdings, Inc.; Co-Vice Chairman and President of Asiacom Philippines, Inc.; and Director of Globe Telecom, Inc. and Probe Productions, Inc. He graduated with BS Metallurgical Engineering at the University of the Philippines in 1967 and took his MBA (with Distinction) at Harvard Graduate School of Business in 1971.

Directorship in other publicly listed companies:
Director of Globe Telecom, Inc.

FERNANDO ZOBEL DE AYALA, Filipino, 66
Director since September 28, 2023

Committee Membership:
- Chairman of Sustainability Committee
- Member of Risk Management and Related Party Transactions Committee
- Member of Personnel and Compensation Committee
- Member of Finance Committee

Skills and experience:
Mr. Zobel served as a Director from May 1994 to September 12, 2022. He was the Corporation's President and COO for 15 years, before assuming the role of CEO until September 12, 2022. He serves as Chairman of Ayala Healthcare Holdings, Inc. and Accendo Commercial Corporation; Vice Chairman of Berkshire Holdings, Inc., Fort Bonifacio Development Corporation, Bonifacio Land Corporation, Columbus Holdings, and, Emerging City Holdings, Inc. He is a Director of Bank of the Philippine Islands and Ayala Land, Inc. Outside the Ayala Group, he is also a Director of Shell Pilipinas Corporation. He also serves on several civic boards and advisory groups including as Chairman of Ayala Foundation and Hero Foundation, Inc. , Vice Chairman of Bonifacio Art Foundation, Inc., member of the Board of Trustees of Pilipinas Shell Foundation, Caritas Manila, and Asia Society. He is also a member of the Asia Philanthropy Circle, Art SG Advisory Group, The Metropolitan Museum International Council, TATE Asia Pacific Acquisitions Committee, Hispanic Society Museum & Library International Advisory Council, and Habitat for Humanity International's Asia Pacific Development Council. He holds a Liberal Arts degree from Harvard College and a CIM from INSEAD, France.

Directorship in other publicly listed companies:
Director of Bank of the Philippine Islands, Ayala Land, Inc., and Shell Pilipinas Corporation

RIZALINA G. MANTARING, Filipino, 66
Independent Director from April 24, 2020 until April 24, 2026; Lead Independent Director from April 29, 2022 until April 24, 2026

Committee Membership:

- Chairman of Audit Committee
- Member of Risk Management and Related Party Transactions Committee
- Member of Corporate Governance and Nomination Committee
- Member of Personnel and Compensation Committee

Skills and experience:
Ms. Mantaring is an Independent Director of Bank of the Philippine Islands, Inc., PHINMA Corp. Inc., and Universal Robina Corp. Inc. She is also a Director of Sun Life Grepa Financial, Inc. and an Independent Director of BPI Asset Management & Trust Group Inc., GoTYME Bank Inc., Maxicare Healthcare Corporation, Inc., and East Asia Computer Center Inc. She is also a member of the Boards of Trustees of the Makati Business Club and Philippine Business for Education, and a member of the Private Sector Advisory Council to the President of the Philippines. She was Chief Executive Officer and Country Head of Sun Life Financial Philippines, the country's leading insurer, prior to which she was Chief Operations Officer, Sun Life Financial Asia, responsible for IT & Operations across Asia. She was a recipient of the Asia Talent Management Award in the Asia Business Leaders Awards organized by the global business news network CNBC. She was selected as one of the 100 Most Outstanding Alumni of the Past Century by the University of the Philippines College of Engineering, and was 2019 PAX awardee of St. Scholastica's College Manila, the highest award given by the school to outstanding alumni. She holds a BS Electrical Engineering degree, cum laude, from the University of the Philippines and an MS Computer Science from the State University of New York at Albany.

Directorship in other publicly listed companies:
Independent Director of Bank of the Philippine Islands, Inc., PHINMA Corp. Inc., and Universal Robina Corp. Inc.

CHUA SOCK KOONG*,* Singaporean, 68
Independent Director since April 29, 2022

Committee Membership:

- Chairman of Corporate Governance and Nomination Committee
- Chairman of Personnel and Compensation Committee
- Member of Audit Committee
- Member of Sustainability Committee

Skills and experience:
She is a Senior Advisor at Singapore Telecommunications Limited, Asia's leading communications technology group, having served as its Group Chief Executive Officer for thirteen (13) years until December 31, 2020. She sits on the boards of Bharti Airtel Limited and Bharti Telecom Limited. She is also a Director of Prudential plc and the Dubai Financial Services Authority. She is a Member of the Supervisory Board of Royal Philips and Securities Industry Council. She is Deputy Chairman of the Public Service Commission and a member of the Council of Presidential Advisers. On March 14, 2024, she stepped down as director of the Defence Science and Technology Agency and Cap Vista Pte Ltd. She was also a director of Research, Innovation & Enterprise Council. She was conferred the Medal of Commendation (Gold) at NTUC May Day Awards 2016 and the Public Service Star (BBM) at Singapore's 2019 National Day Awards. She holds a Bachelor of Accountancy (First Class Honours) from the University of Singapore. She is a Fellow Member of the Institute of Singapore Chartered Accountants and a CFA charter holder.

Directorship in other publicly listed companies:
Director of Bharti Airtel Limited and Prudential plc

EMMANUEL P. MACEDA*, American, 63*

Independent Director since April 25, 2025

Committee Membership:

- Chairperson of Risk Management and Related Party Transactions Committee
- Member of Audit Committee
- Member of Corporate Governance and Nomination Committee
- Member of Sustainability Committee

Skills and experience:

He served as Worldwide Managing Partner of Bain & Company from 2018 to 2024. He took on the role of Chairman on January 1, 2025. As Bain's CEO he led its transformation to embed digital and technology capabilities and build a deeper focus on sustainability, while maintaining the firm's culture and #1 ranking on Glassdoor's list of Best Places to Work. In 2024 Bain also took the #1 position on Glassdoor's inaugural list of Best Led Companies in the USA. He joined Bain in 1989 and, over his 37-year career, has advised global CEOs and become a leading expert in large-scale transformations involving strategy, growth, performance improvement, and organizational effectiveness across a range of industries – with most depth in technology companies. During his time as a CEO, Manny also built deep expertise in generative AI, global realignment, stakeholder capitalism, and private capital. Prior to serving as Bain's CEO, Manny's roles included Chairman of Asia-Pacific and Global Leader of the Transformation and Performance Improvement Practices. He has served as a member and Chairman of Bain's Board of Directors.. He has been involved in the World Economic Forum as a member of the International Business Council, the Council of Chairs, and other committees. He has also been a member of the US Business Roundtable. He is a Director of Stryker Corporation (USA) The Bridgespan Group (USA),and the MIT Sloan Advisory Board.. He holds an M.S. in Management from MIT Sloan, a B.S. in Chemical Engineering (magna cum laude) and an honorary Doctor of Business Management from Illinois Tech, and an honorary Doctor of Business Administration from De La Salle University Philippines. He resides in the San Francisco area with his wife; they raised four children.

Directorship in other publicly listed companies:

Stryker Corporation (listed on the New York Stock Exchange)

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

All the incumbent directors, except Mr. Lazaro and Ms. Mantaring, are nominated to the Board of Directors. Mr. Cesar V. Purisima and Mr. Edgar O. Chua are the new nominees to the Board.

Cesar V. Purisima, Filipino, 65, is an Asia Fellow of Milken Institute, a global non-profit, non-partisan think tank. He is a founding partner at IKHLAS Capital, a pan-ASEAN private equity platform. He currently serves on the boards of the AIA Group, Ayala Land, Inc., Universal Robina Corporation, Jollibee Foods Corporation, Bank of the Philippine Islands, BPI Capital Corporation, Unistar Credit and Finance Corporation, the Board of Trustees of International School of Manila, and the Board of Advisors of ABS-CBN. He is a member of Sumitomo Mitsui Banking Corporation's Global Advisory Council and Singapore Management University's International Advisory Council in the Philippines. He is a member of the Bloomberg Task Force on Fiscal Policy for Health since December 2023. From 2010 to 2016, Mr. Purisima was the Secretary of Finance of the Philippines and the Chair of Economic Development Cluster of the President's Cabinet. He briefly served as Finance Secretary in 2005 and Trade and Industry Secretary from 2004 to 2005. Additionally, he was a member of the Monetary Board of the Philippines Central Bank, and the Governor for the Philippines at the Asian Development Bank and the World Bank. He served as Alternate Governor for the Philippines at the International Monetary Fund. Under his leadership, the Philippines received its first investment-grade ratings. He was named Finance Minister of the Year seven times in six consecutive years by a number of publications, a first for the Philippines. Prior to his stints in the government service, he was the Chairman & Country Managing Partner of the Philippines' largest professional services firm SGV & Co., and was a member of the Global Executive Board and Global Practice Council of Ernst & Young. Purisima obtained his Bachelor of Science degree in Commerce Major in Accounting and Financial Institutions from De La Salle University in 1979. He earned his Master of Business Administration degree from Kellogg School of Management, Northwestern University, Illinois in 1983. Mr. Purisima completed the Harvard Business School's CEO Harvard Presidents' Seminars in 2023 and 2024. He was a recipient of Centenary Award of Excellence by the Professional Regulatory Board of Accountancy on the occasion of the 100th year of the Philippine accounting profession in 2023. He was conferred a Knight in the National Order of the Legion of Honour by the French Republic (Chevalier dans

l'Ordre National de la Legion d'Honneur) in 2017. In 2016, Purisima was awarded the Order of Lakandula with the rank of Grand Cross (Bayani) for his contributions to the Philippine economy. The Order of Lakandula is one of the highest civilian honors conferred by the President of the Republic of the Philippines and the Chevalier de l'Ordre national du Merite (Knight of the National Order of Merit) by the President of the French Republic in 2001. He was also conferred the Marist of Champagnat Award by the Marist School in 2025.

Edgar O. Chua, Filipino, 69, served as an independent director of IMI from April 2014 to April 2024 and its Lead Independent Director from August 16, 2017 to April 2024. He is the Independent Director of PHINMA Corporation. He is currently the Chairman of Makati Business Club, Philippine Business for the Environment, Ramon Magsaysay Award Foundation and President of De La Salle Philippines. He is the Lead Independent Director of Shell Philippines Corporation and Independent Director of Metropolitan Bank and Trust Company since 2017, Philcement since 2021, First Gen since 2021, JG Summit Olefins since 2022, and Horizon Education Indonesia since 2025. He was the Chairman for the College of Saint Benilde, University of La Salle Bacolod and CEO of De La Salle Philippines. He is a Trustee/Treasurer of PBED and Trustee for the De La Salle Greenhills since 2019, The English-Speaking Union of the Philippines, Inc. since 2009, Gawad Kalinga Community Development Foundation Inc. since 2005, and Pilipinas Shell Foundation Inc. 2003. Mr. Chua is also a Member of the Advisory Board of Mitsubishi Motors Phil. Corp. and Coca Cola Bottlers Phils. He is likewise affiliated with the Integrity Initiative, National Resilience Council, and the Phil. Disaster and Resilience Foundation. He held senior positions within various Shell Group of Companies, both locally and outside of the Philippines, including but not limited to being the Chairman and President of Pilipinas Shell Petroleum from September 2003 to May 2017 and being the Country Chairman of Shell companies in the Philippines from September 2003 to October 2016.Mr. Chua earned his Bachelor of Science degree in Chemical Engineering from DLSU in 1978 and attended various international seminars and courses including the senior management course in INSEAD in Fontainebleau, France.

Senior Leadership Team/Key Officers

Name	Position
Cezar P. Consing*	President and Chief Executive Officer
Alberto M. de Larrazabal	Senior Managing Director and Chief Finance Officer**
Maria Franchette M. Acosta	Managing Director, Chief Legal Officer, Corporate Secretary, Compliance Officer, Data Protection Officer, and Corporate Governance Group Head
Catherine H. Ang	Managing Director and Acting Comptroller ***
Karl Kendrick T. Chua	Managing Director, Data Analytics and Artificial Intelligence Group Head
Francisco Romero Milán	Managing Director, Chief Human Resource Officer and Corporate Resources Group Head
Juan Carlos L. Syquia	Managing Director and Chief Finance Officer****
Mark Robert H. Uy	Managing Director and Corporate Strategy and Business Development Group Head
Estelito C. Biacora	Executive Director and Treasurer
Josephine G. De Asis	Executive Director and Comptroller*****
Jaime Z. Urquijo	Chief Sustainability and Risk Officer
Rosario Carmela G. Austria	Assistant Corporate Secretary
Roxanne Kate L. Petilla	Acting Chief Audit Executive******

**Member of the Board of Directors*
***Senior Managing Director and Chief Finance Officer until December 31, 2025*
****Chief Audit Executive until March 9, 2026 and appointed as Acting Comptroller effective March 9, 2026*
*****Managing Director and Deputy Chief Finance Officer effective May 1, 2025; Chief Finance Officer effective January 1, 2026*
******Comptroller until March 9, 2026*
*******Acting Chief Audit Executive effective March 9, 2026*

Alberto M. de Larrazabal, Filipino, 70, currently serves as Chairman of Integrated Micro-Electronics, Inc.; Director, President, and CEO of AREIT, Inc.; President and CEO of AC Infrastructure and Globe Capital Venture Holdings, Inc.; and Director of AC Industrial Technology Holdings, Inc., Anko JV Company, Inc., and Light Rail Manila Holdings Inc. Prior to these roles, he was Chief Financial Officer of Ayala Corporation for over four years, stepping down effective January 1, 2026. His tenure at Ayala Corporation was distinguished by his recognition as CFO of the Year by ING and FINEX, a fitting culmination of his

leadership in finance. Mr. de Larrazabal with over three decades of senior executive experience has built an extensive expertise across finance, business development, treasury operations, joint ventures, mergers and acquisitions, investment banking, and investor relations. Prior to joining Ayala Corporation, he served as Chief Commercial Officer and Chief Financial Officer of Globe Telecom. Earlier in his career, he held key leadership roles, including Vice President and CFO of Marsman Drysdale Corporation; Vice President and Head of the Consumer Sector at JP Morgan Hong Kong; and Senior Vice President and CFO of San Miguel Corporation.

Maria Franchette M. Acosta, Filipino, 53, has been the Corporate Secretary, Corporate Governance Group Head, Data Protection Officer and Chief Legal Officer of Ayala Corporation since March 12, 2024. She has served as the Company's Compliance Officer since April 26, 2024. She is also the Corporate Secretary of Ayala Land, Inc., AREIT, Inc., ACEN CORPORATION, Globe Telecom, Inc., Integrated Micro-electronics, Inc. and Mynt, Inc. She has been a practicing lawyer with 18 years in Villaraza & Angangco Law Firm where she was a Senior Partner, Co-Managing Partner and Head of its Corporate and Commercial Department. Ms. Acosta was also an Assistant Secretary at the Office of the Chief Presidential Legal Counsel of the Republic of the Philippines where she worked from 2001 to 2003 and. She has been recognized as an expert counsel in leading legal journals and publications such as Chambers Global, Chambers Asia Pacific and Legal 500. For several consecutive years she was named among Asia Business Law Journal's top 100 lawyers of the Philippines. Atty. Acosta graduated from New York University with a Master of Laws in 2003, and ranked 3rd in the Philippine Bar Examination. She earned her Bachelor of Laws from the University of the Philippines College of Law in 1998 where she graduated Class Valedictorian and Cum Laude. She holds a Bachelor of Science in Business Economics from the University of the Philippines School of Economics in 1994 where she graduated Magna Cum Laude.

Catherine H. Ang, Filipino, 55, is a Managing Director and the Acting Controller of the Corporation effective March 9, 2026. She was Chief Audit Executive of the Company from July 2013 until March 9, 2026. She joined the Company in February 2012 as Head for Risk Management and Sustainability. Currently, she also holds the following positions: Director of Technopark Land, Inc., Audit and Risk Committee Member of Healthway Philippines, Inc., AC Health Pharma Ventures Group, AC Energy and Infrastructure Corporation, AC Infrastructure Holdings Corporation, AC Logistics Holdings Corporation, Ayala Multi-Purpose Cooperative, and Light Rail Manila Corporation. She was a also member of the Audit and Risk Committee of Ayala Healthcare Holdings, Inc. until September 2025 and Generika Group (Actimed, Inc., Erikagen, Inc., Novelis Infrastructure Holdings Corporation, Pharm Gen Ventures Corp.) until February 2025. She is Treasurer, Board Trustee, and Teaching Fellow of the Institute of Corporate Directors (ICD) Philippines, and a member of the Financial Executives Institute of the Philippines (FINEX), where she serves as Co-Chair of the Ethics & Governance Committee. Ms. Ang previously served as Chair of the Board of the Institute of Internal Auditors Philippines and was a member of its Board from 2009 to 2014. She also served as Chair of the Good Governance Committee in 2023, Chair of Audit Committee from 2017-2019, Vice Chair of Good Governance Committee from 2017-2018 of FINEX, Chair of Finance Committee of FINEX Foundation in 2016 and Chair of Scorecard Circle of ICD from 2015-2016. Prior to joining Ayala Corporation, she was Vice President and the Chief Audit Executive of Globe Telecom, Inc. and earlier worked in IT audit with PwC Singapore and SGV & Co. She is a Certified Public Accountant, a Fellow of the Institute of Corporate Directors, a qualified Crisis Communication Planner, and holds an Associate (Level 1) Certification from Global Innovation Management Institute (GIMI). She graduated magna cum laude from Saint Louis College in 1991 with a degree in Bachelor of Science in Commerce major in Accounting.

Karl Kendrick T. Chua, Filipino, 47, is currently the Managing Director for Data Science and Artificial Intelligence in Ayala Corporation. In this capacity, he helps the Ayala Group become a data and AI-driven organization. He was a former Secretary of the National Economic and Development Authority (NEDA) and Undersecretary for Strategy, Economics, and Results at the Department of Finance (DOF), Republic of the Philippines. He is currently also a director of the Bank of the Philippine Islands, BPI Direct Banko, AC Industrials Technology Holdings, AC Infrastructure Holdings, Brave Connective (a Globe Telecom subsidiary), and is an independent director of D&L Industries and LH Paragon. He is also a board adviser in various LH Paragon businesses. He was also a director of Manila Water and AC Ventures. He has extensive experience in the areas of analytics, economic and fiscal policy, statistical development, national identification, labor and social protection policy, poverty analysis, and digital transformation, among others. He was also an adviser for the World Bank's World Development Report and a member of the Selection Committee of the Asian Development Bank and International Economic Association Innovative Policy

Research Award. He was a senior official in the Government of the Philippines for six years from 2016 to 2022. As Secretary of Socioeconomic Planning and Chief Economist of the country, he provided strategic leadership on economic policy during the Covid-19 pandemic and the further liberalization of key sectors of the economy. As chair, he also oversaw the implementation of the national ID program and the national innovation strategy. As Undersecretary in the DOF, he led the technical team in the passage of the Comprehensive Tax Reform Program covering income, consumption, transaction, and wealth taxes, and the passage of the Rice Tariffication Law, among other reforms in the government's 10-Point Socioeconomic Agenda. Prior to joining the government, he was with the World Bank for 12 years and was the senior economist for the Philippines. Flagship reports that he led include the 2012 Philippine development report, the 2016 Mindanao jobs report, and the 2015 tax policy reform report. Mr. Chua graduated from the Ateneo De Manila University in 2000 with a degree in B.S. Management Engineering. He earned his M.A. Economics (2003) and Ph.D. Economics (2011) from the University of the Philippines,and studied data science at the Asian Institute of Management. In 2018, he was awarded the Ten Outstanding Young Men of the Philippines (TOYM) for economic development. He is married and has two boys named after stars.

Francisco Romero Milán, Filipino, 43, has been the Managing Director, Corporate Resources Group Head, and Chief Human Resources Officer of Ayala Corporation since 1 March 2023. He is also the Chairman of the HR Council and the HR Executive Committee of the Ayala Group. He joined the Ayala Group of Companies in 2019 as Group Head of Human Resources and Sustainability of AC Industrials. Concurrently, he was Vice President, a member of the Management Committee, and Chief Human Resources Officer of Integrated Micro-Electronics Inc., a leading global manufacturing solutions expert. At present, he serves on the boards of AC Logistics Holdings Corporation, Ayala Healthcare Holdings, Inc., Mobility Access Philippines Ventures Inc., Ayala Multi-Purpose Cooperative, HCX Technology Partners Inc., ACX Holdings Corporation, Air21 Holdings, Inc., and WeAreAyala Business Club, Inc. He is a member of the boards of trustees and executive committees of Ayala Foundation Inc. and Teach for the Philippines, where he has served for over a decade as a thought partner. He also serves as a partner and strategic advisor of Penbrothers International, a Philippines-based talent management firm for startups and SMEs from all over the world. Prior to this, he held increasingly responsible roles with A.P. Moller-Maersk, a global shipping and energy conglomerate headquartered in Copenhagen, Denmark, with operations in over 130 countries and approximately 90,000 employees worldwide. In his last position, he was responsible for HR operations in 15 countries across Asia and the Pacific.

Juan Carlos L. Syquia, Filipino, 59, currently serves as the Chief Financial Officer, bringing with him over three decades of leadership in banking and finance. With a proven track record in corporate finance, strategic planning, and investment management. 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, John-C 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. John-C'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. His deep expertise spans corporate finance, mergers and acquisitions, cross-border transactions, and business transformation—making him a trusted advisor and strategic leader in the financial sector. John-C 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.

Mark Robert H. Uy, Filipino, 38, is currently the Corporation's Corporate Strategy and Business Development Group Head, as well as a member of the Management Committee. His other significant positions include: Chairman of Anko JV Company, Inc.; Director, President and Chief Executive Officer of A&CO Holdings Corporation; Director & President of ACX Holdings Corporation; Director of AC Industrial Technology Holdings, Inc., AC Logistics Holdings Corporation, AC Ventures Holding Corp., and AC Ventures Subco, Inc. Mark has over a decade of investment banking experience, more recently as Credit Suisse's Country Manager and Head of Investment Banking and Capital Markets in the Philippines. Prior to joining Credit Suisse, he spent 12 years at J.P. Morgan in Manila, Chicago and Singapore offices. His industry experience includes transactions in the energy, agriculture, packaged food and restaurant industries, among others. He graduated from Ateneo de Manila University with a bachelor's degree, cum laude, in Management Engineering with minor in Finance. He is a CFA charter holder.

Estelito C. Biacora, Filipino, 55, is the Executive Director and Treasurer of Ayala Corporation. Currently, he also holds the following positions: Director of AYC Finance, Limited, AYC Holdings Limited, Ayala Aviation Corporation, Bestfull Holdings Limited, Liveit Investments Limited, Affinity Express Holdings Ltd., AG Holdings Limited (HK), Fine State Group Limited, Total Jade Group Limited, Strong Group Limited; Director and Treasurer of Michigan Holdings, Inc., and, Pameka Holdings, Inc.; Chief Finance Officer and Treasurer of AC Energy and Infrastructure Corporation (ACEIC); Director, Treasurer and Chief Finance Officer of Philwater Holdings Company, Inc.; Treasurer of Liontide Holdings, Inc., ASIACOM Philippines, Inc., ACST Business Holdings, Inc., AC Ventures Holding Corporation, AC Ventures Subco, Inc., Ayala Foundation, Inc., Azalea International Venture Partners, Ltd., Hero Foundation, Inc. PPI Prime Venture, Inc.; member of Board of Trustees of WeAreAyala Business Club, Inc.; and member of Ayala Foundation Endowment Committee, Ayala Corporation Retirement Committee, and Audit and Risk Committee of AC Logistics Holdings Corporation. Prior to joining Ayala, he served as Senior Vice President for Global Markets Group at the Bank of the Philippine Islands (BPI). Mr. Biacora's other previous senior assignments include Chief Investment Officer (CIO) for BPI Asset Management, and Senior Vice President and Head of BPI Private Banking. He also served as member of BPI Management Committee, and member of the board of BPI Forex Corporation and BPI International Finance Limited, Hong Kong. He served as the President and board member of ACI Philippines, the Financial Markets Association affiliated with Paris-based organization of global markets professionals. He also served as member of BAP-Capital Markets Development Committee. He has held prior positions with Far East Bank and Trust Company, and Banco Santander, Philippines. Mr. Biacora attended Executive Finance Course at Wharton School of Business, University of Pennsylvania. He earned a Bachelor of Science degree in Commerce major in Finance, and Masters in Business Administration, both from De La Salle University.

Josephine G. De Asis, Filipino, 54, served at the Comptroller of the Corporation from August 2012 to March 9, 2026. Currently, she also holds the following positions: Chairperson of Pameka Holdings, Inc. and PPI Prime Venture, Inc.; Director of Azalea International Venture Partners Ltd.; and, Chief Finance Officer of Michigan Holdings, Inc. Prior to joining Ayala Corporation, she served as the Head of Financial Control Division of Globe Telecom, Inc. from 2010 to 2012 and Controller of the Wireless Business of Globe Telecom, Inc. from 2005-2010. She is a Certified Public Accountant. She graduated with a degree in BS Accountancy (summa cum laude) from Polytechnic University of the Philippines in 1991 and attended an Executive Management Program from the University of California Los Angeles in 2004-2005.

Jaime Z. Urquijo, Filipino, 37, is the Chief Sustainability and Risk Officer (CSRO) of Ayala Corporation. He was previously Vice President for Business Development at Ayala Corporation's listed energy platform, ACEN. During his tenure at ACEN, Jaime led initiatives to expand the group's portfolio of assets in the Philippines, Vietnam, Myanmar, and Indonesia. Prior to this, Jaime served as the Head of Business Development for AF Payments, Inc., which created the Beep Card payment system, the country's first interoperable public transport payment card. In addition to his CSRO role, he is also currently a director of ACEN Corporation, Bank of the Philippine Islands, BPI/MS Insurance, Integrated Micro Electronics, Inc., AC Industrial Technology Holdings, Inc., AC Ventures Holdings Corp., and Chairman of Klima 1.5 Corp. He is Vice Chairman of the Board of Trustees and Chairman of the Executive Committee of Ayala Foundation, a member of the Board of Trustees and Chief Executive Officer of WeAreAyala Business Club, Inc., and is also an Independent Advisor to the Board of Directors of Ayala Land Inc. He is also part of the board of WWF Philippines, the European Chamber of Commerce of the Philippines (ECCP), Makati Central Estate Association, Inc. (MACEA), and the Hero Foundation. Prior to joining the Ayala Group, Jaime was

an associate at JP Morgan in New York. Jaime received his Bachelor of Arts degree in Political Science from the University of Notre Dame in the US and his Master's in Business Administration from INSEAD in France.

Rosario Carmela G. Austria, Filipino, 43, has served as Assistant Corporate Secretary of Ayala Corporation in April 2021. She is also the Corporate Secretary or Assistant Corporate Secretary of various companies within the Ayala group, including Corporate Secretary of AC Logistics Holdings Corporation, AC Infrastructures Holdings Corporation, AC Mobility Holdings Incorporated and ACX Holdings Corporation, and Assistant Corporate Secretary of Integrated Micro-Electronics, Inc., Ayala Foundation, Inc., AC Industrial Technology Holdings, Inc. and Ayala Healthcare Holdings, Inc. She is Head of the Corporate Secretarial Services Division, Corporate Governance Group of Ayala Corporation. Previously, she was Corporate Governance Manager in Ayala Group Legal from May 2019 to May 2020 and in Ayala Corporation from May 2020 to March 2021. Prior to joining Ayala Group, she worked in the Securities and Exchange Commission from September 2009 to April 2019 where her last post was Assistant Director of the Corporate Governance Division, Corporate Governance and Finance Department. She graduated with a Bachelor of Science degree in Legal Management, minor in International Business, from the Ateneo de Manila University in 2004 and completed her Juris Doctor degree from the same university in 2008. She was admitted to the Philippine Bar in 2009. She obtained a Master of Public Policy in 2013 from the National Graduate Institute of Policy Studies (GRIPS) in Tokyo, Japan as a recipient of the Japan-IMF Scholarship Program for Asia.

Roxanne Kate L. Petilla, Filipino, 37, is the Acting Chief Audit Executive of the Corporation effective March 9, 2026. She is a Senior Internal Audit Manager of the Corporation. Prior to joining Ayala Corporation in March 2014, she worked at PwC Philippines as Systems and Process Assurance Auditor and a System Compliance Auditor in Manila Teachers' Savings and Loan Association Inc. Currently, she is also the Internal Audit Head of Liveit Investments Ltd. and its subsidiaries and all international companies of Ayala Corporation. She is a Certified Public Accountant and a member of the Institute of Internal Auditors Philippines. She previously served as the Chairperson of the Technology Committee of the Institute of Internal Auditors Philippines in 2022 - 2023 and a Vice Chairperson in 2021. She also holds certifications in COBIT and ITIL Foundation, and she is a passer of the ISO 27001 Information Security Management Systems certification. She graduated from Saint Louis University with a degree in Bachelor of Science in Accountancy in 2010.

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.

Significant Employees

The Company considers all its employees to be significant partners and contributors to the business.

Family Relationships

Jaime Augusto Zobel de Ayala, Chairman, and Fernando Zobel de Ayala, member of the Board, are brothers. Jaime Z. Urquijo, the Chief Sustainability and Risk Officer of the Corporation, is their nephew. Other than the aforementioned, there are no known family relationships between the current members of the Board and key officers.

Ownership Structure and Parent Company

As of January 31, 2026, Mermac, Inc. owns 57.7874% of the outstanding voting shares of the Company.

Involvement in Certain Legal Proceedings

Please refer to Part I - Item 3 on Legal Proceedings of this Report.

Resignation of Directors/Management Committee Members/Key Officers

To date, no director has resigned from or declined to stand for re-election to the Board since the date of the annual meeting of stockholders in 2025 due to any disagreement with the Company relative to its operations, policies and practices.

Others

Other matters on directors and executive officers like committees of the Board, attendance in meetings of the Parent Company's BOD, trainings and continuing education programs are in Item 5 of the Parent Company's Definitive Information Statement which are available at the Parent Company's website www.ayala.com, SEC and PSE websites.

Item 10. Executive Compensation

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Cezar P. Consing President and Chief Executive Officer Alberto M. de Larrazabal* Senior Managing Director, Chief Finance Officer and Finance Group Head Maria Franchette M. Acosta Chief Legal Officer, Corporate Secretary, Compliance Officer, Data Protection Officer, and Corporate Governance Group Head Francisco Romero Milan Managing Director and Chief Human Resource Officer Karl Kendrick T. Chua Managing Director, Data Analytics and Artificial Intelligence Group Head Mark Robert H. Uy** Managing Director and Corporate Strategy and Business Development Group Head				
CEO and Most Highly Compensated Executive Officers	Actual 2024	₱272.22M	₱209.25M	₱0
	Actual 2025	₱268.00M	₱199.40M	₱0
	Projected 2026	₱273.00M	₱232.80M	₱0
All other officers*** as a group unnamed	Actual 2024	₱765.70M	₱455.09M	₱0
	Actual 2025	₱881.74M	₱576.22M	₱0
	Projected 2026	₱857.69M	₱568.81M	₱0

**Up to December 2025*
***Starting January 2026*
****All others officers includes the CEO & 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.

Warrants and Options Outstanding; Repricing

Since 1995, the Company has offered its officers options to acquire common shares under its executive stock option plan (ESOP). No stock option was exercised in 2025.

On January 23, 2025, the Board of Directors of the Company approved, upon endorsement of our Personnel and Compensation Committee, the revisions to the Employee Stock Ownership (ESOWN) Plan, including provisions on the implementation of the Restricted Share Plan (RSP) to complement the ESOWN Program as Long-Term Incentive Programs for the employees, directors (excluding independent directors), and consultants of the Ayala Group, as proposed by our Management. Please see below summary of key revisions:

Key Features	Details
Plan	1. General ESOWN Plan 2. Restricted Share Plan
Eligibility	Employees, directors (excluding independent directors) and consultants
Range of Awards	Based on metrics and amount to be determined by the Committee at the date of grant
Subscription Price	To be determined by the Personnel and Compensation Committee on the date of grant
Settlement	1. General ESOWN Plan – paid by employe 2. Restricted Share Plan – paid by the Company
Non-Transferability of Awards	Awards may not be assigned, transferred, sold, exchanged, pledged, disposed of or encumbered by a Grantee

The adoption of the Revised ESOWN Plan was presented to and approved by the stockholders on April 25, 2025 and was confirmed by the Securities and Exchange Commission on June 16, 2025.

Compensation of Directors

Article IV, Section 14, of the By-laws provides:

> Section 14 - Directors shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for his services. In no case shall the total yearly compensation of Directors exceed one percent (1%) of the net income of the Corporation during the preceding year.
>
> The Personnel and Compensation Committee of the Board of Directors shall have the responsibility of recommending to the Board of Directors the fees and other compensation for directors. In discharging this duty, the committee shall be guided by the objective of ensuring that the level of compensation should fairly pay Directors for work required in a company of the Corporation's size and scope. No Director shall be involved in deciding his own remuneration during his incumbent term.

i. **Standard arrangement**

On April 26, 2024, the Board, upon the recommendation of its Personnel and Compensation Committee in order to make the level of remuneration more commensurate with their responsibilities, approved a resolution fixing the current remuneration of non-executive directors, as follows:

Fee Structure	Retainer Fee	For Board	For Committees
Non-Executive and Independent Directors	₱4,000,000 per annum	₱200,000 per meeting attended	₱100,000 per meeting attended

Fee Structure	Retainer Fee	For Board	For Committees
Chairman of the Board	₱8,000,000 per annum	₱100,000 per written resolution and per non-independent directors meeting	₱50,000 per written resolution
Chairman of the Audit Committee	₱6,000,000 per annum		

Directors who hold executive or management positions do not receive directors' fees. The compensation of executive directors is included in the compensation table in Item 6(a) above.

In accordance with the requirement of Sections 29 and 49 of the Revised Corporation Code relating to an annual report of the total compensation of each director, below is a table showing the gross compensation received by the non-executive and independent directors in 2025. Executive Directors do not receive compensation as directors.

	Retainer Fee (in PhP)	Board Meetings (in PhP)	Committee Meetings (in PhP)	Total (in PhP)
Jaime Augusto Zobel de Ayala	8,000,000.00	2,200,000.00	1,150,000.00	11,350,000.00
Fernando Zobel de Ayala	4,000,000.00	2,200,000.00	2,250,000.00	8,450,000.00
Delfin L. Lazaro	4,000,000.00	2,200,000.00	1,150,000.00	7,350,000.00
Rizalina G. Mantaring	6,000,000.00	2,200,000.00	1,600,000.00	9,800,000.00
Chua Sock Koong	4,000,000.00	2,200,000.00	1,500,000.00	7,700,000.00
Cesar V. Purisima[12]	–	700,000.00	750,000.00	1,450,000.00
Emmanuel P. Maceda[13]	4,000,000.00	1,500,000.00	1,000,000.00	6,500,000.00
TOTAL	**30,000,000.00**	**13,200,000.00**	**9,400,000.00**	**52,600,000.00**

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 non-executive and independent directors for services provided as a director.

The Company's Personnel and Compensation Committee is chaired by Ms. Chua Sock Koong, with Mr. Fernando Zobel de Ayala and Ms. Rizalina G. Mantaring as members. Mmes. Chua and Mantaring are independent directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security ownership of certain record and beneficial owners (of more than 5%) as of January 31, 2026

Title of Class of Voting Shares	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Outstanding Voting Shares
Common	Mermac, Inc.[14] 3/F Makati Stock Exchange Building, Ayala Triangle, Ayala Avenue, Makati City	Mermac, Inc.[15]	Filipino	296,625,706	57.7874%
Voting Preferred				177,252,144	
Common	PCD Nominee Corporation (Non-Filipino)[16] G/F MSE Bldg.	PCD participants acting for themselves or	Various Non-Filipino	162,754,163	19.8472%

[12] Served as independent director until April 25, 2025.
[13] Elected as independent director on April 25, 2025.
[14] The Chairman of Mermac, Inc. ("Mermac"), Jaime Augusto Zobel de Ayala, is the Chairman of the Company.
[15] The Board of Directors of Mermac has the power to decide how the Ayala shares held by Mermac are to be voted. The Chairman of the meeting is appointed to exercise the voting power.
[16] PCD Nominee Corporation (PCD) is not related to the Company.

Title of Class of Voting Shares	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Outstanding Voting Shares
	Ayala Ave., Makati City	for their customers[17]			
Common	PCD Nominee Corporation (Filipino)[16] G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers[17]	Filipino	116,113,564	14.1596%

Security ownership of directors and management as of January 31, 2026

Title of Class of Outstanding Shares	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	Percent of Total Outstanding Shares
Directors					
Common	Jaime Augusto Zobel de Ayala	895,997	(indirect)	Filipino	0.1063%
Voting Preferred		543,802	(direct)		0.0645%
Common	Fernando Zobel de Ayala	935,079	(indirect)	Filipino	0.1110%
Voting Preferred		554,983	(direct)	Filipino	0.0659%
Common	Cezar P. Consing	399,386	(direct & indirect)	Filipino	0.0474%
Common	Delfin L. Lazaro	97,554	(direct & indirect)	Filipino	0.0116%
Voting Preferred		258,297	(direct)		0.0306%
Common	Chua Sock Koong	1	(direct)	Singaporean	0.0000%
Common	Rizalina G. Mantaring	56,670	(direct & indirect)	Filipino	0.0067%
Voting Preferred		3,604	(direct)		0.0004%
Common	Emmanuel P. Maceda	1	(direct)	American	0.0000%
Executive Officers					
Common	Cezar P. Consing	399,386	(direct & indirect)	Filipino	0.0474%
Common	Maria Franchette M. Acosta	15,000	(indirect)	Filipino	0.0018%
Common	Catherine H. Ang	73,790	(indirect)	Filipino	0.0088%
Voting Preferred		5,290	(direct)		0.0006%
Preferred A (Reissued)		400	(indirect)		0.0000%
Common	Karl Kendrick T. Chua	30,000	(indirect)	Filipino	0.0036%
Common	Francisco Romero Milán	58,965	(indirect)	Filipino	0.0070%
Common	Juan Carlos L. Syquia	900	(indirect)	Filipino	0.0001%
Common	Mark Robert H. Uy	51,000	(indirect)	Filipino	0.0061%
Common	Estelito C. Biacora	35,763	(indirect)	Filipino	0.0042%
Common	Josephine G. De Asis	65,287	(indirect)	Filipino	0.0077%
Common	Jaime Z. Urquijo	45,627	(indirect)	Filipino	0.0054%
Common	Rosario Carmela G. Austria	7,098	(indirect)	Filipino	0.0008%
All Directors and Officers as a group		**4,134,494**			**0.4906%**

No director or member of the Company's management owns 2% or more of the outstanding capital stock of the Company.

Voting trust holders of 5% or more

[17] Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. Out of the 278,867,727 common shares registered in the name of PCD Nominee Corporation, 41,790,041 or 5.0961% of the voting stock is for the account of The Hongkong and Shanghai Banking Corp. Ltd. -Clients' Acct. (HSBC). The Company did not receive any report from HSBC or any of its customers stating that they beneficially own more than 5% of the Company's common shares.

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

Changes in control

No change of control in the Company has occurred.

Foreign owned shares as of January 31, 2026:

Security	Total Outstanding Shares	Shares Owned By Foreigners	Percent of Foreign Ownership
Common	620,036,976	164,369,241	
Preferred A (Reissued)	5,244,515	45,794	
Preferred "B" Series 3	7,500,000	40,285	
Preferred "B" Series 4	10,000,000	138,700	
Voting Preferred	200,000,000	17,758,796	
Total	**842,781,491**	**182,352,816**	**21.64%**

Item 12. Certain Relationships and Related Transactions

Parties are considered to be 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 individuals or corporate entities.

All publicly-listed and certain member companies of the Group have Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

The Parent Company has an approval requirement such that material related party transactions (RPT) shall be reviewed by the Risk Management and Related Party Transactions Committee (the RMRPT Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the RMRPT Committee approved threshold value – of ₱50.0 million or five (5) percent of the total assets, whichever is lower. The Parent Company's Risk Management Unit, acting as the secretariat of the RMRPT Committee, and the Legal Services Unit, reviewed the RPTs before these were presented to the RMRPT Committee for approval.

The Group, in its regular conduct of business, has entered into transactions with associates, joint ventures and other related parties principally consisting of deposits/placements, advances, loans and reimbursement of expenses, purchase and sale of real estate properties, various guarantees, construction contracts, and development, management, underwriting, marketing and administrative service agreements. Sales and purchases of goods and services as well as other income and expense to and from related parties are made at normal commercial prices and terms.

To date, there have been no complaints received by the Company regarding related-party transactions. None of the Company's directors has entered into self-dealing and related party transactions with or involving the Company in 2025.

For further information on the Group's related party transactions, see Note 31 to Ayala's 2025 Audited Consolidated Financial Statements included in this Report. Except for those discussed in the said 2025 Audited Consolidated Financial Statements, no other transaction, other than as appropriately disclosed by the Parent Company, was undertaken by the Group involving any director or executive officer, any nominee for election as director, any beneficial owner of more than 5% of the Parent Company's outstanding shares (direct or indirect) or any member of his immediate family. The Parent Company's employees are required to promptly disclose any business and family-related transactions with the Parent Company to ensure that potential conflicts of interest are reviewed and disclosed as appropriate.

Transactions with Promoters

There are no transactions with promoters within the past five (5) years.

Awards and Recognitions

Ayala Corporation

ASEAN Corporate Governance
- Top 50 in ASEAN
- Top 5 in the Philippines

Asia Corporate Excellence & Sustainability (ACES) Awards
- One of Asia's Most Influential Companies
- Top Community Centric Companies
- Top Workplaces

Asia-Pacific Stevie Awards
- Saludo sa Serbisyo, Gold Award for Innovation in Community Relations or Public Service Communications

CorporateTreasurer Awards
- Most Innovative Treasury Initiative: $200-million yen-denominated term loan with Mizuho Bank Ltd., and Sumitomo Mitsui Banking Corporation
- Most Innovative Treasury Initiative: $100-million blended finance deal for electric mobility between Ayala Corporation and the Asian Development Bank (ADB) and Canadian Climate and Nature Fund for the Private Sector in Asia (CANPA)

FinanceAsia Awards
- Gold Award, Philippines' Best Managed Company
- Gold Award, Best Conglomerate
- Gold Award, Best Real Estate Company
- Gold Award, Best Infrastructure Company
- Gold Award, Most Committed to ESG
- Silver Award, Best in Investor Relations
- Silver Award, Most Committed to Diversity, Equity, and Inclusion

FTSE Russell
- Retains spot in FTSE4Good Index Series

ING-Financial Executives Institute of the Philippines
- Alberto de Larrazabal, Ayala Corporation CFO, 2025 ING-FINEX CFO of the Year

Institute of Corporate Directors
- 5-Golden Arrow Award for Excellence in Corporate Governance

The Asset
- Transport Deal of the Year: $100-million blended finance deal for electric mobility between Ayala Corporation and the Asian Development Bank (ADB) and Canadian Climate and Nature Fund for the Private Sector in Asia (CANPA)

Time Statista (World's Best Companies)
- 210th, World's Best Companies

For the awards and recognitions of other listed entities in the Group, please refer to their respective SEC 17-A Reports which are available at their websites.

Website and Social Media

The Company's official website is www.ayala.com. Further details on the Company's corporate information, background, activities, and other areas like governance initiatives are available at the Company's website. Also, as part of our stakeholder engagement, Ayala maintains the following social media accounts:

- Facebook.com/AyalaCorporation
- Instagram.com/weareyala
- Linkedin.com/company/ayala-corporation
- https://www.youtube.com/@ayala1834

Events after the Reporting Period

For the detailed discussion of key transactions and information from January 1 up to March 12, 2026 (issuance date of the 2025 Audited Consolidated Financial Statements), please refer to Note 38 of Ayala's Audited Consolidated Financial Statements as of December 31, 2025 which forms part of the Index of this Report.

In addition, the Group has the following major transactions and information from the issuance date of the 2025 Audited Consolidated Financial Statements up to the issuance date of this Report:

Parent Company

Dividend declaration
On March 16, 2026, the Parent Company's BOD approved the declaration of second quarter cash dividends on outstanding preferred "B" Series 3 shares (ACPB3) amounting to ¼ of 6.0538% per annum, or ₱30.269 per share, based on the issue price of the shares. The record date is March 31, 2026 and payable on April 15, 2026.

Capital infusion
On March 27, 2026, the Parent Company infused ₱600.0 million representing its subscription to the ACX's 60,000,000 preferred shares in relation to its investments in Makro.

Appointment of acting officers
On March 9, 2026, the Parent Company's BOD approved the appointment of Ms. Catherine H. Ang, the Corporation's Chief Audit Executive, as Acting Comptroller of the Corporation, and of Ms. Roxanne Kate L. Petilla as Acting Chief Audit Executive, both effective immediately.

Corporate movements
On March 23, 2026, Mr. Jaime Z. Urquijo, the Parent Company's Chief Sustainability and Risk Officer, will be seconded to ALI as its Head of Urban Estates. Mr. Paolo Maximo F. Borromeo will assume the role of Chief Social Infrastructure Officer concurrent with his role as President and Chief Executive Office of AC Health. Mr. Borromeo will be responsible for optimizing the positive impact of AC's social infrastructure businesses, specifically its healthcare, education, and community development and livelihood businesses. He will also have executive responsibility for the Parent Company's Sustainability, State Affairs and External Communications units. Both movements are effective on April 15, 2026.

ALI

Corporate movements
On March 23, 2026, it was announced that Mr. Jaime Z. Urquijo, will be seconded to ALI as its Head of Urban Estates, effective April 15, 2026. In this role, Mr. Urquijo will lead the continued development of ALI's Metro Manila estates as it strengthens its efforts to build sustainable and distinctive urban communities. In this new capacity, he will also serve as member of the ALI Management Committee and the Investment Committee. In his new role, Mr. Urquijo will be reporting directly to the President and CEO of ALI.

ACX

Capital infusion
On March 27, 2026, on the same date as AC's infusion into ACX, ACX infused ₱600.0 million to CP Axtra AC Corporation (CPAC), an associate, representing subscription for 600,000,000 common shares at ₱1.00 par. The proceeds will be used to fund capital expenditures, mostly for initial stores and facilities build-up; and certain operating expenses. CPAC is the entity that will operate the Makro retail stores in the Philippines.

MHI

Dividend declaration
On March 30, 2026, MHI's BOD approved the declaration and payment of cash dividends amounting to ₱360.0 million, payable on April 7, 2026 to all stockholders of record as of April 6, 2026.

Philwater

Dividend declaration
On March 26, 2026, the BOD of Philwater approved the declaration and payment of cash dividends amounting to ₱185.0 million which was paid on March 30, 2026 to all stockholders of record as of March 27, 2026.

BPI

Amendment of By-Laws
On March 18, 2026, the BOD of BPI approved the amendments of Artciles Iv, V, VII, and VII-A of BPI's Amended By-Laws.

The proposed amendments are aimned to:
1. Align with the practice of holdings the annual stockholders meeting in April;
2. Align with SEC MC No. 7, S. of 2021, which grants shareholders holding at least ten percent (10%) of the outstanidng capital stock of a publicly-listed company the right to call for a Sepcial Stockholders' Meeting;
3. Allow greater flexibility to adapt to evolving practices in the determination of the Order of Business of the annual stockholders' meeting; and
4. Align with Section 29 of the Revised Corporation Code on compensation of directors.

The amendments will be presented to BPI's stockholders for approval at its Annual Stockholders' Meeting to be held on April 20, 2026.

Other Information

Other information about the Group are disclosed in appropriate notes in the accompanying Audited Consolidated Financial Statements as of December 31, 2025 or discussed in previously filed SEC 17-Q and SEC 17-C reports for 2025 (refer to Item 14 on Exhibits and Reports on SEC Form 17-C of this Report).

Also, the Company's Definitive Information Statement report and Integrated Report are sources of other information about Ayala Group. These documents are available at the Company's website www.ayala.com.

PART IV – CORPORATE GOVERNANCE AND SUSTAINABILITY

Item 13.A. Corporate Governance

Please refer to Item 5.E. Corporate Governance of Part II Operational and Financial Information for some discussions as it applies to the Company. For the full details and discussion, please refer to the Definitive Information Sheet and Annual Corporate Governance Report posted at the Company's official website www.ayala.com. The detailed discussion of the Annual Corporate Governance Section is in compliance with SEC Memorandum Circular No. 5, series of 2013, issued last March 20, 2013.

Item 13.B. Sustainability Report

Please refer to the Integrated Report posted in the Company's Official Website with the following link: https://uat2023.ayala.com/app/uploads/2026/04/2025-Ayala-Corporation-Integrated-Report.pdf

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, Ayala 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.

Ayala Corporation submitted the following unstructured and structures disclosures and clarifications of new articles to PSE, SEC, and PDEx in 2025:

1. Attendance of the Directors in 2024
2. Notices of Analysts' Briefing
3. Change in the Schedule of Analysts' Briefing for the financial and operating results for FY2024
4. Financial and Operating Results for FY24, 1Q 2025, 1H 2025 and 3Q 2025
5. Update on the use of proceeds generated from the re-issuance of Preferred "B" Series 2 Shares
6. Board's approval of the 2025 Employee Stock Ownership (ESOWN) Plan, CFO Transition Plan and Change in Designation of an Officer
7. Reduction of SEC's Assessed Penalty to Ayala Corporation regarding 2005 Employee Stock Ownership Plan
8. Quarterly Declaration of Cash Dividends on Outstanding Preferred "A" Shares (ACPAR)
9. Notice of Conduct of Annual Stockholders' Meeting
10. Detailed Notice and Agenda of the 2025 Annual Stockholders' Meeting
11. Redemption of Ayala Corporation's PhP10.0 Billion 4.8200% Bonds Due 2025
12. Execution by Ayala Corporation ("AC"), AC Logistics Holdings Corporation ("AC Logistics"), a wholly owned subsidiary of AC, and A.P. Møller Capital ("APMC"), through EMIF II Holding III B.V. ("EMIF"), of a Share Subscription Agreement for EMIF's investment in AC Logistics.
13. Change in Number of Issued and Outstanding Shares
14. Board's approval on the issuance of Philippine Peso with a base amount of Php10,000,000,000.00 with an oversubscription option for up to an additional Php10,000,000,000.00, subject to regulatory requirements; changes in the Enterprise Risk Management Policy, as endorsed by our Risk Management and Related Party Transactions Committee, which includes risk likelihood scale, risk impact scale, and risk assessment and reporting; and promotion of officers
15. Quarterly Declaration of Cash Dividends on Outstanding Preferred "B" Series 3 (ACPB3) Shares
16. Amended 2024 General Information Sheet
17. Ayala and Mitsubishi execute the Investment Agreement for Mitsubishi's investment in AC Ventures
18. Redemption of Ayala Corporation's PhP5.0 Billion 4.4542% Series C Bonds Due 2025
19. Filing of the Registration Statement to the Securities and Exchange Commission for the proposed offer and re-issuance of Preferred "B" Shares
20. Receipt of the Certificate of Permit to Offer Securities from the Securities and Exchange Commission for the re-issuance of Preferred "B" Shares (ACPB4)
21. Updates on the use of proceeds generated from the re-issuance of Preferred "B" Shares (ACPB4)
22. Results of Annual or Special Stockholders' Meeting and Organizational Meeting of Board of Directors
23. Re-pricing of Voting Preferred Shares' Dividend Rate
24. Redemption of Ayala Corporation's PhP5.0 Billion 4.4542% Series C Bonds Due 2025
25. Result of the 2025 ESOWN Grant

26. Approval by the Board of Directors and shareholders of Globe Fintech Innovations, Inc. ("Mynt" or the “Company”) of the proposed stock split of the Company
27. Globe Fintech Innovations, Inc.'s ("Mynt" or the “Company”) receipt of its Amended Articles of Incorporation as approved by the Securities and Exchange Commission
28. Semi-Annual Declaration of Cash Dividends on Outstanding Common Shares
29. Completion of Mitsubishi’s investment in AC Ventures
30. Execution by Ayala Healthcare Holdings, Inc. (“AC Health”), a wholly owned subsidiary of Ayala Corporation (the “Corporation”), and IMP2 Rise Pte. Ltd., a special purpose vehicle of ABC Impact Fund II LP (“ABC Impact”) of an Investment Agreement for ABC Impact’s investment in AC Health
31. Acquisition of additional shares in iPeople, inc.
32. D3Q and 4Q Cash Dividend Declarations on Outstanding Ayala Corporation Preferred "B" Series 4 Shares (ACPB4)
33. Closing of ABC Impact Fund II LP’s (“ABC Impact”) investment in Ayala Healthcare Investment Holdings, Inc. (“AC Health”)
34. Board of Directors’ approval of the expansion of the coverage of the share buyback program
35. Business venture between ACX Holdings Corporation (“ACX”), a wholly-owned subsidiary of Ayala Corporation, and Thai company, Makro ROH Company Limited (“MROH”) for the operation of Makro stores in the Philippines.
36. Share Buy-Back of a total of 4M Shares in 2025
37. Spinneys 1961 Holdings PLC (“Spinneys”) signs Investment and Shareholders’ Agreement with ACX Holdings Corporation ("ACX"), a wholly-owned subsidiary of Ayala Corporation (“Ayala”) to expand Spinneys to the Philippines
38. Announcement on Transition of Honda Dealer Network
39. Board of Directors’ approval on the Election of Chief Finance Officer and Setting of the 2026 Annual Stockholders’ Meeting

Clarification of News Article:

40. Clarification of news article entitled, "Ayala Corp. no longer selling IMI as it is now in better shape"

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 registrant by the undersigned, thereunto duly authorized, in the City of Makati on April 4, 2026.

AYALA CORPORATION

By:

Jaime Augusto Zobel de Ayala
Chairman, Board of Directors

Cezar P. Consing
President and Chief Executive Officer

Juan Carlos L. Syquia
Chief Finance Officer and Finance Group Head

Maria Franchette M. Acosta
Chief Legal Officer, Corporate Secretary, Compliance Officer, Data Protection Officer, and Corporate Governance Group Head

SUBSCRIBED AND SWORN to before me this APR 04 2026 at Makati City, affiants exhibiting to me their respective passports/driver's license, to wit:

Name	ID No.	Date and Place of Issue
Jaime Augusto Zobel de Ayala		
Cezar P. Consing		
Juan Carlos L. Syquia		
Maria Franchette M. Acosta		

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Page No. 72
Book No. XXVII
Series of 2026

ATTY. RIZZA ANNE O. SY
NOTARY PUBLIC
ROLL NO.
MAKATI CITY, PHILIPPINES

RIZZA ANNE O. SY
Notary Public – Makati City
Appt. No. M-106 until December 31, 2026

Notarial eDST pursuant to Sec. 61 of the TRAIN ACT (amending Sec. 188 of the NIRC) affixed on copy submitted to the court.

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 registrant by the undersigned, thereunto duly authorized, in the City of Makati on April 11, 2026.

AYALA CORPORATION

By:

_____
Catherine H. Ang
Acting Comptroller

SUBSCRIBED AND SWORN to before me this APR 1 1 2026 at Makati City, affiants exhibiting to me their respective passports/driver's license, to wit:

Name	ID No.	Date and Place of Issue
Catherine H. Ang		

Doc. No. 424
Page No. 86
Book No. XXVII
Series of 2026

Notarial eDST pursuant to Sec. 61 of the TRAIN ACT (amending Sec. 188 of the NIRC) affixed on copy submitted to the court.

ATTY. RIZZA ANNE O. SY
NOTARY PUBLIC
ROLL NO.
MAKATI CITY, PHILIPPINES

RIZZA ANNE O. SY
Notary Public – Makati City
Appt. No. M-106 until December 31, 2026

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

I. **2025 Consolidated Financial Statements of Registrant**

1. Statement of Management's Responsibility for Financial Statements
2. Ayala Corporation and Subsidiaries Consolidated Financial Statements as of December 31, 2025 and 2024 and Years Ended December 31, 2025, 2024 and 2023 and Independent Auditors' Report

II. **2025 Supplementary Schedules**

1. Independent Auditors' Opinion on Supplementary Schedules
2. Annex A: Supplementary Schedules Required by Annex 68-J
   - Schedule A – Financial Assets
   - Schedule B – Amounts Receivable from Directors, Officers and Employees, Related Parties and Principal Stockholders (Other than Related Parties)
   - Schedule C1 – Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
   - Schedule C2 – Amounts Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements
   - Schedule D – Long-term Debt
   - Schedule E – Indebtedness to Related Parties (Long-term Loans from Related Parties)
   - Schedule F – Guarantees of Securities of Other Issuers
   - Schedule G – Capital Stock
3. Annex B: Reconciliation of Retained Earnings Available for Dividend Declaration
4. Annex C: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered
5. Annex D: Financial Soundness Indicators
6. Annex E: Supplementary Schedule of External Auditor Fee-related Information
7. Annex F: Listed Companies with a Recent Offering of Securities to the Public

III. **2025 Ayala Corporation and Subsidiaries Special Form for Financial Statements (SFFS)**

IV. **2025 Parent Company Financial Statements (with BIR ITR Filing Reference) and SFFS**

I. 2025 Consolidated Financial Statements of Registrant

Ayala

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of Ayala Corporation (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein 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 Company's and its subsidiaries 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 and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's and its subsidiaries' 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 auditor appointed by the stockholders, has audited the consolidated financial statements of the Company and its subsidiaries in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signed on March 12, 2026.

JAIME AUGUSTO ZOBEL DE AYALA
Chairman, Board of Directors

CEZAR P. CONSING
President & Chief Executive Officer

JUAN CARLOS L. SYQUIA
Chief Finance Officer

SUBSCRIBED AND SWORN to before me this MAR 12 2026 at Makati City, affiants exhibiting to me their respective Passports, to wit:

Name	Passport No.	Date & Place of Issue
Jaime Augusto Zobel de Ayala		
Cezar P. Consing		
Juan Carlos L. Syquia		

Doc. No. 218 ;
Page No. 45 ;
Book No. XXVII ;
Series of 2026.

Notarial DST pursuant to Sec. 61 of the TRAIN ACT (amending Sec. 188 of the NIRC) affixed on copy submitted to the court.

ATTY. RIZZA ANNE O. SY
NOTARY PUBLIC
ROLL NO.
MAKATI CITY, PHILIPPINES

RIZZA ANNE O. SY
Notary Public – Makati City
Appt. No. M-106 until December 31, 2026

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

3	4	2	1	8						

COMPANY NAME

AYALA CORPORATION AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

37F to 39F Ayala Triangle Gardens
Tower 2, Paseo De Roxas Corner
Makati Avenue, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
acquery@ayala.com.ph	7908-3000	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
7,230	April 24	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Catherine H. Ang	ang.ch@ayala.com	7908-3000	

CONTACT PERSON's ADDRESS

37F to 39F 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.*

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Ayala Corporation
37F to 39F Ayala Triangle Gardens Tower 2
Paseo de Roxas corner Makati Avenue, Makati City

Opinion

We have audited the accompanying consolidated financial statements of Ayala Corporation and its subsidiaries (collectively, the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income, 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 financial position of the Group as at December 31, 2025 and 2024, and its financial performance and its 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 (the Code of Ethics), as applicable to the audits of the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of consolidated financial statements of public interest entities 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 each 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 matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue Recognition from Real Estate Sales

Ayala Land, Inc. and its subsidiaries' (ALI Group) revenue recognition process, policies and procedures are significant to our audit because these involve the application of significant judgment and estimation in the following areas: (1) determination of the transaction price, (2) application of the output method as the measure of progress in determining real estate revenue and (3) estimation of the total project cost.

In determining the transaction price, the ALI Group considers whether the selling price of the real estate property includes significant financing component.

In measuring the progress of its performance obligation over time, the ALI Group uses the output method. This method measures progress based on the physical proportion of work done on the real estate project which requires technical determination by the ALI Group's specialists (project engineers). This is based on the monthly project accomplishment report prepared by the third-party surveyor as approved by the construction manager, which integrates the surveys of construction activities performed to date by ALI Group and its sub-contractors.

In determining the actual costs incurred to be recognized as cost of sales, the ALI Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractors.

The disclosures related to revenue are included in Notes 3 and 21 to the consolidated financial statements.

Audit Response

We sent instructions to the statutory auditor of ALI Group to perform an audit on the relevant financial information of ALI Group for the purpose of our audit of the Group's consolidated financial statements. These audit instructions contained a discussion of their scope of work, risk assessment procedures, audit strategy and reporting responsibilities. We discussed with the statutory auditor of ALI Group their identified key audit risk areas, including their significant areas of estimation and judgment, planning and execution of audit procedures, and results of their work for the year ended December 31, 2025.

We reviewed their audit working papers and obtained relevant conclusion statements related to their audit procedures. Specifically, we reviewed the procedures performed by the statutory auditor of ALI Group on revenue from real estate sales related to the determination of the transaction price, application of the output method in recognizing real estate revenue and review of the estimation and recognition of total project cost and cost of real estate sales.

We obtained the relevant financial information of ALI Group and checked the ALI Group's disclosures in its consolidated financial statements.

Impairment Testing of Goodwill

The Group has significant amount of goodwill arising from its business acquisitions that are required to be tested for impairment at least annually. The impairment testing of goodwill is a key audit matter because it requires management to make significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically the estimated future cash flows of the related cash-generating units, revenue growth rate, gross margin, long-term growth rate and the discount rate.

Relevant disclosures on goodwill are included in Note 14 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's goodwill impairment assessment process and the related controls. We involved our internal specialist in evaluating the methodologies and assumptions used in the value-in-use calculation. We compared the key assumptions used such as revenue growth rate against actual historical performance of the cash generating unit and industry outlook, and gross margin against historical rates. We tested the parameters used in the determination of the discount rate against market data.

For certain impairment testing of goodwill arising from the subsidiaries, we reviewed the working papers of the statutory auditors of the subsidiaries. Specifically, we reviewed the procedures performed in evaluating the methodology and assumptions used by management. These assumptions include revenue growth rate, gross margin, long-term growth rate and discount rate.

We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect in the determination of the recoverable amount of goodwill.

Accounting for Investments in Associate and Joint Venture

The Group has effective ownership of 45.2% in Bank of the Philippine Islands and its subsidiaries (BPI Group), an associate, and 30.6% in Globe Telecom, Inc. and its subsidiaries (Globe Group), a joint venture, as of December 31, 2025, which are both accounted for using the equity method. Directly and indirectly, BPI Group and Globe Group contributed ₱30.2 billion and ₱7.1 billion, respectively, to the Group's consolidated net income in 2025.

BPI Group's net income is significantly affected by the level of impairment provisioning on its loans and receivables which requires substantial management judgment and estimation. PFRS 9 requires the application of a forward-looking expected credit loss (ECL) model to assess impairment on debt financial assets not measured at fair value through profit or loss. Meanwhile, Globe Group's net income is affected by the propriety of the revenue recognized given the significant volume of transactions processed through various systems, which heavily rely on automated processes and controls from account activation, termination and recording of usage and billing.

Relevant disclosures related to the Group's investments in BPI Group and Globe Group are provided in Note 10 to the consolidated financial statements.

Audit Response

We sent instructions to the statutory auditors of BPI Group and Globe Group to perform an audit of the relevant financial information of BPI Group and Globe Group for the purpose of our audit of the Group's consolidated financial statements. These audit instructions contained a discussion of their scope of work, risk assessment procedures, audit strategy and reporting responsibilities. We discussed with the statutory auditors of BPI Group and Globe Group their identified key audit risk areas, including their significant areas of estimation and judgment, planning and execution of audit procedures, and results of their work for the year ended December 31, 2025.

We reviewed their audit working papers and obtained relevant conclusion statements related to their audit procedures.

For BPI Group, we focused on the review of the procedures performed by their statutory auditor on the testing of its ECL model for BPI Group's loans portfolio and treasury products. We inquired and reviewed with BPI Group's statutory auditor the overall characteristics of the loan portfolio, changes during the year, and rationale for the changes in impairment provisioning. We reviewed the procedures performed by their statutory auditor in testing the processes and controls over loan loss provisioning and reviewed the procedures performed in assessing the adequacy of loan loss provisioning.

For Globe Group, we involved our internal specialist in the assessment of the sufficiency of statutory auditor's procedures in testing Globe Group's IT general and application controls over the revenue recognition process. We evaluated the sufficiency of the procedures performed by their statutory auditor in testing Globe Group's processes and controls over the identification of the performance obligations in their contracts with customers, the allocation of the transaction price to the performance obligations based on the stand-alone selling prices, and the recognition of revenue at a point in time or over time.

We obtained the relevant financial information of BPI Group and Globe Group and recomputed the Group's share in the respective net income of BPI Group and Globe Group for the year ended December 31, 2025.

Complex Consolidation Process

Ayala Corporation is the holding company of a multiple number of domestic and foreign legal entities with diversified business portfolios. In preparing its consolidated financial statements, several factors are considered such as fair value adjustments arising from business combinations, the presence of non-controlling interests, numerous intercompany transactions, translation of subsidiaries' foreign currency-denominated financial information to Ayala Corporation's functional currency, and other equity adjustments.

Note 2 to the consolidated financial statements provides the relevant disclosures on the Group's investees.

Audit Response

We obtained an understanding of the consolidation process and relevant controls through which the consolidated financial statements are prepared. We also obtained an understanding of the Group's process for identifying related parties and related party transactions and the reconciliation of intercompany transactions and balances. We tested the significant consolidation adjustments, including eliminations of intercompany transactions and balances, deferral and realization of intercompany profits, amortization/depreciation/reversal of fair value adjustments arising from business combinations, currency translation adjustments, and movements in non-controlling interests and other equity adjustments. We also evaluated whether the accounting policies of the Group have been consistently applied.

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 these 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 Sherwin V. Yason.

SYCIP GORRES VELAYO & CO.

Partner
CPA Certificate No.
Tax Identification No.
BOA/PRC Reg. No.
SEC Partner Accreditation No.
Valid to cover audit of 2020 to 2024 financial statements,
with extension up to audit of 2025 financial statements
SEC Firm Accreditation No.
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No.
PTR No.

March 12, 2026

AYALA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5, 31 and 32)	**₱66,901,817**	₱75,501,736
Short-term investments (Notes 6, 31 and 32)	**403,532**	723,567
Accounts and notes receivable (Notes 7, 31, 32 and 33)	**164,320,989**	158,358,122
Inventories (Note 8)	**267,317,515**	247,752,784
Other current assets (Notes 9, 32 and 33)	**100,913,690**	102,226,309
Total Current Assets	**599,857,543**	584,562,518
Noncurrent Assets		
Noncurrent accounts and notes receivable (Notes 7, 31, 32 and 33)	**186,472,718**	151,065,379
Investments in associates and joint ventures (Note 10)	**426,502,241**	401,221,558
Investment properties (Note 11)	**285,073,751**	262,903,806
Property, plant and equipment (Note 12)	**211,388,747**	178,131,222
Right-of-use assets (Note 30)	**22,384,959**	24,562,118
Intangible assets (Note 14)	**40,424,923**	39,383,400
Deferred tax assets - net (Note 25)	**18,562,738**	20,220,095
Other noncurrent assets (Notes 15, 31, 32 and 33)	**100,899,809**	87,275,626
Total Noncurrent Assets	**1,291,709,886**	1,164,763,204
Total Assets	**₱1,891,567,429**	₱1,749,325,722
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt (Notes 18, 31, 32 and 33)	**₱81,298,079**	₱75,556,284
Accounts payable and accrued expenses (Notes 16, 31, 32 and 33)	**253,625,415**	223,662,212
Income tax payable	**716,579**	820,441
Current portion of:		
Long-term debt (Notes 18, 31, 32, 33 and 34)	**46,564,344**	60,875,018
Lease liabilities (Note 30)	**3,325,546**	4,647,964
Other current liabilities (Notes 17, 32 and 33)	**19,227,033**	23,728,590
Total Current Liabilities	**404,756,996**	389,290,509
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 18, 31, 32, 33 and 34)	**576,625,127**	530,327,828
Lease liabilities - net of current portion (Note 30)	**28,323,605**	28,794,012
Deferred tax liabilities - net (Note 25)	**14,075,660**	15,383,250
Pension liabilities (Note 27)	**5,937,814**	5,952,305
Other noncurrent liabilities (Notes 19, 32 and 33)	**51,999,654**	53,996,098
Total Noncurrent Liabilities	**676,961,860**	634,453,493
Total Liabilities	**₱1,081,718,856**	₱1,023,744,002

(Forward)

	December 31	
	2025	2024
Equity		
Equity attributable to owners of the parent company		
Paid-in capital (Notes 2 and 20)	**₱112,568,388**	₱93,384,205
Remeasurement losses on defined benefit plans (Note 27)	**(7,856,651)**	(6,618,373)
Fair value reserve of financial assets at fair value through other comprehensive income (FVOCI) (Note 15)	**(2,195,195)**	(3,126,991)
Cumulative translation adjustments	**7,867,817**	4,411,444
Equity reserve (Notes 2 and 23)	**28,020,698**	25,476,033
Retained earnings (Note 20)	**388,402,160**	335,194,299
Treasury stock (Note 20)	**(15,144,721)**	(14,220,992)
	511,662,496	434,499,625
Non-controlling interests (Note 2 and 23)	**298,186,077**	291,082,095
Total Equity	**809,848,573**	725,581,720
Total Liabilities and Equity	**₱1,891,567,429**	₱1,749,325,722

See accompanying Notes to Consolidated Financial Statements.

AYALA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Earnings Per Share Figures)

	Years Ended December 31		
	2025	2024	2023
REVENUE			
Rendering of services (Notes 11, 21, 29 and 31)	**₱162,618,020**	₱179,195,714	₱175,214,627
Sale of goods (Notes 11, 21, 29 and 31)	**174,268,146**	146,548,246	114,690,120
Share in net profits of associates and joint ventures (Notes 10 and 29)	**46,749,683**	44,307,947	46,633,463
Interest income from real estate (Note 21)	–	–	5,359,526
	383,635,849	370,051,907	341,897,736
COSTS AND EXPENSES			
Costs of rendering services (Notes 8, 22 and 31)	**125,407,418**	143,606,636	151,040,739
Cost of goods sold (Notes 8, 22 and 31)	**117,248,793**	94,899,203	68,791,301
General and administrative expenses (Notes 22, 28 and 31)	**48,919,153**	51,270,299	42,646,536
	291,575,364	289,776,138	262,478,576
OTHER INCOME (CHARGES) - NET			
Interest income (Notes 22 and 31)	**17,211,790**	13,264,243	11,503,551
Other income (Notes 21, 22 and 23)	**29,076,932**	14,509,425	5,033,563
Interest and other financing charges (Notes 18, 22 and 31)	**(39,757,399)**	(36,198,909)	(31,199,863)
	6,531,323	(8,425,241)	(14,662,749)
INCOME BEFORE INCOME TAX	**98,591,808**	71,850,528	64,756,411
PROVISION FOR INCOME TAX (Note 25)			
Current	**10,609,382**	7,677,230	9,698,102
Deferred	**1,113,473**	2,711,253	(118,049)
	11,722,855	10,388,483	9,580,053
NET INCOME	**₱86,868,953**	₱61,462,045	₱55,176,358
Net Income Attributable to:			
Owners of the Parent Company (Note 26)	**₱61,427,524**	₱42,026,496	₱38,073,084
Non-controlling interests	**25,441,429**	19,435,549	17,103,274
	₱86,868,953	₱61,462,045	₱55,176,358
EARNINGS PER SHARE (Note 26)			
Basic	**₱94.82**	₱64.77	₱58.75
Diluted	**₱94.72**	₱64.69	₱58.64

See accompanying Notes to Consolidated Financial Statements.

AYALA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
NET INCOME	**₱86,868,953**	₱61,462,045	₱55,176,358
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Exchange differences arising from translations of foreign investments	**3,685,666**	2,106,735	(2,554,218)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Changes in fair values of financial assets at FVOCI - net (Note 15)	**(1,649,491)**	(3,385,344)	383,557
Remeasurement losses on defined benefit plans (Note 27)	**(551,495)**	(497,335)	(1,105,131)
Tax effect relating to components of other comprehensive income	**137,874**	124,334	276,283
	1,622,554	(1,651,610)	(2,999,509)
SHARE IN OTHER COMPREHENSIVE INCOME (LOSS) OF ASSOCIATES AND JOINT VENTURES			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Exchange differences arising from translations of foreign investments	**783,086**	1,015,946	(279,010)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains (losses) on defined benefit plans	**(934,453)**	172,067	(1,588,958)
Changes in fair values of financial assets at FVOCI - net (Note 15)	**2,044,120**	539,301	2,592,684
	1,892,753	1,727,314	724,716
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	**3,515,307**	75,704	(2,274,793)
TOTAL COMPREHENSIVE INCOME	**₱90,384,260**	₱61,537,749	₱52,901,565
Total Comprehensive Income Attributable to:			
Owners of the Parent Company	**₱64,507,145**	₱41,822,738	₱36,271,065
Non-controlling interests	**25,877,115**	19,715,011	₱16,630,500
	₱90,384,260	₱61,537,749	₱52,901,565

See accompanying Notes to Consolidated Financial Statements.

AYALA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

(Amounts in Thousands)

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY										
			Other Comprehensive Income								
	Paid-in Capital (Notes 2 and 20)	Share-based Payments (Note 28)	Remeasurement Gains (Losses) on Defined Benefit Plans (Note 27)	Fair Value Reserve of Financial Assets at FVOCI (Note 15)	Cumulative Translation Adjustments	Equity Reserve (Notes 2 and 23)	Retained Earnings (Note 20)	Treasury Stock (Note 20)	Total	Non-controlling Interests (Notes 2 and 23)	Total Equity
	For the year ended December 31, 2025										
As of January 1, 2025	₱93,384,205	₱–	(₱6,618,373)	(₱3,126,991)	₱4,411,444	₱25,476,033	₱335,194,299	(₱14,220,992)	₱434,499,625	₱291,082,095	₱725,581,720
Net income	–	–	–	–	–	–	61,427,524	–	61,427,524	25,441,429	86,868,953
Share in other comprehensive income of associates and joint ventures	–	–	(934,453)	2,044,120	783,086	–	–	–	1,892,753	–	1,892,753
Other comprehensive income (loss)	–	–	(303,825)	(1,182,594)	2,673,287	–	–	–	1,186,868	435,686	1,622,554
Reclassification of fair value gain of investment in equity securities at FVOCI	–	–	–	70,270	–	–	(70,270)	–	–	–	–
Total comprehensive income (loss)	–	–	(1,238,278)	931,796	3,456,373	–	61,357,254	–	64,507,145	25,877,115	90,384,260
Exercise of ESOWN	63,961	–	–	–	–	–	–		63,961	–	63,961
Buyback of common shares	–	–	–	–	–	–	–	(1,923,729)	(1,923,729)	–	(1,923,729)
Reissuance of preferred shares	18,841,276	–	–	–	–	–	–	1,000,000	19,841,276	–	19,841,276
Cash dividends		–	–	–	–	–	(8,109,387)	–	(8,109,387)	(3,622,540)	(11,731,927)
Collection of subscription receivables	278,947	–	–	–	–	–	–	–	278,947	–	278,947
Assignment of treasury shares	(1)	–	–	–	–	–	–	–	(1)	–	(1)
Change in non-controlling interests	–	–	–	–	–	2,544,665	(40,006)	–	2,504,659	(15,150,593)	(12,645,934)
At December 31, 2025	₱112,568,388	₱–	(₱7,856,651)	(₱2,195,195)	₱7,867,817	₱28,020,698	₱388,402,160	(₱15,144,721)	₱511,662,496	₱298,186,077	₱809,848,573

See accompanying Notes to Consolidated Financial Statements

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY										
			Other Comprehensive Income								
	Paid-in Capital (Note 20)	Share-based Payments (Note 28)	Remeasurement Gains (Losses) on Defined Benefit Plans (Note 27)	Fair Value Reserve of Financial Assets at FVOCI (Note 15)	Cumulative Translation Adjustments	Equity Reserve (Notes 2 and 23)	Retained Earnings (Note 20)	Treasury Stock (Note 20)	Total	Non-controlling Interests (Notes 2 and 23)	Total Equity
	For the year ended December 31, 2024										
As of January 1, 2024	₱91,233,753	₱–	(₱6,611,128)	(₱66,256)	₱3,295,297	₱25,350,330	₱298,421,929	(₱14,546,351)	₱397,077,574	₱279,212,575	₱676,290,149
Net income	–	–	–	–	–	–	42,026,496	–	42,026,496	19,435,549	61,462,045
Share in other comprehensive income of associates and joint ventures	–	–	172,067	539,301	1,015,946	–	–		1,727,314	–	1,727,314
Other comprehensive income (loss)	–	–	(235,810)	(3,387,376)	1,692,114	–	–	–	(1,931,072)	279,462	(1,651,610)
Reclassification of fair value gain of investment in equity securities at FVOCI	–	–	–	(212,660)	(1,591,913)	–	1,804,573	–	–	–	–
Derecognition of remeasurement loss	–	–	56,498	–	–	–	(56,498)	–	–	–	–
Total comprehensive income (loss)	–	–	(7,245)	(3,060,735)	1,116,147	–	43,774,571	–	41,822,738	19,715,011	61,537,749
Exercise of ESOWN	128,071	–	–	–	–	–	–	–	128,071	–	128,071
Sale of treasury common shares	(379,882)	–	–	–	–	–	–	2,575,359	2,195,477	–	2,195,477
Reissuance of preferred shares	14,131,084	–	–	–	–	–	–	750,000	14,881,084	–	14,881,084
Redemption of preferred shares	(12,000,000)	–	–	–	–	–	–	(3,000,000)	(15,000,000)	–	(15,000,000)
Property dividends	–	–	–	–	–	–	–	–	–	847,290	847,290
Cash dividends	–	–	–	–	–	–	(7,002,201)	–	(7,002,201)	(3,416,688)	(10,418,889)
Collection of subscription receivables	271,179	–	–	–	–	–	–	–	271,179	–	271,179
Change in non-controlling interests	–	–	–	–	–	125,703	–	–	125,703	(5,276,093)	(5,150,390)
At December 31, 2024	₱93,384,205	₱–	(₱6,618,373)	(₱3,126,991)	₱4,411,444	₱25,476,033	₱335,194,299	(₱14,220,992)	₱434,499,625	₱291,082,095	₱725,581,720

See accompanying Notes to Consolidated Financial Statements

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY										
			Other Comprehensive Income								
	Paid-in Capital (Note 20)	Share-based Payments (Note 28)	Remeasurement Gains (Losses) on Defined Benefit Plans (Note 27)	Fair Value Reserve of Financial Assets at FVOCI (Note 15)	Cumulative Translation Adjustments	Equity Reserve (Notes 2 and 23)	Retained Earnings (Note 20)	Treasury Stock (Note 20)	Total	Non-controlling Interests (Note 2)	Total Equity
	For the year ended December 31, 2023										
As of January 1, 2023	₱86,380,257	₱38,950	(₱4,516,242)	(₱3,042,026)	₱4,344,422	₱29,091,712	₱267,836,258	(₱13,070,802)	₱367,062,529	₱228,236,515	₱595,299,044
Net income	–	–	–	–	–	–	38,073,084	–	38,073,084	17,103,274	55,176,358
Share in other comprehensive income of associates and joint ventures	–	–	(1,588,958)	2,592,684	(279,010)	–	–	—	724,716	–	724,716
Other comprehensive income (loss)	–	–	(434,193)	269,486	(2,362,028)	–	–	–	(2,526,735)	(472,774)	(2,999,509)
Reclassification of fair value gain of investment in equity securities at FVOCI	–	–	(71,735)	113,600	1,591,913	–	(1,633,778)	–		–	–
Total comprehensive income (loss)	–	–	(2,094,886)	2,975,770	(1,049,125)	–	36,439,306	–	36,271,065	16,630,500	52,901,565
Exercise of ESOWN	169,378	(38,950)	–	–	–	–	–	–	130,428	–	130,428
Reissuance of preferred shares	12,476,036	–	–	–	–	–	–	524,451	13,000,487	–	13,000,487
Redemption of preferred shares	(8,000,000)	–	–	–	–	–	–	(2,000,000)	(10,000,000)	–	(10,000,000)
Property dividends	–	–	–	–	–	–	–	–	–	12,480,844	12,480,844
Cash dividends	–	–	–	–	–	–	(6,392,657)	–	(6,392,657)	(2,818,048)	(9,210,705)
Collection of subscription receivables	208,082	–	–	–	–	–	–	–	208,082	–	208,082
Change in non-controlling interests	–	–	–	–	–	(3,741,382)	–	–	(3,741,382)	23,872,998	20,131,616
At December 31, 2023	₱91,233,753	₱–	(₱6,611,128)	(₱66,256)	₱3,295,297	₱25,350,330	₱297,882,907	(₱14,546,351)	₱396,538,552	₱278,402,809	₱674,941,361

See accompanying Notes to Consolidated Financial Statements.

AYALA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱98,591,808**	₱71,850,528	₱64,756,411
Adjustments for:			
Interest and other financing charges - net of amount capitalized (Note 22)	**39,757,399**	36,198,909	31,199,863
Depreciation and amortization (Note 22)	**17,942,543**	17,191,968	14,480,754
Gain on sale of (Note 22):			
Investments (Note 2)	**(11,434,187)**	(2,311,691)	(3,091,847)
Other assets	**(121,036)**	(464,438)	(95,181)
Provision for impairment/losses on (Note 22):			
Goodwill (Note 14)	**–**	2,409,852	3,115,244
Financial assets at FVOCI (Note 15)	**–**	–	2,562,834
Receivables (Note 7)	**9,668,276**	3,011,120	1,719,011
Investments in associates and joint ventures (Note 10)	**1,467,022**	8,140,087	949,861
Inventory obsolescence (Note 8)	**336,100**	887,915	518,768
Property, plant and equipment (Notes 12 and 22)	**127,905**	536,284	–
Various other assets (Note 22)	**1,882,051**	269,064	2,826,265
Mark-to-market loss on financial assets at fair value through profit or loss (Note 22)	**342,518**	251,126	231,187
Cost of share-based payments (Note 28)	**64,155**	128,430	114,645
Mark-to-market loss (gain) on derivative contracts	**(6,851)**	509	18,567
Dilution loss (gain) (Notes 10 and 22)	**(865,305)**	(3,836,727)	4,405,549
Other investment loss (income) (Note 22)	**(885,306)**	(2,254,011)	854,192
Dividend income (Note 22)	**(1,074,787)**	(825,492)	(323,378)
Interest income (Notes 21 and 22)	**(17,211,790)**	(13,264,243)	(16,863,077)
Remeasurement gain on previously held interest (Notes 22 and 23)	**(10,215,412)**	(650,214)	(3,433,327)
Share in net profits of associates and joint ventures (Note 10 and 21)	**(46,749,683)**	(44,307,947)	(46,633,463)
Operating income before changes in operating assets and liabilities	**81,615,420**	72,961,029	57,312,878
Decrease (increase) in:			
Accounts and notes receivable - trade	**(33,532,162)**	(21,976,141)	(4,752,733)
Inventories	**(16,569,053)**	(10,085,352)	(22,106,446)
Service concession assets (Note 13)	**–**	–	1,420,977
Other current assets	**(4,037,144)**	1,923,830	(18,024,928)
Increase (decrease) in:			
Accounts payable and accrued expenses	**30,119,077**	10,628,193	20,259,099
Net pension liabilities	**(169,450)**	274,471	1,140,324
Other current liabilities	**(4,436,911)**	(15,277,425)	(2,509,575)
Cash generated from operations	**52,989,777**	38,448,605	32,739,596
Interest received	**7,519,485**	3,357,926	15,861,534
Interest paid	**(29,839,023)**	(26,498,904)	(24,232,167)
Income tax paid	**(11,010,588)**	(7,938,492)	(9,892,507)
Net cash provided by operating activities	**19,659,651**	7,369,135	14,476,456

(Forward)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Sale/maturities of financial assets at FVOCI	**₱290,962**	₱3,162,051	₱51,596
Sale/maturities of financial assets at FVTPL	**18,193,605**	20,402,470	3,589,957
Sale/maturities of financial assets at amortized cost	**–**	3,387,933	828,964
Sale/disposal of investments in subsidiaries, associates and joint ventures (Notes 10 and 23)	**26,091,583**	13,396,522	13,543,571
Maturities of short-term investments	**338,616**	925,640	1,752,997
Collections of accounts and notes receivable - nontrade	**2,608,375**	5,952,947	158,429
Disposals of:			
Property, plant and equipment (Note 12)	**7,270,728**	6,624,975	2,414,209
Investment properties (Note 11)	**5,052,055**	1,166,728	1,080,985
Additions to:			
Short-term investments	**(18,581)**	(222,628)	(6,734)
Investments in associates and joint ventures (Note 10)	**(5,334,731)**	(36,230,281)	(5,292,126)
Property, plant and equipment (Notes 12 and 34)	**(37,162,056)**	(45,088,947)	(41,302,400)
Investment properties (Notes 11 and 34)	**(33,982,077)**	(21,295,144)	(15,769,975)
Financial assets at FVTPL	**(13,779,185)**	(23,935,908)	(3,709,519)
Financial assets at FVOCI	**(1,486,443)**	(1,954,469)	(5,845,551)
Financial assets at amortized cost	**(1,900,368)**	(1,542,181)	(3,267,912)
Intangible assets (Note 14)	**(1,326,428)**	(2,074,182)	(1,065,436)
Increase in accounts and notes receivable - nontrade	**(12,265,546)**	(3,940,561)	(3,986,942)
Dividends received from associates, joint ventures and investments in equity securities (Note 10)	**18,239,870**	19,549,501	13,737,409
Acquisitions through business combinations - net of cash acquired (Notes 2, 10 and 23)	**–**	(2,379,802)	(309,200)
Sale of equity resulting to loss of control over subsidiaries (Notes 2 and 23)	**(1,262,161)**	(120,154)	(327,694)
Increase in other noncurrent assets	**(11,860,378)**	(123,587)	(11,584,525)
Net cash used in investing activities	**(42,292,160)**	(64,339,077)	(55,309,897)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Availment of short-term and long-term debt (Note 18)	**405,384,480**	422,541,970	212,351,999
Re-issuance of preferred shares (Note 20)	**19,841,276**	14,881,084	13,000,487
Sale of treasury common shares (Note 20)	**–**	2,195,477	11,442
Payments of short-term and long-term debt (Note 18)	**(372,770,916)**	(351,714,945)	(172,521,000)
Buyback of common shares (Note 20)	**(1,923,729)**	–	–
Dividends paid (Note 20)	**(11,298,071)**	(10,012,625)	(9,341,869)
Redemption of preferred shares (Note 20)	**–**	(15,000,000)	(10,000,000)
Payment of principal portion of lease liabilities (Note 30)	**(3,304,450)**	(2,775,815)	(2,971,192)
Collections of subscriptions receivable	**278,947**	271,179	212,755
Cost of issuance of shares	**(220)**	(360)	(332)
Interest paid	**(9,026,661)**	(4,722,068)	(3,764,416)
Increase (decrease) in:			
Other noncurrent liabilities	**(1,555,638)**	4,510,665	(4,819,990)
Non-controlling interests in consolidated subsidiaries (Notes 2 and 23)	**(12,193,140)**	(3,465,586)	19,532,753
Net cash provided by financing activities	**13,431,878**	56,708,976	41,690,637
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	**600,712**	978,480	79,655
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(8,599,919)**	717,514	936,851
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**75,501,736**	74,784,222	73,847,371
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	**₱66,901,817**	₱75,501,736	₱74,784,222

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

Ayala Corporation (the Parent Company, Ayala or AC) is the holding company of one of the oldest and largest business groups in the Philippines that traces its history back to the establishment of the Casa Roxas business house in 1834. The Parent Company was incorporated on January 23, 1968, and its Class A Shares and Class B Shares were first listed on the Manila and Makati Stock Exchanges (the predecessors of the Philippine Stock Exchange or PSE) in 1976. In 1997, the Parent Company's Class A and Class B Shares were declassified and unified as Common Shares.

The Parent Company is a corporation having a perpetual corporate term pursuant to Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines. As of December 31, 2025, the Parent Company is 47.84% owned by Mermac, Inc. (Mermac) and the rest by the public. Mermac, a private holding company incorporated in the Philippines is the dominant shareholder of Ayala. Ayala's registered office address and principal place of business is at the 37F to 39F Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City.

The Parent Company is organized as a holding company with equity interests in the Ayala Group (the Group), one of the largest and most diversified groups in the Philippines. Ayala's business activities are composed of real estate and hotels, financial services, telecommunications, power, healthcare, logistics, industrial technologies and automotives, infrastructure, education, technology services, business process outsourcing, air charter, retail, and investment holdings.

Ayala's real estate business is primarily conducted through its subsidiary, Ayala Land, Inc. (Ayala Land or ALI), a diversified real estate company in the Philippines. Its involvement in financial services is through an affiliate, the Bank of the Philippine Islands (BPI), which, together with its subsidiaries (collectively, the BPI Group), form a universal banking group in the Philippines. Ayala's telecommunications business is carried out through joint venture, Globe Telecom, Inc. (Globe), a leading telecommunications company in the Philippines. Ayala's investments in the power sector are held under AC Energy and Infrastructure Corporation (ACEIC or AC Energy), which owns directly and indirectly 58.6% of ACEN Corporation (ACEN) as of December 31, 2025, one of the fastest growing energy companies in the region and Ayala's main platform for its energy investments.

Ayala's emerging businesses in healthcare is conducted through Ayala Healthcare Holdings, Inc. (AC Health), and logistics operations are housed under AC Logistics Holdings Corporation (AC Logistics).

In portfolio investments, Ayala's international business in electronics manufacturing services and vehicle distribution and retail are under AC Industrial Technology Holdings, Inc. (AC Industrials or ACI). Its investments in infrastructure are housed under AC Infrastructure Holdings Corporation (AC Infra). Ayala's interest in education is conducted through iPeople, Inc. (iPeople), where it owns a 36.3% stake as of December 31, 2025 while its investments in technology ventures are in AM 50 VENTURES, INC. (formerly AC Ventures Holding Corp., see Notes 3 and 10).

Certain members of the Ayala Group, namely ALI, BPI, Globe, ACEN, iPeople, Integrated Micro-Electronics, Inc. (IMI), AREIT, Inc. (AREIT), AyalaLand Logistics Holdings Corp. (ALLHC), and ENEX Energy Corp. (ENEX) are likewise publicly listed corporations. Some of Ayala's subsidiaries, associates and joint ventures have holdings in the equity of other subsidiaries, associates and joint ventures.

2. Group Information

The consolidated financial statements comprise the financial statements of the Parent Company and the following subsidiaries of the Group:

Subsidiaries	Nature of Business	% of Economic Ownership Interest held by the Group	
		2025	2024
AC Energy and Infrastructure Corporation (ACEIC)	Power	**100.0**	100.0
AC Infrastructure Holdings Corporation (AC Infra)	Infrastructure	**100.0**	100.0
AC International Finance Limited (ACIFL)[1]	Investment Holding	**100.0**	100.0
ACX Holdings Corporation (ACX)	Investment Holding	**100.0**	100.0
AC Industrial Technology Holdings Inc. (AC Industrials)	Industrial Technology and Automotive	**100.0**	100.0
Ayala Aviation Corporation (AAC)	Air Charter	**100.0**	100.0
Ayala Land, Inc. (ALI)	Real Estate and Hotels	**53.0**	51.9
AYC Finance Ltd. (AYCFL) [1]	Investment Holding	**100.0**	100.0
Azalea International Venture Partners Limited (AIVPL)[2]	Business Process Outsourcing	**100.0**	100.0
Ayala Healthcare Holdings, Inc. (AC Health)	Healthcare	**93.0**	100.0
Bestfull Holdings Limited (BHL)[3]	Investment Holding – International	**100.0**	100.0
Integrated Microelectronics, Inc. (IMI)	Industrial Technologies	**52.1**	52.1
Michigan Holdings, Inc. (MHI)	Investment Holding	**100.0**	100.0
Philwater Holdings Company, Inc. (Philwater)	Investment Holding	**100.0**	100.0
Purefoods International Limited (PFIL) [2]	Investment Holding	**100.0**	100.0
Technopark Land, Inc. (TLI)[4]	Real Estate	**78.8**	78.8
AM 50 VENTURES INC. (AM 50 Ventures, formerly AC Ventures) (see Note 10)[5]	Investment Holding	**-**	100.0
AC Logistics Holdings Corporation (AC Logistics)	Logistics	**100.0**	100.0

[1] *Incorporated in the Cayman Islands*
[2] *Incorporated in the British Virgin Islands*
[3] *Incorporated in Hong Kong*
[4] *On December 10, 2021, the BOD and stockholders of TLI approved the plan to shorten its corporate term to June 30, 2023. On December 23, 2021, the SEC approved the amendment of the Fourth Article of the Articles of Incorporation to shorten the corporate term to June 30, 2023. The company obtained all necessary regulatory approvals for the closure of its business. On January 6, 2026, the BIR officially cancelled the company's registration.*

Unless otherwise indicated, the principal place of business and country of incorporation of the Parent Company's investments in subsidiaries is the Philippines.

Except as discussed below, the voting rights held by the Parent Company in its investments in subsidiaries are in proportion to its ownership interest.

The following are the highlights of significant transactions of the Parent Company and subsidiaries, part of which affected the Parent Company's investments in its subsidiaries:

Parent Company

Capital infusions

In 2025, the Parent Company infused the following investments:

a. On March 17, 2025, the Parent Company infused into AC Logistics ₱1.27 billion to fund the closure of the Express business of Airfreight 2100, Inc. (AF2100) in exchange for 1.27 billion redeemable preferred shares with a par value of ₱1.00 per share.
b. On April 28, 2025, the Parent Company subscribed to 30.0 million AC Infra redeemable preferred shares, with a par value of ₱1.00 per share, for ₱30.0 million. The infusion will fund AC Infra's share in the capital call of AF Payments Inc (AFPI).
c. On May 22, 2025, the Parent Company subscribed to 20,000 redeemable preferred shares of AC Mobility Holdings, Inc. (AMHI) with ₱10,000 par value per share for a total of subscription price of ₱2.0 billion, inclusive of additional paid-in capital (APIC) of ₱1.8 billion. The funds will be used for the working capital requirements of BYD Distribution.

d. On June 19, 2025, the Parent Company infused ₱323.4 million for 323.4 million AC Logistics redeemable preferred shares with ₱1.00 par value per share. This infusion will partially fund the capital expenditure requirements of Cargohaus, Inc. (Cargohaus) and A-Movement Corporation (A-Movement).
e. On July 2, 2025, the Parent Company infused ₱314.0 million to ACX to fund additional requirements of Anko JV Company, Inc (Anko JV). The infusion will consist of ₱45.0 million to fully pay the subscription to 215.0 million preferred shares (of which ₱170.0 million was paid in October 29, 2024), and ₱269.0 million as new subscription to 26.9 million preferred shares.
f. On July 25, 2025, the Parent Company infused ₱1.7 billion to AMHI in exchange for 17,000 redeemable convertible preferred shares with ₱10,000 par value for a total subscription price of ₱1.7 billion, inclusive of APIC of ₱1.5 billion to fund the growth plans of infra charging stations, KIA Distribution, and IDI-BYD Dealerships. On the same day, the Parent Company subscribed to 11.0 million preferred shares of ACX with ₱1.00 par value per share at a total subscription price of ₱110.0 million to fund the initial requirements of Makro PH.
g. On September 30, 2025, the Parent Company subscribed to 20.0 million redeemable preferred shares of AC Infra, with a par value of ₱1.00 per share, for ₱20.0 million.
h. On November 10, 2025, the Parent Company subscribed to 103.4 million AC Infra redeemable preferred shares, with a par value of ₱1.00 per share, for ₱103.4 million to fund working capital requirements of Integrated Waste Management, Inc. (IWMI) and Waste and Resources Management, Inc. (WARM).

In 2024, the Parent Company infused the following investments:

a. On January 8, 2024 into AC Health amounting to ₱2.20 billion intended for various projects and new investments. The Parent Company subscribed to 215.5 million common shares and 323.2 million preferred shares. The subscription price for both common and preferred shares is ₱4.00 per share.
b. On January 10, 2024 into AMHI amounting to ₱333.5 million in exchange for 4,169 redeemable preferred shares at ₱80,000.00 per share to fund operations as holding company and the start-up operations of its new BYD brand distribution, and the initial set-up of dealerships.
c. On January 25, 2024 into AMHI amounting to ₱288.0 million in exchange for 2,880 redeemable preferred shares at ₱100,000.00 per share to fund its electric vehicle (EV) charging infrastructure and Bosch capital requirements.
d. On February 20, 2024 into AC Ventures amounting to ₱111.2 million in exchange for 185,288 common shares at ₱600.00 per share and is intended for 917 Venture's research and development.
e. On March 12, 2024 into AC Health amounting to ₱547.0 million in exchange for 82.1 million preferred shares and 54.7 million common shares, both at a subscription price of ₱4.00 per share to fund:
    i. Healthway Philippines, Inc. (HPI) and Healthway Medical Center (HMC) capital expenditures and operating expenses
    ii. KonsultaMD funding requirements
    iii. AC Health operating expenditures, capital expenditures, and business development costs
f. On March 25, 2024 into AC Infra amounting to ₱2,925.0 million in exchange for 701,465 common shares at ₱4,169.8 per share to extend a loan to Entrego Express Corporation (Entex) to settle its liabilities and fund other wind down costs.
g. On May 2, 2024 into AC Health amounting to ₱844.0 million in exchange for 84.4 million common shares and 126.6 million preferred shares, both at subscription price of ₱4.00 per share to fund the 2024 capital expenditure requirement of Healthway Qualimed Hospitals.
h. On April 8, 2024 into AC Logistics amounting to ₱925.0 million in exchange for 438.4 million common shares at ₱2.11 per share to fund its operating expenses and infusions in Air21 Holdings, Inc. (AHI) operating companies.
i. On May 27, 2024 into AC Logistics amounting to ₱406.0 million in exchange for 192.4 million common shares at ₱2.11 per share to partially fund GMAC Logitech Refrigeration Corporation's (GMAC) construction of its Davao facility and the capital call of AHI.

j. On July 15, 2024 into AC Logistics amounting to ₱100.0 million in exchange for 47.4 million common shares at ₱2.11 per share to fund its infusions into Cargohaus for the latter's capital expenditure requirement.
k. On August 8, 2024 into AC Infra amounting to ₱40.0 million for 40.0 million redeemable preferred shares at ₱1.00 per share to fund the requirements of AFPI.
l. On August 20, 2024 into AC Ventures ₱22.4 billion in exchange for 22.4 million common shares at ₱1,000.00 per share to fund its acquisition of 157.6 million common shares in its associate, Globe Fintech Innovations, Inc. (Mynt), from selling shareholders ASP Phil LP ("Bow Wave"), Lion Fintech Investments Pte Ltd. ("Warburg"), and Insight PHP Holdings, Ltd. ("Insight").
m. On August 29, 2024 into AC Industrials amounting to ₱160.0 million for 160,000 redeemable preferred shares at ₱1,000.00 per share to fund the exit from motorcycle businesses which hold the KTM and Husqvarna brands.
n. On September 17, 2024 into AC Logistics amounting to ₱187.5 million for 187.5 million redeemable preferred shares at ₱1.00 per share fund its share in the capital call of AHI which will then be used for AF2100's operating expenses, working capital, and settlement of long-outstanding liabilities.
o. On October 29, 2024 into AG Counselors Corporation (AGCC) amounting to ₱170.0 million or ₱1.00 per share, as subscription to 170.0 million preferred shares. This was intended for capital infusion to its wholly-owned subsidiary A&Co Holdings Corporation (AHC) which will then invest in Anko JV.
p. On November 12, 2024 into AC Ventures amounting to ₱152.2 million or ₱100.00 per share, as subscription to 1.52 million redeemable preferred shares class "C" to be issued out of the increase in authorized capital stock.
q. On November 22, 2024 into AC Logistics amounting ₱77.5 million to fund its share in the capital call of AHI for 77.5 million shares with par value of ₱1.00 per share for said capital call which will come from the increase in its authorized capital stock once approved by the Securities and Exchange Commission (SEC).
r. On December 9, 2024 into AC Industrials amounting to ₱400.0 million, inclusive of APIC of ₱360.0 million, for 400,000 redeemable preferred shares with par value of ₱100.00 per share. The funds will be used for the expansion of BYD brand dealerships.
s. On December 9, 2024 into AMHI amounting to ₱670.0 million, inclusive of APIC of ₱603.0 million, for 6,700 redeemable preferred shares of AMHI with ₱10,000 par value. This will support the expansion of the EV infrastructure business.
t. On December 13, 2024 into AC Logistics amounting to ₱71.0 million to fund its share in the capital expenditure requirements for the construction of GMAC's Davao facility for 33.7 million common shares with par value of ₱2.11 per share.

Investment in ACEIC

ACEN acquisition of Negros Island Solar Power, Inc. shares from Asian Energy Impact Trust Plc (AEIT)
On March 6, 2025, ACEN executed a Share Purchase Agreement and Deed of Absolute Sale with AEIT, involving the sale by AEIT of 7,371 Redeemable Preferred Shares E (RPS E) of Negros Island Solar Power, Inc. (ISLASOL), a subsidiary of ACEN, in favor of ACEN with a total purchase price of ₱141.3 million. Upon the completion of the sale, subject to obtaining the requisite certificate authorizing registration from the Bureau of Internal Revenue (BIR), ACEN will acquire full ownership of ISLASOL. Simultaneous with ACEN's acquisition of shares from AEIT, ISLASOL redeemed 15,906 RPS E shares held by AEIT in ISLASOL with a total redemption price amounting to ₱488.7 million.

The acquisition was accounted for as involving entities under common control. As a result, ACEN's direct and indirect ownership in ISLASOL increased from 60.0% to 100.0% and ACEIC's direct and indirect ownership increased from 34.8% as of December 31, 2024, to 58.6% to December 31, 2025. The preceding transactions resulted in an increase in equity reserve of ₱0.5 billion in the audited consolidated statement of changes in equity for the year ended December 31, 2025.

ACEN subscription agreements with Buendia Christiana Holdings Corp.
On March 17, 2025, ACEN signed a subscription agreement with its subsidiary, Buendia Christiana Holdings Corp. (BCHC), for ACEN's subscription to 660,000 common shares and 5.9 million redeemable preferred shares, to be issued out of the authorized capital stock of BCHC.

This transaction was a non-event at AC consolidated level as this was a transaction within the ACEIC Group.

Loan agreement with Amihan Renewable Energy Corp. (AREC)
On March 28, 2025, ACEN (as lender) entered into a Facility Agreement with AREC, as borrower for a ₱350.0 million term loan facility to fund AREC's working capital requirements. The loan is interest bearing and has a maturity date of five years from initial drawdown.

AREC is a wholly-owned subsidiary of North Luzon Renewable Energy Corp. (NLR). The ultimate parent of AREC and NLR is Philippine Wind Holdings Corporation (Philwind), which is a joint venture investment of the ACEIC Group (see Note 10).

ACEN stock rights offering
On April 23, 2025, the BOD of ACEN approved the offer and issuance of primary common shares by way of a stock rights offer to eligible stockholders. On May 30, 2025, ACEN submitted a request for confirmation of exempt transaction to the SEC and listing application to the PSE. On July 7, 2025, ACEN received SEC's confirmation of exempt transaction for the stock rights offering (SRO). On August 8, 2025, the BOD of ACEN approved its postponement of its proposed SRO due to revised scheduling of its capital expenditures in a number of its markets in Southeast Asia.

Sale of ACEN diesel plant companies to ACEIC
On June 16, 2025, ACEN's Executive Committee, acting on authority delegated by its BOD, approved the sale to ACEIC, of its 100% ownership interests in the following special purpose companies owning the ACEN Group's diesel plants:

a. Bulacan Power Generation Corporation (BPGC) - 52MW diesel plant (Norzagaray, Bulacan)
b. One Subic Power Generation Corporation (OSPGC) - 116MW diesel plant (Subic Freeport)
c. La Union Thermal Inc. (LTI) - 21MW diesel plant (Bacnotan, La Union)

On August 29, 2025, ACEN and ACEIC executed a share purchase agreement covering the sale of the ACEN Group's outstanding common shares in the above entities for a total purchase price of ₱1.3 billion. On the same date, the parties also executed Deeds of Absolute Sale for the following:

a. 6.0 million common shares with a par value of ₱100.00 per share in BGPC, representing 100% its issued and outstanding common shares;
b. 33.5 million common shares with a par value of ₱1.00 per share in OSPGC, representing 17.13% of its issued and outstanding common shares; and
c. 6.4 million comm/on shares with a par value of ₱50.00 per share in LTI, representing 100% of its issued and outstanding common shares.

BGPC owns 162.0 million common shares with a par value of ₱1.00 per share in OSPGC, representing 82.9% of OSPGC's issued and outstanding common shares. Accordingly, upon ACEN's sale of BGPC, ACEIC became the 100% direct and indirect owner of OSPGC.

With this transaction, ACEN has fully divested its interest in the ACEN Group's diesel plants, thereby achieving its goal of reaching 100% renewable energy generation by the end of 2025.

The above transaction was a non-event at the AC and ACEIC consolidated levels as these were an exchange of assets within the Group and the impact to the audited consolidated statement of income, consolidated statement of financial position, and consolidated cash flows have been eliminated.

Disposition of land by BCHC in exchange for shares of AREIT, Inc. (AREIT) via property-for-share swap
On March 19, 2024, AREIT and BCHC, among other parties, executed a Deed of Exchange, for the subscription by BCHC, a wholly-owned subsidiary of ACEN, to 199.1 million primary common AREIT shares in exchange for a 276-hectare parcel of land located in Zambales, subject to the approval of the SEC. This transaction was implemented simultaneous to AREIT's transaction with ALI and its subsidiaries which was approved by AREIT's shareholders on February 12, 2024.

Upon issuance of the AREIT shares in exchange for the Zambales property, Giga Ace 8, Inc., also a wholly-owned subsidiary of ACEN, will lease the land from AREIT for 25 years at a guaranteed fixed rent with annual escalation and with the option to renew for another 25 years.

The property was valued using the initial EBITDA over a capitalization rate of 6.92%. The share price was set at a 3.75% premium over AREIT's 30-day VWAP of ₱32.77 or the market price.

On September 25, 2024, SEC issued the Certificate of Approval of Valuation of the subject property. As a result of the foregoing, ACEIC acquired beneficial ownership over 6.20% of AREIT, subject to securing the Certificate of Authorizing Registration from the BIR, compliance with the conditions of the SEC approval, including transfer of titles, and the additional listing of shares with the PSE.

The investment in AREIT is equity shares that are not held for trading by ACEIC. This is classified as an investment at FVOCI. The closing price of AREIT shares was ₱37.5 on September 25, 2024. The cost of the Zambales property amounted to ₱500.8 million resulting to a gain at ACEIC of ₱6,965.8 million.

On September 26, 2024, Giga Ace 8, Inc. (a wholly owned subsidiary of ACEN) and AREIT executed a contract of lease over the Property for the Group's 300MW solar power plant project in Palauig, Zambales. The lease term shall be from the rent commencement date on July 1, 2024 (referred to as "Rent Commencement Date") to June 30, 2049, renewable for another twenty-five years at the option of the lessee, upon the written agreement of the lessor and the lessee under such terms and conditions as may be acceptable to them. The initial rent shall be ₱173.54 per sqm per annum, exclusive of VAT, with annual escalation of 1.50% commencing on July 1, 2025. Lease payments commencing from July 1, 2025 shall be done in advance on a quarterly basis.

The lease liability amounted to ₱6,356.8 million, which is equivalent to 85% of the total fair value of the AREIT shares received from the transaction.

The above transactions qualified as a sale and leaseback transaction; consequently, 85% of the gain from the transaction will be recognized over the lease term and 15% of the gain from the transaction recognized upon closing of the transaction. For the year ended December 31, 2024, ACEIC recognized a gain amounting to ₱1,035.3 million.

The above transactions were non-events at AC consolidated level as these were an exchange of assets within the Group.

Investment in Yanara Philippines Corp. (Yanara Ph) (formerly BrightNight Philippines Corp. and Paivatar Energy Corporation)
On March 7, 2024, ACEN, and its wholly-owned subsidiary, Yanara Ph, signed a Shareholders' and Investment agreement with BrightNight APAC B.V (BrightNight APAC) for the ownership and management of Yanara Ph as the designated renewable energy platform for the development, construction, and operation of utility-scale renewable energy projects in the Philippines (see Note 23).

Investment in Real Wind Energy, Inc. (RWEI)
On March 22, 2024, ACEN signed a Deed of Absolute Sale of Shares with Modern Energy Management Pte. Ltd. ("MEM"), as the seller, for the acquisition by ACEN of 4,000 secondary common shares representing 40% ownership in RWEI and Loan Assignment Agreements for the assignment of MEM's receivables from RWEI (see Note 23).

On August 1, 2024, ACEN signed a Deed of Absolute Sale of Shares with Maraj Energy and Development Corp. ("Maraj"), as the seller, for the acquisition by ACEN of 6,000 secondary Common Shares representing the remaining 60% ownership in RWEI (see Note 23).

On August 1, 2025, ACEN finalized the accounting for the acquisition of RWEI. There is no change from the provisional to the final purchase price allocation. The fair values of assets and liabilities approximate their carrying values. Goodwill arising from the acquisition amounted to ₱1.4 billion.

Sale of shares indirectly owned by ACRI in PT UPC Sidrap Bayu Energi
On April 2, 2024, upon fulfillment of conditions precedent, ACRI, together with its joint venture partner, UPC Renewables Asia Pacific Holdings Pte. Ltd., completed the sale of all their shares in PT Sidrap Bayu Energi ("SBE"), held through UPC Sidrap (HK) Limited ("Sidrap (HK)") and UPC Renewables Asia III Limited ("Asia IIII"), to Sunedison Sidrap B.V. (external party) (see Notes 10 and 22).

Subscription to Santa Cruz Solar Energy Inc. (SCSEI)
On March 29, 2023, ACEN signed a subscription agreement with its wholly-owned subsidiary, SCSEI, for the subscription by ACEN to 49,997,367 Common A Shares and 449,976,319 Redeemable Preferred A Shares (RPS A) of SCSEI for the total subscription price of ₱4,999.7 million.

Subscription to Bayog Wind Power Corp. (BWPC)
On April 4, 2023, ACEN signed a subscription agreement with its wholly-owned subsidiary, BWPC, for the subscription by ACEN to 3,608,515 Redeemable Preferred D Shares (RPS D), 2,965,722 Redeemable Preferred E Shares (RPS E), and 199,399 Redeemable Preferred G Shares (RPS G) of BWPC for the total subscription price of ₱677.4 million. BWPC is developing the 160MW Pagudpud Wind Project located in Barangays Balaoi and Caunayan, Pagudpud, Ilocos Norte, Philippines.

Subscription to additional shares in Natures Renewable Energy Development Corp. (NAREDCO)
On May 4, 2023, ACEN signed a subscription agreement with NAREDCO for the subscription by ACEN to (a) 66,470 Redeemable Preferred Shares A ("RPS A") with a par value of ₱2,820.51 per share or an aggregate par value of ₱187.5 million, and (b) 48,350 Redeemable Preferred Shares C ("RPS C") with a par value of ₱2,585.55 per share or an aggregate par value of ₱125.0 million in NAREDCO. The subscription price will be used by NAREDCO to fund the development of the 133MWdc Cagayan North Solar Power Plant Project (Phase 1) in Lal-lo, Cagayan.

Acquisition of ownership interest in ACEN Australia (formerly, UPC-AC Energy Australia (HK) Ltd. (UPC-ACE Australia))
On March 11, 2022, ACEN, through its subsidiary ACEN Renewables International Pte. Ltd. (ACRI), UPC Renewables Asia Pacific Holdings Pte Limited (UPCAPH), and Mr. Anton Rohner ("Rohner") signed a Share Purchase Agreement for ACRI's acquisition of the 50% ownership interest of UPCAPH and Mr. Rohner in ACEN Australia (formerly, UPC-ACE Australia) increasing ACRI's ownership to 80% (see Note 23).

On February 1, 2023, ACRI and UPCAPH signed an Instrument of Transfer for the transfer to ACRI of UPCAPH's remaining 4,766 ordinary shares in UPC-AC Energy Australia (HK) Limited, which completes the second and final tranche of ACRI's acquisition of ACEN Australia. ACEN Australia, through ACRI, is now a wholly owned subsidiary of ACEN. The total consideration amounted to ₱4.7 billion (US$85.4 million) including excess consideration or goodwill of ₱2.9 billion (US$51.8 million). The acquisition of 20% ownership interest resulted to 100% interest in ACEN Australia. The excess of consideration over the carrying amount of the non-controlling interest is recognized under equity reserves.

Acquisition of 100% Interest in UPC Philippine renewable companies and businesses
On March 18, 2022, ACEN, its wholly owned subsidiary, ACE Endevor, UPC Philippines, and Stella Marie L. Sutton (collectively "the Sellers") signed an agreement for the sale and purchase of UPC Philippine's and Ms. Sutton's share and/or subscription rights in the target companies to ACEN and ACE Endevor.

In 2023, ACEN finalized the accounting for the acquisition of UPC Philippine renewable companies and businesses. The fair values of assets and liabilities approximate their carrying values. Goodwill arising from the acquisition amounted to ₱118.4 million (see Note 23).

Declaration of cash dividends
On September 26, 2024, ACEIC's BOD approved the declaration of cash dividends to the Parent Company amounting to ₱2.0 billion. The record date is September 26, 2024, and paid within 2024.

On December 19, 2025, ACEIC's BOD approved the declaration of cash dividends to the Parent Company amounting to ₱1.3 billion at a rate of ₱8.33 per share. The record date is December 22, 2025, and paid within 2025.

ACEN's BOD approval
On March 7, 2023, ACEN BOD approved the amendment to the Seventh Article of the Articles of Incorporation to create Preferred Shares via the reclassification of 100.0 million unissued Common Shares into Preferred Shares, with par value of ₱1.00 per share. On April 24, 2023, during the annual special stockholder's meeting, the stockholders representing at least 2/3 of ACEN's authorized capital stock approved the amendment. On May 23, 2023, ACEN filed the Registration Statement with the SEC for the Shelf Registration of up to 50.0 million preferred shares and the proposed public offer and sale of up to 25.0 million of such preferred shares. On June 9, 2023, the SEC approved ACEN's Amended Articles of Incorporation.

Issuance and listing of ACEN preferred shares
On September 1, 2023, ACEN marked the issuance of its ₱25.0 billion perpetual preferred shares which were listed on the Main Board of the Philippine Stock Exchange (PSE) on September 1, 2023, under the trading symbols "ACENA" for the Series A preferred shares and "ACENB" for the Series B preferred shares.

Of the total proceeds from the issuance of Series A and B preferred shares, ₱8,827.83 million is held in an escrow account as of December 31, 2023 (see Note 9). Pursuant to the Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy Companies of the PSE, all funds to be raised by an applicant company must be held in escrow and shall not be released for any purpose other than the disclosed intended purpose and in accordance with the timetable of expenditures. This issuance resulted to an increase in non-controlling interests of ₱24.8 billion.

ACEN's sale of shares in ACEHI Netherlands B.V. (ACEHI Netherlands)
On July 10, 2023, ACRI completed the sale of 2,424 ordinary shares representing 24.24% of the outstanding capital stock of ACEHI Netherlands, a subsidiary of ACRI, to Star Energy Oil & Gas Pte Ltd. (SEOG, a third party) for US$69.80 million which is a commercially agreed price between a willing buyer and seller. The sale transaction resulted in ACRI's loss of control over ACEHI Netherlands, resulting to recognition of gain on deconsolidation amounting to ₱1,062.0 million and remeasurement gain amounting to ₱3,433.3 million presented under "Other income" (see Notes 10, 22 and 23).

The fair value of ACEN shares held by ACEIC Group amounted to ₱63,369.44 million and ₱91,964.30 million as of December 31, 2025, and 2024, respectively.

Investment in AC Infra

Equity drawdown
On April 28, 2025, AC Infra requested for an equity drawdown in the amount of ₱30.0 million to fund AC Infra's share in the capital call of AFPI. AC Infra will issue 30.0 million redeemable preferred shares, with a par value of ₱1.00 per share coming from its existing and authorized capital stock.

On November 10, 2025, AC Infra requested for an equity drawdown amounting to ₱103.4 million to fund AC Infra's five-year non-interest-bearing working capital advance to IWMI and WARM. AC Infra

will issue 103.4 million redeemable preference share, with a par value of ₱1.00 per share, for this drawdown and it will come from its existing and unissued authorized capital stock.

Redemption of preferred shares
On July 11, 2025, the BOD of AC Infra approved the redemption of 176.0 million preferred shares held by the Parent Company at a redemption price of ₱1.00 per share or a total redemption price of ₱176.0 million; and the retirement of the redeemable preference share immediately after its redemption. The redemption was implemented on July 31, 2025. On October 16, 2025, the BOD of AC Infra approved the reduction of AC Infra's authorized capital stock equivalent to the redeemed and retired preferred shares.

On March 25, 2024, AC Infra granted a ₱2,925.0 million advance to Entex to be used to settle its outstanding bank loans and fund its winding down costs. As of December 31, 2024, the BOD of AC Infra approved the write-off of the advances to Entex.

On July 15, 2024, the SEC approved the increase in the authorized capital stock of AC Infra.

On October 25, 2024, AC Infra acquired the 100% equity share of BPI Asset Management and Trust Corporation (as Trustee of Ayala Corporation Employees' Welfare and Retirement Fund) in ARF Retail Holdings Corporation (ARFHC) for a total purchase price of ₱10.0 million. Consequently, AC Infra wholly-owned ARFHC and ARF Retail Company, Inc.

Movement in Authorized Capital Stock
On January 13, 2023, the SEC approved the decrease in the authorized capital stock of AC Infra thereby decreasing the preferred shares with ₱1.0 par value by ₱300.0 million from 4.7 billion shares to 4.4 billion shares. The decrease in authorized capital stock is in relation to AC Infra's redemption on October 21, 2021 of its preferred shares held by the Parent Company amounting to ₱300.0 million.

Integration of Entrego with AC Logistics
In December 2023, due to continuing challenges on the profitability of Entrego, its' operations and certain assets were transferred and integrated with AC Logistics Group. Improvements in operations is expected from lower costs, notable efficiencies, better coverages and improved service level agreements, yielding better results moving forward. As a result of winding down of Entrego's operations, certain assets have been impaired amounting to ₱132.0 million recognized at consolidated statement of income. This also resulted to recognition of impairment of investments in AC Infra at Parent Company financial statement amounting to ₱2,847.7 million (see Notes 7 and 22).

On January 29, 2024, the stockholders and BOD of the Entrego Group approved the shortening of its corporate terms of Entrego and its subsidiaries to May 30, 2025 subject for filing to and approval by the SEC. The SEC approved the shortening of its corporate terms of Entrego on April 18, 2024 and of Entex on April 25, 2025.

On April 5, 2024, the stockholders and BOD of Entrego approved the cessation of business operations of the Entrego Group effective July 1, 2024, and to terminate, confirm and ratify the termination of its employees effective January 1, 2024, and February 1, 2024, respectively.

In 2024, Entrego Fulfillment Solutions, Inc. (EFSI), Entrego Express Corporation (EEC) and Entrego Logistics Corporation (ELC) have adopted the liquidation basis of accounting, from going concern, following the shortening of their respective corporate terms May 30, 2025 as approved by the SEC. On May 29, 2025, EFSI redeemed 161.45 million preferred shares held by AC Infra at a redemption price of ₱1.09 per share, for a total consideration of ₱176.0 million.

The corporate existence of the Entrego Group companies expired on May 30, 2025.

As a result of the cessation of operations and liquidation, AC Logistics recognized write-offs of certain long-outstanding receivables, and the Parent Company recognized impairment provisions related to the closure of Entrego amounting to ₱2,925.0 million in 2024 (see Notes 7 and 22).

Investment in MCX Project Company, Inc. (MCXPCI)

Sale of investment in MCXPCI
On December 6, 2021, the Parent Company and Prime Asset Ventures, Inc. (PAVI) signed an Investment Agreement relating to the MCXPCI and the sale of the Parent Company's 100% ownership stake in MCXPCI subject to the satisfaction of certain conditions (see Note 13).

On various dates in 2022 and 2023, the Parent Company was able to satisfy the remaining conditions to complete the sale of its investment in MCXPCI including receipt of the required approvals from the SEC and DPWH (see Notes 13 and 23).

The transition of MCX operations and transfer of its assets and liabilities from the Parent Company to MCXPCI commenced on February 1, 2023 with the completion of full transfer of ownership of MCXPCI and MCX Project to PAVI on September 28, 2023 (see Note 13).

Post transaction, MCXPCI's assets and liabilities were deconsolidated from the Group's consolidated financial statements as at September 30, 2023.

The Group has received total proceeds of ₱3,800.0 million and recognized a total of ₱2,159.4 million gain on the divestment of MCX included as part of 'Net gain (loss) on sale of investment' under Other income (see Notes 22 and 23). Total taxes as a result of the divestment amounted to ₱23.1 million capital gains taxes and taxable income amounting to ₱1,964.1 million.

Investment in AC Industrials

Capital infusions of AC Industrials
On January 10, 2025, AC Industrials subscribed to 360,000 redeemable preferred shares with par value of ₱100.00 per share of Iconic Dealership, Inc. for a total subscription price of ₱360.0 million, inclusive of APIC of ₱324.0 million. The funds will be used for the construction and start-up of BYD dealerships.

On March 13, 2025, AC Industrials subscribed to 87,000 common shares with par value of ₱100.00 per share of ACEI for a total subscription price of ₱87.0 million, inclusive of APIC of ₱78.3 million. The funds will be used to settle outstanding obligations in relation to the termination of its distribution agreement.

Volkswagen operations
In July 2025, the Importer and Distributor Contract between Volkswagen AG and Automobile Central Enterprise, Inc., a subsidiary of AC Industrials, was terminated. A Temporary Continuation Agreement was signed effective August 1, 2025 for a period of eight weeks to support the wind down of operations.

Iconic Dealership Inc. (IDI)'s Dealership Agreement with Honda Cars Philippines, Inc. (HCP) was terminated effective December 31, 2025. Dealerships under IDI turned over the management and dealership operations of Honda to trusted new dealer principals until end of 2025.
In February 2024, AC Industrials subscribed to 42.5 million redeemable preferred shares of Adventure Cycle Philippines, Inc. with ₱10.0 par value for a total subscription price of ₱425.0 million, inclusive of APIC of ₱382.5 million.

In June 2024, Merlin Philippines redeemed its 13 preferred shares with ₱100.0 par from AC Industrials. Merlin Philippines is a subsidiary of Merlin Solar Technologies Inc. (Merlin US), which is a subsidiary of ACI Solar Holdings. ACI Solar Holdings is a subsidiary of ACI Singapore, which is a subsidiary of AC Industrials.

On September 27, 2024, AC Industrials subscribed to 250,000 redeemable preferred shares with par value of ₱100.00 per share of Automobile Central Enterprise, Inc. for a total subscription price of ₱250.00 million, inclusive of APIC of ₱225.0 million. The funds were used for the payment of loans and sale of inventories.

On October 1, 2024, AC Industrials subscribed to 60,000 redeemable preferred shares with par value of ₱100.00 per share of Iconic Dealership, Inc. for a total subscription price of ₱60.0 million, inclusive of APIC of ₱54.0 million. The funds were used for the winding up of motorcycle dealerships.

Third Party Fundraise of Merlin Solar
On July 23, 2024, an equity funding round had been concluded for Merlin Solar (with the participation of Ayala Group and other investors) resulting in the dilution of Ayala Group's indirect stake from 99% to 56%. Ayala Group infused US$10.0 million into Merlin. The partnership provides Merlin with fresh capital, a wider customer network to drive the company's next phase of growth and enhanced technical expertise. This transaction also supports Ayala Group's strategic agenda of rationalizing its portfolio (see Note 23).

Divestment from MT Technologies
On August 8, 2024, the Parent Company through its subsidiary Ayala International Holdings Pte Ltd. (AIHPL), infused EUR2.2 million to AC Industrials (Singapore) Pte Ltd. (AC Industrials SG) for the latter to disburse to MT Technologies and C-con entities as part of an agreed overall restructuring support for the divested subsidiaries. In connection with this, a EUR 0.4 million loan was also extended by AIHPL to C-Con Munich.

Divestment in KTM Asia Motorcycle Manufacturing, Inc.
As part of AC Industrials' portfolio management initiatives, one of its subsidiaries (Adventure Cycle Philippines, Inc.) ceased its operations as Philippines distributor of KTM and Husqvarna motorcycles effective on September 30, 2024. On the same date, IDI, a wholly owned vehicle dealership subsidiary of AC Industrials, has stopped selling and servicing KTM and Husqvarna motorcycles. AC Industrials has executed a binding term sheet with KTM AG for the acquisition by KTM AG of all of AC Industrials' shares in the motorcycle manufacturing entity (KTM Asia Motorcycle Manufacturing, Inc.) based in Laguna, Philippines.However, on November 29, 2024, KTM AG filed for the initiation of judicial restructuring proceedings with self-administration. AC Industrials and KTM AG continue to discuss next steps in light of the said development.

Investment in AMHI
On July 30, 2025, AMHI subscribed to 6,000 redeemable preferred C shares with par value of ₱10,000 per share of KP Motors Corporation for a total subscription price of ₱600.0 million, inclusive of APIC of ₱540.0 million. The funds will be used for the working capital requirements of Kia Distribution.

On October 24, 2025, AMHI subscribed to 3.5 million common shares with par value of ₱200.00 per share of AC Mobility Premium Dealership, Inc., (APDI) for a total subscription price of ₱700.0 million, inclusive of APIC of ₱350.0 million. APDI was incorporated on November 3, 2025 and is engaged in the sale and distribution, service and repair of automobiles.

In March 2024, AMHI subscribed to 72,500 common shares with par value of ₱100.00 per share and 25,000 redeemable preferred shares with par value of ₱100.00 per share of AC Automotive Business Services, Inc., for a total subscription price of ₱75.0 million, inclusive of APIC of ₱67.8 million for the common share and total subscription price of ₱25.0 million, inclusive of APIC of ₱22.5 million for the redeemable preferred shares.

On September 19, 2024, AMHI entered into an Assignment of Subscription Rights with various Assignors for the 20,000,000 shares with ₱1.0 par value of Greenstrum, Inc (GSI). AMHI purchased GSI at ₱30.0 million plus ₱10.0 million earnout depending on the fulfillment of the declared sales forecast.

GSI was incorporated on August 2, 2021. GSI will assemble, manufacture, purchase, import, sell on wholesale basis, distribute, export, exchange, mortgage, pledge and otherwise dispose of, and generally to deal in or engage in any commerce relating to any and all types of electronic products and perform services related thereto; and to the extent permitted by law; to fabricate, manufacture, purchase and import machines and equipment for the design, process, manufacture and production and/or packaging of electronic assemblies and related products. GSI will sell equipment and technical services to support the EV Infrastructure business of AMHI.

In October 2024, AMHI invested ₱100.0 million in EVRO Mobility Solutions, Inc. (ESMI) for 1,000,000 common shares with par value of ₱10.00 per share and ₱90.0 million APIC.

ESMI, incorporated on October 16, 2024, is engaged in the business of creating and providing online applications, software and information technology services and solutions, software and information technology facilities for businesses related to or directly engaged in the electric vehicle charging stations business; operate as an e-Mobility Service Provider (EMSP) and as a payment gateway for the electric vehicle ecosystem; offer loyalty programs, mobile and fleet charging services, advertising realty on software platforms, and other related services.

On August 8, 2023, AC Industrials subscribed to 1.0 million common shares at ₱1.0 par value of AMHI representing 100% ownership. AMHI is the holding company of the investments in electric vehicle distribution and infrastructure of the Ayala Group.

Investment in IMI

Strategic closure of Chengdu facility to optimize operations
On January 24, 2025, IMI announced the strategic closure of its Chengdu, China facility. This move is part of the IMI Group's ongoing efforts to streamline operations and reduce costs, aligning with the company's strategy to consolidate its footprint into strategically located facilities.

Production at IMI Chengdu concluded in December 2024, with all customer commitments successfully met. The remaining customer projects have been seamlessly transferred to other IMI sites. IMI is working diligently to comply with local government regulations and initiated a six-month winding up period. On February 10, 2025, IMI Chengdu made a liquidation notice and registered a liquidation team with the Chengdu government.

Amendment of IMI's Articles of Incorporation and 2025 IMI Employee Stock Option Program
On March 7, 2025, IMI's BOD approved the following:

a. amendment to the Second Article of its Articles of Incorporation to include in the primary purpose the following activities:

"To provide warehousing/logistics support services, particularly importation/procurement, storage, deposit, inventory management of goods for subsequent sales, transfers or dispositions to clients, interested establishments, agencies and/or export enterprises".

b. 2025 Employee Stock Option Program which may be in the form of a Stock Appreciation Rights Plan that grants cash settled and/or equity settled options (at the option of the company) to its key talents.

Both were ratified by IMI's stockholders on April 22, 2025. The SEC approved the amendments to IMI's Second Article of its Articles of Incorporation on May 7, 2025

Investment in Integrated Micro-Electronics Czech Republic s.r.o.
On July 31, 2025, IMI announced the completion of the sale of its 100% equity interest in Integrated Micro-Electronics Czech Republic s.r.o. to Keboda Deutschland GmbH & Co. KG, a subsidiary of Keboda Technology Co., Ltd., a publicly listed company based in China. Keboda is a leading system

solution provider for automotive intelligent and energy-sufficient electronics components (see Note 23).

Investment in VIA Optronics
On November 27, 2025, IMI announced the completion of the sale through its wholly-owned subsidiary, Coöperatief IMI Europe U.A., of its 50.32% equity interest in VIA Optronics AG to Kronen 3140 GmbH (to be known in the future as V-PTR Beteiligungs GmbH) which is owned by some members of VIA's management and advisory team (see Note 23).

Consolidation of IMI Kuichong in Shenzhen, China
As part of IMI's continued efforts to drive efficiency across the organization, the company has successfully transferred the manufacturing activities of IMI Kuichong to its nearby facility in Pingshan, Shenzhen. Final production activities in IMI Kuichong were concluded on September 30, 2025, and consolidation efforts now shift towards the seamless integration of operations into the Pingshan facility.

Throughout this transition period, IMI's management team will prioritize business continuity and ensure that key customer accounts from IMI Kuichong will be served with minimal disruption. This strategic move is expected to further improve operational efficiency, increase capacity utilization in IMI Pingshan and further streamline IMI's footprint in China.

IMI remains committed to delivering world-class manufacturing solutions while continuously aligning its operations with evolving customer needs and shifting market dynamics.

The consolidation has no impact on the group structure since both plants are under the legal entity IMI Technology (Shenzhen) Co. Ltd. (IMI SZ).

Voluntary Delisting of VIA on New York Stock Exchange (NYSE)
In 2020, VIA AG raised some proceeds through an initial public offering (IPO) and was listed on the NYSE under the ticker symbol "VIAO". As a result of the IPO, IMI's ownership interest in VIA was diluted from 76.01% to 50.32%. On April 9, 2024, VIA announced its intention to voluntarily delist its American Depository Shares ("ADSs") from the NYSE, terminate its registration with the U.S. Securities and Exchange Commission ("US SEC"). On July 29, 2024, the delisting from the NYSE and deregistration of its ADS by the SEC was completed (see Notes 12, 14 and 22).

Sale of STI Enterprise Limited (STI)
On August 3, 2023, IMI and minority shareholders of STI have entered into an agreement to sell their respective 80% and 20% shares in STI to Rcapital, a private investment firm based in London with a portfolio of UK-based companies including precision engineering solution providers in the aerospace and defense sectors, for an agreed consideration of GBP 2.5 million to be paid two years after the completion date. With the condition precedent having been met, particularly, the UK government's clearance under the National Security and Investment Act 2021, and closing deliverables having been exchanged by the parties, the transaction was completed on October 31, 2023 (see Note 23).

Impairment provisions on Investments in STI
On June 30, 2023, IMI performed an impairment test, based on the preliminary indicative price discussions with Rcapital, a London-based private investment firm, (see Note 25), and determined a one-time loss of approximately US$84 million (₱4.7 billion), which includes the impairment of goodwill amounting to US$55 million (₱3.0 billion), and the remaining allocated proportionately to certain assets. This impairment amount is reported under "General and administrative expenses" in the Group's consolidated statements of income.

The fair value of the IMI shares held by the Group amounted to ₱4,008.2 million and ₱1,721.1 million as of December 31, 2025 and 2024, respectively. The voting rights held by the Group in IMI is 47.90% and 52.10% in 2025 and 2024, respectively.

Investment in ALI

Sale of 50% stake in Alabang Commercial Corporation (ACC)
On December 23, 2025, ALI completed the sale of its entire interest in ACC (the owner of South Innovative Theater Management Inc.) for an aggregate consideration of ₱13.50 billion. The related gain recognized from the transaction amounting to ₱11.47 billion is presented within other income (see Notes 22 and 23).

Transactions within the ALI Group
On February 20, 2025, ALI's BOD approved the subscription of ALI and its subsidiaries, Accendo Commercial Corporation (Accendo), Cagayan de Oro Gateway Corporation (CDOGC), and Central Bloc Hotel Ventures, Inc. (CBHVI) to 505.9 million primary common shares of AREIT, in exchange for eight (8) commercial properties with an aggregate value of ₱21.0 billion, as validated by a third-party fairness opinion. The proposed property-for-share swap was approved by AREIT shareholders at their annual meeting on April 24, 2025 and by pertinent regulatory bodies.

On September 25, 2025, the SEC approved the property-for-share swap with Accendo, CDOGC and CBHVI. As a result, the ALI Group's holding in AREIT increased from 55% to 61%.

The above transaction was a non-event at the AC and ALI consolidated levels as these were an exchange of assets within the Group and the impact to the audited consolidated statement of income, consolidated statement of financial position, and consolidated cash flows have been eliminated

On February 21, 2025, the SEC approved the merger of MDC Build Plus Inc. with Makati Development Corporation (MDC) as the surviving entity.

On March 13, 2025, the SEC approved the articles of merger of ALI and the following subsidiaries. Consequently, the subsidiaries' operations and its assets and liabilities have been absorbed by ALI effective April 1, 2025.

ALI Triangle Hotel Ventures, Inc.
ALO Prime Realty Corporation
Altaraza Prime Realty Corporation
Amorsedia Development Corporation
Arcasouth Hotel Ventures, Inc.
Asiatown Hotel Ventures, Inc.
Ayala Hotels Inc.
Ayalaland Medical Facilities Leasing Inc.
Buendia Landholdings, Inc.
Cebu Leisure Co. Inc.
Circuit Makati Hotel Ventures, Inc.
Crimson Field Enterprises, Inc.
Ecoholdings Company, Inc.
Enjay Hotels, Inc.
FIVE STAR Cinema Inc.
Hillsford Property Corporation
HLC Development Corporation
Integrated Eco-Resort Inc.
North Ventures Commercial Corp.
One Makati Hotel Ventures, Inc.
Prima Gaedi Development Corp
Primavera Towncentre, Inc.
Red Creek Properties, Inc.
Regent Horizons Conservation Company, Inc.
Seda Colleges Inc.
Southportal Properties, Inc.
Sunnyfield E-Office Corp
Westview Commercial Ventures Corp.
Whiteknight Holdings, Inc.

AyalaLand Estates Inc. (ALEI), a wholly-owned ALI subsidiary, completed acquisitions that increased its ownership in three subsidiaries. ALEI purchased the 40.0% non-controlling interest in Arabica Midland Holdings, Inc. (AMHI) on January 10, 2025, the 15.0% non-controlling interest in Torcello Holdings, Inc. (THI) on May 28, 2025 and the 35.0% non-controlling interest in Erinome Holdings, Inc. (EHI) on May 28, 2025, bringing the ALI Group's ownership to 100.0% in AMHI, 95.0% in THI and 95.0% in EHI respectively. During the year, ALEI acquired 100.0% equity interest in Westpaddock Holdings Inc., Angetenar Development, Corp., and Taygata Development, Corp.

ALI Performance Shares (APS) and 2025 ALI Employee Stock Ownership (ESOWN) Plan

Also on February 20, 2025, ALI's BOD approved the following:

a. APS Plan which is designed to propel the ALI Group's three-year strategy, strengthen key talent engagement and ensure alignment with shareholder interests. The APS supplements the ALI Group's existing ESOWN. Shares issued from the APS will form part of the 3% allocation of the ALI Group authorized common shares for stock options. The APS was approved by ALI's stockholders on April 24, 2025.
b. The 2025 stock option program pursuant to the ESOWN which authorizes the grant to qualified executives, in accordance with the terms of the ESOWN Plan, of stock options covering up to a total of 8.1 million common shares at a subscription price of ₱20.42 per share, which is the average price of our common shares at the PSE over the last 5-day average trading as of February 14, 2025, less a prescribed discount. A total of 12.0 million shares is allocated for APS to vest over three years.

Acquisition of ABS-CBN Corporation's (ABS-CBN) property
On February 27, 2025, ALI signed a Memorandum of Agreement for the acquisition of a portion of ABS-CBN's property located in Quezon City, subject to conditions precedent, including clearance by the Philippine Competition Commission (PCC), among others. On August 20, 2025, ALI and ABS-CBN signed the Deeds of Absolute Sale (DOAS) upon compliance with the conditions precedent for a consideration amounting to ₱6.2 billion.

Acquisition of additional shares of Roxas Land Corp. (RLC)
In 2025, ALI acquired 3,600,000 shares of stocks constituting the remaining 50% of the total outstanding capital stock in RLC from the existing investor for a consideration amounting to ₱158.8 million. As a result, RLC became a wholly owned subsidiary. Total impact of this transaction to equity reserves is an increase of ₱177.7 million and a reduction in non-controlling interest amounting to ₱336.5 million.

Conversion of voting preferred shares into common shares
On March 14, 2025, ALI converted 43,777 voting preferred shares into common shares which were sourced from its existing listed treasury shares. This is in relation to ALI's Voting Preferred Shares Redemption Program which commenced on June 29, 2022. All of the converted voting preferred shares will be retired.

As a result of the conversion, ALI's issued shares were 15.7 billion common shares and 13.1 billion voting preferred shares while outstanding shares were 14.6 billion common shares and 12.4 billion voting preferred shares.

The voting preferred shareholders may continue to convert their shares into common shares at a conversion ratio of 1 voting preferred shares to 1 common share at a price which shall be the higher of (i) the average closing price for the immediately preceding 30 trading days less the par value of the voting preferred shares of ₱0.10 per share, and (ii) the closing price immediately preceding the conversion date less the par value of the voting preferred share of ₱0.10 per share.

Block sale of AREIT shares
On July 3, 2025, ALI sold an aggregate of 12.0 million common shares of AREIT at a transaction price of ₱40.78 per share, equivalent to ₱489.4 million.

This resulted in an increase in non-controlling interests of ₱294.0 million and equity reserve of ₱194.6 million in the audited consolidated statements of changes in equity for the period ended December 31, 2025.

Buyback of shares
As of December 31, 2025, ALI purchased a total of 433.5 million common shares at an average price of ₱23.03 per share for a total consideration of ₱9.9 billion under its share buyback program.

Dividend declaration
On February 20, 2025, ALI's BOD approved the declaration of a regular cash dividend of ₱0.2888 per common share for the first half of 2025 to stockholders of record on March 5, 2025, and paid on March 21, 2025.

On June 13, 2025, ALI's BOD approved the declaration of cash dividends to all stockholders of unlisted voting preferred shares of ₱0.00632862 per share, equivalent to a dividend rate of 6.32862% per annum. The payment was made on June 27, 2025, to stockholders on record as of June 20, 2025.

On October 28, 2025, ALI's BOD approved the declaration of regular cash dividends of ₱0.2928 per common share for the second half of 2025 to stockholders of record on November 12, 2025, and paid on November 26, 2025.

Changes in ALI Group structure
On January 19, 2024, the SEC approved the merger of Northeastern Commercial Corp. (NECC) and Bay City Commercial Ventures Corp. (Bay City) with Bay City as the surviving entity.

On January 26, 2024, ALI and its wholly-owned subsidiaries, AyalaLand Offices, Inc. and Glensworth Development, Inc. sold an aggregate of 181.0 million common shares of AREIT at a transaction price of ₱31.10 per share, equivalent to ₱5.6 billion.

On January 31, 2024, the SEC approved the merger of BGWest Properties, Inc. (BGW), BGNorth Properties, Inc. (BGN) and BGSouth Properties, Inc. (BGS) with BGW as the surviving entity. As a result, the effective holdings of the group on BGW remains at 50% broken down into ownership of 27% by Avida, 11% by Alveo, and 12% by ALI.

On March 12, 2024, the BOD of ALI approved the merger of 34 entities that are wholly owned directly by ALI, or through AyalaLand Estates, Inc. (ALEI) and AyalaLand Hotels and Resorts Corp. (AHRC), ALI, as the surviving entity. The plan of merger was approved by ALI stockholders during their annual meeting on April 25, 2024. The merger is an internal restructuring to simplify the ownership structure and is expected to result in operational synergies, efficient funds management and simplified reporting to government agencies.

On March 14, 2024, Alveo Land Corp. acquired 1.37 million common shares and 6.59 million preferred shares of Portico Land Corp from the remaining investor for a purchase price of ₱534.3 million. The acquisition is accounted as involving entities under control. As a result, Portico became a wholly owned subsidiary of ALI.

The following ALI subsidiaries were dissolved in 2024:

- On April 17, 2024, CMPI Holdings Inc. was dissolved following the approval of SEC of the shortening of its corporate life.
- Kingfisher Capital Resources Corp., a subsidiary of Ten Knots Development Corp., a wholly owned subsidiary of ALI, has been dissolved effective June 28, 2024.
- Following subsidiaries of ALLHC were dissolved in August 2024: a) Orion Holdings Philippines, Inc., a wholly owned subsidiary of ALLHC; b) Luck Hock Venture Holdings, Inc., a wholly owned subsidiary of Orion Land Inc., which is 100% owned by ALLHC; c) TPI Holdings Corporation, a wholly owned subsidiary of Tutuban Properties Inc. which is 100% owned by ALLHC.

On April 25, 2024, MTDK Corporation was incorporated with Makati Development Corp. (MDC), a wholly owned subsidiary of ALI, owning 67% of the company.

AyalaLand Estates, Inc. (ALEI) acquired 100% equity interest in the following companies and these transactions are accounted as acquisition of asset:

Company Name	Acquisition Date	No. of Common Shares	Equity Interest	Amount
Cebalrai Development Corp.	09/27/2024	100,000	100%	**₱1,000,000**
Southcreston Holdings Inc.	09/18/2024	100,000	100%	**1,000,000**
Alchiba Development Corp.	10/28/2024	100,000	100%	**1,000,000**
Balitiger Inc.	10/25/2024	100,000	100%	**1,000,000**
Froston Inc.	10/22/2024	100,000	100%	**1,000,000**
Gomaisa Development Corp.	10/25/2024	100,000	100%	**1,000,000**
Kleysha Development Corp.	10/22/2024	80,000	80%	**800,000**
Praecipua Develoment Corp.	10/22/2024	100,000	100%	**1,000,000**
Arabica Midland Holding, Inc.	12/17/2024	60,000	60%	**600,000**
Torcello Holdings, Inc.	12/18/2024	80,000	80%	**800,000**
Erinome Holdings, Inc.	12/19/2024	60,000	60%	**600,000**
				₱9,800,000

ALI Capital Corp., a wholly owned subsidiary of ALI, sold its 100% ownership in AirSWIFT Transport Inc. to Cebu Air Inc. for a total share price of ₱120.0 million resulted into a recovery of accumulated losses amounting to ₱914.3 million.

On May 20, 2024, ALI, and its wholly-owned subsidiary, Westview Commercial Ventures Corp., sold an aggregate of 98.0 million common shares of AREIT at a transaction price of ₱32.45 per share, equivalent to ₱3.2 billion. On September 20, 2024, ALI sold 75.0 million common shares of AREIT at a transaction price of ₱36.20 per share, equivalent to ₱2.7 billion.

On September 26, 2024, the SEC approved the property-for share swap with ALI, Greenhaven Property Ventures, Inc. (Greenhaven), Cebu Insular Hotel Co., Inc. (Cebu Insular), and Buendia Christiana Holdings Corp. (BCHC), involving the issuance of 841.3 million AREIT primary common shares to ALI, Greenhaven, Cebu Insular, and BCHC, in exchange for four (4) commercial buildings located in Ayala Center Makati and Ayala Center Cebu, and a 276-hectare parcel of industrial land located in Zambales, with an aggregate value of ₱28.6 billion. In line with this, the parties have executed an Amendment to the Deed of Exchange for AREIT to recognize the income from the new assets effective July 1, 2024. As a result, the ALI Group's holding in AREIT was reduced from 66% to 55%.

On November 4, 2024, ALI acquired the shares of Aboitiz Land, Inc. ("Aboitiz Land") and Aboitiz Equity Ventures Inc. (AEV) in Cebu District Property Enterprise Inc. (CDPEI) for ₱1.8 billion. As a result, CDPEI, which was accounted from investment in associates and joint ventures became a wholly owned subsidiary of ALI.

On December 9, 2024, ALI sold 75.0 million common shares of AREIT at a transaction price of ₱37.00 per share, equivalent to ₱2.8 billion. All these transactions were executed in relation to the property-for-share swap with AREIT and accounted as transactions involving entities under common control.

Sale of Seda Lio to AREIT
On January 17, 2024, AREIT completed the acquisition of the 153-room Seda Lio in Palawan from ALI's wholly owned subsidiary, Econorth Resort Ventures, Inc. for ₱1,192.00 million.

Block sale of AREIT shares
On January 26, 2024, ALI, and its wholly owned subsidiaries, AyalaLand Offices, Inc. and Glensworth Development, Inc., sold an aggregate of 181.0 million common shares of AREIT at a transaction price of ₱31.10 per share, equivalent to ₱5.6 billion, in relation to its property-for-share swap transaction with AREIT.

On May 20, 2024, ALI, and its wholly owned subsidiary, Westview Commercial Ventures Corp., sold an aggregate of 98 million common shares of AREIT at a transaction price of ₱32.45 per share, equivalent to ₱3.2 billion, in relation to its property-for-share swap transaction with AREIT. This

resulted in an increase in noncontrolling interests of ₱9.0 billion and equity reserve of ₱5.0 billion in the consolidated statements of changes in equity for the period ended December 31, 2024.

On September 20, 2024, ALI sold an aggregate of 75 million common shares of AREIT at a transaction price of ₱36.20 per share, equivalent to ₱2.3 billion.

All these transactions were executed in relation to the property-for-share swap with AREIT.

This resulted in an increase in noncontrolling interest of ₱9.0 billion and equity reserve of ₱5.0 billion in the consolidated statement of changes in equity for the period ended December 31, 2024.

Sale of ALI and ACEN properties to AREIT
On February 12, 2024, the shareholders of AREIT approved the issuance of 841.26 million primary common shares to ALI and its subsidiaries, and to BCHC at an issue price of ₱34.00 per share, in exchange for four prime commercial buildings of ALI and a land of BCHC, with an aggregate value of ₱28.6 billion.

On September 26, 2024, the SEC approved the property-for share swap among ALI, AREIT, ACEN, and certain subsidiaries of ACEN. In line with this, the parties have executed an Amendment to the Deed of Exchange for AREIT to recognize the income from the new assets effective July 1, 2024 (refer to the discussion of Investment in ACEIC).

Retirement of treasury shares
On March 12, 2024, the BOD of ALI approved the retirement of 1,374,477,380 common treasury shares arising from the internal mergers as follows: a) 883,171,005 treasury shares arising from the merger of ALI with its wholly owned entities, subject to regulatory approvals on the merger and issuance of shares; b) 491,306,375 treasury shares arising from the merger with Cebu Holdings, Inc. and its former subsidiaries, Asian I-Office Properties, Inc., Arca South Commercial Ventures Corp., and Central Block Developers, Inc.

Investment in Cebu District Property Enterprise Inc. (CDPEI)
On June 14, 2024, ALI entered into a share sale and purchase agreement with Aboitiz Land, Inc. (“Aboitiz Land”) and Aboitiz Equity Ventures (“AEV”) for the acquisition of their combined 50% equity interest in CDPEI. The acquisition is valued at ₱1.81 billion in exchange for 18.1 million CDPEI shares. Following the transaction, ALI will own 100% stake of the entity. On November 4, 2024, upon receipt of regulatory approval, ALI acquired the shares Aboitiz Land and AEV in CDPEI. As a result, CDPEI became a wholly owned subsidiary of ALI. ALI reclassified the amount from investment in joint venture to investment in subsidiaries in 2024 (see Notes 10 and 23).

Sustainability-Linked Financing (SLF) Program
On July 18, 2024, ALI successfully raised ₱20.5 billion in debt capital through its pioneering SLF Program. The funding package includes a ₱6.0 billion Sustainability-Linked Bond (SL-Bond) and ₱14.5 billion Sustainability-Linked Loan (SL-Loan) from the International Finance Corporation (IFC). This initiative marks a first for the Philippine real estate sector, adhering to international guidelines and independently verified by Det Norske Veritas.

The SLF Program aligns ALI's financial commitments with its environmental targets. The interest rates of the SL-Bond and SL-Loan are linked to ALI’s performance on key sustainability metrics, including a 42% reduction in emissions from malls, offices, and hotels by 2030, and achieving EDGE Zero Carbon certification for 1.5 million square meters of office properties by 2025. The ₱6.0-billion SL-bond has a term of 10 years and is the first of its kind to be offered publicly in the Philippines.

Property-for-share swap between ALI and AREIT, Inc. (AREIT)
On March 7, 2023, the Executive Committee of ALI approved the subscription of ALI and its subsidiaries, Ayala Land Malls, Inc. (ALMI), and Northbeacon Commercial Corporation (NBCC) to 607.6 million primary common shares of AREIT, in exchange for flagship offices and malls with an aggregate value of ₱22,479.7 million, as validated by a third-party fairness opinion. On March 29, 2023, ALI sold 205.0 million shares (Offer Shares) of AREIT at a transaction price of ₱32.10 per share, equivalent to ₱6,580.5 million (exclusive of fees and taxes), in relation to its ₱22.5 billion property-for-share swap transaction with AREIT. As a result, ALI's holdings in AREIT was reduced from 66.0% to 54.4%, resulting to a decrease in non-controlling interest by ₱5,116.9 million and increase equity reserve by ₱2,237.7 million.

On September 20, 2023, ALI, ALMI, NBCC and AREIT received the SEC's approval of its property-for-share swap involving identified prime flagship offices and malls with an aggregate value of ₱22.5 billion in exchange for 607,559,380 primary common shares of AREIT, pursuant to the Deed of Exchange executed on June 2, 2023. Consequently, ALI's holding in AREIT increased to 66.0%.

Avida Land Corporation (Avida) merger
The merger of Avida and its subsidiaries, Buklod Bahayan Realty and Development Corp. and Avida Sales Corp. was approved by the SEC on April 20, 2023 with Avida as the surviving entity. Consequently, the companies' operations and its assets and liabilities have been absorbed by Avida effective May 1, 2023. The merger had no impact on the Group's consolidated financial statements.

BOD approvals
On February 20, 2024, ALI's BOD approved the raising of up to ₱50.0 billion in debt capital to partially finance general corporate requirements and refinance maturing debt through the issuance of retail bonds and/or corporate notes for listing on the Philippine Dealing and Exchange Corporation, and/or execution of bilateral term loans.

On February 24, 2023, ALI's BOD approved the decrease in authorized capital stock by ₱62.4 million from ₱21,500.0 million to ₱21,437.6 million, through the retirement of redeemed voting preferred shares as of January 31, 2023, and any additional redeemed voting preferred shares until April 25, 2023, as well as the corresponding amendment of the Seventh Article of the Articles of Incorporation. The decrease in authorized capital stock and the amendment of the Seventh Article were approved by the stockholders during the annual stockholders' meeting on April 26, 2023.

Declaration of cash dividends
On February 20, 2024, the BOD of ALI approved the declaration of a cash dividend of ₱0.2050 per outstanding common share which was paid on March 21, 2024 to stockholders of common shares as at record date of March 5, 2024. This reflects a 37% increase from the cash dividends declared in the first half of 2022 amounting to ₱0.1495.

On May 28, 2024, the BOD of ALI approved the declaration of cash dividends to all stockholders of unlisted voting preferred shares of ₱0.0063 per share, equivalent to a dividend rate of 6.33% per annum. The cash dividends were paid on June 25, 2024 to stockholders on record as of June 11, 2024.

On February 21, 2023, ALI's BOD approved the declaration of cash dividends of ₱0.1495 per outstanding common share. The dividend was paid on March 23, 2023 to stockholders of common shares as of record date of March 7, 2023. Further, on May 30, 2023, ALI's BOD approved the declaration of cash dividends to all stockholders of unlisted voting preferred shares of ₱0.006 per share. The dividend was paid on June 27, 2023 to stockholders of voting preferred shares as of record date of June 13, 2023.

Employee Stock Ownership Plan (ESOWN)
On February 20, 2024, ALI's BOD approved its 2024 stock option program pursuant to ALI's Employee Stock Ownership Plan which authorizes the grant to qualified executives, in accordance with the terms of the Employee Stock Ownership Plan, of stock options covering up to a total of

18.54 million common shares at a subscription price of ₱28.82 per share, which is the average price of ALI's common shares at the PSE over the last 30-day trading as of February 13, 2024, less a prescribed discount.

On February 24, 2023, ALI's BOD approved its 2023 stock option program pursuant to ALI's ESOWN which authorizes the grant to qualified executives, in accordance with the terms of the ESOWN, of stock options covering up to a total of 20.2 million common shares at a subscription price of ₱24.68 per share, which is the average price of common shares at the PSE over the last 5-day trading as of February 13, 2023, less a prescribed discount (see Note 28).

Buyback program
On various dates in 2024, ALI purchased a total of 225,747,400 common shares at an average price of ₱29.17 per share for a total consideration of ₱6.6 billion under its share buyback program. This resulted to an increase in ownership interest of Parent Company to 53.4% and 51.9% as of December 31, 2025 and 2024, respectively.

On various dates in 2023, ALI purchased a total of 137.1 million common shares at an average price of ₱26.96 per share for a total consideration of ₱3.7 billion under its share buyback program. This resulted to an increase in ownership interest of Parent Company to 51.0% and 51.0% as of December 31, 2024 and 2023, respectively.

Collateralized shares
ALI shares with carrying value of investment at Parent Company amounting to ₱21.2 billion and ₱14.0 billion as of December 31, 2025 and 2024, respectively, were collateralized to secure the Parent Company's loan facility. The fair value of ALI shares collateralized amounted to ₱81.0 billion and ₱62.4 billion as of December 31, 2025 and 2024, respectively (see Note 18).

The fair value of ALI shares held by the Parent Company amounted to ₱171.1 billion and ₱199.7 billion as of December 31, 2025 and 2024, respectively. The voting rights held by the Parent Company in ALI is 73.73% and 72.90% as of December 31, 2025 and 2024, respectively.

Investment in AC Health

Investment Agreement with ABC Impact Fund II LP
On August 8, 2025, AC Health's Executive Committee and its BOD approved the investment by ABC Impact Fund II LP (ABC Impact) through IMP2 Rise Pte. Ltd.'s subscription to common shares and redeemable preferred shares of AC Health equivalent to a ~16% economic stake (the "Transaction"). ABC Impact is a Singapore-based impact investor dedicated to Asia and backed by Temasek Trust and Temasek while IMP2 Rise Pte. Ltd. is a special purpose vehicle of ABC Impact.

On the same date, AC Health and IMP2 Rise Pte. Ltd. executed the Investment Agreement relating to the Transaction. The completion of the Transaction is subject to satisfaction of conditions precedent.

On September 1, 2025, ABC Impact subscribed to 121.1 million common shares with par value of ₱2.00 per share and 208.3 million preferred shares with par value of ₱1.00 per share at subscription price of ₱4.3013 and ₱4.1972 per share, respectively, for a total of ₱1.4 billion as its initial subscription for 16% share in AC Health.

On October 27, 2025, ABC Impact paid a total of ₱835.00 million for its subscription of 24.6 million common shares with par value of ₱2.00 per share and 20.4 million preferred shares with par value of ₱1.00 per share at ₱4.3013 and ₱4.1972 per share, respectively, out of existing authorized capital stock and another 64.3 million common shares with par value of ₱2.00 per share and 87.5 million preferred shares with par value of ₱1 per share at ₱4.3013 and ₱4.1972 per share, respectively, from increase in authorized capital stock.

These transactions reduced the total ownership of the Parent company to 93% as of December 31, 2025.

The Transaction is aligned with AC Health's vision of transforming healthcare for every Filipino, by building a seamless and integrated healthcare ecosystem. Furthermore, the investment supports AC Health's expansion across its core pillars of hospitals, multi-specialty clinics, and retail pharmacies - through a combination of organic initiatives and targeted acquisitions. By 2027, AC Health aims to expand its network to at least 10 hospitals, 300 clinics, and 1,150 pharmacies.

Capital infusions of AC Health
On January 8, 2024, AC Health subscribed and paid 41.1 million common shares and 96.3 million preferred shares of AHCHI Pharma Ventures, Inc. (APV), both with par value of ₱1.00 per share, with both subscription price of ₱10.00 per share for a total of ₱1,374.0 million to fund the acquisition of significant minority equity ownership in the pharmaceutical company.

On March 4, 2024, AC Health subscribed and paid ₱55.1 million and ₱6.12 million for the additional preferred and common shares, respectively, both at ₱1.00 per share intended for funding of KMD's working capital requirements for the first half of 2024.

In April and May 2024, AC Health subscribed and paid ₱1.3 billion for additional preferred shares at ₱100.00 per share intended for funding HMC, Inc. (HMC)'s capital expenditure, Mercado General Hospital, Inc. (MGHI)'s capital expenditure, MGHI's Block Share Purchase and HPI's working capital.

On September 30, 2024, AC Health subscribed and paid ₱44.1 million for additional 441,074 preferred shares at ₱100.00 per share intended for funding MGHI's Block Share Purchase and FEU capital expenditure.

On December 17, 2024, AC Health subscribed and paid ₱83.8 million for additional 837,534 preferred shares at ₱100.00 per share intended for MGHI's capital expenditure

On December 17, 2024, AC Health subscribed 50,000,000 common shares and paid ₱12.50 million at subscription price and par value of ₱1.00 per share. This is to subscribe to the increase in authorized capital stock.

On January 7, 2025, AC Health subscribed and paid ₱604.50 million preferred shares at ₱100.00 per share intended for funding Healthway Hospital Fairview, Inc. (HHFI) working capital.

On February 13, 2025, AC Health subscribed and paid ₱35.10 million and ₱3.90 million for the additional preferred and common shares, respectively, both at ₱1.00 per share intended for funding of KMD's winding down expenses.

On March 31, 2025 and August 6, 2025, AC Health subscribed and paid ₱84.85 million and ₱22.21 million preferred shares, respectively, at ₱100.00 per share intended for MGHI's capital expenditure.

On June 25, 2025, AC Health subscribed and paid ₱190.00 million preferred shares with par value of ₱1.00 per share intended for 12% additional stake in Generika.

On July 20, 2025, AC Health subscribed to 5,260,000 redeemable preferred shares at ₱100.00 per share for the subscription price of ₱526 million intended to fund MGHI's capital expenditures.

On November 3, 2025, AC Health subscribed to 3,130,000 redeemable preferred shares at ₱100.00 per share for the subscription price of ₱313 million to fund the purchase share price of CVGH, capital expenditures and friction costs.

On December 10, 2025, AC Health subscribed and paid ₱10.00 million common shares with par value of ₱1.00 per share intended to support APV's investment in AJS Pharma, Inc. (AJS) under Project Chapo. This is the first tranche of the ₱40.00 million capital commitment of APV to this joint venture representing a 40% equity stake in AJS.

As of December 31, 2025, AC Health's subscription payable amounted to ₱402.03 million and ₱125.14 million from the July and November subscription, respectively, for an aggregate subscription payable of ₱527.16 million.

Purchase of additional stake in Erikagen, Inc. (Generika)
On March 28, 2025, APV paid a total of ₱50.00 million to Ferrer group for additional 12% stake. On June 25, 2025, APV paid the balance of ₱190.00 million to Ferrer group to complete the purchase of 12% additional stake.

Sale of stake in KMD
On March 6, 2025, AC Health together with Globe Capital Ventures Inc and Salud Interactiva S.A DE C,V., signed a share purchase agreement with Metro Pacific Health Tech Corporation to sell their collective stake in KMD composing of 54,046,831 common shares and 12,000,000 preferred shares, constituting one hundred percent (100%) of the outstanding capital stock of KMD, at the selling price of ₱375.00 million.

On April 15, 2025, Vigos received proceeds of the sale from KMD amounting to ₱146.01 million exclusive of ₱9.70 million as hold out for pending electronic Certificates Authorizing Registration (eCAR) submissions. Sale price is inclusive of the convertible note of ₱53.15 million.

Vigos Ventures, Inc.(Vigos)
On March 4, 2024, Vigos infused ₱60.0 million to KMD by subscribing to 1.58 million common shares bringing its equity ownership up to 31.83% from 31.23%.

On July 31, 2024, Vigos infused ₱60.0 million to KMD by subscribing to 1.58 million common shares bringing its equity ownership up to 32.35% from 31.83%.

On February 21, 2025, Vigos extended a ₱53.15 million convertible note to KMD for its winding down expenses.

On August 5, 2025, Vigos redeemed and retired 105,000,000 preferred shares issued to the company for ₱105.00 million.

AHCHI Pharma Ventures, Inc. (APV)
On July 18, 2024, APV formally closed its purchase of 49% investment in Joleco Resources, Inc., operator of St. Joseph Drug Stores composed of 20,170 common shares with total purchase price of ₱1,225.0 million. St Joseph Drugstore is a North-Luzon based pharmaceutical company with 112 stores mainly concentrated in the Ilocos Region.

On December 15, 2023, APV entered into a Share Purchase and Call Option Agreement to purchase a significant minority equity ownership in Joleco Resources, Inc., operator of St. Joseph Drug Stores for a total purchase price of ₱1,225.0 million. The purchase price will be held in escrow with the release contingent on PCC's approval and conditions precedent (CP) to closing identified during due diligence.

Share transfer of Generika to APV
On March 31, 2025, AC Health entered a share transfer agreement transferring the 55% stake in Generika of AC Health to APV in exchange for agreed equivalent shares.

- Generika's 421,307 Common A shares (₱10.00 par value) and 47,427 Common B shares (₱750.00 par value) with a total par value of ₱4.21 million and ₱35.57 million, respectively, was exchanged from the AC Health to APV.
- APV then issues 58,726,919 common shares for ₱1.00 par value at an issue price of ₱10.00 per share with a total issue price of ₱587.27 million to AC Health.

Healthway Philippines, Inc. (HPI)
On March 18, 2024, HPI subscribed ₱582.0 million preferred shares at ₱1.00 per share intended for funding HMC's capital expenditure. In May and June 2024, HPI paid a total of ₱347.8 million to settle HMC's intercompany loan from AC Health.

On May 28, 2024, HPI subscribed ₱1.1 billion preferred shares at ₱10,000 per share intended for funding MGHI's capital expenditure. In June 2024, HPI paid a total of ₱635.0 million to settle MGHI's intercompany from AC Health and kickstart the capital expenditure rollout.

On May 2023, HPI subscribed and paid ₱562.4 million for the additional 56.2 million common shares and 506.2 million redeemable preferred shares both with par value of ₱1.00 per share intended for funding working capital requirements of Zodiac.

On November 26, 2025, HPI redeemed and retired 140,000 preferred shares issued to the company for ₱14.00 million payable on December 2025. As of December 31, 2025, the redemption was not yet paid to AC Health.

Mercado General Hospital, Inc. (MGHI)
On May 28, 2024, HPI subscribed ₱1.13 billion preferred shares at ₱10,000 per share intended for funding MGHI capital expenditure. In June 2024, HPI paid total of ₱635 million to settle MGHI's intercompany loans from AC Health and kickstart their capital expenditure rollout.

Equity restructuring
On August 31, 2023, AC Health secured from the SEC its certification for equity restructuring to partially wipe-out the deficit as of December 31, 2023 amounting to ₱1,881.9 million against APIC of ₱5,190.5 million.

Investment in AC Logistics

Capital infusions of AC Logistics
On March 17, 2025, AC infused to AC Logistics ₱1.27 billion to fund the closure of the express business of AF2100. AC Logistics will issue 1.27 billion redeemable preferred shares with a par value of ₱1.00 per share and coming from its existing and unissued authorized capital stocks.

On March 28, 2025 and April 21, 2025, AC Logistics subscribed a total of 39.2 million preferred shares (subscription deposit) of GMAC with ₱1.00 per share amounting to ₱39.2 million.

On May 13, 2025, AC Logistics subscribed a total of 29.4 million preferred shares (subscription deposit) of GMAC with ₱1.00 per share amounting to ₱29.4 million.

On June 19, 2025, AC infused ₱323.4 million to AC Logistics to fund its share in the capital expenditure requirements of: (1) the DHL Project of Cargohaus, and (2) the Carmona Warehouse Project of A-Movement Corporation. In consideration of the infusion, AC Logistics issued 323.4 million redeemable preferred shares with a par value of ₱1.00 per share. The shares were issued out of AC Logistics' existing authorized capital stock.

On April 19, 2024, AC Logistics subscribed 349.3 million common shares of AHI with ₱1.00 per share amounting to ₱349.3 million.

On May 17, 2024, AC Logistics subscribed 38.0 million common shares of GMAC with ₱1.00 per share amounting to ₱38.0 million.

On July 10, 2024, AC Logistics subscribed 15.3 million common shares (subscription deposit) of GMAC Logitech with ₱1.00 per share amounting to ₱15.3 million.

On September 4, 2024, AC Logistics subscribed 33.3 million common shares (subscription deposit) of GMAC Logitech with ₱1.00 per share amounting to ₱33.3 million.

On October 31, 2024, AC Logistics subscribed 18.1 million redeemable preferred shares (subscription deposit) of GMAC Logitech with ₱1.00 per share amounting to ₱18.1 million.

On December 10, 2024, AC Logistics subscribed 23.1 redeemable preferred shares (subscription deposit) of GMAC Logitech with ₱1.00 per share amounting to ₱23.1 million.

On January 9 and February 3, 2023, AC Logistics released the proceeds of its short-term advance to EFSI, amounting to ₱70.0 million and ₱295.0 million, respectively. The short-term advance is for a period of 60 days, commencing from release of the proceeds, and subject to an interest rate of 8% per annum. On March 3, 2023, the term was amended and changed to 180 days, (which may be extended not exceeding 60 days from the end of the 180 days). On June 6, 2023, AC Logistics released the proceeds of the second tranche of short-term advances to EFSI amounting to ₱350.0 million.

On January 30 and February 23, 2023, AC Logistics infused AHI with ₱68.1 million in exchange for 34.0 million AHI common shares and ₱57.8 million for 28.9 million AHI common shares, respectively. Also on February 23, 2023, AC Logistics subscribed to 69.9 million common shares of AHI for ₱139.7 million.

On August 9, 2023, AC Logistics infused GMAC with ₱9.8 million in exchange for 9.8 million GMAC common shares.

AC and AP Møller Partnership
On March 6, 2025, the Parent Company, through its wholly owned subsidiary, AC Logistics, and A.P. Møller Capital (AP Møller), through EMIF II Holding III B.V. (EMIF), entered into a Share Subscription Agreement for EMIF to acquire up to 40% of AC Logistics. AP Møller, with headquarters in Copenhagen, Denmark, is an infrastructure fund manager focused on scaling critical infrastructure needs, particularly in transport and logistics. As of December 31, 2025, the completion of the transaction is subject to finalization of subscription price and satisfaction of conditions precedent. In January 2026, the PCC announced its approval of the acquisition.

Shareholder advances
As of December 31, 2025, AC Logistics infused non-interest-bearing shareholder advances to Air 21 Holdings, Inc. totaling to ₱1.5 billion.

Share purchase of the sale of IWMI and WARM shareholdings
On September 8, 2025, AHI and Lucia Jane P. Lina (Ms. Lina) executed the Share Purchase Agreement for AHI to sell its 100% shares in IWMI and WARM to Ms. Lina or her designated assignee for nominal consideration, subject to the completion of conditions precedent. On November 20, 2025, the Deed of Absolute Sale (DAS) was fully executed and as of the same date, IWMI and WARM was deconsolidated from AHI Group.

Share purchase agreement with Metropac Movers, Inc.(MMI)
On January 20, 2023, AHI executed a Share Purchase Agreement with MMI for the purchase by AHI of 12% equity interest of MMI in each of Airfreight 2100 Inc., Air 2100, Inc., Integrated Waste Management Inc. (IWMI), and Waste and Resources Management, Inc. (WARM) for a total purchase price of ₱442.6 million. On February 1, 2023, the Deeds of Assignment of Shares of Stock for the shares of Air 2100, Inc., Integrated Waste Management Inc (IWMI), and Waste & Resources Management, Inc (WARM) were executed between AHI and MMI to implement the acquisition of the respective shares. On August 4, 2023, the Deed of Assignment of Shares of Stock for the shares of Air 2100, Inc. were executed between AHI and MMI to implement the acquisition of the shares.

Acquisition of and increase of ownership interest in AIR21 Holdings, Inc. (AHI)
On August 30, 2022, AC Logistics and Mr. Alberto D. Lina (Mr. Lina; an existing stockholder) reached financial close for AC Logistics' acquisition of a 60% interest in AHI amounting to ₱6.0 billion, through issuance by Mr. Lina of an exchangeable note to AC Logistics, and AC Logistics' subscription of

primary shares in AHI. AHI has controlling interests in eight operating companies that include Airfreight 2100 Inc., Air2100, Inc., U-Freight Philippines Inc., U-Ocean Inc., Cargohaus Inc., LGC

Logistics Inc., WARM, and IWMI (collectively, the AHI 8). AC Logistics acquired controlling interest in AHI by subscribing to 1.5 billion common shares at ₱1.5 billion subscription price (for 35% equity and voting interest) and through the voting proxies of the Exchangeable Note (for 25% voting interest) (see Note 23).

On March 7, 2023, a Letter of Undertaking (LOU) was issued by Mr. Lina and his Surety Parties (collectively, the "ADL Group") in relation to the Investment Agreement dated November 11, 2021, as amended by the Supplement to the Investment Agreement dated August 30, 2022 (collectively, the "Investment Agreement"), as well as the Exchangeable Note Agreement (ENA) dated August 30, 2022 and other Transaction Documents evenly dated August 30, 2022 executed by AC Logistics, AHI, ADL Group and AHI 8". The LOU contains various terms, supplemental agreements, and undertakings for implementation on or before March 14, 2023.

On March 14, 2023, AC Logistics, AHI, Mr. Lina, and the AHI 8 executed the Omnibus Addendum and Supplemental Agreements which contain, among others, the partial exercise by AC Logistics of its Exchange Right in the ENA whereby ₱4,050.7 million of the Exchangeable Note granted by AC Logistics to Mr. Lina shall be exchanged for common stocks of AHI owned by Mr. Lina. Effective on the same date, AC Logistics' voting rights and equity ownership in AHI increased to 80.0% and 79.52%, respectively. This resulted to a decrease in non-controlling interest and equity reserve amounting to ₱1,520.1 million and ₱2,508.2 million, respectively.

The ₱506.3 million balances of the Exchangeable Note shall continue to earn interest pursuant to the provisions of the ENA and shall be settled, including any interest accrued thereon, in accordance with the relevant provisions of the ENA and the LOU. In the LOU, Mr. Lina shall no longer has the option to pay the primary and secondary coupons through an exchange of his shares in AHI.

On April 19, 2024, AHI received capital infusion from AC Logistics amounting to ₱349.28 million for the subscription to 349,280,550 common shares subscribed at the ₱1.00 per share par value. The capital infusion resulted to the increase in AC Logistics' ownership equity to 81.45%, from 80.00%, in the Company. On May 30, 2024, the Company received APIC from Mr. Lina amounting to ₱303.99 million.

GMAC Logitech Refrigeration Corp.
On June 19, 2023, GMAC inaugurated and officially opened its Cold Storage Facility in Cagayan de Oro. GMAC is a joint venture between AC Logistics and GMI, a leading cold storage facility provider.

Integration of Entrego's Operations
In December 2023, the operations and certain assets of Entrego have been integrated into AC Logistics Group (see also 'Investment in AC Infra' section).

Investment in AM 50 Ventures (previously, AC Ventures)

Strategic partnership with Mitsubishi Corporation (MC)
On March 31, 2025, the Parent Company, AM 50 Ventures and MC signed an Investment Agreement to document their agreement on the terms and conditions upon which MC would subscribe for shares in the capital stock of AM 50. Under the Investment Agreement, AM 50 Ventures would use the proceeds of the subscription to redeem AC's redeemable preferred shares in AM 50 Ventures and cover related costs.

Pursuant to the Investment Agreement, on July 25, 2025, AC purchased 100 common shares in Mynt from AM 50 Ventures. On July 31, 2025 (following clearance of the transaction by the PCC on July 3, 2025 and satisfaction of other conditions precedent), AC, MC and AM 50 Ventures completed the transactions contemplated by the Investment Agreement, including the subscription by MC for shares of AM 50 Ventures for a total subscription price of approximately ₱19.0 billion, and the execution by

and among AC, AM 50 Ventures, and MC of a shareholders' agreement setting out their agreement on the management of AM 50 Ventures and AC and MC's rights and obligations as shareholders in AM 50 Ventures.

On August 4, 2025, and in accordance with the Investment Agreement, AM 50 Ventures redeemed Class A and Class C redeemable preferred shares held by AC for a total amount of approximately ₱19.0 billion. Following completion of the redemption, AC and MC each hold a 50% equity stake in AM 50.

The foregoing transactions resulted in the Ayala Group's partial divestment of AM 50, the fair revaluation of the Ayala Group's remaining interest in AM 50, and the recognition of remeasurement gain amounting to ₱10.4 billion (see Notes 10, 22 and 23).

Divestment from BF Jade (Zalora)
On December 5, 2025, the Company divested its entire interest in BF Jade E-Services Philippines, Inc. (Zalora), consisting of 358,630,194 shares or 44.57% ownership, which had a carrying value of zero. The investment was sold to Global Fashion Group (GFG) for a nominal consideration, and the proceeds have been recognized as the gain on disposal in the statement of comprehensive income for the year ended December 31, 2025.

Change in corporate name
In line with the new structure of AC Ventures as a joint venture between AC and MC, AC Ventures applied for a change in its corporate name from AC Ventures Holding Corp. to AM 50 Ventures Inc. (see Note 10). This was approved by the SEC on August 29, 2025. AC Ventures is currently in the process of changing its corporate name with the BIR.

Equity restructuring
On November 6, 2024, the BOD approved:

a. the increase in authorized capital stock from ₱5,000.00 million divided into 50,000,000 common shares with par value of ₱100.00 per share, to ₱5,608.6 million divided into (i) 1,500 common shares with par value of ₱100.00 per share, (ii) 36,298,600 redeemable preferred shares class "A" with par value of ₱100.00 per share, (iii) 18,264,654 redeemable preferred shares class "B" with par value of ₱100.00 per share, and (iv) 1,521,585 redeemable preferred shares class "C" with par value of ₱100.00 per share
b. conversion and/or reclassification of (i) 36,298,600 common shares into redeemable preferred shares class "A", and (ii) 13,699,900 common shares into redeemable preferred shares class "B"
c. retirement of 1,379 common shares held in treasury at a redemption price of ₱100.00 per share

On September 18, 2025, the SEC approved AC Ventures' application for equity restructuring to fully wipe out its deficit as of December 31, 2024 amounting ₱73.0 million against its APIC.

Mynt
On August 1, 2024, AC Ventures executed a Share Purchase Agreement to acquire common shares in Mynt from existing shareholders, equivalent to an additional 8.45% ownership stake in Mynt. The acquisition closed on August 20, 2024, for a purchase price of ₱22.4 billion. This resulted in an increase in the ownership in Mynt from 5.22% to 13.67%.

On February 12, 2025, MUFG and Mynt closed its transaction on MUFG's acquisition of Mynt shares, completing MUFG's 8% stake in Mynt. This resulted to the dilution of Globe's and AC Ventures' respective ownership in Mynt from 36% to 34% and from 13.7% to 13.2%, respectively. Globe and AC Ventures each recognized calculated dilution gains amounting to ₱2.2 billion (with AC's equity share amounting to ₱0.7 billion) and ₱1.0 billion for the period ended December 31, 2025, respectively (see Note 22).

On June 2, 2025, the Mynt's BOD and shareholders, in their special board meeting and annual stockholders' meeting, approved the proposed stock split reducing the par value of Mynt's common shares from ₱1.00 per share to ₱0.03 per share, thereby increasing the number of authorized common shares from 2,149,773,612 to 71,659,120,400. Mynt's authorized capital stock of ₱2,149.8 million will remain the same. This was approved by the SEC on October 27, 2025.

Investment in ACX

Change in corporate name
On January 6, 2025, the SEC approved the amendment to AG Counselors Corporation's (AGCC) Articles of Incorporation including (1) the change of its corporate name to ACX Holdings Corporation, and (2) the change in its business activities from a business of advisory, consultancy assistance and other allied services, into a holding company with a principal business interest in the consumer retail space.

Capital infusions of ACX
On July 2, 2025, ACX Holdings Corporation infused to A&CO Holdings Corporation (AHC) 31,400,000 common shares and 282,600,000 preferred shares both at subscription price of ₱1.00 per share or a total subscription price of ₱314.0 million.

On the same date, A&CO Holdings Corporation (a wholly owned subsidiary of ACX) infused ₱269,000,000 to Anko JV Company, Inc (JV Company) comprising 269,000,000 common shares at subscription price of ₱1 per common share.

On July 25, 2025, AC infused ₱110 million to ACX to fund initial requirements of Makro PH. The infusion will be for issuance of 11 million preferred shares at ₱1.00 par value per share and at issue price of ₱10.00 per share.

On July 29, 2025, ACX Holdings Corporation infused capital to M&CO through Treasurer in Trust Fund (TITF) account to cover the subscription of 100,000,000 common shares at subscription price of ₱1 per common share or a total subscription price of ₱100.0 million. M&CO was officially incorporated on August 18, 2025, and subsequently changed its name to CP Axtra AC Corporation on October 16, 2025. ACX Holdings Corporation holds a 49.9% ownership stake in the newly named entity.

Business venture with Makro ROH Company Limited
On September 24, 2025, ACX and Makro ROH Company Limited (MROH), a subsidiary of CP Axtra Public Company Limited (CP Axtra), executed a subscription agreement and a shareholders' agreement covering ACX's and MROH's committed equity interest of 49.9% and 50.1%, respectively, in M&Co Corporation, now known as CP Axtra AC Corporation, a new entity that will operate Makro stores in the Philippines. CP Axtra is a wholesale and retail business operator (including mall management) in Thailand and overseas and is part of the Charoen Pokphand Group.

Business venture with Spinneys 1961 Holdings PLC
On September 30, 2025, ACX and Spinneys 1961 Holdings PLC (Spinneys) signed an investment and shareholders' agreement to bring Spinneys-branded premium grocery stores to the Philippines, subject to the satisfaction of certain conditions precedent by the parties where they hold a 60% and 40% ownership, respectively.

Spinneys is a leading fresh-focused premium supermarket retailer with a network of 87 stores in the United Arab Emirates, Oman, and Saudi Arabia. It recently signed a joint venture agreement to expand to Kuwait. The entry into the Philippines represents the brand's first expansion outside the Gulf Cooperation Council. Spinneys is majority-owned by the Al Seer Group, a consumer holdings company that is part of a UAE-based group with business interests in industries such as food, retail, hospitality, shipyards and construction, with presence in over 20 countries.

On June 14, 2024, the BOD approved the following:

a. increase in authorized capital stock from ₱150.0 million divided into 15,000,000 common shares with par value of ₱10.00 per share, to ₱1,000.0 million divided into (i) 15,000,000 common shares with par value of ₱10.00 per share, and (ii) 850,000,000 preferred shares with par value of ₱1.00 per share
b. change in the Company's business from business of advisory, consultancy assistance and other allied services, into holding company with principal business interests in consumer retail space
c. create a wholly-owned subsidiary that will serve as the Company's vehicle in investing into a joint venture company with Kmart Australia Ltd. Or its designate which will operate the Anko-branded stores
d. change in corporate name to ACX Holdings Corporation

Other transactions
On August 16, 2023, BHL, through its subsidiary, Ayala International Holdings Limited (AIHL), purchased a 100% stake in Blitz 23-376 GmbH, a private limited liability company registered in Munich, Germany, which was subsequently renamed as Contour 2023 GmbH ("Contour") for EUR 25,000.

On August 18, 2023, AIHL, Contour and ACI SG entered into several transactions connected with the divestment by ACI SG of its 92.45% stake in MT, which includes the following:

- Purchase by Contour of real property of MT located in Ingolstadt, Germany amounting to EUR 21.90 million (₱1,235.6 million). The purchase was funded from loan proceeds from a Shareholder Loan Facility Agreement between AIHL and Contour on August 21, 2023. The Euro-denominated term loan facility of up to EUR23.05 million was extended to Contour for the cost of the land and expenses related to the purchase. Simultaneously, Contour entered into a 10-year lease agreement with MT on the same property.
- AIHL entered into a Senior Loan Facility Agreement ("SLFA") with MT, whereby AIHL agreed to extend a Euro-denominated senior secured loan facility of up to EUR 3.00mm. Such loan facility is secured by assignment of inventories by MT and a land charge on real estate in Lebach, Germany owned by C CON Sondermaschinen GmbH, a 100% owned subsidiary of MT. On October 9 and December 8, 2023, MT availed its first and second utilization, respectively, from AIHL under the SLFA for EUR 1.0 million each.

For the above mentioned transactions, AIHL received funding from ACIFL, which subscribed to redeemable preferred shares issued on January 2, 2024. At the Group's consolidated financial statement, the above transactions are non-event and have no financial impact.

Subsidiaries with material economic ownership interest

The principal place of business of the subsidiaries are as follows:

<u>ALI</u>
ALI's registered and principal place of business is at the 31st Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

<u>ACEIC</u>
The principal office address is at the 35th Floor, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City.

IMI
The registered office address is at the North Science Avenue, Laguna Technopark-Special Economic Zone (LT-SEZ), Bo. Biñan, Laguna.

Information of subsidiaries that have material non-controlling economic interests is provided below:

2025	**ALI Group**	**ACEIC Group**	**IMI Group***
		(In Thousands, except for %)	
Proportion of equity interests held by non-controlling interest	**47.0%**	**–****	**47.9%**
Voting rights held by non-controlling interest	**26.3%**	**–**	**47.9%**
Accumulated balances of non-controlling interest	**₱201,004,806**	**₱86,080,781**	**₱7,436,713**
Net income (loss) allocated to non-controlling interest	**₱24,902,349**	**₱1,084,680**	**(₱83,669)**

2024	ALI Group	ACEIC Group	IMI Group*
		(In Thousands, except for %)	
Proportion of equity interests held by non-controlling interest	48.1%	–**	47.9%
Voting rights held by non-controlling interest	27.1%	–	47.9%
Accumulated balances of non-controlling interest	₱191,993,986	₱89,366,627	₱6,954,404
Net income (loss) allocated to non-controlling interest	₱19,781,439	₱3,379,368	(₱3,301,040)

**Translated using the exchange rate at the reporting date (US$1:₱58.79 and US$1:₱57.85 on December 31, 2025 and 2024, respectively.*
*** While ACEIC is a wholly-owned subsidiary of the Parent Company, the material non-controlling interests within the ACEIC Group is generally attributable to the 42% ownership of the non-controlling interest in ACEN.*

The summarized financial information of these subsidiaries is provided below, which are based on amounts before inter-company eliminations:

2025	**ALI Group**	**ACEIC Group**	**IMI Group ***
		(In Thousands)	
Statements of financial position			
Current assets	**₱449,204,923**	**₱52,735,703**	**₱30,472,410**
Noncurrent assets	**548,159,063**	**380,783,083**	**9,326,841**
Current liabilities	**282,827,689**	**32,496,310**	**23,154,655**
Noncurrent liabilities	**329,481,884**	**210,876,100**	**1,610,957**
Dividends paid to non-controlling interest	**5,542,235**	**3,430,897**	**–**
Statements of comprehensive income			
Revenue	**176,757,712**	**37,802,908**	**58,572,634**
Profit (loss) attributable to:			
Owners of the parent	**39,120,819**	**6,982,964**	**795,211**
Non-controlling interests	**6,433,310**	**1,534,054**	**(395,010)**
Total comprehensive income (loss) attributable to:			
Owners of the parent	**39,895,277**	**10,872,240**	**2,177,714**
Non-controlling interests	**6,933,505**	**1,520,871**	**(279,038)**
Statements of cash flows			
Operating activities	**28,985,878**	**2,170,340**	**4,471,899**
Investing activities	**(40,800,719)**	**(21,454,148)**	**(876,740)**
Financing activities	**9,028,301**	**10,806,258**	**(4,508,101)**
Net increase (decrease) in cash and cash equivalents	**(₱2,786,540)**	**(₱8,477,550)**	**(₱912,941)**

**Translated using the exchange rate at the reporting date (US$1:₱58.79 on December 31, 2025)*

2024	ALI Group	ACEIC Group	IMI Group *
		(In Thousands)	
Statements of financial position			
Current assets	₱435,661,032	₱62,374,213	₱34,105,016
Noncurrent assets	483,093,960	332,365,427	11,761,686
Current liabilities	249,122,963	30,368,997	24,501,929
Noncurrent liabilities	311,136,214	181,140,805	8,446,788
Dividends paid to non-controlling interest	4,111,171	2,761,995	–
Statements of comprehensive income			
Revenue	178,563,089	42,401,609	63,553,876
Profit (loss) attributable to:			
Owners of the parent	28,232,553	12,515,788	(2,880,019)
Non-controlling interests	6,003,680	3,910,174	(1,577,079)
Total comprehensive income (loss) attributable to:			
Owners of the parent	28,978,644	10,938,330	(3,470,548)
Non-controlling interests	5,829,853	3,914,684	(1,582,853)
Statements of cash flows			
Operating activities	31,211,613	9,308,989	4,163,502
Investing activities	(54,683,166)	(40,374,783)	(43,386)
Financing activities	27,829,667	17,077,913	(4,132,314)
Net increase (decrease) in cash and cash equivalents	₱4,358,114	(₱13,987,881)	(₱12,198)

**Translated using the exchange rate at the reporting date (US$1:₱57.85 on December 31, 2024)*

3. Material Accounting Policy Information

Basis of Preparation

The accompanying consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱) and all amounts are rounded to the nearest peso unless otherwise indicated. The consolidated financial statements provide comparative information in respect of the previous period.

Statement of Compliance

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

PFRSs Accounting Standards include Philippine Financial Reporting Standards, Philippine Accounting Standards (PAS) and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2025, and 2024 and for each of the three years in the period ended December 31, 2025.

In accounting for call and put options over non-controlling interests, management determines whether it has present access to the returns associated with the non-controlling interests. If the options give the Group access to the returns over the non-controlling interests, the Group consolidates the acquiree as if it acquired a 100% interest.

If the options do not give the Group present access to the returns over the non-controlling interests, the Group takes the view that the non-controlling interests should be accounted for in accordance with PFRS 10, *Consolidated Financial Statements*, and must be presented within equity separate from the equity of the Parent Company, until the option is exercised.

For the years ended December 31, 2025, and 2024, the call options are accounted for in accordance with PFRS 9, *Financial Instruments,* as a derivative asset carried at FVTPL.

The financial liability for the put option is accounted for under PFRS 9 like any other written put option on equity instruments. On initial recognition, the corresponding debit is made to a component of equity attributable to the parent, not to the non-controlling interest. All subsequent changes in the carrying amount of the financial liability that result from the remeasurement of the present value payable on exercise are recognized in profit or loss also attributable to the parent.

If the put option is exercised, the entity accounts for an increase in its ownership interest. At the same time, the entity derecognizes the financial liability and reverses the component of equity that was reduced on initial recognition. If the put option expires unexercised, the financial liability is reclassified to the same component of equity that was reduced on initial recognition.

Adoption of New and Amended Accounting Standards and Interpretations
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments effective starting January 1, 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.

- 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.

New standards and interpretations that have been issued but are not yet effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, 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*

  The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

  The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

  The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- Amendments PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

  The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

  The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

  The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- Annual Improvements to PFRS Accounting Standards—Volume 11

  The amendments are limited to changes that either clarify the wording in an accounting standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the accounting standards. The following is the summary of the accounting standards involved:

  - 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*

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

  The Group is currently assessing the impact of this new accounting standard to the consolidated financial statements.

- PFRS 19, *Subsidiaries without Public Accountability*

  The standard allows eligible entities to elect to apply PFRS 19 reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

  In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

  The application of the standard is optional for eligible entities.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

  The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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 instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

'Day 1' difference
Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the consolidated statement of income under "Interest income" or "Interest and other financing charges" unless it qualifies for recognition as some other type of asset or liability. In cases where unobservable data is used, the difference between the transaction price and model value is only recognized in the consolidated statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial Assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as amortized cost, FVOCI and FVTPL.

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. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables, except for installment contract receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies under revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, 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 marketplace (regular way trades) is recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial assets at amortized cost (debt instruments)
This category is the most relevant to the Group. 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; and
- 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 (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

If the Group revises its estimates of receipts of future cashflows, it shall adjust the gross carrying amount of the financial asset to reflect the revised estimated contractual cash flows that are discounted at the financial instrument's original EIR. The adjustment is recognized in the profit or loss as income or expense.

The Group's financial assets at amortized cost includes cash and cash equivalents, short-term investments, accounts and notes receivables, deposits, and debt instruments which are classified as financial assets at amortized cost.

Financial assets at FVOCI (debt instruments)
The Group measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- 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.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition the cumulative fair value change recognized in OCI is recycled to profit or loss.

This category includes investment in bonds classified as financial assets at FVOCI.

Financial assets designated at FVOCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group's financial assets at FVOCI includes investments in quoted and unquoted equity instruments.

Financial assets at FVTPL
Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of income.

This category includes convertible bonds or loans, derivative instruments and equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on equity investments are also recognized as other income in the consolidated statement of income when the right of payment has been established.

Return of capital is recorded as a reduction against the investment account.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVTPL. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVTPL.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The Group uses derivative financial instruments, such as foreign currency swaps, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which these are entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; or
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument;
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that Group actually hedges and the quantity of the hedging instrument that Group actually uses to hedge that quantity of hedged item.

As at December 31, 2025 and 2024, the Group has designated its foreign currency swap contracts as cash flow hedges.

Hedges that meet all the qualifying criteria for cash flow hedge accounting are accounted for, as described below:

The effective portion of the gain or loss on the hedging instrument is recognized in equity as ‘Cash flow hedge reserve’, while any ineffective portion is recognized immediately in the consolidated statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses foreign currency swap contracts, as hedges of its exposure to foreign currency risks in its US Dollar denominated loans. The ineffective portion relating to foreign currency swap contracts is recognized as Other income.

The amounts accumulated in ‘Cash flow hedge reserve’ is reclassified to the consolidated statement of income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the consolidated statement of income.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in 'Cash flow hedge reserve' must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately recognized in the consolidated statement of income as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in equity shall be reclassified to the parent company statement of income.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Modification of financial assets
The Group derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the consolidated statement of Income.

Impairment of financial assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. 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 trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for trade receivables and a vintage analysis for residential and office development receivables that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as non-trade receivables from related parties, receivables from officers and employees, and advances to other companies and financial assets at amortized cost (debt instruments), ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, 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

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables in default when contractual payment are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Determining the stage for impairment
At each reporting date, the Group assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

Financial Liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, 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 and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include accounts payable and accrued expenses, short-term debt, long-term debt, other current and non-current liabilities (other than liabilities accrued by other accounting standards such as income tax payable, provisions, etc.).

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

Financial liabilities at FVTPL
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purposes of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the consolidated statement of income.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at FVTPL.

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.

Other financial liabilities
Issued financial instruments or their components, which are not designated at FVTPL, are classified as accounts payable and accrued expenses where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount, after deducting from the instrument the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other 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 the issue and fees that are an integral part of the EIR. Any effect of restatement of foreign currency-denominated liabilities is recognized in profit or loss.

This accounting policy applies to the Group's accounts payable and accrued expenses, dividends payables, non-trade payables, installment payable, liability for purchased land, retention payable, construction payable and subscriptions payable (other than liabilities covered by other accounting standards such as pension liability and income tax payable).

Exchange or modification of financial liabilities
The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original EIR, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of

the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

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 a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss. When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

For financial liabilities where the modification is not considered substantial and the original loan contains prepayment option at par with no penalty, the Group considers this as a refinancing of loan at market rate and account for the modification as a prospective adjustment of EIR with no modification gain or loss in the consolidated statement of income.

Based on the Group's assessment, modifications in the contractual cash flows are not substantial and therefore do not result in the derecognition of the affected financial liabilities.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

Derecognition of financial liabilities
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.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derivative Financial Instruments

Initial recognition and subsequent measurement
The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Financial guarantee contracts
Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 32 and the amount initially recognized less, when appropriate, the cumulative amount of income recognized over the period of the guarantee.

Exchangeable bonds
The exchangeable bond is classified as a compound instrument and accounted for using split accounting. The value allocated to the equity component at initial recognition is the residual amount after deducting the fair value of the liability component from the issue proceeds of the exchangeable bonds. Transaction costs incurred in relation to the issuance of the exchangeable bonds is apportioned between the liability and equity component based on their values at initial recognition.

Subsequently, the liability component is carried at amortized cost using the EIR method while the equity component is not revalued. When the conversion option is exercised, the carrying amount of the liability and equity component is derecognized and their balances transferred to equity. No gain or loss is recognized upon exercise of the conversion option. The difference between the liability, the equity conversion option, and the non-controlling interest is lodged under Equity Reserve.

Deposits, customers' guaranty and other deposits
Deposits, customers' guaranty and other deposits are initially measured at fair value. After initial recognition, these are subsequently measured at amortized cost using the EIR method. The difference between the cash received and its fair value is deferred (included in the "Deferred credits" account in the consolidated statement of financial position). Deposits are amortized using the straight-line method with the amortization included under the "Costs of rendering of services" account in the consolidated statement of income while customers' guaranty are amortized over the remaining concession period with the amortization included under "Interest and other financing charges" in the consolidated statement of income.

Inventories
Inventories are carried at the lower of cost and net realizable value (NRV). Costs incurred in bringing each product to its present location and conditions are generally accounted for as follows:

Real estate inventories:

- Land cost
- Land improvement cost
- Amounts paid to contractors for construction and development
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs

Vehicles – purchase cost on specific identification basis.

Finished goods and work-in-process – determined on a moving average basis; cost includes direct materials and labor and a proportion of manufacturing overhead costs based on normal operating capacity.

Materials, supplies and others – purchase cost on a moving average basis. NRV for real estate inventories, vehicles, finished goods and work-in-process, materials and supplies, and other inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale, while NRV for materials, supplies and others represents the related replacement costs. In the event that NRV is lower than cost, the decline shall be recognized as an expense in the consolidated statement of income.

An allowance for inventory losses is provided for slow-moving, obsolete and defective inventories based on management's physical inspection and evaluation. When inventories are sold, the cost and related allowance is removed from the account and the difference is charged against operations.

The Group applies the approach presented in Philippine Interpretations Committee Questions and Answers (PIC Q&A) No. 2020-05 and accounts for repossession as a modification of the contract and reverses the previously recognized revenues and related cost of real estate sales recognized.

Distinction of inventories and investment properties
If it is in the Group's ordinary course of business (supported by its strategy) to hold property for short-term sale rather than for long-term capital appreciation or rental income, the entire property (including the leased units) is accounted for and presented as inventory. This will continue to be the case as long as it remains the intention to sell the property in the short-term. Rent received is included in "Other income" as it does not represent a reduction in the cost of inventory.

Properties intended for sale in the ordinary course of business, whether leased out or not, are outside the scope of PAS 40. However, if a property is not intended for sale, PAS 40 requires the property to be transferred from inventory to investment property when there is a change in use. The change can be evidenced by the commencement of an operating lease to another party.

Prepaid Expenses
Prepaid expenses are carried at cost less the amortized portion. These typically comprise prepayments for commissions, marketing fees and advertising and promotion, taxes and licenses, rentals and insurance.

Creditable Withholding Tax
This pertains to the tax withheld at source by the Group's customers and is creditable against the income tax liability of the Group.

Value-Added Tax (VAT)
Expenses and assets are recognized, net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable, to the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Deposits in Escrow
Deposits in escrow pertain to the proceeds from the sale of the Group's projects that have only been granted temporary License to Sell (LTS) as of reporting date. These proceeds are deposited in a local bank and earn interest at prevailing bank deposit rates.

Advances to Other Companies and Contractors and Suppliers
Advances to other companies and advances to contractors and suppliers are carried at cost less impairment losses, if any. Prepayments for the construction of investment property and property and equipment are classified as non-current asset while the portion representing prepayments for the construction of real estate inventories are reclassified as other current assets.

Noncurrent Assets Held for Sale and Discontinued Operations
Noncurrent assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. At reporting date, the Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

For investments in associate and joint venture, the equity method of accounting ceases from the time the investment is classified as Noncurrent assets held for sale.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

The related results of operations of the disposal group that qualified as a discontinued operation are separated from continuing operations.

When an entity acquires a non-current asset (or disposal group) exclusively with a view to its subsequent disposal, it shall classify the non-current asset (or disposal group) as held for sale at the acquisition date only if the one-year requirement is met (subject to the allowed exception) and it is highly probable that any other criteria that are not met at that date will be met within a short period following the acquisition (usually within three months).

Extension of the period required to complete a sale
An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group). An exception to the one-year requirement shall apply in the following situations which such events or circumstances arise:

(a) at the date an entity commits itself a plan to sell a non-current asset (disposal group) it reasonably expects that others (not buyer) will impose conditions on the transfer of the asset (or disposal group) that will extend the period required to complete the sale, and: actions necessary to respond to those conditions cannot be initiated until after a firm purchase commitment is obtained; and
    (i) a firm purchase commitment is highly probable within one year.
(b) an entity obtains a firm purchase commitment and, as a result, a buyer or others unexpectedly impose conditions on the transfer of a non-current asset (or disposal group) previously classified as held for sale that will extend the period required to complete the sale, and;
    (i) timely actions necessary to respond to the conditions have been taken; and
    (ii) a favorable resolution of the delaying factors is expected.
(c) During the initial one-year period, circumstances arise that were previously considered unlikely and, as a result, a non-current asset (or disposal group) previously classified as held for sale is not sold by the end of that period; and:
    (i) during the initial one-year period the entity took action necessary to respond to the change in circumstances;
    (ii) the non-current asset (or disposal group is being actively marketed at a price that is reasonable, given the change in circumstances; and
    (iii) the criteria to classify non-current assets and disposal groups as held for sale are met.

Reversal of impairment loss of a Disposal Group
Any subsequent increase in fair value less costs to sell of an asset up to the cumulative impairment loss previously recognized either in accordance with PFRS 5 or in accordance with PAS 36 should be recognized as a gain. In the case of a disposal group, any subsequent increase in fair value less costs to sell should be recognized:

a) to the extent that it has not been recognized under another standard in relation to those assets outside the scope of PFRS 5's measurement requirements; but
b) not in excess of the cumulative amount of losses previously recognized under PFRS 5 or, before that, under PAS 36 in respect of the non-current assets in the group which are within the scope of the measurement rules of PFRS 5.

Any impairment loss (or any subsequent gain) recognized for a disposal group should be allocated to the non-current assets in the group that are within the scope of the measurement requirements of PFRS 5. The order of allocation should be:

- first, to reduce the carrying amount of any goodwill in the group; and
- then, to the other non-current assets of the group pro rata on the basis of the carrying amount of each asset in the group.

Loss of Control of a Subsidiary
If a parent company loses control of a subsidiary that constitutes a business in a transaction that is not a downstream transaction and the retained interest is an investment in an associate or joint venture, the retained interest is remeasured at its fair value, and this fair value becomes the cost on initial recognition of the investment in an associate or joint venture.

To apply the equity method from the date control is lost, the Parent Company remeasures all the identifiable assets and liabilities underlying the investment at their fair values, i.e., the Parent Company performs a new purchase price allocation.

Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as other income in the period in which the investment is acquired and is included in the carrying amount of the investment.

The Group determined that it has control over its subsidiaries by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following were also considered:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual agreements
- The Group's voting rights and potential voting rights

Investments in Associates and Joint Ventures
The Group's investments in associates and joint ventures are accounted for using the equity method.

The aggregate of the Group's share in net profits or loss of associates and joint ventures is shown on the face of the consolidated statement of income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Investment Properties
The Group uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value.

Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance, are normally charged against income in the period in which the costs are incurred.

Construction-in-progress (including borrowing cost) are carried at cost and transferred to the related investment property account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation. Construction-in-progress is not depreciated or amortized until such time that the relevant assets are completed and put into operational use.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, regardless of utilization. The estimated useful lives and the depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of investment properties. The estimated useful lives of investment properties comprised of buildings ranges from 20 to 40 years.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statement of income in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party, or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property, owner-occupied property, and inventories do not change the carrying amount of the property transferred and they do not change the cost of the property for measurement or for disclosure purposes.

The Group discloses the fair value of its investment properties in accordance with PAS 40. The Group engaged independent valuation specialists to assess fair value as of December 31, 2025 and 2024. The Group's investment properties consist of land and buildings pertaining to land properties, retail (malls), and office properties. These were valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property and income approach by reference to the value of income, cash flow or cost saving generated by the asset.

Property, Plant and Equipment
Property, plant and equipment, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The initial cost of property, plant and equipment consists of its construction cost or purchase price and any directly attributable costs of bringing the property, plant and equipment to its working condition and location for its intended use.

Construction-in-progress is stated at cost. This includes cost of construction and other direct costs. Construction-in-progress is not depreciated or amortized until such time that the relevant assets are completed and put into operational use.

Major repairs are capitalized as part of property, plant and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Depreciation and amortization of property, plant and equipment commences once the property, plant and equipment are available for use and computed on a straight-line basis over the estimated useful lives of the property, plant and equipment as follows:

Buildings and improvements	20 to 40 years
Plant, machinery and equipment	5 to 25 years
Hotel property and equipment	20 to 50 years
Furniture, fixtures and equipment	3 to 10 years
Transportation equipment	3 to 5 years

The estimated useful life and methods of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate. The estimated useful life of property, plant and equipment are based on expected asset utilization as anchored on business plans and strategies that also consider expected future technological developments and market behavior to ensure that the period of depreciation is consistent with the expected pattern of economic benefits from items of property, plant and equipment.

The assets' residual values, useful lives and depreciation and amortization methods are reviewed periodically to ensure that the amounts, periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

When property, plant and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Subsequently, intangible assets are measured at cost less accumulated amortization and provision for impairment loss, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

The estimated useful life of intangible assets is assessed as either finite or indefinite.

The estimated useful lives of intangible assets with finite lives are assessed at the individual asset level. Intangible assets with finite lives are amortized over their estimated useful lives on a straight-line basis. Periods and methods of amortization for intangible assets with finite useful lives are reviewed annually or earlier when an indicator of impairment exists.

The estimated useful lives of intangible assets are as follows:

Leasehold rights	20 to 23 years
Customer relationships	5 years
Unpatented technology/intellectual properties	5 years
Developed software	3 years
Licenses	3 years
Trademarks	14 years
Feed-in tariff (FIT) contract	20 years

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

A gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible assets and is recognized in the consolidated statement of income when the intangible asset is derecognized.

Research and development costs
Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset under “Project Development Cost” when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development; and,
- The ability to use the intangible asset generated.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. The estimated useful life of research and project development costs is 5 years. During the period of development, the asset is tested for impairment annually.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
Except for short-term leases and leases of low-value assets, the Group applies a single recognition and measurement approach for all leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset.

At the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term as follows:

Land, building and improvements	10-50 years
Transportation equipment	3-10 years
Others	5 years

Right-of-use assets are subject to impairment. Refer to the accounting policies in Impairment of non-financial assets section.

ii) Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value as defined in the accounting policies of subsidiaries. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted on a straight-line basis over the lease term and is included in revenue in the consolidated statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Lease concessions
The Group determines whether the rent concessions granted have changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. Where the Group has evaluated that the rent concessions do not qualify as a lease modification, the Group accounts for the lease concessions in the form of negative variable rent which the Group records when the concession is granted, regardless of the period to which the concession pertains.

Business Combinations and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the

proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and included under "Remeasurement gain/loss arising from business combination" in the consolidated statement of income.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset, or liability will be recognized in accordance with PFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as bargain purchase gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment loss. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of other assets or liabilities of the Group are assigned to those units or group of units.

Each unit or group of units to which the goodwill is allocated should:

- represent the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- not be larger than an operating segment determined in accordance with PFRS 8, *Operating Segments.*

Impairment is determined by assessing the recoverable amount of the CGU (or group of CGUs), to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the CGU retained. If the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the acquirer shall recognize immediately in the consolidated statement of income any excess remaining after reassessment.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the acquirer shall account for the combination using those provisional values. The acquirer shall recognize any adjustments to those provisional values as a result of completing the initial accounting within twelve months of the acquisition date as follows: (i) the carrying amount of the identifiable asset, liability or contingent liability that is recognized or adjusted

as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date; (ii) goodwill or any gain recognized shall be adjusted by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable accounting has been completed from the acquisition date.

Combinations of Entities Under Common Control
Business combinations of entities under common control are accounted for using the pooling of interests' method. The pooling of interests method generally involve the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination. The only adjustments that are made are those adjustments to harmonize accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the equity acquired is reflected within equity.
- The consolidated statement of income reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparative financial information is presented as if the entities had always been combined.

The effects of any intercompany transactions are eliminated to the extent possible.

Asset Acquisitions
If the assets acquired and liabilities assumed in an acquisition transaction do not constitute a business as defined under PFRS 3, the transaction is accounted for as an asset acquisition. The Group identifies and recognizes the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets) and liabilities assumed. The acquisition cost is allocated to the individual identifiable assets and liabilities on the basis of their (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Impairment of Nonfinancial Assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or CGU's fair value less costs to sell and its value in use and 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. Where the carrying amount of an asset 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 assessment of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other fair value indicators. Impairment losses of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill and intangible assets with indefinite life, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the

asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Investments in associates and joint ventures
After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee company. The Group determines at each reporting date whether there is any objective evidence that the investment in the investee company may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the Group estimates its future cash flows using key assumptions and the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. The Group calculates the amount of impairment as being the difference between the recoverable amount of the investee company and the carrying cost and recognizes the amount as a reduction of the investment account and is recorded under "Provision for impairment losses" under the General and administrative expenses account in the consolidated statement of income.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets and liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Equity
Capital stock is measured at par value for all shares subscribed, issued and outstanding. When the shares are sold at premium, the difference between the proceeds at the par value is credited to "Additional paid-in capital" (APIC) account. Direct costs incurred related to equity issuance are chargeable to APIC account. If APIC is not sufficient, the excess is charged against retained earnings. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Subscriptions receivable pertains to the uncollected portion of the subscribed shares and is presented as reduction from equity.

Retained earnings represent accumulated earnings of the Group less dividends declared.

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in APIC. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to APIC when the shares were issued and to retained earnings for the remaining balance.

For the Preferred A and B treasury shares, the amount reflected under treasury stock pertains to par value.

Revenue and Cost Recognition

ALI Group's Revenue from Contracts with Customers

The ALI Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the ALI Group expects to be entitled in exchange for those goods or services. ALI Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, electricity, air-conditioning and common use service area in its mall retail spaces, wherein it is acting as agent, the Group has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

Real estate sales
ALI Group derives its real estate revenue from the sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, ALI Group's performance does not create an asset with an alternative use and ALI Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, ALI Group uses the output method. ALI Group recognizes revenue and the related trade receivables on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using a survey of performance completed to date. This is based on the monthly project accomplishment report prepared by the third-party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as trade receivables under residential and office development receivables account. Any excess of collections over the total of recognized trade receivables is included in the "customer deposit" account in the liabilities section of the consolidated statement of financial position.

The Group determines whether a contract contains a significant financing component on an individual real estate contract by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate (EIR). The Group applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. For every individual real estate contract, the Group determines whether its transaction price on sale of real estate recognized over time include a significant financing component based on defined qualitative and quantitative metrics.

The calculation of financing component in a transaction price is based on various inputs such as transaction price, cash discount, payment scheme, payment amortization table, discount rate, percentage of completion to the contract provision and projected percentage of completion schedule.

Cost recognition
ALI Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as land and connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs, and those indirect costs related to contract performance which are determined based on standard cost method. The standard cost method is revisited regularly and adjusted to approximate actual cost. Contract cost also includes warranties, provisions and post construction works. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Marketing fees, management fees from administration and property management are recognized as expense when services are incurred.

Hotel and resorts revenue
ALI Group recognizes room accommodation services over time since the guest simultaneously receives and consumes the services provided by ALI Group. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Revenue from banquets and other special events are recognized when the events take place.

Cost of hotel operations
Cost of hotel operations pertains to expenses incurred in relation to sale of goods and rendering of services. These are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

Construction revenue and cost
Revenue from fixed price construction contracts are recognized over time using the milestone-based revenue recognition which is in reference to output method. The output method is determined based on the start and completion of a task of the contract work inclusive of uninstalled goods and materials delivered to the site.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Rental income
Rental income under noncancellable and cancellable leases on investment properties is recognized on a straight-line basis over the lease term and the terms of the lease, respectively, and/or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract.

No rental income is recognized when ALI Group waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a variable payment.

The contract for the commercial spaces leased out by the ALI Group to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and Common Use Service Area (CUSA) charges such as maintenance, janitorial and security services.

For the electricity and water usage, the ALI Group determined that it is acting as an agent because the promise of the ALI Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the ALI Group, are primarily responsible for the provisioning of the utilities while the ALI Group administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air-conditioning of the buildings, the ALI Group acts as a principal because it retains the right to direct the service provider of air-conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the ALI Group has the discretion on how to price the CUSA and air-conditioning charges.

IMI Group's Revenue from Contracts with Customers

IMI Group is in the business of providing electronic manufacturing and other related services to various customers. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which IMI Group expects to be entitled in exchange for those goods or services. IMI Group has concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

Manufacturing services
IMI Group provides manufacturing services in accordance with the customer's specifications. IMI Group promises to provide a combined performance obligation comprised of non-distinct goods or services, which include issuance of materials to production, assembly, testing and packaging.

Contracts with customers are generally classified as turnkey or consignment. In a turnkey contract, IMI Group procures the materials and provides the assembly services to the customer. In a consignment contract, IMI Group only provides assembly services to the customer.

For turnkey contracts, revenue is recognized over time since the products created have no alternative use to IMI Group and IMI Group has right to payment for performance completed to date including the related profit margin, in case of termination for reasons other than IMI Group's failure to perform as promised.

For goods manufactured not covered by customer purchase orders or firm delivery schedule, revenues are recognized at a point in time, when control of the asset is transferred to the customer, generally when goods are shipped or goods are received by the customer, depending on the corresponding agreement with the customer.

For consignment contracts, revenue is recognized over time as services are rendered since the customer simultaneously receives and consumes the benefits as IMI Group performs its obligation.

For R&D engineering services, revenue is recognized over time as the customer simultaneously receives and consumes the benefits provided by IMI Group's performance completed to date.

Revenue from optical bonding technology and metal mesh touch sensors (VIA and VTS)
Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which IMI Group expects to be entitled in exchange for those goods or services. IMI Group has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring to the customer.

For optical bonding services performed under the consignment model, revenue is recognized at a point in time based on the fact that the assets created have alternative use to IMI Group entities. This is when the enhancement process is finalized, the customer removes the enhanced products from the consignment stock and is invoiced, according to contract.

For the sale of products under the full-service model, revenue is recognized at a point in time when control of the products is transferred to the customers, generally on delivery of the products.

Non-recurring engineering services
Non-recurring engineering charges, tooling and other pre-production revenue stream (NREs) are recognized at a point in time since the criteria for overtime recognition is not met. This is based on the assessment that while, in general, IMI Group has no alternative use for these NREs, either due to customization or restrictions by the customer, there is no assurance or relevant experience that IMI has enforceable right to payment or can recover the cost, plus reasonable margin, in case of contract termination. Point in time revenue recognition for NREs would mean revenue is recognized upon customer acceptance of the NREs (transfer of control).

IMI Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., customer options that provide material rights to customers, warranties). In determining the transaction price, IMI Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration and consideration payable to the customer, if any.

Variable consideration
If the consideration in a contract includes a variable amount, IMI Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Warranty obligations
IMI Group provides warranties for general repairs of defects that existed at the time of sale. The warranties provided are customary per industry practice. These assurance-type warranties are accounted for under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets.*

IMI Group does not provide warranty beyond fixing defects that existed at the time of sale or outside of industry practice. After-sales repairs are arranged with customers separately and are accounted for as any other manufacturing service contract with customers.

ACEIC Group's Revenue from Contracts with Customers

Sale of electricity
Sale of electricity is consummated whenever the electricity generated by the ACEIC Group is transmitted through the transmission line designated by the buyer, for a consideration. Revenue from sale of electricity is based on sales price. Sales of electricity using bunker fuel are composed of generation fees from spot sales to the Wholesale Electricity Spot Market (WESM) and supply agreements with third parties and are recognized monthly based on the actual energy delivered.

Starting December 27, 2014, sales of electricity to the WESM using wind and solar are based on the feed-in tariff (FIT) rate under the feed-in tariff (FIT) System and are recognized monthly based on the actual energy delivered. Meanwhile, revenue from sale of electricity through ancillary services to the National Grid Corporation of the Philippines (NGCP) is recognized monthly based on the capacity scheduled and/or dispatched and provided. Revenue from sale of electricity through Retail Supply Contract is composed of generation charge from monthly energy supply with various contestable customers and is recognized monthly based on the actual energy delivered. The basic energy charges for each billing period are inclusive of generation charge and retail supply charge.

The ACEIC Group identified the sale of electricity (power generation, trading and ancillary services) where capacity and energy dispatched are separately identified, these two obligations are to be combined as one performance obligation since the customer can benefit from it in conjunction with other readily available resources and it is also distinct within the context of the contract. The performance obligation qualifies as a series of distinct services that are substantially the same and have the same pattern of transfer. The ACEIC Group concluded that the revenue should be recognized over time since the customers simultaneously receives and consumes the benefits as the ACEIC Group supplies electricity.

Retail supply also qualifies as a series of distinct services which is accounted for as one performance obligation since the delivery of energy every month is a distinct service which is recognized over time and have the same measure of progress.

For power generation and trading and retail supply, the ACEIC Group uses the actual kilowatt hours (kwh) dispatched which are also billed on a monthly basis.

For ancillary services, the ACEIC Group determined that the output method is the best method in measuring progress since actual energy is supplied to customers. The ACEIC Group recognizes revenue based on contracted and actual kwh dispatched which are billed on a monthly basis.

AC Industrials' Revenue from Contracts with Customers

AC Industrials primarily derives its revenue from sales of vehicles, parts and accessories and services. Revenue from contract with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. AC Industrials assesses its revenue arrangements against specific criteria in order to determine whether it is acting as principal or as an agent.

Revenue from sale of vehicles, parts and accessories
Revenue from sale of vehicles, parts and accessories is recognized at the point in time when the control of the asset is transferred to the customer. Payment terms on sales of vehicles ranges from 30 to 90 days. Revenue from sale of vehicles also includes revenue from the registration services provided. Revenue is measured at the fair value of the considerations received or receivable, net of sales returns and discounts, rebates and sale taxes.

Revenue from sale of service
Revenue from services and others include vehicle repairs, rustproofing, incentives from insurance and financing. Revenue from sales of services is recognized overtime and payment is generally due upon completion of the units and acceptance of the customer.

AC Industrials considers whether there are other promises in the contract that are separate performance obligation to which a portion of the transaction price needs to be allocated. In determining the transaction price of multiple performance obligation identified in one contract, allocation is based on relative stand-alone selling price of each of the promised goods or services.

A contract liability is the obligation to transfer goods or services to a customer for which the AC Industrials has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the transfer of goods or services to a customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when AC Industrials performs under the contract.

AC Industrials considers "Customers' deposits", which are presented under 'Other current liabilities' in the liabilities section of the consolidated statement of financial position as contract liabilities.

<u>Contract Balances</u>

Receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to obtain a contract
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the “Cost of sales” account in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

IMI Group pays sales commission to its employees for each contract that they obtain for bundled sales of equipment and installation services. IMI Group has elected to apply the optional practical expedient for costs to obtain a contract which allows IMI Group to immediately expense sales commissions (included under employee benefits and part of cost of sales) because the amortization period of the asset that IMI Group otherwise would have used is one year or less.

Amortization, derecognition and impairment of capitalized costs to obtain a contract
ALI Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within Cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, ALI Group determines whether there is an indication that cost to obtain a contract may be impaired. If such indication exists, ALI Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that ALI Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, ALI Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, their judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Assets and liabilities arising from rights of return

Right of return assets
Right of return asset represents the Group’s right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities
A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer.

The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Expenses
Expenses are recognized in the consolidated statement of income when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the consolidated statement of income: On the basis of a direct association between the costs incurred and the earning of specific items of income; On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset. Direct operating expenses and general and administrative expenses are recognized as they are incurred.

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in “Investment properties”, “Property, plant and equipment” and “Service concession assets” accounts in the consolidated statement of financial position). All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group’s weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion.

Pension Cost

Defined benefit plan
The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees’ projected salaries. Actuarial valuations are conducted with sufficient regularity, with the option to accelerate when significant changes to underlying assumptions occur.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Pension liabilities are the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net pension asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Defined contribution plan

IMI
IMI's subsidiaries in Singapore, China and Hong Kong, Czech Republic, Mexico, Germany, and UK participate in the respective national retirement schemes defined by the laws of the countries in which it has operations. These retirement schemes are considered as defined contribution plans. A defined contribution plan is a plan under which the subsidiary pays fixed contributions. Each subsidiary has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The required contributions to the national retirement schemes are recognized as retirement expense as accrued.

Termination benefit
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Income Tax

Current tax
Current tax assets and liabilities for the current and prior periods 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 as of reporting date. Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred income tax is provided, using the liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of MCIT and NOLCO can be utilized.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries, associates and interests in joint ventures. With respect to investments in foreign subsidiaries, associates and interests in joint ventures, deferred tax liabilities are recognized except where the timing of the reversal of the temporary difference can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred 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 as part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all as part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted as at the end of the reporting period. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged or credited to income for the period.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same authority.

For periods where the income tax holiday (ITH) is in effect, no deferred taxes are recognized in the consolidated financial statements as the ITH status of the subsidiary neither results in a deductible temporary difference nor temporary taxable difference. However, for temporary differences that are expected to reverse beyond the ITH, deferred taxes are recognized.

Government Grants
Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is initially recognized as a liability in the consolidated statement of financial position and recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to the acquisition or construction of a fixed asset, it is initially recognized as a liability in the consolidated statement of financial position and recognized as income in equal amounts over the period of depreciation of the related asset.

Foreign Currency Transactions
The functional and presentation currency of the Parent Company and its subsidiaries (except for AYCFL, ACIFL, PFIL, BHL, AIVPL and IMI), is the Philippine Peso (₱). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of income with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are recognized in the consolidated statement of comprehensive income until the disposal of the net investment, at which time they are recognized in the consolidated statement of income. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity.

The functional currency of AYCFL, ACIFL, PFIL, BHL, AIVPL and IMI is the US Dollar (US$). As of the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of the Parent Company (the Philippine Peso) at the closing rate as at the reporting date and their statement of income accounts are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognized in the consolidated statement of comprehensive income and reported as a separate component of equity as “Cumulative Translation Adjustments”. On disposal of a foreign entity, the deferred cumulative amount recognized in the consolidated statement of comprehensive income relating to that particular foreign operation shall be recognized in the consolidated statement of income.

Exchange differences arising from elimination of intragroup balances and intragroup transactions are recognized in profit or loss. As an exception, if the exchange differences arise from intragroup balances that, in substance, forms part of an entity’s net investment in a foreign operation, the exchange differences are not to be recognized in profit or loss but are recognized in OCI and accumulated in a separate component of equity until the disposal of the foreign operation. Where circumstances have changed such that the entity decides that the monetary item is planned or is likely to be settled in the foreseeable future and ceases to form part of the net investment in a foreign operation, exchange differences that arise after that date are recognized in profit or loss.

The Group’s share in the translation adjustments of associates and joint ventures are likewise included under the “Cumulative Translation Adjustments” account in the consolidated statement of comprehensive income.

Cash Dividend and Non-cash Dividend to Equity Holders of the Parent Company
The Parent Company recognizes a liability to make cash or non-cash distributions to equity holders of the Parent Company when the dividend is appropriately authorized, and the distribution is no longer at the discretion of the Group. A corresponding amount is recognized directly in equity.

For the non-cash dividend distribution, the liability is measured at the acquisition cost of the asset to be distributed. At Group level, the dividend is based on the Parent Company’s acquisition cost.

Share-based Payments
The Group has equity-settled, share-based compensation plans with its employees.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. In valuing equity-settled transactions, vesting conditions, including performance conditions, other than market conditions (conditions linked to share prices), shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions are taken into account in estimating the number of equity instruments that will ultimately vest. Fair value is determined by using the Binomial Tree and Black-Scholes model, further details of which are provided in Note 28 to the consolidated financial statements.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the awards (vesting date'). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income or expense for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see Note 26).

Employee share purchase plans
The Parent Company and certain subsidiaries have employee share purchase plans (ESOWN) which allow the grantees to purchase the Parent Company's and its respective subsidiaries' shares on installment payment plan. The Group recognizes stock compensation expense over the holding period. These are accounted for similar to the PFRS 2 options. Dividends paid on the awards that have vested are deducted from equity and those paid on awards that are unvested are charged to profit or loss. The Group treats its ESOWN plan as option exercisable within a given period. For the measurement of the fair value of options at the grant date, the Parent Company uses a Black-Scholes Merton Formula. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 28.

Earnings Per Share (EPS)
Basic EPS is computed by dividing net income attributable to common equity owners of the Parent Company by the weighted average number of common shares issued and outstanding during the year. The net income attributable to common equity owners of the Parent Company is net of dividends attributable to preferred equity holders.

Diluted EPS is computed by dividing net income attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all

the dilutive potential common shares. Calculation of diluted EPS considers the potential ordinary shares of subsidiaries, associates and joint ventures that have dilutive effect on the basic EPS of the Parent Company. The calculation of diluted EPS does not assume conversion, exercise or other issue of potential common shares that would have an antidilutive effect on earnings per share. Basic and diluted EPS are adjusted to give retroactive effect to any stock dividends declared during the period.

Operating Segments
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 and serves different markets. Financial information on operating segments is presented in Note 29 to the consolidated financial statements.

Contingencies
Contingent liabilities are not recognized in the consolidated 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 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 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 consolidated financial statements when material.

4. Significant Accounting Judgments, Assumptions 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 accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments

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:

Revenue from Contracts with Customers
The Group applied the following judgments that significantly affect the identification of a contract, determination of the performance obligation and amount as well as timing of revenue from contracts with customers.

ALI Group

Existence of a contract
ALI Group's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other duly executed and signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of ALI Group before revenue recognition is to assess the probability that ALI Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an

amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Revenue recognition method and measure of progress
ALI Group concluded that revenue for real estate sales is to be recognized over time because: (a) ALI Group's performance does not create an asset with an alternative use; and (b) ALI Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on ALI Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, ALI Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to ALI Group. ALI Group considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

ALI Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts ALI Group's performance in transferring control of real estate development to the customers.

Determining transaction price of sale of real estate
ALI Group determines whether a contract contains a significant financing component on an individual real estate contract by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate (EIR). ALI Group applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. For every individual real estate contracts, the ALI Group determines whether its transaction price on sale of real estate recognized over time include a significant financing component based on defined qualitative and quantitative metrics.

Effective January 1, 2024, ALI Group adopted the PIC Q&A No. 2018-12. ALI Group followed the allowed modified retrospective approach allowing it to adjust the beginning balance of equity in 2024. The adjustment on the 2024 beginning balance of equity, combined effect of retained earnings and noncontrolling interest, is an increase of ₱1,348.79 billion. As at December 31, 2025, and 2024, ALI Group assessed that the overall impact of the requirement of PIC Q&A No. 2018 12 pertaining to significant financing component is not material to the consolidated financial statements.

IMI Group

Identifying contracts with customers
Generally, a valid and approved manufacturing service agreement (MSA), scheduling agreement (SA), customer accepted quote, customer forecast, and/or customer purchase order or firm delivery schedule will be in place before IMI Group provides services or manufacture goods for the customers. IMI Group is not obligated to transfer any goods or provide services until the customer submits a purchase order or firm delivery schedule under the MSA or SA, respectively. The purchase order or firm delivery schedule creates the enforceable rights and obligations and is therefore evaluated together with the MSA or SA for revenue recognition in accordance with PFRS 15.

Determining the timing of revenue recognition
IMI Group assessed that revenue from manufacturing of goods shall be recognized over time or point in time. For turnkey contracts wherein the products created have no alternative use to IMI Group and IMI Group has right to payment for performance completed to date including the related profit margin, in case of termination for reasons other than IMI Group's failure to perform as promised, revenue is recognized over time. For goods manufactured not covered by customer purchase orders or firm delivery schedule, revenues are recognized at a point in time. For consignment contracts, revenue is recognized over time as services are rendered since the customer simultaneously receives and consumes the benefits as IMI Group performs.

Determining the method to measure progress for revenue recognized over time
IMI Group measures progress towards complete satisfaction of the performance obligation using an input method (i.e., costs incurred). Management believes that this method provides a faithful depiction of the transfer of goods or services to the customer because IMI Group provides integration service to produce a combined output and each item in the combined output may not transfer an equal amount of value to the customer.

ACEIC Group

Determination of transaction price from sale of electricity for feed-in-tariff plants
ACEIC Group exercised significant judgment in determining the appropriate Feed In Tariff (FIT) rates to use in recognizing revenue from its FIT eligible renewable energy plants for the years 2021 to 2025.

On November 26, 2025, the Energy Regulatory Commission (ERC) issued Resolution No. 28, Series of 2025 (the"November 2025 Resolution") approving the 2021-2025 Adjusted Approved FIT rates (the "2021–2025 AARs") in the Philippines. The 2021-2025 AARs in the November 2025 Resolution by the ERC showed material inconsistencies in the calculation method applied, in particular, the application of Consumer Price Index series for the base and index which resulted to lower FIT rates, when compared to the FIT rates calculated by the National Transmission Corporation ("TransCo"). TransCo and the various renewable energy industry associations sought clarifications from the ERC on these inconsistencies. As of December 31, 2025, the ERC has not issued a final resolution to the request for clarifications.

On February 27, 2026, ERC issued an advisory which provided clarifications and revisions to its November 2025 Resolution (the "Advisory"). The Advisory provided an updated 2021-2025 AARs that were computed consistent with TransCo's calculation methodology.

In determining the appropriate transaction price in accordance with PFRS 15, *Revenue from Contracts with Customers*, management evaluated whether the revised and clarified 2021–2025 AARs represent consideration to which the Group is highly probable to be entitled, taking into account the risk of significant reversal of revenue. Following the issuance of the ERC Advisory dated February 27, 2026, management concluded that the revised FIT rates are internally consistent, largely aligned with TransCo's computed rates, and no longer subject to significant regulatory uncertainty.

The ERC Advisory was further assessed in accordance with PAS 10, *Events after the Reporting Period*, to determine whether it represents an adjusting or non-adjusting event. Management concluded that the Advisory constitutes an adjusting event after the reporting period as it provides additional evidence of conditions that existed as at December 31, 2025. The underlying condition giving rise to the uncertainty—the inconsistency in the computation methodology of the 2021–2025 AARs—was already present at the reporting date. The Advisory did not introduce new FIT rates nor a new regulatory framework, but rather revised and clarified the existing resolution by correcting computational errors and confirming the intended methodology.

Measurement of feed-in-tariff receivables and estimation of collection period
The FIT receivables represent the differential between the Original Approved FIT Rates and the 2020 AARs used for revenue recognition. The ACEIC Group exercised judgment in assessing both the recoverability and timing of cash flows associated with these receivables.

These receivables are measured at amortized cost using the effective interest rate method in accordance with PFRS 9, *Financial Instruments*. In determining the expected timing of recovery, management considered historical FIT All collections, TransCo's petition filings, and the indicative impact of the pending ERC review of the 2021–2025 AARs. Based on the latest available information as of December 31, 2025, the ACEIC Group revised its estimate of the collection period from 4.5 years to 5 years. This revision constitutes a change in accounting estimate, applied prospectively, and resulted in an adjustment to the carrying amount of the receivables and the related deferred tax assets.

ACEIC Group believes that the revised 5-year recovery period represents the best estimate of the timing of future cash flows as of the reporting date.

Vietnam Receivables
In March 2025, Vietnam Electricity (EVN) applied a reduced tariff to the January 2025 and subsequent invoices, despite previous invoices being based on the original Feed-in Tariff (FIT). No formal guidance or justification has been issued by the Ministry of Industry and Trade (MOIT), Prime Minister's Office, or other authorities regarding the application of the reduced tariff, other than meetings held by the Government of Vietnam with renewable energy (RE) investors where the matter of belated issuance of Completion Certificate Acceptance for RE projects was raised as an issue.

In late June 2025, The Deputy Prime Minister tasked the MOIT to review FIT eligibility for each project, including legal and financial implications of EVN's temporary FIT payment and claw back options.

These developments have resulted in delays in collection of outstanding receivables for certain solar projects in which the ACEIC Group holds equity interest.

In September 2025, EVN advised MOIT to base FIT eligibility on the original COD, treating missing CCAs as an administrative issue rather than grounds for reducing FIT. By December, the government issued a draft resolution directing MOIT to resolve legal and procedural barriers for FIT-priced projects and negotiate with investors to avoid disputes. With an interim MOIT Minister and expected leadership changes after the elections, the CCA issue and restoration of full FIT payments may be settled in 2026.

As of December 31, 2025, ACEIC Group's management is in the position that the outcome of the current situation in Vietnam is expected to be resolved in a way that protects investor interests.

Impairment of UPC Wind Projects
In 2025, UPC Wind Projects, comprising Lac Hoa (30MW) and Hoa Dong (30MW) wind farm projects, reached an agreement with EVN on the final tariff of the project amounting to VND1,579/kWh, which is higher than the provisional tariff of VND 793/kWh applied when operations commenced in Q1 2024.

Both projects had missed the Feed-in Tariff (FIT) deadline in October 2021 due to pandemic-related delays and inspection issues, causing Commercial Operation Date (COD) recognition in December 2023 and operation started in early 2024 with a provisional Power Purchase Agreement (PPA).

In July 2025, both Lac Hoa and Hoa Dong projects signed their respective final PPA with a retroactive application of final tariff from the start of operations.

ACEIC Group identified impairment indicators for the UPC Wind Projects, including the lower final tariff relative to the investment case, operational delays, and updated assumptions such as increased maintenance and insurance costs.

As a result, for the year ended December 31, 2025, ACEIC Group recorded additional allowance for expected credit losses for its Vietnam Projects amounting to US$69.69 million (₱3,950.45 million). As of December 31, 2025, total allowance for expected credit losses amounted to US$126.11 million (₱7,414.23 million) (see Notes 7 and 22). Post allowance, the carrying value of instruments related to UPC Wind Projects amounts to US$79.70 million (₱4,685.52 million).

Classification of Notes Receivables
ACEIC Group assessed its affiliated subordinated indebtedness (ASI) with GNPower Kauswagan Ltd. Co. (GNPK), which is presented as notes receivables in the consolidated statements of financial position, and receivable from PPLC arising from the ACEIC Group's divestment of KPHLC which will be collected on a deferred basis. Management assessed that these assets qualify as debt instruments. These are held by ACEIC Group within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset gives rise on specified dates to cash flows which are reflective of basic lending arrangements.

Sale of Real Estate Receivables
ALI Group has entered into arrangements with banks wherein it discounted its real estate receivables without recourse. ALI Group believes that the sales transactions are not more than infrequent and that the receivables discounted is insignificant in value both individually and in aggregate. Accordingly, ALI Group continues to present trade receivables at amortized cost as it remains to hold trade receivables with the objective of collecting contractual cash flows until maturity.

Provision for Expected Credit Losses
The Group applied the following judgments that significantly affect its assessment of expected credit losses for its financial assets:

Definition of default and credit-impaired financial assets
ALI Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criterion – for residential, commercial and office development receivables, the customer received a notice of cancellation and does not continue the payments.

Qualitative criteria – the customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

a. The customer is experiencing financial difficulty or is insolvent;
b. The customer is in breach of financial covenant(s);
c. An active market for that financial asset has disappeared because of financial difficulties;
d. Concessions have been granted by ALI Group, for economic or contractual reasons relating to the customer's financial difficulty (e.g. Bayanihan Acts I and II considerations); or
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization.

The criteria above have been applied to the financial instruments held by ALI Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout ALI Group's expected loss calculation.

Incorporation of forward-looking information
ALI Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, ALI Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on ALI Group's evaluation and assessment and after taking into consideration external actual and forecast information, ALI Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by ALI Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, ALI Group carries out stress-testing of more extreme shocks to calibrate its determination of these other representative scenarios.

ALI Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Significant increase in credit risk
The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors.

The Group's cash in bank and cash equivalents and short-term investments are graded in the top investment category by globally recognized credit rating agencies such as S&P, Moody's and Fitch and, therefore, 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 these credit rating agencies both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

Distinction of Land between Real Estate Inventories and Investment Properties
ALI Group determines whether a property will be classified as real estate inventories or investment properties. In making this judgment, ALI Group considers whether the property will be sold in the normal operating cycle (real estate inventories) and even if the real estate inventories are leased out, the classification remains on the condition that the intent to sell remains. All other properties that are not yet determined to be sold in the normal operating cycle are classified as investment properties.

Investments in Subsidiaries, Associates and Joint Ventures
The Group determined that it has control over its subsidiaries (see Note 2) by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. The following were also considered:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual agreements; and
- The Group's voting rights and potential voting rights.

Consolidation of entities in which the Group holds only 50% or less than majority of voting rights
The Group considers that it controls certain entities even though it owns 50% or less than majority of the voting rights. Control is achieved when exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee.

The Group determined that it exercises significant influence over its associates (see Note 10) by considering, among others, its ownership interest, board representation and participation on board sub-committees, and other contractual terms.

The Group's investments in joint ventures (see Note 10) are structured in separate incorporated entities. Even though the Group holds various percentages of ownership interest on these arrangements, their respective joint arrangement agreements require unanimous consent from all parties to the agreement for the relevant activities identified. 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.

The Group considers an associate and a joint venture as a material interest if its net assets exceed 5% of the total consolidated net assets of the Group as of reporting period and considers the relevance of the nature of activities of the investee compared to other operations of the Group.

Non-controlling Interests
The Group considers a subsidiary as a subsidiary with material NCI if the net assets attributable to NCI exceed 5% of the total consolidated net assets of the subsidiary as of reporting period and considers the relevance of the nature of activities of the investee compared to other operations of the Group. There are no significant restrictions on the Parent Company's ability to use assets and settle liabilities of the Group.

Product Development Costs
Expenditure for the development of new products or production systems are recognized as intangible assets if such expenditures, with a high degree of certainty, will result in future economic benefits for the Group. The rules require stringent criteria to be met for these development expenditures to be recognized as assets such as determining technical feasibility of completing the intangible asset. Management assessed that it is able to meet the identifiability and separability criteria provided in PAS 38, *Intangible Assets,* on the premise that the projects involved are in separate locations from other existing lines and that each project arises from a contractual right between the Group and each customer. Moreover, management is able to demonstrate that the projects are in the advanced stage of development.

Property Acquisitions and Business Combinations
The Group acquires subsidiaries that own real estate properties. At the time of acquisition, the Group considers whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made with regard to the extent to which significant processes are acquired and, in particular, the extent of ancillary services provided by the Group (e.g., maintenance, cleaning, security, bookkeeping, hotel services, etc.). The significance of any process is judged with reference to the guidance in PAS 40 on ancillary services.

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

Accounting for Business Combination
Where an asset is acquired through the acquisition of corporate interests, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents an acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the asset. Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Otherwise, corporate acquisitions are accounted for as business combinations. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any resulting gain or loss is included under "Remeasurement gains" in the consolidated statement of income. For previously held equity interest designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition, cumulative gains and losses at the acquisition date are reclassified to retained earnings.

The acquisitions of the Group were accounted for as business combinations (see Note 23).

Contingencies
The Group is currently involved in various legal proceedings in the ordinary conduct of business. The estimate of the probable costs for the resolution of these claims has been developed in consultation with internal and external counsel handling the defense in these matters and is based upon an analysis of potential results.

The Group currently does not believe that these proceedings will have a material adverse effect on the consolidated financial statements (see Note 36).

Recognition of Deferred Tax Liabilities on Taxable Temporary Differences Arising from Investments in Foreign Subsidiaries, Associates and Joint Ventures
The Group did not recognize deferred tax liabilities on the taxable temporary differences arising from undistributed earnings, cumulative translation adjustment and OCI accounts of its foreign subsidiaries, associates and joint ventures since management believes that the timing of the reversal of these taxable temporary differences can be controlled by the Group and management does not expect reversal of these taxable temporary differences in the foreseeable future.

Determination of Lease Term of Contracts with Renewal and Termination Options – Group as a Lessee
ALI Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

ALI Group has several lease contracts that include extension and termination options. ALI Group applies judgment in evaluating whether the provisions to renew or terminate the lease are enforceable. For leases where ALI Group has the unilateral option to renew or terminate, it then applies judgment on whether it is reasonably certain or not to exercise the option. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, ALI Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Determining Taxable Profit (Tax Loss), Tax bases, Unused Tax Losses, Unused Tax Credits and Tax Rates

IMI Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable profits. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The amount of such provisions is based on various factors, such as experience on previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile of the entities within the Group.

Management's Use of Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Purchase Price Allocation and Goodwill

The Group made several acquisitions accounted for using the acquisition method, including initial recognition of retained interest of investment in associates, which require extensive use of accounting estimates and judgments to allocate the purchase price to the fair values of the acquiree's identifiable assets and liabilities at acquisition date. It also requires the acquirer to recognize gain on bargain purchase or goodwill. The Group's acquisitions have resulted in gain on bargain purchase and goodwill (see Note 23).

The Group determined the fair value of the net assets of the investee companies for the finalization of the purchase price allocation.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for NCI, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred; the Group re-assesses whether it has correctly identified all the assets acquired, and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Fair Value Measurement of Retained Interests
In the determination of fair value of the retained interest in its acquisition, management determined the appropriate techniques and inputs for fair value measurements. The remeasurement gain was calculated on a preliminary basis using the transaction price or fair value to establish the fair value of retained interests (see Notes 2 and 23).

Revenue Recognition on Real Estate Projects
ALI Group's revenue from real estate is recognized based on the percentage of completion and are measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by management's specialists (project engineers).

Following the pattern of real estate revenue recognition, the cost to obtain contract (e.g. commission), is determined using the percentage-of-completion. To determine the cost of sales, the percentage of completion is applied to the standard cost which is regularly reviewed and adjusted to actual cost.

Estimation of Significant Financing Component
ALI Group's estimation of transaction price allocated to financing component makes use of estimates and assumptions that may affect the estimated amount of financing component. The financing component calculation prepared by management, which covers the calculation on whether the financing component of the ALI Group's contract with customers is significant, is based on various inputs such as transaction price, cash discount, payment scheme, payment amortization table, discount rate, percentage of completion to the contract provision and projected percentage of completion schedule.

In 2025 and 2024, ALI Group has assessed the impact of the financing component on revenue contracts is not material to the consolidated financial statements

Provision for Expected Credit Losses of Trade Receivables and Contract Assets
ALI Group uses a provision matrix to calculate ECLs for trade receivables other than the residential, commercial and office development receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on ALI Group's historical observed default rates. ALI Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation rate and Gross Domestic Product (GDP) growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ALI Group uses vintage analysis approach to calculate ECLs for residential, commercial and office development receivables. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. ALI Group's historical

credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

For the other subsidiaries' trade receivables and contract assets, the Group uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The review considered the macroeconomic outlook, client and customer/borrower credit quality, the type of collateral held, exposure at default and the effect of payment deferral options as at the reporting date.

Although lifetime expected credit losses are determined collectively, trade receivables and contract assets are also assessed individually based on default or delinquencies and possibility of financial difficulties or possibility of bankruptcy of the customers.

Further details on trace receivables and ECLs are provided in Notes 7 and 32.

Evaluation of Net Realizable Value of Inventories
Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories estimated selling price in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV.

For real estate inventories, ALI Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the real estate inventories. In determining the recoverability of the inventories and land and improvements, management considers whether those inventories are damaged or if their selling prices have declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased.

NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. In the event that NRV is lower than the cost, the decline is recognized as an expense. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

Further details on inventories are provided in Note 8.

Evaluation of Impairment of Nonfinancial Assets
The Group reviews investments in associates and joint ventures, investment properties, property, plant and equipment, right-of-use assets, service concession assets, goodwill and intangible assets for impairment of value. Impairment for goodwill and intangible assets with indefinite life are assessed at least annually. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or

physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

The Group estimates the recoverable amount as the higher of the fair value less costs to sell and value in use. For investments in associates and joint ventures, fair value less costs to sell pertain to quoted prices (listed equities) and to fair values determined using discounted cash flows or other valuation technique such as multiples. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect investments in associates and joint ventures, investment properties, plant, property, and equipment, right-of-use assets, service concession assets and intangible assets.

For goodwill, this requires an estimation of the recoverable amount which is the fair value less costs to sell or value in use of the cash-generating units to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the future cash flows for the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of cash flows.

The Group has recognized impairment loss on its investment in associates and joint ventures amounted to ₱1,467.0 million, ₱8,140.1 million and ₱949.9 million in 2025, 2024 and 2023, respectively (see Note 22).

Recoverable amounts of investments in associates and joint ventures that have been recognized impairment losses recognized in 2025 and 2024 were based on its value in use with discount rates of 9.23% to 10.08% and 7.60% to 14.52%, respectively, and long-term growth rates of 2% and 1% to 11%, respectively.

Further details on investments in associates and joint ventures, investment properties, property, plant and equipment, goodwill and intangible assets and right-of-use assets are provided in Notes 10, 11, 12,13, 14 and 30, respectively.

Determining the Fair Value of Investment Properties
The Group discloses the fair values of its investment properties. The Group engaged independent valuation specialists to assess fair value as at December 31, 2025 and 2024. The Group's investment properties consist of land and building pertaining to land properties, retail (malls) and office properties. These were valued by reference to market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Further details on investment properties assets are provided in Note 11.

Recognition of Deferred Tax Assets
The Group reviews the carrying amounts of deferred income taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable income to allow all or part of deferred tax assets to be utilized. The Group looks at its projected financial performance in assessing the sufficiency of future taxable income.

Further details on deferred tax assets are provided in Note 25.

Share-based Payments
The expected life of the options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of stock of the Parent Company and certain subsidiaries.

Further details on the share-based payments recognized by the Group are provided in Note 28.

Defined Benefit Plans (Pension Benefits)
The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

Further details about the assumptions used are provided in Note 27.

Fair value of Financial Instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position or disclosed in the notes to the consolidated financial statements cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation.

Further details about the fair value of financial instruments are provided in Note 33.

Valuation of ASI loan and PPLC receivables
Subsequent to initial recognition, management revises its estimates of receipts of future cashflow from the ASI loan and PPLC receivables based on the distributable proceeds from GNPK and GNPD which is based on the priority payment waterfall provision of the divestment agreement and the management prepared forecast of future cashflows. Management has also exercised judgments in estimating the maturity dates of these assets when full collection will be made based on the terms and conditions of the assets.

In 2025, ACEIC Group recognized provision for impairment loss on receivables from PPLC amounting to ₱4,437.01 million (US$75.60 million) (see Notes 7 and 22).

Fair Value Measurement of Receivables
In the determination of fair value of receivable from PPLC and the retained interest in KPHLC, management determined the appropriate techniques and inputs for fair value measurements. Management estimates the amount and timing of the future cash inflows based on the distributable proceeds that will be received by PPLC from GNPK and GN Power Dinginin Ltd. Co. (GNPD) which is based on the priority payment waterfall provisions of the divestment agreement. A discount rate is applied to the cash flow projections to establish the net present value of the receivables and retained interests.

Likewise, in the determination of the EIR of the ASI loan, management estimates the amount and timing of the future cash inflows based on the distributable proceeds of GNPK.

Leases - Estimating the Incremental Borrowing Rate (IBR)
The Group uses its incremental borrowing rate to measure liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the

subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Refer to Note 30 for the balance of the lease liabilities.

5. Cash and Cash Equivalents

This account consists of the following:

	2025	2024
	(In Thousands)	
Cash on hand and in banks (Note 32)	**₱23,866,890**	₱26,849,019
Cash equivalents (Note 32)	**43,034,927**	48,652,717
	₱66,901,817	₱75,501,736

Cash in banks earns 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 and earn interest at the prevailing short-term rates.

Foreign currency-denominated cash and cash equivalents amounted to ₱25,644.52 million and ₱29,180.3 million as of December 31, 2025 and 2024, respectively (see Note 32).

Interest income earned from cash in banks and cash equivalents amounted to ₱659.06 million, ₱951.5 million and ₱1,354.3 million in 2025, 2024, and 2023, respectively (see Note 22).

6. Short-term Investments

Short-term investments pertain to money market placements made for varying periods of more than three months but less than one year and earn interest ranging from 0.25% to 6.25% per annum in 2025 and 2024.

As of December 31, 2025 and 2024, the Group's short-term investments amounted to ₱403.5 million and ₱723.6 million, respectively. Interest income arising from these investments amounted to ₱2,176.1 million, ₱2,102.1 million and ₱1,702.2 million in 2025, 2024, and 2023, respectively (see Note 22).

7. Accounts and Notes Receivable

This account consists of the following:

	2025	2024
	(In Thousands)	
Trade:		
Real estate and hotels	**₱190,949,572**	₱163,974,220
Industrial technologies	**12,923,181**	13,463,413
Power	**6,690,165**	7,374,170
International and others	**4,133,011**	2,665,715
Logistics	**3,147,606**	3,457,096
Automotive	**2,368,995**	3,063,685
Outsourcing	**452,191**	580,387
Receivable from related parties (Note 31)	**904,529**	770,987

(Forward)

	2025	2024
	(In Thousands)	
Nontrade:		
Receivable from related parties (Note 31)	**₱42,717,878**	₱37,668,909
Advances to other companies	**41,652,590**	32,263,200
Receivable from PPLC (Note 24)	**35,915,090**	29,445,220
Accrued interest receivable	**17,672,083**	18,669,490
Receivable from officers and employees	**2,866,647**	2,080,208
Dividend receivables (Note 31)	**1,227,657**	761,517
Others (Note 31)	**4,985,597**	2,213,682
	368,606,792	318,451,899
Less allowance for expected credit losses	**17,813,085**	9,028,398
	350,793,707	309,423,501
Less noncurrent portion	**186,472,718**	151,065,379
	₱164,320,989	₱158,358,122

The classes of trade receivables of the Group are as follows:

Real estate and hotels
Real estate receivables consist of:

- Residential, commercial and office development – pertain to receivables from the sale of high-end, upper middle-income and affordable residential lots and units; economic and socialized housing units and sale of commercial lots; sale of office units; and leisure community developments.
- Corporate business - pertain to lease receivables from office and factory buildings and receivables from sale of industrial lots
- Shopping centers - pertain to lease receivables from retail spaces
- Construction contracts - pertain to receivables from third party construction projects
- Management fees - pertain to receivables from facilities management services
- Others - pertain to receivables from hotel operations and other support services

Residential, commercial and office development receivables are collectible in monthly installments over a period of one (1) to ten (10) years. These are carried at amortized cost using the prevailing market rates. Titles to real estate properties are transferred to the buyers only once full payment has been made.

Receivables from corporate business, construction contracts, shopping centers and management fees are collectible based on various terms of payments either monthly or quarterly upon billing.

ALI Group sold residential receivables on a without recourse basis to partner mortgage banks, which include Bank of the Philippine Islands, a related party, totaling ₱12,703.7 million in 2025 and ₱14,782.2 million in 2024. These were sold at a discount with total proceeds of ₱11,376.9 million and ₱13,076.3 million, respectively. ALI Group recognized loss on sale (under “Other expenses”) amounting to ₱1,326.7 million and ₱1,705.9 million in 2025 and 2024, respectively (see Note 22).

Interest Income from real estate amounted to nil in 2025 and 2024 and ₱5,359.5 million in 2023 (see Note 21).

Industrial technologies
Pertain to receivables arising from manufacturing and other related services for electronic products and components and have credit terms averaging 70 days from invoice date.

Power
Power generation receivables pertain to ACEIC Group’s receivable from Independent Electricity Market Operator of the Philippines, National Grid Corporation of the Philippines (NGCP), National

Transmission Corporation (TransCo) for the FIT and from the Group's bilateral customers. Significant portion of outstanding balance pertains to receivables from MERALCO Baseload, Mid-Merit PSAs and FIT system adjustments. It consists of both noninterest-bearing and interest-bearing receivables. The term is generally 30 to 60 days.

Noncurrent trade receivables which consist of refundable amount from Philippine Electric Market Corporation (PEMC) and FIT system adjustments that are expected to be realized beyond 12 months after end of reporting period. FIT system adjustments are discounted using the PHP BVAL Reference rates - government securities with imputed credit spread of from 0.18% - 0.20% on top of the BVAL, based on the annual credit spread of 10-12bps was used to compute for the discounted net receivable as of December 2025. The PHP credit spread was derived as the difference between comparable government-owned and controlled companies' rate less risk-free rate.

Logistics
Pertain to AC Logistics' Group trade receivables which are noninterest-bearing and are generally 30 to 120 days' terms.

Automotive
Automotive receivables relate to sale of passenger cars, motorcycles and commercial vehicles and are collectible within 30 to 90 days from date of sale.

International and others
International and other receivables arose from investments in overseas property companies and projects, charter services, agri-business and others and are generally on 30- to 60- day terms.

Outsourcing
Outsourcing receivables arise from venture capital for technology businesses; provision of value-added content for wireless services, online business-to-business and business-to-consumer services; electronic commerce; technology infrastructure sales and technology services; and onshore- and offshore-outsourcing services and are normally collected within 30- to 60- days from invoice date.

The nature of the nontrade receivables of the Group follows:

Advances to other companies

ALI
Advances to other companies includes ALI's advances to joint venture partners that have been made in consideration of project costs and purchases of land that are still subject to completion. The advances are noninterest-bearing and are liquidated when the proceeds from the sale of the related projects are applied. These advances to other companies are collectible over a fixed term or on demand. As of December 31, 2025 and 2024, ALI's advances to other companies amounted to ₱25,918.6 million and ₱17,383.5 million, respectively.

Advances to other companies also include receivables from MRT Development Corporation (MRTDC) shareholders which pertains to interest-bearing advances made by North Triangle Depot Commercial Corporation (NTDCC) to MRTDC equivalent to the Pre-2006 Development Rights Payment (DRP) Payables and the Residual Depot DRP which is due more than one year, in relation to the funding and repayment agreement. On December 17, 2014, NTDCC and MRTDC shareholders executed a "funding and repayment agreement" wherein the latter agrees to repay NTDCC, for the account of MRTDC, its respective pro rata share in the Total Depot DRP Advances (the Pre-2006 DRP Payables and the Residual Depot DRP, including 15% interest rate accrued on such DRP payables). Commencing on January 1, 2015, the MRTDC Shareholders shall effect the repayment of their respective pro rata share in the Total Depot DRP Payables, through a set-off against their respective share in the commercial center royalties to be received from ALI Group. Set off shall be effective as of the beginning of every calendar month, commencing January 30, 2015 and shall result in the settlement of the portion of the Total DRP Payables to the extent of the amount of the commercial center royalties then the balance will fall due to the relevant MRTDC Shareholders. As of

December 31, 2025 and 2024, receivables including interest from MRTDC shareholders amounted to ₱274.2 million and ₱238.8 million, respectively.

AC Industrials
In 2019, AC Industrials extended a loan to Roadworthy Cars, Inc. (RCI) amounting to ₱1,605.0 million at an effective interest rate of 7.68% per annum. Nominal interest for the covering period of 10 years shall accrue beginning April 1, 2022 and shall be paid by RCI beginning on the second anniversary of the commencement of business of KPMC. For the succeeding years until the repayment date, interest on the principal amount of the loan shall accrue with respect to the outstanding amount of the loan.

On December 17, 2024, AC Industrials and RCI executed a Share Purchase Agreement (SPA) for the sale of the 105,000 Preferred A shares of RCI in KP Motors Corporation (KPMC) amounting to ₱2,315.5 million to AC Industrials which shall be executed in tranches from December 2024 until December 2028.

Pursuant to the SPA, on December 17, 2024, AC Industrials and RCI signed a Deed of Absolute Sale for the sale of RCI's 18,900 Preferred A Shares amounting to ₱416.8 million to ACI. On the same date, an Irrevocable Proxy and Declaration of Trust over the 105,000 RCI shares in KPMC were executed. The proceeds from the sale of KPMC shares shall be applied in tranches of the same amount to the outstanding receivable from RCI from December 2024 until December 2028.

The remaining 86,100 Preferred A shares of RCI in KPMC shall be covered by separate Deeds of Absolute Sales to be executed from 2025 until 2028.

Loans receivable from RCI amounted to ₱1,898.7 million as of December 31, 2025 and 2024. The ₱104.0 million provision for expected credit losses provided in 2022 was reversed in 2024.

ACEIC
On December 22, 2020, ACEIC signed the Affiliated Subordinated Indebtedness (ASI) agreement with GN Power Kauswagan Ltd. Co. (GNPK) for US$200.0 million (₱9,607.2 million). The ASI loan is subject to interest rate compounding semi-annually ranging from 5.00% to 12.50% which shall accrue starting January 1, 2021. The maturity date of the loan is the later of the (1) the final maturity date of the GNPK Senior Loans (due 2031); and (2) the full payment on, and redemption of full interest of a partner in GNPK and in GNPK's Parent Company, KPHLC under the limited partnership agreements. GNPK's payment of the interest on the ASI loan and the principal shall follow the repayment waterfall stipulation in the ASI loan agreement. Any unpaid interest shall accrue interest (see Note 31)

Interest income from ASI loan amounted to ₱1,968.6 million and ₱1,375.4 million for the years ended December 31, 2025, and 2024. Outstanding receivable amounted to ₱11,761.0 million and ₱11,602.8 million as of December 31, 2025, and 2024, respectively.

Advances to other companies also include outstanding receivables from UPC-AC Energy Solar Limited (UPC-ACE Solar) amounted to ₱2,074.29 million and ₱1,378.10 million as of December 31, 2025 and 2024, respectively. In 2024, ACEIC Group recognized additional allowance for impairment loss in development loan to UPC-AC Energy Solar Limited (UPC-ACE Solar) for its principal and interest amounting to US$1.0 million (₱55.9 million) and US$1.8 million (₱103.4 million) respectively. Allowance for expected credit losses on accrued interest receivable of investment in convertible loan to Vietnam Wind Energy Limited (Vietnam Wind) amounted to US$15.6 million (₱1,053.9 million). Allowance provided to other receivables amounted to ₱6.3 million. In 2023, ACEIC Group recognized allowance for impairment loss in development loan to UPC-AC Energy Solar Limited (UPC-ACE Solar) for its principal and interest amounting US$13.98 million (₱812.6 million) and US$6.1 million (₱327.6 million) respectively. Net reversals of other credit losses amounted to ₱15.5 million in 2023.

Receivable from related parties
The terms and conditions of receivable from related parties are disclosed in Note 31.

Receivables from PPLC
On March 5, 2021, ACEIC, PPLC and certain of their affiliated companies, signed a Divestment Agreement for the transfer by ACEIC of its indirect ownership interest in GNPK in favor of PPLC and its affiliates. The transfer was implemented in tranches with the purchase price to be paid on a deferred basis. On September 30, 2021, after all conditions precedent have been met, ACEIC executed the divestment. The receivables from PPLC and affiliates arising from the first tranche sale amounted to ₱9,638.6 million. The receivable from PPLC is subject to interest rate compounding semi-annually ranging from 5.00% to 12.50%. The maturity date of the loan is December 31, 2031. The amount and timing of collection is based on the priority payment waterfall provisions of the divestment agreement. Any unpaid interest shall accrue interest.

On June 30, 2023, the sale of 100% interest in ACE (BVI) D, Inc., ACE (BVI F, Inc. and ACE (BVI) T, Inc. and 88.38% interest in ACE (BVI) PHILCO Corp. to PPLC and subsidiaries, equivalent to 47.1% (55% of the 85.7%) interest in GNPK (second tranche sale) was completed. The completion of the second tranche sale resulted in a gain of ₱1,261.91 million for the year ended December 31, 2023, which is presented under “Other income” in the consolidated statement of income. Total proceeds for the second tranche sale amounted to ₱13,898.5 million and was included as part of Receivable from PPLC. As of June 30, 2023, the Parent Company, through ACEIC has fully divested its interest in GNPK.

On September 19, 2024, ACEIC Group received payment amounting to US$20.25 million (₱1,134.44 million). Interest income of US$113.28 million (₱6,598.10 million) and US$51.38 million (2,950.36 million) in 2025 and 2024, respectively, is reported under “Accrued interest receivable” account. As of December 31, 2025, and 2024, the outstanding interest amounted to US$179.28 million (₱10,539.74 million) and US$97.66 million (₱5,648.95 million), respectively.

In January 2025, ACEIC adopted a new approach to calculate the receivables from PPLC and ASI Loans whereby probability of collection is considered:

1. Effective interest rate (EIR) is kept constant i.e., 2023 rates
2. Updated cash flows are discounted at the same rate as the EIR
3. Receivables are adjusted to reflect item 2 above

For the year ended December 31, 2025, ACEIC group recognized additional allowance for expected credit loss amounting to ₱4,437.01 million (US$75.60 million) on receivable from PPLC (see Note 22).

Accrued interest receivable
This account represents ACEIC Group’s interest receivable pertaining to redeemable preferred shares, convertible loans, bridge financing, development loans and certain trade accounts with related parties and other third parties (see Note 31).

Others
Receivable from sale of interest in MWC amounting to ₱3,475.1 million and ₱5,953.8 million as of December 31, 2025 and 2024, respectively.

Movements in the allowance for expected credit losses are as follows (amounts in thousands):

	2025					
	Real Estate and Hotels	**Industrial Technologies**	**Power**	**Outsourcing**	**Automotive and Others**	**Total**
At January 1	**₱3,014,523**	**₱90,908**	**₱2,528,374**	**₱63,339**	**₱3,331,254**	**₱9,028,398**
Provisions during the year (Note 22)	**602,478**	**72,358**	**8,527,634**	**29,598**	**436,208**	**9,668,276**
Write-offs (Note 2)	–	**(343)**	–	–	**(613,970)**	**(614,313)**
Reversals/adjustments	–	**(26,883)**	**11,149**	–	**(120,562)**	**(136,296)**
Reclassification/others	**(167,107)**	–	**87**	**(4,255)**	**38,295**	**(132,980)**
At December 31	**₱3,449,894**	**₱136,040**	**₱11,067,244**	**₱88,682**	**₱3,071,225**	**₱17,813,085**

**Disclosure of individually and collectively impaired receivables is not required under PFRS 9.*

	2024					
	Real Estate and Hotels	Industrial Technologies	Power	Outsourcing	Automotive and Others	Total
At January 1	₱2,783,716	₱240,250	₱1,283,602	₱24,507	₱3,059,727	₱7,391,802
Provisions during the year (Note 22)	248,303	4,935	1,222,264	8,906	1,526,712	3,011,120
Write-offs	–	(11,327)	–	–	(1,141,883)	(1,153,210)
Reversals/adjustments	–	13,501	–	–	(175,810)	(162,309)
Reclassification/others	(17,496)	(156,451)	22,508	29,926	62,508	(59,005)
At December 31	₱3,014,523	₱90,908	₱2,528,374	₱63,339	₱3,331,254	₱9,028,398

**Disclosure of individually and collectively impaired receivables is not required under PFRS 9.*

8. Inventories

This account consists of the following:

	2025	2024
	(In Thousands)	
At cost:		
Residential and commercial lots	**₱125,828,737**	₱117,722,517
Residential and condominium units and offices	**113,464,449**	108,837,561
Vehicles	**12,297,279**	3,767,887
Materials and supplies	**9,855,191**	11,444,726
Work-in-process	**1,631,499**	1,467,337
Finished goods	**50,156**	931,699
Others	**1,136,059**	468,344
	264,263,370	244,640,071
At NRV:		
Materials and supplies	**2,842,631**	2,309,064
Work-in-process	**211,331**	365,604
Finished goods	**183**	438,045
	3,054,145	3,112,713
	₱267,317,515	₱247,752,784

A summary of the movements of real estate inventories is set out below.

	2025		
	Residential and Commercial Lots	**Residential and Condominium units and Offices**	**Total**
		(In Thousands)	
Balances at January 1	**₱117,722,517**	**₱108,837,561**	**₱226,560,078**
Land acquired during the year	**9,916,013**	**–**	**9,916,013**
Construction/development costs incurred	**23,146,167**	**33,986,095**	**57,132,262**
Disposals (recognized as cost of sales)	**(26,828,440)**	**(30,516,199)**	**(57,344,639)**
Transfers from investment properties (Note 11)	**1,872,480**	**1,156,992**	**3,029,472**
Balances at December 31	**₱125,828,737**	**₱113,464,449**	**₱239,293,186**

	2024		
	Residential and Commercial Lots	Residential and Condominium units and Offices	Total
		(In Thousands)	
Balances at January 1	₱102,006,924	₱107,309,587	₱209,316,511
Land acquired during the year	643,150	–	643,150
Construction/development costs incurred	42,154,642	40,104,709	82,259,351
Disposals (recognized as cost of sales)	(25,146,249)	(38,576,735)	(63,722,984)
Transfers to investment properties (Note 11)	(1,935,950)	–	(1,935,950)
Balances at December 31	₱117,722,517	₱108,837,561	₱226,560,078

The Group recognized provision for inventory obsolescence amounting to ₱336.1 million, ₱887.9 million and ₱518.8 million in 2025, 2024 and 2023, respectively. The provision is included under “General and administrative expenses” in the consolidated statements of income (see Note 22).

The cost of the inventories carried at NRV amounted to ₱3,200.0 million and ₱4,006.6 million as of December 31, 2025 and 2024, respectively. Write-down of inventories amounted to ₱59.3 million in 2025, ₱527.5 million in 2024 and nil in 2023 (see Note 22).

Inventories recognized as cost of services and goods sold amounted to ₱158,337.5 million, ₱140,391.3 million and ₱121,884.4 million in 2025, 2024, and 2023, respectively, and were included under "Costs of rendering services and goods sold" in the consolidated statements of income (see Note 22).

9. Other Current Assets

This account consists of the following:

	2025	2024
	(In Thousands)	
Prepaid expenses	**₱24,311,728**	₱23,756,356
Advances to contractors and suppliers	**23,391,390**	25,455,263
Creditable withholding tax	**20,007,355**	17,805,306
Input VAT	**15,820,066**	14,581,198
Financial assets at FVTPL (Note 33)	**5,730,517**	11,313,625
Deposits in escrow	**3,751,659**	2,367,973
Contract assets	**2,579,649**	2,219,578
Derivative assets (Notes 32 and 33)	**907,314**	389,630
Others	**4,414,012**	4,337,380
	₱100,913,690	₱102,226,309

Prepaid expenses
Prepaid expenses mainly include prepayments for commissions, marketing fees, advertising and promotions, taxes and licenses, rentals and insurance. ALI's cost to obtain contracts which includes prepaid commissions and advances to brokers amounted to ₱1,095.6 million and ₱2,364.6 million in 2025 and 2024, respectively. In line with ALI Group's accounting policy, if a contract or specific performance obligation exhibited marginal profitability or other indicators of impairment, judgment was applied to ascertain whether or not the future economic benefits from these contracts were sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract specific key performance indicators that could trigger variable consideration, or service credits (see Note 15).

Advances to contractors and suppliers
Advances to contractors and suppliers represent prepayments for the construction of inventories. These are recouped from billings which are expected to occur in a short period of time.

Creditable Withholding Tax
The Group will be able to apply the creditable withholding taxes against income tax payable.

Input VAT
Input VAT is applied against output VAT. The remaining balance is recoverable in future periods.

10. Investments in Associates and Joint Ventures

This account consists of the following:

	2025	2024
	(In Thousands)	
Investment in stocks - cost:		
Balance at beginning of year	**₱250,737,777**	₱226,965,204
Additions	**24,257,410**	36,230,281
Disposals	**(28,930,596)**	(10,191,036)
Transfers/others	**(694,752)**	–
Acquisition of control on previously held interest (Note 23)	**–**	(1,810,000)
Loss of control on previously held interest	**–**	(456,672)
Balance at end of year	**245,369,839**	250,737,777
Accumulated equity in net earnings and impairment:		
Balance at beginning of year	**156,633,800**	134,876,472
Equity in net earnings during the year	**46,749,683**	44,307,947
Acquisition of control on previously held interest	**–**	(11,476)
Dividend income	**(17,631,223)**	(18,193,255)
Provision - net of reversal in 2025 (Note 22)	**(1,218,953)**	(8,140,087)
Dilution gain (loss) - net (Note 22)	**865,305**	3,836,727
Disposals/transfers/others	**(8,944)**	(680,483)
Gain on remeasurement of retained interest (Notes 22 and 23)	**–**	637,955
Balance at end of year	**185,389,668**	156,633,800
Other comprehensive income:		
Balance at beginning of year	**(6,150,019)**	(7,877,333)
Additions (deductions)	**1,892,753**	1,727,314
Balance at end of year	**(4,257,266)**	(6,150,019)
	₱426,502,241	₱401,221,558

Details of the Group's investments in associates and joint ventures and the related economic ownership percentages are shown below:

	Percentage of Economic Ownership		Carrying Amounts	
	2025	2024	2025	2024
			(In Millions)	
Domestic:				
Bank of the Philippine Islands (BPI)	**30.6**	30.7	**₱164,794**	₱151,115
Liontide Holdings, Inc. (LHI)*	**93.4**	93.4	**80,701**	73,376
Globe Telecom, Inc. (Globe)*	**30.6**	30.7	**49,162**	46,629
AM 50 Ventures Inc. (AM 50 Ventures)*	**50.0**	–	**19,216**	–
AA Thermal, Inc. (AA Thermal)	**40.0**	40.0	**18,100**	17,188
Ortigas Land Corporation (OLC)	**21.0**	21.0	**11,798**	10,815
ALI-ETON Property Development Corporation (ALI-ETON)*	**50.0**	50.0	**10,338**	10,025
Philippine Wind Holdings Corporation (PhilWind)*	**40.5**	40.5	**5,892**	5,698
iPeople, Inc. (IPO)	**36.3**	33.5	**5,692**	5,157
Light Rail Manila Holdings, Inc. (LRMHI)	**50.0**	50.0	**5,036**	4,276
Emerging City Holdings, Inc. (ECHI)*	**50.0**	50.0	**4,690**	4,420
North Luzon Renewable Energy Corporation (NLR)*	**33.3**	33.3	**3,422**	3,199
Berkshires Holdings, Inc. (BHI)*	**50.0**	50.0	**2,264**	2,151
Globe STT GDC Inc.* (Globe STT)	**10.0**	10.0	**1,906**	1,832
Asiacom Philippines, Inc. (Asiacom)*	**60.0**	60.0	**1,880**	1,812
Bonifacio Land Corporation (BLC)	**10.0**	10.0	**1,704**	1,602
Unlimited Renewables Holdings, B.V. (URH)*	**80.0**	80.0	**1,697**	74
Ingrid Power Holdings, Inc. (Ingrid)*	**50.0**	50.0	**1,181**	1,343
Alveo-Federal Land Communities, Inc. (Alveo-Federal)*	**50.0**	50.0	**568**	557
Globe Fintech Innovations, Inc. (Mynt)*	**–**	13.7	–	24,877

(Forward)

	Percentage of Economic Ownership		Carrying Amounts	
	2025	2024	**2025**	2024
			(In Millions)	
Foreign:				
ACEHI Netherlands B.V. (ACEHI Netherlands)* (incorporated in the Netherlands)	**75.8**	75.8	**₱13,859**	₱13,037
BIM Energy Holding Corporation (BIMEH) (incorporated in Vietnam)	**49.0**	49.0	**5,858**	5,552
Yanara India, B.V.* (Yanara India, previously, BrightNight India, B.V) (incorporated in the Netherlands)	**50.0**	50.0	**2,941**	3,776
Solar NT Holdings Pte. Ltd. (Solar NT) (incorporated in Singapore)	**49.0**	49.0	**2,322**	2,387
BIM Renewable Energy Joint Stock Company* (BIMRE) (incorporated in Vietnam)	**30.0**	30.0	**1,973**	1,953
UPC Power Solutions LLC (UPC Power) (incorporated in the USA)	**83.3**	83.3	**1,263**	1,804
Others - net	**Various**	Various	**8,245**	6,567
			₱426,502	₱401,222

**Joint ventures*

Unless otherwise indicated, the principal place of business and country of incorporation of the Group's associates and joint ventures is the Philippines.

Except as discussed in subsequent notes, the voting rights held by the Group in its investments in associates and joint ventures are in proportion to their ownership interest.

Financial information on significant associates follows:

BPI	**2025**	2024
	(In Millions, except earnings per share)	
Total resources	**₱3,651,488**	₱3,318,813
Total liabilities	**3,172,618**	2,886,123
Equity	**478,870**	432,690
Less: non-controlling interest	**2,317**	2,220
Equity attributable to the equity holders of BPI	**476,553**	430,470
Share in equity	**145,765**	131,962
Notional goodwill	**20,131**	20,131
Others	**(1,102)**	(978)
Carrying value of investment	**164,794**	151,115
Net interest income and other income	**195,277**	170,139
Total expenses	**128,430**	107,899
Net income	**66,847**	62,240
Net income attributable to:		
Equity holders of BPI	**66,615**	62,049
Non-controlling interests	**232**	191
Group's share in net income for the year	**20,417**	19,101
Other comprehensive income (loss)	**2,076**	(1,492)
Group's share in other comprehensive income (loss) for the year	**635**	(457)
Total comprehensive income	**68,923**	60,748
Total comprehensive income attributable to:		
Equity holders of BPI	**68,668**	60,536
Non-controlling interests	**255**	212
Group's share in total comprehensive income for the year	**21,082**	18,622
Basic and diluted earnings per share	**12.61**	11.78
Dividend income from BPI	**6,606**	6,000

Financial information on significant joint ventures follows:

LHI	**2025**	2024
	(In Millions, except earnings per share)	
Current assets, including cash and cash equivalents amounting to ₱2,642.0 million in 2025 and ₱2,289.9 million in 2024	**₱2,645**	₱2,295
Noncurrent assets	**74,179**	67,177
Current liabilities	**1,314**	819
Noncurrent liabilities	**3,019**	4,038
Equity	**72,491**	64,615
Share in equity	**67,735**	60,376
Notional goodwill	**12,988**	12,988
Others	**(22)**	12
Carrying value of investment	**80,701**	73,376
Revenue	**10,269**	11,067
Interest income	**47**	29
Cost and expenses	**242**	286
Provision for income tax	**9**	6
Net income	**10,064**	10,804
Group's share in net income for the year	**9,404**	10,037
Total comprehensive income	**10,388**	10,641
Group's share in total comprehensive income	**9,707**	9,943
Dividend income from LHI	**2,348**	1,523

Globe	**2025**	2024
	(In Millions, except earnings per share)	
Current assets, including cash and cash equivalents amounting to ₱25,029.9 million in 2025 and ₱21,353.7 million in 2024	**₱75,914**	₱77,218
Noncurrent assets	**580,078**	556,418
Current liabilities including financial liabilities* amounting to ₱22,219.0 million in 2025 and ₱26,349.8 million in 2024	**115,611**	123,552
Noncurrent liabilities, including financial liabilities* amounting to ₱234,094.4 million in 2025 and ₱223,110.1 million in 2024	**365,861**	342,305
Equity	**174,520**	167,779
Less: non-controlling interest	**50**	31
Equity attributable to the equity holders of the Parent	**174,470**	167,748
Share in equity	**44,050**	42,016
Notional goodwill	**3,939**	3,939
Others	**1,173**	674
Carrying value of investment	**49,162**	46,629
Revenue	**178,240**	180,586
Other income	**11,749**	10,239
Costs and expenses		
General, selling and administrative expenses	**72,208**	72,837
Depreciation and amortization	**53,871**	50,473
Interest expense	**16,456**	14,444
Provision for income tax	**4,965**	6,045
Others	**19,226**	22,739
Net income	**23,262**	24,286
Net income attributable to:		
Equity holders of Globe	**23,264**	24,304
Non-controlling interests	**(2)**	(19)
Group's share in net income for the year	**7,188**	7,508
Other comprehensive loss	**(1,096)**	(944)
Share in other comprehensive loss for the year	**(336)**	(289)
Total comprehensive income	**22,166**	23,342
Share in total comprehensive income for the year	**6,792**	7,156

(Forward)

Globe	2025	2024
	(In Millions, except earnings per share)	
Earnings per share:		
Basic	**₱151.21**	₱158.48
Diluted	**150.44**	157.83
Dividend income from Globe	**4,427**	4,427

**Excluding trade and other payables and provisions*

In addition to the interest in associates and joint ventures discussed above, the Group also has interest in a number of individually immaterial associates and joint ventures. Below is a summary of certain financial information concerning these immaterial associates and joint ventures:

	2025	2024
	(In Millions)	
Carrying amount	**₱131,845**	₱130,102
Share in net income	**9,740**	7,662
Share in other comprehensive income (loss)	**1,278**	2,304
Share in total comprehensive income	**₱11,018**	₱9,966

The following significant transactions affected the Group's investments in associates and joint ventures:

Investment in BPI

BPI issuance of shares to Robinsons Bank Corporation (RBC)
On December 14, 2022, the BOD of BPI approved the issuance of BPI common shares to shareholders of RBC, increasing RBC shareholders' holdings to approximately 6% of the resulting outstanding common stock of BPI as of closing date. In no case shall BPI issue more than 318,912,309 common shares pursuant to its merger with RBC.

On September 30, 2022, the BOD of BPI approved the merger between BPI and RBC, with BPI as the surviving bank, subject to shareholders' and regulatory approvals. The BOD also approved the amendments to Article Seventh of BPI's Articles of Incorporation to:

a. Increase its authorized capital stock to ₱4.0 billion;
b. Combine allocation of authorized common shares for ESOP and ESPP into a 3% allocation for all employee stock incentive plans; and
c. Deny pre-emptive rights over the 406,179,276 treasury shares which shall be disposed of by BPI in accordance with RA No. 8791, otherwise known as the General Banking Law of 2000.

On January 17, 2023, the shareholders of BPI approved the merger with RBC with BPI as the surviving bank. The PCC approved the merger on March 9, 2023 as contained in the decision released by the Commission on September 13, 2023. On December 14, 2023, the BSP, through Monetary Board Resolution No. 1633 approved the merger. The SEC issued the Certificate of Filing of the Articles and Plan of Merger on December 29, 2023.

Refer to the succeeding discussion on the execution of the BPI-RBC merger.

Sale of GoTyme Bank shares
On March 20, 2024, BPI's BOD approved the sale of its 752,056,290 common shares in GoTyme Bank Corporation (GoTyme Bank) to GoTyme Financial Pte Ltd. (744,099,587 common shares) and Giga Investment Holdings Pte. Ltd., (7,956,703 common shares) at ₱1.20 per share, subject to BSP approval. The GoTyme Bank shares were acquired by BPI pursuant to the merger between BPI and RBC with BPI as the surviving bank. On April 1, 2024, Deeds of Absolute Sale of Shares covering the abovementioned sale of GoTyme Bank shares were signed by the authorized representatives of BPI.

BPI Peso Bond and Commercial Paper Program
On May 18, 2022, the BPI's BOD approved a new ₱100.0 billion Bond Program. On January 30, 2023, BPI issued the first tranche called BPI Reinforcing Inclusive Support for Micro, Small and Medium Enterprises (MSMEs) Bonds ("BPI RISE Bonds"). The net proceeds amounting to ₱20.1 billion were used to finance or refinance the business requirements of eligible MSMEs, consistent with BPI's Sustainable Funding Framework. On November 13, 2023, BPI issued the second tranche of this Bond Program. The net proceeds amounting to ₱36.4 billion were used for general corporate purposes. On August 9, 2024, BPI issued the third tranche called BPI Sustainable, Environmental and Equitable Development Bonds ("BPI SEED Bonds"). The net proceeds of ₱33.4 billion were used for financing or refinancing of new or existing eligible Green and/or Social Projects, consistent with BPI's Sustainable Funding Framework.

On October 16, 2024, BPI's BOD approved the establishment of a ₱200.0 billion Bond Program following the full utilization of the Bank's Bond Program established in 2022 (see Note 38). On June 10, 2025, BPI issued the first tranche called BPI Supporting Inclusion, Nature and Growth Bonds ("BPI SINAG Bonds"). The net proceeds of ₱36.8 billion were used for financing or refinancing of new or existing eligible Green and/or Social Projects, consistent with BPI's Sustainable Funding Framework.

BPI's Medium-Term Note (MTN) Program
On June 21, 2018, BPI's BOD approved the establishment of the MTN Program in the aggregate amount of up to USD2.0 billion. On December 13, 2023, BPI's BOD approved the increase in size of the MTN Program to USD3.0 billion. BPI's outstanding balances under its MTN Program are as follows:

a. *US$400 million 5-year Reg S senior unsecured notes*
   On March 19, 2024, BPI successfully tapped the international capital markets with a public USD bond issuance for the first time since 2019, with its offering of US$400 million 5-year Reg S senior unsecured notes ("Notes"). The net proceeds will be used for refinancing and general corporate purposes. The 5-year Notes were priced at U.S. Treasury spread of T+105 basis points (bps) with a coupon of 5.25%, representing the tightest ever spread on a 5-year bond from a non-sovereign Philippine issuer. The Notes are rated Baa2 by Moody's.

b. *US$500 million and US$300 million bond offering*
   On March 27, 2025, BPI successfully tapped the international capital markets with a public USD bond offering of US$500 million 5-year and US$300 million 10-year Reg S senior unsecured fixed rate notes offering ("Notes").

Dividends declaration
On May 21 and November 19, 2025, BPI's BOD approved the declaration of a cash dividend of ₱2.08 and ₱2.28 per common share, respectively, both for the first and second semesters of 2025.

On May 15 and November 20, 2024, BPI's BOD approved the declaration of a cash dividend of ₱1.98 per common share, both for the first and second semesters of 2024.

The fair value of the BPI shares held by the Parent Company amounted to ₱187.6 billion and ₱197.2 billion as of December 31, 2025 and 2024, respectively. In 2025 and 2024, the voting rights held by the Parent Company in BPI is 30.6% and 30.7%, respectively.

Execution of BPI-RBC merger
On January 1, 2024, BPI and RBC closed their merger, with BPI as the surviving bank, which became effective after securing the requisite corporate and regulatory approvals. On the same date, BPI issued 314.00 million common shares to the shareholders of RBC pursuant to the Plan of Merger agreement. This resulted to calculated dilution gain amounting to ₱4.2 billion (₱2.8 billion from AC's direct investment in BPI and ₱1.4 billion from its share in LHI's dilution of its investment in BPI) in the consolidated statement of income for the year ended December 31, 2024 (see Note 22).

Investment in LHI

Divestment by Arran Investment Pte. Ltd (Arran) in LHI
On January 13, 2023, Arran completed the redemption of 31,154,709 redeemable preferred shares in LHI, a joint venture company between the Parent Company and Arran, and the sale of its remaining 10,384,903 redeemable preferred shares in LHI to Robinsons Retail Holdings, Inc. (RRHI). Effective on the same date, Arran, LHI, and the Parent Company terminated their existing Shareholders' Agreement while RRHI, LHI, and the Parent Company entered into a new Shareholder's Agreement to govern their relationship as well as the conduct of the business and management of LHI, resulting in LHI becoming a joint venture company between the Parent Company and RRHI. This resulted to an increase in economic ownership interest in LHI to 93.4%. This transaction did not affect the Parent Company's 15.6% effective economic interest in BPI held indirectly through LHI as of December 31, 2023.

This transaction resulted in an increase in the share in the income in LHI amounting to ₱4.0 billion and a ₱3.6 billion dilution loss (see Note 22) on the change in interest of the Parent Company resulting to a net gain of ₱462.0 million in the Group's consolidated statement of income for the year ended December 31, 2023.

As of December 31, 2025 and 2024, LHI owns 823.2 million common shares of BPI representing a direct ownership interest in BPI of 15.6% as of both years ended. The Parent Company and RRHI, with the same agreement as GIC Special Investments Pte. Ltd., the entity controlling Arran, as joint venture partners, agreed to vote its BPI shares based on the common position reached jointly by them as shareholders.

Reduction of Authorized Capital Stock
On March 14, 2025, the SEC approved LHI's application to decrease its authorized capital stock from ₱3.4 billion or 263.3 million shares to ₱2.9 billion or 232.1 million shares in view of the redemption in January 2023 of the 31,154,709 redeemable preferred shares of the LHI, which are held as treasury shares.

BDO Unibank, Inc, (BDO) Loans
On April 30, 2018, LHI availed of a 7-year bank loan with BDO amounting to ₱10.0 billion (2018 BDO Loan) to fund LHI's participation in BPI's stock rights offering.

On April 25, 2024, LHI entered into a 4-year loan agreement with BDO in the maximum amount of ₱4.0 billion (2024 BDO Loan), the proceeds of which was used by LHI to refinance the principal amortizations of the 2018 BDO Loan. In April 2024, LHI availed the initial drawdown amounting to ₱1.0 billion which subsequently paid the maturing principal of ₱1.0 billion of the 2018 BDO Loan.

On April 30, 2025, LHI fully settled its ₱3.0 billion loan balance with BDO Unibank. On the same date, LHI availed of a new loan facility amounting to ₱2.0 billion from the same bank. This drawdown represents the second and final tranche of the original ₱3.0 billion loan facility secured by LHI in 2024.

Dividends declaration
On June 30 and December 17, 2025, the BOD of LHI approved the declaration of cash dividends amounting to ₱1.2 billion and ₱1.3 billion, respectively.

On June 28 and December 27, 2024, the BOD of LHI approved the declaration of ₱815.0 million cash dividends on both dates.

The fair value of BPI shares held by LHI amounted to ₱95.6 billion and ₱100.4 billion as of December 31, 2025 and 2024, respectively. In 2025 and 2024, the voting rights held by the Group in LHI is 95.51%.

Investment in Globe

₱10.0 billion loan facilities with BDO and Metropolitan Bank & Trust Company (Metrobank)
On March 14, 2025, Globe signed term loan facilities of ₱10.0 billion each with BDO and Metrobank. The loans were used to finance Globe's capital expenditures, debt refinancing, and/or general corporate requirements.

Joint venture with NCS Pte. Ltd. in Yondu Inc.(Yondu)
On March 26, 2025, Globe entered into an agreement with NCSI Holdings Pte. Ltd. (NCSI), based in Singapore, to hold 51% ownership in Yondu, a Globe subsidiary, as well as Yondu's acquisition of NCSI Philippines (NCS PH), making NCS PH a fully owned subsidiary of Yondu. Upon closing, Globe will retain 49% ownership in Yondu and NCS PH. As of December 31, 2025, the closing of the transaction and actual transfer of ownership are still in progress (see Note 38).

Sale of telecom towers
In 2022 and 2023, Globe signed sale and leaseback agreements with four tower companies consisting of 7,506 telecom towers and related passive telecom infrastructure. The closing of the agreements will be on a staggered basis depending on the satisfaction of closing conditions, according to the number of towers transferred.

The leaseback arrangement for those telecom towers sold took effect at the date of sale.

Year	Number of Towers Sold
2022	2,410
2023	2,057
2024	2,205
2025	273
Total	6,945

As of December 31, 2025, Globe has completed the sale of 6,945 telecom towers representing 93% of Globe's total towers portfolio subject to sale.

As of December 31, 2025 and 2024, Globe recognized gain on sale and leaseback of telecom towers, net of direct costs, amounting to ₱0.4 billion and ₱3.5 billion, respectively, with the Group's equity share in the transaction amounting to ₱0.1 billion in 2025 and ₱1.1 billion in 2024.

Dividends declaration
On February 6, May 9, August 5 and November 6, 2025, the BOD of Globe approved the declaration of quarterly cash dividends of ₱25.00 per common share or a total of ₱3.6 billion on each date. Also on November 6, 2025, the BOD of Globe approved ₱0.39 dividends for each voting preferred share.

On February 6, 2024, the BOD of Globe also approved the proposed change in the company's dividend policy to 60% to 90% (from 60% to 75%) of prior year's core net income, to be applied starting the 2024 dividend declaration.

On February 6, May 14, August 6, and November 7, 2024, the BOD of Globe approved cash dividends for the first to fourth quarter of ₱25.00 per common share or totaling ₱3.6 billion each quarter. On November 7, 2024, Globe's BOD also approved dividends on its voting preferred share of ₱0.39 per share.

The fair value of Globe shares held by the Parent Company amounted to ₱70.2 billion and ₱96.7 billion as of December 31, 2025 and 2024. In 2025 and 2024, the voting rights held by the Group in Globe is 46.00% and 46.01%, respectively.

Investment in AM 50 Ventures (formerly, AC Ventures)

Strategic partnership with Mitsubishi Corporation (MC)
On October 18, 2024, AC, MC and AC Ventures signed a binding term sheet whereby MC commits to subscribe to such number of common and redeemable preferred shares in AC Ventures for at least ₱18.4 billion (through AC Ventures), and Mitsubishi UFJ Financial Group (MUFG), through its consolidated subsidiary, MUFG Bank, the proceeds of which shall be used to redeem some of AC Ventures shares of the Parent Company. These transactions will result in AC and MC each owning a 50.00% stake in AC Ventures which was renamed to AM 50 Ventures to reflect the new joint venture arrangement. The deal pushed Mynt's valuation to $5 billion from the $2 billion valuation in the 2021 funding round. The Investment Agreement was signed by the parties on March 31, 2025.

AM 50 Ventures will serve as a joint venture vehicle between the Parent Company and MC for co-investments that will explore consumer-related and digital opportunities in the Philippines. These initiatives are aligned with the Parent Company's strategic priority to support the growth of clear business winners within its portfolio.

On August 4, 2025, AC, MC and AC Ventures completed the transactions contemplated in the Investment Agreement dated March 31, 2025, including MC's subscription of AM 50 Ventures shares for a total subscription price of approximately ₱19.0 billion, AM 50 Ventures' redemption of its redeemable preferred shares held by AC, and the execution by and among AC, AC Ventures, and MC of a shareholders' agreement setting out their agreement on the management of AM 50 Ventures and AC and MC's rights and obligations as shareholders in AM 50 Ventures (see Note 2).

These transactions resulted in the Parent Company's loss of control of AC Ventures and the remeasurement and accounting for the retained 50.00% interest in AM 50 Ventures. Remeasurement gain amounted to ₱10.4 billion in 2025 (see Notes 2, 22 and 23).

Investment in Mynt
On August 1, 2024, the Parent Company's wholly owned subsidiary, AC Ventures, executed a Share Purchase Agreement to acquire common shares in Mynt from existing shareholders, equivalent to an additional 8% ownership stake in Mynt, for approximately USD 392.8 million. The acquisition closed on August 20, 2024 for a purchase price of ₱22.4 billion. This resulted in the increase of the Parent Company's indirect ownership in Mynt to ~13%.

On September 25, 2024, MUFG Bank, Ltd. (MUFG Bank) signed an Investment Agreement and Share Purchase Agreement to acquire an ~8% ownership stake in Mynt for USD 392.8 million. Related to this transaction, AC Ventures, MUFG, the other shareholders of Mynt, and Mynt executed an Amended and Restated Rights Agreement which provided AC Ventures and MUFG the right to nominate one (1) director in Mynt each, among other rights and obligations.

On February 12, 2025, MUFG and Mynt closed its transaction on MUFG's acquisition of Mynt shares, completing MUFG's 8% stake in Mynt. This resulted to the dilution of Globe's and AC Ventures respective ownership in Mynt from 36% to 34% and from 13.7% to 13.2%, respectively. Globe and AC Ventures each recognized calculated dilution gains amounting to ₱2.2 billion with AC's equity share amounting to ₱0.7 billion and ₱1.0 billion for the year ended December 31, 2025.

On June 2, 2025, the Mynt's BOD and shareholders, in their special board meeting and annual stockholders' meeting, approved the proposed stock split reducing the par value of Mynt's common shares from ₱1.00 per share to ₱0.03 per share, thereby increasing the number of authorized common shares from 2.1 billion to 71.7 billion. Mynt's authorized capital stock of ₱2.1 billion will remain the same. This was approved by the SEC on October 27, 2025.

Investment in AA Thermal
AA Thermal Inc. is ACEIC's thermal platform in the Philippines.

Investment in OLC
ALI has a 21.0% stake in Ortigas Limited Corporation (OLC). OLC has a 99.5% interest in Ortigas & Company Limited Partnership (OCLP), an entity engaged in real estate development and leasing businesses.

Investment in ALI-ETON
ALI-ETON is a joint venture between ALI and LT Group, Inc. and is organized primarily to develop a project along the C5 corridor. The project is envisioned to be a township development that spans portions of Pasig City and Quezon City.

Investment in Philwind
This represents ACEIC Group's interest in PhilWind. PhilWind including its subsidiaries is engaged in the power generation business, both from renewable and non-renewable energy sources. The investment is accounted for as an investment in joint venture as the relevant activities in PhilWind require the unanimous consent of the stockholders.

On March 25, 2024, ACEIC through ACEN signed a subscription contract with PhilWind for the additional subscription by ACEN to 50,446 Redeemable Preferred Shares A-3 ("RPS A-3") at par value of ₱10,000.00 per RPS A-3 of PhilWind, for a total subscription price of ₱504.5 million, to be issued out of the increase of PhilWind's authorized capital stock.

Investment in IPO

Acquisition of additional IPO shares
On August 14, 2025, the Parent Company purchased from A. Soriano Corporation (Anscor) 29.2 million IPO common shares, representing 2.8% of IPO's outstanding shares, at ₱12.00 per share for a total of ₱351.4 million (inclusive of broker's commission amounting to ₱0.5 million). The purchase resulted in an increase in the Parent Company's stake in IPO from 33.5% to up to 36.3%.

Dividends declaration
The dividends received from IPO amounted to ₱86.8 million and ₱66.5 million for the years ended December 31, 2025 and 2024, respectively.

The fair value of the IPO shares held by the Group amounted to ₱2.3 billion and ₱2.4 billion as of December 31, 2025 and 2024 respectively.

Investment in LRMHI
LRMHI holds 70% of the total equity of Light Rail Manila Corporation (LRMC), the project company established for the construction, operation and maintenance of the LRT 1 Cavite extension project.

On February 14, 2025, the Department of Transportation (DOTr) approved LRMC's petition for fare increase to be implemented effective April 12, 2025.

Due to continuous delays in the grant of fare increases and lower ridership forecast, the recoverable value of AC Infra's investment in LRMHI was assessed to be lower that its carrying value as of December 31, 2024. As of December 31, 2025 and 2024, AC Infra recognized an impairment loss on its investment in LRMHI amounting to nil and ₱3.2 billion under General and Administrative Expenses

(see Note 22). In 2025, AC Infra recognized a ₱248.1 million reversal of impairment loss on its investment in LRMHI and is included under "Other income" (see Note 22).

As of December 31, 2025 and 2024, AC Infra's remaining equity investment commitment for the LRT 1 project amounted to nil and ₱0.5 billion, respectively.

Investment in ECHI, BHI and BLC
As of December 31, 2025 and 2024, ALI Group's effective interest in BLC is 47.3%. ALI's 5.3% direct investment in BLC and 4.8% through Regent Time aggregating 10.1% are accounted for using the equity method because the ALI has significant influence over BLC.

Investment in NLR
On March 18, 2022, ACEIC through its subsidiary, ACEN and UPC Philippines Holdco I BV executed a Deed of Absolute Sale of Shares covering 16,668 common shares and 740 preferred shares representing 33.30% ownership in NLR for ₱2.4 billion.

On March 25, 2024, ACEN signed a subscription contract with NLR for the additional subscription by ACEN to 49,540 Redeemable Preferred Shares C at par value of ₱10,000.00 per Preferred C of NLR, for a total subscription price of ₱495.40 million, to be issued out of the increase of NLR's authorized capital stock. As of December 31, 2024, total subscription paid amounted to ₱495.40 million.

PhilWind directly and indirectly owns 67% of NLR through its 38.00% direct interest and 28.70% indirect interest through its 100.00% owned subsidiary, Ilocos Wind Energy Holding Co., Inc.

ACEIC's investment in NLR is comprised of 42.96% direct interest in PhilWind, 26.80% indirect interest in PhilWind through wholly owned subsidiary, Giga Ace 1, Inc., and 33.30% direct interest in NLR.

Investment in Globe STT
Globe STT is the joint venture between the Parent Compamy, Globe, and ST Telemedia Global Data Centres which is engaged in installing, building, owning, operating, maintaining and managing data centers and other related infrastructure, information technology equipment and facilities.

Investment in Asiacom
The Parent Company also holds 60.00% ownership interest in Asiacom, which owns 158.5 million Globe preferred shares as of December 31, 2025 and 2024. The Parent Company does not exercise control over Asiacom and Globe since it is a joint venture with Singapore Telecommunications Limited (SingTel).

Equity restructuring
On August 5, 2025, the SEC approved the Asiacom's application for equity restructuring to fully wipe-out its deficit as of December 31, 2024 amounting ₱6.0 billion against its APIC.

Investment in URH
On December 21, 2023, ACEIC Group entered into a joint venture agreement with UPC India Pte. Ltd. to acquire a 50% ownership interest in URH for the development of renewable energy and energy storage projects in India. URH's project portfolio in India includes the 405 MW Tejorupa project, and the 102 MW Bijapur project.

On January 2, 2024, ACEIC through its subsidiary, ACEN Renewables International Pte. Ltd. (ACRI), completed its investment in URH by infusing US$50.00 for acquisition of 50 shares of URH from UPC India Pte. Ltd. (UPCI) and US$2.69 million (₱151.02 million) for subscription of 2,674 ordinary shares of URH.

In 2025, ACEIC Group made additional equity infusions (including reclassifications from receivables) to URH amounting to ₱1.7 billion.

Investment in Ingrid
In 2021, ACEIC executed a subscription agreement with Axia Power Holdings Philippines Corp. for a 50% interest in Ingrid to develop, construct, and operate a 150MW diesel power plant in Pililia, Rizal. In 2025, Ingrid returned capital to ACEIC amounting to ₱0.5 billion.

Investment in MWC
In 2023, MWC Group recognized impairment on its investment in Eastern Water Resources Development and Management Public Company Limited (East Water) amounting to ₱4,063.3 million due to the current and prospective financial performance and condition of East Water. This impacted the Group's share in net income by ₱915 million for the year ended December 31, 2023.

Sale of MWC
On October 11, 2023, the Parent Company sold 289.0 million common shares of its shareholdings with MWC at ₱17.16 per share through BPI Securities Corp. for a net proceed of ₱4,926.6 million. The sale resulted to the recognition of gain amounting to ₱2,504.7 million at Parent Company level. Total capital gains taxes paid for the sale of common shares amounted to ₱375 million. On the same date, Philwater also sold 436.0 million participating preferred shares at ₱1.72, through BPI Securities Corp. for a net proceed of ₱748.8 million. The sale resulted to a loss of ₱342.1 million at Philwater level. The sale of preferred shares was subjected to capital gains taxes amounting to ₱95.1 million. As result of this sale, recognized a loss on sale of ₱1,515.6 million under "Other Income" for the year ended December 31, 2023 (see Note 22 and 23).

On May 17, 2024, the Parent Company's Executive Committee, in the exercise of its authority under its By-Laws, approved the following transactions, for its own and as stockholder: (a) the sale of its 576,997,467 common shares in MWC to Trident at a purchase price of not less than ₱21.00 per share; (b) the sale by its wholly-owned subsidiary, Michigan Holdings, Inc. (MHI) of its 1,000,000 MWC common shares to Trident at a purchase price of not less than ₱21.00 per share; (c) the sale by its wholly-owned subsidiary, Philwater Holdings Company, Inc. (Philwater) of its 872,487,863 MWC preferred shares to Trident at a purchase price of not less than ₱1.70 per share with annual payments from 2024 to 2029; and (d) the execution by Philwater of a proxy over its MWC preferred shares in favor of Trident. The transactions were executed on May 17, 2024. Post-completion of these transactions, the Ayala Group will no longer hold common shares of MWC and its voting stake in MWC will be nil (0%) as a result of the block sale and voting proxy to be issued in favor of Trident vis-à-vis the MWC preferred shares, but Philwater will continue to receive dividends on its sold MWC preferred shares, which will be paid on an installment basis, until it receives full payment. This transaction resulted to a net gain of ₱0.65 billion (excluding related expenses and taxes on the sale) as part of "Other income" for the year ended December 31, 2024 (see Notes 22 and 23).

Dividends declaration
On February 29, 2024, MWC's BOD approved the declaration of cash dividends amounting to ₱1.129 per outstanding common share, ₱0.113 per outstanding unlisted participating preferred share, and accumulated fixed cash dividends of ₱0.01 outstanding unlisted participating preferred share. For common and participating preferred shares, the record date was March 18, 2024 and was paid on April 12, 2024.

The dividends received by the Parent Company from MWC amounted to nil and ₱0.7 billion for the years ended December 31, 2025 and 2024, respectively.

Investment in ACEHI Netherlands
In 2017, ACEIC acquired an interest in Salak-Darajat, an investment holding company incorporated in the Netherlands, with assets and operations in Salak and Darajat geothermal fields in West Java, Indonesia, with a combined capacity of 637MW of steam and power through ACEHI Netherlands B.V. (ACEHI Netherlands). Its principal place of business and country of incorporation is in Indonesia.

On July 3, 2023, ACRI signed a share purchase agreement with SEOG, for the sale by ACRI of its 24.24% equity share in ACEHI Netherlands to SEOG. Upon completion of the transaction, ACEHI Netherlands' BOD shall consist equal representations from both shareholders. Furthermore, all matters relating to ACEHI Netherlands, shall be approved unanimously by both shareholders, thereby resulting in ACRI's loss of control, and account for its investment in ACEHI Netherlands as a joint venture (see Note 2 and 23).

Investments in BIMEH
On November 26, 2024, ACEIC through ACEN Vietnam Investments Pte. Ltd. signed a share purchase agreement with Huntington Renewable Investments Limited to acquire a 49% stake in BIMEH for US$70.5 million.

The acquisition will allow ACEIC to increase its pipeline projects in Vietnam. BIMEH currently has ownership interest in the following operating renewable energy assets: Ninh Thuan Solar (405MW) and Ninh Thuan Wind (88MW).

Investment in Yanara India
On March 10, 2023, ACEIC entered into a Shareholder's Agreement with BrightNight to develop, construct, and operate renewable energy projects in India, including a 153 MW hybrid wind-solar project in Maharashtra and round-the-clock renewable projects in Rajasthan comprising the 387 MW Sheo 1 and 297 MW Sheo 2 projects. On March 24, 2023, ACEIC acquired 100 Class A shares and 100 Class A1 shares in Yanara India B.V., representing a 50% voting interest.

In 2025, ACEIC disposed of its equity interests in Yanara India amounting to ₱841.1 million.

Investment in Solar NT
On January 28, 2022, ACEIC through ACEN Vietnam Investments Pte. Ltd. (ACEV), and Super Solar Energy Company Limited through its wholly-owned subsidiary, Super Energy Group (Hong Kong) Co., Limited (Super HK), executed the Share Purchase Agreement for the 49% acquisition of interest in Solar NT for US$165.00 million. Solar NT is the holding company for Super Energy Group's solar projects in Vietnam, with an aggregate capacity of 286.9 MW.

Investment in BIMRE
In 2018, ACEIC entered into a 30-70 joint venture agreement with BIM Group Joint Stock Company (BIM Group) to develop, construct, and operate at 330 MW of Solar Farm in Ninh Thuan Province, Vietnam, through BIMRE and BIMEH.

BIMRE and BIMEH are currently operating a 375MW and 30MW wind power plant, respectively.

ACEIC has joint control over BIMRE, BIM Energy Joint Stock Company, and BIM Wind Energy Joint Stock Company by virtue of the requirement for unanimous consent from both shareholders over key decision areas and material transactions through various reserved matters.

Investment in UPC Power
On May 13, 2022, ACEIC, through its subsidiary ACEN USA LLC, entered into a Limited Liability Company Agreement (LLCA) with UPC Solar & Wind Investments LLC, and Pivot Power Management to pursue opportunities and acquire operating wind projects in the USA and explore strategies for extending their useful life through preventive maintenance and repowering. The partnership resulted to a 83.33% ownership interest in UPC Power. UPC Power currently holds two operating wind projects in North America: Stockyard Wind with a net dependable capacity of 129 MW, and Chestnut Flats with a capacity of 38 MW.

In 2025, ACEIC Group made additional equity infusions into UPC Power amounting to ₱318.9 million

ACEIC has joint control over UPC Power because all fundamental decisions and matters require unanimous approval of all partners.

Others

Investment in Anko JV Company, Inc. (Anko JV)
In 2024, A&Co Holdings Corporation (AHC), a subsidiary of ACX, and Anko PH Holdings Pty. Ltd., a subsidiary of Kmart Australia Ltd. (Kmart Australia), entered into a 50-50 joint venture agreement and incorporated Anko JV to operate, manage, and maintain Anko-branded stores in the Philippines. Kmart Australia is owned by Wesfarmers Limited, a listed company in Australia. AHC made an initial infusion of ₱181.0 million to fund its 50% stake in Anko JV.

In 2025, ACX made additional infusion into Anko JV amounting to ₱269.0 million.

Investment in BF Jade (Zalora)
As of December 31, 2023, due to ongoing business headwinds and challenges in growth and profitability, the recoverable value of the Group's investment in BF Jade is assessed to be lower than the carrying amount. The Group has recognized an impairment loss amounting to ₱588.0 million under "General and administrative expenses" (see Note 22).

On December 3, 2025, the Parent Company extended a loan to BF Jade amounting to ₱98.1 million to fund the repayment of the attributable share of AM 50 Ventures, AMSI, Inc., BPI Capital Corporation, and Kickstart Ventures, Inc. (together, the "Ayala Cohort") in BF Jade's loan from BPI. The loan was subsequently condoned by the Parent Company and recognized as donation expense. The Parent Company also shouldered the related donor's tax and documentary stamp taxes.

In December 2025, the Group sold its shares in BF Jade to Global Fashion Group.

Investment in Global Telehealth, Inc.
On March 6, 2025, AC Health together with Globe Capital Ventures Holdings, Inc., a subsidiary of Globe, and Salud Interactiva S.A DE C,V., signed a share purchase agreement with Metro Pacific Health Tech Corporation to sell their collective stake in Global Telehealth, Inc. (KMD) comprised of 54.0 million common shares and 12.0 million preferred shares, constituting one hundred percent (100%) of the outstanding capital stock of KMD, at the selling price of ₱375.0 million.

On April 15, 2025, AC Health, through its subsidiary Vigos Ventures, Inc., received the proceeds of the sale from KMD amounting to ₱146.0 million, exclusive of ₱9.7 million as hold out for pending eCAR submissions.

As a result of this transaction, AC Health and Globe recognized a gain of ₱92.9 million under "Other income" and a ₱21.1 million gain (₱6.5 million AC share) as part of "Share in net profits of associates and joint ventures", respectively (see Note 22).

Investment in Merlin Solar Technologies, Inc. (Merlin Solar)
On July 23, 2024, AI North America Inc. (AINA) acquired a 42.58% stake in Merlin Solar Technologies Inc. (Merlin Solar) for US$10.0 million (see Note 23). In 2024, remeasurement gain of previously held interest recognized in "Other income" amounted to ₱637.90 million (see Notes 22 and 23).

In December 2025, AINA, the wholly owned subsidiary of Bestfull, participated in Merlin Solar Technologies, Inc.'s ("Merlin US") US$16.2 million Note Financing, with an investment of US$9.2 million, inclusive of the US$206,268 advance paid to BPI on behalf of Merlin Solar Philippines ("Merlin PH") in October 2025. The convertible notes amounting to US$9.2 Million (₱540.9 million) have a maturity date on March 31, 2027. The outstanding principal and unpaid accrued interest of each then-outstanding Note will be automatically converted into applicable Conversion Shares upon the closing of the Qualified Equity Financing using the applicable Conversion Price.

Investment in PT UPC Sidrap Bayu Energi
On March 29, 2024, ACRI, together with its joint venture partners, signed a Share Purchase Agreement with PT Barito Wind Energy ("BWE"), for the sale of PT Sidrap Bayu Energi ("SBE"),

through sale of ownership of UPC Renewables Asia III Limited ("UPC Asia IIII"), UPC Sidrap (HK) Limited ("Sidrap (HK)") and Sunedison Sidrap B.V. (external party) in SBE.

On April 2, 2024, the sale transaction was completed upon receipt of total consideration of US$101.90 million. Subsequently, on October 3, 2024, additional proceeds amounting to US$6.4 million were received following the completion of the net working capital adjustments. Out of the total proceeds of US$108.3 million, US$59.31 million (₱3.5 billion) is allocated to ACRI.

UPC Asia III and Sidrap (HK) upstreamed the proceeds of sales allocated to ACRI through shareholder loans amounting to US$56.61 million and US$2.69 million, respectively.

UPC Asia III and Sidrap (HK) recognized gain on sales of SBE shares amounting to US$62.50 million and US$18.33 million, respectively.

On June 29, 2024, the BOD of UPC Asia III approved the redemption of Redeemable Class A Preferred Shares ("RPS Class A"), accounted as investment in redeemable preferred shares, through distributable profits and capital reduction. The redemption was offset against the existing shareholder loan of UPC Asia III to ACRI, together with outstanding interest receivable from investment in redeemable preferred shares. Any interest in RPS Class A ceased as of the date of the resolution. On December 13, 2024, the redemption of the RPS Class A was completed.

On December 27, 2024, Sidrap (HK) declared dividends to ACRI amounting to $2.29 million. The dividends were offset against the existing shareholder loan of Sidrap (HK) to ACRI.

Management determined that the sale of the SBE shares resulted in a write-down of the investment in the joint venture (UPC Asia III) and investment in Sidrap (HK), accounted as financial assets at fair value through other comprehensive income, due to the absence of the underlying asset.

The series of transactions resulted in net gain of US$20.06 million (₱1.2 billion) through various forms (see Note 22).

As of December 31, 2024, ACRI's investments in Redeemable preferred shares (UPC Asia III), interest in joint venture (UPC Asia III) and financial asset at FVOCI (Sidrap HK) are all nil. The remaining shareholder loans from UPC Asia III and from Sidrap HK are all settled.

Investment in Yoma Strategic Holdings Ltd. (YSH)
YSH is a holding company listed in the Singapore Exchange with interests in real estate, financial services, food and beverage, automotive and heavy equipment, among others, in Myanmar. On the other hand, FMI is a holding company listed in the Yangon Stock Exchange with interests in real estate, banking, and healthcare, among others, in Myanmar. Both YSH and FMI are part of the Yoma Group of Companies.

In 2025 and 2024, the Group recognized impairment losses on its investment in YSH amounting to ₱41.5 million and ₱383.9 million, respectively (see Note 22). The recoverable amount of the investment was estimated using the closing price of YSH shares listed in the Singapore Exchange as of December 31, 2025 and 2024 of US$0.66 and US$0.076 per ordinary share, respectively.

The fair value of the YSH shares held by the Group amounted to US$68.0 million (₱4.0 billion) and US$67.6 million (₱3.4 billion) as of December 31, 2025 and 2024, respectively.

11. Investment Properties

The movements in investment properties follow:

	December 31, 2025			
	Land	**Building**	**Construction-in-Progress**	**Total**
		(In Thousands)		
Cost				
Balance at beginning of year	**₱73,114,328**	**₱182,876,120**	**₱68,616,121**	**₱324,606,569**
Additions	**8,296,786**	**8,452,876**	**17,232,415**	**33,982,077**
Disposals	**(265,776)**	**(4,757,048)**	**(29,231)**	**(5,052,055)**
Transfers (Notes 8 and 12)	**(2,541,049)**	**2,179,168**	**(2,507,002)**	**(2,868,883)**
Exchange differences	**199,227**	**421,593**	**–**	**620,820**
Others	**(189,076)**	**(422,023)**	**–**	**(611,099)**
Balance at end of year	**78,614,440**	**188,750,686**	**83,312,303**	**350,677,429**
Accumulated depreciation and amortization				
Balance at beginning of year	**–**	**61,225,104**	**–**	**61,225,104**
Depreciation and amortization (Note 22)	**–**	**6,900,895**	**–**	**6,900,895**
Disposals	**–**	**(3,106,044)**	**–**	**(3,106,044)**
Others	**–**	**4,765**	**–**	**4,765**
Balance at end of year	**–**	**65,024,720**	**–**	**65,024,720**
Accumulated impairment losses				
Balance at beginning of year	**129,441**	**348,218**	**–**	**477,659**
Impairment	**–**	**–**	**101,299**	**101,299**
Balance at end of year	**129,441**	**348,218**	**101,299**	**578,958**
Net book value	**₱78,484,999**	**₱123,377,748**	**₱83,211,004**	**₱285,073,751**

	December 31, 2024			
	Land	Building	Construction-in-Progress	Total
		(In Thousands)		
Cost				
Balance at beginning of year	₱60,778,249	₱172,189,504	₱64,150,032	₱297,117,785
Additions	8,200,026	3,101,327	11,463,391	22,764,744
Exchange differences	–	(8,202)	–	(8,202)
Disposals	(530,730)	(335,552)	(22,668)	(888,950)
Transfers (Notes 8 and 12)	4,652,712	7,861,602	(6,974,634)	5,539,680
Others	14,071	67,441	–	81,512
Balance at end of year	73,114,328	182,876,120	68,616,121	324,606,569
Accumulated depreciation and amortization				
Balance at beginning of year	–	54,155,456	–	54,155,456
Depreciation and amortization (Note 22)	–	6,398,733	–	6,398,733
Disposals	–	(22,007)	–	(22,007)
Others	–	692,922	–	692,922
Balance at end of year	–	61,225,104	–	61,225,104
Accumulated impairment losses				
Balance at beginning and end of year	129,441	348,218	–	477,659
Net book value	₱72,984,887	₱121,302,798	₱68,616,121	₱262,903,806

Substantial amount of the Group's investment properties is from the ALI Group.

Certain parcels of land are leased to several individuals and corporations. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove all improvements (such as buildings) introduced or built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its own use and benefit.

Construction-in-progress pertains to buildings under construction to be leased as retail and office spaces upon completion. The development and construction period normally range from three years to five years and depends heavily on the size of the assets.

The aggregate fair value of the Group's investment properties (land and building) amounted to ₱834.7 billion and ₱721.8 billion as of December 31, 2025 and 2024, respectively. The fair values of the investment properties were determined by independent professionally qualified appraisers.

The fair values of the land was arrived at using the Market Data Approach. Market Data Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available. For Market Data Approach, the higher the price per square meter (sqm.), the higher the fair value.

The fair values of the buildings (retail, office, hospital) arrived using the Income Approach. Income Approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset.

ALI Group's capitalized borrowing costs amounted to ₱1,268.2 million and ₱614.8 million for the years ended December 31, 2025 and 2024, respectively. The capitalization rates are 5.34% to 6.65% in 2025 and 3.09% to 6.22% in 2024.

ALI Group's consolidated rental income from investment properties amounted to ₱38,118.0 million, ₱35,862.6 million and ₱32,896.2 million in 2025, 2024 and 2023, respectively (see Note 21). ALI Group's consolidated direct operating expenses arising from the investment properties amounted to ₱11,517.0 million, ₱11,918.1 million and ₱10,119.0 million in 2025, 2024 and 2023, respectively.

ALI Group's depreciation and amortization expense pertaining to investment properties amounted to ₱6,840.51 million, ₱6,317.82 million and ₱5,669.64 million in 2025, 2024 and 2023, respectively.

ALI Group's certain short-term and long-term debt are secured by real estate mortgages covering both land and building. Net book value of these investment properties amounted to ₱3,947.0 million and ₱3,796.1 million as of December 31, 2025 and 2024, respectively (see Note 18).

ALI Group assesses whether there are any indicators of impairment for its investment properties. These are tested for impairment when there are indicators that the carrying amounts may not be recoverable. In 2025 and 2024, ALI Group recognized an impairment loss amounting to ₱101.3 million and nil, respectively.

ALI Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct and develop investment properties or for repairs, maintenance, and enhancement, other than those already reflected or disclosed in the consolidated financial statements.

12. Property, Plant and Equipment

The movements in property, plant and equipment follow:

	December 31, 2025						
	Land, Buildings and Improvements (Note 18)	Plant, Machinery and Equipment	Hotel Property and Equipment (Note 18)	Furniture, Fixtures and Equipment	Transportation Equipment	Construction-in-Progress	Total
				(In Thousands)			
Cost							
At January 1	₱31,699,611	₱81,221,448	₱21,511,273	₱24,293,150	₱4,284,049	₱73,138,359	₱236,147,890
Additions	6,883,725	16,047,250	3,781,027	210,593	676,274	9,563,187	37,162,056
Disposals	(1,075,843)	(4,339,005)	(62,683)	(1,219,763)	(480,658)	(95,494)	(7,273,446)
Transfers (Note 11)	230,601	28,579,387	–	45,525	35,931	(29,052,033)	(160,589)
Exchange differences	391,062	4,674,846	–	778,714	26,865	4,955,060	10,826,547
Reclassification/others	(191,198)	80,618	–	(462,140)	93,701	(2,147,311)	(2,626,330)
At December 31	37,937,958	126,264,544	25,229,617	23,646,079	4,636,162	56,361,768	274,076,128
Accumulated depreciation and amortization and impairment loss							
At January 1	14,890,024	25,318,841	5,476,054	9,840,620	2,117,034	374,095	58,016,668
Depreciation and amortization for the year (Note 22)	2,250,522	4,695,889	192,919	1,210,822	439,757	–	8,789,909
Impairment loss/reversal (Note 22)	108,038	–	–	–	–	19,867	127,905
Disposals	(610,816)	(3,283,359)	(12,739)	(1,038,958)	(291,873)	(2,803)	(5,240,548)
Exchange differences	213,380	1,575,491	–	340,864	19,639	2,803	2,152,177
Reclassification/others	(212,993)	(934,261)	–	(302,267)	34,259	256,532	(1,158,730)
At December 31	16,638,155	27,372,601	5,656,234	10,051,081	2,318,816	650,494	62,687,381
Net book value	₱21,299,803	₱98,891,943	₱19,573,383	₱13,594,998	₱2,317,346	₱55,711,274	₱211,388,747

	December 31, 2024						
	Land, Buildings and Improvements (Note 18)	Plant, Machinery and Equipment	Hotel Property and Equipment (Note 18)	Furniture, Fixtures and Equipment	Transportation Equipment	Construction-in-Progress	Total
				(In Thousands)			
Cost							
At January 1	₱34,304,898	₱46,948,142	₱15,491,389	₱17,185,858	₱6,854,794	₱83,308,653	₱204,093,734
Additions	4,031,631	13,353,969	1,002,919	2,511,109	805,691	23,383,629	45,088,948
Additions through business combination	–	137	–	10,118	–	–	10,255
Disposals	(892,230)	(2,046,292)	(114,930)	(285,669)	(3,098,562)	(14,781)	(6,452,464)
Transfers (Note 11)	922,416	23,944,094	(4,412,385)	5,004,037	2,338	(29,064,230)	(3,603,730)
Exchange differences	45,093	(2,084,601)	–	(147,823)	(308)	(802,022)	(2,989,661)
Reclassification/others	(6,712,197)	1,105,999	9,544,280	15,520	(279,904)	(3,672,890)	808
At December 31	31,699,611	81,221,448	21,511,273	24,293,150	4,284,049	73,138,359	236,147,890
Accumulated depreciation and amortization and impairment loss							
At January 1	13,327,154	24,287,157	5,457,436	8,217,083	3,379,459	370,723	55,039,012
Depreciation and amortization for the year (Note 22)	1,677,078	2,519,168	832,986	2,149,212	535,307	–	7,713,751
Impairment loss/reversal (Note 22)	–	529,742	–	3,170	–	3,372	536,284
Disposals	(78,848)	(1,678,076)	(28,015)	(169,567)	(1,640,692)	–	(3,595,198)
Exchange differences	96,265	123,390	–	(122,686)	1,125	–	98,094
Reclassification/others	(131,625)	(462,540)	(786,353)	(236,592)	(158,165)	–	(1,775,275)
At December 31	14,890,024	25,318,841	5,476,054	9,840,620	2,117,034	374,095	58,016,668
Net book value	₱16,809,587	₱55,902,607	₱16,035,219	₱14,452,530	₱2,167,015	₱72,764,264	₱178,131,222

In 2025 and 2024, ACEIC Group acquired assets with a cost of ₱21,279.0 million and ₱34,822.1 million, respectively.

ACEIC Group's borrowing cost capitalized to property, plant, and equipment amounted to ₱2,400.9 million and ₱2,634.8 million for the years ended December 31, 2025 and 2024, respectively. The capitalization rate used to determine the borrowing cost eligible for capitalization is 4.91% and 6.28% in 2025 and 2024, respectively.

The Group's contractual commitments from various construction-in-progress as of December 31, 2025 and 2024 amounted to ₱59,648.3 million and ₱90,328.3 million, respectively.

In 2024, provision for impairment loss mainly include ₱491.9 million for IMI's machinery and equipment.

NorthWind's Land, Wind Turbine Generator, Building and Machinery with carrying value of ₱1,549.7 million and ₱1,686.8 million as at December 31, 2025 and 2024, respectively, is mortgaged as security for a long-term loan (see Note 18).

Guimaras Wind's wind farm with carrying value of ₱3,219.6 million and ₱3,274.3 million as at December 31, 2025 and 2024, respectively, is mortgaged as security for the long-term loan (see Note 18).

MONTESOL's solar power plant with a carrying value of ₱746.5 million and ₱803.5 million as at December 31, 2025 and 2024, respectively, included under "Land, Buildings and Improvements" and "Plant, Machinery and Equipment" account is mortgaged as security for the long-term loan (see Note 18).

SACASOL's solar power plant with a carrying value of ₱2,196.3 million and ₱2,346.2 million as at December 31, 2025 and 2024, respectively, included under "Land, Buildings and Improvements" and "Plant, Machinery and Equipment" account is mortgaged as security for the long-term loan (see Note 18).

Certain property, plant, and equipment of the Group have been pledged as security for its obligations. Except as otherwise disclosed, the Group has no restrictions on its property, plant and equipment and none of these have been pledged as security for its obligations.

The Group has no significant property, plant and equipment which are idle as of December 31, 2025 and 2024.

13. Service Concession Assets and Obligations

Service Concession Assets (SCA)
The movements in this account as of December 31, 2023 (nil in 2025 and 2024) follow:

	(In Thousands)
Cost	
At January 1	₱2,210,886
Additions during the year -	
Construction and rehabilitation works	6,593
Divestment / deconsolidation (see Note 23)	(2,217,479)
At December 31	
Accumulated amortization	
At January 1	789,909
Amortization (Note 22)	105,611
Divestment / deconsolidation (see Note 23)	(895,520)
At December 31	–
Net book value	₱–

The SCA pertains to the Parent Company's concession agreement with the DPWH.

Deed of Assignment of Rights
On December 6, 2021, the Parent Company and PAVI signed an Investment Agreement relating to the MCX Project and for the sale of the Parent Company's 100% ownership stake in MCXPCI, subject to the satisfaction of the following conditions:

- Receipt of DPWH's written consent to the assignment of the concession from the Parent Company to MCXPCI;

- Approval and confirmation by the SEC of the valuation of the Parent Company's rights to, interests in, and obligation and principal liability under the MCX Concession Agreement, the MCX SCA and its rights and obligations; and
- Receipt by the Parent Company of the consent required under the MCX Third Party Contracts.

On March 10, 2022, DPWH granted its consent to the transfer of the service concession assets and obligations under the MCX concession arrangement from the Parent Company to MCXPCI.

On January 26, 2023, the Certificate of Approval of Valuation was issued by the SEC in relation to the assignment of the MCX assets. The approved valuation amounting to ₱3,190 million shall be applied as payment for the Parent Company's subscription to MCXPCI's 309.0 million Class A common shares at ₱1.00 par value per share, and 2,881.0 million Class B common shares at ₱1.00 par value per share. On February 1, 2023, MCXPCI waived the satisfaction of the Parent Company's receipt of the remaining third-party consents contemplated in the Deed of Assignment executed between the Parent Company and MCXPCI. Consequently, the transition of MCX operations and transfer of its assets and liabilities from the Parent Company to MCXPCI commenced on February 1, 2023. This resulted to gain on transfer of net assets recognized by the Parent Company amounting to ₱1,590.9 million and was treated as a tax-free exchange.

On June 2, 2023, consents were received from the DPWH for the following matters:

- Assignment of the Reimbursement Agreement dated July 31, 2013 between the DPWH and the Parent Company to MCXPCI, thereby entitling MCXPCI to receive the payment under the Reimbursement Agreement;
- Assignment of the Memorandum of Agreement for Toll Collection Interoperability dated September 15, 2017 to MCXPCI and execution of amendment agreement to reflect MCXPCI as new concessionaire of the MCX Project;
- Execution of an amendment agreement to the MCX Concession Agreement to reflect MCXPCI as the new concessionaire of the MCX Project, among others.

On July 19, 2023, the DPWH, as the Grantor of the MCX Project Concession, confirmed its concurrence and signified that it interposed no objection to the transfer by the Parent Company of its equity interest in MCXPCI to PAVI.

On September 28, 2023, the Group has fully divested and transferred its MCX Concession to PAVI (see Notes 22 and 23).

Service Concession Obligations

Provision for maintenance obligation of MCX
Provision for maintenance obligation pertains to the present value of the estimated contractual obligations of the Parent Company to undertake the financing of the Project's periodic maintenance, which includes renewal and restoration of toll roads and toll road facilities prior to turnover of the asset to DPWH, the grantor.

Under the Minimum Performance Standards and Specifications (MPSS), the Parent Company has the obligation to perform routine and periodic maintenance. Routine maintenance pertains to day-to-day activities to maintain the road infrastructures while periodic maintenance comprises of preventive activities against major defects and reconstruction. Moreover, the Parent Company is required to perform maintenance and repair work in a manner that complies with the MPSS until it hands the asset back to the DPWH. The provision is a product of the best estimate of the expenditure required to settle the obligation based on the usage of the road during the operating phase. The amount is reduced by the actual obligations paid for heavy maintenance of the SCA.

As at December 31, 2023, the Group had fully divested and transferred its MCX Concession to PAVI (see Notes 22 and 23).

14. Intangible Assets

The movements in intangible assets follow:

	2025									
	Goodwill	**Customer Relationships**	**Unpatented Technology/ Intellectual Properties**	**Developed Software**	**Licenses**	**Trademarks**	**Project Development Cost**	**Leasehold and Other Rights**	**Others**	**Total**
Cost										
At January 1	**₱34,490,275**	**₱1,610,891**	**₱975,072**	**₱457,910**	**₱986,922**	**₱3,301,741**	**₱1,222,261**	**₱3,904,552**	**₱3,234,712**	**₱50,184,336**
Additions during the year	**165,848**	**–**	**–**	**52,914**	**39,199**	**219,131**	**48,989**	**–**	**800,347**	**1,326,428**
Exchange differences	**481,636**	**20,657**	**90,364**	**–**	**(31,268)**	**–**	**19,840**	**–**	**–**	**581,229**
Retirement/disposals	**(2,550,854)**	**–**	**(544,794)**	**(35,914)**	**(4,423)**	**–**	**–**	**–**	**–**	**(3,135,985)**
Reclassification/others	**–**	**–**	**2,332**	**–**	**(125)**	**–**	**–**	**(186,487)**	**804**	**(183,476)**
At December 31	**32,586,905**	**1,631,548**	**522,974**	**474,910**	**990,305**	**3,520,872**	**1,291,090**	**3,718,065**	**4,035,863**	**48,772,532**
Accumulated amortization and impairment loss										
At January 1	**4,607,058**	**1,331,818**	**789,966**	**334,879**	**785,096**	**—**	**1,191,558**	**855,746**	**904,815**	**10,800,936**
Amortization (Note 22)	**–**	**28,870**	**7,771**	**31,462**	**47,382**	**6,261**	**6,350**	**–**	**184,578**	**312,674**
Exchange differences	**78,749**	**20,657**	**88,151**	**–**	**(38,597)**	**–**	**19,466**	**–**	**–**	**168,426**
Retirement/disposals	**(2,432,026)**	**–**	**(529,902)**	**27,025**	**–**	**–**	**–**	**–**	**–**	**(2,934,903)**
Reclassification/others	**–**	**–**	**–**	**–**	**(975)**	**–**	**–**	**–**	**1,451**	**476**
At December 31	**2,253,781**	**1,381,345**	**355,986**	**393,366**	**792,906**	**6,261**	**1,217,374**	**855,746**	**1,090,844**	**8,347,609**
Net book value	**₱30,333,124**	**₱250,203**	**₱166,988**	**₱81,544**	**₱197,399**	**₱3,514,611**	**₱73,716**	**₱2,862,319**	**₱2,945,019**	**₱40,424,923**

	2024									
	Goodwill	Customer Relationships	Unpatented Technology/ Intellectual Properties	Developed Software	Licenses	Trademarks	Project Development Cost	Leasehold and Other Rights	Others	Total
Cost										
At January 1	₱32,183,316	₱1,556,789	₱1,611,904	₱74,162	₱1,034,762	₱3,523,293	₱1,181,039	₱4,306,325	₱2,941,565	₱48,413,155
Additions during the year	1,398,795	–	–	285,225	70,919	–	17,745	–	301,498	2,074,182
Exchange differences	1,001,657	54,102	87,636	–	20,193	12,222	50,983	–	–	1,226,793
Retirement/disposals	(38,490)	–	–	–	(1,845)	–	–	–	(7,857)	(48,192)
Reclassification/others	(55,003)	–	(724,468)	98,523	(137,107)	(233,774)	(27,506)	(401,773)	(494)	(1,481,602)
At December 31	34,490,275	1,610,891	975,072	457,910	986,922	3,301,741	1,222,261	3,904,552	3,234,712	50,184,336
Accumulated amortization and impairment loss										
At January 1	2,123,360	1,248,846	1,002,123	62,375	764,467	48,556	1,140,575	855,746	742,781	7,988,829
Amortization (Note 22)	–	28,870	45,485	48,604	43,385	4,838	–	–	169,694	340,876
Impairment loss (reversals) (Note 22)	2,409,852	–	–	–	–	–	–	–	–	2,409,852
Exchange differences	(47,061)	54,102	30,469	–	15,497	3,707	50,983	–	–	107,697
Reclassification/others	120,907	–	(288,111)	223,900	(38,253)	(57,101)	–	–	(7,660)	(46,318)
At December 31	4,607,058	1,331,818	789,966	334,879	785,096	–	1,191,558	855,746	904,815	10,800,936
Net book value	₱29,883,217	₱279,073	₱185,106	₱123,031	₱201,826	₱3,301,741	₱30,703	₱3,048,806	₱2,329,897	₱39,383,400

Goodwill
Goodwill pertains to the excess of the acquisition cost over the fair value of the identifiable assets and liabilities of companies acquired by the Group.

Impairment testing of goodwill
The Group's goodwill is tested for impairment annually as follows:

IMI Group
Goodwill acquired through business combinations has been allocated to the particular CGUs of IMI for impairment testing as follows (amounts in thousands):

	2025		2024	
	In US$	**In Php***	In US$	In Php*
Speedy Tech Electronics, Ltd. (STEL)	**$38,225**	**₱2,247,248**	$38,225	₱2,211,316
IMI	**441**	**25,926**	441	25,512
VIA	**–**	**–**	1,793	–
	$38,666	**₱2,273,174**	$40,459	₱2,236,828

**Translated using the PDEx closing exchange rate at the statement of financial position date (US$1:₱58.79 in 2025 and US$1:₱ 57.85 in 2024).*

IMI CZ
On July 31, 2025, IMI completed the sale of its 100% equity interest in IMI CZ to Keboda Deutschland GmbH & Co. KG resulting to the derecognition of its related goodwill (see Note 2).

VIA
On November 27, 2025, IMI completed the sale through its wholly-owned subsidiary, Coöperatief IMI Europe U.A., of its 50.32% equity interest in VIA Optronics AG to Kronen 3140 GmbH resulting to the derecognition of its related goodwill (see Note 2).

STEL, VIA and IMI CZ
The recoverable amounts of these CGUs have been based on value-in-use calculations using cash flow projections from financial budgets prepared by the management and approved by the BOD covering a five-year period. The pre-tax discount rates applied to cash flow projections are as follows:

	2025	2024
STEL	**14.66%**	15.17%
VIA	**–**	14.32%
IMI CZ	**–**	10.28%

Cash flows beyond the 5-year period are extrapolated using a steady growth rate of 0% to 1%, which does not exceed the compound annual growth rate (CAGR) for the global electronic manufacturing services (EMS) industry, specifically on automotive, industrial equipment, consumer electronics and telecommunications segments.

Key assumptions used in value-in-use calculations
The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

- Revenue - Revenue forecasts are management's best estimates considering factors such as industry CAGR, existing customer contracts and projections, purchase orders and quotations, status of prototyping, current negotiations and historical experiences and other economic factors.
- Forecasted gross margins - Gross margins are based on the mix of business model arrangements with the customers. Significant assumptions include freight cost, labor costs and material costs.
- Overhead and administrative expenses - estimates are based on applicable inflation rates in the respective countries of the cash generating units considering expected future cost efficiencies and production facilities rationalization.

- Pre-tax discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. This is also the benchmark used by management to assess operating performance. The discount rate calculation is based on the specific circumstances of IMI Group and its operating segments and is derived from its weighted average cost of capital.

Sensitivity to changes in assumptions
Value in use calculation is sensitive to pre-tax discount rates, revenue growth rate and direct cost ratio. With regard to the assessment of value-in-use of STEL, an increase in the pre-tax discount rate by more than 0.73% would result to impairment of goodwill. In addition, a decrease in revenue growth rate of STEL by more than 0.77% would result to an additional impairment. Lastly, an increase in direct cost ratio of STEL by 0.49% would also result to impairment.

Impairment loss on goodwill of VIA amounted to ₱2,371.7 million 2024 (nil in 2025) (see Note 22).

IMI
The goodwill of IMI pertains to its acquisition of M. Hansson Consulting, Inc. (MHCI) in 2006 and IMI USA in 2005. MHCI was subsequently merged to IMI as testing and development department. IMI USA acts as direct support to IMI Group's customers by providing program management, customer service, engineering development and prototyping manufacturing services. IMI USA's expertise in product design and development particularly on the flip chip technology is being used across IMI Group in providing competitive solutions to customers. In 2025, 2024 and 2023, IMI Group assessed the impairment based on value-in-use calculations using cash flow projections of IMI from financial budgets approved by BOD covering a 5-year period.

In 2024, IMI recognized impairment loss on the goodwill of IMI USA amounting to $0.66 million (₱38.2 million) due to the cessation of prototyping and manufacturing operations at the end of 2024. (see Note 22).

ACEIC Group
Significant amount of goodwill came from the acquisitions of UPC-ACE Australia in 2022 and RWEI in 2024 totaling ₱24,662.4 million (see Note 23).

ACEIC Group performs its impairment test annually and when circumstances indicate that the carrying value may be impaired. This requires an estimation of the value in use of the related CGU. The value in use calculation requires ACEIC Group to make an estimate of the expected future cash flows from the CGU and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Key assumptions used in the value-in-use calculations
The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

- Forecasted revenue growth - Revenue forecasts are management's best estimates considering factors such as historical/industry trend, target market analysis, government regulations and other economic factors.
- EBITDA margin - It is a measure of a 'firm's profit that includes all expenses except interest, depreciation and income tax expenses. It is the difference between operating revenues and operating expenses. EBITDA was adjusted for tax, depreciation, interest expenses and changes in net working capital and maintenance capital expenditures in arriving the free cash flow.
- Discount rates - represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is

incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

The recoverable amount is based on value in use calculations using cash flow projections from financial budgets approved by ACEIC management covering the period the CGU is expected to be operational. Based on management's assessment, recoverable amount exceeded the carrying amount of the CGU. No impairment loss was recognized on goodwill in 2025, 2024 and 2023.

The pre-tax discount rates range from 10.17% to 14.52% for Philippines and 7.59% to 8.52% for international, which are based on weighted average cost of capital of comparable entities. The growth rate ranges from (2.24%) to 9.97% in 2025 and 2% to 7% in 2024. The value-in-use computation is most sensitive to the discount rate and growth rate applied to the cash flow projections.

AC Health Group
Total goodwill amounted to ₱3,321.3 million and ₱3,165.5 million as of December 31, 2025 and 2024, respectively. The recoverable amounts of IEM, Generika Group and Healthway Group have been determined based on the value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rates applied to cash flow projections are 13.23% in 2025 (12.82% in 2024) for clinics and hospitals and 13.34% in 2025 (13.03% in 2024) for pharma and cash flows beyond the five-year period are extrapolated using a 5% in 2025 (7.54% in 2024) for clinics and hospitals and 10.28% in 2025 (10.30% in 2024) for pharma growth rate that is the same as the compound annual growth rate for respective industries.

The calculation of value in use for the CGUs are most sensitive to the following assumptions:

- Revenue - Revenue forecasts are management's best estimates considering factors such as industry growth rate, customer projections and other economic factors
- Forecasted gross margins - Gross margins are based on the mix of business model arrangements with the customers
- Pre-tax discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of underlying assets that have not been incorporated in the cash flow estimates. This is also the benchmark used by management to assess operating performance.

With regard to the assessment of value-in-use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of these CGUs to exceed their recoverable amount. No Impairment loss on goodwill was recognized in 2025, 2024 and 2023.

Customer relationships
Customer relationships pertain to IMI Group's STEL Group, IMI BG and VTS' contractual agreements with certain customers which lay out the principal terms upon which the parties agree to undertake business. Customer relationships of STEL, IMI BG and VTS were fully amortized as of December 31, 2023.

As of December 31, 2025 and 2024, the balance of customer relationships pertains to AC Logistics AHI Group amounting to ₱250.2 million and ₱279.0 million, respectively.

Unpatented technology / Intellectual properties
Unpatented technology mainly includes IMI Group's STEL Group's products which are technologically feasible This also includes IMI Group's intellectual properties related to the acquisition of VIA and VTS. VIA's intellectual properties pertain to display system optically bonded to a display region and enhanced liquid crystal display system and methods while VTS's IP relates to the transfer of the seller of the technology relevant to run the business.

Licenses
This includes acquisitions of computer software, applications and modules.

Developed software
This includes the system application acquired by AC Health to compile its electronic medical records, as well as to facilitate online pharmacy and consultation.

Trademarks
Trademarks mainly include the amount recognized by AC Health from the acquisition of Healthway Philippines, Inc. and Generika Group.

In 2025 and 2024, the recoverable amount of HMC amounted to ₱2,278.0 million and ₱2,178.6 million, respectively, and MGHI amounted to ₱3,088.0 million and ₱3,691.1 million, respectively. As of December 31, 2025, the recoverable amount has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 15.10% and 14.82%, respectively and cash flows beyond the five-year period are extrapolated using a 5.00% and 7.54% growth rate that is the same as the long-term average growth rate for the clinic and hospital industry.

The recoverable amount of the Generika Group amounting to ₱3,218.0 million and ₱4,391.7 million as of December 31, 2025 and 2024, respectively, has been determined based on a (value in use) calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 15.34% and cash flows beyond the five-year period are extrapolated using a 10.30% growth rate that is the same as the compound annual growth rate for the pharmaceutical industry.

Project development cost
This includes project development costs from AC Health Group.

Leasehold and other rights
Leasehold rights consist of the following:

- Through the acquisition of AyalaLand Logistics Holdings Corp. (ALLHC), ALI acquired leasehold rights arising from their lease agreement with Philippine National Railways (PNR) (see Notes 24 and 30).
- TKPI's leasehold rights pertain to the right to use the property in Apulit Island located in Taytay, Palawan expiring on December 31, 2029.
- NTDCC's leasehold rights refer to development rights on an 8.3-hectare portion of the MRT Development Corporation, which is located on the North Triangle property, and enabled the Group to develop and construct a commercial center.
- Through the acquisition of Solienda, ACEIC acquired the absolute and irrevocable title, rights and interests in the contract of lease, and the subsequent amendment agreements, of San Julio Realty, Inc. (SJRI) with San Carlos Sun Power, Inc. (SACASUN), San Carlos Solar Energy, Inc. (SACASOL) and San Carlos Biopower Inc. (SCBP). The Assignment Agreements were amended on December 26, 2016 to clarify that SJRI irrevocably assigns, transfers and conveys absolutely unto Solienda, Inc. all its rights, ownership and/or interest in 50% of the total rental payments due under the Contracts of Lease. The parties undertake to provide continuing support for the full implementation of the Agreements and shall perform in good faith any and all facts necessary to implement the Agreements and its amendments.

Others
Other intangible assets include contract of ACEIC Group for the supply and distribution of water to third parties. This also includes intangible asset amounting to ₱2,191.8 million arising from identifiable FIT contract which was recognized from the acquisition of SACASOL in 2020 with remaining useful life of 13 years.

15. Other Noncurrent Assets

This account consists of the following:

	2025	2024
	(In Thousands)	
Investment in debt and equity securities	**₱35,306,064**	₱32,958,451
Deferred charges	**22,015,328**	22,446,159
Advances to contractors and suppliers	**16,096,781**	8,640,107
Deposits	**8,295,596**	5,750,041
Creditable withholding taxes	**6,296,543**	5,557,283
Derivative asset	**5,520,869**	4,499,660
Deferred input VAT	**5,253,359**	4,921,647
Pension assets (Note 27)	**99,828**	249,097
Others (Note 31)	**2,015,441**	2,253,181
f	**₱100,899,809**	₱87,275,626

Investments in debt and equity securities
This account consists of debt and equity investments, which are classified as financial assets at amortized cost, financial assets at FVOCI and financial assets at FVTPL as follows:

	2025	2024
	(In Thousands)	
Financial assets at amortized cost		
RPS and subscription deposits	**₱18,330,831**	₱16,070,188
Convertible loans	**1,878,411**	1,848,217
Financial assets at FVOCI		
Quoted equity investments	**7,430,035**	7,804,486
Unquoted equity investments	**4,283,786**	4,124,208
Financial assets at FVTPL		
Convertible loans	**3,383,001**	3,111,352
	₱35,306,064	₱32,958,451

Financial assets at amortized cost

Investment in RPS and subscription deposits
The rollforward analysis of this account follows:

	2025	2024
	(In Thousands)	
Balances at beginning of year	**₱16,070,188**	₱20,896,462
Subscription deposits	**2,192,043**	1,893,212
Subscription to RPS	**68,600**	89,881
Redemption of subscription deposits and RPS	**–**	(1,389,659)
Reclassified to financial assets at FVOCI	**–**	(3,861,101)
Reclassified to investment in joint venture	**–**	(1,695,449)
Reclassified to receivables	**–**	(12,147)
Cumulative translation adjustment	**–**	148,989
	₱18,330,831	₱16,070,188

No allowance for impairment was recognized for the years 2025 and 2024.

Investments in RPS

UPC Renewables Asia III Ltd. (UPC Asia III)
On January 11, 2017, ACEIC Group entered into an agreement for subscription to Redeemable Class A preferred shares of UPC Asia III. UPC Asia III owns 75MW Wind Farm in South Sulawesi, Indonesia. Redeemable Class A preferred shares are entitled to dividends at fixed, cumulative, and compounding rate annually. The Redeemable Class A preferred shares are non-voting shares and are redeemable at par plus any accrued dividends at the holder's option within 60 days from earlier of July 15, 2035 or date as soon as funds are realized by UPC Asia III or its subsidiaries.

On June 29, 2024, the Group redeemed RPS Class A from UPC Asia III, through distributable profits and capital reduction. The redemption was offset against the existing shareholder loan of UPC Asia III to ACRI, together with outstanding interest receivable from investment in redeemable preferred shares. Any interest in RPS Class A ceased as of date of the resolution. The redemption resulted to a gain of ₱1,520.6 million (US$25.9 million).

As of December 31, 2025 and 2024, investment in Redeemable Class A preferred shares amounted to nil. Interest income amounted to nil, US$1.2 million (₱68.7 million) and US$4.6 million (₱256.7 million) in 2025, 2024 and 2023, respectively.

Impact Wind Investments Limited (Impact Wind)
Group entered into a Party B Financing Bond Subscription Agreement with MC, and Monsoon Wind B.V. to subscribe to Party B Financing to fund the construction of 600MW Monsoon Wind Project. The financing has an aggregate total amount of US$80.4 million of which, US$65.0 million is allocated to the Group. The Party B Financing has a fixed interest rate, payable on March 31, 2043.

In 2025 and 2024, total subscriptions amounted to US$17.1 million (₱996.1 million) and US$21.6 million (₱1,235.7 million) with redemption amounted to nil and US$1.4 million (₱74.7 million), respectively.

As at December 31, 2025 and 2024, the carrying amount is US$64.4 million (₱3,785.8 million) and US$47.3 million (₱2,734.5 million), respectively.

AMI AC Renewables Corporation (AAR)
AAR owns a combined 80 MW of Solar Farm in Khan Hoa and Dak Lak Province, Vietnam. Redeemable Class A and Class B preference shares in AAR are entitled to dividends at fixed base rate annually, commencing from January 22, 2018. The shares are redeemable only by cash at the issuer's option on "first in first out" basis but no earlier than the 5th year from subscription date. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years from commercial operations.

In 2022, ACEIC converted its subscription deposits to Class A preferred shares for a total of US$3.25 million (₱106.8 million).

As of December 31, 2025 and 2024, investment in Redeemable Class A and B preferred shares amounted to US$125.4 million (₱7,372.5 million) and US$125.4 million (₱7,254.0 million), respectively. Interest income amounted to US$16.9 million (₱996.5 million), US$16.2 million (₱933.9 million) and US$16.4 million (₱907.3 million) in 2025, 2024 and 2023, respectively.

BIM Renewable Energy Joint Stock Company (BIMRE)
BIMRE owns 300 MW of Solar Farm in Ninh Thuan Province, Vietnam. On November 4, 2019, ACEIC converted deposit for future equity in BIMRE into 3,437,000 redeemable Class A preferred shares and 3,437,000 redeemable Class B preferred shares. The Redeemable Class A and Class B preferred shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable at par and only by cash and at the issuer's option on "first in, first out" basis but no earlier than the 13th year (for Class A) and 7th year (for Class B) from subscription date and no later than the end of project, and all accrued coupons are current.

In 2021, ACEIC Group subscribed to redeemable Class B for a total of US$0.01 million (₱0.03 million) while US$3.9 million (₱192.1 million) subscription deposits were converted to redeemable Class A and Class B preferred shares.

As of December 31, 2025 and 2024, investment in Redeemable Class A and Class B preferred shares amounted to US$24.4 million (₱1,433.7 million) and US$23.4 million (₱1,410.7 million), respectively. Interest income amounted to US$3.1 2 million (₱187.3 million), US$3.4 million (₱197.8 million) and US$3.3 million (₱180.5 million) in 2025, 2024 and 2023, respectively.

BIM Energy Joint Stock Company (BIME)
BIME owns 30 MW of Solar Farm in Ninh Thuan Province, Vietnam. On November 4, 2019, ACEIC converted deposit for future equity in BIME into 343,700 redeemable Class A preferred shares and 343,700 redeemable Class B preferred shares The Redeemable Class A and Class B preferred shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable at par and only by cash and at the issuer's option on "first in, first out" basis but no earlier than the 13th year (for Class A) and 7th year (for Class B) from subscription date and no later than the end of project, and all accrued coupons are current.

In 2021, the Group subscribed to redeemable Class B for a total of US$0.01 million (₱0.06 million).

As of December 31, 2025 and 2024, investment in Redeemable Class A and Class B preferred shares amounted to US$4.3 million (₱250.2 million) and US$4.3 million (₱246.1 million), respectively. Interest income amounted to US$0.70 million (₱41.2 million), US$0.76 million (₱44.0 million) and US$0.6 million (₱31.6 million) in 2025, 2024 and 2023, respectively.

UPC-AC Energy Solar Limited (UPC Solar)
UPC Solar is currently developing solar farms with combined capacity of 210 MW in the Provinces of Rajasthan and Gujarat, India. During the years ended December 31, 2021 and 2020, ACEIC entered into different Share Subscription Agreement with UPC Solar to subscribe the latter's Class A redeemable preferred shares. The redeemable Class A Preferred shares are non-voting shares entitled to dividends at fixed, cumulative, and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in, first out" basis. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 25 years from commercial operations.

In 2024, investment in UPC-ACE Solar's Redeemable Preference Share Class A (classified as investment in redeemable preferred shares and convertible loans) with a net carrying amount of US$59.5 million (₱2,922.3 million) was reclassified to investments in financial assets at fair value through other comprehensive income (FVOCI) due to change in business model. The instrument was amended with the following features: (a) no fixed coupon, (b) dividends payable upon discretion of the board, and (c) no fixed redemption date. Prior to reclassification, the investment has an allowance for expected credit losses amounting to US$16.5 million (₱938.8 million), of which US$1.1 million (₱59.7 million) was recognized in the consolidated statement of income.

As of December 31, 2025 and 2024, the carrying amount of investment in Class A is nil. Interest income amounted to nil, US$5.7 million (₱335.0 million) and US$10.0 million (₱554.9 million) in 2025, 2024 and 2023, respectively.

RPS bear coupon ranging from 11.2% to 14.0% per annum. Dividends on RPS which are classified and accrued as interest income on a monthly basis are subject to declaration prior to payment.

In 2025, the ACEIC did not recognize any recognized provision for impairment for the investment in redeemable preferred shares in UPC-ACE Solar while in loss. In 2024, the Group recognized provision for impairment loss was recognized amounting to US$1.05 million (₱59.7 million) in redeemable preferred shares in UPC-ACE Solar (see Note 22).

Investment in BIM Wind
BIM Wind owns and operates an 88 MW wind project in the Province Ninh Thuan, Vietnam. The wind farms began operations on September 2021. The redeemable preference shares are non-voting shares entitled to dividends at fixed, cumulative and compounding base rate annually. Shares are redeemable only by cash and at the issuer's option on "first in first out" basis no later than the end of the operations of the project which is expected in 20 years from commercial operations.

In 2023 and 2022, ACEIC converted its subscription deposits to redeemable preferred shares for a total of $3.1 million (₱176.2 million) and $29.53 million (₱1,731.0 million), respectively.

As at December 31, 2025 and 2024, investment in redeemable preferred shares amounted to US$40.24 million (₱2,365.8 million) and US$40.2 million (₱2,327.9 million), respectively. Interest income amounted to US$5.7 million (₱332.4 million), US$6.4 million (₱367.9 million) and US$6.9 million (₱383.4 million) in 2025, 2024 and 2023, respectively.

Investment in NEFIN
Construction Equity RPS in NEFIN Limited are non-voting shares entitled to a fixed, cumulative compounding dividends annually and are not entitled to any additional dividends. The shares are redeemable only by cash at the issuer's option.

In 2024, US$3.5 million (₱202.5 million) was collected while US$0.26 million (₱12.2 million) was reclassified to receivables. Total subscriptions amounted to US$7.5 million (₱433.5 million) (nil in 2025).

As at December 31, 2025 and 2024, investment in redeemable preferred shares amounted to US$34.70 million (₱2,040.01 million) and US$34.70 million (₱2,007.22 million), respectively. Interest income amounted to US$1.05 million (₱61.54 million), US$3.10 million (₱179.27 million) and US$2.32 million (₱128.35 million) in 2025, 2024 and 2023, respectively.

Subscription deposits

Subscription to Suryagen
On March 10, 2022, The Framework Agreement Term Sheet Between ACRI and PT Puri Usaha Kencana, Pt Trisurya Mitra Bersama, PT Griya Usaha, PT Suryagen Griya Intitama and PT Puri Energi Kencana was entered into for the joint development of projects in Indonesia. Pursuant to the term sheet, ACRI infused $2.50 million (₱139.40 million) to Suryagen Capital Pte Ltd as a non-refundable subscription deposit convertible into common shares investment upon execution of the investment definitive documentation. The balance of subscriptions amounting to $2.50 million (₱129.90 million) was redeemed in 2023.

Subscription to BIM Wind
On July 7, 2020, ACEIC Group entered into a Share Subscription and Deposit Agreement for non-interest deposit with BIM Wind. In 2021, the Group made subscription deposit amounting to $13.04 million (₱642.32 million). Subscriptions amounted to $3.14 million (₱176.22 million) was converted in 2023 and subscriptions amounting to $2.12 million (₱119.34 million) was collected in 2023.

Subscription to UPCAPH
On December 13, 2023, the Group entered into an agreement with UPC Renewables Asia Pacific Holdings Pte Ltd, for the 49% acquisition of 3 late-stage development projects in Indonesia, with a combined potential capacity of 320MW. The projects are located in South Sulawesi, Sukabumi, and Lombok. As part of the transaction, the Group, provided a subscription deposit amounting to $2.00 million. In 2024, total subscriptions amounted to US$35.78 million (₱228.14 million) was reclassified as subscription to PT Lombok, PT Sidrap 2 and PT Sukabumi, accounted as associates and joint venture. As at December 31, 2025 and 2024, the carrying amount is nil (see Note 10).

Subscription to Beacon Capital Holdings Limited
On December 18, 2023, the Group entered into a Reservation Agreement with Beacon Capital Holdings Limited and Huntington Renewable Investments Limited, to acquire 49% equity stake in BIM Energy Holdings, BIM Group's holding company for renewable projects in Vietnam. The transaction is subject to condition precedents, including regulatory approval in Vietnam. As part of the transaction, the Group provided a reservation deposit amounting to US$24.50 million (₱1,356.57 million).

In 2024, deposit amounting to US$24.50 million (₱1,356.57 million) was reclassified to investment in BIM Energy Holding Corporation, a joint venture (see Note 10).

Convertible loans
The rollforward analysis of this account follows (in thousands):

	2025	2024
Balance at January 1	**₱3,961,067**	₱3,882,716
Cumulative translation adjustment	**30,194**	78,351
	3,991,261	3,961,067
Allowance for ECL	**(2,112,850)**	(2,112,850)
Balance at December 31	**₱1,878,411**	₱1,848,217

Vietnam Wind Energy Limited
On April 17, 2020, ACEIC entered into an agreement with VWEL to make available a convertible term loan facility in an aggregate amount of US$38.00 million (₱1,841.67 million). ACEIC, from time to time until maturity date, has an irrevocable right to convert all or part of the conversion amount into redeemable preference shares at $1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, redeemable preferred shares with no voting rights. The redeemable preferred shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends, redeemable at the issuer's option. The preferred shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years of drawn down date.

In 2024 and 2023, ACEIC recognized reversal of allowance for impairment loss in convertible loan to Vietnam Wind of US$2.77 million (₱154.10 million) and allowance for impairment loss of US$17.73 million (₱982.54 million), respectively (nil in 2025) (see Note 22).

As at December 31, 2025 and 2024, ACEIC provided ECL provision amounting to $36.53 million (₱2,112.85 million).

As of December 31, 2025 and 2024, outstanding balance of the convertible loan amounted to nil. Interest income amounted to US$6.75 million (₱396.93 million), US$6.11 million (₱353.56 million), US$5.02 million (₱277.92 million) in 2025, 2024 and 2023, respectively.

Asian Wind Power 1 HK Ltd
In 2022, convertible loan amounting to US$1.43 million (₱74.45 million) was reclassified to debt replacement loans. On September 29, 2023, repaid the outstanding convertible loan facility amounting to US$26.00 million (₱1,318.77 million).

On September 27, 2023, ACEV, and Asian Wind Power 1 HK Ltd, entered into an agreement to make available a Convertible Preferred C facility in aggregate principal amount of US$16.26 million (₱920.15 million), payable on July 31, 2040. The Group has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at $1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years from commissioning date.

As of December 31, 2025 and 2024, outstanding balance of the convertible loan amounted to US$16.26 million (₱956.17 million) and US$16.26 million (₱940.80 million), respectively. Interest income amounted to US$2.21 million (₱129.81 million), US$2.02 million (₱116.92 million) and US$3.22 million (₱178.10 million) in 2025, 2024 and 2023, respectively.

Asian Wind Power 2 HK Ltd
On September 29, 2023, ACEIC repaid the outstanding convertible loan facility amounting to US$21.29 million (₱1,023.00 million).

On September 27, 2023, ACEN Vietnam Investments Pte. Ltd., and Asian Wind Power 2 HK Ltd, entered into an agreement to make available a Convertible Preferred C facility in aggregate principal amount of US$15.69 million (₱887.49 million), payable on October 31, 2041. The Group, from time to time, has an irrevocable right to convert all or part of the conversion amount into Class A redeemable preference shares at $1 per redeemable preference share. Shares issued shall be valid, fully paid, non-assessable, Class A preference shares with no voting rights. Class A redeemable preference shares shall earn a coupon which is fixed, cumulative and compounding annually and are not entitled to any additional dividends. The preference shares are to be redeemed no later than the end of the operations of the relevant projects which is expected in 20 years from commissioning date.

As of December 31, 2025 and 2024, outstanding balance of the convertible loan amounted to US$15.69 million (₱922.24 million) and US$15.69 million (₱907.41 million), respectively.

For both Asian Wind Power 1 HK Ltd and Asian Wind Power 2 HK Ltd, loans converted to investment in RPS are redeemable at the option of the issuer at par and has to be redeemed in case a liquidation event occurs and before returning the capital to the ordinary shareholders.

Convertible loan facilities bear interest ranging from 8.8% to 14.0% in 2025 and 2024 per annum.

Financial assets at FVOCI

Quoted equity investments
Quoted equity instruments consist mainly of investments in listed equity securities and golf club shares. Investments in golf club shares wherein ALI Group does not exercise control or demonstrate significant influence.

Unquoted equity investments
Unquoted equity investments include unlisted preferred shares in public utility companies which the Group will continue to carry as part of the infrastructure that it provides for its real estate development projects, water utilities projects, and to its other operations.

Financial assets at FVTPL

Convertible loans

First Myanmar Investment Public Co. (FMI)
On November 8, 2019, the Parent Company signed definitive agreements to acquire a 20% stake in FMI. The investment in FMI was implemented via a US$82.5 million convertible loan, which was made by VIP on January 23, 2020. VIP disbursed US$82.5 million into FMI after securing approval from the Central Bank of Myanmar. The transaction forms part of the VIP's $237.5 million investment in Yoma Group (see Note 10).

In 2022, FMI and The Parent Company, through VIP, entered into a Restructured Loan Agreement that converted the Group's US$ 82.5 million convertible loan in FMI into a US$82.5 million perpetual loan with no fixed maturity date. The restructured loan terms contain an automatic redemption feature by delivery of 8,277,424 shares of FMI to the VIP upon the satisfaction of certain conditions, including the seven-day volume weighted average price at an FMI share price listed in the Yangon Stock Exchange hitting or exceeding MMK 15,000 per share.

In 2025 and 2024 the fair value of the convertible loan has been determined using market approach resulting to fair value loss of nil (see Note 22).

Investment in Convertible notes of Merlin Solar
As of December 31, 2025 and 2024, the book value of the convertible loan approximate to its fair value of US$9.2 Million (₱540.9 million) and nil respectively.

Compulsory Convertible Debenture of Masaya Solar Energy Private Limited ("Masaya Solar")
On November 16 and December 9, 2021, the ACEIC Group subscribed to 21.56 million and 32.80 million, respectively, of the Compulsorily Convertible Debentures (CCDs) of Masaya Solar.

As of December 31, 2025 and 2024, the cost of the investment amounted to ₱744.9 million and ₱921.8 million, respectively.

Deferred charges
Deferred charges include ALI Group's project costs incurred for unlaunched projects of the group, advance rental payments, and noncurrent prepaid management fees. This also includes ALI Group's noncurrent portion of cost to obtain contracts which includes prepaid commissions and advances to brokers.

Deferred charges also include IMI's tooling items customized based on the specifications of the customers and to be repaid as part of the price of the manufactured items.

Advances to contractors and suppliers
Advances to contractors and suppliers represent prepayments for the construction of investment properties, property and equipment.

Deposits - others
This account consists of project-related advances, including escrow funds, security deposits for land leases, and utility meter payments for electricity and water.

Creditable Withholding Tax
The Group will be able to apply the creditable withholding taxes against income tax payable or can be claimed as tax refund from the BIR.

Deferred input VAT
Deferred input VAT pertains to the unamortized VAT portion from purchases of capital goods.

Derivative asset
Noncurrent derivative asset pertains to the long-term energy service agreements for ACEN's solar project in Australia (see Note 15).

Others
Others pertain to prepayments for expenses that is amortized for more than one year, marketable securities and Customers & Tenants Deposits to Affiliates.

16. Accounts Payable and Accrued Expenses

This account consists of the following:

	2025	2024
	(In Thousands)	
Accounts payable	**₱169,271,975**	₱152,927,977
Taxes payable	**28,043,742**	25,560,837
Accrued expenses:		
Personnel costs	**7,158,416**	7,046,081
Rental and utilities	**2,637,563**	2,301,142
Professional and management fees	**1,613,029**	1,512,399
Advertising and promotions	**1,563,283**	1,365,433
Repairs and maintenance	**600,708**	313,139
Various operating expenses	**10,964,362**	7,306,577
Interest payable	**8,257,134**	7,761,725
Liability for purchased land	**7,836,717**	4,963,944
Retentions payable	**7,516,049**	5,120,029
Related parties (Note 31)	**4,810,410**	4,544,179
Dividends payable	**3,241,865**	2,805,520
Property dividends (Note 20)	**110,162**	133,230
	₱253,625,415	₱223,662,212

Accounts payable and accrued expenses are non-interest bearing and are normally settled on 15-to 60-day terms. Other payables are non-interest bearing and are normally settled within one year.

Accounts payable also include accrued project costs of billings not yet received from suppliers for direct materials and services from subcontractors. These are accruals of project costs such as equipment charges, materials, labor, overhead and provision for repairs and maintenance. These are normally settled within one year.

Taxes payable consists of output VAT, withholding taxes, business taxes, capital gains tax and other statutory payables. These are normally settled within one year.

Accrued various operating expenses include accruals for supplies, commissions, transportation and travel, insurance, representation, dues and fees and others. These are normally settled within one year.

Interest payable pertains to interest incurred on bank loans and fixed bonds but not yet paid. These are normally settled within one year.

Liability for purchased land pertains to the current portion of unpaid unsubdivided land acquired payable during the year. These are normally payable in quarterly or annual installment payments or upon demand.

Retentions payable pertain to the amount withheld by ALI Group on contractor's billings to be released after the guarantee period, usually one (1) year after the completion of the project or upon demand. The retention serves as a security from the contractor should there be defects in the project.

Dividends payable pertains to dividend declared but not yet paid.

Property dividends pertain to the declaration of property dividends consisting of the ACEN shares acquired from ACEIC to the Parent Company's common shareholders at a ratio of three (3) ACEN shares per one (1) parent company common share. The SEC approved and issued Certificate of Filing Notice of the Property Dividend declaration last October 24, 2022. BIR released the Certificates Authorizing Registration (CAR) to stockholders who have met the BIR requirements last December 29, 2022, including the submission of their Tax Identification Numbers. For stockholders who have not been issued a CAR, the payment date of the property dividend is on the 5th business day following their submission of a CAR to Parent Company.

17. Other Current Liabilities

This account consists of:

	2025	2024
	(In Thousands)	
Customers deposits	**₱16,471,825**	₱21,831,822
Nontrade payables	**1,762,504**	1,414,404
Others	**992,704**	482,364
	₱19,227,033	₱23,728,590

Customer deposits pertain to security and customers' deposits. Security deposits are normally equivalent to three (3) to six (6) months' rent of tenants with cancellable lease contracts and whose lease term will end in the succeeding year. This will be refunded to the lessees at the end of the lease term or be applied to the last rentals on the related contracts. Customers' deposits consist of collections from real estate customers which have not reached the 10% threshold to qualify for revenue recognition and excess of collections over the recognized receivables based on percentage of completion (see Note 3). The amount of revenue recognized from amounts included in customers' deposits at the beginning of the year amounted to ₱16,890.8 million and ₱21,492.2 million in 2025 and 2024, respectively.

Nontrade payables pertain mainly to non-interest-bearing real estate-related payables to contractors and various non-trade suppliers which are due within one year.

Others include derivative liability, contract liabilities, installment payable and financial liabilities on put option. Contract liabilities include short-term advances received to render manufacturing services. Contract liabilities are recognized as revenue when the Group performs under the contract.

18. Short-term and Long-term Debt

Short-term debt consists of:

	2025	2024
	(In Thousands)	
Philippine peso debt - with interest rates ranging from 4.6% to 10% per annum in 2025 and 5.1% to 10% per annum in 2024	**₱62,205,783**	₱64,425,377
Foreign currency debt - with interest rates ranging from 6.25% to 7.5% in 2025 and 5.37% to 7.25% in 2024	**19,092,296**	11,130,907
	₱81,298,079	₱75,556,284

Parent Company
In October 2023, the Parent Company drew ₱5,000 million against its working capital lines with a local bank at a fixed interest rate. In December 2023, the Parent Company drew ₱4,000 million against its working capital lines with a local bank at a fixed interest rate. As of December 31, 2023, unsecured short-term debt of the Parent Company amounted to ₱9,000.0 million from local bank with fixed interest rate of 5.75% per annum. These were subsequently paid in 2024.

In December 2024, the Parent Company drew ₱11,500 million and ₱10,500 million against its working capital lines with local banks at a fixed interest rate ranging from 5.5% to 5.8% which matured in February 2025 and March 2025, respectively. The Parent Company also drew ₱6,500 million against its revolver loan facility with a local bank at a fixed rate of 5.5% which matured in March 2025. As of December 31, 2024, unsecured short-term debt of the Parent Company amounted to ₱28,500 million from local banks, maturing in 50 to 92 days with a fixed interest rate ranging from 5.5% to 5.8% per annum. These were subsequently paid in 2025.

On December 15, 2025, the Parent Company availed of ₱9,700 million short term loan with a local bank maturing on March 13, 2026 at a fixed rate of 5.20% secured by shares of stock of a subsidiary. On the same period, the Parent Company settled it short term loan with the same bank amounting to ₱9,700 million.

As of December 31, 2025, unsecured short-term debt of the Parent Company amounted to ₱9,700 million from local banks, maturing in 87 days with a fixed interest rate ranging from 5.20% per annum.

ALI Group
ALI Group's short-term debt amounted to ₱32,236.0 million and ₱20,671.0 million as of December 31, 2025 and 2024, respectively. These represent peso and foreign-currency denominated bank loans with various interest rates. Peso-denominated short-term loans had a weighted average cost of 5.45% and 6.22% per annum in 2025 and 2024, respectively.

In compliance with Bangko Sentral ng Pilipinas (BSP) rules on directors, officers, stockholders and related interests, certain short-term and long-term debt with a carrying value of ₱4,512.2 million and ₱5,616.5 million as of December 31, 2025 and 2024, respectively, are secured by real estate mortgages dated September 2, 2014 and March 14, 2016 covering both land and building of the Greenbelt Mall. The net book value of the property amounted to ₱3,947.0 million and ₱3,796.1 million as of December 31, 2025 and 2024, respectively, which is accounted as part of the "Investment properties" account (see Note 11).

AC Industrials Group
AC Industrials' short-term loans include Philippine peso loans with various banks and institutions amounting to ₱7,076.0 million and ₱7,828.5 million as of December 31, 2025 and 2024, respectively. These loans are unsecured and bear interest rate of 5.1% to 10.0% and 6.10% to 7.70% per annum in 2025 and 2024, respectively.

Short-term foreign currency denominated debt amounted to ₱6,315.0 million and ₱148.1 million as of December 31, 2025 and 2024, respectively. These loans are unsecured and bear interest rate of 5.1% to 10.0% per annum in 2025 and 6.9% to 7.0% per annum in 2024.

AIVPL Group
AIVPL Group's short-term loans include peso-denominated and dollar-denominated debt through its subsidiary, Affinity Express India Private Limited (AEIPL), with various banks amounting to ₱572.4 million and ₱619.9 million as of December 31, 2025 and 2024, respectively. These loans are unsecured and bear interest rate at 6.50% to 7.25% per annum in 2025 and 2024, respectively.

IMI Group
IMI Group's short-term debt includes unsecured loans aggregating to US$96.9 million (₱5,699.2 million (US$96.9 million) and ₱8,916.8 million (US$152.6 million (₱8,916.8 million) as of December 31, 2025 and 2024, respectively. These short-term loans have maturities ranging from 30-180 days and bear fixed interest rates ranging from 3.00% to 6.50% and 5.37% to 6.63% per annum in 2025 and 2024, respectively.

ACEIC Group
ACEIC Group's short-term debt pertains to unsecured short-term loans aggregating to ₱14,361.4 million and ₱5,600.0 million as of December 31, 2025 and 2024, respectively. These short-term loans bear fixed interest rates ranging from 4.60% to 4.75% and 5.50% to 5.70% in 2025 and 2024, respectively.

AC Health Group
AC Health Group's short-term debt includes unsecured loans availed from local banks for working capital purposes amounting to ₱777.5 million and ₱493.0 million as of December 31, 2025 and 2024, respectively. These are on a 30-day to 1-year term with interest rates ranging from 4.00% to 8.00% and 5.80% to 8.00% per annum in 2025 and 2024, respectively.

AC Logistics
AC Logistics short-term debt includes unsecured loans availed from local banks for working capital purposes amounting to ₱151.2 million and ₱1,332.7 million as of December 31, 2025 and 2024, respectively. These are on a 60 to 180-days term with interest rates ranging from 7.35% to 7.85% per annum in 2025 and 7.30% to 7.45% in 2024.

AYCFL
On May 16 and May 28, 2025, AYCFL secured short-term borrowings from a foreign bank amounting to US$50 million and US$25 million, respectively. These funds were obtained for general corporate purposes. As of December 31, 2025 and 2024, AYCFL has outstanding loans payable amounting to ₱4,409.2 million and ₱1,446.11 The loan is guaranteed by the Parent Company and bear interest rates of 4.63% to 5.01%.

Long-term debt consists of:

	2025	2024
	(In Thousands)	
Parent Company:		
Bank loans - with fixed interest rates ranging from 0.8% to 7.50% and 3.0% to 3.31% per annum in 2025 and 2024 with varying maturity dates up to 2029	**₱53,966,186**	₱52,813,071
Bonds	**15,933,830**	30,879,523
	69,900,016	83,692,594
Subsidiaries:		
Loans from banks and other institutions:		
Philippine peso - with interest rates ranging from 4.00% to 9.08% in 2025 and 3.75% to 8.00% in 2024	**211,660,545**	186,016,325
Foreign currency - with interest rates ranging from 1.05% to 7.24% in 2025 and 1.05% to 8.65% in 2024 (Note 23)	**108,262,809**	82,273,644
Bonds:		
Foreign currency bonds:		
Green bonds / Fixed for life (FFL) bonds	**111,331,636**	106,018,981
Social bonds	**5,879,000**	5,784,500
Islamic bonds	**4,364,544**	3,883,463

(Forward)

	2025	2024
	(In Thousands)	
Philippine peso bonds:		
Due 2025	**₱–**	₱23,006,438
Due 2026	**15,990,712**	15,964,884
Due 2027	**21,400,844**	24,857,539
Due 2028	**21,969,082**	22,060,583
Due 2029	**13,911,598**	13,972,958
Due 2030	**7,412,542**	–
Due 2031	**2,985,740**	2,983,627
Due 2033	**6,866,165**	6,860,258
Due 2034	**13,840,002**	13,827,052
Due 2035	**7,414,236**	–
	553,289,455	507,510,252
	623,189,471	591,202,846
Less current portion	**46,564,344**	60,875,018
	₱576,625,127	₱530,327,828

Reconciliation of carrying amount against nominal amount follows:

	2025	2024
	(In Thousands)	
Nominal amount	**₱626,154,623**	₱594,230,792
Unamortized discount	**(2,965,152)**	(3,027,946)
	₱623,189,471	₱591,202,846

Parent Company

Bank loans
The Parent Company positions its deals across various currencies, maturities, and product types to provide utmost flexibility in its financing transactions.

Generally, the Parent Company's long-term loans are unsecured. Due to certain regulatory constraints in the local banking system regarding loans to directors, officers, stockholders and related interest, some of the Parent Company's credit facilities with a local bank are secured by shares of stock of a subsidiary with a fair value of ₱80,955.1 million and ₱62,444.4 million as of December 31, 2025 and 2024, respectively, in accordance with Bangko Sentral ng Pilipinas (BSP) regulations. All credit facilities of the Parent Company outside of BPI are unsecured, and their respective credit agreements provide for this exception.

Loans secured by collateral for DOSRI compliance
The Parent Company signed the following loan facilities with a local bank that are secured by collateral:

a. January 2018: ₱1.9 billion 10-year loan facility with an interest rate based on the prevailing benchmark rates plus a certain spread; and 1.9 billion 10-year Loan Facility with subsidiary shares as collateral. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱1.2 billion and ₱1.3 billion, respectively.

b. October 2020: ₱10.0 billion term loan agreement secured by ALI shares. The said facility has a tenor of ten (10) years with an interest rate based on the applicable BVAL rate plus a certain spread. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱7.9 billion and ₱8.4 billion, respectively.

c. December 2022: ₱4.0 billion term loan facility with a fixed and floating rate option for six (6) or seven (7) years. In December 2023, the facility was amended to improve interest rate and availed of by the Parent Company with a tenor of seven (7) years at a fixed interest rate structure of 3 years (3Y) + 4 years (4Y) based on 3Y and 4Y BVAL plus margin and subject to floor rate. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱3.8 billion and ₱4.0 billion, respectively.

In December 2016, the Parent Company entered into a term loan agreement with a domestic bank amounting to ₱10.0 billion with an interest rate based on (i) the prevailing Benchmark Rate plus a certain spread or (ii) the 28-day BSP Deposit Facility Rate plus a certain spread, whichever is higher. In August 2021, the Parent Company drew ₱2.5 billion with a tenor of 5 years. Principal repayments amounting to ₱25.0 million shall be made at the first anniversary until end of the fourth year and payment for the remaining principal balance amounting to ₱2.4 billion at maturity date. In October 2021, the Parent Company drew ₱7.5 billion with a tenor of 4 years. Principal repayments amounting to ₱75.0 million shall be made at the first anniversary until end of the third year and payment of remaining principal balance amounting to ₱7.3 billion at maturity date. As of December 31, 2025 and 2024, total outstanding balance of the long-term loan facility amounted to ₱2.4 billion and ₱9.6 billion, respectively.

In April 2018, the Parent Company signed an ₱11.0 billion fixed term loan facility with a domestic bank with a tenor of 8 years. The amount was fully drawn on April 30, 2018. The original terms of the loan stipulated a fixed interest rate of 6.00% for the first five years, which was based on the prevailing 5-year benchmark plus a certain spread and will reprice at the prevailing 3-year benchmark plus a certain spread. In July 2020, the Parent Company and the local bank agreed to revise the interest rate to 4.60% up to April 30, 2023 based on the applicable three (3) year PHP BVAL plus a corresponding spread. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱5.0 million and ₱9.2 billion, respectively.

In September 2021, the Parent Company signed a ₱5.0 billion loan facility with a fixed or floating rate option and a term of five (5) or seven (7) years. In August 2022, the Parent Company drew down the full amount of ₱5.0 billion with tenor of seven (7) years with interest rate based on 3 months BVAL plus a spread and subject to a floor rate. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱1.7 billion and ₱4.9 billion, respectively.

In May 2022, the Parent Company signed an ₱8.0 billion term loan facility with a local bank.
In August 2022, the Parent Company drew down the full amount in two tranches at ₱5.0 billion and ₱3.0 billion, both with a tenor of 6 years with interest rate based on 3 months BVAL plus margin and subject to a floor rate. In December 2025, the Parent Company made principal repayments and partial principal payment of ₱4.4 billion. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱3.2 billion and ₱7.6 billion, respectively.

In December 2022, the Parent Company signed a sustainability linked credit facility for ₱5.0 and was amended in March 2023 to extend availability period. In October 2023, the facility was further amended to reduce facility amount to ₱4.0 billion and was availed by the Parent Company for a tenor of eight (8) years at a fixed interest rate. The facility is subject to reduction in coupon for met Key Performance Indicators (KPIs). As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱3.7 billion and ₱4.0 billion, respectively.

In October 2023, the Parent Company signed and availed of a sustainability linked credit facility for ₱1.0 billion with a tenor of eight (8) years at a fixed interest based on BVAL plus margin. The facility is subject to a reduction in coupon for met KPIs. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱1.0 billion.

In March 2024, the Parent Company signed a EUR50.0 million Committed Term Loan Facility and drew its peso equivalent of ₱3.09 billion through a cross-currency swap in the same year. The tenor of the loan is five (5) years at a fixed interest rate based on the prevailing benchmark rates plus margin. As of December 31, 2025, the outstanding balance of the loan facility is ₱3.4 billion and ₱3.1 billion, respectively.

In August 2024, the Parent Company signed a US$200 million multi-currency loan agreement and drew ₱11.0 billion in April 2025. The tenor of the loan is five (5) years at a floating rate based on the prevailing benchmark rates plus margin. As of December 31, 2025, the outstanding balance of the loan is ₱11.0 billion.

In December 2024, the Parent Company signed a sustainability linked credit facility for 2.5 billion and drew ₱2.5 billion in 2025. As of December 31, 2025, the outstanding balance of the loan facility is ₱2.5 billion.

In December 2024, the Parent Company signed a US$100Mn Blended Finance Facility with a fixed or floating rate option and a term of seven (7) years. The facility is composed of a bilateral and a concessional loan. In 2025, the Parent Company drew Peso and USD tranches at its peso equivalent of ₱2.4 billion through a cross-currency swap and US$8.0 million, respectively. As of December 31, 2025, outstanding Peso and USD tranches are ₱2.4 billion and US$8.0 million (₱470.3 million), respectively.

In March 2025, the Parent Company signed a JPY Term Loan (US$200 million) Facility and drew its peso equivalent of ₱5.9 billion through a cross-currency swap. The tenor of the loan is five (5) years at a fixed interest rate based on the prevailing benchmark rates plus margin. As of December 31, 2025, the outstanding balance of the loan facility is ₱5.9 billion.

In May 2025, the Parent Company signed a US$180 million term loan facility with fixed or floating rate options and a term of up to eight (8) years. As of December 2025, the facility remains undrawn.

In September 2025, the Parent Company signed a US$250 million term loan facility with a fixed and floating rate options and a term of up to four (4) years. As of December 2025, the facility remains undrawn.

In October 2025, the Parent Company signed a ₱12.0 billion term loan agreement with fixed and floating rate options. In December 2025, the Parent Company drew ₱4.0 billion with a tenor of five (5) year and interest based on (i) the prevailing Benchmark Rate plus margin or (ii) the BSP Reverse Repurchase Rate plus whichever is higher. As of December 31, 2025, the outstanding balance of the loan facility is ₱4.0 billion.

Bonds
Below is the summary of the outstanding Peso bonds issued by the Parent Company:

Year Issued	Term	Interest rate	Principal Amount (In thousands)	Carrying Value (In Thousands) 2025	2024	Features
2017	8 years	4.8200%	₱10,000,000	**₱–**	₱9,989,859	Callable from the 6.5th anniversary issue until every year thereafter.
2021	5 years	3.7874%	6,000,000	**5,986,407**	5,972,815	5-year fixed coupon Series B bond callable on the 12th to 19th interest payment date with a call option price of 101.0% on the 12th to 15th interest payment date and 100.5% on the 16th to 19th interest payment date.
2022	3 years	4.4542%	5,000,000	–	4,988,606	3-year fixed coupon Series C bond with no call option.
2022	5 years	5.6239%	7,500,000	**7,465,481**	7,450,002	5-year fixed coupon Series D bond callable on the 12th to 19th interest payment date with a call option price of 101.0% on the 12th to 15th interest payment date and 100.5% on the 16th to 19th interest payment date.
2022	7 years	6.1351%	2,500,000	**2,481,942**	2,478,241	7-year fixed coupon Series E bond callable on the 16th to 27th interest payment date with a call option price of 102.0% on the 16th to 19th interest payment date, a call option price of 101.0% on the 20th to 23rd interest payment date and 100.5% on the 24th to 27th interest payment date.
			₱31,000,000	**₱15,933,830**	₱30,879,523	

The outstanding Peso bonds of the Parent Company have been rated “PRS AAA” by PhilRatings, which is the highest credit rating possible for long-term issuances. Obligations rated PRS AAA are of the highest quality with minimal credit risk and indicates the obligor’s capacity to meet its financial commitment is extremely strong.

Bond redemption
On May 28, 2024, the Parent Company's ₱4.0 billion, 3.03% Series A Bonds Due 2024 were fully redeemed on its maturity date. The Bonds were redeemed by payment in cash of the redemption price set at 100% of the Issue Price plus all accrued and unpaid interest based on the coupon rate of 3.03% per annum.

On February 10, 2025, the ₱10.0 billion 4.82% Ayala Bonds were redeemed by the payment in cash of the redemption price set at 100% of the issue price plus all accrued and unpaid interest based on the Coupon Rate of 8.82% per annum.

On May 26, 2025, the Parent Company redeemed its ₱5.0 billion 4.4542% fixed rate Bonds (Series C) at 100% of its issue price plus all accrued interest.

Outstanding fixed rate bonds

Philippine Peso 8-Year Bond due 2025
On February 10, 2017, the Parent Company issued ₱10.0 billion, 4.82% bonds due in 2025. This pertains to the second and final tranche of the ₱20.0 billion fixed rate bonds program approved by the BOD on March 10, 2016.

Philippine Peso 3-Year and 5-Year Bonds due 2024 and 2026
On May 28, 2021, the Parent Company issued a total of ₱10.0 billion bonds, broken down into a ₱4.0 billion bond due 2024 at a fixed rate equivalent to 3.03%, and a ₱6.0 billion bond due 2026 at a fixed rate of 3.7874%. Interest on the Bonds will be payable quarterly. The proceeds were used to refinance select Philippine Peso-denominated obligations and partially to finance capital expenditures. The ₱10.0 billion amount represents the first tranche under the Parent Company’s ₱30.0 billion shelf registration program of the SEC. The 3-year bond due 2024 was redeemed in cash based on a redemption price set at 101.0% of the issue price plus all accrued and unpaid interest based on coupon rate of 3.03% per annum.

Philippine Peso 3-Year, 5-Year, and 7-Year Bonds due 2025, 2027, and 2029
On May 26, 2022, the Parent Company issued a total of ₱15.0 billion bonds, which constitute the second tranche of the Parent Company’s ₱30.0 billion shelf registration that has been approved by the BOD. The Second Tranche consists of 4.45% Series C Bonds due 2025, 5.62% Series D Bonds due 2027, and 6.14% Series E Bonds due 2029 amounting ₱5.0 billion, ₱7.5 billion, and ₱2.5 billion, respectively. Interest on the Bonds will be payable quarterly. Proceeds will be used to refinance select Philippine Peso-denominated obligations and partially to finance capital expenditures.

<u>Subsidiaries</u>

Foreign currency debt

IMI Group
IMI Group’s outstanding long-term debt amounted to US$99.07 million (₱5.8 billion) and US$137.94 million (₱7.9 billion) as of December 31, 2025 and 2024, respectively.

IMI Parent’s unsecured long-term debts amounting to US$99.07 million and US$132.47 million as of December 31, 2025 and 2024, respectively, were obtained from Philippine banks with terms of three to five years, subject to fixed annual interest rates of 8.65% in 2025 and 4.22% to 8.65% in 2024.

VTS and IMI CZ have unsecured long-term loans amounting to nil and US$5.4 million as of December 31, 2025 and 2024, respectively, were obtained from the Japanese and Czech-based banks that are payable in regular monthly installments both with terms of five years. The VTS and IMI CZ loans has interest rates ranging from 0.7878% to 2.31% per annum.

AC Industrials
The long-term foreign currency denominated debt pertaining to Union Bank of the Philippines, Inc. (UnionBank) amounted to US$18.4 million (₱1.1 billion) and US$18.8 million (₱1.1 billion) as of December 31, 2025 and 2024, respectively. These loans are unsecured and bear interest rate of 3.91% to 7.24% per annum in 2025 and 2024.

In 2022, long-term foreign currency denominated debt was availed from Bank of the Philippine Islands amounting to US$ 25.0 million (₱1.3 billion) with interest rate of 3.95% per annum. US$20.0 million (₱1.0 billion) of the loans from BPI is secured by continuing guarantee from AC Industrials (Singapore) PTE, LTD. This loan was excluded in the balances as of December 31, 2024, as a result of Merlin Group dilution in 2024 (see Note 2).

In 2024, additional long term foreign currency debt was availed from BPI amounted to US$44.6 million (₱2.6 billion) with interest of 8.13% per annum to refinance the matured Unionbank loans. As of December 31, 2025 and 2024, the outstanding balance of the loans is US$43.2 million (₱2.5 billion) and US$44.6 million (₱2.6 billion) with interest rate of 3.95% per annum.

ACEIC Group
On February 20, 2017, ACEIC entered into an unsecured loan agreement with The Philippine American Life and General Insurance Company (PHILAM) amounting to ₱1,000.0 million payable in 10 years from the date of drawdown with 6% fixed interest per annum. The loan shall be paid in one lump sum at the maturity date. As of December 31, 2025 and 2024, outstanding balance of the interest-bearing loans amounted to ₱1,000.0 million.

On September 25, 2020, ACEIC secured a 12-year term loan facility from BDO Unibank, Inc with maximum loanable amount of ₱10,000.00 million or its US dollar equivalent. On November 23, 2020 and on December 22, 2020 ACEIC made drawdowns from the loan facility amounting to US$62.5 million (₱3,015.6 million) and US$37.5 million (₱1,802.3 million), respectively. ACEIC shall pay interest on the outstanding principal amount of the loan at the fixed rate of 4.04% and 4.03% per annum for the first five years term with duration of three (6) months commencing on the drawdown date. Interest shall then be repriced on the 5th anniversary from the drawdown date and will be fixed for the next 7 years until maturity. As of December 31, 2025 and 2024, outstanding balance of the unsecured interest-bearing loan amounted to ₱3,713.4 million and ₱5,883.0 million, respectively.

On November 27, 2020, ACEIC secured a 12-year term loan facility from Bank of the Philippine Islands with maximum loanable amount of US$60.00 million. On December 22, 2020 ACEIC made a US$60.00 million (₱2,883.7 million) drawdowns from the loan facility. ACEIC shall pay interest on the outstanding principal amount of the loan at the fixed rate of 3.0% per annum for the first five years term with duration of three (3) months commencing on the drawdown date. Interest shall then be repriced on the 5th and 10th anniversary from the drawdown date. As of December 31, 2025 and 2024, outstanding balance of the unsecured interest-bearing loan amounted to ₱3,481.5 million and ₱3,467.5 million, respectively.

On October 19, 2022, ACEIC secured a 10-year term loan facility with maximum loanable amount of ₱3,500.0 million. On the same date, ACEIC made a ₱3,500.0 million drawdown from the loan facility. ACEIC shall pay interest on the outstanding principal amount of the loan at the fixed 6.18% per annum subject to quarterly repricing. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to ₱3,500.0 million.

ACEIC subsidiaries
On April 15, 2024, ACEN, through its subsidiary ACRI, signed a US$150.0 million green term loan facility with Sumitomo Mitsui Banking Corporation. This strategic financial move is in line with ACEN's ongoing efforts to finance investments in renewable power projects across the region.

On February 11, 2021, long term loans with carrying amounts of AU$138.3 million (₱4,778.6 million) construction facility loan under NESF Syndicated Facility Agreement, AU$10.5 million (₱362.8 million) million green long-term revolving loan with DBS Bank Australia (DBS Bank), AU$10.0 million (₱345.6 million) green term loan with MUFG Bank, Ltd. (MUFG Bank), Sydney Branch and AU$0.4 million (₱13.0 million) green term loan facility agreement with Clean Energy Finance Corporation (CEFC) were assumed as a result of acquisition of control over UPC-ACE Australia.

ACEN Australia

a. On August 18, 2022, ACEN Australia and DBS Bank, executed a Common Provisions Agreement and a Facility Agreement for a AU$100.00 million (US$68.10 million) green long-term revolving loan facility. The facility prices off the Bank Bill Swap Rate (BBSW) interest rate benchmark plus 1.75% and will mature on August 18, 2027.

   Total loan drawn from a facility amounted to AU$67.39 million (US$44.94 million; ₱2,642.5 million) and AU$67.39 million (US$41.92 million; ₱2,412.29 million) in 2025 and 2024, respectively. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to ₱1,952.7 million and ₱2,412.3 million, respectively.

b. On September 15, 2022, ACEN, as guarantor to ACEN Australia, executed a Facility Agreement with ACEN Australia and MUFG Bank for a AU$140.0 million (US$95.4 million) green term loan facility. MUFG Bank and ACEN Australia also entered into an Accession Letter to include MUFG Bank as a Lender under the Common Provisions Agreement dated August 18, 2022 (with ACEN Australia and DBS Bank and ACEN as Guarantor to ACEN Australia). The facility bears Bank Bill Swap Bid Rate (BBSY) interest rate benchmark plus 1.65% and will mature on September 15, 2027.

   Total loan drawn from a facility amounted to AU$140 million (US$93.38 million; ₱5,489.81 million) and AU$140 million (US$87.59 million; ₱5,011.32 million) in 2025 and 2024, respectively. The facility will mature on September 15, 2027. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to nil and ₱5,011.3 million.

c. On October 28, 2022, ACEN Australia executed a facility agreement with a bank for a AU$75.0 million (US$51.1 million) green term loan facility. The facility will mature on October 28, 2027.

   Total loan drawn from a facility amounted to (US$44.68 million; ₱2,626.48 million) and AU$66.98 million (US$41.7 million; ₱2,397.4 million) in 2025 and 2024, respectively. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to ₱2,636.1 million and ₱2,397.4 million, respectively.

d. ACEN Australia entered into a Syndicated Facility Agreement amounting to AU$204.54 million (US$139.40 million) last December 21, 2020. The proceeds of the loan shall be initially used for the construction and eventually for the operation of the 400MW Ac New England Solar Farm Project in New South Wales at conversion date. The Term Facility will be repaid based on an agreed repayment schedule ending in September 2040. The interest rate structure for the facility is a floater based on BBSY bid plus a margin applicable during the plant's construction period with a step up in margins during operations. The facility requires the borrower to enter into a hedging agreement and under such arrangement the floating rate of the loan was swapped for a fixed rate of 2.90%.

On February 11, 2021, ACEN Australia executed the New England Solar Farm Syndicated Facility Agreement with a group of banks. The Syndicated Facility Agreement includes a prepayment clause allowing ACEN Australia to make voluntary prepayments, whether in full or in part, subject to the achievement of various project milestones. This syndicated loan is secured by the Group's property. As at December 31, 2024, the Group had available AU$203.84 million (US$126.79 million) under the syndicated facility in respect of which all conditions precedent had been met. As at December 31, 2025, there are no more drawdowns from this facility.

On December 7, 2023, ACEN Australia executed a facility agreement with a bank for a total of US$100.00 million of term facility, with a maturity date of December 7, 2028. As at December 31, 2025, there are no drawdowns from this facility.

On December 7, 2023, ACEN Australia executed a facility agreement with a bank for a total of AU$75.0 million, with a maturity date of February 26, 2028. As at December 31, 2025, there are no drawdowns from this facility. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to nil and ₱5,011.3 million, respectively.

e. On January 11, 2023, ACEN Australia executed a facility agreement with a bank for a AU$277.0 million (US$172.3 million) loan facility. The facility will mature on January 6, 2028.

   Total loan drawn from a facility amounted to AU$277.0 million (US$185.5.0 million, ₱10,902.7 million) and AU$277.0 million (US$172.3 million, ₱9,915.3 million) in 2025 and 2024, respectively. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to ₱10,902.7 million and ₱9,915.4 million, respectively.

f. On February 26, 2024, ACEN Australia executed a facility agreement with a bank for a total of AU$75.0 million loan facility, with a maturity date of February 26, 2028.

   Total loan draw from a facility amounted to AU$75.0 (US$50.0 million, ₱2,940.9 million) and AU$6.8 million (US$4.2 million, ₱243.4 million) in 2025 and 2024, respectively. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to ₱2,483.8 million and ₱243.4 million, respectively.

g. On March 1, 2024, ACEN Australia executed a facility agreement with a bank for a total of AU$75.0 million loan facility, with a maturity date of March 31, 2026.

   Total loan draw from a facility amounted to AU$75.0 (US$50.0 million, ₱2,940.9 million) AU$20.9 (US$13.9 million, ₱817.59 million) in 2025 and 2025, respectively. As of December 31, 2025 and 2024, the outstanding balance of the loan amounted to ₱2,480.6 million and ₱248.8 million, respectively.

h. On April 10, 2025, ACEN Australia executed a facility agreement with a bank for at total of AU$373.00 million loan facility, with a maturity date of April 10, 2030 with 80% of the drawdown is hedged with interest rate swap fixed at 5.07% until maturity. Principal Repayment based on agreed schedule and interest and principal are payable on a quarterly basis

   Total loan drawn from the facility amounted to AU$373.0 (US$248.8 million, ₱14,626.4 million) in 2025. As of December 31, 2025, the outstanding balance of the loan amounted to ₱14,615.3 million.

As of December 31, 2025 and 2024, the total outstanding balance of the loan facility agreements of ACEN Australia amounted to ₱35,071.3 million and ₱26,710.4 million, respectively.

ACEFIL
On January 23, 2024, ACEFIL entered into a loan facility agreement amounting to US$10.0 million due on January 23, 2027 at an annual interest rate of 5.4% per annum. As of December 31, 2025 and 2024, the outstanding balance as of the loans amounted to ₱587.9 million and ₱578.5 million, respectively.

ACEN Cayman
On January 19, 2024 and January 23, 2024, ACEN Cayman entered into a loan facility agreement amounting to US$140.0 million. and $180.0 million due in 2027 and 2029 at an annual interest rate of 5.31% to 5.40% per annum. As of December 31, 2025 and 2024, the total outstanding balance of the loan facility agreements amounted to ₱18,495.3 million and ₱18,406.3 million, respectively.

ACRI
During 2024, ACEN Renewables International Pte. Ltd (ACRI) entered into various loan facility agreements aggregating US$475.00 million due in 2028 and 2029 at an annual interest rate of 5.82% to 6.53% per annum. As of December 31, 2025 and 2024, the outstanding balance of the loan facility agreements amounted to ₱13,508.3 million and ₱6,370.1 million, respectively.

ACEN International
On May 9, 2025, ACEN International signed a term loan facility worth EUR50.0 million due in May 27, 2030 with a foreign bank, to be used to finance and/or refinance investment in and/or advances to existing and future renewable energy projects through its subsidiaries and joint ventures, and for general corporate purposes. Total loan drawn from the facility amounted to EUR50.0 million (US$58.8 million, ₱3,453.9 million) in 2025. As of December 31, 2025, the outstanding balance of the loan facility agreements amounted to ₱3,462.7 million.

On August 11, 2025, ACEN International signed a term loan facility worth US$100.0 million with a foreign bank to be used to finance and/or refinance investment in and/or advances to existing and future renewable energy projects through its subsidiaries and joint ventures, and for general corporate purposes. Total loan drawn from the facility amounted to US$35.0 million (₱2,057.6 million) in 2025. As of December 31, 2025, the outstanding balance of the loan facility agreements amounted to ₱2,058.2 million.

As of December 31, 2025, the total outstanding balance of the loan facility agreements of ACEN International amounted to ₱5,520.9 million.

Philippine peso debt

ALI Group
The outstanding long-term debts issued by ALI Group, net of related unamortized debt issuance cost follows:

Year Issued	Maturity year	Term (Years)	Interest rate	Principal Amount (In thousands)	Carrying Value (In thousands) 2025	2024	Features
Loans							
ALI Parent							
2017-2025	2027 - 2034	6 - 10 years	3.75% - 6.40%	116,649,700	**₱112,373,362**	₱96,303,799	Unsecured except for P306.0 million principal loan amount secured with investment property; Fixed interest rates; Floating BVAL + margin
ALI Subsidiaries							
2016-2025	2025 - 2032	3 - 10 years	2.40% - 7.26%	66,054,885	**63,714,453**	47,690,647	Unsecured except for P15.51 billion principal loan amount secured with various collaterals; Fixed interest rates; Floating BVAL + margin
Total					**₱176,087,815**	₱143,994,446	

Since its launch in 2024, ALI raised a total of ₱56.0 billion in debt capital through its Sustainability-Linked Financing (SLF) Program. In 2024, ALI issued ₱28.2 billion which comprised of ₱6.0 billion ASEAN Sustainability-Linked Bond (SL - Bond) issued on July 18, 2024, ₱14.2 billion Sustainability-Linked Loan (SL-Loan) (included in the long-term loans) from the International Finance Corporation (IFC) completed on October 11, 2024 and ₱8.0 billion 10-year SL-Bond issued on November 13, 2024. On October 23, 2025, ALI issued another tranche of SL-Bond amounting to ₱15.0 billion with tenors of five years and ten years at ₱7.5 billion each. Subsequently, on November 27, 2025, ALI availed ₱12.9 billion SL-Loan with IFC.

All SL-Bonds are listed on the Philippine Dealing & Exchange Corp. (PDEx) and were issued under the existing ₱50.00 Billion Securities Program rendered effective on June 13, 2023. The SLF Program aligns with ALI's financial commitments with its environmental targets. The interest rates of the SL-Bond and SL-Loan are linked to ALI's performance on key sustainability metrics of which the applicable interest rate shall be equal to the original interest rate plus 0.05% for each occurrence of unmet key sustainability metrics.

These key sustainability metrics include achieving EDGE Zero Carbon certification for 1.5 million square meters by 2025 and reducing greenhouse gas emissions by 42% across malls, offices, and hotels by 2030. As at December 31, 2025, ALI achieved IFC EDGE Zero Carbon certification for more than 1.5 million square meters of commercial office properties located across Metro Manila, Laguna, Cebu, Baguio, Iloilo, and Bacolod. These properties include a mix of corporate and BPO office buildings.

On August 8, 2024, the ALI Group made a first issuance of RM300 million in nominal value pursuant to its Sukuk Murabahah Programme

As of December 31, 2025 and 2024, the remaining aggregate balance of US Dollar-denominated unsecured long-term loans included in the table above amounted to ₱14,537.5 million and ₱5,462.1 million, respectively.

The long-term loan agreements contain some or all of the following restrictions: material changes in nature of business; maintenance of debt-to-equity ratio; payment of dividends and additional which will result in non-compliance of the required debt-to-equity ratios; merger or consolidation where the ALIALI/subsidiary is not the surviving corporation; guarantees or advances; encumbrance for borrowed money; and sale of substantially all assets. These restrictions and requirements were complied with by ALI Group as at December 31, 2025 and 2024.

ACEIC Group

ACEN

Description	Interest Rate (per annum)	Terms	**2025**	2024
₱1,500.00 million Loan A	Availed ₱1,175 million loan at a fixed rate of 6.50% per annum	Availed on January 11 , 2017, payable in a semi-annual installment within 12 years with final repayment on July 11, 2029.	**₱420.3**	₱515.8
₱5,000.00 million Loan B	Availed ₱5,000 million loan at a rate of 5.05% per annum in 2024, 7.34% per annum in 2025 For the first 5 years; repricing for the succeeding five (5) years is the average of the 5-year BVAL, three (3) days prior to repricing date, plus an agreed margin	Availed on November 15, 2019, payable in a semi-annual installment within 10 years with final repayment on November 14, 2029.	**4,684.2**	4,736.8

(Forward)

Description	Interest Rate (per annum)	Terms	**2025**	2024
₱7,000.00 million Loan C	Availed ₱500 million loan at a fixed rate of 5.00% per annum which shall be payable at the end of the interest period of six months	Availed on July 15, 2020, payable in a semi-annual installment within 10 years with final repayment on July 15, 2030.	**₱6,739.0**	₱6,823.0
	Availed ₱1,000 million loan at a fixed rate of 5.00% per annum which shall be payable at the end of the interest period of six months	Availed on August 24, 2020, payable in a semi-annual installment within 10 years with final repayment on July 15, 2030.		
	Availed ₱1,000 million loan at a fixed rate of 5.066% per annum which shall be payable quarterly	Availed on June 10, 2022, payable in a quarterly installment within 8 years with final repayment on July 15, 2030; repricing for the 4th and 7th anniversaries of the initial drawdown is the Final BVAL, one (1) banking day prior to repricing date, plus a margin of 80 basis points		
	Availed ₱2,000 million loan at a fixed rate of 7.1720% per annum which shall be payable quarterly	Availed on November 15, 2022, payable in a quarterly installment within 8 years with final repayment on July 15, 2030; repricing for the 3rd and 6th anniversaries of the initial drawdown is the Final BVAL, one (1) banking day prior to repricing date, plus a margin of 80 basis points.		
	Availed ₱2,500 million loan at a fixed rate of 6.4580% per annum which shall be payable quarterly	Availed on January 13, 2023, payable in a quarterly installment within 7 years with final repayment on July 15, 2030; repricing for the 4th and 7th anniversaries of the initial drawdown is the Final BVAL, one (1) banking day prior to repricing date, plus a margin of 80 basis points.		
₱4,500 million Loan D	Availed ₱805 million loan at a fixed rate of 7.00% per annum which shall be payable at the end of the interest period of six months	Availed on March 30, 2021, payable in a semi-annual installment within 10 years with final repayment on March 30, 2031.	**4,387.5**	4,432.5
	Availed ₱2,000 million loan at a fixed rate of 7.00% per annum which shall be payable at the end of the interest period of six months	Availed on February 28, 2022, payable in a semi-annual installment within 9 years with final repayment on March 30, 2031.		
	Availed ₱1,695 million loan at a fixed rate of 7.00% per annum which shall be payable at the end of the interest period of six months	Availed on April 11, 2022, payable in a semi-annual installment within 9 years with final repayment on March 30, 2031.		

(Forward)

Description	Interest Rate (per annum)	Terms	**2025**	2024
₱10,000 million Loan E	Availed ₱3,000 million at a fixed rate of 6.91% per annum in 2024 and 6.94% in 2025	Availed on December 13, 2022 payable in semi-annual installments within 10 years with final repayment on December 13, 2032.	**₱6,000.0**	₱6,000.0
	Availed ₱3,000 million at a fixed rate of 6.96% per annum in 2024 and 6.53% per annum in 2025 which shall be payable at the end of the interest period of six months floating interest rate repriced on every succeeding semi-annual period.	Availed on January 27, 2023 payable in semi-annual installments within 10 years with final repayment on December 13, 2032.		
₱10,000 million Loan F	Availed ₱250 million loan at a fixed rate of 7.09% per annum for the first 2 years; repricing for the 2nd, 4th, 6th, and 8th anniversaries is the Final BVAL, one (1) banking day prior to repricing date, plus a margin of 80 basis points.	Availed on August 17, 2023, payable in a semi-annual installment within 10years with final repayment on August 17, 2033.	**239.5**	244.8
₱5,000 million Loan G	Availed ₱500 million loan at 6.50%-6.37% per annum Floating interest rate repriced on every succeeding quarterly period. Can be converted to fixed up to 12 months from initial drawdown.	Availed on October 24, 2023, payable in a quarterly installment within 10 years with final repayment on October 24, 2033.	**4,727.7**	4,670.8
	Availed ₱3,200 million loan at 5.128% per annum).	Availed on August 6, 2024, payable in quarterly installment within 5 years with final repayment on July 24, 2029.		
	Availed ₱1,000 million loan at 5.33% per annum	Availed on December 18, 2024, with final repayment on April 30, 2030.		
₱20,000 million Loan H	Availed ₱500 million loan with a rate of 6.5% to 6.60% per annum.	Availed on December 22, 2023, payable in a quarterly installment within 10 years with final repayment on December 22, 2033.	**2,500.0**	2,500.0
	Availed ₱500 million loan with a rate of 6.59% per annum.	Availed on September 11, 2024, payable in a quarterly installment within 10 years with final repayment on December 22, 2033.		
	Availed ₱1,500 million loan with a rate of 6.39% per annum.	Availed on December 18, 2024, payable in a quarterly installment within 10 years with final repayment on December 22, 2033.		
₱5,500 million Loan I	Availed ₱509 million loan with a rate of 6.07% per annum.	Availed on October 24, 2024, payable in a semi-annual installment within 10 years with final repayment on October 24, 2034.	**2,800.0**	2,800.0
	Availed ₱2,290.91 million loan with a rate of 6.72% per annum.			
	Repricing on the 5th anniversary of financial close. Optional second and final repricing on the 7th or 8th anniversaries of the financial close is the Final BVAL, one (1) banking day prior to repricing date, plus an agreed margin.	Availed on October 24, 2024, payable in a semi-annual installment within 10 years with final repayment on October 24, 2034.		

(Forward)

Description	Interest Rate (per annum)	Terms	**2025**	2024
₱5,500 million Loan J	Availed ₱2,800 million loan with a rate of 5.89% per annum with Repricing on the 5th anniversary of financial close. Optional second and final repricing on the 7th or 8th anniversaries of the financial close is an agreed base rate, one (1) banking day prior to repricing date, plus an agreed margin .	Availed on October 24, 2024, payable in a semi-annual installment within 10 years with final repayment on October 24, 2024.	**₱2,800.0**	₱2,800.0
₱8,000 million Loan K	Availed ₱8,000 million loan with a rate of 5.58% floating interest rate repriced on every succeeding quarterly period. One-time option to convert floating interest to fixed at least one day before intended conversion date	Principal and interest payable quarterly	**2,000.0**	–
Carrying value			**₱37,298.2**	₱35,523.7

₱1.0 billion Omnibus Loan and Security Agreement (OLSA) with Provincia Investments Corporation and Solar Philippines Power Project Holdings, Inc.

On January 25, 2023, ACEN, Provincia Investments Corporation (Provincia), and Solar Philippines Power Project Holdings, Inc. (Solar PH) entered into definitive agreements whereby ACEN receives 500 million shares of SP New Energy Corporation (SPNEC), a listed company, which is an affiliate of Solar PH (which SPNEC shares have a market value of approximately ₱660.0 million as of January 24, 2023) as (a) pre-payment for part of the development loan principal, (b) payment of interest and arrangement and security amendment in consideration for ACEN releasing its pledge over shares owned by Solar PH in SPNEC, and (c) allow further drawdown by Provincia from the existing ₱1,000.0 million loan facility. Consequently, on January 25, 2023, Provincia drew additional ₱125.0 million from its development loan facility. ACEN recognized a ₱515.0 million gain from the partial settlement of development loan recognized under Other income (see Note 22).

Guimaras Wind Corporation
On December 18, 2013, Guimaras Wind entered into a ₱4.30 billion Term Loan Facility with Security Bank Corporation (SBC) and Development Bank of the Philippines (DBP). The proceeds were used to partially finance the 54 MW San Lorenzo Wind Farm composed of 272 MW wind turbine generators and related roads, jetty, substations, transmission line facilities and submarine cable to connect to the grid. The loan facility is divided into two tranches amounting to ₱2.15 billion each - DBP as the Tranche A lender and SBC as the Tranche B lender.

Both tranches have a term of 15 years with semi-annual interest payments starting on the date on which the loan is made. The Tranche A's interest is to be fixed at the higher of 10-year PDS Treasury Fixing (PDST-F) plus a spread of 1.625% or a minimum interest rate of 6.25% for the first 10 years, to be repriced at higher of existing rate or 5-year PDST-F plus a spread of 1.25% for the last 5 years. The Tranche B will be fixed at higher of interpolated 15-year PDST-F plus a spread of 1.625% or a minimum interest rate of 6.5%. The interest rate floor on the loan is an embedded derivative that is required to be bifurcated. In 2013, the Group did not recognize any derivative liability arising from the bifurcated interest floor rate since the fair value is not significant.

On April 1, 2015, the publication of PDST-F rates ceased pursuant to the memo of the Bankers Association of the Philippines (BAP) dated January 8, 2015. Subsequently, the parties agreed to adopt PDST-R2 and BVAL rates as benchmark rate in lieu of PDST-F rates. BVAL rates were adopted starting October 29, 2018 when the BAP launched its new set of reference rates to replace the current set of PDST Reference Rates, PDST-R1 and PDST-R2.

The loan facility also contains a prepayment provision which allows Guimaras Wind to make optional prepayment for both Tranche A and Tranche B in the amount calculated by the facility agent as accrued interest and other charges on the loan up to the prepayment date plus, the higher of (a) the principal amount of the loan being prepaid, or (b) the amount calculated as the present value of the remaining principal amortizations and interest payments on the loan being prepaid, discounted at the comparable benchmark tenor as shown in the Philippine Dealing and Exchange Corporation (PDEx) Market Page, Reuters and the PDS website (www.pds.com.ph) at approximately 11:16 am on the business day immediately preceding the prepayment date. In addition, Guimaras Wind is allowed to prepay the Tranche A loan, without penalty or breakfunding cost, on the interest re-pricing date. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

The loan facility is secured by Guimaras Wind's wind farm, included in "Machinery and equipment" account under "Property, plant and equipment" with carrying values amounting to ₱3,219.6 million and ₱3,274.3 million as at December 31, 2025 and 2024, respectively (see Note 12) In addition, as a security for the timely payment, discharge, observance and performance of the obligations, ACEN entered into a Pledge Agreement covering the subscriptions of stocks of ACEN and its nominees.

As December 31, 2025 and 2024, outstanding balance of the interest-bearing loan amounted to ₱644.5 million and ₱820.4 million, respectively.

NorthWind Power Development Corporation (NPDC)
On May 29, 2020, NPDC entered into a long-term loan facility with BPI amounted to ₱2,300.0 million. The proceeds of the loan were used to fully repay the senior loans of Northwind amounting to ₱2,467.18 million. The payments shall be made in twenty-four (24) sculpted semi-annual amortizations set forth in the agreement. The interest rate is fixed for the initial period of ten (10) years to be repriced after the 10th anniversary at a rate equivalent to (a) the 2-year base fixed rate plus a spread of 1.115%, or (b) 5.125% per annum, whichever is higher.

The loan facility contains a prepayment provision which allows the NPDC to make optional prepayment, wholly or partially, any time during the term of the loan. The amount payable to BPI shall be the principal amount of the loans being prepaid, accrued interest on such principal amount up to the voluntary prepayment date, any additional taxes, including additional GRT as a result of such prepayment, and prepayment penalty as indicated in the loan agreement. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated.

The loan facility is secured by NPDC's Land and Wind Turbine Generator, Building and Machinery and Equipment account under "Property, plant and equipment" with a carrying amount of ₱1,549.7 million and ₱1,686.8 million as at December 31, 2025 and 2024, respectively (see Note 12).

As of December 31, 2025 and 2024, the outstanding balance of NPDC's loans amounted to ₱1,426.9 million and ₱1,607.0 million, respectively.

Montesol
On August 17, 2023, Montesol entered into an Omnibus Loan and Security Agreement ("OLSA") with a local bank for a long-term loan facility amounting to ₱600 million. The proceeds of the loan shall be used to partially finance MONTESOL's permanent working capital requirements and for other general corporate purposes. The loan shall be repaid in twenty-four (24) straight-line semi-annual amortizations. The interest rate is fixed for the initial two (2) years, to be repriced one business day prior to the 2nd and 7thth anniversary of the initial drawdown date at a rate equivalent to (a) the 5-year Base Rate-Fixed plus a spread of ninety basis points (0.90%), or (b) five hundred seventy-five basis points (5.75%), whichever is higher. The OLSA includes a prepayment clause that allows MONTESOL to make voluntary prepayments, whether in full or in part, at any point during the term of loan. The amount payable in respect of any prepayment of the loan shall be comprised of: (i) any accrued interest on the principal amount of the loan to be prepaid; (ii) the principal amount of the loan to be prepaid; (iii) prepayment penalty as set forth in the OLSA; and (iv) any additional taxes, including additional GRT, resulting from such prepayment. The prepayment option was assessed as closely related to the loan and, thus, was not bifurcated. On December 4, 2023, repricing floor rate

was amended from five hundred seventy-five basis points (5.75%) to five hundred fifty basis points (5.50%). As of December 31, 2025 and 2024, the outstanding balance of Montesol's loans amounted to ₱500.0 million and ₱549.9 million, respectively.

The loan facility is secured by Montesol's, solar power plant with a carrying value of ₱746.5 million and ₱803.5 million as at December 31, 2025 and 2024, respectively, included under "Land, Buildings and Improvements" and "Plant, Machinery and Equipment" account is mortgaged as security for the long-term loan (see Note 12).

San Carlos Solar energy Inc. (SACASOL)
On May 22, 2024, SACASOL entered into a long-term loan facility with a bank amounting to ₱1,400.0 million. The payments shall be made semi-annual amortizations set forth in the agreement. Floating at a rate of 7.07% for three (3) months to be repriced one banking day prior to the first day of each interest period at a rate equivalent to (a) the three (3)-day average of the three (3)-month PHP BVAL Reference Rate plus Margin, or (b) the BSP Overnight Lending Facility per annum plus twenty-five basis points (0.25%) per annum, in each case divided by the Interest Premium Factor, whichever is higher. The OLSA includes a prepayment clause that allows SACASOL to make voluntary prepayments, whether in full or in part, commencing at the end of the second (2nd) year from initial advance date (May 22, 2024) and on any interest payment date thereafter, together with accrued interest thereon up to and including the date immediately preceding the date of prepayment, subject to the payment of applicable prepayment penalty, at least 30 days prior written notice to the lender, and in multiples of ₱50.00 million. As of December 31, 2025 and 2024, the outstanding balance of SACASOL loans amounted to ₱1,190.0 million and ₱1,330 million, respectively. The long-term loan facility is guaranteed by ACEN.

The loan facility is secured by SACASOL's solar power plant with a carrying value of ₱2,196.28 million and ₱2,346.19 million as at December 31, 2025 and 2024, respectively, included under "Land, Buildings and Improvements" and "Plant, Machinery and Equipment" account (see Note 12).

ACEN International
On January 22, 2024, ACEN International executed long-term loan facility with a bank amounting to ₱7,000 million. Payments of principal and interest shall be made semi-annually. Interest rate ranges from 6.85% to 7.46% per annum with repricing for the 36th month at a rate of whichever is higher of (i) moving average of the 4-year BVAL plus margin divided by 0.95; and (ii) 3.25% per annum divided by 0.95. The facility will mature on January 31, 2031.

Total loan drawn from the facility in 2025 amounted to ₱666.8 million. As of December 31, 2025 and 2024, the outstanding balance of ACEN International's loans amounted to ₱4,883.1 million and ₱4,166.3 million, respectively.

AC Health
AC Health Group has an outstanding 10-year unsecured loans from BPI and Land Bank of the Philippines amounting to ₱1,964.1 million and ₱1,400.4 million with interest rate of 5.5% and 5% per annum, respectively. AC Health Group has an outstanding 5-year unsecured loan from Asia United Bank amounting to ₱235.8 million with interest rate of 5.75% per annum. These loans are intended for the capital expenditure and working capital requirements of the AC Heath Group. As of December 31, 2025 and 2024, total remaining balance of the loans amounted to ₱3,600.0 million and ₱1,827.69 million, respectively.

AC Logistics
AC Logistics has outstanding, secured, long-term loans from local banks amounting to ₱616.1 million and ₱215.8 million as of December 31, 2025 and 2024, respectively.

Bonds

ALI Group
Below is the summary of the outstanding bonds issued by ALI:

Year Issued	Term (Years)	Interest rate	Principal Amount (In thousands)	Carrying Value (In thousands) 2025	2024	Features
Peso bonds:						
2013	20.0	6.000%	**2,000,000**	**₱1,990,288**	₱1,989,334	Fixed rate bond due 2033
2016	10.0	4.850%	**8,000,000**	**7,996,664**	7,987,266	Fixed rate bond due 2026
2016	9.0	4.750%	**7,000,000**	–	6,992,501	Fixed rate bond due 2025
2017	10.0	5.262%	**7,000,000**	**6,994,188**	6,990,112	Fixed rate bond due 2027
2019	7.0	6.369%	**8,000,000**	**7,994,048**	7,977,618	Fixed rate bond due 2026
2019	7.25	4.990%	**1,000,000**	**991,273**	983,758	Fixed rate bond due 2027
2020	5.0	3.862%	**6,250,000**	–	6,237,893	Fixed rate bond due 2025
2021	4.0	3.626%	**10,000,000**	–	9,989,594	Fixed rate bond due 2025
2021	10.0	4.078%	**3,000,000**	**2,985,740**	2,983,627	Fixed rate bond due 2031
2022	6.0	5.809%	**12,000,000**	**11,960,999**	11,945,937	Fixed rate bond due 2028
2022	5.0	6.211%	**7,000,000**	**6,973,575**	6,957,383	Fixed rate bond due 2027
2022	7.0	6.805%	**14,000,000**	**13,911,600**	13,890,083	Fixed rate bond due 2029
2023	5.0	6.030%	**10,075,000**	**10,008,083**	9,983,971	Fixed rate bond due 2028
2023	10.0	6.290%	**4,925,000**	**4,875,876**	4,870,924	Fixed rate bond due 2033
2024	10.0	6.99%	**6,000,000**	**5,930,796**	5,925,274	Fixed rate bond due 2034
2024	10.0	6.13%	**8,000,000**	**7,909,206**	7,901,778	Fixed rate bond due 2034
2025	5.0	6.07%	**7,500,000**	**7,412,542**	–	Fixed rate bond due 2030
2025	10.0	6.32%	**7,500,000**	**7,414,236**	–	Fixed rate bond due 2035
Foreign bond						
2024	5.0	4.50%	**4,458,000**	**4,364,544**	3,883,463	Fixed rate bond due 2029
Total				**₱109,713,658**	₱117,490,516	

Philippine Rating Services Corporation (PhilRatings) rated ALI's 2025 and 2024 bond issuances "PRS Aaa" with a stable outlook and maintained the "PRS Aaa" rating with a stable outlook for all other outstanding bonds. PRS Aaa is the highest credit rating possible on PhilRatings' rating scale for long-term issuances, indicating that obligor's capacity to meet its financial commitment on the obligation is extremely strong and that it has the smallest degree of investment risk. A Stable Outlook indicates that the rating is likely to be maintained or to remain unchanged in the next twelve months.

Philippine Peso 20-year Bonds due 2033
In October 2013, ALI issued a ₱2,000.0 million bond due 2033 at a fixed rate equivalent to 6.000% p.a. CRISP assigned a "AAA" rating on the bonds indicating that it has a minimal credit risk owing to ALI's capacity to repay its debt obligations. AAA is the highest rating assigned by CRISP.

Philippine Peso 7-year and 10-year Bonds due 2026
In March 2016, ALI issued and listed on the PDEx a total of ₱8,000.0 million bonds due 2026 at a fixed rate equivalent to 4.850% p.a. This is the first tranche of the tranche of debt securities issued under ALI's 2016 Program. The bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. In May 2019, the ALI issued and listed on the PDEx ₱8,000.0 million fixed rate bonds due 2026 at a rate equivalent to 6.369% p.a. The bonds, the first tranche of ALI's 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 9-year and 6-month Bonds due 2025
In April 2016, ALI issued and listed on the PDEx a total of ₱7,000.0 million bonds due 2025 at a fixed rate equivalent to 4.750% p.a. The Bonds is the second tranche of debt securities issued under the ALI's 2016 Program. The Bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 7-year and 3-month and 10-year Bonds due 2027
In May 2017, ALI issued a ₱7,000.0 million fixed rate bonds due 2027 at a rate equivalent to 5.262% p.a. The bonds represent the fourth tranche of the Fixed-rate Bonds Series issued under the ALI's ₱50,000.0 million Debt Securities Program registered with the SEC, and listed in PDEx. In November 2019, ALI issued a ₱1,000.0 million fixed rate bonds due 2027 at a rate equivalent to 4.99% p.a. The

bonds, the third tranche of bonds issued under the ALI's 2019 Program, were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 5-year Bonds due 2025
In September 2020, ALI issued and listed on the PDEx its ₱6,250.0 million fixed rate bonds due 2025 at a rate equivalent to 3.862% per annum. The bonds represent the fifth tranche of the new ₱50.0 billion debt securities issued under the ALI's 2019 Program. The bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 4-year Bonds due 2025
In May 2021, ALI issued and listed on the PDEx its ₱10,000.0 million fixed rate bonds due 2025 at a rate equivalent to 3.626% p.a. The Bonds represent the sixth tranche of debt securities issued under the ALI's 2019 Program. The Bonds were rated PRS Aaa with a Stable Outlook by PhilRatings.

Philippine Peso 10-year Bonds due 2031
In October 2021, the ALI issued a total of ₱3,000.0 million bonds due 2031 at a fixed rate equivalent to 4.08% p.a. and subject to repricing on October 26, 2026, the fifth anniversary of the Issue Date, at the higher of 4.08% p.a. or the prevailing 5-year benchmark plus 70 bps. The offering which was listed on the PDEX is composed of ₱2,750.0 million issued as the first tranche of ALI's 2021 Program while ₱250.0 million representing the seventh tranche of debt securities were issued under ALI's 2019 Program. The bonds were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings. ALI exercised the call option and the bonds were fully redeemed in April 2023.

Philippine Peso 6-year Bonds due 2028
In May 2022, ALI issued a total of ₱12,000.0 million bonds due 2028 at a fixed rate equivalent to 5.809% p.a. The offering is composed of ₱9,500.0 million as the second tranche of debt securities issued under ALI's ₱50,000.0 million Debt Securities Program registered and rendered effective by the SEC on October 11, 2021 (the "2021 Program"), while ₱2,500.0 million represent the eight and final tranche of debt securities that were issued under the 2019 Program. The bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 5-Year and 7-year Bonds due 2027, and 2029
In July 2022, ALI issued a total of ₱21,000.0 million fixed rate bonds, broken down into ₱7,000.0 million bonds due 2027 at a rate equivalent to 6.211% p.a., and a ₱14,000.0 million bonds due 2029 at a rate equivalent to 6.805% p.a.. The offering is the third tranche of debt securities issued under the ALI's 2021 Program. The bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 5-Year and 10-year Bonds due 2028 and 2033
In June 2023, ALI issued a total of ₱15,000 million fixed rate bonds, broken down into ₱10,075.0 million bonds due 2028 at a rate equivalent to 6.03% p.a. and ₱4,925.0 million bonds due 2033 at a rate equivalent to 6.29% p.a. The offering is composed of ₱4,750.0 million issued as the fourth and final tranche of ALI's 2021 Program while ₱10,250.0 million representing the first tranche of debt securities issued under its 2023 Program. The bonds were listed on the PDEx and were assigned an issue credit rating of PRS Aaa, with a Stable Outlook by PhilRatings.

Philippine Peso 10-Year ASEAN Sustainability Bonds due 2034
In 2024, ALI issued a total of ₱14,000.0 million fixed rate bonds broken down into ₱6,000.0 million bonds due 2034 at a rate equivalent to 6.99% p.a. and ₱8,000.0 million bonds due 2034 at a rate equivalent to 6.13% p.a. The bonds are composed of Sustainability-Linked Bond and listed an 10-year SL-Bond on the Philippine Dealing & Exchange Corp. (PDEx) issued under the existing securities program.

Philippine Peso Sustainability-Linked Bonds due 2030 and 2035
On October 8, 2025, ALI secured a Permit to Offer Securities for the issuance of up to ₱10 billion in ASEAN Sustainability-Linked Bonds, with an oversubscription option of up to ₱5 billion. The offer consists of 6.07% p.a. Series C Bonds due 2030 and 6.31% p.a. Series D Bonds due 2035. This

issuance forms the fourth tranche under the Company's ₱50-billion shelf registration program approved by the SEC in 2023. Earlier tranches under the same program included: ₱10.25 billion fixed-rate bonds issued in June 2023, ₱6.0 billion Sustainability-Linked Bonds issued in July 2024, and ₱8.0 billion Sustainability-Linked Bonds issued in November 2024.

Foreign Currency Sukuk Murabahah Programme bond due 2029
On August 8, 2024, ALI made a first issuance of RM300 million (₱4,364.5 million) in nominal value pursuant to its Sukuk Murabahah Programme. The long-term loan agreements contain some or all of the following restrictions: material changes in nature of business; maintenance of debt-to-equity ratio; payment of dividends and additional loans maturing beyond a year which will result in non-compliance of the required debt-to-equity ratios; merger or consolidation where the company/subsidiary is not the surviving corporation; guarantees or advances; encumbrance for borrowed money; and sale of substantially all assets

ACEIC Group

Philippine Peso 10.0 Billion Fixed Rate Bonds due 2027
On September 22, 2022, ACEN issued an unsecured fixed-rate bonds with an aggregate principal of ₱10,000.00 million. The proceeds will be used to finance investments in various solar farms. There are no securities pledged as collateral for these bonds. The issue cost amounted to ₱126.28 million.

The offer is comprised of 5-year bonds due on September 22, 2027 with interest rate of 6.0526% per annum. This issuance is ACEN's first tranche offered out of the shelf registration of debt securities of ₱30,000.00 million to be offered within a period of three (3) years. Interest on the bonds is payable quarterly in arrears starting on December 22, 2022, for the first interest payment date and on March 22, June 22, September 22, and December 22 each year for each subsequent payment date. As of December 31, 2025 and 2024, the remaining balance of this loan amounted to ₱6,441.81 million and ₱9,926.29, respectively

Redemption at the option of the Issuer

The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding PHP Green Bonds before the relevant Maturity on any one of the following Interest Payment Dates indicated below, or the immediately succeeding Business Day if such date is not a Business Day, in accordance with the following schedule:

- 12th to 15th Interest Payment Date at Call Option Price of 101.00%
- 16th to 19th Interest Payment Date at Call Option Price of 100.50%

The redemption option was assessed to be embedded derivatives that is clearly and closely related to the host contract, therefore, not required to be bifurcated.

FFL Bonds / Green Bonds

Green bonds

ACEIC Group

ACEFIL - Medium Term Note (MTN) Programme
On January 16, 2019, ACEFIL established its MTN Programme with an aggregate amount of US$1,000.00 million (₱48,470.0 million). The proceeds from each issue under the MTN Programme will be used for general corporate purposes, including eligible green projects and other use of proceeds under ACEFIL's green bond framework.

On November 17, 2020, ACEFIL amended the MTN Programme to increase the aggregate amount to US$2,000.0 million (₱94,960.0 million) and allow the issuance of senior undated guaranteed notes under the MTN Programme.

On January 25, 2024, ACEFIL redeemed $360.0 million (₱20,246.40 million) of the Senior guaranteed notes under the MTN Programme. Remaining outstanding guaranteed notes amounted to $410.00 million.

As of December 31, 2025 and 2024, ACEFIL has outstanding US$410.0 million (₱33,467.8 million) and US$410.0 million (₱23,130.19 million) notes under the MTN Programme, respectively.

ACEFIL - Senior guaranteed notes due 2024 and 2029 and Senior undated guaranteed notes under the MTN Programme

On January 29, 2019, ACEFIL issued US$225.0 million (₱11,417.4 million) senior guaranteed notes due 2024 guaranteed by ACEIC with a fixed coupon of 4.75%. The notes were priced at 99.45.

On July 9, 2020, ACEFIL issued US$60.00 million (₱2,908.2 million) senior guaranteed notes due 2029 guaranteed by ACEIC with a fixed coupon of 4.75%. The notes were priced at 104.75.

On November 25, 2020, ACEFIL issued US$300.0 million (₱14,541.0 million) senior undated guaranteed notes with a fixed coupon of 5.10% for life. The notes were priced at par. The new issue was used to finance the successful tender of US$186.9 million (₱9,058.5 million) of the US$400.0 million (₱19,388.0 million) 5.65% senior undated guaranteed notes at a tender price of US$104.6 million.

As of December 31, 2025 and 2024, the remaining balance of the above loans amounted to ₱17,637.0 million and ₱17,336.1 million, respectively.

Redemption at the option of the issuer
At any time, ACEFIL may on any one or more occasions redeem all or part of the “notes under the MTN Programme”, by giving notice, at redemption price equal to 100% of the principal amount of the “notes under the MTN Programme” redeemed, plus the applicable premium (as defined in the respective pricing supplements) as of date, and accrued and unpaid interest, if any, to the date of redemption, subject to the rights of the person in whose name the “notes under the MTN Programme” is registered on the relevant record date to receive interest due on the relevant interest payment date. record date to receive interest due on the relevant interest payment date.

ACEFIL entered into a Loan Agreement guaranteed by ACEIC Parent
On January 12, 2024, ACEIC as Guarantor to its subsidiary, ACEFIL entered into a loan agreement with a lender for US$10.00 million. This loan obtained by ACEFIL shall be used to redeem its maturing green bonds in January 2024.

ACEN Finance - Medium Term Note (MTN) Programme
On August 31, 2021, ACEN Finance Limited (ACEN Finance) established its MTN Programme with an aggregate amount of US$1,500.0 million. The proceeds from each issue under the MTN Programme will be used for general corporate purposes, including but not limited to, working capital, funding investment activities, development of projects, refinancing and/or repayment of indebtedness and on-lending activities within the ACEN Group. Notes to be issued out of the MTN Programme designated as Green Bonds may be allocated towards the financing and/or refinancing of Eligible Green Projects in accordance with certain prescribed eligibility criteria described under ACEN’s Green Bond Framework.

The Notes to be issued by ACEN Finance under its medium-term note program; may be distributed by way of private or public placement; and will be listed on the Singapore Exchange Securities Trading platform (SGX-ST).

ACEN Finance - Senior guaranteed undated FFL notes (Notes) under the MTN Programme
On September 8, 2021, ACEN Finance issued US$400.0 million (₱20,383.6 million) senior undated fixed-for-life (non-deferrable) Notes guaranteed by ACEN with a fixed coupon of 4% for life, with no step-up and no reset, priced at par. An amount equal to the net proceeds will be used to finance or

refinance, in whole or in part, new or existing Eligible Green Projects in accordance with ACEN's Green Bond Framework. On September 9, 2021, the Notes were listed with the SGX-ST. The unsecured US dollar-denominated senior Green Bonds requires ACEIC Group to comply with certain covenants including among others, limitations on the incurrence or guarantee of additional indebtedness, creation or incurrence of certain liens, creation or permission of any restrictions on the payment of dividends to ACEIC Group by certain of ACEIC Group's subsidiaries, entering into unrelated businesses or engagement in certain activities, and limitations on the consolidation, merging or selling of all or substantially all of ACEIC Group's properties and assets with other entities if ACEIC is not the surviving entity. The incurrence test for additional debt requires the Group to maintain a Net Debt to Total Equity ratio not exceeding 2.5 to 1.0.

FFL Bonds

AYCFL

2017 AYCFL US$400.0 Million Senior Unsecured and Guaranteed Fixed For Life Perpetual Notes (Fixed For Life)
On September 7, 2017, the Parent Company announced that AYCFL had successfully set the terms of a US dollar-denominated fixed-for-life senior perpetual issuance at an aggregate principal amount of US$400 million (₱20,171.9 million) with an annual coupon of 5.125% for life with no reset and step-up. The issuer, AYCFL, may redeem the Notes in whole but not in part on September 13, 2022 (first redemption date) or any interest payment date falling after the first redemption date at 100% of the principal amount of the Notes plus any accrued but unpaid interest. The Parent Company unconditionally guarantees the due and punctual payment of this note if, for any reason, AYCFL does not make timely payment of the amount due.

In September 2021, the aggregate principal amount of US$100 million of this 5.13% Undated Notes was tendered and the aggregate amount of US$300 million remained outstanding after payment.

On May 10, 2022, AYCFL made a tender offer settlement amounting to US$40.12 million in aggregate principal amount of its 5.125% Undated Notes. Pursuant to the settlement of the Tender Offer, US$40.12 million in aggregate principal amount of the Notes was repurchased and cancelled pursuant to the terms and conditions of the Notes. Following the cancellation, the aggregate principal amount of the Notes that will remain outstanding will be US$259.98 million.

As of December 31, 2025 and 2024, the remaining balance of this loan amounted to ₱15,278.30 million and ₱15,032.84 million, respectively.

2019 AYCFL US$400.0 Million Senior Unsecured and Guaranteed Fixed For Life Perpetual Notes (Fixed for Life)
On October 23, 2019, the Parent Company announced that AYCFL had successfully priced a similar US dollar denominated fixed-for-life senior perpetual issuance at an aggregate principal amount of US$400 million (₱20,118.9 million) with an annual coupon of 4.85% for life with no reset and step-up. The issuer, AYCFL, may redeem the Notes in whole but not in part on October 30, 2024 (first redemption date) or any interest payment date falling after the first redemption date at 100% of the principal amount of the Notes plus any accrued but unpaid interest. The Parent Company unconditionally guarantees the due and punctual payment of this note if, for any reason AYCFL does not make timely payment of the amount due.

In September 2021, the aggregate principal amount of US$35 million of this 4.85% undated Notes was tendered and the aggregate amount of US$365 million remained outstanding as of December 31, 2025 and 2024.

As of December 31, 2025 and 2024, the remaining balance of this loan amounted to ₱21,458.4 million and ₱21,113.4 million, respectively.

2021 AYCFL US$400 Million Senior Fixed-for-Life Perpetual Notes (the Notes)
On September 16, 2021, the Parent Company announced that it had successfully set the terms for a US dollar-denominated fixed-for-life (non-deferrable) senior perpetual issuance. The Notes have an aggregate principal amount of US$400 million with a fixed coupon of 3.90% for life, with no step-up and no reset, payable semi-annually. The issuer, AYCFL, may redeem the Notes in whole but not in part on September 23, 2026 (first redemption date) or any interest payment date falling after the first redemption date at 100% of the principal amount of the Notes plus any accrued but unpaid interest. The transaction was settled on September 23, 2021, and the Notes are unconditionally and irrevocably guaranteed by the Parent Company.

As of December 31, 2025 and 2024, the remaining balance of this loan amounted to ₱23,516.0 million and ₱23,138.0 million, respectively.

AYCFL Social Bond
On November 11, 2021, AYCFL signed a 10-year Social Bond through private placement by the International Finance Corporation ("IFC") amounting to US$100 million (the "Social Bond"), to fund the sustainable and resilient growth and capacity building of the Group's healthcare arm, AC Health. The Social Bond is unconditionally and irrevocably guaranteed by the Parent Company.

On January 14, 2022, AYCFL drew the full amount at a rate of 2.99% for 10 years. Sustainalytics was engaged to provide a second party opinion on the Ayala Health Social Bond Framework which aligns with the Social Bond Principles and Social Loans Principles published by the International Capital Market Association.

As of December 31, 2025 and 2024, the outstanding balance of the bond amounted to US$100 million (₱5,879.0 million in 2025 and ₱5,784.5 million in 2024).

The Parent Company aims to maintain a debt-to-equity ratio not exceeding 3:1 in compliance with loan covenants of AYCFL.

Guarantees
The Parent Company or its subsidiaries may act as guarantor on debt taken out by other subsidiaries within the Group provided approval from the Parent Company's Finance Committee and respective Boards are obtained. Both domestic and foreign loans of the Group may be subject to guarantees.

Compliance with debt covenants
The long-term loan agreements of the Parent Company and some subsidiaries provide for certain restrictions and requirements with respect to, among others, declaration and/or payment of dividends, incurrence of additional liabilities, investment and guaranties, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels.

For the Parent Company, these covenants include, among others, certain ratios like:

- Consolidated net debt to equity ratio not to exceed 3:1
- Consolidated net debt to tangible net worth ratio not to exceed 3:1
- Consolidated current ratio of not lower than 0.5:1

For the subsidiaries, these covenants include, among others, certain ratios like:

- Net debt to equity ratio not to exceed 3:1; not to exceed 1.75:1; not to exceed 2.5:1
- Maximum debt to equity 2.33x
- Debt service ratio of at least 1.25:1
- Current ratio of not lower than 1:1

The Group has complied with these restrictions and requirements as of December 31, 2025 and 2024.

Interest expense on short-term debt amounted to ₱4,559.4 million, ₱3,702.2 million and ₱3,240.4 million in 2025, 2024 and 2023, respectively. Interest expense on long-term debt amounted to ₱28,821.7 million, ₱25,885.3 million and ₱21,963.8 million, respectively (see Note 22).

Interest capitalized by subsidiaries amounted to ₱3,669.03 million and ₱3,249.6 million in 2025 and 2024, respectively. The capitalization rates are 4.91% to 6.65% in 2025 and 3.09% to 6.28% in 2024.

19. Other Noncurrent Liabilities

This account consists of the following:

	2025	2024
	(In Thousands)	
Deposits and deferred credits	**₱31,356,947**	₱33,755,683
Liability for purchased land	**7,086,422**	5,044,725
Contractors payable	**2,189,629**	5,637,478
Retentions payable	**4,373,054**	5,815,111
Asset retirement obligation	**2,554,980**	1,110,866
Subscriptions payable	**2,406,281**	507,550
Deferred output VAT	**269,399**	604,867
Others	**1,762,942**	1,519,818
	₱51,999,654	₱53,996,098

Deposits and deferred credits
Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties. Security deposits are equivalent to three (3) to six (6) months' rent of long-term tenants with noncancellable leases. This will be refunded to the lessees at the end of the lease term or be applied to the last months' rentals on the related contracts. This also includes customers' deposits which consist of excess of collections over the recognized receivables based on percentage of completion. Deferred credits pertain to advances from buyers of real estate properties to cover various processing fees including, but not limited to, fees related to transfer of title such as registration fees, documentary taxes and transfer taxes. The payments made by ALI Group for the processing of title are charged to this account.

Liability for purchased land
Liability for purchased land pertains to the portion of unpaid unsubdivided land acquired during the year. These are normally payable in quarterly or annual installment payments within three (3) or five (5) years.

Contractors payable
Contractors payable represents accrued costs incurred for property development that are not yet billed.

Retentions payable
Retentions payable pertain to amount withheld by the Group from the contractors' billings to be released after the guarantee period, usually one (1) year after the completion of the project or upon demand. Retention serves as a security from the contractor should there be defects in projects requiring rework.

Asset retirement Obligation
This includes dismantling obligations for lease properties and contingent consideration related to acquisition of investment.

Subscriptions payable
Subscription payable mainly pertains to ALLHC's investment in Cyber Bay and to AC Industrial's investment in KP Motos Corporation (KPMC).

Deferred output VAT
Deferred output VAT pertains to output VAT on receivables for which sales recognition has been deferred based on sales collection threshold for VAT recognition purposes.

Others
Others include nontrade payables. As of December 31, 2025, it includes ACEIC's dismantling obligations for lease properties and contingent consideration related acquisitions of investment.

20. Equity

The details of the Parent Company's preferred and common shares follow:

	Preferred A shares		Preferred B shares		Preferred C shares		Voting Preferred shares		Common shares	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	(In Thousands, except par value per share)									
Authorized shares	**12,000**	12,000	**58,000**	58,000	**40,000**	40,000	**200,000**	200,000	**900,000**	900,000
Par value per share	**₱100**	₱100	**₱100**	₱100	**₱100**	₱100	₱1	₱1	**₱50**	₱50
Issued and subscribed shares	**12,000**	12,000	**58,000**	58,000	**–**	–	**200,000**	200,000	**636,211**	635,771
Treasury shares										
At the beginning of year	**(6,755)**	(6,755)	**(50,500)**	(28,000)	**–**	–			**(12,175)**	(15,245)
Reacquisition	–	–	**–**	(30,000)	**–**	–	**–**	–	**(4,000)**	–
Reissuance	–	–	**10,000**	7,500	**–**	–	**–**	–	**1**	3,070
At end of year	**(6,755)**	(6,755)	**(40,500)**	(50,500)	**–**	–	**–**	–	**(16,174)**	(12,175)
Outstanding shares at end of year	**5,245**	5,245	**17,500**	7,500	**–**	–	**200,000**	200,000	**620,037**	623,596

The details of the Parent Company's outstanding shares follow:

	Preferred A shares		Preferred B Shares		Preferred C Shares		Voting Preferred shares		Common shares	
	2025	2024	**2025**	2024	**2025**	**2024**	**2025**	2024	**2025**	2024
Outstanding shares:										
At beginning of year	**5,245**	5,245	**7,500**	30,000	**–**	–	**200,000**	200,000	**623,596**	619,807
Subscribed shares	**–**	–	–	7,500	**–**	–	–	–	**440**	719
Treasury shares -	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Reacquisition	**–**	–	–	(30,000)	**–**	–	–	–	**(4,000)**	–
Reissuance	**–**	–	**10,000**	–	–	–	–	–	**1**	3,070
Outstanding shares at end of year	**5,245**	5,245	**17,500**	7,500	**–**	–	**200,000**	200,000	**620,037**	623,596

The details of the Parent Company's paid-in capital follow:

	December 31, 2025								
	Preferred Stock - A	Preferred Stock - B	Voting Preferred	Common Stock	Subscribed	Additional Paid-in Capital	Subscriptions Receivable	Total Paid-in Capital	Treasury Stock
	(In Thousands)								
At beginning of year	**₱1,200,000**	**₱5,800,000**	**₱200,000**	**₱31,478,499**	**₱310,075**	**₱57,246,480**	**(₱2,850,849)**	**₱93,384,205**	**(₱14,220,992)**
Exercise/Cancellation/ Subscription of ESOP/ ESOWN	**–**	**–**	**–**	**33,070**	**(11,060)**	**287,850**	**(245,900)**	**63,960**	**–**
Collection of subscription receivable	**–**	**–**	**–**	**–**	**–**	**–**	**278,948**	**278,948**	**–**
Buyback of common shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,923,729)**
Reissuance of preferred shares	**–**	**–**	**–**	**–**	**–**	**18,841,276**	**–**	**18,841,276**	**1,000,000**
Assignment of treasury shares	**–**	**–**	**–**	**–**	**–**	**(1)**	**–**	**(1)**	**–**
At end of year	**₱1,200,000**	**₱5,800,000**	**₱200,000**	**₱31,511,569**	**₱299,015**	**₱76,375,605**	**(₱2,817,801)**	**₱112,568,388**	**(₱15,144,721)**

	December 31, 2024								
	Preferred Stock - A	Preferred Stock - B	Voting Preferred	Common Stock	Subscribed	Additional Paid-in Capital	Subscriptions Receivable	Total Paid-in Capital	Treasury Stock
	(In Thousands)								
At beginning of year	₱1,200,000	₱5,800,000	₱200,000	₱31,475,111	₱277,503	₱54,980,070	(₱2,698,931)	₱91,233,753	(₱14,546,351)
Exercise/Cancellation/ Subscription of ESOP/ ESOWN	–	–	–	3,388	32,572	515,208	(423,097)	128,071	–
Collection of subscription receivable	–	–	–	–	–	–	271,179	271,179	–
Sale of treasury shares	–	–	–	–	–	(379,882)	–	(379,882)	2,575,359
Redemption of preferred shares	–	–	–	–	–	(12,000,000)	–	(12,000,000)	(3,000,000)
Reissuance of preferred shares	–	–	–	–	–	14,131,084	–	14,131,084	750,000
At end of year	₱1,200,000	₱5,800,000	₱200,000	₱31,478,499	₱310,075	₱57,246,480	(₱2,850,849)	₱93,384,205	(₱14,220,992)

Preferred Shares

Preferred A shares
As of December 31, 2025 and 2024, details of Preferred A shares as follows (*in Thousands, except par value per share*).

Preferred A	**Total**
Par value per share	**₱100**
Issued and subscribed shares	**12,000**
Outstanding shares	**5,245**
Treasury shares	**6,755**
Cost of treasury shares	**₱675,500**

On November 11, 2008, the Parent Company filed a primary offer in the Philippines of its Preferred A shares to be listed and traded on the PSE.

Preferred A shares are cumulative, nonvoting and redeemable at the option of the Parent Company under such terms that the BOD may approve at the time of the issuance of shares and with a dividend rate of 8.88% per annum. The Preferred A shares may be redeemed at the option of the Parent Company starting on the fifth year.

On June 28, 2013, the BOD approved and authorized the exercise of call option on Preferred A shares effective November 25, 2013 based on the dividend rate of 8.88% per annum. The redemption of Preferred A shares is presented as part of treasury stock.

On March 23, 2023, the Parent Company filed a registration statement for the offer and re-issuance of 4.0 million Preferred “A” Shares with an aggregate issue value of ₱10.0 billion and an oversubscription option of up to 4.0 million Preferred “A” Shares with an aggregate issue value of up to ₱10.0 billion.

On May 29, 2023, the Parent Company re-issued 5,244,515 of its non-voting perpetual Preferred A shares at an issue price of ₱2,500.0 per share and a par value of ₱100.00 per share or for a total of ₱13.1 billion with a dividend rate of 6.3587% per annum.

Preferred B shares
Details of Preferred B shares as follows (*in Thousands, except par value per share*).

	Series 1		**Series 2**		**Series 3**		**Series 4**		**Total**	
Preferred B	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Par value per share	**₱100**	₱100	**₱100**	₱100	**₱100**	₱100	**₱100**	–	**–**	**–**
Issued and subscribed shares	**20,500**	20,500	**20,000**	30,000	**7,500**	7,500	**10,000**	–	**58,000**	58,000
Outstanding shares	**–**	–	**–**	–	**7,500**	7,500	**10,000**	–	**17,500**	7,500
Treasury shares	**20,500**	20,500	**20,000**	30,000	**–**	–	**–**	–	**40,500**	50,500
Cost of treasury shares	**₱2,050,000**	₱2,050,000	**₱2,000,000**	₱3,000,000	**₱–**	₱–	**₱–**	₱–	**₱4,050,000**	₱5,050,000

In July 2006, the Parent Company filed a primary offer in the Philippines of its Preferred B shares at an offer price of ₱100.00 per share to be listed and traded in the PSE. The Preferred B shares are cumulative, nonvoting and redeemable at the option of the Parent Company under such terms that the BOD may approve at the time of the issuance of shares and with dividend rate of 9.4578% per annum. The Preferred B shares may be redeemed at the option of the Parent Company starting on the fifth year from the date of issuance.

On March 14, 2011, the BOD approved and authorized the exercise of call option on its Preferred B shares effective July 21, 2011 based on the dividend rate of 9.5% per annum. The redemption of Preferred B shares is presented as part of treasury stock.

Preferred B Series 1 shares
In September 2013, the BOD approved and authorized the re-issuance and offering of 20.0 million Preferred B Series 1 shares from its 58.0 million authorized Class "B" preferred treasury share capital for an aggregate amount of ₱10.0 billion. The Preferred B Series 1 shares were offered at a price of ₱500.00 per share with a fixed quarterly dividend rate of 5.25% per annum.

On September 28, 2023, the BOD approved the optional redemption of the 20.0 million Preferred B Series 1 shares effective November 15, 2023 by payment in cash of the redemption price equal to 100% of the issue price of the shares plus accrued and unpaid dividends up until November 15, 2023 based on the dividend rate of 5.25% per annum.

Preferred B Series 2 shares
On August 22, 2014, the BOD approved and authorized the re-issuance and offering of 27.0 million Preferred B Series 2 shares, which comprise a second and separate series from the Parent Company's outstanding 5.25% Preferred B Series 1 shares, from its 58.0 million authorized Class "B" preferred treasury share capital, for an aggregate amount of ₱13.5 billion. The Preferred B Series 2 shares were offered at a price of ₱500.00 per share with a dividend rate of 5.575%. The re-issuance resulted to the Parent Company's recognition of ₱10.7 billion APIC excluding direct expenses from re-issuance.

On September 13, 2019, the BOD approved and authorized the redemption by the Parent Company of its 27.0 million Preferred B Series 2 shares representing all of the outstanding Preferred B Series 2 shares at the redemption price equal to the issue price plus all accrued and unpaid dividends until November 5, 2019 based on the dividend rate of 5.575% per annum. On the same date, the BOD also approved and authorized the re-issuance and offering of 30.0 million Preferred B Series 2 shares for an offer price of ₱500.00 per share with a dividend rate of 4.8214%. These two transactions resulted to the Parent Company's recognition of ₱1.1 billion net APIC excluding direct expenses from re-issuance.

On January 15, 2020, the Parent Company has fully utilized the proceeds from the reissuance of Preferred B Series 2 shares. On November 29, 2024, the 5th year anniversary from the listing of the shares, the Parent Company redeemed its ACPB2 Series shares at redemption price equal to 100% of its issue price of ₱500.00 per share plus accrued and unpaid dividends up until November 29, 2024 based on the dividend rate of 4.8214% p.a.

Preferred B Series 3 shares
October 10, 2024, the BOD approved and authorized the re-issuance and offering of ₱15,000.0 million Preferred B Series 3 shares, with an issue price of ₱2,000 per share, to be reissued from the Company's treasury shares. The Parent Company sold 5.0 million Preferred B Series 3 shares with an aggregate issue price of ₱10,000.0 million constituting the base size of the offer, and, as a result of the Parent Company's exercise of its oversubscription option in order to address the excess demands for the shares, an additional 2.5 million Preferred B Series 3 shares with an aggregate issue price of 5,000.0 million were sold. The re-issuance resulted to the Parent Company recognizing ₱14,450.0 million APIC net of direct expenses from re-issuance.

On June 27, 2024, the BOD approved the issuance of Preferred Shares with a base amount of ₱10.00 billion with an oversubscription option for up to an additional ₱5.00 billion, subject to regulatory requirements. On September 27, 2024, the Parent Company received the Certificate of Permit to Offer Securities for Sale from the SEC for the offer and re-issuance of 5.0 million Preferred "B" Shares with a base amount of ₱10.00 billion with an oversubscription option of up to 2.5 million Preferred "B" Shares with an aggregate issue value of up to ₱5.00 billion. On October 15, 2024, 7.5 million Preferred "B" Shares Series 3 (ACPB3) shares were issued at ₱2,000.0 per share and listed with the Philippine Stock Exchange.

On September 30, 2024, the Parent Company's Executive Committee, in the exercise of its authority under the By-Laws, and upon endorsement of our Finance Committee, approved the optional redemption of the ₱15.0 billion 4.8214% Preferred "B" Series 2 shares (APB2R). The redemption will be effective November 29, 2024 (the 5th year anniversary from the listing of the shares) by payment in cash of the redemption price equal to 100% of the issue price of ₱500.00 per share plus accrued and unpaid dividends up until November 29, 2024 based on the dividend rate of 4.8214% per annum.

On January 20, 2025, the Parent Company has fully utilized the proceeds from the reissuance of ACPB3 shares.

Preferred B Series 4 shares
On March 14, 2025, the BOD approved and authorized the re-issuance and offering of ₱20 billion Preferred B Series 3 shares, with an issue price of ₱2,000 per share, to be reissued from the Company's treasury shares. On May 30, 2025, the Parent Company received the Certificate of Permit to Offer Securities for Sale from the SEC. The Parent Company sold 5.0 million Preferred B Series 4 shares with an aggregate issue price of ₱10 billion constituting the base size of the offer, and, as a result of the Parent Company's exercise of its oversubscription option in order to address the excess demands for the shares, an additional 5.0 million Preferred B Series 4 shares with an aggregate issue price of ₱10 billion were sold. The shares were listed with the Philippine Stock Exchange on October 15, 2024. On June 19, 2025, The Parent Company received in full the proceeds from the successful re-issuance of 10 billion preferred shares (ACPB Series "4") with par value of ₱100 per share and subscription price P2,000 per share. The re-issuance resulted to the Parent Company recognizing ₱18.85 billion APIC net of direct expenses from re-issuance.

Preferred C shares
Preferred C shares are cumulative, non-participating, non-voting and redeemable at the option of the Parent Company under such terms that the BOD may approve at the time of the issuance of the shares.

Voting Preferred shares
On March 15, 2010, the BOD approved the reclassification of 4.0 million unissued common shares with a par value of ₱50.00 per share into 200.0 million Voting Preferred shares with a par value of ₱1.00 per share and the amendment of the Parent Company's amended Articles of Incorporation to reflect the reclassification of the unissued common shares into new Voting Preferred shares.

On April 16, 2010, the Parent Company's stockholders ratified the reclassification.

On April 22, 2010, the SEC approved the amendments to the Parent Company's Articles of Incorporation embodying the reclassification of the unissued common shares to new Voting Preferred shares.

The Voting Preferred shares are cumulative, voting and redeemable at the option of the Parent Company under such terms that the BOD of the Parent Company may approve at the time of the issuance of shares and with a dividend rate of 5.3% per annum. In 2016, the dividend rate was repriced to 3.6950%.

On July 16, 2019, the BOD approved the re-pricing of dividend rate to 5.7730% per annum, which is equal to the 3-year PHP BVAL reference rate as of May 20, 2019 and will be applicable until May 20, 2022, the next re-pricing date.

On May 21, 2025, the dividend rate of the Parent Company's 200.0 million voting preferred shares was repriced from 4.8096% per annum to 5.7967% per annum, which is equal to the 3-year PHP BVAL reference rate as of May 20, 2025 and will be applicable until May 20, 2028, the next re-pricing date.

Clause 3 of the Terms and Conditions of the Offer and Subscription of the Shares provides that the dividend rate on the voting preferred shares will be re-priced on every third-year anniversary from the Issue Date, using 3-year PDST-R2 on the subsequent re-pricing dates. In case the PDST-R2 ceases to be an acceptable benchmark, the dividend rate shall mean the replacement mark-to-market benchmark that the Bankers' Association of the Philippines will utilize.

The PDS Treasury Reference Rates R1 (PDST-R1) and R2 (PDST-R2) have been decommissioned as of October 26, 2018 end-of-day and that the Bankers' Association of the Philippines now utilize PHP BVAL Reference Rates as replacement benchmark.

The APIC pertaining to preferred shares amounted to ₱45,145.1 million and ₱26,303.8 million as of December 31, 2025 and 2024, respectively.

Common Shares

The common shares may be owned or subscribed by or transferred to any person, partnership, association or corporation regardless of nationality, provided that at any time at least 60% of the outstanding capital stock shall be owned by citizens of the Philippines or by partnerships, associations or corporations with 60% of the voting stock or voting power of which is owned and controlled by citizens of the Philippines.

In July 2013, the SEC approved the amendments to the Parent Company's Articles of Incorporation for the exemption of 100 million common shares from the exercise of pre-emptive rights of holders of common shares. These shares are allocated to support the financing activities of the Parent Company. On July 21, 2018, the Parent Company issued 8.8 million common shares at a price of ₱916.0 per share to an institutional investor and paid documentary stamp taxes and listing fee amounting to ₱4.4 million and ₱9.0 million, respectively.

On May 22, 2019, the Parent Company purchased its 3,805,644 common shares at ₱838.0 from Mitsubishi Corporation (MC) pursuant to the share buyback program approved by the BOD on September 10, 2007, June 2, 2010, and December 10, 2010.

On December 11, 2019, the Parent Company also purchased its 613,000 common shares at ₱815.00 pursuant to the share buyback program of ₱10.0 billion worth of shares approved by the BOD on December 5, 2019. The Parent Company purchased another 60,000 common shares at ₱752.00 on December 16, 2019.

On various dates in 2020, the Parent Company, pursuant to the share buyback program of ₱10.0 billion worth of shares approved by the BOD on December 5, 2019, purchased 1,266,210 of its common shares with prices ranging from ₱408 to ₱755 per share.

On May 26, 2021, the Parent Company, pursuant to the share buyback program of ₱10.0 billion worth of shares approved by the BOD on December 5, 2019, purchased 8,450,000 of its common shares at 683.12 per share.

On December 10, 2021, the BOD approved the allocation of an additional ₱10.0 billion to our current ₱10.0 billion share buyback program approved on December 5, 2019.

On various dates in 2022, the Parent Company purchased a total of 1,050,000 common shares with prices ranging from ₱607.93 to ₱697 per share.

On September 18, 2025, the BOD approved the expansion of the coverage of the Parent Company's share buyback program (the "Program"), to include the purchase of shares of its publicly listed subsidiaries, as endorsed by the Ayala's Finance Committee. The Program has an outstanding approval of ₱20.0 billion, as previously disclosed on December 5, 2019 and December 10, 2021.

In 2023, 51,842 common shares were issued under ESOP (nil in 2024 and 2025) (see Note 28).

Treasury shares

On March 31, 2022, the Parent Company assigned from its Treasury Shares two (2) common shares, as qualifying shares, to the two (2) new nominees for independent directors of the Parent Company.

On May 31, 2022, the Parent Company purchased its 40,000 common shares at ₱625.00 price per share, 450,000 common shares at ₱697.00 price per share, and 310,000 common shares at ₱ 634.1158 price per share, respectively, pursuant to the share buyback program approved by the BOD on December 5, 2019 and December 10, 2021.

On July 14, 2022, the Parent Company purchased its 250,000 common shares at ₱607.9301 price per share pursuant to the share buyback program approved by the BOD on December 5, 2019 and December 10, 2021.

On September 26, 2024, Parent Company sold 3,070,150 Treasury Common Shares at a price of ₱720.00 per share through a block sale transaction.

On October 15, 2024, the Parent Company received in full the proceeds from the successful re-issuance of ₱15,000.0 million preferred B shares (ACPB3). Total Preferred "B "shares subscribed were 7.5 million shares at ₱2,000.0 per share.

On March 7, 2025, the Parent Company assigned from its Treasury Share one (1) common share, as qualifying share, to the new nominee for independent director of the Parent Company

On various dates on September 2025 and October 2025, pursuant to the share buyback program, the Parent Company purchased a total of 4.0 million shares of varying prices (1.0 million shares at ₱490 per share, 1.0 million shares at ₱482 per share ,1.0 million shares at ₱480 per share, and 1.0 million shares at ₱470 per share).

As of December 31, 2025, treasury shares include 6.8 million Preferred A shares amounting to ₱675.5 million and 40.5 million Preferred B shares amounting to ₱4,050.0 million or a total of ₱4,725.5 million. As of December 31, 2024, treasury shares include 6.8 million Preferred A shares amounting ₱675.5 million and 50.5 million Preferred B shares amounting to ₱5,050.0 million or a total of ₱5,725.5 million. As of December 31, 2025, and 2024, treasury shares also include 16.2 million and 12.2 million common shares, respectively, amounting to ₱10,419.2 million and ₱8,495.4 million, respectively.

In accordance with Revised SRC Rule 68, Annex 68-K, below is a summary of the Parent Company's track record of registration of securities.

	Number of shares registered	Issue/offer price	Date of approval	**2025** **Number of holders of securities as of December 31**	2024 Number of holders of securities as of December 31
Common shares	200,000,000[1]	₱1.00 par value[2]; ₱4.21 issue price	July 1976	**6,151**	6,217
Preferred A shares	12,000,000	₱100 par value; ₱500 issue price	November 2008	–	–
Preferred A shares[3]	8,000,000	₱100 par value; ₱2,500 issue price	May 2023	**6**	6
Preferred B shares	8,000,000	₱100 par value; ₱500 issue price	July 2006	–	–
Preferred B shares-Series 1[4]	20,000,000	₱100 par value; ₱500 issue price	October 2013	–	–
Preferred B shares-Series 2[5]	30,000,000	₱100 par value; ₱500 issue price	November 2019	–	–
	27,000,000	₱100 par value; ₱500 issue price	October 2014	–	–
Preferred B shares-Series 3[6]	7,500,000	₱100 par value; ₱2,000 issue price	September 2024	**5**	2
Preferred B shares – Series 4[7]	10,500,000	₱100 par value; ₱2,000 issue price	May 30, 2025	**6**	–
Voting preferred shares	200,000,000	₱1 par value; ₱1 issue price	March 2010	**1,062**	1,058

[1]Initial number of registered shares only.
[2]Par value now is ₱50.00
[3]5,244,515 Preferred A shares were re-issued on May 29, 2023.
[4]The Preferred B- Series 1 shares were re-issued on November 15, 2013.
[5]The Preferred B-Series 2 share were re-issued on November 29, 2019.
[6]The Preferred B-Series 3 shares were re-issued on October 15, 2024.
[7] The Preferred B-Series 4 shares were re-issued on June 19, 2025.

Retained Earnings

Retained earnings include the accumulated equity in undistributed net earnings of consolidated subsidiaries and associates and joint ventures accounted for under the equity method amounting to ₱288,147.5 million, ₱244,078.5 million, ₱211,065.1 million as of December 31, 2025, 2024 and 2023, respectively, which are not available for dividend declaration by the Parent Company until these are declared by the investee companies. Retained earnings are further restricted for the payment of dividends to the extent of the cost of the shares held in treasury.

In accordance with the Revised SRC Rule 68, Annex 68-D, the Parent Company's retained earnings available for dividend declaration as of December 31, 2025 and 2024 amounted to ₱69,403.3 million and ₱67,898.5 million, respectively.

Cash dividends consist of the following:

	Per Share			**Amount** (In Thousands)		
	2025	2024	2023	**2025**	2024	2023
Dividends to common shares declared and paid during the year:						
1st Declaration	**₱4.60**	₱4.19	₱3.81	**₱2,873,690**	₱2,597,897	₱2,358,987
2nd Declaration	**₱4.61**	4.19	3.81	**₱2,855,270**	2,610,750	2,358,987
Dividends paid to equity preferred shares during the year						
Preferred Shares A	**6.3587%**	6.3587%	6.3687%	**833,707**	833,707	416,854
Preferred Shares B - Series 1	**0.0000%**	0.0000%	5.2500%	**–**	–	525,000
Preferred Shares B - Series 2	**0.0000%**	4.8214%	4.8214%	**–**	723,210	723,210
Preferred Shares B - Series 3	**6.0538%**	1.5135%	0.0000%	**908,070**	227,018	–
Preferred Shares B - Series 4	**3.1452%**	0.0000%	0.0000%	**629,030**	–	–
Voting Preferred Shares	**4.8096%**	4.8096%	4.8096%	**9,619**	9,619	9,619

On December 11, 2023, the BOD approved the declaration of regular cash dividends of ₱3.806 per common share, payable to stockholders of record as of December 26, 2023, and distributable on January 10, 2024.

As of December 31, 2025, and 2024, the Parent Company has cash dividend payable to common and preferred stockholders amounting to ₱3,082.3 million and ₱2,681.5 million, respectively.

Property dividends consist of the following:

On May 12, 2022, BOD confirmed the declaration of property dividends consisting of the ACEN shares acquired from ACEIC to the Parent Company's common shareholders at a ratio of three (3) ACEN shares per one (1) parent company common share, subject to: (a) completion of the AC-ACEIC Transaction, and (b) applicable regulatory approvals. The record date is May 27, 2022, with distribution or settlement date of the dividends payable to be determined by the management after applicable regulatory approvals have been obtained. No shareholder shall be entitled to fractional shares.

On October 24, 2022, the SEC approved the property dividends and issued a Certificate of Filing Notice of the Property Dividend declaration.

The dividend distribution commenced in December 2022 and will continue as and when electronic Certificates Authorizing Registration (eCARs) are issued by BIR. The eCAR issuance is a prerequisite for the transfer of the properties of the Parent Company, i.e. the ACEN shares, to each entitled stockholder as of the record date and it is a process that entails the participation of both the Parent Company, as transferor, and the stockholders, as transferees.

As of December 31, 2025 and 2024, the Parent Company has property dividend payable to common stockholders amounting to ₱110.2 million and ₱133.2 million, respectively.

As of December 31, 2025, the Parent Company has significantly completed the distribution of property dividends. The BIR's issuance of eCARs and subsequent distribution of ACEN shares are ongoing.

Capital Management

The primary objective of the Parent Company's capital management policy is to ensure that it maintains a robust statement of financial position in order to support its business and maximize shareholder value.

The Parent Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Parent Company may adjust the dividend payment to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for the years ended December 31, 2025 and 2024.

The Parent Company monitors capital using a gearing ratio of debt to equity and net debt to equity.

Debt consists of short-term and long-term debt of the Group. Net debt includes short-term and long-term debt less cash and cash equivalents, short-term investments and restricted cash of the Group. The Parent Company considers as capital the total equity.

	2025	2024
	(In Thousands)	
Short-term debt	**₱81,298,079**	₱75,556,284
Long-term debt	**623,189,471**	591,202,846
Total debt (a)	**704,487,550**	666,759,130
Less:		
Cash and cash equivalents	**66,901,817**	75,501,736
Short-term investments	**403,532**	723,567
Net debt (b)	**637,182,201**	₱590,533,827
Total equity (c)	**₱809,848,573**	₱725,581,720
Debt to equity (a/c)	**87.0%**	91.9%
Net debt to equity (b/c)	**78.7%**	81.4%

The Parent Company also monitors capital through return-to-common equity ratio. For this ratio, the Parent Company considers as capital the average amount of equity with the exclusion of accounts pertaining to preferred shares and the non-controlling interests.

	2025	2024
	(In Thousands)	
Net income attributable to owners of the parent company	**61,427,524**	₱42,026,496
Less:		
Dividends to equity preferred shares	**2,380,427**	1,793,554
	59,047,097	40,232,942
Divided by: average common equity attributable to owners of the parent company	**435,382,130**	₱388,730,241
Return to common equity	**13.6%**	10.3%

21. Revenue

This account consists of:

	2025	2024	2023
		(In Thousands)	
Revenue from contracts with customers			
Real estate	**₱136,334,239**	₱140,670,158	₱112,605,037
Manufacturing services	**57,641,312**	62,762,188	73,590,033
Power generation	**31,357,291**	36,671,202	35,275,111
Automotive	**55,045,481**	31,221,987	24,333,624
Others	**18,389,862**	18,555,795	11,204,730
	298,768,185	289,881,330	257,008,535
Rental income (Note 30)	**38,117,981**	35,862,630	32,896,212
Sales of goods and rendering of services	**336,886,166**	325,743,960	289,904,747
Share in net profits of associates and joint ventures	**46,749,683**	44,307,947	46,633,463
Interest income from real estate (Note 3)*	**–**	–	5,359,526
	₱383,635,849	₱370,051,907	₱341,897,736

**ALI group fully adopted PFRS 15 which considered interest income previously recognized as a non-significant financing component*

Disaggregated revenue information
Set out below is the disaggregation of revenue from contracts with customers of the material subsidiaries of the Group:

ALI Group
Revenue from contracts with customers of ALI Group consists of:

	2025	2024	2023
		(In Thousands)	
Revenue from contracts with customers			
Residential development	**₱113,909,596**	₱112,916,969	₱92,337,260
Hotels and resorts	**10,616,962**	9,732,010	8,780,374
Construction	**8,930,400**	13,027,625	6,595,611
Others	**2,877,281**	4,993,554	4,891,792
	₱136,334,239	₱140,670,158	₱112,605,037

ALI Group derives revenue from the transfer of goods and services over time and at a point in time, in different product types. ALI Group's disaggregation of each source of revenue from contracts with customers are presented below:

Residential development

	2025	2024	2023
		(In Thousands)	
Type of Product			
Middle income housing	**₱39,821,696**	₱39,171,820	₱32,204,567
Core-mid	**28,862,960**	30,657,377	25,990,604
Condominium	**27,535,133**	28,495,003	24,297,144
Lot only	**17,689,807**	14,592,769	9,844,945
	₱113,909,596	₱112,916,969	₱92,337,260

All of ALI Group's real estate sales from residential development are revenue from contracts with customers recognized over time.

Hotels and resorts

	2025	2024	2023
		(In thousands)	
Type of Services			
Rooms	**₱6,330,319**	₱5,926,258	₱5,086,501
Food and beverage	**3,284,329**	3,151,353	2,727,063
Other operated department	**591,912**	152,695	482,190
Others	**410,402**	501,704	484,620
	₱10,616,962	₱9,732,010	₱8,780,374

ALI Group's revenue from hotels and resorts is attributed to the operations from the development and management of hotels and resorts or serviced apartments.

ALI Group's construction revenue pertains to transactions with related parties such as joint ventures, and external customers.

Others are mainly composed of property management facilities of ALI Group and third-party projects.

Information about ALI Group's performance obligations are summarized below:

Real estate sales
ALI Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii) service lot and house, and (ii) condominium unit and ALI Group concluded that there is one performance obligation in each of these contracts. ALI Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10% of the contract price spread over a certain period (e.g., one to two years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either an unbilled receivable or customers' deposit.

After the delivery of the completed real estate unit, ALI Group provides one year warranty to repair minor defects on the delivered serviced lot and house and condominium unit. This is assessed by ALI Group as a quality assurance warranty and not treated as a separate performance obligation.

Hotels and resorts
Rooms revenue from hotel and resort operations is recognized when services are rendered. Revenue from banquets and other special events are recognized when events take place.

Construction
Revenue from fixed price construction contracts are recognized over time using the milestone-based revenue recognition which is in reference to output method.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as of December 31, 2025 and 2024 are as follows:

	2025	2024
	(In Thousands)	
Within one year	**₱64,959,038**	₱74,621,596
More than one year	**49,834,890**	48,813,403
	₱114,793,928	₱123,434,999

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of ALI Group's real estate projects. ALI Group's condominium units are completed within three to five years, from start of construction while serviced lots and serviced house and lots are expected to be completed within two to three years from start of development.

IMI Group
The following table presents revenue of IMI Group by type:

	2025	2024	2023
		(In thousands)	
Manufacturing of goods	**₱57,476,948**	₱62,619,923	₱73,382,620
Non-recurring engineering services	**164,364**	142,265	207,413
Revenue from contracts with customers	**₱57,641,312**	₱62,762,188	₱73,590,033

Translated using the average exchange rate for the year (US$1:₱57.86 in 2025, $1: ₱57.12 in 2024 and US$1: ₱55.59 in 2023).

The following table presents revenue per market segment:

	2025	2024	2023
		(In Thousands)	
Automotive	**₱37,223,974**	₱42,846,175	₱44,378,856
Industrial	**17,065,476**	15,651,188	21,642,071
Consumer	**1,320,597**	1,855,100	1,848,429
Telecommunication	**1,117,604**	438,182	1,685,600
Multiple market/others	**776,249**	701,216	734,645
Medical	**137,412**	1,270,327	1,289,953
Aerospace/defense	—	–	2,010,479
	₱57,641,312	₱62,762,188	₱73,590,033

Translated using the average exchange rate for the year (US$1:₱57.86 in 2025, $1: ₱57.12 in 2024 and US$1: ₱55.59 in 2023).

Revenues from contracts with customers of IMI Group are also further disaggregated by customer's nationality and timing of revenue recognition, as management believes it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The following table presents revenues from external customers based on customer's nationality:

	2025	2024	2023
		(In Thousands)	
Europe	**₱42,297,209**	₱45,869,251	₱51,571,384
America	**6,200,371**	6,525,718	10,324,572
Japan	**3,284,079**	3,550,754	3,174,683
Rest of Asia / Others	**5,859,653**	6,816,465	8,519,394
	₱57,641,312	₱62,762,188	₱73,590,033

Translated using the average exchange rate for the year (US$1:₱57.86 in 2025, $1: ₱57.12 in 2024 and US$1: ₱55.59 in 2023).

ACEIC Group
Feed-in-Tariff (FIT) Adjustment
On May 26, 2020, the ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, Series of 2020. FIT adjustments used 2014 as the base period calendar year for the Consumer Price Index and foreign exchange variations through Discounted Cash Flows Model per renewable energy technology, covering for the years 2016-2020.

Renewable energy subsidiaries under the FIT system which include Guimaras Wind Corporation, Monte Solar Energy, Inc. (Montesol), SACASOL, and Northwind, accrued the retroactive revenue adjustment amounting to ₱791.5 million. This will be recovered for a period of five (5) years.

On February 19, 2021, ERC clarified on its letter to National Transmission Corporation ("TransCo"), the Administrator of the FIT system, by specifying the timing and manner of billing the FIT Adjustment. Actual recovery of arrears shall be for a period of five (5) years. Billing for January 2016 generation period shall start in December 2020, and payment schedule shall start in January 2021, following the five-year recovery period. Moreover, pending the approval of the 2021 FIT-All rate and

adjustment of FIT rates, the original approved FIT rates shall be used for the 2021, 2022 and 2023 generation billing. Revenues recognized from 2021 to 2024 were based on 2020 approved FIT rates in the absence of approved FIT rates for the succeeding years. Currently, there's a moratorium on interest on the delayed payments. It is expected that the adjusted FIT rates applicable for 2021 will also be collected in arrears in accordance with the approval of the ERC.

On November 26, 2025, the ERC issued Resolution No. 28, Series of 2025, approving the adjusted FIT rates for the period 2021 to 2025 (the "2021–2025 AARs"). Following the issuance of this resolution, TransCo and several renewable energy industry associations formally sought clarification from the ERC due to perceived inconsistencies in the computation methodology, particularly the use of non-aligned CPI base years. The ERC acknowledged these concerns and indicated that a hearing will be conducted to discuss the possible re-computation of the adjusted FIT rates.

As of the reporting date, the ERC has not issued a final and unambiguous resolution on the adjusted FIT rates. In accordance with PFRS 15, *Revenue from Contracts with Customers*, the ACEIC Group assessed whether the 2021-2025 AARs represent consideration to which the ACEIC Group is highly probable to be entitled, considering the risk of significant revenue reversal. The ACEIC Group concluded that recognition of revenue based on the 2021-2025 AARs would involve significant judgment and reliance on assumptions that remain subject to regulatory challenge and uncertainty.

Any subsequent adjustments arising from future ERC resolutions will be recognized in profit or loss when the related uncertainties are resolved.

22. Costs and Expenses and Other Income (Charges)

Details of cost of goods sold and services included in the consolidated statements of income are as follows:

	2025	2024	2023
		(In Thousands)	
Cost of goods sold (Notes 8 and 31)	**₱117,248,793**	₱94,899,203	₱68,791,301
Cost of services:			
Cost of inventory (Note 8)	**41,088,756**	45,492,145	53,093,114
Cost of power operations	**17,815,212**	23,390,253	28,900,920
Depreciation and amortization (Notes 11, 12, 13 and 14)	**15,221,826**	13,981,078	11,576,692
Personnel costs (Notes 27 and 31)	**11,099,982**	11,444,930	13,561,869
Hotels and resorts operations	**8,087,612**	7,788,893	7,106,025
Transportation and travel	**3,777,986**	3,335,507	2,295,799
Professional fees, management fees and commissions	**9,845,047**	7,919,477	5,967,666
Contract labor	**1,362,129**	1,103,362	1,662,569
Repairs and maintenance	**3,454,572**	4,995,137	4,284,556
Taxes and licenses	**5,501,079**	5,580,374	4,760,682
Rental, utilities and supplies	**4,363,075**	4,338,428	6,008,569
Insurance	**971,286**	543,121	687,293
Others	**2,818,856**	13,693,931	11,134,985
	125,407,418	143,606,636	151,040,739
Costs of goods sold and services	**₱242,656,211**	₱238,505,839	₱219,832,040

Cost of goods sold includes, among others, the cost of real estate inventories amounting to ₱57.3 billion, ₱63.7 billion and ₱45.3 billion in 2025, 2024 and 2023, respectively; and cost of vehicles, automotive parts and accessories amounting to ₱50.3 billion, ₱32.4 billion and ₱20.7 billion in 2025, 2024 and 2023, respectively.

"Others" include various items such as AC Logistics' group's export and import costs; other business units' communication, dues and fees, miscellaneous overhead, among others.

General and administrative expenses included in the consolidated statements of income are as follows:

	2025	2024	2023
		(In Thousands)	
Personnel costs (Notes 27 and 31)	**₱14,982,521**	₱16,446,546	₱14,151,057
Provision for impairment/losses on:			
Receivables (Note 7)	**9,668,276**	3,011,120	1,719,011
Investments in associates and joint ventures (Note 10)	**1,467,022**	8,140,087	949,861
Inventories (Note 8)	**336,100**	887,915	518,768
Property, plant and equipment (Note 12)	**127,905**	536,284	–
Goodwill (Note 14)	**–**	2,409,852	3,115,244
Financial assets at FVOCI (Note 15)	**–**	–	2,562,834
Various other assets (Notes 11, 14 and 23)	**1,882,051**	269,064	2,826,265
Professional fees	**3,612,485**	4,256,683	3,561,687
Taxes and licenses	**3,100,200**	2,841,314	2,207,325
Advertising and promotions	**2,955,503**	1,960,897	1,343,359
Depreciation and amortization (Notes 11, 12, 13, 14 and 30)	**2,720,717**	3,210,890	2,904,062
Contract labor	**1,343,628**	1,516,482	1,026,405
Rental and utilities	**973,553**	676,592	700,099
(Forward)			
Repairs and maintenance	**888,764**	789,961	882,555
Transportation and travel	**697,716**	639,247	694,173
Donations and contributions	**443,158**	185,786	206,917
Insurance	**393,334**	718,571	444,395
Dues and fees	**365,074**	437,819	561,864
Research and development	**305,825**	276,476	477,826
Postal and communication	**284,504**	284,218	351,949
Supplies	**238,723**	247,437	236,449
Entertainment, amusement and recreation	**206,444**	182,500	172,157
Others	**1,925,650**	1,344,559	1,032,274
	₱48,919,153	₱51,270,300	₱42,646,536

"Others" include various expenses such as plant relocation costs, management fees, marketing, collection charges, sales commission, bank service charge, periodicals and miscellaneous operating expenses.

Depreciation and amortization expense included in the consolidated statements of income follows:

	2025	2024	2023
		(In Thousands)	
Included in:			
Cost of sales and services	**₱15,221,826**	₱13,981,078	₱11,576,692
General and administrative expenses	**2,720,717**	3,210,890	2,904,062
	₱ 17,942,543	₱17,191,968	₱14,480,754

Personnel costs included in the consolidated statements of income follow:

	2025	2024	2023
		(In Thousands)	
General and administrative expenses	**₱14,982,521**	₱16,446,546	₱14,151,057
Cost of sales and services	**11,099,982**	11,444,930	13,561,869
	₱26,082,503	₱27,891,476	₱27,712,926

Other income consists of:

	2025	2024	2023
		(In Thousands)	
Remeasurement gain on previously held interest (Notes 10 and 23)	**₱10,215,412**	₱650,214	₱3,433,327
Net gain on sale of investments (Notes 2, 10 and 23)	**11,434,187**	2,311,691	3,091,847
Revenue from management contracts	**882,704**	977,235	437,419
Dilution gain (loss) in associates (Note 10)	**865,305**	3,836,727	(4,405,549)
Collateral income on automotive sales	**332,395**	453,581	710,954
Mark-to-market loss on financial assets at FVTPL (Notes 9 and 33)	**(342,518)**	(251,126)	(231,187)
Foreign exchange gain (Note 32)	**427,632**	1,340,195	127,000
Dividend income	**1,074,787**	825,492	323,377
Gain on sale of other assets	**121,036**	464,438	95,181
Insurance proceeds	**26,089**	1,228	10,523
Recoveries of account written off (Note 7)	**54,417**	98,300	–
Others	**3,985,486**	3,801,450	1,440,671
	₱29,076,932	₱14,509,425	₱5,033,563

“Remeasurement gain on previously held interest” mainly pertains to the remeasurement gain on retained interest from the partial sale of ownership in AM 50 Ventures amounting to ₱10.4 billion in 2025, partial sale of ownership in Merlin Solar amounting to ₱638.0 million and acquisition of additional shares in CDPEI amounting to ₱12.0 million in 2024 and the sale of shares in ACEHI Netherlands B.V. amounting to ₱3,433.3 million in 2023 (see Notes 2, 10 and 23).

“Net gain (loss) on sale of investments” mainly includes the ₱11.4 billion gain from sale by ALI Group of its 50% stake in ACC in 2025, the ₱1,665.2 million net gain on the series of transaction for PT Sidrap Bayu Energi (SBE) value realization and ₱646.5 million gain on sale of MWC in 2024, the ₱1,261.9 million gain on sale of the remaining interest in GNPK, ₱1,062.0 million gain on deconsolidation of ACEHI Netherlands, ₱2,159.4 million gain on sale of MCX and ₱1,515.6 million on loss on MWCI buyback in 2023 (see Notes 2, 10 and 23).

In 2025, dilution gain (loss) in associates includes the effect on AC Venture’s ownership interest in Mynt following the acquisition of Mitsubishi UFJ Financial Group (MUFG) of Mynt shares amounting to ₱1,033.5 million and other movements in associates and joint ventures capital amounting (₱168.2 million). In 2024, the “dilution gain in associates” includes the effect on the Group’s ownership interest in BPI following its merger with RBC amounting to ₱4,187.6 million (see Note 10). In 2023, the “dilution loss in associates” includes the effect of change in ownership interest in investment in LHI amounting to ₱3,553.4 million (see Note 10).

“Others” mainly pertain to income derived from ancillary services, other activities rendered for the customers, not in the normal course of business and miscellaneous income of consolidated subsidiaries.

In 2025, “Others” mainly includes guarantee fee income amounting to ₱434.5 million, income from forfeitures of deposits and penalties amounting to ₱489.2 million, liquidated damages amounting to ₱344.2 million, miscellaneous income and credit notes amounting to ₱1,066.7 million, reversal of prior period’s impairment provisions amounting to ₱338.9 million (see Note 10), shell tolling fees amounting to ₱295.1 million, net other gain or loss amounting to ₱1,045.9 million.

In 2024, “Others” mainly includes income from forfeitures of deposits and penalties amounting to ₱559.2 million, incentives amounting to ₱424.7, gain from early extinguishment of convertible loans through the partial sale at a premium to Acciona Energia of the loan for Blue Circle's Mui Ne Wind Project in Vietnam amounting to ₱389.1 million, gain on reversal of ACEIC on ACEN non-controlling interest transaction cost from follow-on offering, stock rights offering and share issuance amounting to ₱349.5 million, gain on write-off payables amounting to ₱351.9 million, reversal of impairment

provision amounting to ₱226.1 million, government grants of amounting to ₱174.6, guarantee fee amounting to ₱163.8 million, gain on derivative and swaps amounting to ₱150.5 and non-technical billings amounting to ₱101.4 million.

In 2023, "Others" mainly includes gain on conversion of receivables of SPNEC amounting to ₱515.0 million, income from forfeitures amounting to ₱494.8 million, release of escrow from sale of Milestone amounting to ₱239.5 million and guarantee fee income amounting to ₱154.7 million.

Interest income consists of:

	2025	2024	2023
		(In Thousands)	
Interest income on:			
Cash and cash equivalents (Note 6)	**₱659,056**	₱951,461	₱1,354,337
Short-term investments (Note 7)	**2,176,073**	2,102,070	1,702,177
Receivables, financial assets at amortized cost and other current assets	**14,376,661**	10,210,712	8,444,976
Others	–	–	2,061
	₱17,211,790	₱13,264,243	₱11,503,551

Interest and other financing charges consist of:

	2025	2024	2023
		(In Thousands)	
Interest expense on:			
Long-term debt (Note 18)	**₱28,821,655**	₱25,885,315	₱21,963,791
Short-term debt (Note 18)	**4,559,446**	3,702,237	3,240,446
Accretion of lease liabilities (Note 30)	**2,581,254**	2,409,910	2,081,347
Amortization of discount on long-term debt	**588,440**	830,037	932,368
Others	**3,206,604**	3,371,410	2,981,911
	₱39,757,399	₱36,198,909	₱31,199,863

"Others" include, among others, various charges, such as pretermination costs, bond offering fees, and credit card charges. Pre-termination costs include fees paid upon prepayment of long-term facility and/or borrowings by the ACEIC Group in 2021. Others also include ALI Group's loss on sale of residential receivables without recourse amounting to ₱1,326.7 million in 2025, ₱1,705.9 million in 2024 and ₱1,806.8 million in 2023 (see Note 7).

23. Business Combinations, Disposals and Transactions with Non-controlling Interests

Business Combinations

2024 Acquisitions

Paivatar Energy Corporation (Paivatar)
On March 7, 2024, ACEN, and its wholly-owned subsidiary, Paivatar, signed a Shareholders' and Investment agreement with BrightNight APAC B.V (BrightNight APAC) for the ownership and management of Paivatar as the designated renewable energy platform for the development, construction, and operation of utility-scale renewable energy projects in the Philippines.

BrightNight APAC subscribed for 0.42 million common shares with ₱1.00 par value and 0.56 million redeemable preferred shares with ₱100.00 par value. Total subscription amounted to ₱56.39 million for 40% and 50% voting and economic interest, respectively. Further to the transaction, BrightNight Philippines B.V. (BrightNight PH), an affiliate of BrightNight APAC, assigned ownership investment in Jord Energy Corp and Renovable Earth Corp. in favor of Paivatar.

The Group's 60% retained interest in Paivatar will be accounted for as a joint venture starting March 8, 2024, where both ACEN and Paivatar are equally represented in the Board and all matters shall be approved unanimously by both shareholders.

Paivatar accounts have been classified in the Group's consolidated financial statement as at September 30, 2024 as follows: a.) balance sheet accounts were deconsolidated b.) income statement accounts for the period January 1 to February 29, 2024 are included in the consolidated statement of income.

The net assets of Paivatar as at March 7, 2024 and proceeds from divestment are as follows (amounts in thousands):

Assets	₱139,501
Liabilities	1,013
Total identifiable net asset	138,488
Less BrightNight APAC investment	56,331
Net assets attributable to ACEN	82,157
Less: Fair value of retained interest	82,275
Gain on deconsolidation	₱118

After BrightNight APAC's subscription, the Group has diluted its interest and partially divested in Paivatar. The deconsolidation resulted in a gain of ₱0.12 million which is recognized under "Other income - net" account in the 2024 consolidated statement of income deconsolidation is as follows (amounts in thousands):

Cash consideration	₱–
Less cash surrendered with the subsidiary	62,375
Net cash outflow	(₱62,375)

Real Wind Energy, Inc. (RWEI)

On March 22, 2024, ACEN signed a Deed of Absolute Sale of Shares with Modern Energy Management Pte. Ltd. (MEM), as the seller, for the acquisition by ACEN of 4,000 secondary common shares in RWEI and a Loan Assignment Agreement for the assignment of MEM's receivables from RWEI. The total cost of the transaction is ₱568.7 million (US$10.0 million) which is comprised of the acquisition cost for the shares amounting to US$8.8 million and assigned receivables of US$1.2 million.

On August 1, 2024, ACEN signed a Deed of Absolute Sale of Shares with Maraj Energy and Development Corp. ("Maraj"), as the seller, for the acquisition by ACEN of 6,000 secondary common shares representing the remaining 60% ownership in RWEI. The total transaction cost is ₱742.0 million which is comprised of the acquisition cost for the shares amounting to ₱32.0 million and ₱710.0 million earnout. As a result, the Group acquired control over RWEI.

The fair values of the identifiable assets and liabilities, net of eliminations, at acquisition date on August 1, 2024 follow (amounts in thousands):

Assets	28,060
Liabilities	92,408
Total identifiable net liabilities	(64,348)
Less cost of acquisition	741,984
Fair value of previously held interest	568,719
Goodwill arising on acquisition	₱1,375,051

RWEI is a special purpose vehicle for the development and operation of a 500MW wind energy project located in Real, Quezon. The RWEI project is strategically located close to another ACEN wind project spanning Laguna and Quezon. This new acquisition presents opportunities for synergies through the joint use of logistical routes, transmission lines, and substation infrastructure.

The cost of the business combination follows (amounts in thousands):

Cash consideration	₱31,984
Earnout consideration	710,000
Fair value of equity interest in RWEI before business combination	568,719
Total consideration	₱1,310,703

As of December 31, 2024, ₱30.0 million of acquisition cost remains unpaid and this is payable upon release of Certificate Authorizing Registration which is expected within the next 12 months from September 30, 2024. The earnout remains unpaid and is payable upon achievement of certain milestones which is beyond 12 months from December 31, 2024.

Net cash outflow on acquisition is as follows (amounts in thousands):

Total cash consideration paid in cash	₱570,703
Less cash acquired with the subsidiary[(a)]	(901)
Net cash outflow	₱569,802

[(a)] *Cash acquired with the subsidiary is included in cash flows from investing activities.*

If the acquisition had taken place at the beginning of 2024, revenue reduction for the year ended December 31, 2024 would have been nil and the additional contribution to the net loss attributable to ACEN would have amounted to ₱33.5 million.

On August 1, 2025, the Group finalized the accounting for the acquisition of RWEI. There is no change from the provisional to the final purchase price allocation. The fair values of assets and liabilities approximate their carrying values. Goodwill arising from the acquisition amounted to ₱1,375.05 million.

Cebu District Property Enterprise, Inc. (CDPEI)
On November 4, 2024, ALI acquired the shares of Aboitiz Land and AEV in CDPEI. As a result, CDPEI became a wholly owned subsidiary of ALI. The total consideration for the acquisition is valued at ₱1.81 billion in exchange for 18.1 million CDPEI shares resulting to a goodwill of ₱12 million. The Group reclassified the amount from investment in a joint venture to investment in a subsidiary in 2024 (see Note 10)

Disposals of Subsidiaries

2025 Disposals

Strategic partnership with Mitsubishi Corporation (MC)
On March 31, 2025, AC, AM 50 Ventures and MC signed an Investment Agreement to document their agreement on the terms and conditions upon which MC would subscribe for shares in the capital stock of AM 50 Ventures. Under the Investment Agreement, AM 50 Ventures would use the proceeds of the subscription to redeem AC's redeemable preferred shares in AM 50 Ventures and cover related costs.

Pursuant to the Investment Agreement, on July 25, 2025, AC purchased 100 common shares in Mynt from AM 50. On July 31, 2025 (following clearance of the transaction by the PCC on July 3, 2025 and satisfaction of other conditions precedent), AC, MC and AM 50 Ventures completed the transactions contemplated by the Investment Agreement, including the subscription by MC for shares of AM 50 Ventures for a total subscription price of approximately ₱19.0 billion, and the execution by and among AC, AM 50 Ventures, and MC of a shareholders' agreement setting out their agreement

on the management of AM 50 Ventures and AC and MC's rights and obligations as shareholders in AM 50 Ventures.

On August 4, 2025, and in accordance with the Investment Agreement, AM 50 Ventures redeemed Class A and Class C redeemable preferred shares held by AC for a total amount of approximately ₱19.0 billion. Following completion of the redemption, AC and MC each hold a 50% equity stake in AM 50 Ventures.

The foregoing transactions resulted in the Ayala Group's partial divestment of AM 50 Ventures, the fair revaluation of the Ayala Group's remaining interest in AM 50 Ventures, and the recognition of remeasurement gain amounting to ₱10.4 billion (see Notes 10 and 22).

Sale of investment in Integrated Micro-Electronics Czech Republic s.r.o.
On July 31, 2025, IMI announced the completion of the sale of its 100% equity interest in Integrated Micro-Electronics Czech Republic s.r.o. to Keboda Deutschland GmbH & Co. KG, a subsidiary of Keboda Technology Co., Ltd., a publicly listed company based in China. Keboda is a leading system solution provider for automotive intelligent and energy-sufficient electronics components.

As disclosed on June 4, 2025, the transaction was executed through IMI's subsidiary, Coöperatief IMI Europe U.A. After successful completion of all conditions pertinent to the transaction, the deal officially closed on July 31, 2025. The total consideration amounts to €9.99 million ($11.69 million), subject to post-closing adjustments. As of December 31, 2025, Coöperatief has received €7.419.53 million ($11.14 million) out of the total proceeds, while the rest are still subject to an agreement on post-closing adjustments.

This strategic divestment is in line with IMI's ongoing efforts to streamline its global manufacturing footprint. With this transaction, IMI is better equipped to enhance operational efficiency, increase facility utilization, and drive overall profitability in the region. High value customers that were previously managed by the Czech facility have been successfully transitioned into IMI's Bulgaria and Serbia manufacturing sites.

The table below shows the gain recognized related to sale of IMI Czech:

	(in thousands)
Net asset	$7,848
Total investment carrying value	7,848
Recoverable amount (cash consideration)	11,689
Gain on disposal	$3,841

Sale of VIA Optronics
On November 27, 2025, IMI announced the completion of the sale through its wholly-owned subsidiary, Coöperatief IMI Europe U.A., of its 50.32% equity interest in VIA Optronics AG to Kronen 3140 GmbH (to be known in the future as V-PTR Beteiligungs GmbH) which is owned by some members of VIA's management and advisory team.

This strategic divestment is part of IMI's portfolio realignment strategy which aims to sharpen the Group's focus on its core strengths in the automotive and industrial EMS sectors. The move also supports the optimization of IMI's global footprint to concentrate capital and management allocation into high-growth, high-profitability markets. The related gain recognized from the transaction is presented in "Other Income" (see Notes 22 and 23).

The table below shows the gain recognized related to sale of VIA Optronics:

	(in thousands)
Net liabilities	($1,283)
Non-controlling interest	638
Total investment carrying value	($645)
Recoverable amount (cash consideration)	405
Gain on disposal	$1,050

Sale of 50% of ALI stake in Alabang Commercial Corporation (ACC)
On December 23, 2025, ALI completed the sale of its entire interest in ACC (the owner of South Innovative Theater Management Inc.) for an aggregate consideration of ₱13.50 billion. The related gain recognized from the transaction amounting to ₱11.47 billion is presented within "Other Income" (see Notes 2 and 22).

2024 Disposals

Third Party Fundraise of Merlin Solar
On July 23, 2024, an equity funding round had been concluded for Merlin Solar (with the participation of Ayala Group and other investors) resulting in the dilution of Ayala Group's indirect stake from 99% to 56% and remeasurement gain of ₱638.0 million on the investment in Merlin Solar Group (see Note 10). Ayala Group infused US$10.0 million into Merlin. The partnership provides Merlin with fresh capital, a wider customer network to drive the company's next phase of growth and enhanced technical expertise. This transaction also supports Ayala Group's strategic agenda of rationalizing its portfolio.

On February 3, 2025, the final close for the capital raise was completed. This further reduced the effective ownership of the Ayala Group in Merlin Solar from 56% to 39%.

Sale of ACEN Axedale Solar Farm Pty. Ltd.
On December 12, 2024, ACEN Australia Pty. Ltd completed the sale of 100% of the outstanding capital stock of ACEN Axedale Solar Farm Pty. Ltd. ("Axedale") to FRV Solar Holdings B.V. ("FRV", a third party) for a purchase price of ₱214.77 million (AU$6 million) and a contingent consideration of up to ₱227.3 million (AU$6.35 million) payable upon financial close completion. As at December 31, 2024, the Group estimated the contingent consideration to be at ₱53.25 million (AU$1.5 million) and recorded as other receivables under current assets. This transaction was accounted for as a loss of control transaction which resulted in the deconsolidation of the assets and liabilities of Axedale in the Group's consolidated financial statements as at the date of loss of control.

The net assets of Axedale as at December 12, 2024 and proceeds from divestment are as follow:

	In PH₱	In AU$
	(In Thousands)	
Assets	₱253,545	$7,086
Liabilities	(22,388)	(596)
Total identifiable net assets	231,157	6,490
Less:		
Cash consideration received	214,771	6,000
Contingent consideration	53,245	1,488
Gain on deconsolidation	₱36,859	$998

The amount of the contingent consideration represents the Group's best estimate of the final capital expenditures that the buyer (or FRV) will incur upon completion of the financial close. The Group has taken into account assumptions that reflect uncertainties regarding the final agreed capital and other contractual clauses.

Net cash inflow on deconsolidation is as follows:

	In PH₱	In AU$
	(in Thousands)	
Cash consideration	₱214,771	$6,000
Less cash surrendered with the subsidiary	–	–
Net cash inflow	₱214,771	$6,000

2023 Disposals

The Group completed disposals or partial sale of the following investments generating funds of ₱13,543.6 million, as follows:

Business Units	Proceeds (In thousands)
MWC (see Note10)	₱5,674,665
ACEHI Netherlands B.V.	3,949,564
MCXPCI	3,800,000
Others	119,342
Total	₱13,543,571

Sale of MCXPCI

On December 6, 2021, the Parent Company and PAVI signed an Investment Agreement relating to the MCX Project and for the sale of the Parent Company's 100% ownership stake in MCXPCI subject to the satisfaction of certain conditions (see Note 13).

On various dates in 2022 and 2023, the Parent Company was able to satisfy the remaining conditions to complete the sale of its investment in MCXPCI including receipt of the required approvals from the SEC and DPWH (see Note 13).

On January 26, 2023, the SEC issued its Certificate of Approval of Valuation to MCXPCI certifying and approving that the valuation of rights, assets and contracts of the Parent Company (see Note 13). On February 1, 2023, MCXPCI waived the satisfaction of the Parent Company's receipt of the remaining third-party consents and on the same day, commenced the transition of MCX operations and transfer of its assets and liabilities from the Parent Company to MCXPCI (see Note 13).

On April 5, 2023, in accordance with the provisions of the Investment Agreement, MCXPCI redeemed 277.3 million preferred shares held by the Parent Company at ₱1.00 per share or at a total redemption amount of ₱277.3 million. The redeemed preferred shares were retired by MCXPCI to treasury shares and will not be re-issued.

On June 2, 2023, consents were received from the DPWH for certain assignments and actions.

On July 19, 2023, the DPWH, as the Grantor of the MCX Project Concession, confirmed its concurrence and signified that it interposed no objection to the transfer by the Parent Company of its equity interest in MCXPCI to PAVI.

On August 8, 2023, MCXPCI and PAVI executed a Loan Agreement for a ₱2.85 billion loan amount and on September 28, 2023, PAVI released the loan amount to MCXPCI. The loan has a term of one (1) year from the signing of the Loan Agreement and subject to interest at a rate equivalent to one (1)-year tenor Bloomberg Valuation Reference Rate plus 325 basis points. The interest shall be due semi-annually. On the same date, MCXPCI converted 2.9 billion Class B common shares held by the Parent Company into 2.9 billion of its redeemable preferred shares at par value of ₱1.00 per share or a total redemption price of ₱2.9 billion.

On September 28, 2023, MCXPCI redeemed 2,903.7 million redeemable preferred shares held by the Parent Company for a total consideration of ₱3,431.0 million resulting in a ₱527.3 million gain on redemption (see Note 22). The redeemed preferred shares were retired to treasury and will not be re-issued. On the same date, PAVI subscribed to 1.0 million redeemable preferred shares of MCXPCI with par value of ₱1.00 per share. at a total subscription price of ₱581.0 million. As a result, as of September 28, 2023, full ownership of MCXPCI has been transferred to PAVI.

Sale of Shares in ACEHI Netherlands B.V.
On July 10, 2023, ACRI completed the sale of 2,424 ordinary shares representing 24.24% of the outstanding capital stock of ACEHI Netherlands, a subsidiary of ACRI / ACEIC group, to Star Energy Oil & Gas Pte Ltd. (SEOG, a third party) for US$69.80 million (₱3,949.6 million) which is a commercially agreed price between a willing buyer and seller. ACEHI Netherlands is a Dutch holding company that has a 19.80% ownership interest in Star Energy Geothermal Salak-Darajat B.V. (Salak-Darajat) owner operator of a 655.5 MW geothermal power plants in West Java, Indonesia. Prior to the transaction, the interests in Salak-Darajat was an investment in associate of the Group. On the other hand, SEOG is part of the Star Energy Group, which is ACRI's current partner for the Salak-Darajat.

As of December 31, 2023, ACEIC Group's 75.76% retained interest in ACEHI Netherlands was accounted for as a joint venture where both ACRI and SEOG are equally represented in ACEHI Netherlands' BOD and all matters shall be approved unanimously by both shareholders. ACEIC Group's indirect interest in Salak-Darajat decreased from 19.80% to 15.00% (see Note 10).

The sale transaction resulted in ACEIC Group's loss of control over ACEHI Netherlands. The Group remeasured its 75.76% retained interest in ACEHI Netherlands using the fair market value of the sale transaction with SEOG which gave rise to the remeasurement gain amounting to ₱3,433.3 million. ACEIC Group received ₱3.9 billion consideration for the sale and resulted in a ₱1,062.0 million gain on deconsolidation of ACEHI Netherlands, both presented under "Other income" in the consolidated statements of income.

Net cash inflow on acquisition is as follows (in thousands):

	In US$	In PhP
Cash consideration	$69,811	₱3,949,564
Less: cash surrendered with the subsidiary[(a)]	73	4,120
Net cash inflow	$69,738	₱3,945,444

[(a)]Cash acquired with the subsidiary is included in cash flows from investing activities.

Sale of STI Enterprise Limited (STI)
On August 3, 2023, IMI and minority shareholders of STI have entered into an agreement to sell their respective 80% and 20% shares in STI to Rcapital, a private investment firm based in London with a portfolio of UK-based companies including precision engineering solution providers in the aerospace and defense sectors, for an agreed consideration of GBP 2.5 million to be paid two years after the completion date. With the condition precedent having been met, particularly, the UK government's clearance under the National Security and Investment Act 2021, and closing deliverables having been exchanged by the parties, the transaction was completed on October 31, 2023.

Sale of MT C-Con
On August 18, 2023, AC Industrials, through its subsidiary, AC Industrials (Singapore) Pte. Ltd., entered into and completed a Sale and Purchase Agreement for the sale of its 92.45% stake to Munich, Germany-based Callista Asset Management 18 GmbH, an affiliate of Callista Private Equity (Callista). MT Technologies GmBH's minority shareholders also sold their shares, resulting in a 100% transfer of MT Technologies GmBH's' ownership to Callista. This transaction resulted to a realization of the loss equivalent to the impairment previously booked. MT Technologies GmbH, a majority-owned entity by Ayala Group through AC Industrials (Singapore) Pte. Ltd., is a German auto parts-maker specializing in designing and manufacturing of injection molds for metal and plastic car parts. The sale of MT Technologies GmbH continues Ayala Group's strategic priority to realize value through a combination of strategic partnerships and divestments from certain non-core assets. Ayala Group will sharpen its focus on the continued expansion of its core businesses in real estate,

banking, telecommunications, and power, and scaling up its emerging businesses in healthcare and logistics.

Transactions with Non-controlling Interest

ACEIC Group

Acquisition of non-controlling interest in ISLASOL
On March 6, 2025, ACEN executed a Share Purchase Agreement and Deed of Absolute Sale with AEIT, involving the sale by AEIT of 7,371 Redeemable Preferred Shares E ("RPS E") of ISLASOL in favor of ACEN with a total purchase price of ₱141.27 million. The sale is subject to obtaining the requisite certificate authorizing registration from the Bureau of Internal Revenue.

Simultaneously with ACEN's acquisition of shares from AEIT, ISLASOL redeemed 15,906 RPS E shares held by AEIT in ISLASOL with a total redemption price amounting to ₱488.73 million and was paid in cash.

		Amount (in thousands)
Carrying amount of NCI		₱1,084,102
Total consideration for acquisition of 40% interest:		
Sale of 7,371 RPS E shares at discount	141,267	
Redemption of 15,906 RPS E shares at par	488,733	630,000
Excess of carrying amount		₱454,102

As at December 31, 2025, the remaining unpaid sale purchase price amounted to ₱15.63 million. On February 4, 2026, the remaining balance of sale purchase price was fully settled. The acquisition of 40% ownership interest resulted to 100% interest in ISLASOL. The excess of the carrying amount of the non-controlling interest over the consideration paid is recognized under equity reserves. As of report date, transfer of certificate authorizing registration from the Bureau of Internal Revenue is still in process.

Acquisition of ACEN Shares
On August 19, 2025, ACEIC purchased 306,512,716 ACEN shares in the secondary market. The acquisition was treated as an equity transaction and reduced non-controlling interest. ACEIC ownership interest in ACEN increased from 58.23% to 58.92%.

On April 29 and 30, 2024, ACEIC purchased 30.00 million ACEN shares at ₱3.92 per share and 15.35 million ACEN shares at ₱4.10 per share, respectively, via block purchase. Total cost of purchase of shares amounted to ₱180.32 million.

Acquisition by ACRI of 20% non-controlling in UPC-ACE Australia
On February 1, 2023, ACRI and UPCAPH signed an Instrument of Transfer for the transfer to ACRI of UPCAPH's remaining 4,766 ordinary shares in UPC-ACE Australia, which completes the second and final tranche of ACRI's acquisition of ACEN Australia. ACEN Australia, through ACRI, is now a wholly owned subsidiary of ACEN. The total consideration amounted to US$85.4 million (₱4.7 billion) including excess consideration or goodwill of US$ 51.8 million (₱2.9 billion).

The acquisition of 20% ownership interest resulted to 100% interest in ACEN Australia. The excess of consideration over the carrying amount of the non-controlling interest is recognized under equity reserves amounting to ₱2,864.6 million.

ACEN's Capital Raising Activities

Issuance and listing of ACEN preferred shares
On September 1, 2023, ACEN marked the issuance of its ₱25.0 billion perpetual preferred shares which were listed on the Main Board of the PSE on September 1, 2023 under the trading symbols "ACENA" for the Series A preferred shares and "ACENB" for the Series B preferred shares.

Of the total proceeds from the issuance of Series A and B preferred shares, ₱18,381.98 million is held in an escrow account (see Note 9). Pursuant to the Supplemental Listing and Disclosure Requirements for Petroleum and Renewable Energy Companies of the PSE, all funds to be raised by an applicant company must be held in escrow and shall not be released for any purpose other than the disclosed intended purpose and in accordance with the timetable of expenditures. This resulted to an increase in noncontrolling interests of ₱24.8 billion.

ALI Group

Acquisition of Roxas Land Corp. (RLC)
In 2025, ALI acquired 3,600,000 shares of stocks constituting the remaining 50% of the total outstanding capital stock in RLC from the existing investor for a consideration amounting to ₱158.8 million. As a result, RLC became a wholly owned subsidiary. Total impact of this transaction to equity reserves is an increase of ₱177.7 million and a reduction in non-controlling interest amounting to ₱336.5 million.

Acquisition of Portico Land Corp.
On March 14, 2024 Alveo Land Corp., a wholly owned subsidiary of ALI, acquired 1,370,400 common shares and 6,589,600 preferred shares of Portico Land Corp from the remaining investor resulting to a decrease in non-controlling interest of the Group by ₱1.0 billion. The acquisition is accounted as involving entities under common control. As a result, Portico became a wholly owned subsidiary.

Property-for-share swap between ALI and AREIT, Inc. (AREIT)
On July 3, 2025, ALI sold 12.0 million common shares of AREIT at a transaction price of ₱40.78 per share, equivalent to ₱489.36 million. On November 26, 2025, ALI sold an additional 100.0 million common shares of AREIT at a transaction price of ₱41.90 per share, equivalent to ₱4.19 billion. All these transactions were executed in relation to the property-for-share swap with AREIT and accounted as transactions involving entities under common control. Equity reserves increased by ₱3,552.3 million as a result of this transaction.

On September 20, 2024, ALI sold an aggregate of 75.0 million common shares of AREIT at a transaction price of ₱36.20 per share, equivalent to ₱2.3 billion. All these transactions were executed in relation to the property-for-share swap with AREIT. This resulted in an increase in noncontrolling interest of ₱9.0 billion and equity reserve of ₱5.0 billion in the consolidated statement of changes in equity for the period ended December 31, 2024.

On March 7, 2023, the Executive Committee of ALI approved the subscription of ALI and its subsidiaries, ALMI, and NBCC to 607.6 million primary common shares of AREIT, in exchange for flagship offices and malls with an aggregate value of ₱22,479.7 million, as validated by a third-party fairness opinion. This was approved by AREIT stockholders at the annual stockholders' meeting on April 26, 2023.

On March 29, 2023, ALI sold 205.0 million shares (Offer Shares) of AREIT at a transaction price of ₱32.10 per share, equivalent to ₱6,580.5 million (exclusive of fees and taxes), in relation to its ₱22.5 billion property-for-share swap transaction with AREIT. As a result, ALI's holdings in AREIT was reduced from 66.0% to 54.4%, resulting to an increase in noncontrolling interests of ₱4.2 billion and equity reserve of ₱2.2 billion.

On September 20, 2023, ALI and AREIT received the SEC's approval of its property-for-share swap involving identified prime flagship offices and malls with an aggregate value of ₱22.5 billion in exchange for 607.6 million primary common shares of AREIT, pursuant to the Deed of Exchange executed last June 2, 2023. Consequently, ALI's holdings in AREIT increased to 66.0%.

Property for share swap between the Parent Company, ALI and Mermac
On January 20, 2022, the BOD approved the transfer by the Parent Company of certain assets having an aggregate value of ₱17,275.6 million (the "AC Assets") to ALI in exchange for 309,597,711 common shares (the "ALI Shares") to be issued by ALI at the subscription price of ₱55.80 per share (the Transaction). The valuations are supported by a fairness opinion issued by an independent firm, FTI Consulting Philippines, Inc. (FTI). The AC Assets to be transferred and the corresponding as follows:

Property	Valuation Method
Parent Company's 50% stake in Ayala Hotels, Inc.	DCF, Term and Reversion Model
Parent Company's 100% stake in Darong Agricultural and Development Corporation	NAV Model
Parent Company and Mermac's office units at the 32nd to 35th Floors of Tower One and Exchange Plaza with appurtenant parking slots;	Market Approach
Parent Company's lot with improvements in Brgy. Bagumbayan, Quezon City along C5 Road; and its land in Calauan, Laguna.	Market Approach

The Deed of Exchange for this transaction was executed on January 31, 2022.

On January 12, 2023, the Parent Company, ALI, and Mermac received the SEC's approval for the property-for-share swap transaction issued on December 29, 2022. With the SEC's approval, the closing condition for the transaction had been met and the parties closed the transaction.

The transaction is aligned with the Group's strategic direction to increase its stake in ALI, which will consequently improve equity earnings and cashflows from dividends, as well as with the Group's goal to value realize ₱50 billion by 2023. The Parent Company's effective ownership in ALI increased to 50.60%. and the recognized gain amounted to ₱16,929.4 million. The transaction resulted in an increase in equity reserve amounting to ₱746.0 million in the consolidated statement of financial position. This was a non-event at consolidated level as it is a transfer within the Group.

The transaction is a tax-free exchange transaction under Section 40(C)(2) of the National Internal Revenue Code, as amended. The Parent Company and ALI are working on the requirements for the issuance of the CAR over the AC assets and for the additional listing of the ALI Shares.

Other ALI Transactions
ALI acquired additional 175,778 common shares and 139,332 preferred shares of Vesta Property Holdings, Inc. for a value of ₱31.51 million in July 2023. As a result of the additional investments in common and preferred shares, the ownership interest in Vesta increased from 84% in 2022 to 88% as of July 2023. The acquisition is accounted as involving entities under control. As a holder of preferred shares, ALI has voting rights same as that attached to common shares. The impact to equity reserves is a decrease of ₱357.13 million in 2023.

On November 14, 2023, ALI purchased 7,143 common shares and 64,289 preferred shares of SITE Corp. for a total consideration of ₱203.58 million from the existing investor which is equivalent to a 5% stake in SITE. This acquisition is accounted as involving entities under control. As a result, the impact to equity reserves is a decrease of ₱132.15 million.

24. Assets and Liabilities and Operations of Segment under PFRS 5

On July 1, 2019, ACEIC and PPLC executed the Divestment Term Sheet for the acquisition in tranches by PPLC of the ACEIC Group's indirect partnership interest in GNPK, through the sale of its limited partnership interest in KPHLC. The completion of the first tranche of the transaction will result in PPLC gaining control over GNPK's coal power plant. The transaction is subject to certain conditions precedent, including PCC approval that was already obtained on September 30, 2019, and lenders' consent for ACEIC's full divestment from the project which has been obtained on December 15, 2020. The Group classified the assets and liabilities of KPHLC as assets and liabilities held for sale in 2019 since based on management's assessment, the criteria under PFRS 5 have been met.

On December 28, 2020, ACEIC, PPLC and their related companies amended and restated the Divestment Term Sheet and signed and executed an Amended and Restated Term Sheet for the divestment of ACEIC from GNPK to update the terms and conditions of the divestment.

On March 5, 2021, ACEIC, PPLC and certain of their affiliated companies, signed a Divestment Agreement for the transfer by ACEIC of its indirect ownership interest in GNPK in favor of PPLC and its affiliates. The transfer was implemented in tranches with the purchase price to be paid on a deferred basis.

As of September 30, 2021, the following transactions were completed:

1. Redemption of the Kauswagan Power Holding Ltd. Co. (KPHLC) Class A and B limited partnership interest held by ACEIC. KPHLC holds 85.7% ownership interest in GNPK.
2. Investment by ACEIC subsidiaries (ACE (BVI) B, Inc., ACE (BVI) D, Inc., ACE (BVI) F, Inc., ACE (BVI) T, Inc., and ACE (BVI) PHILCO Corp.) in GNPK through subscription to KPHLC's Class A and B limited partnership interests.
3. Sale of 100% interest in ACE (BVI) B, Inc. and 11.62% interest in ACE (BVI) PHILCO Corp. to PPLC and subsidiaries, equivalent to 38.6% (45% of 85.75%) interest in GNPK (first tranche sale). Pursuant to the Divestment Agreement, with the completion of the first tranche sale, management and operational control over KPHLC and GNPK is transferred to PPLC and its affiliates, whereby PPLC and its affiliates, among others, acquired the right to appoint and elect four of the five members of KPHLC's and GNPK's management committee representatives, and four of the five members of the Board of directors of Kauswagan Power GP Corporation, the sole general partner of GNPK. The sale and retained interest were valued at US$453.24 million (₱23,096.8 million) payable on a deferred basis. Total gain upon loss of control over GNPK is at ₱3,501.4 million which includes the following: 1) ₱1,299.5 million gain on sale of shares on the 38.6% interest in GNPK; 2) ₱1,588.2 million fair value gain on sale on the 41.7% retained interest in GNPK; and 3) ₱613.7 million gain on the re-attribution of accumulated share in currency translation adjustments as of September 30, 2021. ACEIC continued to consolidate the balances until completion of the first tranche sale as of September 30, 2021, upon which, the Assets held for sale and Liabilities held for sale were deconsolidated from the Group's consolidated statements financial position.

On February 23, 2023, the Group has issued a Second Sale Tranche Notice to PPLC confirming the intent to execute and complete the Sale Tranche covering the balance of the Group's interests in KPHLC by March 31, 2023. On June 30, 2023, the sale of 100% interest in ACE (BVI) D, Inc., ACE (BVI F, Inc. and ACE (BVI) T, Inc. and 88.4% interest in ACE (BVI) PHILCO Corp. to PPLC and subsidiaries, equivalent to 47.1% (55% of the 85.7%) interest in GNPK (second tranche sale) was completed. As of June 30, 2023, the Group, through ACEIC, has fully divested its interest in GNPK. The completion of the second tranche sale resulted in a net gain of ₱1,261.9 million for the year ended December 31, 2023, which is presented under "Other income" of consolidated statements of income (see Note 22).

The amount and timing of collection of the consideration is dependent on the distributable proceeds that will be received by the buyer from its two GN Power affiliates, GNPK and GNPD, which is based on the priority payment waterfall provisions of the divestment agreement. In determining the fair value of the receivables and the retained interest, ACEIC used key assumptions such as revenue from energy sales, fuel costs and discount rate in relation to the future cashflows of GNPK and GNPD.

On September 19, 2024, the ACEIC Group received payment amounting to US$20.3 million (₱1,134.4 million). Interest income of US$ 113.3 million (₱6,598.1 million), US$51.38 million (₱2,950.4 million) in 2025 and 2023, respectively, is reported under "Accrued interest receivable" account. As of December 31, 2025 and 2024, the outstanding interest amounted to US$179.3 million (₱10,539.7 million) and US$97.7 million (₱5,648.9 million), respectively.

Receivables from PPLC and affiliates resulting from the above transactions amounted to ₱35,915.1 million and ₱29,445.2 million as of December 31, 2025 and 2024, respectively (see Note 7).

25. Income Tax

The components of the Group's deferred taxes are as follows:

Net deferred tax assets

	2025	2024
	(In Thousands)	
Deferred tax assets on:		
Lease liability	**₱6,939,662**	₱4,737,857
NOLCO	**4,777,857**	854,597
Difference between tax and book basis of accounting for real estate transactions	**3,966,336**	10,627,809
Accrued Expenses	**3,791,164**	369,115
Allowance for probable losses	**1,004,530**	369,120
Retirement benefits	**755,407**	474,701
MCIT	**676,009**	32,651
Allowance for expected credit losses	**178,267**	171,798
Unrealized foreign exchange loss	**125,931**	34,247
Allowance for inventory obsolescence	**63,343**	47,698
Advanced rental	**1,580**	2,545
Remeasurement loss	**10,894**	3,385,388
Others	**775,404**	936,505
	23,066,384	22,044,031
Deferred tax liabilities on:		
ROU asset	**(3,331,940)**	(1,040,606)
Unrealized foreign exchange gain	**(161,831)**	(550,725)
Capitalized interest and other expenses	**(261,419)**	(126,113)
Difference between amortization expense of SCA per straight line depreciation	**(1,143,826)**	–
Others	**395,370**	(106,492)
	(4,503,646)	(1,823,936)
Net deferred tax assets	**₱18,562,738**	₱20,220,095

Net deferred tax liabilities

	2025	2024
	(In Thousands)	
Deferred tax assets on:		
Lease liability	**₱346,656**	50,604
Accrued Expenses	**239,784**	608,262
Allowance for probable losses	**185,100**	820,104
Retirement benefits	**116,426**	115,793
Unrealized foreign exchange loss	**61,406**	67,132
Advanced rental	**(1,580)**	(1,580)
NOLCO	**(51,568)**	31,266
Others	**30,178**	106,222
	₱926,402	1,797,803
Deferred tax liabilities on:		
Unrealized gain on FVTPL	**–**	(5,590)
Unrealized fair value gain less costs to sell of biological assets	**(6,611)**	(6,611)
Accrued receivables	**(114,109)**	(118,789)
Reversal of impairment	**(120,300)**	(120,300)
Land and improvements	**(177,657)**	(165,681)
Unrealized foreign exchange gain	**(344,844)**	(146,781)
Property, plant and equipment	**(735,629)**	(418,108)
Capitalized interest and other expenses	**(806,208)**	(408,545)
Acquisition of trademarks and patents	**(825,749)**	(825,749)
ROU asset	**(1,878,498)**	(1,791,664)
Difference between tax and book basis of accounting for real estate transactions	**(9,112,194)**	(12,250,654)
Others	**(880,263)**	(922,581)
	(15,002,062)	(17,181,053)
Net deferred tax liabilities	**(₱14,075,660)**	(₱15,383,250)

Deferred tax related to items recognized in OCI during the year:

	2025	2024
	(In Thousands)	
Net loss / (gain) on cash flow hedges	**₱360,275**	₱484,292
Net loss / (gain) on FVOCI	**142,328**	–
Remeasurement loss / (gain) on defined benefit plan	**46,939**	(50,431)
Deferred tax charged / (credited) to OCI	**₱549,542**	₱433,861

The Group has NOLCO amounting to ₱77.8 billion and ₱60.8 billion in 2025 and 2024, respectively, and MCIT amounting to ₱1,898.1 million and ₱997.2 million in 2025 and 2024, respectively. Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used.

As of December 31, 2025, total unrecognized deferred tax assets on NOLCO and MCIT amounted to ₱46,216.4 million and ₱904.4 million, respectively. As of December 31, 2024, total unrecognized deferred tax assets on NOLCO and MCIT amounted to ₱35,633.37 million and ₱672.57 million, respectively. The subsidiaries will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next three (3) to five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2025, the Group has incurred NOLCO in taxable years 2021 which can be claimed as deduction from the regular taxable income for the next five (5) years, pursuant to the Bayanihan to Recover As One Act, and three (3) consecutive taxable years for NOLCO incurred in taxable year 2023 and 2024, as follows:

Year incurred	Expiry Date	NOLCO (In Thousands)
2021	2026	₱11,296,257
2022	2025	11,966,782
2023	2026	16,749,341
2024	2027	16,561,945
2025	2028	17,299,419

For the NOLCO of certain entities within the Group, this expires between three (3) to ten (10) years from the date incurred depending on the jurisdiction the entity is operating. Details are as follows (in thousands):

Year incurred	NOLCO
2019 and prior	₱1,958,311
2020	649,305
2021	479,903
2022	228,517
2023	258,144
2024	276,527
2025	53,440

As of December 31, 2025, MCIT that can be claimed as deduction from future taxable income or used as deductions against income tax liabilities, respectively, is as follows (in thousands):

Year incurred	Expiry Date	MCIT
2023	2026	₱181,001
2024	2027	689,512
2025	2028	1,027,599

The following are the deductible temporary differences and unused NOLCO and MCIT for which no deferred tax assets were recognized:

	2025	2024
	(In Thousands)	
NOLCO	**₱30,667,531**	₱22,519,365
Accumulated impairment losses on property, plant and equipment	**–**	2,140,380
Pension liability	**1,083,542**	777,688
MCIT	**407,009**	93,519
Allowance for expected credit losses	**169,306**	80,101
Accrued expenses	**50,937**	47,749
Allowance for doubtful accounts	**30,410**	20,069
Excess of cost over NRV of inventories	–	22,702
Provision for maintenance obligation	–	49,640
Others	**4,111**	9,090

As of December 31, 2025 and 2024, deferred tax liabilities have not been recognized on the undistributed earnings and cumulative translation adjustment of foreign subsidiaries since the timing of the reversal of the temporary difference can be controlled by the Group and management does not expect the reversal of the temporary differences in the foreseeable future.

The reconciliation between the statutory and the effective income tax rates follows:

	2025	2024	2023
Statutory income tax rate	**25%**	25%	25%
Tax effects of:			
Nontaxable share in net profits of associates and joint ventures	**(11.60)**	(15.17)	(16.94)
Nondeductible expenses	**3.42**	5.31	4.70
Interest income and capital gains subjected to lower rates	**(1.77)**	(4.61)	(3.12)
Income under income tax holiday	**(3.31)**	(0.32)	(0.56)
Others	**0.15**	4.25	5.71
Effective income tax rate	**11.89%**	14.46%	14.79%

The income tax on profits of overseas subsidiaries have been calculated at the rates of tax prevailing in the countries where such subsidiary operates, based on existing legislation, interpretations and practices in respect thereof.

ALI
The BOI issued certificates of registrations to ALI Group in accordance with the existing Omnibus Investment Code. The projects have been granted an ITH for a fixed period from the date of registration or actual start of operations, whichever is earlier.

IMI
The IMI Group is registered with PEZA and is entitled to certain incentives, which include ITH. As of December 31, 2025, there are four remaining project activities with ITH which will expire in 2027, 2028 and 2029. Under its PEZA registrations, the IMI's projects and activities are subject to certain requirements and are entitled to certain incentives, which include, but are not limited to, ITH and tax and duty-free importation of inventories and capital equipment.

The IMI Group is allowed to continue to avail the incentives provided in the implementing Rules and Regulations of RA No. 11534 otherwise known as the Corporate Recovery and Tax Incentives Act (CREATE Law). Registered Business Enterprises (RBEs) currently availing of the 5% tax on gross income earned prior to the effectivity of CREATE Law shall be allowed to continue availing the tax incentive for ten years. The Special Corporate Income Tax (SCIT) shall be equivalent to a tax rate of 5% based on the gross income earned (GIE), in lieu of all national and local taxes.

For projects as Ecozone Export Enterprise under Supplemental Agreements with PEZA dated December 9, 2019 which were granted an ITH prior to the effectivity of the Act and that are entitled to the 5% tax on gross income earned incentive after the ITH are allowed to use the ITH for the period specified in the terms and conditions of its registration and thereafter, avail of the 5% tax on gross income earned incentive, subject to the 10 year limit for both incentives.

Based Erosion and Profit Shifting (BEPS) Pillar Two
The Organization for Economic Co-operation and Development (OECD) has published the Global Anti-Base Erosion (GloBE) Model Rules ("Pillar Two Rules"), which include a minimum 15% tax rate per jurisdiction on multinational companies with an annual consolidated group revenue of EUR750 million or more for 2 out of the 4 immediately preceding fiscal years.

Pillar Two tax legislation has been implemented in some of the countries in which subsidiaries of the Group operate which became effective for reporting periods beginning on 1 January 2024. Given this, the Group determined that it is in-scope for Pillar Two and has assessed the applicable Pillar Two tax legislation in all the countries in which subsidiaries of the Group operate to determine whether or not a Pillar Two 'top-up' tax liability needs to be recognized.

The relevant Pillar Two Rules also provide for a transition period in which the in-scope multinational groups may avoid undergoing the complex effective tax rate calculation required by the new piece of legislation. In particular, the Pillar Two tax legislation provides for a transitional Country-by-Country Reporting ("CbCR") safe harbor ("TCSH") that applies for the first three fiscal years beginning FY2024 through FY2026, extended recently to include FY2027, following the entry into force of the relevant regulation.

The TCSH relies on simplified calculations (mainly based on data extracted from the CbCR under BEPS Action 13) and three kinds of alternative tests. Where at least one of the TCSH tests is met for a jurisdiction in which the Group operates, the top-up tax due for such jurisdiction will be deemed to be zero. A test is met for a jurisdiction where:

- Revenue and profit before tax are below, respectively, €10 million and €1 million (the de minimis test);
- The Effective Tax Rate (ETR) equals or exceeds an agreed rate (the ETR test, 15% for FY 2024); or
- The profit before tax does not exceed an amount calculated as a percentage of tangible assets and payroll expense (the routine profits test).

Based on the tests performed, most of the jurisdictions where the Group operates benefit from the TCSH. In 2024, four jurisdictions did not pass any of the TCSH tests, namely Bulgaria, Serbia, Singapore and British Virgin Islands. In 2025, four jurisdictions, namely Bulgaria, Serbia, China, and Czech Republic similarly did not qualify under any of the TCSH tests.

As of December 31, 2025 and 2024, the Group provided for and expects to pay the collectible top – up liability under the Qualified Domestic Minium Top-up Tax ("QDMTT") and Income Inclusion Rule ("IIR").

In certain jurisdictions, the Group elected to apply the GloBE Loss Election which allows jurisdictional losses to be carried forward as deferred tax assets under the Pillar Two framework. These deferred tax assets may be used to reduce potential top up taxes in succeeding years effective until FY2028.

Starting 2024, the Group has also applied the amendment to PAS 12 which allows for temporary mandatory relief from accounting for the deferred tax impacts of the top-up tax and recognizes top-up tax as current tax expense as incurred.

26. Earnings Per Share

The following table presents information necessary to calculate EPS on net income attributable to owners of the Parent Company:

	2025	2024	2023
	(In Thousands, except EPS figures)		
Net income attributable to the owners of the Parent Company	**₱61,427,524**	₱42,026,496	₱38,073,084
Less: Dividends on preferred stock	**(2,380,427)**	(1,793,554)	(1,674,683)
	59,047,097	40,232,942	36,398,401
Less profit impact of assumed conversions of potential ordinary shares of investees	**(62,185)**	(50,951)	(69,746)
	₱58,984,912	₱40,181,991	₱36,328,655
Weighted average number of common shares	**622,757**	621,195	619,552
Dilutive shares arising from stock options	–	–	–
	622,757	621,195	619,552
Basic EPS	**₱94.82**	₱64.77	₱58.75
Diluted EPS	**₱94.72**	₱64.69	₱58.64

27. Defined Benefit Plan

The Parent Company and certain subsidiaries have their respective funded, noncontributory tax-qualified defined benefit type of retirement plans covering substantially all of their employees. The benefits are based on defined formula with a certain minimum lump-sum guarantee of effective salary per year of service. The consolidated retirement costs charged to operations amounted to ₱1,261.0 million, ₱1,356.9 million and ₱1,408.2 million in 2025, 2024 and 2023, respectively.

The Parent Company's pension fund is known as the AC Employees Retirement Fund (ACERF). ACERF is a legal entity separate and distinct from the Parent Company, governed by a board of trustees appointed under a Trust Agreement between the Parent Company and the initial trustees. It holds common and preferred shares of the Parent Company in its portfolio. All such shares have voting rights under certain conditions, pursuant to law. ACERF's portfolio is managed by an Executive committee appointed by the fund's trustees for that purpose. The members of the committee include the Parent Company's Treasurer, Comptroller and Total Rewards Head. ACERF has not exercised voting rights over any shares of the Parent Company that it owns.

For the subsidiaries, the funds are generally administered by a trustee bank under the supervision of the Board of Trustees of the plan for each subsidiary. The Board of Trustees is responsible for investment of the assets. It defines the investment strategy as often as necessary, at least annually, especially in the case of significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes account of the plans' objectives, benefit obligations and risk capacity.

Existing regulatory framework in the Philippines requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. Some of the entities of the Group also provides additional post employment healthcare benefits to certain senior employees in the Philippines.

The components of expense (included in personnel costs under "Cost of services" and "General and administrative expenses") in the consolidated statements of income follow:

	2025	2024	2023
		(In Thousands)	
Current service cost	**₱1,057,514**	₱869,923	₱1,206,584
Past service cost	**13,448**	222,471	28,075
Net interest cost on benefit obligation	**291,547**	264,483	174,873
Gain on curtailment and settlements	**(101,540)**	–	(1,334)
Total pension expense	**₱1,260,969**	₱1,356,877	₱1,408,198

The remeasurement effects recognized in other comprehensive income (included in Equity under "Remeasurement losses (gains) on defined benefit plans") in the consolidated statements of financial position follow:

	2025	2024	2023
		(In Thousands)	
Gain (loss) on plan assets (excluding amount included in net interest)	**(₱57,007)**	₱101,152	(₱137,574)
Actuarial gain (loss) due to liability assumption changes - experience and demographic assumptions	**152,217**	(185,617)	(429,063)
Actuarial gain (loss) due to liability assumption changes - financial	**(646,705)**	(412,870)	(1,072,753)
Remeasurements in other comprehensive income	**(₱551,495)**	(₱497,335)	(₱1,639,390)

The funded status and amounts recognized in the consolidated statements of financial position for the pension plan as of December 31, 2025 and 2024, are as follows:

	2025	2024
	(In Thousands)	
Benefit obligations	**₱11,345,599**	₱10,810,558
Plan assets	**(5,407,785)**	(4,858,253)
Net pension liability position	**₱5,937,814**	₱5,952,305

As of December 31, 2025 and 2024, pension assets (included under “Other Noncurrent Assets”) amounted to ₱99.8 million and ₱249.1 million (see Note 15), respectively, and pension liabilities amounted to ₱5,937.8 million and ₱5,952.3 million, respectively.

Changes in net defined benefit liability of funded funds in 2025 and 2024 are as follows:

2025

	Net benefit cost in consolidated statement of income							Remeasurements in other comprehensive income									
	January 1	**Current service cost**	**Past Service Cost**	**Net interest**	**Loss (gain) on Curtailments and Settlements**	**Subtotal**	**Benefits paid**	**Return on plan assets***	**Actuarial loss due to liability experience**	**Actuarial loss (gain) due to demographic assumption changes**	**Actuarial (gain) loss due to liability assumption changes**	**Subtotal**	**Transfer payments**	**Contribution by employer**	**Foreign currency exchange differences**	**Settlements**	**December 31**
							(In Thousands)										
Present value of defined benefit obligation	**₱10,810,558**	**₱1,057,514**	**₱13,448**	**₱451,739**	**(₱101,540)**	**₱1,421,161**	**(₱1,226,104)**	**₱–**	**₱646,705**	**(₱152,217)**	**₱–**	**₱494,488**	**₱–**	**₱–**	**(₱154,613)**	**₱108**	**₱11,345,599**
Fair value of plan assets	**(4,858,253)**	**–**	**–**	**(160,192)**	**–**	**(160,192)**	**1,041,548**	**57,007**	**–**	**–**	**–**	**57,007**	**(226,776)**	**(1,261,119)**	**–**	**–**	**(5,407,785)**
Net defined benefit liability (asset)	**₱5,952,305**	**₱1,057,514**	**₱13,448**	**₱291,547**	**₱ (101,540)**	**₱1,260,969**	**₱ (184,556)**	**₱57,007**	**₱646,705**	**₱ (152,217)**	**₱–**	**₱551,495**	**(₱226,776)**	**(₱1,261,119)**	**(₱154,613)**	**₱108**	**₱5,937,814**

Excluding amount included in net interest

2024

	Net benefit cost in consolidated statement of income							Remeasurements in other comprehensive income									
	January 1	Current service cost	Past Service Cost	Net interest	Loss (gain) on Curtailments and Settlements	Subtotal	Benefits paid	Return on plan assets*	Actuarial loss due to liability experience	Actuarial loss due to demographic assumption changes	Actuarial loss due to financial assumption changes	Subtotal	Transfer payments	Contribution by employer	Foreign currency exchange differences	Settlements	December 31
							(In Thousands)										
Present value of defined benefit obligation	₱9,673,016	₱869,923	₱222,471	₱406,420	₱––	₱1,498,814	(₱751,112)	₱–	₱412,870	₱185,617	₱–	₱598,487	(₱3,244)	₱–	(₱341,292)	₱135,889	₱10,810,558
Fair value of plan assets	(4,341,719)	–	–	(141,937)	–	(141,937)	649,227	(101,152)	–	–	–	(101,152)	167,937	(851,720)	168	(239,057)	(4,858,253)
Net defined benefit liability (asset)	₱5,331,297	₱869,923	₱222,471	₱264,483	₱–	₱1,356,877	(₱101,885)	(₱101,152)	₱412,870	₱185,617	₱–	₱497,335	₱164,693	(₱851,720)	₱(341,125)	(₱103,168)	₱5,952,305

Excluding amount included in net interest

The fair value of plan assets by each class as of the end of the reporting period are as follows:

	2025	2024
	(In Thousands)	
Cash and cash equivalents	**₱140,476**	₱174,464
Debt investments	**2,517,313**	2,428,068
Government securities	**904,516**	899,842
AAA rated debt securities	**1,134,415**	1,019,872
Not rated debt securities	**478,382**	508,354
Equity investments	**2,123,449**	1,973,647
Holding firms	**199,297**	209,528
Unit investment trust fund	**583,986**	311,694
Mutual funds	**40,331**	48,217
Property	**482,758**	368,590
Financials	**24,218**	24,644
Others	**792,859**	1,010,974
Other assets	**626,547**	282,074
	₱5,407,785	₱4,858,253

All equity and debt instruments held have quoted prices in active market. The remaining plan assets do not have quoted market prices in active market.

The plan assets have diverse investments and do not have any concentration risk.

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves using various assumptions. The principal assumptions used in determining pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

	2025	2024
Discount rates	**4.82% to 6.71%**	4.03% to 7.71%
Future salary increases	**3.5% to 10%**	3.5% to 10.0%

There were no changes from the previous period in the methods and assumptions used in preparing sensitivity analysis.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

		2025	2024
	Increase (decrease)	Net Pension Liabilities	
		(In Thousands)	
Discount rates	1%	**(₱554,222)**	(₱446,301)
	(1%)	**700,391**	624,381
Future salary increases	1%	**667,145**	638,373
	(1%)	**(536,083)**	(479,165)

The management performed an Asset–Liability Matching Study (ALM) annually. The overall investment policy and strategy of the Group's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risks of the plans. The Group's current strategic investment strategy consists of 49.98% of debt instruments, 40.62% of equity instruments and 9.40% other assets.

The Group expects to contribute ₱1,492.22 million to the defined benefit pension plan in 2026.

The average duration of the defined benefit obligation at the end of the reporting period is 3 to 24 years in 2025 and 3 to 25 years in 2024.

Shown below is the maturity analysis of the undiscounted benefit payments as of December 31, 2025 (amounts in thousands):

	2025	2024
Less than 1 year	**₱556,025**	₱494,879
More than 1 year to 5 years	**3,334,821**	2,834,599
More than 5 years	**77,366,536**	63,703,263
	₱81,257,382	₱67,032,741

As of December 31, 2025 and 2024, the plan assets include shares of stock of the Parent Company with total fair value of ₱80.3 million and ₱75.9 million, respectively. The Parent Company gives the trustee bank the discretion to exercise voting rights over the shares.

The fund includes investment in securities of its related parties. The details of the fair value of investment per type of security are as follows (amounts in thousands):

	2025	2024
Equity securities	**₱867,043**	₱845,978
Debt securities	**1,579,573**	1,487,913
Unit investment trust funds	**583,987**	311,693
Others	**16,411**	6,189
	₱3,047,014	₱2,651,773

The overall expected rate of return on assets is determined based on the market prices prevailing on that date.

The Group's transactions with the fund mainly pertain to contributions, benefit payments, settlements and curtailments.

28. Stock Option Purchase Plans

The Group has stock option plans for key officers (Executive Stock Option Plan - ESOP) and employees (ESOWN). The grantee is selected based on certain criteria like outstanding performance over a defined period of time.

Parent Company

ESOWN
The Parent Company also has ESOWN granted to qualified officers wherein grantees may subscribe in full to the shares awarded to them based on the average market price determined by the Personnel and Compensation Committee as the offer price set at grant date. For any share awards unsubscribed, grantees still have the option to subscribe from the start of the fifth year but not later than on the start of the seventh year from date of grant.

The original terms of the ESOWN grant provided that, to subscribe, the grantee must be an employee of the Parent Company or any of its subsidiaries during the 10-year payment period. For any shares awards unsubscribed, grantees still have the option to subscribe from the start of the fifth year but not later than on the start of the seventh year from the date of grant. In case the grantee resigns, the unsubscribed shares are cancelled, while the subscribed shares may be paid up to the percent of holding period completed, with any payments already convertible into the equivalent number of

shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, and payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may continue to subscribe to the unsubscribed shares anytime within the 10-year period. The plan does not allow sale or assignment of the share. All shares acquired through the plan are subject to the Parent Company's Right to Repurchase.

In 2015, the Parent Company introduced a revised ESOWN plan wherein grantees are given one (1) month from the time an allocation is awarded to subscribe in full, with any unsubscribed awards forfeited.

In April 2021 and 2020, the BOD approved the 2021 and 2020 stock option program pursuant to its Employee Stock Ownership Plan (the "Plan").

In 2021, the program authorizes the grant to 32 executives, in accordance with the terms of the Plan, stock options covering up to a total of 600,275 common shares at a subscription price of ₱749.47 per share, which is the rounded off volume-weighted average prices of our common shares at the PSE over the last 5-day trading days from April 16 to 22, 2021.

In April 2022, the BOD approved the 2022 stock option program pursuant to its Employee Stock Ownership Plan (the "Plan"). The program authorizes the grant to 71 executives, in accordance with the terms of the Plan, stock options covering up to a total of 483,145 common shares at a subscription price of ₱749.55 per share, which is the rounded off volume-weighted average prices of the Parent Company's common shares at the PSE over the last 5-day trading days from April 22 to 28, 2022.

The Plan involved two grantee subgroups with distinct subscription payment structures: (A) following previous due dates from previous grants, i.e., 40% of subscription amount payable within three years from grant date, balance payable within 10 years, (B) 10% down payment, 90% payable in equal installments over a 10-year horizon (including the grant date).

In April 2023, the BOD approved the 2023 stock option program pursuant to its Employee Stock Ownership Plan (the "Plan"). The plan authorizes the grant to 81 executives in accordance with the terms of the Plan, stock options covering up to a total of 632,500 common shares at a subscription price of ₱635.74 per share, which is the rounded off volume-weighted average prices of the Parent Company's common shares at the PSE over the last 5-days from April 20 to 27, 2023.

On April 2024, the BOD, during its organization board meeting approved the 2024 stock option program pursuant to the Employee Stock Ownership Plan (the Plan), authorizing the grant to 111 executives, in accordance with the terms of the Plan, stock options covering up to a total of 790,000 common shares at a subscription price of ₱588.29 per share, which is the rounded off volume weighted average prices of our common shares at the PSE over the last 5-day trading days from April 19 to April 25, 2024. Subscribed shares remain in trust for the account of ESOWN Administrator until fully paid.

On April 25, 2025, the Parent Company's stockholders approved the amendment of the Parent Company's Employee Stock Ownership (ESOWN) Plan including provisions on the implementation of the Restricted Share Plan to complement the ESOWN Program as Long-Term Incentive Programs for the Corporation's employees, directors (excluding independent directors), and consultants of the Ayala Group, as approved and endorsed by its BOD.

On the same date, the Parent Company's BOD approved the 2025 stock option program pursuant to the Parent Company's ESOWN Plan. The 2025 stock option program authorizes the grant to 114 executives, in accordance with the terms of the ESOWN Plan, stock options covering up to a total of 812,000 common shares at a subscription price of ₱558.61 per share, which is the rounded off volume-weighted average prices of Ayala's common shares at the PSE over the last 5-day trading days from April 16 to April 24, 2025.

On May 27, 2025, 87 grantees subscribed to a total of 440,200 common shares at ₱558.61 per share under the 2025 General ESOWN grant of 2005 ESOWN, as amended. As a result of the subscriptions, the Parent Company's issued common shares are now 636,211,677 and outstanding common shares are 624,036,976.

ESOWN grants totaling 440,200, and 719,200 were subscribed in 2025 and 2024, respectively. Movements in the number of grants outstanding under ESOWN as of December 31, 2025 and 2024 follow:

	2025		2024	
	Number of ESOWN grants	**Weighted average exercise price**	Number of ESOWN grants	Weighted average exercise price
At January 1			–	₱–
Granted	**511,000**	**558.61**	763,000	588.29
Subscribed	**(440,200)**	**(558.61)**	(719,200)	(588.29)
Expired	**(70,800)**	**558.61**	(43,800)	588.29
At December 31	**₱–**	**₱–**	₱–	₱–

The ESOWN grants are effectively treated as options on shares exercisable within a given period, considering both the subscription period allowed to grantees and the subscription payment pattern. As such, the fair values of these options are estimated on the date of grant using the Black-Scholes Merton Formula, taking into account the terms and conditions upon which the options were granted. This model requires six inputs to produce the stock option value, which are namely: share price, exercise price, time to maturity, volatility rate, dividend yield, and risk-free rate.

The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	April 26, 2025	April 28, 2024	April 23, 2023	April 23, 2023	April 23, 2022	April 23, 2021
Number of unsubscribed shares		–	–	–	–	–
Fair value of each option	**155.20**	₱187.16	₱194.28	₱205.64	₱132.88	₱162.32
Share price	**₱562**	₱595	₱639	₱737.50	₱737.50	₱754.50
Exercise price	**558.61**	₱588.29	₱635.74	₱749.55	₱749.55	₱749.47
Expected volatility	**16.39%**	19.95%	29.28%	28.61%	28.61%	32.69%
Dividend yield	**1.490%**	1.1630%	4.3460%	0.94%	0.94%	0.90%
Interest rate	**5.16%**	5.89%	5.67%	0.95%	0.95%	1.13%

In 2025, 2024 and 2023 the Parent Company recognized ₱64.2 million, ₱128.4 million and ₱114.6 million as share-based payments expense, respectively.

Subscriptions receivable from the stock option plans covering the Parent Company's shares are presented under equity.

ALI

ALI has stock option plans for key officers and employees covering 2.5% of ALI's authorized capital stock. The grantee is selected based on certain criteria like outstanding performance over a three-year period.

ESOP

The ESOP grantees may exercise in whole or in part the vested allocation in accordance with the vesting percentage and vesting schedule stated in the ESOP. Also, the grantee must be an employee of ALI or any of its subsidiaries during the 10-year option period. In case the grantee retires, he is given 3 years to exercise his vested and unvested options. In case the grantee resigns, he is given 90 days to exercise his vested options.

ALI has no ESOP grant and availment during 2025, 2024 and 2023.

ESOWN
In November 2001, ALI offered all its ESOWN subscribers with outstanding ESOWN subscriptions the option to cancel the subscriptions within the 5-year holding period. In December 2001, the program for ESOWN was indefinitely suspended.

In 2005, ALI introduced a revised ESOWN Plan (the Plan) wherein grantees may subscribe in whole or in part to the shares awarded to them based on a discounted market price that was determined by the Compensation Committee of ALI as the offer price set at grant date. The grantees paid for the shares subscribed through installments over a maximum period of ten (10) years. The subscription is subject to a holding period stated in the plan. To subscribe, the grantee must be an employee of ALI or any of its subsidiaries during the ten (10)-year payment period. In case the grantee resigns, unsubscribed shares are cancelled, while the subscription may be paid up to the percent of holding period completed and payments may be converted into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, or payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may subscribe to the unsubscribed shares anytime within the ten (10)-year period. The plan does not allow sale or assignment of the shares. All shares acquired through the Plan are subject to ALI's right to repurchase.

The subscribed shares are effectively treated as options exercisable within a given period which is the same time as the grantee's payment schedule. The fair values of stock options granted are estimated on the date of grant using the Black-Scholes Merton (BSM) Formula and Binomial Tree Model (BTM), taking into account the terms and conditions upon which the options were granted. The BSM Formula and BTM Model requires six inputs to produce an option stock value namely; market value of the share, book value of the share, time to maturity, volatility rate, dividend yield, and risk free rate. The expected volatility was determined based on an independent valuation.

On August 17, 2020, the BOD approved ALI's 2020 stock option program pursuant to ALI's Employee Stock Ownership Plan (the "Plan"), covering up to 18,194,618 common shares at a subscription price of ₱27.72 per share, which is the average price of ALI common shares at the Philippine Stock Exchange over the last 15-day trading as of August 14, 2020, less 15% discount.

On September 28, 2020, 169 stock option grantees subscribed to 14,845,498 common shares at ₱27.72 per share and became effective on the same day. As a result of the subscription of the 169 stock option grantees, the number of ALI outstanding common shares increased to 14,730,395,599.

On February 23, 2021 and April 21, 2021, the ALI BOD and stockholders, respectively, approved the amendment of the ESOWN Plan to increase the covered shares from 2.5% to 3% of the ALI's total authorized capital stock.

On May 3, 2021, 156 ESOWN grantees subscribed to a total of 11,389,265 common shares at ₱33.29 per share. The subscriptions became effective on the same day. The option price is the average price of common shares at the PSE over the last five trading days as of February 22, 2021, less a 15% discount. As a result of the subscriptions, the outstanding common shares of ALI increased to 14,711,784,864.

On May 19, 2022, 223 grantees subscribed to a total of 14,170,576 common shares at ₱30.29 per share. Of the 14,170,576 common shares subscribed, 10,072,622 shares are immediately available for issuance while the remainder will become available upon approval by the SEC of the ALI's application for exemption from the registration requirements. The option price is the average price of the common shares at the PSE over the last 30-day trading as of February 14, 2022, less 15% discount.

On September 9, 2022, the SEC approved the application for exemption from the registration requirements for the additional 100,000,000 common shares allocated for ESOWN. With this, an additional 4,097,954 common shares were issued to the eligible subscribers of the 2022 ESOWN Grant at ₱30.29 per share. The option price is the average price of the common shares at the PSE over the last 30-day trading 33 as of February 14, 2022, less 15% discount. As a result of the additional subscriptions, the number of ALI's issued and outstanding common shares are now at 15,395,366,537 and 14,762,076,694, respectively.

Movements in the number of options outstanding and weighted average exercise prices (WAEP) under ESOWN follow:

	2025	**WAEP**	2024	WAEP	2023	WAEP
At January 1	**₱114,437,102**	**₱–**	₱121,751,919	₱–	₱122,528,917	₱–
Granted	**8,439,996**	**20.42**	9,894,677	28.82	14,579,091	24.68
Exercised	**(8,339,431)**	**–**	(16,235,865)	–	(14,496,300)	–
Forfeitures	**(9,879,274)**	**–**	(973,629)	–	(859,789)	–
At December 31	**₱104,658,393**	**₱20.42**	₱114,437,102	₱28.82	₱121,751,919	₱–

The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	Grant Date									
	May 26, 2025	May 1, 2024	March 31, 2023	March 31, 2022	March 15, 2021	August 17, 2020	March 21, 2019	March 28, 2018	March 01, 2017	April 05, 2016
Number of unsubscribed shares	**–**	–	–	–	–	–	–	–	–	181,304
Fair value of each option(BTM)	**₱–**	₱–	₱–	₱–	– ₱–	₱–	₱–	₱–	₱8.48	₱13.61
Fair value of each option(BSM)	**₱8.86**	₱8.30	₱9	₱12.62	₱9.25	₱9.12	₱17.13	₱12.71	₱–	₱18.21
Weighted average share price	**₱24.02**	₱33.91	₱29	₱35.63	₱39.17	₱32.61	₱44.70	₱41.02	₱39.72	₱35.58
Exercise price	**₱20.42**	₱28.82	₱25	₱30.29	₱33.29	₱27.72	₱44.49	₱45.07	₱35.81	₱26.27
Expected volatility	**28.16%**	25.80%	27.50%	24%	27.19%	25.05%	31.48%	34.04%	30.95%	32.03%
Dividend yield	**2.46%**	1.43%	1.11%	0.77%	0.38%	0.81%	1.16%	1.22%	1.34%	1.27%
Interest rate	**5.24%**	5.55%	5.00%	1.18%	1.03%	1.13%	5.57%	4.14%	4.41%	4.75%

Total expense (included under "General and administrative expenses") recognized in 2025, 2024 and 2023 in the consolidated statement of income arising from share-based payments of ALI amounted to ₱86.5 million, ₱107.5 million and ₱149.5 million, respectively.

IMI

IMI Group has an ESOWN, which is a privilege extended to IMI Group's eligible managers and staff whereby IMI Group allocates up to 10% of its authorized capital stock for subscription by said personnel under certain terms and conditions stipulated in the ESOWN.

The key features of the plan are as follows:

- The subscription price per share shall be based on the average closing price at the PSE for 20 consecutive trading days with a discount to be determined by the Compensation Committee of IMI.
- Term of payment is eight years reckoned from the date of subscription with specified percentage of payment (i.e., 2.5% initial payment, 5.0% on 1st anniversary, 7.5% on 2nd anniversary, 10% on 3rd anniversary and balance over remaining years).
- Holding period: 40%, 30% and 30% after one (1), two (2) and three (3) years from subscription date, respectively.

Movements in the number of shares outstanding under ESOWN in 2025, 2024 and 2023 follow:

	2025		2024		2023	
	Number of Shares	**Weighted Average Exercise Price**	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
At beginning of year	**136,872,538**	**6.93**	136,926,800	₱6.60	137,004,327	₱6.60
Forfeitures	–	–	(54,262)	12.50	(77,527)	12.50
At end of year	**136,872,538**	**6.93**	136,872,538	₱6.63	136,926,800	₱6.60

Total expense arising from share-based payments of IMI (included under "General and administrative expenses") in the consolidated statements of income amounted to nil in 2025, 2024 and 2023.

29. Operating Segment

For management purposes, the Group is organized into the following business units:

- Parent Company - represents operations of the Parent Company including its financing and investing entities such as ACIFL, AYCFL, PFIL and MHI.

- Real estate and hotels - planning and development of large-scale fully integrated mixed-used communities that become thriving economic centers in their respective regions. These include development and sale of residential, leisure and commercial lots and the development and leasing of retail and office space and land in these communities; construction and sale of residential condominiums and office buildings; development of industrial and business parks; development and sale of high-end, upper middle-income and affordable and economic housing; strategic land bank management; hotel, cinema and theater operations; and construction and property management income and affordable and economic housing; strategic land bank management; hotel, cinema and theater operations; and construction and property management.

- Financial services and insurance - commercial banking operations with expanded banking license. These include diverse services such as deposit taking and cash management (savings and time deposits in local and foreign currencies, payment services, card products, fund transfers, international trade settlement and remittances from overseas workers); lending (corporate, consumer, mortgage, leasing and agri-business loans); asset management (portfolio management, unit funds, trust administration and estate planning); securities brokerage (on-line stock trading); foreign exchange and capital markets investments (securities dealing); corporate services (corporate finance, consulting services); investment banking (trust and investment services); a fully integrated bancassurance operations (life, non-life, pre-need and reinsurance services); and other services (internet banking, foreign exchange and safety deposit facilities). planning); securities brokerage (on-line stock trading); foreign exchange and capital markets investments (securities dealing); corporate services (corporate finance, consulting services); investment banking (trust and investment services); a fully integrated bancassurance operations (life, non-life, pre-need and reinsurance services); and other services (internet banking, foreign exchange and safety deposit facilities).

- Telecommunications (Telecoms) - provider of digital wireless communications services using a fully digital network; domestic and international long distance communication services or carrier services; broadband internet and wireline voice and data communication services; also licensed to establish, install, operate and maintain a nationwide local exchange carrier (LEC) service, particularly integrated local telephone service with public payphone facilities and public calling stations, and to render and provide international and domestic carrier and leased line services. In recent years, operations include developing, designing, administering, managing and operating software applications and systems, including systems designed for the operations of bill payment and money remittance, payment facilities through various telecommunications systems operated

by telecommunications carriers in the Philippines and throughout the world and to supply software and hardware facilities for such purposes.

- Industrial Technologies - global provider of electronics manufacturing services (EMS) and power semiconductor assembly and test services with manufacturing facilities in Asia, Europe, and North America. It serves diversified markets that include those in the automotive, industrial, medical, telecommunications infrastructure, storage device, and consumer electronics industries. Committed to cost-development to manufacturing and order fulfillment), ACITHI's comprehensive capabilities and global manufacturing presence allow it to take on specific outsourcing needs.

- Power - unit that will build a portfolio of power generation assets using renewable and conventional technologies which in turn will operate business of generating, transmission of electricity, distribution of electricity and supply of electricity, including the provision of related services.

- Automotive and Others - includes operations of the following:

    - Automotive/ Motors - business on manufacturing, distribution and sale plus providing repairs and services for passenger cars, commercial vehicles, motorcycles. Initiatives include industrial manufacturing activity for long-term synergy and integration with automotive business.
    - Healthcare - catering to accessible, affordable, and quality healthcare for all Filipinos by building, investing, and connecting various businesses into an integrated and seamless ecosystem of services across the continuum of care.
    - Infrastructure - development arm for various types of infrastructure
    - Logistics - business unit provides end-to-end logistics solutions to cater to all customers across the value chain.
    - Water - water delivery, sewerage, sanitation, distribution services, pipeworks, used water management and management services; also exclusively provides water services, facilities to all property development projects of major real estate companies.
    - Education - delivering accessible, quality education that enables significantly improved employability for our high school and college graduates; with mission to transform lives and society by innovating Philippine education and research.
    - Venture capital - platform for peeking into new technologies and business models that are relevant to the group; aims to be an enabler by investing in adjacent businesses that are complementary to Ayala's existing business units and a pathfinder by investing in new sectors, emerging trends, and innovative businesses.
    - International unit - strategic investments in overseas property companies and projects.
    - Others - includes outsourcing services unit (onshore and offshore outsourcing services in the research, analytics, legal, electronic discovery, document management, finance and accounting); aviation (air-chartered services); consultancy, and other operating companies.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

For the years ended December 31, 2025, 2024 and 2023, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

Intersegment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Segment revenue, segment expense and segment results include transfers between operating segments. Those transfers are eliminated in consolidation.

The various business segments in the Group is not affected by seasonality in operations.

The following tables regarding operating segments present assets and liabilities as of December 31, 2025, 2024 and 2023 and revenue and income information for each of the three years in the period ended December 31, 2025 (amounts in millions):

2025

	Parent Company	Real Estate and Hotels	Financial Services and Insurance	Telecoms	Industrial Technologies	Power Generation	Automotive and Others	Intersegment Eliminations / Consolidation Adjustments	Consolidated
Revenue									
Sales to external customers	₱340	₱172,947	₱–	₱–	₱57,384	₱31,547	₱74,668	₱–	₱336,886
Intersegment	396	1,548	–	–	(67)	–	300	(2,177)	–
Share in net profits of associates and joint ventures	–	2,305	29,821	7,262	–	4,657	2,705	–	46,750
	736	176,800	29,821	7,262	57,317	36,204	77,673	(2,177)	383,636
Costs and expenses									
Costs of sales and services	10	102,526	–	–	51,890	24,110	65,736	(1,616)	242,656
General and administrative	5,749	12,192	–	–	3,864	13,874	13,520	(280)	48,919
	5,759	114,718	–	–	55,754	37,984	79,256	(1,896)	291,575
Other income (charges)									
Interest income	971	848	–	–	50	14,861	676	(194)	17,212
Other income	10,469	12,448	–	–	182	1,724	3,899	355	29,077
Interest and other financing charges	(10,307)	(19,306)	–	–	(1,171)	(7,315)	(1,896)	237	(39,758)
	1,133	(6,010)	–	–	(939)	9,270	2,679	398	6,531
Net income (loss) before income tax	(3,890)	56,072	29,821	7,262	624	7,490	1,096	117	98,592
Provision for (benefit from) income tax	233	10,519	–	–	439	60	492	(20)	11,723
Net income (loss)	(₱4,123)	₱45,553	₱29,821	₱7,262	₱185	₱7,430	₱604	₱137	₱86,869
Other information									
Segment assets	₱69,006	₱952,257	₱–	₱–	₱39,729	₱365,987	₱96,646	(₱77,123)	₱1,446,502
Investments in associates and joint ventures	316,308	32,399	–	–	–	63,638	14,157	–	426,502
Deferred tax assets	167	13,328	–	–	112	3,253	1,025	678	18,563
Total assets	₱385,481	₱997,984	₱–	₱–	₱39,841	₱432,878	₱111,828	(₱76,445)	₱1,891,567
Segment liabilities	₱207,473	₱602,176	₱–	₱–	₱25,422	₱241,667	₱52,941	(₱62,036)	₱1,067,643
Deferred tax liabilities	167	9,902	–	–	59	1,661	2,287	–	14,076
Total liabilities	₱207,640	₱612,078	₱–	₱–	₱25,481	₱243,328	₱55,228	(₱62,036)	₱1,081,719
Segment additions to property, plant and equipment and investment properties	₱460	₱42,387	₱–	₱–	₱449	₱20,788	₱2,529	₱4,531	₱71,144
Depreciation and amortization	275	10,665	–	–	1,530	3,958	2,018	(503)	17,943
Non-cash expenses other than depreciation and amortization	₱934	₱2,273	₱–	₱–	₱240	₱8,616	₱1,465	(₱47)	₱13,481
Cash flows provided by (used in):									
Operating activities	(₱12,351)	₱28,986	₱–	₱–	₱4,448	₱2,171	(₱9,837)	₱6,243	₱19,660
Investing activities	36,562	(40,801)	–	–	(857)	(21,454)	23,527	(39,269)	(42,292)
Financing activities	(21,619)	9,028	–	–	(4,410)	10,806	(13,403)	33,030	13,432

2024

	Parent Company	Real Estate and Hotels	Financial Services and Insurance	Telecoms	Industrial Technologies	Power Generation	Automotive and Others	Intersegment Eliminations / Consolidation Adjustments	Consolidated
Revenue									
Sales to external customers	₱68	₱177,333	₱–	₱–	₱62,702	₱36,861	₱48,780	₱–	₱325,744
Intersegment	132	(800)	–	–	(44)	–	329	383	–
Share in net profits of associates and joint ventures	–	2,025	27,915	7,591	–	4,623	2,154	–	44,308
	200	178,558	27,915	7,591	62,658	41,484	51,263	383	370,052
Costs and expenses									
Costs of sales and services	17	110,208	–	–	57,389	27,379	43,020	493	238,506
General and administrative	8,715	9,471	–	–	9,839	7,127	15,928	190	51,270
	8,732	119,679	–	–	67,228	34,506	58,948	683	289,776
Other income (charges)									
Interest income	684	844	–	–	100	10,752	1,055	(171)	13,264
Other income	4,386*	1,330	–	–	742	4,966	2,805	280	14,509
Interest and other financing charges	(9,898)	(18,288)	–	–	(1,209)	(5,387)	(1,587)	170	(36,199)
	(4,828)	(16,114)	–	–	(367)	10,331	2,273	279	(8,426)
Net income (loss) before income tax	(13,360)	42,765	27,915	7,591	(4,937)	17,309	(5,412)	(21)	71,850
Provision for (benefit from) income tax	65	8,534	–	–	196	1,109	452	32	10,388
Net income (loss)	(₱13,425)	₱34,231	₱27,915	₱7,591	(₱5,133)	₱16,200	(₱5,864)	(₱53)	₱61,462
Other information									
Segment assets	₱64,867	₱873,722	₱–	₱–	₱46,492	₱333,001	₱79,292	(₱69,490)	₱1,327,884
Investments in associates and joint ventures	272,925	30,734	–	–	–	58,917	38,646	–	401,222
Deferred tax assets	151	14,853	–	–	216	3,372	955	673	20,220
Total assets	₱337,943	₱919,309	₱–	₱–	₱46,708	₱395,290	₱118,893	(₱68,817)	₱1,749,326
Segment liabilities	₱234,197	₱549,559	₱–	₱–	₱33,587	₱209,292	₱42,197	(₱60,471)	₱1,008,361
Deferred tax liabilities	73	10,468	–	–	56	2,195	2,591	-	15,383
Total liabilities	₱234,270	₱560,027	₱–	₱–	₱33,643	₱211,487	₱44,788	(₱60,471)	₱1,023,744
Segment additions to property, plant and equipment and investment properties	₱348	₱34,349	₱–	₱–	₱545	₱34,013	₱2,740	(₱4,141)	₱67,854
Depreciation and amortization	261	10,275	–	–	1,885	2,658	2,271	(158)	17,192
Non-cash expenses other than depreciation and amortization	₱3,846	₱255	₱–	₱–	₱3,751	₱1,150	₱5,763	₱489	₱15,254
Cash flows provided by (used in):									
Operating activities	(₱10,377)	₱31,212	₱–	₱–	₱3,750	₱8,012	(₱5,031)	(₱20,197)	₱7,369
Investing activities	(2,111)	(54,683)	–	–	(34)	(40,752)	(23,391)	56,632	(64,339)
Financing activities	12,377	27,830	–	–	(4,101)	18,753	28,830	(26,980)	56,709

** Includes calculated dilution gain from BPI and RBC merger amounting to ₱4.2 billion (₱2.8 billion from AC's direct investment in BPI and ₱1.4 billion from its share in LHI's dilution of its investment in BPI) (see Note 10).*

2023

	Parent Company	Real Estate and Hotels	Financial Services and Insurance	Telecoms	Industrial Technologies	Power Generation	Automotive and Others	Intersegment Eliminations / Consolidation Adjustments	Consolidated
Revenue									
Sales to external customers	₱57	₱139,463	₱–	₱–	₱74,337	₱35,458	₱40,590	₱–	₱289,905
Intersegment	97	583	–	–	(139)	6	275	(822)	–
Share in net profits of associates and joint ventures	–	1,577	24,649**	7,655	–	6,939	1,797	4,016**	46,633
Interest income from real estate	–	5,360	–	–	–	–	–	–	5,360
	154	146,983	24,649	7,655	74,198	42,403	42,662	3,194	341,898
Costs and expenses									
Costs of sales and services	17	87,092	–	–	67,508	30,627	35,019	(431)	219,832
General and administrative	2,965	9,625	–	–	9,260	7,458	14,630	(1,291)	42,647
	2,982	96,717	–	–	76,768	38,085	49,649	(1,722)	262,479
Other income (charges)									
Interest income	573	643	–	–	118	9,717	667	(215)	11,503
Other income	(3,415)**	1,015	–	–	(1,217)	6,584	3,991	(1,924)	5,034
Interest and other financing charges	(8,757)	(15,406)	–	–	(1,178)	(4,672)	(1,540)	353	(31,200)
	(11,599)	(13,748)	–	–	(2,277)	11,629	3,118	(1,786)	(14,663)
Net income (loss) before income tax	(14,427)	36,518	24,649	7,655	(4,847)	15,947	(3,869)	3,130	64,756
Provision for (benefit from) income tax	61	7,489	–	–	439	360	1,212	19	9,580
Net income (loss)	(₱14,488)	₱29,029	₱24,649	₱7,655	(₱5,286)	₱15,587	(₱5,081)	₱3,111	₱55,176
Other information									
Segment assets	₱63,177	₱796,438	₱–	₱–	₱56,216	₱294,645	₱76,423	(₱51,610)	₱1,235,289
Investments in associates and joint ventures	262,757	31,174	–	–	–	45,102	14,931	–	353,964
Deferred tax assets	133	15,146	–	–	142	2,224	912	903	19,460
Total assets	₱326,067	₱842,758	₱–	₱–	₱56,358	₱341,971	₱92,266	(₱50,707)	₱1,608,713
Segment liabilities	₱211,266	₱519,146	₱–	₱–	₱37,813	₱166,635	₱41,727	(₱54,274)	₱922,313
Deferred tax liabilities	73	7,324	–	–	56	1,288	2,718	–	11,459
Total liabilities	₱211,339	₱526,470	₱–	₱–	₱37,869	₱167,923	₱44,445	(₱54,274)	₱933,772
Segment additions to property, plant and equipment and investment properties	₱340	₱21,455	₱–	₱–	₱1,527	₱29,379	1,886	₱2,485	₱57,072
Depreciation and amortization	₱228	₱9,506	₱–	₱–	₱1,966	₱1,648	₱2,043	(₱910)	₱14,481
Non-cash expenses other than depreciation and amortization	(₱416)	₱589	₱–	₱–	₱3,557	₱3,001	₱5,406	(₱870)	₱11,267
Cash flows provided by (used in):									
Operating activities	(₱8,388)	₱21,360	₱–	₱–	₱301	₱1,581	(₱3,563)	₱3,185	₱14,476
Investing activities	13,660	(30,186)	–	–	(1,903)	(26,115)	(4,040)	(6,726)	(55,310)
Financing activities	(4,667)	13,886	–	–	219	29,929	5,905	(3,581)	41,691

***Represents gain from divestment by Arran in LHI amounting to ₱4.0 billion and related dilution loss on the change in interest of the Parent Company amounting to ₱3.6 billion (see Note 10).*

Geographical Segments

	Revenue			Total Assets		Investment Properties and Property, Plant and Equipment Additions	
	(In Millions)						
	2025	2024	2023	**2025**	2024	**2025**	2024
Philippines	**₱322,426**	₱304,380	₱265,132	**₱1,583,802**	₱1,513,970	**₱58,359**	₱49,035
Europe	**41,900**	46,176	51,587	**286,608**	21,604	**12,542**	1,621
Asia	**13,157**	13,160	13,758	**15,399**	207,199	**235**	17,022
USA	**6,153**	6,336	11,421	**5,758**	6,553	**8**	176
	₱383,636	₱370,052	₱341,898	**₱1,891,567**	₱1,749,326	**₱71,144**	₱67,854

30. Leases

Group as a lessee

The Group has lease contracts for land, building, warehouses and various items of plant, machinery, vehicles and other equipment used in its operations. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of office space and machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The rollforward analysis of right-of-use assets recognized and the movements during the years are as follows:

	2025			
	Right-of-use Assets			
	Land, Building and Improvements	**Transportation Equipment**	**Others**	**Total**
	(In Thousands)			
Cost				
At January 1	**₱35,677,239**	**₱307,569**	**₱1,333,632**	**₱37,318,440**
Addition during the year	**964,634**	**160,022**	**748,587**	**1,873,243**
Modifications/adjustments	**(2,843,010)**	**(245,135)**	**702,534**	**(2,385,611)**
At December 31	**33,798,863**	**222,456**	**2,784,753**	**36,806,072**
Accumulated Depreciation and Amortization				
At January 1	**11,913,055**	**252,922**	**590,345**	**12,756,322**
Depreciation (Note 22)	**1,436,518**	**30,218**	**472,329**	**1,939,065**
Capitalized depreciation	**303,271**	**11,634**	**1,263**	**316,168**
Cumulative translation adjustment	**(777,164)**	**(40,494)**	**105,890**	**(711,768)**
Modification/adjustments	**166,463**	**(200,606)**	**155,469**	**121,326**
At December 31	**13,042,143**	**53,674**	**1,325,296**	**14,421,113**
Net Book Value	**₱20,756,720**	**₱168,782**	**₱1,459,457**	**₱22,384,959**

	2024			
	Right-of-use Assets			
	Land, Building and Improvements	Transportation Equipment	Others	Total
	(In Thousands)			
Cost				
At January 1	₱31,120,777	₱1,618,232	₱1,099,092	₱33,838,101
Addition during the year	4,321,198	204,899	324,523	4,850,620
Modifications/adjustments	235,264	(1,515,562)	(89,983)	(1,370,281)
At December 31	35,677,239	307,569	1,333,632	37,318,440
Accumulated Depreciation and Amortization				
At January 1	8,990,531	753,345	596,044	10,339,920
Depreciation (Note 22)	2,027,982	433,986	276,640	2,738,608
Capitalized depreciation	256,037	3,367	–	259,404
Cumulative translation adjustment	192,882	1,569	1,733	196,184
Modification/adjustments	445,623	(939,345)	(284,072)	(777,794)
At December 31	11,913,055	252,922	590,345	12,756,322
Net Book Value	₱23,764,184	₱54,647	₱743,287	₱24,562,118

The rollforward analysis of lease liabilities follows (in thousands):

	2025	2024
At January 1	**₱33,441,975**	₱30,705,536
Additions	**1,873,243**	4,850,620
Accretion of interest expense (Note 22)	**2,581,254**	2,409,910
Foreign exchange loss (gain)	**724**	(34,306)
Cumulative translation adjustment	**(239,916)**	(260,875)
Payments	**(3,304,450)**	(2,775,815)
Remeasurement due to lease modification/adjustments	**(1,091,134)**	(195,683)
Remeasurement due to termination of lease contract	**(237)**	83,554
Disposals	**(114,554)**	(908,475)
Others	**(1,497,754)**	(432,490)
As at December 31	**31,649,151**	33,441,976
Current lease liabilities	**(3,325,546)**	(4,647,964)
Noncurrent lease liabilities	**₱28,323,605**	₱28,794,012

The following are the amounts recognized in the consolidated statement of income (in thousands):

	2025	2024
Depreciation expense of right-of-use assets	**₱1,939,065**	₱2,587,151
Interest expense on lease liabilities	**2,581,254**	2,409,910
Expense relating to short-term leases	**491,207**	383,045
Expense relating to variable lease payments	**80,648**	–
Foreign exchange loss	**724**	3,385
Expense relating to leases of low-value assets	**469**	–
	₱5,093,367	₱5,383,491

The Group had a total cash outflow for leases of ₱3,304.5 million and ₱2,775.8 million in 2025 and 2024, respectively. In 2025 and 2024, the Group had non-cash additions to right-of-use assets and lease liabilities of ₱1,873.2 million and ₱4,850.6 million, respectively.

Refer to Note 32 (Liquidity risk) for the maturity analysis of the undiscounted lease payments.

The significant leases entered into by the Group are as follows:

ALI Group
ALI Group entered into lease agreements with third parties. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

ALI Group has lease contracts for land that contains variable payments based on certain percentage of gross rental income of the commercial centers. These terms are negotiated by management for certain commercial spaces without steady customer demand. Management's objective is to align the lease expense with the revenue earned.

The following provides information on the ALI Group's variable lease payments, including the magnitude in relation to fixed payments (in thousands):

	2025		
	Fixed Payments	**Variable Payments**	**Total**
Fixed	**₱1,714,690**	**₱–**	**₱1,714,690**
Variable rent with minimum payment	**–**	**3,411,824**	**3,411,824**
Variable rent only	**–**	**275,468**	**275,468**
At December 31	**₱1,714,690**	**₱3,687,292**	**₱5,401,982**

	2024		
	Fixed Payments	Variable Payments	Total
Fixed	₱806,242	₱–	₱806,242
Variable rent with minimum payment	–	2,689,830	2,689,830
Variable rent only	–	259,801	259,801
At December 31	₱806,242	₱2,949,631	₱3,755,873

ALI
On January 2017, ALI signed a Lease Agreement with Philippine Racing Club, Inc. for the lease of land located in Circuit Makati, Brgy. Carmona, Makati City with an aggregate area of 12,793 sqm. The term of the lease shall be twenty-three (23) years and three (3) months commencing from Delivery Date. The Lessee shall have the option to renew the lease under the same terms and conditions for another period of five years, provided that renewal period shall be mutually agreed by the Parties. For the period commencing from delivery date until sixty-three (63) months thereafter, the Lessee shall pay the Lessor the rent amounting to ₱100.00 million. Commencing on the sixty fourth month from execution of the contract until the end of the lease term, the Lessee shall pay the Lessor the rent equal to fifty percent (50%) of the Gross Income of the Lessee.

In 2025, ALI became the new lessee for the lease of Ten parcels of land located Brgy. Mactan, Lapu-Lapu City, Mactan Island, Cebu, after the merger of Asiatown Hotel Ventures, Inc. with ALI. The term of lease shall be for a period of fifty (50) years commencing from date of execution agreement.

Bay City
On January 2015, ALI signed a Lease Agreement with D.M. Wenceslao & Associates Inc. for the lease of several parcels of land along Asean Avenue and Macapagal Boulevard, Aseana City, Paranaque City with an aggregate area of 92,317 sqm. ALI signed a 45-year lease contract with an option to renew for another 45 years subject to such terms and conditions as may be mutually agreed upon by the lessor and ALI. ALI assigned the parcels of land to Bay City in December 2017.

ALI also signed the Air Rights and Basement Rights over the leased property with an aggregate area of 1,686.48 sqm and 8,294 sqm, respectively, subject to the same terms and conditions as the contract of lease dated September 2, 2014.

Ayalaland MetroNorth, Inc. (AMNI)
On January 28, 2011, the Board of Regents of the University of the Philippines awarded to AMNI the ₱4.0 billion development of a 7.4-hectare lot at the University of the Philippines' Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. AMNI signed a 25-year lease contract for the property last June 22, 2011, with an option to renew for another 25 years subject to mutual agreement of the parties. The lease payments shall commence as soon as sales are registered by the merchants. The rights were subsequently assigned by ALI to AMNI in 2015.

A retail establishment with about 63,000 sqm of gross leasable area and an office/BPO building about 8,000 sqm of gross leasable area have been constructed on the property.

NTDCC
NTDCC entered into an assignment agreement with MRTDC wherein the latter has assigned its development rights to NTDCC in exchange for NTDCC's assumption of DRP obligation beginning January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration with escalation rate of 3% annually starting inception.

In consideration of the lease, the NTDCC will be charged an annual rent related to the original DRP obligation on the MRTDC and 5% of the rental income from the NTDCC's commercial center business. Of the 5% variable amount due, 2.42% shall be directly paid by the NTDCC to the minority shareholders of Monumento Rail Transit Corporation, 28.47% shall be paid directly to Metro Global Holdings Corporation and the remaining 69.11% shall be applied against receivables.

On January 13, 2006, the deed of assignment between MRTDC and NTDCC was acknowledged by DOTC making MRTDC and NTDCC jointly and severally liable for the DRP and all other obligations attached thereto. NTDCC has been paying rent to DOTC in behalf of MRTDC since January 1, 2006. The DRP obligation is payable annually for 42 years from the date of assumption, renewable upon expiration.

On October 29, 2015, the NTDCC entered into a non-cancellable land lease agreement with GERI for the lease of an aggregate of 10,994.86 square meters undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the latter is entitled to development rights. The agreement shall be effective until August 8, 2047, subject to the extension of the development rights period.

During 2016, the NTDCC entered into non-cancellable land lease agreement with Anglo, DBH and Allante which shall be effective until August 8, 2047.

ALICAP

In December 2017, the ALICAP entered into 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1440 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US$0.42 million. The ATR72-600 with

MSN 1440 was delivered to ALICAP in February 2018 and has started flight operations in March 2018. ALICAP, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term for US$14.16 million.

In June 2018, ALICAP entered into another 120-month lease agreement with NAC Aviation for a brand new ATR72-600 with MSN 1492 which will commence at the date of delivery. Commitment fee or refundable deposit required for the lease amounted to US$0.42 million. The ATR72-600 with MSN 1492 was delivered to ALICAP on the same month and has started flight operations in August 2018. ALICAP, per lease contract, has the option to purchase the ATR72-600 with MSN 1440 at the end of lease term amounting to US$14.16 million.

AHRC

On January 30, 2018, the AHRC signed a Lease Agreement with Dunes & Eagle Land Development Corporation for the lease of ten parcels of land located at Barangay Mactan, Lapu-Lapu City, Mactan Island, Cebu with an aggregate area of 3,220 sqm. The term of the lease shall be for a period of fifty (50) years commencing from the date of execution of the agreement. Rent payment should be as follows: (a) ₱70 million per annum for the first 5 years (b) 5% of Gross Revenues or ₱70 million per annum whichever is higher for the 6th year to the 30th year, and (c) 5.5%of Gross Revenues or ₱70 million per annum whichever is higher for the 31st year to the 50th year.

On July 26, 2012, ALI entered into a renewable contract of lease with Province of Negros Occidental for 40,481 square meters area of land with a monthly lease of ₱73.00 per square meter which shall be escalated every five years by ten percent (10%) of the current rate of rent. The term of the lease shall be for a period of fifty (50) years commencing from the date of delivery subject to renewal by mutual agreement of the parties under such terms and conditions as may be mutually acceptable. AHRC has assessed that the lease agreement is a non-cancellable lease. On December 23, 2014, ALI assigned its rights and obligations to Capitol Central Hotel Ventures, Inc. under the Contract of Lease Assignment over a portion on which Seda Capitol Central was constructed equivalent to an area of 3,714.80 square meters. The agreement on lease assignment transfers and conveys Capitol Central Hotel Ventures, Inc. to take over the lease of the assigned portion subject to the same terms and conditions contained in the contract of lease.

Bonifacio Hotel Ventures, Inc. entered into a non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which Seda BGC Tower 1 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or₱350 per square meter for the 1st year, ₱375 per square meter for the 2nd year and ₱400 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period. Bonifacio Hotel Ventures, Inc. entered into another non-cancellable and renewable contract of lease with Fort Bonifacio Development Corporation for the land on which the Seda BGC Tower 2 was constructed with initial term of twenty-five (25) years commencing from the date that the Hotel first commences business or start of commercial operation. The lease agreement provides for the payment of rent based on 3% of the Hotel's gross income for its 1st year of operation, 4% of the Hotel's gross income for its 2nd year of operation, and 5% of the Hotel's gross income for the succeeding years or ₱575 per square meter for the 1st year, ₱616.06 per square meter for the 2nd year and ₱657.15 per square meter for the 3rd year, whichever is higher, and starting on the 4th year of operations, rent shall be escalated at a rate of 3% per year until the end of the lease period.

ALLHC

On August 28, 1990, ALLHC, through a Deed of Assignment, acquired all the rights, titles, interests and obligations of Gotesco Investment, Inc. in a contract of lease of the land owned by PNR for the Tutuban Terminal. The contract provided for a payment of a guaranteed minimum annual rental plus a certain percentage of gross sales. The lease covers a period of 25 years until 2014 and is automatically renewable for another 25 years, subject to compliance with the terms and conditions of the lease agreement. ALLHC entered into an agreement with PNR for the renewal of its lease contract for another 25 years beginning September 5, 2014.

Station Square East Commercial Corporation (SSECC)

ALI has an existing contract with Bases Conversion and Development Authority (BCDA) to develop, under a lease agreement signed on July 2000, a mall with an estimated gross leasable area of 152,000 sqm on a 9.8-hectare lot inside Fort Bonifacio. Subsequently, ALI transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounts to ₱106.5 million while the variable rent ranges from 5% to 20% of gross revenues.

Capitol

On April 26, 2012 ALI signed a Lease Agreement with the Province of Negros Occidental for the lease of a parcel of land with an aggregate area of 40,481 sq. m. located along Gatuslao cor. North and South Capitol Roads, Bacolod City, registered in the name of the Province of Negros Occidental. ALI signed a 50-year lease contract with an option to renew as may be mutually agreed upon by the lessor and ALI. ALI assigned the parcels of land to Capitol in December 2017.

Arvo Commercial Corporation (Arvo)

On October 15, 2014, Arvo entered into a property lease agreement with Rotonda Development Corporation for the construction, development and operation of a commercial and mall center. The terms of the lease shall be 42 years, with an option to renew for another 40 years subject to mutual agreement of the parties. The lease agreement provided rent-free period of 2 years and lease payments shall commence thereafter. Lease payments shall be paid annually at ₱60.00 per sqm, subject to an annual escalation of 4%.

IMI Group
IMI Group has various operating lease agreement in respect of plant facilities, office spaces and land. These lease agreements have terms ranging from 5 to 15 years, fixed payment subject to escalation clauses, renewal option and early termination penalties.

Operating leases - as lessor

ALI Group
ALI Group have lease agreements with third parties covering their investment properties portfolio. These leases generally provide for either (a) fixed monthly rent, or (b) minimum rent or a certain percentage of gross revenue, whichever is higher.

Future minimum rentals receivable under noncancellable operating leases of ALI Group are as follows:

	2025	2024
	(In Thousands)	
Within one year	**₱19,406,247**	₱15,743,963
After one year but not more than five years	**43,596,568**	18,764,311
More than five years	**28,285,936**	42,335,735
	₱91,288,751	₱76,844,009

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Total rental income from the lease agreements amounted to ₱38,118.0 million, ₱35,862.6 million and ₱32,896.2 million in 2025, 2024 and 2023, respectively (see Note 21).

31. Related Party Transactions

Parties are considered to be 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 individuals or corporate entities.

All publicly-listed and certain member companies of the Group have Material Related Party Transactions Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

The Parent Company has an approval requirement such that material related party transactions (RPT) shall be reviewed by the Risk Management and Related Party Transactions Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the Committee approved threshold value of ₱50.0 million or five (5) percent of the total assets, whichever is lower. The Parent Company's Risk Management Unit, acting as the secretariat of the Committee, reviewed the RPTs before these were presented to the Committee for approval.

The Group, in its regular conduct of business, has entered into transactions with associates, joint ventures and other related parties principally consisting of deposits/placements, advances, loans and reimbursement of expenses, purchase and sale of real estate properties, various guarantees, construction contracts, and development, management, underwriting, marketing and administrative

service agreements. Sales and purchases of goods and services as well as other income and expense to and from related parties are made at normal commercial prices and terms.

The transactions and balances of accounts with related parties follow:

a. Transactions with BPI, an associate

1. As of December 31, 2025 and 2024, the Group maintains current and savings account, money market placements and other short-term investments with BPI broken down as follows (amounts in thousands):

	2025	2024
Cash in banks	**₱5,636,570**	₱6,986,671
Cash equivalents	**18,744,468**	16,972,959
Short-term investments	**142,379**	474,375
Financial assets at FVTPL	**1,417,953**	6,084,589

2. From the Group's placements and short-term investments with BPI, the Group has accrued interest receivable amounting to ₱32.7 million and ₱14.3 million as of December 31, 2025 and 2024, respectively. Cash in banks and cash equivalents earn interest at 0.25% to 6.25% per annum. Investment in FVTPL pertain to MMF which earns interest depending on the duration of time invested in the fund with fair value of ₱1,658.8 million and ₱6,084.6 million as of December 31, 2025 and 2024, respectively. Interest income earned from all the deposits, placements and investments amounted to ₱629.3 million in 2025, ₱717.0 million in 2024 and ₱706.76 million in 2023.

   The Group also has short-term and long-term debt payable to BPI aggregating to ₱69.60 billion and ₱66.89 billion as of December 31, 2025 and 2024, respectively. These short-term and long-term debts are interest bearing with varying rates ranging from 3.27% to 7.11%, have various maturities starting 2019 and varying schedules of payments for interest. Interest expense incurred from the debt amounted to ₱3,473.8 million in 2025, ₱2,686.9 million in 2024 and ₱2,164.2 million in 2023.

Transactions with BPI will be settled in cash.

b. Outstanding balances of related party transactions follow (amounts in thousands):

	Receivables		**Payables**	
	2025	2024	**2025**	2024
Associates:				
BPI	**₱1,005,030**	₱1,196,001	**₱1,620,383**	₱1,055,281
HCP	**444,610**	105,091	**12,916**	183,805
Rize-Ayalaland (Kingsway) GP Inc.	**341,586**	733,070	**–**	**–**
BF Jade E-Services Philippines, Inc.	**–**	90,059	**–**	5,932
Tianjin Eco-City Ayala Land Development Co. Ltd.	**24,320**	24,320	**–**	**–**
Alveo-Federal Land Communities, Inc.	**23,540**	**–**	**–**	**–**
Bonifacio Land Corp. (BLC)	**573**	573	**211,893**	212,696
Mercado General Hospital, Inc. (MGHI)	**–**	792	**–**	–
	1,839,659	2,149,906	**1,845,192**	1,457,714
Joint ventures:				
ALI-ETON Property Development Corporation	**3,476,528**	3,043,999	**4,542**	4,417
BrightNight	**3,019,322**	648,478	**–**	–
Unlimited Renewable Holding	**2,616,783**	485,247	**–**	–
AMI AC Renewables Corporation (AAR)	**1,984,552**	1,694,948	**–**	–
Yoma Group	**1,731,982**	1,634,863	**–**	–
Globe	**370,721**	308,005	**78,265**	207,810
Greencore Power Solutions 3, Inc	**116,618**	4,810,301	**–**	–
Maibara Geothermal, Inc.	**3,453**	–	**195,826**	105,251
	13,319,959	12,625,841	**278,633**	317,478

(Forward)

	Receivables		Payables	
	2025	2024	**2025**	2024
Other related parties:				
Vietnam Wind Energy Limited	**₱9,305,035**	₱8,455,330	**₱–**	₱–
Asian Wind 1 /Asian Wind Power 2 HK Ltd.	**3,547,420**	3,080,135	**–**	–
UPC Solar Asia Pacific Ltd.	**3,306,909**	2,738,482	**–**	–
BIM Renewable Energy Joint Stock Company (BIMRE)	**3,072,553**	2,099,233	**–**	–
UPC Power Solutions	**2,287,631**	1,378,101	**–**	–
NEFIN Solar Asset Limited	**1,552,442**	1,464,001	**–**	–
Yindjibarndi Energy Corporation	**1,245,250**	–	**–**	–
Amihan Renewables	**725,712**	–	**–**	–
BIM Wind Power Joint Stock Company (BIM Wind)	**608,661**	747,678	**–**	–
Impact Wind	**591,583**	–	**–**	–
Masaya Solar Energy Private Ltd	**119,932**	147,505	**–**	–
PT Entities	**55,800**	763,788	**–**	–
Columbus Holdings, Inc.	**42,922**	42,922	**–**	–
Ingrid Power Holdings	**40,724**	120,727	**–**	–
North Luzon Renewable Energy Corp.	**25,874**	–	**–**	–
Esta Galleria, Inc.	**21,312**	–	**99,320**	98,151
AA Thermal	**8,653**	–	**438,593**	–
Fort Bonifacio Development Corporation (FBDC)	**–**	661,527	**77,621**	42,634
Masaya Solar Hold Co. Ltd.	**–**	–	**1,950,053**	1,918,707
GNPower Dinginin Ltd. Co.	**–**	–	**–**	479,827
Others	**1,904,376**	1,964,719	**120,997**	229,668
	28,462,789	23,664,148	**2,686,584**	2,768,987
	₱43,622,407	₱38,439,895	**₱4,810,409**	₱4,544,179

Dividends	Receivables		Payables	
	2025	2024	**2025**	2024
Stockholder				
Mermac				
Cash	**₱–**	₱–	**₱1,365,961**	₱1,241,853

1. Receivable from BPI includes trade receivables on vehicles sold and financing dealer incentives by AC Industrials Group, dividends receivable and accrued interest receivables on short-term placements by the Group.
2. Receivable from HCP pertains to marketing and sales incentives arising from the sale of vehicles. Payable to HCP consist of purchased parts and accessories and vehicles that are trade in nature, interest-free, unsecured and are payable within 15 to 30 days.
3. Receivable from MGHI includes 5-year loan subject to interest of 4% (Note 35), billings related to Testing/Laboratory sites, and receivable for rent and utilities.
4. Receivable from BLC pertains to parcels and documents delivery by Entrego.
5. Receivable from ALI-ETON pertains to the sale of land by Alveo to ALI-ETON.
6. Receivable from BrightNight pertains to an interest-bearing shareholder loan agreement to fund renewable projects in India. The loan is payable on the date falling twenty (20) years after the date of Agreement or such other date as may be agreed between the Parties, with 12.00% interest per annum.
7. Receivable from URH pertains to facility agreement between ACEIC and URH to fund renewable energy projects in India.
8. Receivable from AAR and UPC III pertains to accrued interest income on dividend yields from investments in the redeemable preference shares.
9. Receivable from Globe includes trade receivables on vehicles sold and project management and professional fees.
10. Receivable from Asian Wind 1 pertains to an interest-bearing loan agreement to refinance the Preferred B Facility Agreement with ACEIC and to provide additional funding for the development, financing and construction of the Dai Phong Project. The interest-bearing loan has a total facility of US$61.00 million and bears an annual fixed rate and payable 12 months from the commissioning date.

11. Receivable from Asian Wind 2 pertain to a Preferred B Facility Agreement with Asian Wind Power 2 HK to make available a convertible term loan facility (convertible to RPS) in an aggregated amount not exceeding US$54.00 million (₱2,617.00 million) to finance the development and construction of Hong Phong 1 Project. The principal and interest are payable on earlier of 5 business days from the date of drawdown of Debt Replacement facility or 25th anniversary of drawdown date. The RPS shall earn coupon rate which is fixed, cumulative, and compounding annually and are not entitled to any additional dividends, is redeemable only by cash at the issuer's option on "first in first out".
12. Receivable from BIM Wind pertains to an interest-bearing loan agreement to fund the pre-development costs and turbine reservation fees for the project of BIM Wind in Vietnam. The interest-bearing loan has a total facility of US$45.00 million and bears an annual fixed interest and payable 5 months from the drawdown date. On May 19, 2021, the loan facility was amended to increase the principal amount and extend the maturity to 10 years.
13. Receivable from Vietnam Wind Energy pertains to an interest-bearing loan facility to provide bridge financing and to partially fund the construction of the Soc Trang Wind projects.
14. Receivable from BIMRE pertains to an interest-bearing loan agreement to partially fund the construction of the incremental project expansion. The interest-bearing loan has a total facility of US$40.00 million, bears an annual fixed interest and is payable 12 months from the drawdown date. First drawdown was made on June 9, 2020 and subsequently on January 4, 2021.
15. Receivable from Greencore pertains to interest bearing loan agreement to finance the development, construction, operation and maintenance of the power plant (Note 10). The loan is secured by (1) a real estate mortgage over Greencore's real assets in favor of ACEN, (2) a mortgage and pledge over the shareholding of the shareholders of Greencore in favor of ACEN, and (3) the cashflows of the project
16. Receivable from UPC Solar pertains to the loan agreement it has entered into with ACEIC Group to fund the development and construction of renewable energy assets in Asia. The loan and interest are payable on January 31, 2023.
17. Receivable from NEFIN Solar pertains to the interest-bearing loan facility to provide bridge financing. The interest-bearing loan has a total facility of US$35 million and bears an annual fixed rate payable from the second anniversary date of the first issuance. First issuance date is April 22, 2022.
18. Receivable from Amihan Renewables (AREC) pertain to facility agreement with ACEN to fund AREC's working capital requirements. The loan is interest bearing and has a maturity date of five years from initial drawdown.
19. Receivable from Yindjibarndi Energy Corporation (YEC) pertains to a loan facility to fund the working capital requirements of YEC.
20. Receivable from FBDC largely pertains to management fees which are included under "Other income" and billed and unbilled receivables of MDC Group for the construction of FBDC's projects.
21. Receivable from Ingrid Power Holdings pertains to the short-term loan agreement for Ingrid's working capital requirements. The interest-bearing loan bears an annual fixed rate and principal is payable 30 to 120 days from drawdown.
22. Receivable from Masaya Solar pertains to loan facility to fund the development of Masaya Solar in Madhya Pradesh, India. The loan is payable in 3 years from utilization date.
23. ACEIC Group's interest-bearing receivables with related parties bear interest ranging from 3.00% to 15% annually.

    ACEIC Group has RPS and convertible loans with related parties. Refer to Note 15 for the details of the transactions, balances, and terms and conditions.

24. Other outstanding balances of receivable from related parties at year-end pertain mostly to advances, including those for project development, logistics and reimbursement of operating expenses
25. All these are unsecured, interest free, will be settled in cash and are due and demandable, unless otherwise stated.

26. Payable to BPI includes interest payable on Group's borrowings payable at various payment terms like monthly or quarterly and insurance premiums payable which are due in 30-60 days.
27. The other outstanding balances of payable to related parties at year-end pertains to advances, including those for development costs and land acquisitions, and expenses incurred on utilities, professional services, logistics and other miscellaneous services. Unless otherwise stated, all these are unsecured, interest free, will be settled in cash and are due and demandable.
28. Allowance for doubtful accounts on amounts due from related parties amounted to ₱6.5 billion and ₱2.4 billion as of December 31, 2025 and 2024, respectively.

Other related parties pertain to entities which are either subsidiaries, associates or joint ventures of the Group's associates or joint ventures.

Dividends receivable from related parties pertain to accrued dividend declarations from associates and joint ventures. These are non-interest bearing and usually collectible within one year. This amounted to ₱1,227.7 million and ₱761.5 million as of December 31, 2025 and 2024, respectively (see Note 7).

c. Revenue and expenses from related parties follow:

	Revenue			Costs and Expenses		
	2025	2024	2023	**2025**	2024	2023
			(In Thousands)			
Associates:						
KPHLC	**₱–**	₱–	₱535,614	**₱–**	₱–	₱
BPI	**3,066,616**	2,002,308	1,969,928	**4,379,459**	3,637,653	2,850,969
MWC	**–**	1,456,498	928,922	**–**	383,518	882,341
BF Jade	**22,691**	79,893	247,218	**–**	6,882	15,742
HCPI	**5,477**	7,479	2,679	**5,579,415**	6,969,557	6,218,274
Joint ventures:						
Globe	**747,623**	695,939	654,357	**316,214**	334,151	344,704
AMI AC Renewables Corporation (formerly New Energy Investments Corp)	**1,138,178**	957,726	890,825	**–**	–	–
UPC Renewables Asia III Ltd	**–**	73,476	252,040	**–**	–	–
Greencore Power Solutions 3, Inc	**666,938**	698,588	495,884	**–**	–	–
UPC Power Solutions LLC	**190,344**	–	–	**–**	–	–
	5,837,867	5,971,907	5,977,467	**10,275,088**	11,331,761	10,312,030
Other related parties:						
Vietnam Wind Energy	**1,237,371**	919,973	993,732	**–**	–	–
Asian Wind Power 1 HK Limited	**282,718**	509,063	855,084	**–**	–	–
Asian Wind Power 2 HK Ltd.	**234,507**	–	29,526	**–**	–	–
BIM Wind	**337,999**	377,056	504,933	**–**	–	–
UPC AC Energy Solar Ltd.	**–**	458,452	722,197	**–**	–	–
BIM Renewable Energy Joint Stock Company	**238,578**	202,399	177,239	**–**	–	–
Others	**113,154**	885,483	534,123	**1,034,733**	73,265	34,495
	2,444,327	3,352,426	3,816,834	**1,034,733**	73,265	34,495
	₱8,282,194	₱9,324,333	₱9,794,301	**₱11,309,821**	₱11,405,026	₱10,346,525

Revenue recognized from related parties includes:

1. Leasing and project development and management services rendered by ALI Group.
2. Water and sewerage services rendered by MWC.
3. Automotive sales and repair services rendered by AC Industrials Group.
4. Energy sales provided by ACEIC Group.
5. Interest and miscellaneous income from cash deposits and money market placement as well as financing dealer incentive from BPI and other entities.
6. Interest income earned by ACEIC Group on interest-bearing receivables, RPS and convertible loans form related parties.
7. Others include various income such as interest and management fees.

Expenses recognized from related parties include:

1. Interest expense from short-term and long-term debt and credit card and other bank charges payable to BPI.
2. Purchases of communications software and billings for mobile phone charges and internet connections with Globe.
3. Building rental, leased lines, internet connections and ATM connections with Innove, subsidiary of Globe.
4. Purchases of vehicles and parts and accessories from HCP.
5. Others include miscellaneous operating expenses such as professional and management services.

d. The Group's compensation of key management personnel by benefit type follows:

	2025	2024	2023
		(In Thousands)	
Short-term employee benefits (Note 22)	**₱3,051,383**	₱2,564,401	₱1,493,307
Post-employment benefits (Note 27)	**119,624**	141,250	114,353
	₱3,171,007	₱2,705,651	₱1,607,660

Key management personnel of the Group include all officers with position of vice president and up.

e. Integrated Micro-Electronics Bulgaria EOOD (IMI BG) has agreed to provide continuing operational, investment and financial assistance to the facilities of C-Con GmbH (C-Con), a related party and an entity under common control of AC Industrials, for C-Con will duly and timely perform all required obligations under contracts to be entered into with a particular customer. In case of C-Con's failure to perform its contractual obligations under the contract including but not limited to failure to perform due to C-Con's insolvency (Breach), IMI BG will indemnify and hold harmless the customer from any and all costs, liabilities, damages, losses, and reasonable amount of actually-incurred out of pocket expenses (including court costs and legal expenses) of the customer occasioned by or arising from such Breach.

As consideration for extending said guarantee, IMI BG will be charging C-Con a guarantee fee equivalent to two (2%) of the revenue for the projects won using or relying upon IMI BG's guarantee. Additionally, IMI BG's guarantee to C-Con is backstopped by AC Industrials (Singapore) Pte. Ltd., another related party of IMI BG.

32. Financial Instruments

Financial Risk Management

General
Like any other risks, financial risks are inherent in the business activities and are typical of any large holding company. The financial risk management of the Parent Company seeks to effectively contribute to better decision making, enhance performance, and satisfy compliance demands.

The Parent Company defines financial risks as risk that relates to the Parent Company's ability to meet financial obligations and mitigate funding risk, credit risk and exposure to broad market risks, including volatility in foreign currency exchange rates and interest rates. Funding risk refers to the potential inability to meet contractual or contingent financial obligations as they arise and could potentially impact the Parent Company's financial condition or overall financial position. Credit risk is the risk of financial loss arising from a counterparty's failure to meet its contractual obligations or non-payment of an investment. These exposures may result in unexpected losses and volatilities in the Parent Company's profit and loss accounts.

The Parent Company maintains a strong focus on its funding strategy to help provide access to sufficient funding to meet its business needs and financial obligations throughout business cycles. The Parent Company's plans are established within the context of our annual strategic and financial planning processes. The Parent Company also take into account capital allocations and growth objectives, including dividend pay-out. As a holding company, the Parent Company generates cash primarily on dividend payments of its subsidiaries, associates and joint ventures and other sources of funding.

The Parent Company also establishes credit policies in setting limits for counterparties that are reviewed quarterly and monitoring of any changes in credit standing of counterparties.

The Parent Company has a formal foreign exchange and interest rate risk management policy. The Parent Company actively monitors foreign exchange exposure and interest rate changes. And in addition, the Parent Company ensures that all loan covenants and regulatory requirements are complied with.

The Ayala Group continues to monitor and manage its financial risk exposures in accordance with Board approved policies. The succeeding discussion focuses on Ayala Group's financial risk management.

Financial Risk Management Objectives and Policies
The Group's principal financial instruments comprise financial assets at amortized cost, FVTPL and FVOCI, bank loans, corporate notes and bonds. The financial debt instruments were issued primarily to raise financing for the Group's operations. The Group has various financial assets such as cash and cash equivalents, short-term investments, accounts and notes receivable and accounts payable and accrued expenses which arise directly from its operations.

The Group's main risks arising from the use of financial instruments are interest rate risk, foreign exchange risk, price risk, liquidity risk, and credit risk.

The Group also uses hedging instruments, the purpose of which is to manage the currency and interest rate risks arising from its financial instruments.

The Group's risk management policies relevant to financial risks are summarized below:

Interest rate risk
The Group's exposure to market risk for changes in interest rates relates primarily to the Parent Company's and its subsidiaries' obligations. The policy is to keep a certain level of the total obligations as fixed to minimize earnings volatility due to fluctuation in interest rates.

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates as of December 31, 2025 and 2024, with all variables held constant.

Cash flow interest rate risk

	Change in basis points	Effect on profit before tax	
		2025	2024
		(In Thousands)	
Parent Company -			
Floating rate	+100	**(₱234,638)**	(₱234,588)
Borrowings	-100	**234,638**	234,588
Subsidiaries -			
Floating rate			
Borrowings	+100	**(₱1,117,990)**	(₱805,604)
	-100	**1,117,990**	805,604

There is no other impact on the Group's equity other than those already affecting the net income.

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with the corresponding nominal amounts and carrying values are as follows (amounts in thousands):

December 31, 2025

	Interest terms (per annum)	Rate Fixing Period	Carrying Value	Nominal Amount < 1 year	1 to 5 years	> 5 years	Total
Group							
Cash and cash equivalents	Fixed at the date of investment	Various	₱66,901,817	₱66,901,817	₱–	₱–	₱66,901,817
Short-term investments	Fixed at the date of investment or revaluation cut-off	Various	403,532	403,532	–	–	403,532
Accounts and notes receivable	Fixed at the date of sale or transaction	Various	1,888,123	1,611,483	276,640	–	1,888,123
Receivables from related parties	Fixed at the date of transaction	Various	22,763,399	6,724,953	2,951,851	13,086,595	22,763,399
Financial assets at amortized cost	Fixed at the date of transaction	Various	20,209,242	–	–	20,209,242	20,209,242
			112,166,113	75,641,785	3,228,491	33,295,837	112,166,113
Parent Company							
Short-term debt							
Fixed							
Peso	Ranging from 5%	Various	9,700,000	9,700,000	–	–	9,700,000
Long-term debt					–	–	
USD	Fixed at 3.0%	2 years	5,857,663	5,879,000	–	–	5,879,000
Fixed							
Peso	Fixed at 7.00%	8 years	5,000	5,000	–	–	5,000
Peso	Fixed at 5.67%	5 years	5,563,756	–	5,871,538	–	5,871,538
Peso	Fixed at 6.20%	10 years	7,835,945	500,000	7,375,000	–	7,875,000
Peso	Fixed at 6.44%	10 years	3,728,743	200,000	3,550,000	–	3,750,000
Peso	Fixed at 6.70%	8 years	3,674,201	615,384	2,461,538	615,385	3,692,307
Peso	Fixed at 5.44%	6 years	2,485,346	384,615	1,538,462	576,923	2,500,000
Peso	Fixed at 7.00%	8 years	994,077	–	1,000,000	–	1,000,000
Peso	Fixed at 5.49%	5 years	3,436,136	441,439	2,648,635	–	3,090,074
Peso and USD	Fixed at 5.32%	7 years	2,921,899	–	2,015,314	863,706	2,879,020
Peso	Fixed at 3.7874%	5 years	5,986,407	6,000,000	–	–	6,000,000
Peso	Fixed at 5.6239%	5 years	7,465,481	–	7,500,000	–	7,500,000
Peso	Fixed at 6.1351%	7 years	2,481,942	–	2,500,000	–	2,500,000
Floating							
Peso	Variable at PHP BVAL rate plus margin or RRP	3 months	10,918,502	–	11,000,000	–	11,000,000
Peso	Variable at PHP BVAL rate plus margin or RRP plus margin	3 months	3,970,186	–	4,000,000	–	4,000,000
Peso	Variable at PHP BVAL rate plus margin or 28-day BSP TDF rate plus margin	3 months	2,396,600	2,400,000	–	–	2,400,000
Peso	Variable at 14-day TDF or BSP ODF and BSP Overnight RRP rate plus margin	3 months	1,160,001	95,000	1,068,750	–	1,163,750
Peso	Variable at PHP BVAL rate plus margin or RRP plus margin	3 months	3,183,127	400,000	2,800,000	–	3,200,000
Peso	Variable at PHP BVAL rate plus margin subject to a floor rate	3 months	1,692,668	200,000	1,500,000		1,700,000
Subsidiaries							
Short-term debt	Ranging from 4.6% to 10%	Monthly	62,205,783	36,065,271	–	–	36,065,271
	Ranging from 1.16% to 4.73%	Monthly, Quarterly	19,092,296	1,058,101	–	–	1,058,101
Long-term debt							
Fixed							
Peso and foreign currency	Fixed at 3.0445% to 6.37%	2, 4, 5, 7, 7.25, 9.5, 10, 20 years	496,648,232	27,696,906	264,025,585	164,220,348	455,942,839
Floating							
Peso	Variable	3 months	41,083,559	7,626,000	1,278,740	32,178,819	41,083,559
			₱704,487,550	₱99,266,716	₱322,133,562	₱198,455,181	₱619,855,459

December 31, 2024

	Interest terms (per annum)	Rate Fixing Period	Carrying Value	Nominal Amount < 1 year	1 to 5 years	> 5 years	Total
Group							
Cash and cash equivalents	Fixed at the date of investment	Various	₱75,501,736	₱75,501,736	₱–	₱–	₱75,501,736
Short-term investments	Fixed at the date of investment or revaluation cut-off	Various	723,567	723,567	–	–	723,567
Accounts and notes receivable	Fixed at the date of sale or transaction	Various	1,474,029	1,205,599	268,430	–	1,474,029
Receivables from related parties	Fixed at the date of transaction	Various	39,008,679	7,461,429	5,042,434	9,227,147	21,731,010
Financial assets at amortized cost	Fixed at the date of transaction	Various	17,918,405	–	–	17,918,405	17,918,405
			134,626,416	84,892,331	5,310,864	27,145,552	117,348,747
Parent Company							
Short-term debt							
Fixed							
Peso	Ranging from 5.3%to 5.8%	Various	28,500,000	28,500,000	–	–	28,500,000
Long-term debt							
USD	Fixed at 3.0%	2 years	5,747,728	–	5,784,500	–	5,784,500
Fixed							
Peso	Fixed at 7.00%	8 years	9,222,035	880,000	8,360,000	–	9,240,000
Peso	Fixed at 7.13%	10 years	8,329,435	500,000	2,000,000	5,875,000	8,375,000
Peso	Fixed at 6.44%	10 years	3,924,428	200,000	800,000	2,950,000	3,950,000
Peso	Fixed at 6.69%	8 years	3,976,427	308,000	2,462,000	1,230,000	4,000,000
Peso	Fixed at 7.00%	8 years	993,347	–	–	1,000,000	1,000,000
Peso	Fixed at 5.49%	5 years	2,996,283	–	–	3,090,075	3,090,075
Peso	Fixed at 4.82%	8 years	9,989,860	10,000,000	–	–	10,000,000
Peso	Fixed at 4.4542%	3 years	4,988,606	5,000,000	–	–	5,000,000
Peso	Fixed at 3.7874%	5 years	5,972,815	–	6,000,000	–	6,000,000
Peso	Fixed at 5.6239%	5 years	7,450,002	–	7,500,000	–	7,500,000
Peso	Fixed at 6.1351%	7 years	2,478,241	–	2,500,000	–	2,500,000
Floating							
Peso	Variable at PHP BVAL rate plus margin or 28-day BSP TDF rate plus margin	3 months	9,680,205	7,300,000	2,400,000	–	9,700,000
Peso	Variable at 14-day TDF or BSP ODF and BSP Overnight RRP rate plus margin	3 months	1,253,752	95,000	1,163,750	–	1,258,750
Peso	Variable at PHP BVAL rate plus margin or RRP plus margin	3 months	7,562,497	400,000	7,200,000	–	7,600,000
Peso	Variable at PHP BVAL rate plus margin subject to a floor rate	3 months	4,874,662	200,000	4,700,000	–	4,900,000
Subsidiaries							
Short-term debt	Ranging from 2.40% to 6.50%	Monthly	35,925,377	36,065,271	–	–	36,065,271
	Ranging from 1.16% to 4.73%	Monthly	11,130,907	1,180,761	–	–	1,180,761
Long-term debt							
Fixed							
Peso and foreign currency	Fixed at 3.0445% to 6.37%	2, 4, 5, 7, 7.25, 9.5, 10, 20 years	474,549,523	34,670,668	20,863,858	422,837,964	478,372,490
Floating							
Peso	Variable	3 months	27,213,000	1,321,350	9,224,355	15,414,272	25,959,977
			₱666,759,130	₱126,621,050	₱ 80,958,463	₱452,397,311	₱659,976,824

Foreign exchange risk
The Group's foreign exchange risk results primarily from movements of the PHP against other currencies. The Group's consolidated statements of income can be affected significantly by movements in the USD and other currencies versus the PHP. In 2025 and 2024, the Group entered into currency forward contracts and cross-currency contracts to hedge its risks associated with foreign currency fluctuations.

IMI Group
The IMI Group's foreign exchange risk results primarily from movements of the functional currency of each legal entity against other currencies. As a result of significant transactions denominated in RMB, PHP and EUR the consolidated statements of income can be affected significantly by movements in the USD versus these currencies. In 2025 and 2024, IMI entered into currency forward contracts to hedge its risks associated with foreign currency fluctuations.

IMI Group also has transactional currency exposures. Such exposure arises from sales or purchases denominated in other than IMI's functional currency. Approximately 50% and 52% of IMI Group's sales for the years ended December 31, 2025 and 2024, respectively, and 58% of costs for the years ended December 31, 2025 and 2024, are denominated in currencies other than IMI's functional currency.

IMI Group manages its foreign exchange exposure risk by matching, as far as possible, receipts and payments in each individual currency. Foreign currency is converted into the relevant domestic currency as and when the management deems necessary. The unhedged exposure is reviewed and monitored closely on an ongoing basis and management will consider hedging any material exposure where appropriate.

ACEIC Group
The ACEIC Group's foreign exchange risk is limited to certain foreign currency denominated cash and cash equivalents, receivables and payables, resulting primarily from the movements of the Philippines Peso against the US dollar. For ACEIC Group's subsidiaries with functional currency in US$, financial assets and liabilities are translated into Philippine peso, the presentation currency of the Group, using closing exchange rate prevailing at the reporting date, and respective income and expenses at the average rate for the period. These include the assets and liabilities of ACRI and its subsidiaries composed of dollar denominated cash and cash equivalents, receivables from related parties , accrued interest receivable, financial assets at amortized cost, investments in financial assets at FVOCI, investments in associates and joint ventures, accounts and other payables, and short-term and long-term debt with US$ functional currency, are translated into the presentation currency of the Group using the closing foreign exchange rate prevailing at the reporting date, and the respective income and expenses at the average rate for the period. Assets and liabilities of ACEFIL, ACEIC Cayman, ACETI and subsidiaries, ACEC, ACEN Finance and ACE HKL which are in US$ functional currency were likewise translated to the Group's presentation currency. The exchange difference arising on the translation are recognized in OCI under "Cumulative Translation Adjustments".

Information on the Ayala Group's significant foreign currency-denominated monetary assets and liabilities and their Php equivalent follows:

	December 31, 2025		December 31, 2024	
	US$	**Php Equivalent***	US$	Php Equivalent*
	(In Thousands)			
Assets				
Cash and cash equivalents	**US$305,932**	**₱18,015,176**	US$402,313	₱23,284,960
Accounts and notes receivables	**389,611**	**22,942,717**	298,173	17,279,695
Other financial assets	**3,682**	**216,844**	8,943	509,644
Other noncurrent assets	**–**	**–**	–	–
Total assets	**699,225**	**41,174,737**	709,429	41,074,299

(Forward)

	December 31, 2025		December 31, 2024	
	US$	**Php Equivalent***	US$	Php Equivalent*
		(In Thousands)		
Liabilities				
Accounts payable and accrued expenses	**US$1,467**	**₱86,431**	US$19,411	₱1,110,772
Other current liabilities	**15**	**860**	16	842
Short-term debt	**52,063**	**3,065,760**	–	–
Long-term debt	**166,490**	**9,803,935**	332,493	19,272,243
Other noncurrent liabilities	**17**	**1,042**	199	10,106
Total liabilities	**220,052**	**12,958,028**	352,119	20,393,963
Net foreign currency denominated assets (liabilities)	**US$479,171**	**₱28,216,709**	US$357,310	₱20,680,336

**Translated using the exchange rate at the reporting date (US$1:₱58.79 on December 31, 2025 and US$1:₱57.85 on December 31, 2024).*

	December 31, 2025		December 31, 2024	
	JPY	**Php Equivalent***	JPY	Php Equivalent*
		(In Thousands)		
Assets				
Cash and cash equivalents	**JPY600**	**₱225**	JPY427,554	₱156,641
Accounts and notes receivable	**199**	**75**	430,641	157,772
Other noncurrent assets	**–**	**–**	–	–
Total assets	**799**	**300**	858,195	314,413
Liabilities				
Accounts payable and accrued expenses	**265,408**	**99,974**	991,990	363,430
Other current liabilities	**–**	**–**	50,122	18,363
Short-term debt	**–**	**–**	101,543	37,202
Long-term debt	**14,936,500**	**5,602,382**	295,299	108,187
Other noncurrent liabilities	**–**	**–**	114,529	41,959
Total liabilities	**15,201,908**	**5,702,356**	1,553,483	569,141
Net foreign currency denominated liabilities	**(JPY15,201,109)**	**(₱5,702,056)**	(JPY695,288)	(₱254,728)

**Translated using the exchange rate at the reporting date (JPY1:₱0.3751 on December 31, 2025 and JPY1:₱0.3664 on December 31, 2024).*

	December 31, 2025		December 31, 2024	
	RMB	**Php Equivalent***	RMB	Php Equivalent*
		(In Thousands)		
Assets				
Cash and cash equivalents	**RMB164,217**	**₱1,373,540**	RMB159,603	₱1,284,328
Accounts and notes receivables	**102,391**	**856,415**	189,341	1,523,625
Total assets	**266,608**	**2,229,955**	348,944	2,807,953
Liabilities				
Accounts payable and accrued expenses	**154,160**	**1,288,034**	205,020	1,649,634
Other current liabilities	**8,192**	**68,521**	14,622	117,664
Short-term debt	**1,000**	**8,364**	1,000	8,047
Other noncurrent liabilities	**–**	**–**	116,288	935,767
Total liabilities	**163,352**	**1,364,919**	336,930	2,711,112
Net foreign currency denominated assets	**RMB103,256**	**₱865,036**	RMB12,014	₱96,841

**Translated using the exchange rate at the reporting date (RMB1: ₱8.378 on December 31, 2025 and RMB1: ₱8.060 on December 31, 2024).*

	December 31, 2025		December 31, 2024	
	EUR	**Php Equivalent***	EUR	Php Equivalent
		(In Thousands)		
Assets				
Cash and cash equivalents	**EUR 18,186**	**₱1,258,791**	EUR 24,995	₱1,505,998
Accounts and notes receivable	**82,527**	**5,704,758**	89,988	5,423,028
Other noncurrent assets	**–**	**–**	1,080	65,042
Total assets	**100,713**	**6,963,549**	116,063	6,994,068
Liabilities				
Accounts payable and accrued expenses	**34,160**	**2,364,501**	33,286	2,005,525
Other current liabilities	**787**	**51,644**	1,451	87,714
Short term debt	**–**	**–**	957	57,675
Long-term debt	**(50,000)**	**(2,959,488)**	52,063	3,143,672
Other noncurrent liabilities	**–**	**–**	2,798	168,609
Total liabilities	**(15,053)**	**(543,343)**	90,555	5,463,195
Net foreign currency denominated assets	**EUR 115,766**	**₱7,506,892**	EUR 25,508	₱1,530,873

**Translated using the exchange rate at the reporting date (EUR1: ₱64.8455 on December 31, 2025, and EUR1: ₱60.0188 on December 31, 2024).*

	December 31, 2024 (nil as of December 31, 2025)	
	VND	Php Equivalent
	(In Thousands)	
Liabilities		
Accounts payable & accrued expenses		
Other current liabilities	VND 6,290,944	₱14,276
Other noncurrent liabilities		
Total liabilities	6,290,944	14,276
Net foreign currency denominated assets	(VND6,290,944)	(₱14,276)

**Translated using the exchange rate at the reporting date (VND1: ₱0.0023 on December 31, 2024).*

	December 31, 2025		December 31, 2024	
	MYR	**Php Equivalent***	MYR	Php Equivalent
		(In Thousands)		
Assets				
Cash and cash equivalents	**MYR 325,945**	**₱4,721,792**	MYR 202,522	₱2,619,832
Accounts and notes receivable	**427,407**	**6,191,608**	524,008	6,778,588
Other current assets	**89,373**	**1,294,692**	44,292	572,963
Investment in bonds & other securities	**–**	**–**	1,952	25,249
Other noncurrent assets	**2,005**	**29,049**	4,089	52,900
Total assets	**844,730**	**12,237,141**	776,863	10,049,532
Liabilities				
Accounts payable and accrued expenses	**485,746**	**7,036,744**	555,975	7,192,117
Long-term debt	**261,175**	**3,783,495**	3,090	39,972
Other noncurrent liabilities	**492**	**7,123**	–	–
Total liabilities	**747,413**	**10,827,362**	559,065	7,232,089
Net foreign currency denominated assets	**MYR 97,317**	**₱1,409,779**	MYR 217,798	₱2,817,443

**Translated using the exchange rate at the reporting date (MYR1: ₱14.486 on December 31, 2025 and MYR1: ₱12.936 on December 31, 2024).*

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rate, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (amounts in thousands).

Currency	Increase (decrease) in Peso per foreign currency	Increase (decrease) in profit before tax	
		2025	2024
US$	₱1.00	**₱244,963**	₱90,416
	(1.00)	**(244,963)**	(90,416)
JPY	1.00	**(15,256,043)**	(695,288)
	(1.00)	**15,256,043**	695,288
RMB	1.00	**103,256**	12,015
	(1.00)	**(103,256)**	(12,015)
EUR	1.00	**15,677**	25,507
	(1.00)	**(15,677)**	(25,507)
VND	1.00	**–**	(6,290,944)
	(1.00)	**–**	6,290,944
MYR	1.00	**97,317**	**–**
	(1.00)	**(97,317)**	**–**

There is no other impact on the Group's equity other than those already affecting net income.

Equity price risk
Financial assets at FVTPL and FVOCI are acquired at certain prices in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers, or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, the country's economic performance, political stability, and domestic inflation rates, these prices change, reflecting how market participants view the developments. The Group's investment policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each sector and market.

The Group has not presented the sensitivity of change in market index to reasonably possible change due to the insignificance of impact of effect on equity.

Liquidity risk
Liquidity risk is defined by the Group as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Group that make it difficult to raise the necessary funds or that forces the Group to raise funds at significantly higher interest rates than usual.

This is also the possibility of experiencing losses due to the inability to sell or convert marketable securities into cash immediately or in instances where conversion to cash is possible but at loss due to wider than normal bid-offer spreads.

The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues, both on-shore and off-shore.

ALI Group

ALI Group employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. ALI Group has come up with a three-layered approach to liquidity through the prudent management of sufficient cash and cash equivalents, the potential sale of accounts receivables and the maintenance of short-term revolving credit facilities.

Cash and cash equivalents are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise. Management develops viable funding alternatives through a continuous program for the sale of its receivables and ensures the availability of ample unused short-term revolving credit facilities from both local and foreign banks as back-up liquidity.

IMI Group

IMI Group's exposure to liquidity risk relates primarily to its short-term and long-term obligations. IMI Group seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. IMI Group maintains a level of cash and cash equivalents deemed sufficient to finance its operations. As part of its liquidity risk management, IMI Group regularly evaluates its projected and actual cash flows. To cover financing requirements, IMI Group intends to use internally-generated funds and loan facilities with local and foreign banks. Surplus funds are placed with reputable banks.

The table summarizes the maturity profile of the Group's financial liabilities as of December 31, 2025 and 2024, based on contractual undiscounted payments.

	December 31, 2025				
	< 1 year	1 to < 2 years	2 to < 3 years	> 3 years	Total
			(In Thousands)		
Accounts payable and accrued expenses					
Accounts payable	₱163,649,811	₱–	₱–	₱–	₱163,649,811
Accrued expenses	24,537,361	–	–	–	24,537,361
Retentions payable	7,516,049	4,373,054	–	–	11,889,103
Related parties	4,810,410	–	–	–	4,810,410
Project costs	5,622,164	–	–	–	5,622,164
Dividends payable	3,241,865	–	–	–	3,241,865
Long-term debt	46,785,898	321,445,558	37,673,996	220,249,171	626,154,623
Short-term debt	81,298,079	–	–	–	81,298,079
Deposits and deferred credits	16,471,825	–	–	31,356,947	47,828,772
Lease liabilities	3,517,430	4,692,853	1,981,329	23,283,695	33,475,307
Liability for purchased land	7,836,717	–	–	7,086,422	14,923,139
Interest payable*	50,768,023	35,862,626	32,318,678	39,347,374	158,296,701
Nontrade payable	1,762,504	–	–	–	1,762,504
Subscription payable	–	2,406,281	–	–	2,406,281
Contractors payable	–	–	–	2,189,629	2,189,629
Asset retirement obligation	–	–	–	2,554,980	2,554,980
Other liabilities	992,704	1,762,942	–	–	2,755,646
	₱418,810,840	₱370,543,314	₱71,974,003	₱326,068,218	₱1,187,396,375

includes future interest payments

	December 31, 2024				
	< 1 year	1 to < 2 years	2 to < 3 years	> 3 years	Total
			(In Thousands)		
Accounts payable and accrued expenses					
Accounts payable	₱150,013,024	₱–	₱–	₱–	₱150,013,024
Accrued expenses	19,844,771	–	–	–	19,844,771
Retentions payable	5,120,029	5,815,225	–	–	10,935,254
Related parties	4,544,179	–	–	–	4,544,179
Project costs	2,914,953	–	–	–	2,914,953
Dividends payable	2,805,520	–	–	–	2,805,520
Long-term debt	61,186,800	291,090,290	58,341,272	183,612,430	594,230,792
Short-term debt	75,556,284	–	–	–	75,556,284
Deposits and deferred credits	21,831,822	–	–	33,755,683	55,587,505
Lease liabilities	4,916,152	4,692,853	4,541,970	21,220,601	35,371,576
Liability for purchased land	4,963,944	–	–	5,044,725	10,008,669
Interest payable*	17,542,568	32,220,597	26,761,234	35,549,650	112,074,049
Nontrade payable	1,414,404	–	–	–	1,414,404
Subscription payable	–	507,550	–	–	507,550
Contractors payable	–	–	–	5,637,478	5,637,478
Asset retirement obligation	–	–	–	1,110,866	1,110,866
Other liabilities	482,364	1,519,818	–	–	2,002,182
	₱373,136,814	₱335,846,333	₱89,644,476	₱285,931,433	₱1,084,559,056

**includes future interest payments*

Cash and cash equivalents, short–term investments and financial assets at FVTPL are used for the Group's liquidity requirements. Please refer to the terms and maturity profile of these financial assets under the maturity profile of the interest-bearing financial assets and liabilities disclosed in the interest rate risk section.

Credit risk

Credit risk is the risk that the Group's counterparties to its financial assets will fail to discharge their contractual obligations. The Group's holding of cash and cash equivalents and short-term investments and receivables from customers and other third parties exposes the Group to credit risk of the counterparty. Credit risk management involves dealing with institutions for which credit limits have been established. The Treasury and Financial Policies of the individual subsidiaries set credit limits for their counterparty. The Group trades only with recognized, creditworthy third parties and has a well-defined credit policy and established credit procedures.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

Given the Group's diverse base of counterparties, the Group is not exposed to large concentrations of credit risk.

The maximum exposure to credit risk for the components of the consolidated statement of financial position is equal to the carrying values.

Part of the policies is the performance of impairment analysis for the credit accounts (see Note 3).

ALI Group
ALI Group's credit risks are primarily attributable to installments receivable, rental receivables and other financial assets. To manage credit risks, ALI Group maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

In respect of installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. ALI Group also undertakes supplemental credit review procedures for certain installment payment structures. ALI Group's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of buyers.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with ALI Group security deposits and advance rentals which helps reduce ALI Group's credit risk exposure in case of defaults by the tenants. For existing tenants, ALI Group has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, short-term investments, financial assets at FVTPL and financial assets at FVOCI. ALI Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, ALI Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

ALI Group's maximum exposure to credit risk as of December 31, 2025 and 2024 is equal to the carrying values of its financial assets.

Given ALI Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rate is based on days past due of all customers as they have similar loss patterns. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The security deposits and advance rental are considered in the calculation of impairment as recoveries. As of December 31, 2025 and 2024, the exposure at default amounts to ₱24,098.7 million and ₱37,066.7 million, respectively. The average expected credit loss rate is 1.51% and 1.58% (over total receivables) that resulted in the ECL of ₱3,449.9 million and ₱3,014.5 million as of December 31, 2025 and December 31, 2024, respectively.

IMI Group
The credit evaluation reflects the customer's overall credit strength based on key financial and credit characteristics such as financial stability, operations, focus market and trade references. All customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that IMI Group's exposure to bad debts is not significant.

The Ayala Group's aging analysis of accounts and notes receivable that are past due follows:

December 31, 2025		**Trade Receivable**						
		Days Past Due						
	Current	**<30 days**	**31-60 days**	**61-90 days**	**91-120 days**	**>120 days**	**Total**	**Total**
				(In Thousands)				
Expected credit loss rate	**0.52%**	**0.02%**	**0.06%**	**0.22%**	**0.13%**	**19.78%**	**9.16%**	**2.31%**
Trade:								
Real estate and Hotels	**₱158,881,883**	**₱10,327,208**	**₱2,594,679**	**₱2,089,196**	**₱1,403,530**	**₱15,653,076**	**₱32,067,689**	**₱190,949,572**
Industrial Technologies	**10,711,175**	**1,125,624**	**338,259**	**104,814**	**161,905**	**481,404**	**2,212,006**	**12,923,181**
Automotive	**455,562**	**740,817**	**382,361**	**234,148**	**272,057**	**284,050**	**1,913,433**	**2,368,995**
Power	**4,292,874**	**544,734**	**393,554**	**109,226**	**104,579**	**1,245,198**	**2,397,291**	**6,690,165**
Logistics	**129,678**	**431,794**	**207,111**	**98,164**	**183,964**	**2,096,895**	**3,017,928**	**3,147,606**
Outsourcing	**205,545**	**87,189**	**42,572**	**9,283**	**107,601**	**–**	**246,645**	**452,190**
International and others	**599,043**	**771,174**	**444,521**	**591,322**	**451,185**	**1,275,766**	**3,533,968**	**4,133,011**
Receivable from related parties	**399,610**	**165,144**	**114,755**	**87,948**	**48,126**	**151,945**	**567,918**	**967,528**
Total	**175,675,370**	**14,193,684**	**4,517,812**	**3,324,101**	**2,732,947**	**21,188,334**	**45,956,878**	**221,632,248**
Expected credit loss	**918,570**	**2,467**	**2,739**	**7,228**	**3,598**	**4,191,933**	**4,207,965**	**5,126,535**

December 31, 2024		Trade Receivable						
		Days Past Due						
	Current	<30 days	31-60 days	61-90 days	91-120 days	>120 days	Total	Total
				(In Thousands)				
Expected credit loss rate	0.26%	0.05%	0.15%	0.46%	0.03%	11.05%		
Trade:								
Real estate and Hotels	₱120,281,608	₱6,034,339	₱3,409,509	₱1,398,621	₱19,271,717	₱13,578,426	₱43,692,612	₱163,974,220
Industrial Technologies	10,710,293	1,627,989	361,681	234,232	118,422	410,796	2,753,120	13,463,413
Automotive	1,272,282	915,943	311,599	200,065	78,783	285,013	1,791,403	3,063,685
Power	4,407,537	997,633	296,056	359,922	67,396	1,245,626	2,966,633	7,374,170
Logistics	81,544	254,663	290,481	284,981	124,604	2,420,823	3,375,552	3,457,096
Outsourcing	299,013	136,693	34,590	6,887	103,204	285,013	566,387	865,400
International and others	823,516	542,876	147,803	166,099	357,402	628,019	1,842,199	2,665,715
Receivable from related parties	126,112	175,048	122,320	60,052	63,222	224,233	644,875	770,987
Total	138,001,905	10,685,184	4,974,039	2,710,859	20,184,750	19,077,949	57,632,781	195,634,686
Expected credit loss	446,356	2,357	2,387	5,870	2,233	2,220,407	2,233,254	2,679,610

For other financial assets such as non-trade receivables from related parties, receivables from officers and employees, and advances to other companies and financial assets at amortized cost (debt instruments), ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

As of December 31, 2025 and 2024, allowance for expected credit loss on non-trade receivables amounted to ₱12.7 billion and ₱6.3 billion, respectively.

The Group has the following credit quality classification:

- High Grade or Class A are financial assets with minimal risks, this includes cash and cash equivalents, short term investments and receivables from customers exhibiting excellent paying habits and no defaults in the monthly payments.

- Medium Grade or Class B are financial assets with average risks, this includes receivables from customers with good paying habits, or up to 3 defaults in the monthly payments.

- Low Grade or Class C are financial assets with fairly high to high risk, this includes receivable from customers with unsecured or more than 3 defaults in the monthly payments.

33. Fair Value Measurement and Derivative Instruments

Fair Value of Financial and Nonfinancial Instruments

The carrying amounts approximate fair values for the Group's financial assets and liabilities due to its short-term maturities except for the following financial instruments as of December 31, 2025 and 2024 (amounts in thousands):

	2025		2024	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
FINANCIAL ASSETS AT FVTPL				
Financial assets at FVTPL - current	**₱5,730,517**	**₱5,730,517**	₱11,313,625	₱11,313,625
Convertible loans - noncurrent	**3,383,001**	**3,383,001**	3,111,352	3,111,352
Derivative assets				
Freestanding	**6,160,673**	**6,160,673**	4,889,291	4,889,291
Total financial assets at FVTPL	**15,274,191**	**15,274,191**	19,314,268	19,314,268
AT AMORTIZED COST				
Accounts and notes receivables	**362,752,992**	**357,932,735**	215,920,691	214,041,340
Financial assets at amortized cost	**20,209,242**	**16,712,718**	17,918,405	14,421,881
Total financial assets at amortized cost	**382,962,234**	**374,645,453**	233,839,096	228,463,221
FINANCIAL ASSETS AT FVOCI				
Quoted equity investments	**7,430,035**	**7,430,035**	7,804,486	7,804,486
Unquoted equity investments	**4,283,786**	**4,283,786**	4,124,208	4,124,208
Total financial assets at FVOCI	**11,713,821**	**11,713,821**	11,928,694	11,928,694
OTHER FINANCIAL ASSETS				
Deposits	**12,047,255**	**12,047,255**	8,118,014	8,118,014
Total other financial assets	**12,047,255**	**12,047,255**	8,118,014	8,118,014
Total financial assets	**₱421,997,501**	**₱413,680,720**	₱273,200,072	₱267,824,197
FINANCIAL LIABILITIES AT FVTPL				
Derivative liabilities	**₱767,102**	**₱767,102**	₱257,918	₱257,918
	₱767,102	**₱767,102**	₱257,918	₱257,918
OTHER FINANCIAL LIABILITIES				
Long-term debt	**623,189,471**	**578,886,191**	₱591,202,846	₱550,837,604
Deposits and other noncurrent liabilities	**49,105,674**	**47,067,178**	54,621,935	55,001,502
Total other financial liabilities	**672,295,145**	**625,953,369**	645,824,781	605,839,106
Total financial liabilities	**₱673,062,247**	**₱626,720,471**	₱646,082,699	₱606,097,024

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Financial assets at FVTPL – Fair values of investment securities are based on quoted prices as of the reporting date. For other investment securities such as FVTPL with no reliable measure of fair value, these are carried at its last transaction price. For convertible loan, the fair values of the investments are determined using the applicable discount rate for similar type of instruments.

The fair value of the investment in UITF is based on net asset values as of reporting dates.

The fair value of the investment in ARCH Capital Fund is determined using the discounted cash flow (DCF) method. Under the DCF method in fund fair valuation, it is estimated using assumptions regarding the benefits and liabilities of ownership over the underlying asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream, associated with the underlying asset. The exit yield is normally separately determined and differs from the discount rate. Significant inputs considered were rental, growth and discount rates. The higher the rental and growth rates, the higher the fair value. The higher the discount rates, the lower the fair value.

Derivative instrument – The fair value of the freestanding currency forwards is based on counterparty valuation.

Noncurrent trade and nontrade receivables – The fair values are based on the discounted value of future cash flows using the applicable rates for similar types of instruments. The discount rates used ranged from 5.70% to 6.66% and 6.09% to 6.61% as of December 31, 2025 and 2024.

Financial assets at amortized cost includes investments in RPS and convertible loans. For investment in RPS and convertible loan, the fair values of the investments are determined using the applicable discount rate for similar type of instruments.

Financial assets at FVOCI investment in bonds - fair value of the bonds is based on binomial lattice approach.

Financial assets at FVOCI quoted equity securities – fair values are based on quoted prices published in markets.

Financial assets at FVOCI unquoted equity securities – fair values are based on the latest selling price available.

Deposits include security deposits from tenants of retail and office spaces and deferred credits arising from sale of real estate properties.

Derivative liability the fair value of the derivative liability is determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for risks existing at the end of each reporting period.

Other financial liabilities - noncurrent - The fair values are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used ranged 2.83% to 8.14% and 3.02% to 8.52% as of December 31, 2025 and 2024 respectively. This also include the contingent consideration related to the acquisition of STI determined based on the specific circumstances of the acquiree and is derived from its weighted average cost of capital. The discount rate is based on the specific circumstances of the acquiree and is derived from its weighted average cost of capital. The contingent liability was fully reversed in 2019.

For variable rate loans that reprice every three months, the carrying value approximates the fair value because of recent and regular repricing based on current market rates.

The following table shows the fair value hierarchy of the Group's assets and liabilities as of December 31, 2025 and 2024 (amounts in thousands):

	2025			
	Quoted Prices in Active Markets (Level 1)	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Recurring financial assets measured at fair value				
Financial assets at FVTPL - current	**₱–**	**₱336,669**	**₱5,393,848**	**₱5,730,517**
Convertible loans - noncurrent	**–**	**–**	**3,383,001**	**3,383,001**
Derivative assets				
Freestanding	**–**	**6,160,673**	**–**	**6,160,673**
Financial assets at FVTPL	**₱–**	**₱6,497,342**	**₱8,776,849**	**₱15,274,191**
Quoted equity investments	**₱609,612**	**₱6,820,423**	**₱–**	**₱7,430,035**
Unquoted equity investments	**–**	**–**	**4,283,786**	**4,283,786**
Financial assets at FVOCI	**₱609,612**	**₱6,820,423**	**₱4,283,786**	**₱11,713,821**

(Forward)

	2025			
	Quoted Prices in Active Markets (Level 1)	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Recurring financial assets for which fair values are disclosed				
Noncurrent trade and nontrade receivables	**₱–**	**₱–**	**₱357,932,735**	**₱357,932,735**
Financial assets at amortized cost	**–**	**–**	**16,712,718**	**16,712,718**
Deposits	**–**	**–**	**12,047,255**	**12,047,255**
Financial assets at amortized cost	**₱–**	**₱–**	**₱386,692,708**	**₱386,692,708**
Recurring financial liabilities measured at fair value				
Derivative liabilities	**₱–**	**₱767,102**	**₱–**	**₱767,102**
Financial liabilities at FVTPL	**₱–**	**₱767,102**	**₱–**	**₱767,102**
Recurring financial liabilities for which fair values are disclosed				
Long–term debt	**₱–**	**₱–**	**₱578,886,191**	**₱578,886,191**
Deposits and other noncurrent liabilities	**–**	**–**	**47,067,178**	**47,067,178**
Other financial liabilities	**₱–**	**₱–**	**₱625,953,369**	**₱625,953,369**
Nonfinancial assets for which fair values are disclosed				
Investment properties	**₱–**	**₱–**	**₱834,682,236**	**₱834,682,236**
Investments in associates and joint ventures*	**433,712,284**	**–**	**–**	**433,712,284**
Nonfinancial assets	**₱433,712,284**	**₱–**	**₱834,682,236**	**₱1,268,394,520**

	2024			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Recurring financial assets measured at fair value				
Financial assets at FVTPL - current	₱–	₱471,010	₱10,842,615	₱11,313,625
Convertible loans - noncurrent	–	–	3,111,352	3,111,352
Derivative assets				
Freestanding	–	4,889,291	–	4,889,291
Financial assets at FVTPL	₱–	₱5,360,301	₱13,953,967	₱19,314,268
Quoted equity investments	₱568,690	₱7,235,796	₱–	₱7,804,486
Unquoted equity investments	–	–	4,124,208	4,124,208
Financial assets at FVOCI	₱568,690	₱7,235,796	₱4,124,208	₱11,928,694
Recurring financial assets for which fair values are disclosed				
Noncurrent trade and nontrade receivables	₱–	₱–	₱214,041,340	₱214,041,340
Financial assets at amortized cost	–	–	14,421,881	14,421,881
Deposits	–	–	8,118,014	8,118,014
Financial assets at amortized cost	₱–	₱–	₱236,581,235	₱236,581,235
Recurring financial liabilities measured at fair value				
Derivative liabilities	₱–	₱257,918	₱–	₱257,918
Financial liabilities at FVTPL	₱–	₱257,918	₱–	₱257,918
Recurring financial liabilities for which fair values are disclosed				
Long–term debt	₱–	₱–	₱550,837,604	₱550,837,604
Deposits and other noncurrent liabilities	–	–	55,001,502	55,001,502
Other financial liabilities	₱–	₱–	₱605,839,106	₱605,839,106
Nonfinancial assets for which fair values are disclosed				
Investment properties	₱–	₱–	₱721,805,327	₱721,805,327
Investments in associates and joint ventures*	478,702,961	–	–	478,702,961
Nonfinancial assets	₱478,702,961	₱–	₱721,805,327	₱1,200,508,288

**Fair value of material investments in listed associates and joint ventures for which there are published price quotations, including the BPI shares held by Liontide Holdings, Inc.*

There was no change in the valuation techniques used by the Group in determining the fair market value of the assets and liabilities.

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The following table presents the valuation techniques and unobservable key inputs used to value the Group's assets and liabilities categorized as Level 3:

December 31, 2025

	Valuation Technique	Significant Unobservable Input	Range (weighted average)
Assets for which fair value was disclosed			
Financial assets at FVOCI	Mark to market Approach	Published price quotations	**₱0.009 to ₱120,000,000 per share**
Notes receivable	DCF method	Discount rate	**5.70% to 6.66%**
Investment properties			
Land	Market data Approach	Price per square meter	**₱55 to ₱298,000 per square meter**
Buildings and Improvements	DCF method	Discount rate	**9.54% to 10.39%**

December 31, 2024

	Valuation Technique	Significant Unobservable Input	Range (weighted average)
Assets for which fair value was disclosed			
Financial assets at FVOCI	Mark to market Approach	Published price quotations	₱0.008 to ₱160,000,000 per share
Notes receivable	DCF method	Discount rate	4.00% to 15.00%
Investment properties			
Land	Market data Approach	Price per square meter	₱2,486 to ₱2,000,000 per square meter
Buildings and Improvements	DCF method	Discount rate	5.00% to 13.00%

The Group categorizes equity instruments at FVOCI, loans payable and notes payable under Level 3 valuation techniques:

Equity instruments at FVOCI
Management uses the discounted cash flow technique in estimating the fair value of the financial instruments. Based on the financial performance and financial position of the investee entity, management estimates the amount and timing of the future cash inflow arising from redemption. This is a Level 3 valuation technique.

Loans and notes payable
The estimated fair values are based on the discounted value of future cash flows using the prevailing credit adjusted risk-free rates that are adjusted for credit spread Interest rates used in discounting cash flows ranged from 2.83% to 8.14% and 3.02% to 8.52% as at December 31, 2025 and 2024, respectively. This is a Level 3 valuation technique.

Trade and nontrade receivables, Long-term debt and Deposits
ALI Group categorizes trade receivable, receivable from employees, long-term debt and deposits and other noncurrent liabilities under Level 3. The fair value of these financial instruments is determined by discounting future cash flows using the applicable rates of similar types of instruments plus a certain spread. This spread is the unobservable input and the effect of changes to this is that the higher the spread, the lower the fair value.

A reconciliation of the beginning and closing balances of Level 3 financial assets and liabilities at FVTPL are summarized below (financial liabilities at FVPL is nil in 2025 and 2024):

Financial Assets at FVTPL

	2025	2024
At January 1	**₱13,953,967**	₱10,890,853
Additions (Disposals)	**(5,310,803)**	2,923,452
Recognized in consolidated statement of income	**–**	–
Exchange difference and others	**133,685**	139,662
At December 31	**₱8,776,849**	₱13,953,967

Derivatives

	2025	2024
Derivative Assets		
Call option of AC Industrials and AC Health	**₱9,852**	₱–
Forward contract of Parent Company, ACEIC, IMI and AIVPL	**6,150,821**	4,889,291
	₱6,160,673	₱4,889,291
Derivative Liabilities		
Put option and forward contract of Parent Company, IMI and ACEIC	**₱767,102**	₱257,918

Embedded derivatives

BHL

Convertible bonds
In June 2014, BHL invested VND113 billion (equivalent to USD5.3 million) in CII convertible bonds through its wholly owned subsidiary, VIP Infrastructure Holdings Pte. Ltd. These bonds have a maturity of 5 years, and a coupon rate of 5% per annum.

On June 23, 2016, the third bond conversion exercise, BHL Group converted 69,235 bonds into 6,293,461 shares at a closing price of VND 26,500 per share. Based on the initial bond offering submission made by CII, the conversion ratio would be 90.9:1 (1 convertible bond to 90.9 shares), where the number of converted shares will be rounded down to the next last whole number. This conversion increased the investment in CII shares by VND 166.6 billion (equivalent to US$7.5 million).

BHL Group recognized a total gain of VND 37.9 million (US$1.7 million) on the conversion exercise, out of which VND 28.3 million (US$1.3 million) was the gain on the difference between the CII share price on the date of conversion and the carrying amount of convertible bond, and VND 9.6 million (US$ 0.4 million) was the gain on the realization of the valuation reserve previously recorded on the convertible bonds (see Note 24).

In 2017, the last bond conversion exercise, BHL Group converted 43,755 bonds into 3,977,329 shares at a closing price of VND 37,250 per share. Based on the initial bond offering submission made by CII, the conversion ratio would be 90.9:1 (1 convertible bond to 90.9 shares), where the number of converted shares will be rounded down to the next last whole number. This conversion increased the investment in CII shares by VND 148.2 billion (equivalent to US$6.7 million). BHL Group recognized a total gain of VND91.4 billion (US$4.0 million) on the conversion exercise, out of which VND 35.7 billion (US$1.6 million) was the gain on the difference between the CII share price on the date of conversion and the carrying amount of convertible bond, and VND 55.7 million (US$ 2.4 million) was the gain on the realization of the valuation reserve previously recorded on the convertible bonds (see Note 24).

Fair Value Changes on Derivatives

The net movements in fair values of the Group's derivative instruments as of December 31, 2025 and 2024 follow (amounts in thousands):

Derivative Assets

	2025	2024
Balance at beginning of year	**₱4,889,291**	₱6,447,640
Additions (disposals) during the year	**1,271,382**	(1,558,349)
Balance at end of year	**₱6,160,673**	₱4,889,291

Derivative Liabilities

	2025	2024
Balance at beginning of year	**₱257,918**	₱305,149
Net changes in fair value of derivatives	**509,184**	(47,231)
Balance at end of year	**₱767,102**	₱257,918

No other financial assets or liabilities are carried at fair value as of December 31, 2025 and 2024.

Derivative asset included in additions during the year amounting to AUD$139.21 million (₱5,162.8 million) pertains to the 20-year LTESA secured by ACEN Australia for its solar projects at the NSW Government's first renewable energy and storage auction, with corresponding recognition of deferred revenue

Net changes in fair value of derivative assets and liabilities was recognized in the consolidated statement of income under "Other Income". However, the net changes in fair value of IMI Group's freestanding currency forward are recognized in the consolidated income under "Foreign exchange gains (losses)" (see Note 22).

34. Notes to Consolidated Statements of Cash Flows

Changes in liabilities arising from financing activities follow:

2025

	January 1, 2025	Cash Flows	Non-cash Changes	Change due to loss of control (Note 24)	Foreign Exchange Movement	December 31, 2025
Short-term debt and long-term debt	₱666,759,130	₱32,613,564	₱260,105	₱–	₱4,854,751	₱704,487,550
Dividends payable	2,938,750	(11,298,071)	11,711,348	–	–	3,352,027
Other noncurrent liabilities	53,996,098	(1,555,639)	(440,805)	–	–	51,999,654
Lease liabilities	33,441,976	(3,304,450)	1,426,858	–	84,767	31,649,151
Total liabilities from financing activities	₱757,135,954	₱16,455,404	₱12,957,506	₱–	₱4,939,518	₱791,488,382

2024

	January 1, 2024	Cash Flows	Non-cash Changes	Change due to loss of control (Note 24)	Foreign Exchange Movement	December 31, 2024
Short-term debt and long-term debt	₱589,843,737	₱70,827,025	₱454,406	(₱1,419,648)	₱7,053,610	₱666,759,130
Dividends payable	3,379,776	(10,012,625)	9,571,599	–	–	2,938,750
Other noncurrent liabilities	49,472,112	4,510,665	119,204	(105,883)	–	53,996,098
Lease liabilities	30,705,536	(2,775,815)	5,576,945	–	(64,690)	33,441,976
Total liabilities from financing activities	₱673,401,161	₱62,549,250	₱15,722,154	(₱1,525,531)	₱6,988,920	₱757,135,954

2023

	January 1, 2023	Cash Flows	Non-cash Changes	Change due to loss of control (Note 24)	Foreign Exchange Movement	December 31, 2023
Short-term debt and long-term debt	₱552,487,867	₱39,830,999	(₱163,671)	(₱1,399,354)	(₱912,104)	₱589,843,737
Dividends payable	16,383,289	(9,341,869)	(3,661,644)	–	–	3,379,776
Other noncurrent liabilities	49,043,265	(4,819,990)	5,209,642	39,195	–	49,472,112
Lease liabilities	30,343,440	(2,971,192)	3,351,233	–	(17,945)	30,705,536
Service concession obligation	111,795	–	–	(111,795)	–	–
Total liabilities from financing activities	₱648,369,656	₱22,697,948	₱4,735,560	(₱1,471,954)	(₱930,049)	₱673,401,161

The Group's noncash investing and financing activities are as follows:

2025

- Transfer from property and equipment to investment properties amounting to ₱160.6 million
- Transfer from investment properties to inventories and property plant and equipment amounting to ₱3,029.4 million
- Capitalized interest in investment properties amounted to ₱1,268.2 million
- Recognition of ROU asset and lease liabilities (refer to Note 30)
- Distribution of property dividend amounting to ₱20.6 million
- The sale of the entire interest in ACC for an aggregate consideration of ₱13.5 billion, with remaining collectible amount of ₱9.0 billion which is considered non-cash. Consequently, the movement in the statement of cash flows covering disposed assets or liabilities particularly accounts and notes receivables, investment properties, accounts and other payables, deposits and other non-current liabilities take into account the non-cash component of the transaction at balance sheet date.
- Loss of control in AM 50 VENTURES resulting to:
  - Derecognition of investment in joint venture in Mynt amounting to ₱27.5 billion (see Note 10)
  - Recognition of remeasurement gain amounting to ₱10.4 billion (see Notes 2, 10 and 22)
  - Recognition of investment in joint venture in AM 50 Ventures amounting to ₱18.9 billion pertaining to the Parent Company's 50% retained interest (see Notes 2 and 10)

2024

- Transfer from property and equipment to investment properties amounting to ₱3,603.7 million
- Transfer from inventories to investment properties amounting to ₱1,935.9 million
- Capitalized interest in investment properties amounted to ₱614.8 million
- Recognition of ROU asset and lease liabilities (refer to Note 30)
- Distribution of property dividend amounting to ₱847.3 million
- Acquisition of the 50% shares in CDPEI resulted in the assumption of the fair values of its inventory, investment property and payables amounting to ₱6,930.6 million, ₱854.8 million and ₱7,759.0 million, respectively

2023

- Transfer from investment properties to inventories amounting to ₱9,411.0 million
- Transfer from property and equipment to investment properties amounting to ₱4,702.0 million
- Transfer from inventory to property, plant and equipment amounting to ₱9 million
- Capitalized interest in investment properties amounted to ₱683.1 million
- Recognition of ROU asset and lease liabilities (refer to Note 30)
- Distribution of property dividend amounting to ₱12,480.8 million

- Loss of control over ACEHI resulting to:
  - Derecognition of investment in joint venture in Salak Darajat amounting to ₱11,551.0 million
  - Recognition in investment in associate amounting to ₱12,668.0 million
- Recognition of derivative asset and deferred revenue arising from accounting for LTESA (see Note 2)

The cash flows from the increase in non-controlling interests in 2025 and 2024 are as follows:

2025
- Property-for-share swap between ALI and AREIT amounting to ₱3,552.3 million
- ALI's buy-back of shares amounting to ₱9,339.6 million

2024
- Property-for-share swap between ALI and AREIT amounting ₱9,040.9 million
- ALI's buy-back of shares for total consideration of ₱6,585.1 million

2023
- Property-for-share swap between ALI and AREIT amounting ₱1,848.1 million;
- Acquisition of 20% stake in UPC-ACE Australia amounting to ₱2,864.6 million
- Exercise of exchangeable notes of AC Logistics in Air21 amounting to ₱2,506.2 million
- Issuance and listing of preferred shares by ACEN amounting to ₱24,828.4 million

35. Commitments

Parent Company
The Parent Company acted as guarantor to AYCFL's term loans and borrowings as follows:

Description of loans and borrowings	Date Contracted	2025	2024
		Outstanding balance	
		(Amounts in thousands)	
US$400.0 million Perpetual Undated Notes	September 13, 2017	**US$259,880**	US$259,880
US$400.0 million Perpetual Undated Notes	October 31, 2019	**365,000**	365,000
US$400.0 million Perpetual Undated Notes	September 23, 2021	**400,000**	400,000
US$$100 million Social Bond	January 14, 2022	**100,000**	100,000
		US$1,124,880	US$1,124,880

Parent Company Guarantee
The Parent Company unconditionally guarantees the due and punctual payment of these loan drawdowns if, for any reason AYCFL does not make timely payment of the amount due. The Parent Company's obligation as guarantor will remain in full force until no sum remains to be lent by the lenders, and the lenders recover the outstanding loan drawdowns (see Note 18).

The loan agreements on long-term debt of the Parent Company and AYCFL provide for certain restrictions and requirements with respect to, among others, payment of dividends, incurrence of additional liabilities, investment and guaranties, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the Parent Company as of December 31, 2025 and 2024. The Parent Company aims to maintain for its debt-to-equity ratio not to exceed 3:1 in compliance with loan covenants of AYCFL.

ALI Group

SM-ALI Group Consortium
On June 30, 2015, ALI, through SM-ALI Group Consortium (the Consortium), participated and won in the bidding for Lot No. 8-B-1, containing an area of 263,384 sqm, which is portion of Cebu City-owned lot located at the South Road Properties, Cebu City covered by Transfer Certificate of Title No. 107-2011000963. The Consortium is a consortium among SMPHI and ALI Group. Consistent with the agreed payment schedule in the Deed of Absolute Sale, as of August 1, 2018, ALI has fully paid ₱4.56 billion, excluding taxes. The SM-ALI Group has finished with the joint masterplan and has secured the development permit last November 2019 from the Cebu City Council. On January 29, 2020, SM-ALI Group broke ground the 263,384sqm development and the construction of road networks and underground utilities commenced on February 18, 2020. As of December 2023, actual completion of the land development works for the launched lots of ALI in the South Road Properties project is at 100%.

Integrated Transport System Project – South Terminal ("ITS South Project")
On November 13, 2015, the ALI Group won the bid for the Integrated Transport System Project – South Terminal. The Company was awarded by the Department of Transportation and Communications ("DOTC") with a 35-year concession agreement to build and operate the ITS South Project and will likewise have the right to develop and operate commercial leasing facilities on the same 5.57-hectare of the former Food Terminal Inc. property on which the future transport terminal will be built. The site of the ITS South Project is right next to ARCA South, where the Company is developing an integrated mixed-use estate.

Management Agreement between AHRC and Mandarin Oriental Hotel Group
On June 4, 2014, AHRC, a wholly owned subsidiary of ALI has signed a long-term management agreement with the Mandarin Oriental Hotel Group to develop and operate luxury hotel in Makati City. Set to open its doors by 2026, the new Mandarin Oriental Makati will be featuring 276 spacious rooms complemented by an extensive range of modern amenities including premium selection of restaurants and a signature spa. AHRC is committed to pay US$5 million (₱223.6 million) to Manila Mandarin Hotel, Inc. upon the opening of the New Hotel or on June 30, 2017, whichever is earlier. In 2017, the Group fully paid the said amount.

Assignment Agreement between Metro Rail Transit Corporation (Metro Rail) and MRTDC
On August 8, 1997, an Assignment Agreement was executed between Department of Transportation and Communications (DOTC), Metro Rail whereby MRTDC agreed to be bound by all obligations in respect of the Development Rights and make payments to DOTC.

Agreement between ALI and LT Group, Inc. (LTG)
ALI and LT Group, Inc. (LTG) entered into an agreement on January 21, 2016 to jointly develop a project along the C5 corridor. The project is envisioned to be an estate development that spans portions of Pasig City and Quezon City. A new company, named ALI-ETON Property Development Corporation, was incorporated on May 13, 2016. On January 15, 2018, the estate, named Parklinks was launched and is the greenest urban estate of ALI in partnership with Eton Properties Inc. The first residential project of Ayala Land Premier, Parklinks North Tower was launched on the same year, while the Parklinks lifestyle mall broke ground as well, expected to provide a new destination for residents and office workers within the area when it opens in 2026. Alveo's first residential development, The Lattice, was also launched in 2019, together with ALP's second tower, Parklinks South tower. On November 28, 2022, Parklinks Bridge was inaugurated. The Parklinks Bridge connects Quezon City and Pasig City over the Marikina River and is considered an iconic feature of the 35-hectare Parklinks Estate.

Partnership between Manila Water Ventures, Inc, and the Parent Company
On January 12, 2016, ALI has entered into a partnership with Manila Water Philippine Ventures, Inc., a wholly owned subsidiary of Manila Water Company, Inc, for the waterworks of Parent Company's projects nationwide. The Memorandum of Agreement (MOA) was subsequently amended on May 31,

2021 to amend certain provisions. The original MOA and its amendments were signed by the Parent Company and its subsidiaries and affiliates.

ACEIC Group

Feed-in-Tariff (FIT)
On June 10, 2015, San Lorenzo Wind Project (SLWP) under Guimaras Wind was issued a Certificate of Endorsement for Feed-In Tariff Eligibility by the DOE. On December 1, 2015, Guimaras Wind received its Certificate of Compliance from the ERC which entitles Guimaras Wind Corporation to recognize its FIT at an approved rate of ₱7.40, with a retroactive period beginning December 27, 2014, for a guaranteed period of twenty (20) years until December 26, 2034. Outstanding receivable under the FIT System amounted to ₱172.2 million and ₱184.7 million as of December 31, 2023 and 2022.

On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the SLWP's FIT Rate starting 2020 shall be ₱8.59/kWh.

Power Supply Agreement with MERALCO
On September 9, 2019, the bid submitted by ACEN was declared as one of the best bids of MERALCO's 1200 MW competitive selection process ("CSP"). ACEC will supply MERALCO a baseload demand of 200MW from December 26, 2019 until December 25, 2029 subject to the approval of the ERC. ACEN received a copy of the provisional ERC approval for the contract on January 31, 2020 and the final approval on May 13, 2020 for the baseload.

Mid-merit Supply
On September 11, 2019, the bid submitted by ACEN was declared as one of the best bids of MERALCO's 500 MW CSP. Under the contract, ACEN will supply MERALCO a baseload demand of 110MW from December 26, 2019 until December 25, 2024 subject to the approval of the ERC. Under the contract, ACEN will supply MERALCO a baseload demand of 110MW from December 26, 2019 until December 25, 2024 subject to the approval of the ERC. ACEN received copies of the provisional and final ERC approvals for the contract on January 31, 2020 and June 1, 2020, respectively.

On November 2, 2024, ACEN terminated its 200MW baseload and 110MW mid-merit power supply agreements ("PSA") with MERALCO. The termination was premised on the occurrence of Change in Circumstances ("CIC") resulting in losses and the Parties having failed, despite earnest efforts and good faith negotiations, to agree on a satisfactory solution to amend the PSA to restore the Parent Company's commercial position prior to the CIC.

No fee was paid in relation to the termination of the PSAs with MERALCO.

Ancillary Services Procurement Agreements (ASPA) with NGCP
ACEN and certain subsidiaries executed ASPAs with NGCP. Under the ASPA, the power plants will provide contingency and dispatchable reserves to NGCP to ensure reliability in the operation of the transmission system and the electricity supply in the Luzon Grid for five (5) years upon the effectivity of the provisional approval or final approval issued by the ERC. Pending ERC's issuance of a final approval, provisional approval is extended every year.

Other Electricity Supply Agreements (ESA) / Contract for the Sale of Electricity (CSE) with customers
ACEN signed contracts to supply the energy requirements of various bilateral and RES contestable customers with a duration ranging from one (1) to fifteen (15) years.

AC Infra Group
On September 12, 2015, LRMC took over the operations of LRT Line 1. In December 2015, LRMC started its rehabilitation of the existing line.

On May 3, 2021 and October 26, 2021, the Re-engineering Project and the Security Network Systems Project, respectively, were completed. As of December 31, 2022, the Engineering, Procurement and Construction (EPC) Works related to the Existing System Rehabilitation and the Rectifier Sub-Stations Rehabilitation Project are 99.9% and 99.7% complete, respectively.

As of December 31, 2024, LRMC has fully drawn its OLSA Facility totaling to ₱24.0 billion to finance the rehabilitation of existing LRT 1 system and construction of the Cavite Extension.

OLSA principal payments made for the year ended December 31, 2025 amounted to ₱1,200.0 million while interest payments made for the quarter ended December 31, 2025, and applicable to the YTD loan payable balance, amounts to ₱1,607.0 million.

OLSA principal payments made for the year ended December 31, 2024 amounted to ₱133.5 million while interest payments made for the quarter ended December 31, 2024, and applicable to the YTD loan payable balance, amounts to ₱407.6 million.

Total interest payments made in 2024 amounted to ₱407.6 million.

Total interest payments made in 2023 amounted to ₱1,681.6 million and total drawdowns made to finance EPC payments amounted to ₱3,394.9 million.

Total interest payments made in 2022 amounted to ₱1,512.7 million and total drawdowns made to finance EPC payments amounted to ₱3,394.9 million.

Construction of the Cavite extension is expected to commence once right of way is delivered by the Grantors and is targeted to complete four years thereafter. On May 30, 2017, LRMC received the Permit to Enter certificate from the Grantors allowing LRMC to enter the concerned properties and commence the construction of Cavite extension. As of December 31, 2024, the EPC Works related to the Cavite Extension Works is 100% complete.

36. Contingencies

The Group has various contingent liabilities arising in the ordinary conduct of business which are either pending decision by the courts or being contested, the outcome of which are not presently determinable.

In the opinion of the Group's management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations.

ACEIC Group

Claims for tax refund

a. On May 19, 2022, Guimaras Wind received a copy of the Decision of the CTA En Banc dated May 17, 2022 denying Guimaras Wind 's Petition for Review for lack of merit. The CTA en banc affirmed the decision dated January 3, 2020 and Resolutions dated July 1, 2020 and September 23, 2020, both rendered by the CTA Third Division, which partially granted Guimaras Wind 's claim for the refund of or the issuance of a tax credit certificate in the reduced amount of ₱16.1 million, out of the total amount claimed of ₱335.8 million representing Guimaras Wind's excess and unutilized input value-added tax for Q3 and Q4 of 2014 and Q1 and Q2 of 2015. Guimaras Wind filed its Motion for Reconsideration (MR) to the CTA En Banc on June 3, 2022.

On June 27, 2022, Guimaras Wind received a Resolution from the CTA En Banc directing Guimaras Wind to file its Comment to the MR filed by the Commissioner of Internal Revenue within five (5) days from receipt of the said Resolution. Consequently, Guimaras Wind complied with the Resolution and filed its Comment to the CTA En Banc on July 4, 2022. The case remains pending with the CTA En Banc.

On January 17, 2023, the CTA EB issued a Resolution reiterating its Decision dated May 17, 2022, which in turn affirmed the CTA Third Division's Decision limiting the Guimaras Wind's entitlement to refund to a reduced amount of ₱16.1 million.

The CTA EB held that the Certificate of Endorsement (COE) from the Department of Energy (DOE) and the Certificate of Compliance (COC) from the Energy Regulatory Commission (ERC) are both required in order for Guimaras Wind to properly avail VAT zero-rating incentives. The CTA EB also rejected the Guimaras Wind's position that its application for COC should be deemed "provisionally approved" six months from the filing of its application for a COC with the ERC.

On February 3, 2023, Guimaras Wind filed a Motion for Extension of Time to File Petition for Review on Certiorari with the Supreme Court. The Petition for Review is due for filing on March 6, 2023.

On January 24, 2024, the Supreme Court Third Division issued a Resolution requiring Guimaras Wind to file a Comment to the Petition for Review filed by the Commissioner of Internal Revenue within ten (10) days from receipt of the notice. Guimaras Wind filed the Comment on February 10, 2024.

On April 16, 2024, Guimaras Wind received the CIR's MOTEX to file their Comment dated April 3, 2024. On December 19, 2024, the SC Third Division issued a Resolution dated August 7, 2024, requiring Guimaras Wind to file a Reply to the Comment within ten (10) days from notice, or until January 2, 2025. Guimaras Wind filed the Reply on said date.

As at December 31, 2025, Guimaras Wind has not received any decision or resolution from the SC's Third Division relating to the case.

b. On April 12, 2017, SACASOL filed a Petition for Review with the CTA regarding the disallowed claim of 2015 input VAT amounting to ₱40.62 million. On February 3, 2021, the CTA denied SACASOL's Petition for Review on the ground that SACASOL failed to establish that its sales qualify for VAT zero-rating because SACASOL did not present any proof that it was issued a DOE COE, on a per transaction basis. On February 26, 2021, SACASOL filed a Motion for Reconsideration ("MR"), on the basis that there is no legal requirement for the COE to be on a per transaction basis for the VAT zero-rating of SACASOL's sales, and the VAT zero-rated sales were never disputed considering the partial grant by the BIR of SACASOL's claim for unutilized input VAT attributable to VAT zero-rated sales.

On May 6 and 20, 2021, SACASOL filed Supplemental Motions to admit additional evidence which included a DOE letter and certification confirming that a COR on a per transaction basis is not required for purposes of VAT zero-rating of RE Sales of RE Developers and such document is not actually being issued by the DOE. On September 22, 2021, CTA Third Division issued a resolution denying the Motion for Reconsideration.

On February 2, 2023, SACASOL filed a Petition for Review before the CTA En Banc. On April 27, 2023, CTA En Banc denied SACASOL Petition for Review on the basis of jurisdictional grounds. The CTA En Banc denied the Petition on the ground that the CTA Third Division purportedly has no jurisdiction to entertain the judicial claim for refund for being filed beyond the 120+30 day mandatory and jurisdictional period. The CTA En Banc counted the 120-day period from November 3, 2016 - the date when SACASOL filed its administrative claim for refund, and noted that the BIR only had until March 3, 2017 to decide the said claim. The CTA

En Banc then held that since SACASOL did not receive an adverse decision from the BIR by March 3, 2017, the law considers the administrative claim as denied. According to the Decision, SACASOL had 30 days from March 3, 2017 or until April 3, 2017 to seek judicial redress. Since the Petition was only filed on April 12, 2017, the CTA is deprived of jurisdiction to hear the case.

On May 19, 2023, SACASOL filed its MR on the ground that (i) Sec112(c) does not require that the BIR acts and the taxpayer receives the decision within the 120 days; and (ii) SACASOL should be able to file the judicial claim within 30 days from receipt of the decision, as long the decision was made within the 120-day period.

On January 12, 2024, SACASOL received CTA EN Banc Resolution denying the and reiterated its earlier ruling that CTA has no jurisdiction for failure of SACASOL to file its judicial claim for refund within the 120+30 days period from the filing of its administrative claim. The CTA En Banc ruled that the issues in the MR were already addressed, discussed and found wanting in its earlier Decision. On 25 January 2024, SACASOL filed Petition for Extension to File Petition for Review with the Supreme Court. As at March 11, 2024, SACASOL have not received any orders from the Supreme Court relating to the case.

On February 5, 2025, BIR filed its Comment with the Supreme Court. On August 18, 2025, SACASOL submitted its reply to the Supreme Court.

As of December 31, 2025, SACASOL has not received any orders from the Supreme Court relating to the case.

c. NorthWind Power Development Corporation v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11637)

On October 7, 2024, NorthWind Power Development Corporation (NorthWind) timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals (“CTA”), with a total claimed amount of ₱14.7 million.

On December 26, 2024, NorthWind received the CIR's Answer. The Commissioner’s hearing was held on 26 June 2025 while the presentation of the Company's witness and Independent Certified Public Accountant’s (“ICPA”) Commissioning was held on 11 September 2025 at CTA Quezon City. Commissioner's Hearings for the Company and CIR were held on September 18, 2025 and October 21, 2025, respectively. The presentation of ICPA Report was held on November 5, 2025.

No decision as of date.

d. North Luzon Renewable Energy Corp.(“c”) v. Bureau of Internal Revenue

On October 7, 2024, NLR timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals (“CTA”), with a total claimed amount of ₱21.6 million.

On December 26, 2024, NLR received the Commissioner of Internal Revenue's Answer.

On March 6, 2025, the CTA Division conducted the Pre-Trial Conference.

On August 28, 2025, the Commissioner's Hearing was conducted.

On October 2, 2025, NLR filed the Judicial Affidavit (“JA”) of the Independent Certified Public Accountant and the Motion to Substitute Witness and JA of Mr. Ronald Edward Tan, NLR’s Head of Finance.

The hearing was held on January 22, 2026.

No decision as of date.

e. Guimaras Wind Corporation versus Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11638)

On October 7, 2024, Guimaras Wind timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱12.1 million.

On December 5, 2024, Summons were issued by the CTA 2nd Division.

On June 24, 2025 and July 8, 2025, the Commissioner's hearings were held where marking of exhibits was completed.

The presentation of ICPA Report was held on November 20, 2025 while the filing of Formal Offer of Evidence was completed on December 22, 2025.

There still no decision on this case as of December 31, 2025.

f. Monte Solar Energy Inc. v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11632)

On October 7, 2024, Monte Solar Energy Inc. ("MONTESOL") timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱6.4 million.

On December 27, 2024, Summons were issued by the CTA 1st Division.

On March 27, 2025, parties attended the Pre-Trial Conference.

On April 15, 2025, MONTESOL and BIR filed a Joint Stipulation of Facts and Issues. MONTESOL also filed a Motion to Avail of the Provisions of Rule 13 of the Revised Rules of the Court of Tax Appeals (Trial by Commissioner)

On May 20, 2025, a Commissioner's hearing was conducted on May 20, 2025. On July 2, 2025, MONTESOL presented its witness. On August 20, 2025, the Independent Certified Public Accountant presented his report.

On September 2, 2025, MONTESOL's Formal Offer of Evidence was filed.

g. Negros Island Solar Power Inc. v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11633)

On October 7, 2024, Negros Island Solar Power Inc. ("ISLASOL") timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱6.0 million.

On March 20, 2025, Summons were issued by the CTA Division.

Pre-Trial Conference was held on June 25, 2025

ISLASOL is currently waiting for the hearing schedule of the presentation of its witness.

h. Monte Solar Energy Inc. v. Commissioner of Internal Revenue (Claim for 2018 Input VAT Refund - CTA Case No. 10434)

On December 28, 2020, Monte Solar Energy Inc. ("MONTESOL") filed a Petition for Review before the CTA for a refund claim for unutilized input VAT in the amount of ₱4.6 million attributable to zero-rated sales of power generated from RE sources for the four (4) quarters of 2018. BIR filed its Answer on March 15, 2021. Pre-Trial Conference proceeded on July 15, 2021.

On January 18, 2024, the CTA issued its Decision partially allowing the refund claim for MONTESOL and ordering the REFUND or ISSUANCE OF TAX CREDIT CERTIFICATE amounting to ₱4.1 million, representing MONTESOL's unutilized input VAT attributable to its zero-rated sales for all quarters of CY 2018, with a ₱0.5 million variance from the claim that was filed. Management has decided not to appeal the disallowed claim.

On February 21, 2024, Montesol received CIR's Motion for Partial Reconsideration arguing that Montesol is not the property party to seek the tax refund. The CIR further argued that MONTESOL failed to prove that the same remained unutilized and were not carried over to the succeeding periods and that Montesol's input tax is creditable and directly attributable to its zero-rated sales.

On May 7, 2024, MONTESOL received a copy of the CTA Division's Resolution promulgated on May 2, 2024 which denied the CIR's Motion for Partial Reconsideration. The CTA held that the issues raised by the CIR in its MR were already ruled upon by the Court. The CTA also held that the grant of refund of valid input VAT is proper irrespective of whether the input taxes claimed as refund are directly attributable to its zero-rated sales.

On June 5, 2024, the CIR filed his Petition for Review before the CTA En Banc praying for the reversal of the Decision and Resolution. On July 8, 2024, the Company filed its Comment Re: CIR's Petition for Review.

On July 26, 2024, Montesol received a copy of the CTA En Banc's resolution submitting the Petition for decision.

On April 15, 2025, CTA En Banc promulgated its Decision dismissing CIR's Petition for Review.

On April 25, 2025, CIR filed its Motion for Reconsideration. On June 19, 2025, MONTESOL filed it Comment via counsel. On July 28, 2025, CTA En Banc noted the comment and submitted the Motion for Reconsideration for resolution.

On November 5, 2025, the CTA denied BIR's Motion for Reconsideration.

On December 9, 2025, BIR filed a Motion for Extension of Time to File Petition for Review on Certiorari and the Solicitor General filed its Entry of Appearance.

On January 8, 2026, CIR filed a Petition for Review on Certiorari before the Supreme Court.

i. San Carlos Solar Energy Inc. v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11636)

On October 7, 2024, San Carlos Solar Energy Inc. ("SACASOL") timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱11.8 million.

On December 13, 2024, Summons were issued by the CTA 1st Division.

On February 19, 2025, BIR filed its Answer.

On June 4, 2025, Pre-trial Conference was held.

On July 28, 2025, Commissioner's Hearing was held.

On October 22, 2025, the ICPA Commissioning and Presentation of SACASOL's witness was held.

On December 10, 2025, the ICPA report was submitted. Subsequently, SACASOL filed a Motion to Admit an Amended ICPA Report on December 22, 2025.

SACASOL is currently waiting for the schedule for the presentation of the ICPA.

j. Gigasol 3, Inc. v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11635)

On October 7, 2024, Gigasol 3 Inc. ("Gigasol 3") timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱1.0 million.

On December 21, 2024, GIGASOL3 received the CIR's Answer.

On March 19, 2025, the Pre-Trial Conference was held. On April 15, 2025, Gigasol 3 filed a motion to avail of the provisions of Rule 13 of the Rules of the Court of Tax Appeals to avail of the services of an Independent CPA who will conduct the audit, examination, and verification of the voluminous documents supporting the petition.

On December 18, 2025, the CTA issued a Minute Resolution, the initial presentation of evidence for Gigasol 3, for the testimony of its witness and the commissioning of the ICPA, Rose Angeli S. Bernaldo is set on April 8, 2026.

k. Alaminos Solar Inc. (formerly SolarAce1 Energy Corp.) v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11639)

On October 7, 2024, Alaminos Solar Inc. ("Alaminos Solar") timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the Court of Tax Appeals ("CTA"), with a total claimed amount of ₱1.8 million.

On January 3, 2025, SA1 received the Answer filed by the CIR.

The CTA Division set the case for CAM on March 17, 2025, and subsequently, for Pre-Trial Conference on June 10, 2025. ICPA commissioning and Presentation of witness was held on August 28, 2025.

ICPA report and Supplemental ICPA Report were filed on September 29, 2025 and October 6, 2025, respectively. ICPA was presented and Commissioner's Hearing for some documents was held on October 9, 2025.

Formal Offer of Evidence was filed on October 29, 2025.

CTA has yet to schedule the hearing for presentation of CIR's witness.

l. ACEN Tech Hub Inc. (Bataan BESS) (formerly Bataan Solar Energy, Inc.) v. Commissioner of Internal Revenue (Q2-Q4 2022 VAT Judicial Claim - CTA Case No. 11540)

On June 26, 2024, Bataan BESS timely made its judicial claim for VAT Refund through the filing of a Petition for Review with the CTA, with a total claimed amount of ₱18.6 million.

On 16 October 2024, Bataan BESS received a copy of the Court's Order setting the case for Pre-Trial Conference on February 12, 2025, with Pre-Trial set on February 9, 2025. Bataan BESS engaged Reyes Tacandong & Co. as its ICPA.

On April 30, 2025, Bataan BESS presented its witness.

On July 2, 2025, the ICPA was presented. On August 1, 2025, Bataan BESS filed its Formal Offer of Evidence, to which BIR filed a comment/opposition on August 17, 2025.

BIR was set to present its witness on October 15, 2025, but the hearing was cancelled until further notice because of CTA reorganization.

m. Monte Solar Energy Inc. (“MONTESOL”) v. Commissioner of Internal Revenue (VAT Final Decision on Disputed Assessment - CTA Case No. 12198)

On October 20, 2025, MONTESOL filed a Petition for Review with the CTA, praying to cancel and set aside the Final Decision on Disputed Assessment dated July 11, 2025 issued by the BIR, imposing alleged deficiency income taxes, VAT, miscellaneous taxes, and compromise penalty for taxable year 2021, in the total amount of ₱13.7 million inclusive of interest.

MONTESOL is currently waiting for issuance of further orders by the CTA.

Compliance with Must Offer Rule
On October 4, 2018, CIPP, One Subic Power, Bulacan Power and ACEN received a letter from PEMC for pending investigation of trading intervals covering periods from 2014 to 2018. The scope of the investigation covers possible non-compliance with the Must Offer Rule (MOR) and with the Real-Time Dispatch (RTD) or System Operator Instructions.

On October 28, 2020 and August 17, 2021, the PEMC Board cleared CIP and found no breaches from August 2014 to December 2015. On June 3, 2022, the PEMC Board cleared OSPGC and found no breaches for the period May- December 2014 period. In the May 2022 meeting, PEMC met with trading participants with pending investigations and discussed a shortened process in the investigation while at the same time ensuring due process for all participants. The shortened process will adopt the current PEMC process of frequently flagging the trading participant of the intervals under investigation and requesting for immediate replies and dispensing with lengthy discussions in its investigation reports.

On July 7, 2023, the PEMC Board issued a Notice on Investigation Report which approves the imposition of penalty amounting to ₱700,000 against One Subic Power for breach of MOR. The said breaches were broken down as follows: four breaches in 2014, one breach in 2015, one breach in 2016, and one breach in 2019.

In the May 5, 2023 PEM Board Action letter, the PEM Board cleared Bulacan Power of 10,821 trading intervals, and released its findings and found NO breaches for Bulacan Power for said trading intervals during the January 2015-December 2015 and January 2016-December 2016 investigation periods.

As for CIP II, no breach was found for all the trading intervals from 2014-2021. The PEMC Board issued a Certification dated 24 July 2023 certifying that the investigation cases have been closed and finally disposed of by PEMC.

37. **Renewable Energy Act of 2008**

Republic Act No. 9513, *An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes*, which shall be known as the "Renewable Energy Act of 2008" or "RE" (the Act), became effective on January 30, 2009.

As provided for in the Act, developers of RE facilities, including hybrid systems, in proportion to and to the extent of the RE component, for both power and non-power applications, as duly certified by the DOE, in consultation with the Board of Investments, shall be entitled to the following incentives, among others:

i. Income Tax Holiday (ITH) – For the first seven (7) years of its commercial operations, the duly registered RE developer shall be exempt from income taxes levied by the National Government;

ii. Duty-free Importation of RE Machinery, Equipment and Materials – Within the first ten (10) years from issuance of a certification of an RE developer, the importation of machinery and equipment, and materials and parts thereof, including control and communication equipment, shall not be subject to tariff duties;

iii. Special Realty Tax Rates on Equipment and Machinery – Any law to the contrary notwithstanding, realty and other taxes on civil works, equipment, machinery, and other improvements of a registered RE developer actually and exclusively used for RE facilities shall not exceed 1.5% of their original cost less accumulated normal depreciation or net book value;

iv. NOLCO – the NOLCO of the RE developer during the first three (3) years from the start of commercial operation which had not been previously offset as deduction from gross income shall be carried over as deduction from gross income for the next seven (7) consecutive taxable years immediately following the year of such loss;

v. Corporate Tax Rate – After seven (7) years of ITH, all RE developers shall pay a corporate tax of 10% on its net taxable income as defined in the National Internal Revenue Code of 1997, as amended by Republic Act No. 9337;

vi. Accelerated Depreciation – If, and only if, an RE project fails to receive an ITH before full operation, it may apply for accelerated depreciation in its tax books and be taxed based on such;

vii. Zero Percent VAT Rate – The sale of fuel or power generated from renewable sources of energy shall be subject to 0% VAT;

viii. Cash Incentive of RE Developers for Missionary Electrification – An RE developer, established after the effectivity of the Act, shall be entitled to a cash generation-based incentive per kilowatt-hour rate generated, equivalent to 50% of the universal charge for power needed to service missionary areas where it operates the same;

ix. Tax Exemption of Carbon Credits – All proceeds from the sale of carbon emission credits shall be exempt from any and all taxes; and

Tax Credit on Domestic Capital Equipment and Services – A tax credit equivalent to 100% of the value of the VAT and customs duties that would have been paid on the RE machinery, equipment, materials and parts had these items been imported shall be given to an RE operating contract holder who purchases machinery, equipment, materials, and parts from a domestic manufacturer for purposes set forth in the Act.

In addition, to accelerate the development of emerging renewable energy resources, a feed-in tariff system for electricity produced from wind, solar, ocean, run-of-river hydropower and biomass will be promulgated which shall include, but not limited to, the following:

a. Priority connections to the grid for electricity generated from emerging renewable energy resources;
b. The priority purchase and transmission of, and payment for, such electricity by the grid system operators; and
c. Determine the fixed tariff to be paid to electricity produced from each type of emerging renewable energy and the mandated number of years for the application of these rates, which shall not be less than twelve (12) years.

The feed-in tariff to be set shall be applied to the emerging renewable energy to be used in compliance with the renewable portfolio standard as provided for in the Act and in accordance with the feed-in-tariff rules to be promulgated by the ERC in consultations with the National Renewable Energy Board.

RE developers and local manufacturers, fabricators and suppliers of locally-produced RE equipment shall register with the DOE, through the Renewable Energy Management Bureau (REMB). All certifications required to qualify RE developers to avail of the incentives provided for under the Act shall be issued by the DOE through the REMB upon registration.

On July 12, 2010, the ERC approved and issued the FIT Rules which provides for the rules and regulations for the determination of the FIT for emerging RE technologies such as biomass, solar, run-of-river hydropower, ocean and wind energy.

On December 16, 2013, the ERC approved Resolution No. 24 of 2013, A Resolution Adopting the Guidelines on the Collection of the Feed-In Tariff Allowance (FIT-All) and Disbursement of the FIT-All Fund.

Northwind
On July 31, 2007, NorthWind and the DOE entered into a Negotiated Commercial Contract ("NCC") covering the contract area located in Bangui, Ilocos Norte. As a holder of a valid and existing NCC, NorthWind is deemed provisionally registered as a RE Developer under RA 9513. The provisional authority shall subsist until the issuance by the DOE of a Certificate of Registration.

On February 26, 2013, the DOE granted NorthWind a COR under Wind Energy Service Contract No. 2012-07-058. The COR served as the basis or its application with the BOI for the grant of incentives under RA 9513. The approval grants an ITH incentive of seven (7) years starting September 2014.

On October 10, 2014, the DOE granted Northwind a Certificate of Endorsement for FIT Eligibility (COE-FIT No. 2014-10-001) for its Phase III expansion project. The endorsement was the basis for the ERC to issue a FIT COC on April 13, 2015.

The tariff on the generation of the original twenty (20) turbines (Phases I & II) is a FIT rate specific to the NorthWind of ₱5.76/kWh, as approved by the ERC in its decision dated June 30, 2014. In an Order dated November 7, 2017, the ERC granted NorthWind an increase of ₱0.20/kWh, in connection with a Motion for Partial Reconsideration of the Decision dated June 30, 2014, in ERC Case No. 2011-060RC filed by NorthWind on December 5, 2014, thereby increasing the FIT rate specific to Phases I & II from ₱5.76/kWh to ₱5.96/kWh.

The FIT rate specific to NorthWind is lower than the national FIT rate and is valid for twenty (20) years, less the actual years of operation as provided for under the FIT Rules.

The tariff on the six (6) turbines (Phase III) is at ₱8.53/kWh, subject to adjustments as may be approved by the ERC under the FIT rules. The FIT period on the six turbines shall be from October 10, 2014 to October 8, 2034.

On July 6, 2020, the ERC issued Resolution No. 06, Series of 2020 increasing the FIT of eligible RE plants. The resolution provides for retroactive increase starting January 2016 up to December 2020. Based on the resolution, the NPDC's rate starting 2020 shall be ₱6.52/kWh and ₱8.90/kWh for Phase I & 11 and Phase III, respectively.

MSEI
On June 13, 2016, the DOE, through its issuance of the Certificate of Endorsement, certified the Montesolar's Solar Farm Project as an eligible project under the FIT system. On December 28, 2016, MSEI received another provisional authority to operate by the ERC dated December 8, 2016 but this time, as a renewable energy generation company, which allows MSEI to be entitled to a FiT rate of ₱8.69/Kwh for a period of twenty (20) years from March 11, 2016.

On February 6, 2017, MSEI received the COC from ERC and accordingly measured its revenue from energy sales using FIT rate.

On May 26, 2020, ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, series of 2020. FIT adjustments used 2014 as the base period calendar year for the Consumer Price Index (CPI) and foreign exchange variations through Discounted Cash Flows (DCF) Model per Renewable Energy technology, covering for the years 2016, 2017, 2018, 2019 and 2020. MSEI accrued the retroactive net revenue adjustment based on the adjusted FIT rates for the years 2016 (₱8.69/kWh), 2017 (₱8.71/kWh), 2018 (₱9.04/kWh), 2019 (₱9.41/kWh) and 2020 (₱9.82/kWh).

Tariff Adjustment
On May 26, 2020, ERC approved the adjustments to the FIT of renewable energy producers through Resolution No.06, series of 2020. Renewable energy subsidiaries under the FIT system include Guimaras Wind Corporation, MSEI, SACASOL, and NorthWind.

38. Events After the Reporting Period

Parent Company

Dividend declaration
On January 29, 2026, the BOD approved the declaration of the first quarter cash dividend on its outstanding Preferred Class "A" shares amounting to ¼ of 6.3587% per annum, or ₱39.741875 per share, based on the issue price of the shares payable to stockholders of record as of February 12, 2026 and will be distributable on February 28, 2026.

On February 18, 2026, the BOD approved the declaration of the first quarter cash dividend on its outstanding Preferred "B" Series 4 (ACPB4) shares amounting to ¼ of 6.2903% per annum, or ₱31.45150 per share, based on the issue price of the shares payable to stockholders of record as of March 4, 2026 and will be distributable on February 19, 2026.

Capital infusions
On January 30, 2026, the Parent Company infused into ACX ₱115.0 million or 11.5 million preferred shares with par value of ₱1.00 per share to be utilized in setting up Fine Fare Food Corporation (Spinneys PH), the holding company for its partnership with Spinneys.

₱30.0 billion shelf registration
On January 22, 2026, the Parent Company's BOD approved the filing with SEC of a five-year shelf registration of up to ₱30.0 billion to provide the Parent Company with the ability to undertake future issuances of Philippine Peso-denominated bonds on an efficient and timely basis. The securities will be sold through general public offerings and relevant documents and information will be filed with pertinent regulatory agencies in due course.

Return of invested capital
On February 9, 2026, the Parent Company received the Notice that "TLI was dissolved by operation of law upon the expiration of its shortened corporate term, pursuant to the Revised Corporation Code of the Philippines and the SEC-approved amendment to the Articles of Incorporation. Following such dissolution, the TLI's BOD/Trustee approved and implemented a Plan of Liquidation for the orderly winding up of the affairs of the company." The Parent Company received the return of its invested capital in TLI in February 2026.

ACEIC Group

ACEN PSA with MERALCO price adjustment
Subsequent to December 31, 2025, the Energy Regulatory Commission (ERC) issued decisions dated January 26, 2026 approving the Joint Urgent Motions for Price Adjustment filed by MERALCO and ACEN covering the baseload and mid merit Power Supply Agreements (PSAs).

The ERC ruled that the extraordinary increase in coal prices during 2022–2023, arising from events including the Indonesia coal export ban and the Russia Ukraine war, constituted a "Change in Circumstances" under the PSAs and approved the corresponding price adjustments. The total approved price adjustment amounts to ₱1.7 billion, which ACEN is allowed to recover through MERALCO's generation charges over a twelve month recovery period commencing March 2026. The ERC decisions also noted that the baseload and mid merit PSAs were terminated effective November 2024.

The ERC approvals were issued after the reporting date and resulted in the establishment of the ACEN's enforceable right to recover the approved amounts. Accordingly, the related income and receivable will be recognized in 2026.

ACRI acquisition of additional interest in URH
On February 4, 2026, ACRI acquired an additional 50.0% interest in URH from UPC Asia Pacific Holdings Pte. Ltd. for a cash consideration of US$20.0 million with earn-out of up to US$20.0 million payable based on the development of qualifying renewable energy and battery storage projects in India through to December 31, 2032.

Prior to this acquisition, ACRI held a 50.0% voting interest in URH, which was accounted for as an investment in joint venture using the equity method (see Note 10).

As a result of this transaction, ACRI increased its ownership from 50.0% to 100.0%, obtaining control of URH. Consequently, URH became a subsidiary of the ACEIC Group, and the results of its operations will be consolidated from the acquisition date onwards.

ACEN investment in ENEX Energy Corp. (ENEX)
Further to the March 11, 2024 ACEN BOD approval of ACEN's subscription to the preferred shares of ENEX, ACEN executed a subscription agreement with ENEX on February 24, 2026, covering ACEN's subscription to 75.1 million ENEX non-voting preferred shares, with a par value of ₱1.00 per share, for a total subscription price of ₱75.1 million.

The subscription price was paid in full by applying ACEN's outstanding receivables due from ENEX as of December 31, 2025. The shares will be issued out of ENEX's unissued authorized capital stock, subject to compliance with SEC requirements.

ALI Group

On February 26, 2026, the Board of Directors of ALI approved the following:

a. The amendment of Articles of Incorporation:

   i. The Second Article to include the cold storage business in the Parent Company's secondary purpose; and
   ii. The Seventh Article to decrease the authorized capital stock from ₱20.4 billion to ₱19.9 billion through the retirement of 500,000,000 common shares held in treasury.

b. The raising of up to ₱40.0 billion with tenor of up to 10 years through the issuance of retail bonds and/or corporate notes for listing on the Philippine Dealing and Exchange Corporation, and/or bilateral term loans primarily for the purpose of debt refinancing and to partially finance general corporate requirements.

c. The filing with the SEC of a new 5-year shelf registration for debt securities of up to ₱50.0 billion.

d. The declaration of cash totaling ₱0.3513 per common share consisting of a regular cash dividend of Php0.3194 per common share and a special cash dividend of ₱0.0319 per common share for the first half of 2026. The record date is March 6, 2026, and the payment date is March 19, 2026.

e. The allocation of 10,000,000 common shares for the ALI Performance Shares to vest over three years.

Block sale of AREIT shares
On February 27, 2026, ALI sold an aggregate of 88.0 million common shares of AREIT at a transaction price of ₱42.00 per share, equivalent to ₱3.7 billion (exclusive of fees and taxes).

AC Health

Increase in authorized capital stock
On February 3, 2026, the SEC approved AC Health's increase in authorized capital stock from ₱7.4 billion divided into 2.1 billion common shares with par value of ₱2.00 per share, and 3.2 billion preferred shares with a par value of ₱1.00 per share to ₱8.3 billion divided into 2.4 billion common shares with par value of ₱2.00 per share, and 3.6 billion redeemable preferred shares with par value of ₱1.00 per share. The increase in authorized capital stock was approved by AC Health's BOD August 8, 2025.

Investment Agreement with ABC Impact
Subsequent to the SEC's approval of AC Healths' increase in authorized capital stock on February 3, 2026, AC Health converted ABC Impact's ₱643.6 million deposits for future stock subscription into 64.3 million issued common shares with par value of ₱2.00 per share and 87.5 milion issued preferred shares with par value of ₱1.00 per share. This resulted to the reduction of the Parent Company's ownership in AC Health from 93.0% to 90.2% (see Note 2).

Capital infusion of AC Health
On January 26, 2026 and February 20, 2026, AC Health infused ₱9.4 million and to ₱148.0 million, respectively, into Healthway Philippines, Inc. (HPI) reducing the subscription payable related to the ₱526.0 million subscription agreed on in July 2025.

Redemption of HPI preferred shares
On January 30, 2026, HPI paid ₱14.0 million to redeem 140,000 preferred shares with a par value of ₱100.00 per share.

AC Infra

Investment in LRMC
On January 29, 2026, LRMC received a significant claims payment from its Grantors, with a total of ₱522.0 million (₱182.7 million AC and AC Infra share) for Structural Deficit Restoration and NAS ISF compensation.

AC Logistics

Investment in Glacier Megafridge, Inc. ("GMI")
On January 23, 2026, AC Logistics signed an Investment Agreement for the acquisition of up to an ~84% stake in GMI, one of the leading cold storage operators in the Philippines by capacity, subject to closing conditions and regulatory approval.

This investment is consistent with AC Logistics' strategy to expand its cold chain business, one of its key growth pillars, and to leverage the capabilities of an established cold storage player.
It builds on the existing partnership between AC Logistics and GMI through GMAC.

ACX

Capital Infusion of ACX
On January 28, 2026, ACX infused capital amounting to ₱15.0 million into Fine Food and Co Corporation through a Treasurer-in-Trust Fund (TITF) account.

IMI

2025 Stock Appreciation Rights (SAR) Program
On February 25, 2026, IMI's BOD approved the amendment to the 2025 Employee Stock Option Program in the form of the Stock Appreciation Rights Plan (the "SAR Plan") allowing eligible employees the early exercise of 15.5 million common shares, subject to conditions stated in the SAR Plan. The shares will be issued from IMI's available listed treasury shares.

Philwater

Dividend declaration
On February 8, 2026, Philwater's BOD approved the declaration of cash dividends amounting to ₱2,095 million to be sourced from its unrestricted retained earnings, inclusive of the transferred amount of ₱800.0 milion from appropriated retained earnings to unappropriated retained earnings, wherein the transfer was also approved by Philwater's BOD on the same date.

Receivable from MWC
Pursuant to the Share Purchase Agreement executed on February 15, 2021 where Philwater agreed to sell the 1st tranche of its MWC preferred shares to Trident Water, the last amortization was received on February 13, 2026 from Trident Water amounting to ₱2,372 million, representing the full payment under the agreement (see Note 7). The BIR eCAR was received on March 5, 2026, finally closing the transaction.

TLI

Business closure
On January 6, 2026, TLI received a Certificate of No Outstanding Tax Liability from the BIR, in connection with the cessation of its business operations. With the issuance of this certificate, TLI has formally completed the process of business closure. Consequently, the distribution of capital to stockholders commenced on February 16, 2026, following the completion of all necessary administrative and regulatory requirements.

BPI

Planned merger of BPI Direct BanKo, Inc., a Savings Bank and Legazpi Savings Bank
On December 17, 2025, the BOD of BPI authorized its management to pursue plans to merge BPI Direct BanKo, Inc., A Savings Bank (BanKo) and Legazpi Savings Bank, Inc. (LSB), with BanKo as the surviving entity, subject to the consideration and approval of their respective BOD and stockholders. On January 22, 2026, the BOD of both BanKo and LSB approved the Plan for Merger, subject to shareholder and regulatory approvals.

The merger is subject to conditions precedent including obtaining corporate and regulatory approvals.

Pricing and listing of BPI SIGLA Bonds
On February 13, 2026, BPI listed on the PDEx its BPI Supporting Individuals Grow, Lead, and Achieve Bonds (the "BPI SIGLA Bonds") in the aggregate principal amount of ₱50.0 billion (the "Offer"), representing the second tranche under BPI's ₱200.0 billion Bond and Commercial Paper Program, which was approved by its Board of Directors on October 16, 2024 (see Note 10).

The BPI SIGLA Bonds has a tenor of two years and an interest rate of 5.4050% p.a., paid quarterly. The bonds bear the ASEAN Social Bond label and its net proceeds will be exclusively allocated to finance or refinance eligible social projects in accordance with BPI's Sustainable Funding Framework consistent with the ASEAN Social Bonds Standards.

Globe Group

Sale of Yondu
On January 2, 2026, Globe completed the closing of the sale of Yondu and the transfer of ownership to NCSI (see Note 10). The transaction diluted Globe's ownership from 100.0% to 49.0% and resulted in a loss of control over Yondu. Thereafter, the investment in Yondu was accounted for as an investment in associate since Globe has significant influence in the financial and operating policy decisions of Yondu.

Dividend declaration
On February 3, 2026, the BOD of Globe approved the declaration of first quarter cash dividends of ₱25.00 per common share or total dividends of ₱3.6 billion. The dividends were paid to common stockholders of record as of February 18, 2026 on March 5, 2026.

Issuance of non-voting preferred shares
On March 2, 2026, Globe listed on the PSE its 12.5 million cumulative, non-voting, non-participating, non-convertible, redeemable, and re-issuable Philippine Peso-denominated perpetual preferred shares ("Non-Voting Preferred Shares") with a total subscription amount of ₱25.0 billion. The Non-Voting Preferred Shares were issued in two series at an offer price of ₱2,000.00 per share, with a par value of ₱50.00 per share. The net proceeds will be used to redeem all or a portion of Globe's USD perpetual capital securities and fund capital expenditures, supporting the continued expansion and enhancement of its network and digital infrastructure.

IPO

Amendment of By-Laws
On February 18, 2026, the SEC approved IPO's amendment of its By-laws specifically amending Article II, Section 8 (d) and (deleting) Section 8 (e).

39. Approval of the Consolidated Financial Statements

The consolidated financial statements of the Ayala Group as of December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025 were endorsed for approval by the Audit Committee and authorized for issue by the BOD on March 12, 2026.

II. 2025 Supplementary Schedules

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Ayala Corporation
37F to 39F 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 Ayala Corporation and its subsidiaries (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 12, 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.

Sherwin V. Yason
Partner
CPA Certificate No.
Tax Identification No.
BOA/PRC Reg. No.
SEC Partner Accreditation No.
Valid to cover audit of 2020 to 2024 financial statements, with extension up to audit of 2025 financial statements
SEC Firm Accreditation No.
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No.
PTR No.

March 12, 2026

AYALA CORPORATION AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

Annex A: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

Annex B: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex C: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

AYALA CORPORATION AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS

AS OF DECEMBER 31, 2025
(IN THOUSAND PESOS)

A. Financial Assets at Fair Value Through Profit and Loss (FVTPL) - Current	**Not applicable**
Financial Assets at FVTPL amounted to ₱5,730,517 is shown under the Other Current Assets account and is 1.0% of the ₱599,857,543 Total Current Assets as of December 31, 2025.	
B. Financial Assets at Fair Value Through Profit and Loss (FVTPL) - Noncurrent	**Not applicable**
Financial Assets at FVTPL-noncurrent amounted to ₱3,383,001 is shown under the Other Noncurrent Assets account and is 0.3% of the ₱1,291,709,886 Total Noncurrent Assets as of December 31, 2025.	
C. Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) - Noncurrent	**Not applicable**
Financial Assets at FVOCI amounted to ₱11,713,821 is shown under Other Noncurrent Assets account and is 0.9% of the ₱1,291,709,886 Total Noncurrent Assets as of December 31, 2025.	
D. Financial Assets at Amortized Cost - Noncurrent	**Not applicable**
Financial Assets at amortized cost amounted to ₱20,209,242 is shown under Other Noncurrent Assets account and is 1.6% of ₱1,291,709,886 Noncurrent Assets as of December 31, 2025.	

AYALA CORPORATION AND SUBSIDIARIES

SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

AS OF DECEMBER 31, 2025
(IN THOUSAND PESOS)

Account Type	Beginning Balance	Additions	Deductions	Ending Balance	Payment Period
Advances to Employees	₱1,025,847	₱582,140	(₱189,277)	₱1,418,710	30 days to 1 year
Housing and Related Loan	665,432	302,175	(112)	967,495	1 year to 15 years
Car and Related Loan	183,425	53,167	(6,840)	229,752	1 year to 5 years
Others	205,504	437,911	(392,725)	250,690	6 months to 1 year
TOTAL*	**₱2,080,208**	**₱1,375,393**	**(₱588,954)**	**₱2,866,647**	

*Please refer to Notes 7 Accounts and Notes Receivable and 31 Related Party Transactions in the 2025 Consolidated Audited Financial Statements for detailed account analysis and discussion.

AYALA CORPORATION AND SUBSIDIARIES

SCHEDULE C1 - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025
(IN THOUSAND PESOS)

Creditor	Creditor's Relationship to the Reporting Co.	Account Type	Beginning Balance	Movement	Ending Balance	Nature of Accounts
AC	Parent	Accounts and other receivfable	₱271,246	(₱94,738)	₱176,508	Rental fees, with interest on overdue accounts; other receivables
AYC	Subsidiary	Other receivable	38,736,318	826,833	39,563,151	Non-interest-bearing receivable from ACIFL (for various investment)
AYC	Subsidiary	Loans receivable	5,784,500	94,451	5,878,951	Interest-bearing loans receivable from BHL
BHL	Subsidiary	Loans receivable	5,917,966	119,797	6,037,763	Mainly interest-bearing loans receivable from AC
BHL	Subsidiary	Accounts Receivable	141,261	2,307	143,568	Other receivables from AC Industrials
ACIFL	Subsidiary	Accounts and loans receivable	78,562	1,273	79,835	Mainly interest-bearing loans receivable from BHL (for various investments)
AC Health	Subsidiary	Subscription receivable	2,558	(547)	2,011	Deposits on subscriptions, non-interest bearing
ALI	Subsidiary	Accounts receivable	333,149	(108,064)	225,085	Advances, non-interest bearing
Others	Subsidiary	Trade and other receivable	127,885	29,108	156,993	Legal fees; reimbursement of expenses, etc.
TOTAL			**₱51,393,445**	**₱870,420**	**₱52,263,865**	

AYALA CORPORATION AND SUBSIDIARIES

SCHEDULE C2 - AMOUNTS PAYABLE TO RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025
(IN THOUSAND PESOS)

Debtor	Debtor's Relationship to the Reporting Co.	Account Type	Beginning Balance	Movement	Ending Balance	Nature of Accounts
AC	Parent	Accounts and loans payable	₱5,917,966	₱119,797	₱6,037,763	Mainly interest-bearing loans payable to BHL
AC	Parent	Accounts and Subscriptions payable	310,721	(223,636)	87,085	Deposits on subscriptions; advances, non-interest bearing
ACIFL	Subsidiary	Other payable	38,736,318	826,833	39,563,151	Non-interest bearing payable to AYC (for various investment)
ACIFL	Subsidiary	Other payable	89,102	1,419	90,521	Other payables to PFIL & AC
BHL	Subsidiary	Accounts and loans payable	18,682	13,422	32,104	Mainly interest-bearing loans payable to ACIFL (for various investments)
BHL	Subsidiary	Loans payable	5,784,500	94,451	5,878,951	Interest-bearing loans payable to AYC
ALI	Subsidiary	Other payable	166,875	(129,558)	37,317	Advances, non-interest bearing
AYC	Subsidiary	Other payable	77,854	1,134	78,988	Other payables to ACIFL & AC
ACEIC	Subsidiary	Other payable	48,893	11,015	59,908	Advances, non-interest bearing
ACI	Subsidiary	Accounts and other payables	158,309	56,841	215,150	Mainly rental fees, with interest on overdue accounts
Others	Subsidiary	Accounts and other payables	84,225	98,702	182,927	Rental fees, with interest on overdue accounts; reimbursement of expenses, etc.
TOTAL			**₱51,393,445**	**₱870,420**	**₱52,263,865**	

AYALA CORPORATION AND SUBSIDIARIES

SCHEDULE D - LONG -TERM DEBT

AS OF DECEMBER 31, 2025
(IN THOUSAND PESOS)

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE	CURRENT	NON-CURRENT	TOTAL	INTEREST RATE	MATURITY DATE
PARENT COMPANY:						
Bank loans	Various	₱5,524,520	₱48,441,666	₱53,966,186	With fixed interest rates ranging from 3.0% to 3.31% per annum with varying maturity dates up to 2033	With varying maturity dates up to 2033
Bonds		5,986,407	9,947,423	15,933,830		
Due 2025	₱–	5,986,407	(5,986,407)	–	4.82%; 4.4542%	February 10, 2025; May 26, 2025
Due 2026	₱6,000,000	–	5,986,407	5,986,407	3.7874%	May 28, 2026
Due 2027	₱7,500,000	–	7,465,481	7,465,481	5.6239%	May 26, 2027
Due 2029	₱2,500,000	–	2,481,942	2,481,942	6.1351%	May 26, 2029
		₱11,510,927	₱58,389,089	₱69,900,016		
SUBSIDIARIES:						
Loans from banks and other institutions:						
Philippine Peso	Various	₱10,738,999	₱200,921,546	₱211,660,545	With interest rates ranging from 3.75% to 8.00%.	Various
Foreign currency	Various	8,323,706	99,939,103	108,262,809	With interest rates ranging from 1.05% to 8.65%.	Various
		₱19,062,705	₱300,860,649	₱319,923,354		

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE	CURRENT	NON-CURRENT	TOTAL	INTEREST RATE	MATURITY DATE
Bonds:						
AYCFL's Fixed for life notes	*$1,024,880*		*60,226,755*	*60,226,755*	*With interest rates ranging from 3.90% to 5.125%.*	*Fixed for life perpetual notes "Fixed-for-life notes under ACEN MTN Programme: No maturity date*
ACEIC's Green bonds	*$810,000*		*51,104,881*	*51,104,881*	*With interest rates ranging from 4.00% to 5.25%.*	*ACEFIL MTN Programme: 2024, 2029, or no maturity date"*
AYCFL's Social bond	*$100,000*		*5,879,000*	*5,879,000*	*2.993%.*	*January 14, 2032*
ALI's MYR bonds	*RM300,000*		*4,364,544*	*4,364,544*	4.50%	August 8, 2029
Philippine Peso						
Due 2026	₱8,000,000	7,996,664		7,996,664	4.85%	March 23, 2026
Due 2026	₱8,000,000	7,994,048		7,994,048	6.37%	May 6, 2026
Due 2027	₱7,000,000		6,994,188	6,994,188	5.26%	May 2, 2027
Due 2027	₱1,000,000		991,273	991,273	4.99%	February 6, 2027
Due 2027	₱7,000,000		6,973,575	6,973,575	6.21%	July 4, 2027
Due 2027	₱10,000,000		6,441,808	6,441,808	6.05%	September 22, 2027
Due 2028	₱12,000,000		11,960,999	11,960,999	5.81%	May 5, 2028
Due 2028	₱10,075,000		10,008,083	10,008,083	6.03%	June 26,2028
Due 2029	₱14,000,000		13,911,598	13,911,598	6.81%	July 4, 2029
Due 2030	₱7,500,000		7,412,542	7,412,542	4.08%	October 23, 2030
Due 2031	₱3,000,000		2,985,740	2,985,740	4.08%	October 26, 2031
Due 2033	₱2,000,000		1,990,288	1,990,288	6.00%	October 10, 2033
Due 2033	₱4,925,000		4,875,876	4,875,876	6.30%	June 26, 2033
Due 2034	₱8,000,000		7,909,206	7,909,206	6.13%	November 13, 2034
Due 2034	₱6,000,000		5,930,796	5,930,796	6.99%	July 18, 2034
Due 2035	₱7,500,000		7,414,237	7,414,236	6.99%	October 23, 2035
		15,990,712	217,375,389	233,366,100		
TOTAL	**₱518,610,375**	**₱46,564,344**	**₱576,625,127**	**₱623,189,470**		

* Please refer to Note 18 Short-term and Long-term Debt of the 2025 Consolidated Audited Financial Statements for the detailed discussion.

AYALA CORPORATION AND SUBSIDIARIES

SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED PARTIES)

AS OF DECEMBER 31, 2025
(IN THOUSAND PESOS)

Name of Related Parties	Balance at Beginning of Period	Balance at End of Period
Bank of the Philippine Islands (BPI)*	₱35,450,987	₱28,005,344

*Amounts shown form part of the short-term and long-term debt payable to BPI per Note 31 - Related Party Transactions of the 2025 Consolidated Audited Financial Statements.

AYALA CORPORATION AND SUBSIDIARIES

SCHEDULE F- GUARANTEES OF SECURITIES OF OTHER ISSUERS

AS OF DECEMBER 31, 2025
(IN THOUSAND PESOS)

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guaranty
AYC Finance Limited *	Various *	Total loan drawdowns amounted to $1,300.0M wherein $1,124.9M is outstanding as of December 31, 2025.*	None	The Parent Company unconditionally guarantees the due and punctual payment of the loan drawdowns if, for any reason AYCFL does not make timely payment of the amount due. The Parent Company's obligation as guarantor will remain in full force until no sum remains to be lent by the lenders, and the lenders recover the outstanding loan drawdowns.*

* Please refer to Note 35 - Commitments of the 2025 Consolidated Audited Financial Statements for the detailed discussion.

AYALA CORPORATION AND SUBSIDIARIES

SCHEDULE G - CAPITAL STOCK

AS OF DECEMBER 31, 2025

TITLE OF ISSUE	NUMBER OF SHARES AUTHORIZED	NUMBER OF SHARES ISSUED AND OUTSTANDING	NUMBER OF SHARES RESERVED FOR OPTIONS, WARRANTS, CONVERSION & OTHER RIGHTS	NUMBER OF SHARES HELD BY RELATED PARTIES	DIRECTORS, OFFICERS & EMPLOYEES	OTHERS
Common stock issued and subscribed [a]	900,000,000	623,596,775				
Issued and subscribed on exercise of share options	–	440,201				
Treasury shares reissuance/acquisition	–	(4,000,000)				
–						
Common shares outstanding	900,000,000	620,036,976	*Refer to "Warrants and options outstanding; repricing" portion of Item 10 of the SEC17A report.*	*Refer to "Security ownership of certain record and beneficial owners" portion of Item 11 of the SEC17A report.*	6,110,733	
Preferred A shares [b]	12,000,000	5,244,515			400	
Preferred B shares [c]	58,000,000	17,500,000			–	
Preferred C shares	40,000,000	–			–	
Voting Preferred shares [d]	200,000,000	200,000,000			1,365,976	

[a] Ayala Corporation has stock option plans for the employees (Employee Stock Ownership Plan - ESOWN) covering 3% of the Company's capital stock.

[b] Cumulative, nonvoting and redeemable with a par value of ₱100.00 per share and is listed and traded at the Philippine Stock Exchange. It may be redeemed at the option of Ayala Corporation starting on the fifth year from date of issuance.*

[c] Cumulative, nonvoting and redeemable with a par value of ₱100.00 per share and is listed and traded at the Philippine Stock Exchange. It may be redeemed at the option of Parent Company starting on the fifth year of from the date of issuance.*

[d] Cumulative, nonparticipating, nonvoting and redeemable at the option of the Parent Company under such terms that the BOD may approve at the time of the issuance of the shares.*

[e] *Cumulative, voting and redeemable at the option of Parent Company with a par value of ₱1.00 per share and dividend rate of 4.8096% per annum and will be applicable until May 20, 2025, the next re-pricing date.**

* Please refer to Note 22 of the 2025 Consolidated Audited Financial Statements for the related discussion.

AYALA CORPORATION AND SUBSIDIARIES

ANNEX B: RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

AS AT DECEMBER 31, 2025 AND 2024
(IN THOUSAND PESOS)

	December 2025	December 2024
Unappropriated retained earnings, beginning of reporting period*	**₱67,898,508**	₱61,589,700
Add (less):		
Dividend declaration during the reporting period	**(8,109,387)**	(7,002,201)
Sale/retirement of investment in FVOCI	**32,661**	–
Unappropriated retained earnings, as adjusted	**59,821,782**	54,587,499
Add (less): Net Income (loss) for the current year	**11,428,287**	9,278,311
Add (less):		
Net movement of treasury shares	**(1,923,729)**	4,050,907
Net movement in deferred tax asset and deferred tax liabilities related to same transaction	**77,044**	(18,209)
	(1,846,685)	4,032,698
Retained earnings available for dividends	**₱69,403,384**	₱67,898,508

**Reconciliation of unappropriated retained earnings, beginning of reporting period as per SEC MC No. 16-2023:*

	December 2025	December 2024
Unappropriated retained earnings, beginning (per audited FS)	**₱78,470,997**	₱76,194,887
Add (less):		
Treasury shares, beginning	**(10,495,444)**	(14,546,351)
Deferred tax asset, beginning	**(77,045)**	(58,836)
Unappropriated retained earnings, beginning of reporting period	**₱67,898,508**	₱61,589,700

*Per SEC MC No. 16-2023, Footnote 2, "Unappropriated retained earnings, beginning of reporting period" refers to the ending balance as reported in the “Reconciliation of Retained Earnings Available for Dividend Declaration” of the immediately preceding period. SEC MC No. 16-2023 is effective for audited financial statements covering period December 31, 2023 and onwards and supersedes the guidance under SEC MC No. 11-2008 on the determination of the availability of retained earnings for dividend declarations.

AYALA CORPORATION AND SUBSIDIARIES

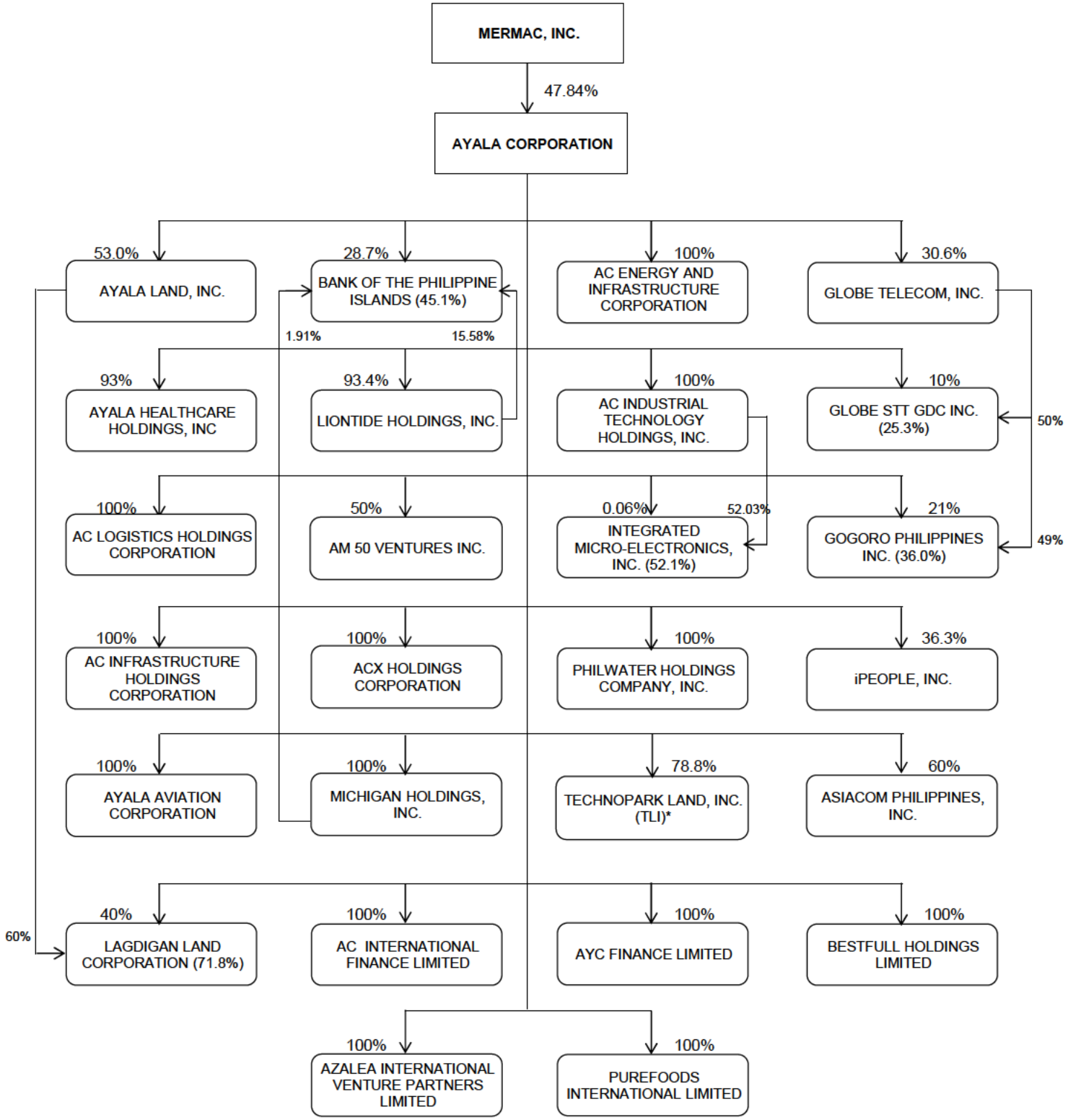
ANNEX C: MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANY AND ITS ULTIMATE PARENT COMPANY, MIDDLE PARENT, SUBSIDIARIES OR CO-SUBSIDIARIES, ASSOCIATES, WHEREVER LOCATED OR REGISTERED

(Refer to succeeding pages)

AYALA CORPORATION AND SUBSIDIARIES

Map of Relationships of the Companies within the Group

As of December 31, 2025

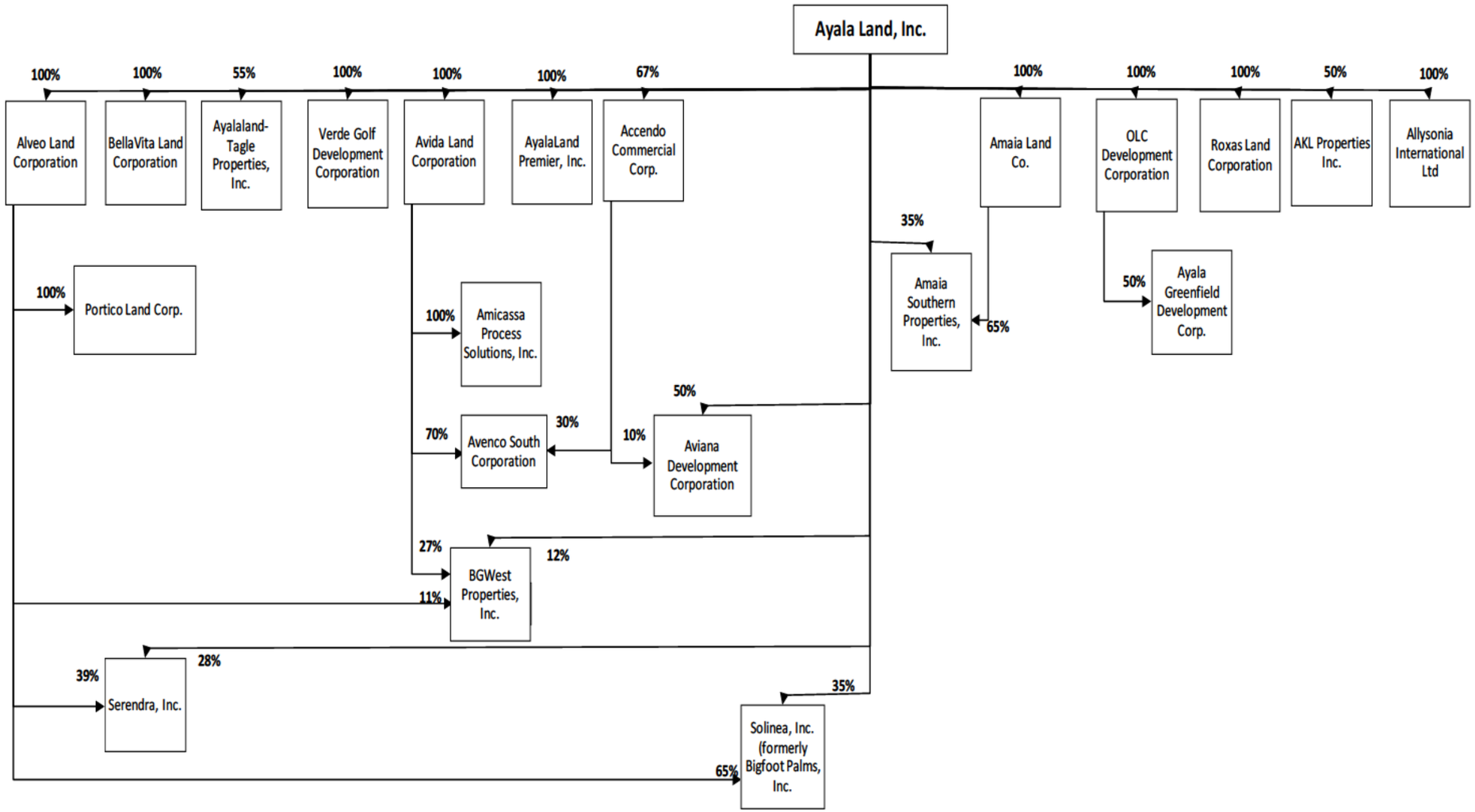


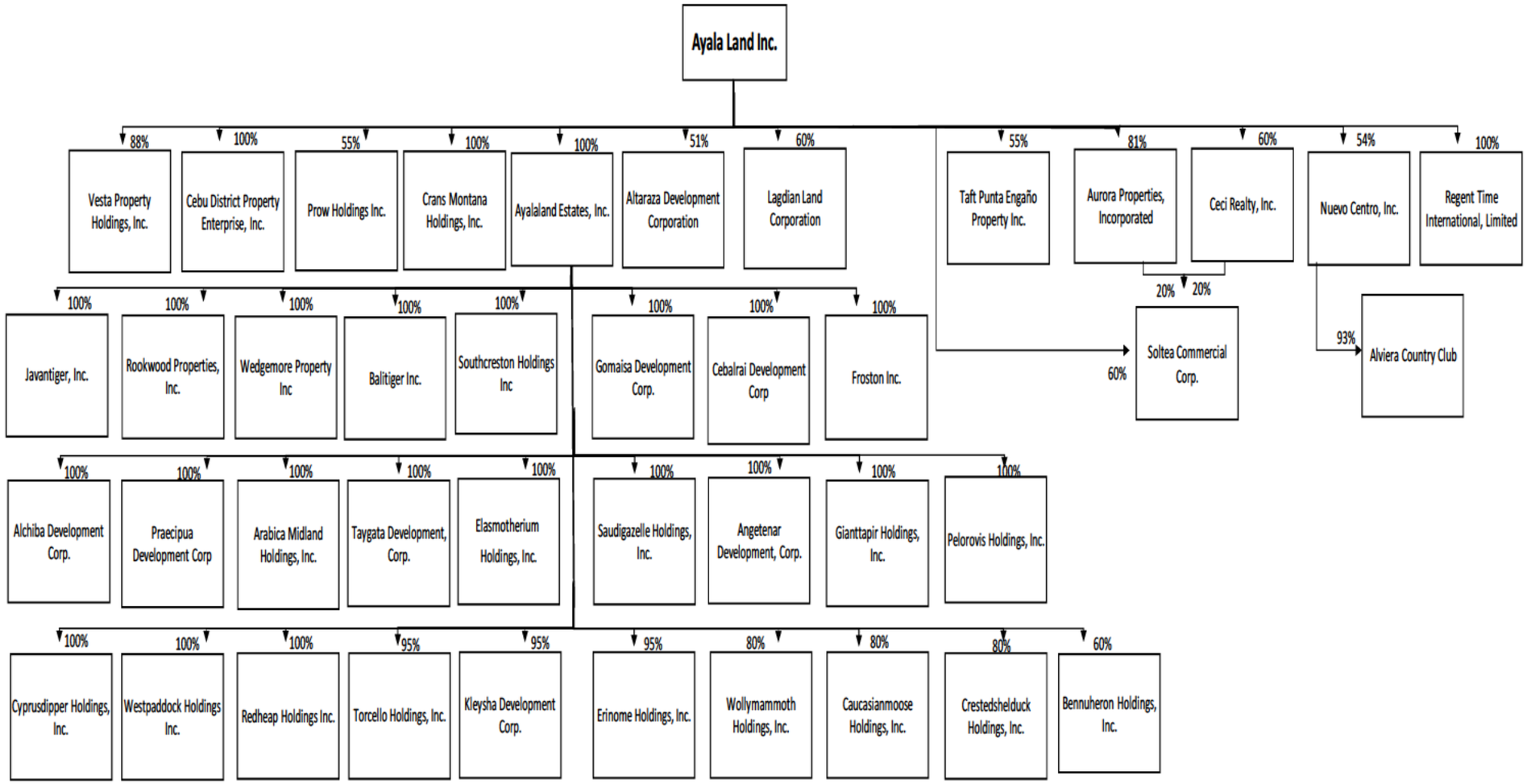
Legend:

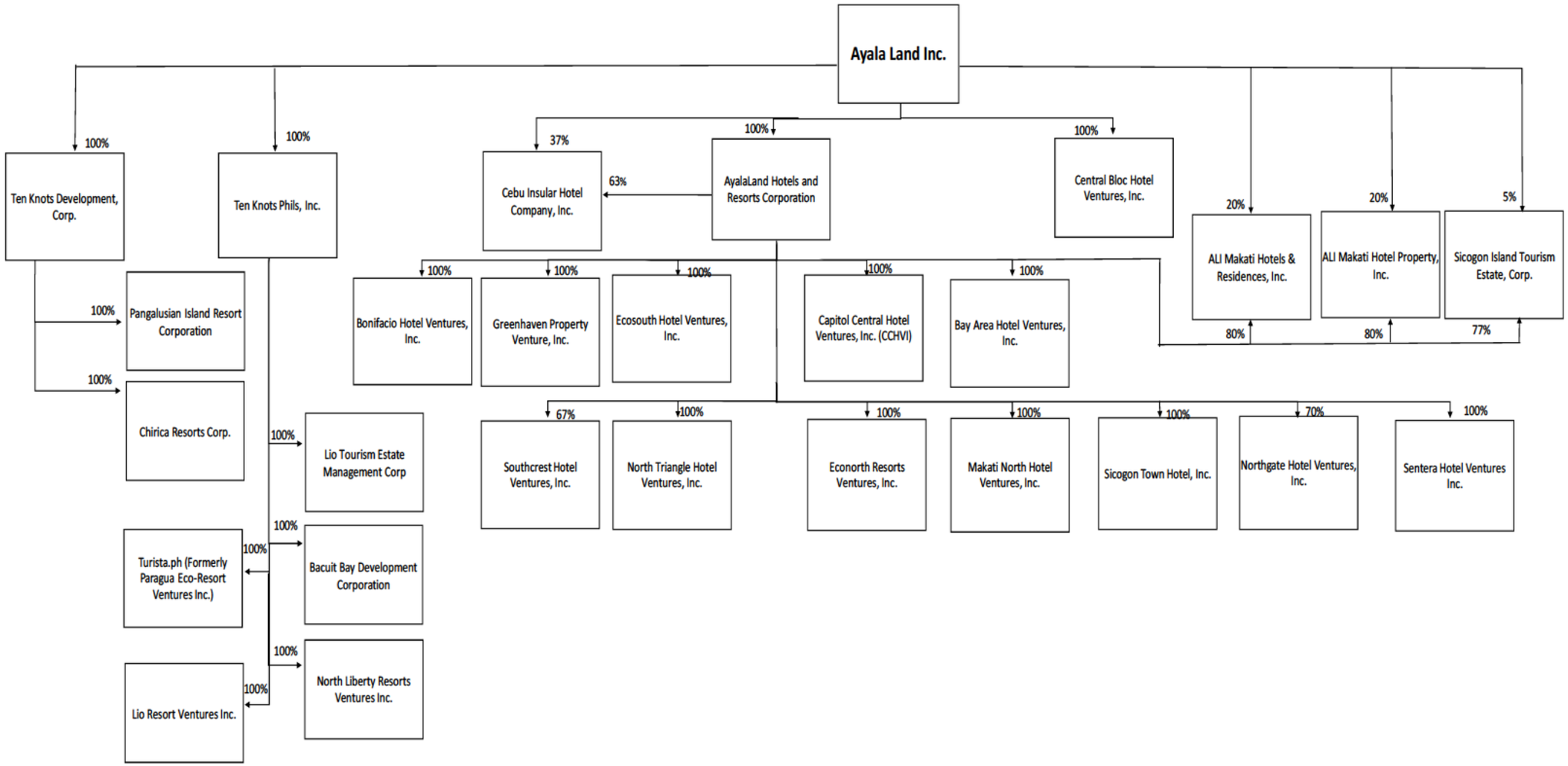
% of ownership appearing outside the box - direct % of economic ownership

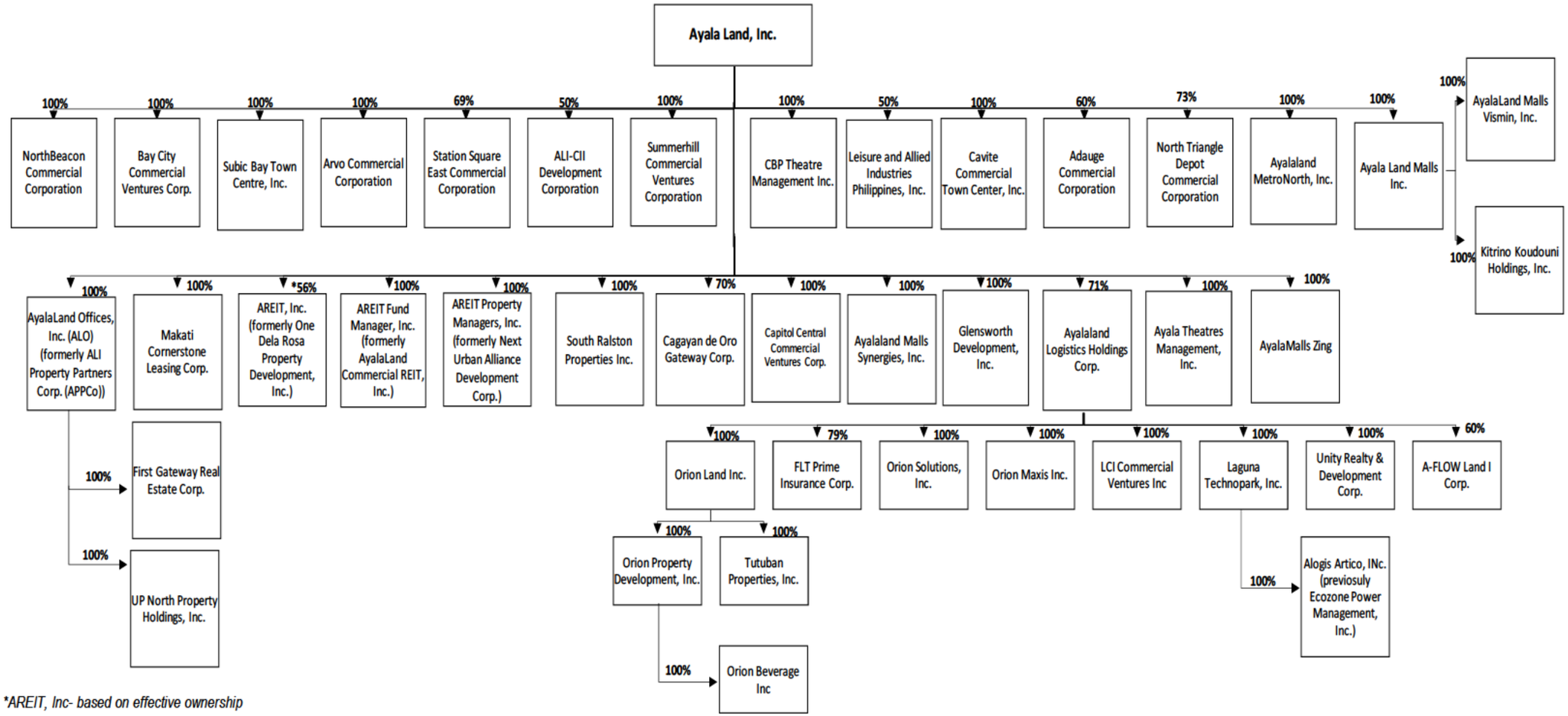
% of ownership appearing inside the box - effective % of economic ownership

*On December 10, 2021, the BOD and stockholders of TLI approved the plan to shorten its corporate term to June 30, 2023. On December 23, 2021, the SEC approved the amendment of the Fourth Article of the Articles of Incorporation to shorten the corporate term to June 30, 2023. The company obtained all necessary regulatory approvals for the closure its business. On January 6, 2026, the BIR officially cancelled the company's registration.

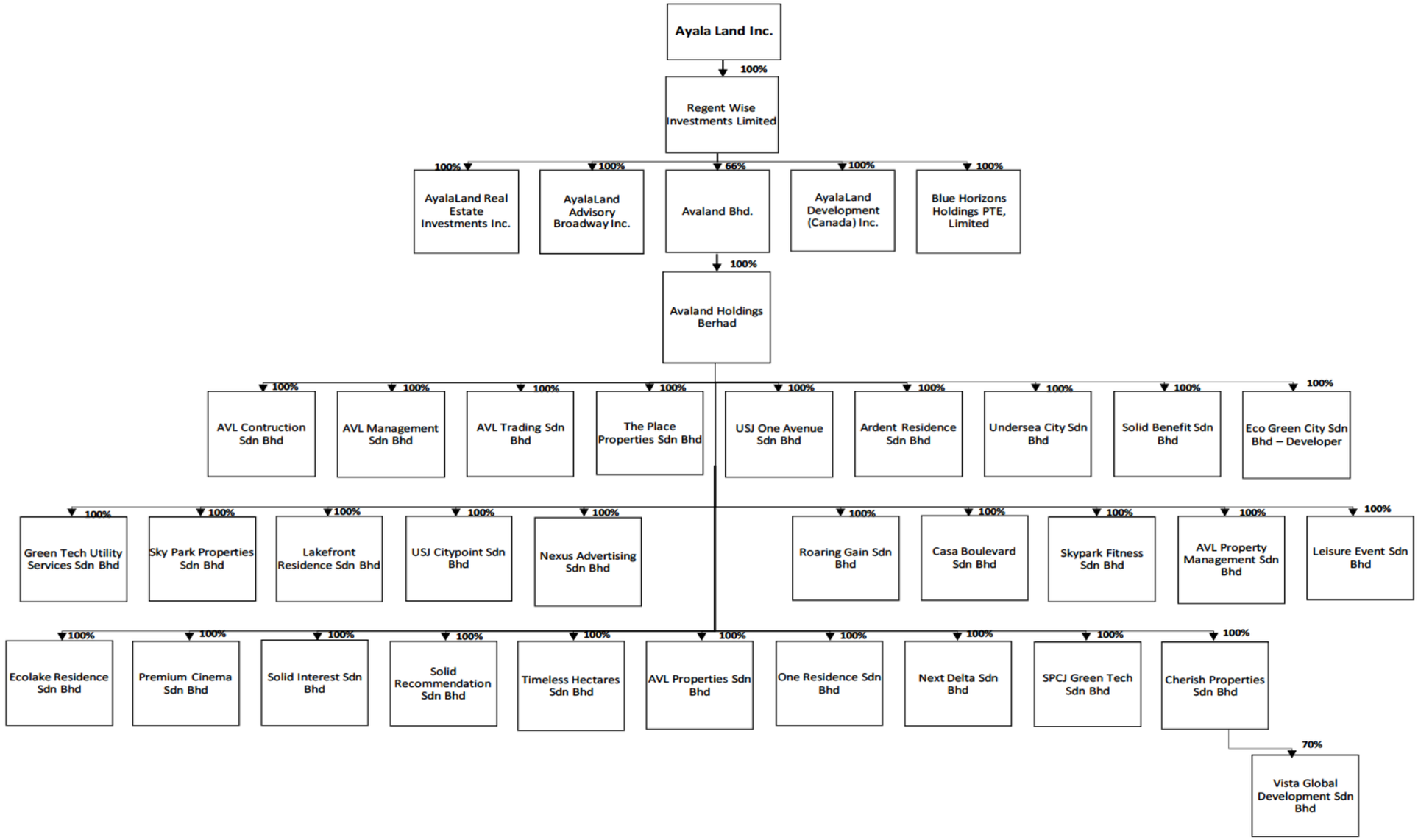

Ayala Land, Inc.
100%
Alveo Land Corporation
100%
BellaVita Land Corporation
55%
Ayalaland-Tagle Properties, Inc.
100%
Verde Golf Development Corporation
100%
Avida Land Corporation
100%
AyalaLand Premier, Inc.
67%
Accendo Commercial Corp.
100%
Amaia Land Co.
100%
OLC Development Corporation
100%
Roxas Land Corporation
50%
AKL Properties Inc.
100%
Allysonia International Ltd
35%
Amaia Southern Properties, Inc.
65%
50%
Ayala Greenfield Development Corp.
100%
Portico Land Corp.
100%
Amicassa Process Solutions, Inc.
50%
70%
Avenco South Corporation
30%
10%
Aviana Development Corporation
27%
12%
BGWest Properties, Inc.
11%
28%
39%
Serendra, Inc.
35%
Solinea, Inc. (formerly Bigfoot Palms, Inc.
65%

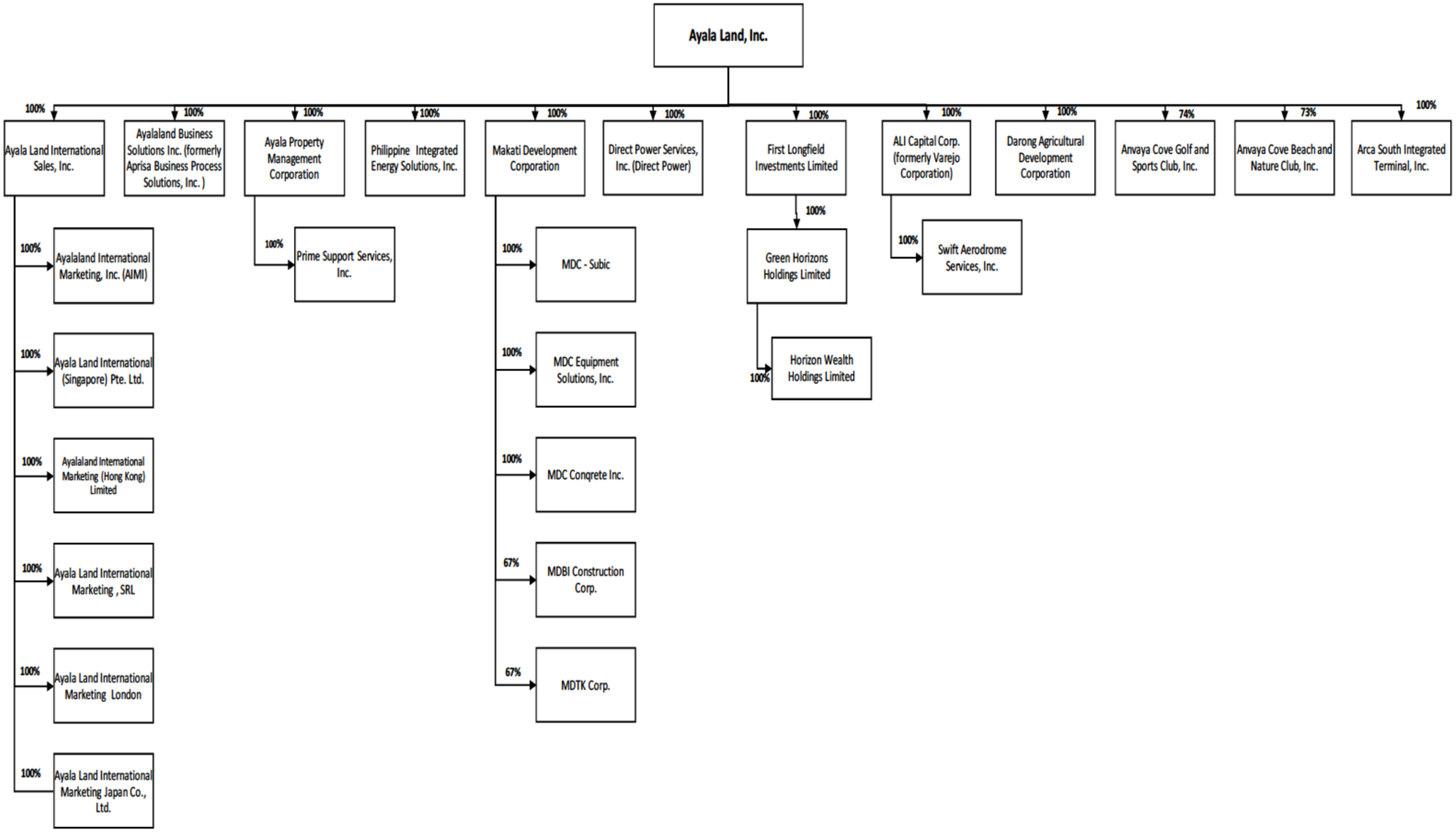

Ayala Land Inc.
88%
Vesta Property Holdings, Inc.
100%
Cebu District Property Enterprise, Inc.
55%
Prow Holdings Inc.
100%
Crans Montana Holdings, Inc.
100%
Ayalaland Estates, Inc.
51%
Altaraza Development Corporation
60%
Lagdian Land Corporation
55%
Taft Punta Engaño Property Inc.
81%
Aurora Properties, Incorporated
60%
Ceci Realty, Inc.
54%
Nuevo Centro, Inc.
100%
Regent Time International, Limited
20%
20%
60%
Soltea Commercial Corp.
93%
Alviera Country Club
100%
Javantiger, Inc.
100%
Rookwood Properties, Inc.
100%
Wedgemore Property Inc
100%
Balitiger Inc.
100%
Southcreston Holdings Inc
100%
Gomaisa Development Corp.
100%
Cebalrai Development Corp
100%
Froston Inc.
100%
Alchiba Development Corp.
100%
Praecipua Development Corp
100%
Arabica Midland Holdings, Inc.
100%
Taygata Development, Corp.
100%
Elasmotherium Holdings, Inc.
100%
Saudigazelle Holdings, Inc.
100%
Angetenar Development, Corp.
100%
Gianttapir Holdings, Inc.
100%
Pelorovis Holdings, Inc.
100%
Cyprusdipper Holdings, Inc.
100%
Westpaddock Holdings Inc.
100%
Redheap Holdings Inc.
95%
Torcello Holdings, Inc.
95%
Kleysha Development Corp.
95%
Erinome Holdings, Inc.
80%
Wollymammoth Holdings, Inc.
80%
Caucasianmoose Holdings, Inc.
80%
Crestedshelduck Holdings, Inc.
60%
Bennuheron Holdings, Inc.


Ayala Land Inc.
100%
Ten Knots Development, Corp.
100%
Ten Knots Phils, Inc.
37%
Cebu Insular Hotel Company, Inc.
63%
100%
AyalaLand Hotels and Resorts Corporation
100%
Central Bloc Hotel Ventures, Inc.
20%
ALI Makati Hotels & Residences, Inc.
20%
ALI Makati Hotel Property, Inc.
5%
Sicogon Island Tourism Estate, Corp.
100%
Pangalusian Island Resort Corporation
100%
Chirica Resorts Corp.
100%
Bonifacio Hotel Ventures, Inc.
100%
Greenhaven Property Venture, Inc.
100%
Ecosouth Hotel Ventures, Inc.
100%
Capitol Central Hotel Ventures, Inc. (CCHVI)
100%
Bay Area Hotel Ventures, Inc.
80%
80%
77%
100%
Lio Tourism Estate Management Corp
67%
Southcrest Hotel Ventures, Inc.
100%
North Triangle Hotel Ventures, Inc.
100%
Econorth Resorts Ventures, Inc.
100%
Makati North Hotel Ventures, Inc.
100%
Sicogon Town Hotel, Inc.
70%
Northgate Hotel Ventures, Inc.
100%
Sentera Hotel Ventures Inc.
100%
Turista.ph (Formerly Paragua Eco-Resort Ventures Inc.)
100%
Bacuit Bay Development Corporation
100%
Lio Resort Ventures Inc.
100%
North Liberty Resorts Ventures Inc.

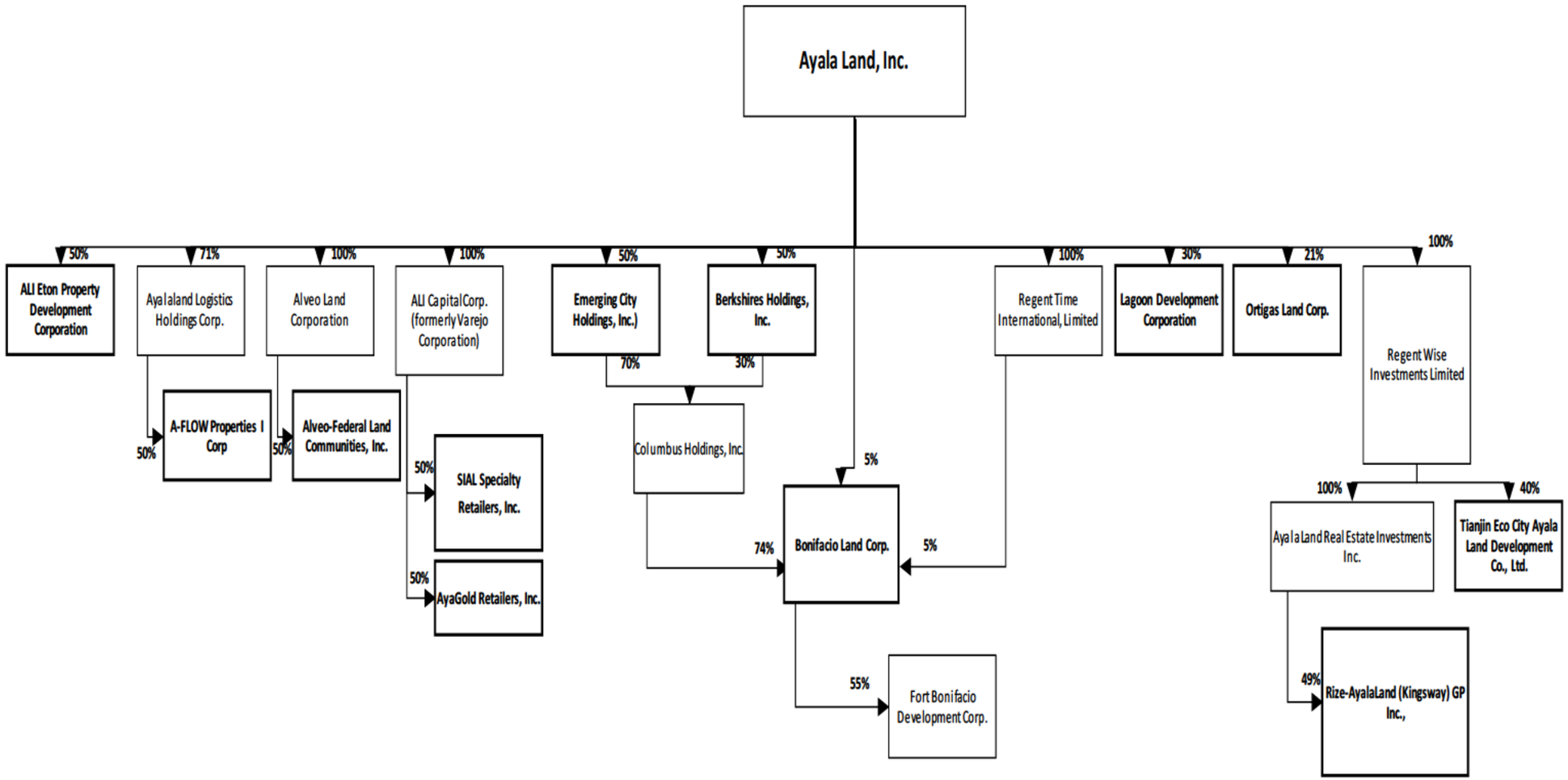


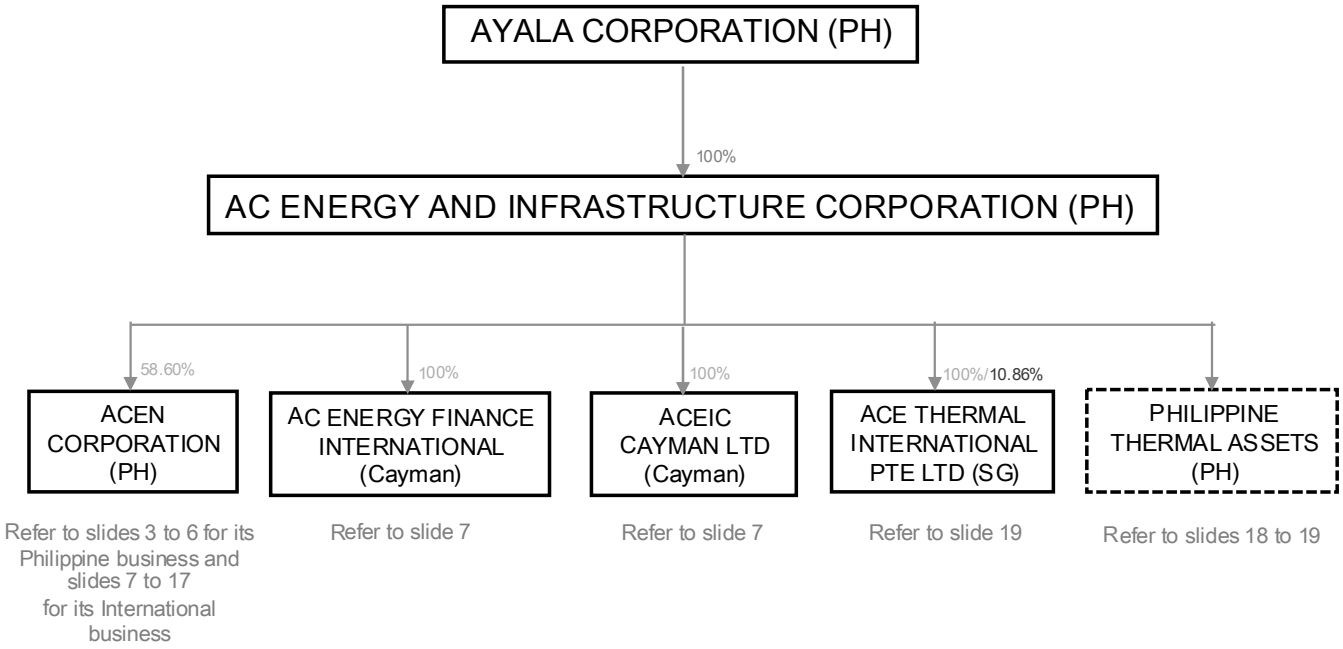
*AREIT, Inc- based on effective ownership


Ayala Land Inc.
100%
Regent Wise Investments Limited
100%
AyalaLand Real Estate Investments Inc.
100%
AyalaLand Advisory Broadway Inc.
66%
Avaland Bhd.
100%
AyalaLand Development (Canada) Inc.
100%
Blue Horizons Holdings PTE, Limited
100%
Avaland Holdings Berhad
100%
AVL Contruction Sdn Bhd
100%
AVL Management Sdn Bhd
100%
AVL Trading Sdn Bhd
100%
The Place Properties Sdn Bhd
100%
USJ One Avenue Sdn Bhd
100%
Ardent Residence Sdn Bhd
100%
Undersea City Sdn Bhd
100%
Solid Benefit Sdn Bhd
100%
Eco Green City Sdn Bhd – Developer
100%
Green Tech Utility Services Sdn Bhd
100%
Sky Park Properties Sdn Bhd
100%
Lakefront Residence Sdn Bhd
100%
USJ Citypoint Sdn Bhd
100%
Nexus Advertising Sdn Bhd
100%
Roaring Gain Sdn Bhd
100%
Casa Boulevard Sdn Bhd
100%
Skypark Fitness Sdn Bhd
100%
AVL Property Management Sdn Bhd
100%
Leisure Event Sdn Bhd
100%
Ecolake Residence Sdn Bhd
100%
Premium Cinema Sdn Bhd
100%
Solid Interest Sdn Bhd
100%
Solid Recommendation Sdn Bhd
100%
Timeless Hectares Sdn Bhd
100%
AVL Properties Sdn Bhd
100%
One Residence Sdn Bhd
100%
Next Delta Sdn Bhd
100%
SPCJ Green Tech Sdn Bhd
100%
Cherish Properties Sdn Bhd
70%
Vista Global Development Sdn Bhd


Ayala Land, Inc.
100%
Ayala Land International Sales, Inc.
100%
Ayalaland Business Solutions Inc. (formerly Aprisa Business Process Solutions, Inc.)
100%
Ayala Property Management Corporation
100%
Philippine Integrated Energy Solutions, Inc.
100%
Makati Development Corporation
100%
Direct Power Services, Inc. (Direct Power)
100%
First Longfield Investments Limited
100%
ALI Capital Corp. (formerly Varejo Corporation)
100%
Darong Agricultural Development Corporation
74%
Anvaya Cove Golf and Sports Club, Inc.
73%
Anvaya Cove Beach and Nature Club, Inc.
100%
Arca South Integrated Terminal, Inc.
100%
Ayalaland International Marketing, Inc. (AIMI)
100%
Ayala Land International (Singapore) Pte. Ltd.
100%
Ayalaland International Marketing (Hong Kong) Limited
100%
Ayala Land International Marketing , SRL
100%
Ayala Land International Marketing London
100%
Ayala Land International Marketing Japan Co., Ltd.
100%
Prime Support Services, Inc.
100%
MDC - Subic
100%
MDC Equipment Solutions, Inc.
100%
MDC Conqrete Inc.
67%
MDBI Construction Corp.
67%
MDTK Corp.
100%
Green Horizons Holdings Limited
100%
Horizon Wealth Holdings Limited
100%
Swift Aerodrome Services, Inc.

Investments in Associates/Joint Ventures



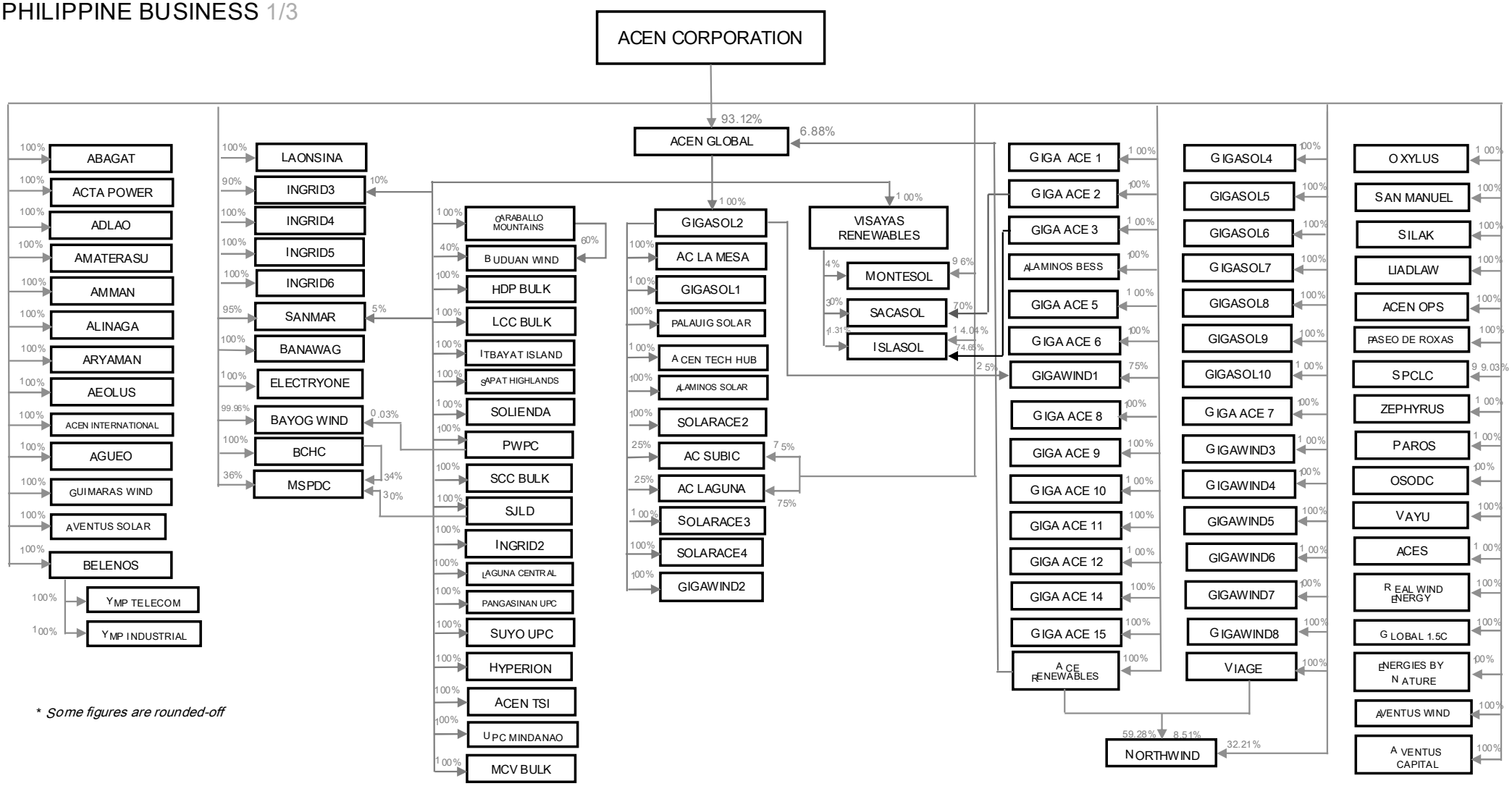


Note:

For figures in split form (X%/Y%) as shown in all slides, figures in left represent voting interest, while figures in right represent economic interest.

For figures not in split form, figures represent both voting and economic interest.

ACEN WHOLLY-OWNED COMPANIES
PHILIPPINE BUSINESS 1/3

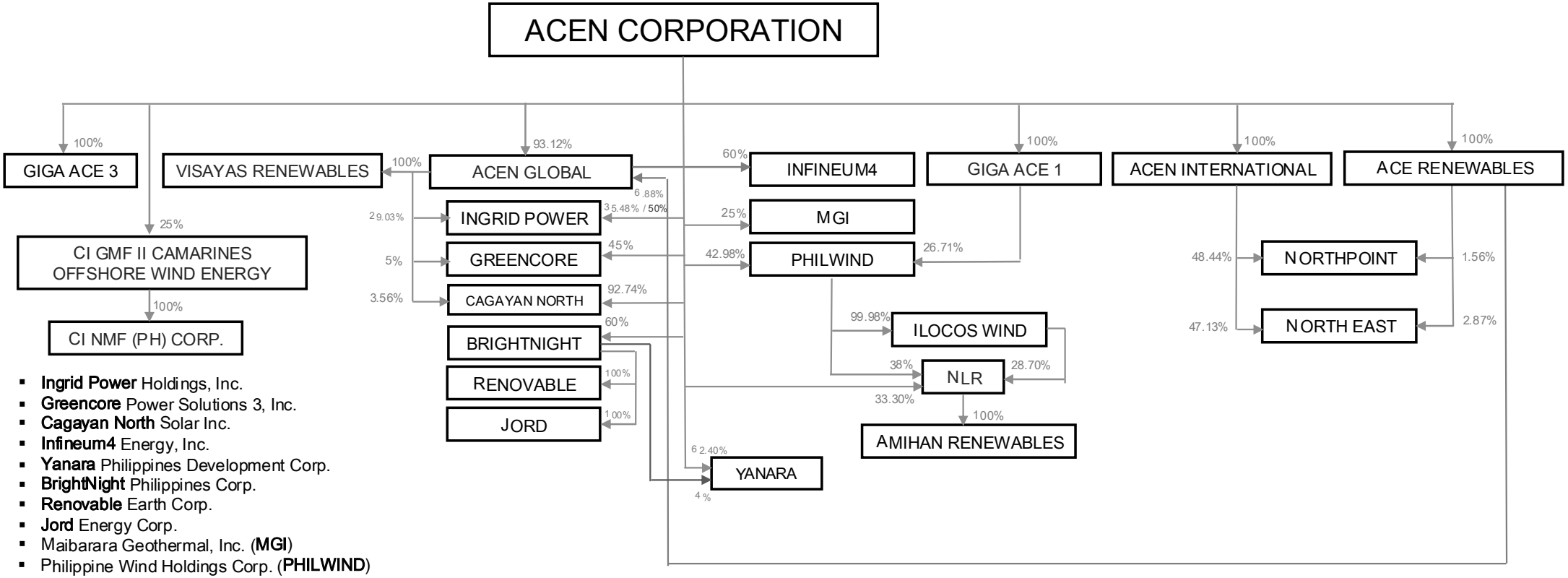


** Some figures are rounded-off*

GLOSSARY

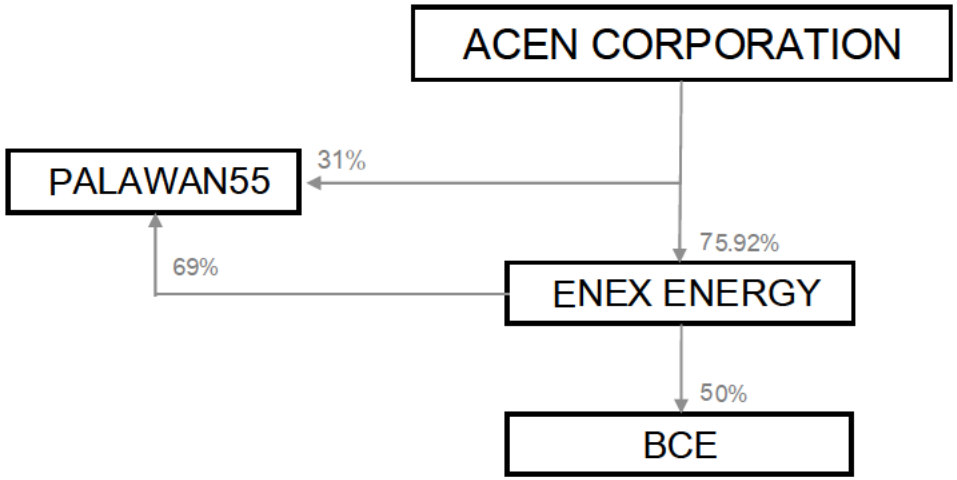
- **Abagat** Energy Corporation
- **ACE Renewables** Philippines, Inc.
- ACEN Shared Services, Inc. (**ACES**)
- **ACEN Global** Development Group, Inc.
- **ACEN International**, Inc.
- ACEN Technical Services, Inc. (**ACEN TSI**)
- ACEN Operations Services, Inc. (**ACEN OPS**)
- ACEN Tech Hub Inc.
- **AC La Mesa Solar**, Inc.
- **AC Laguna Solar**, Inc.
- **AC Subic Solar**, Inc.
- **Acta** Power Corporation
- **Adlao** Energy Corporation
- **Aeolus** Energy Corporation
- **Agueo** Energy Corporation
- **Alaminos Solar** Inc.
- **Alaminos BESS** Inc.
- **Alinaga** Energy Corporation
- **Amaterasu** Energy Corporation
- **Amman** Energy Corporation
- **Aryaman** Energy Corporation
- **Aventus Solar** Farm, Inc.
- **Aventus Wind** Farm Inc.
- **Aventus Capital** Corporation
- **Banawag** Energy Corporation
- **Bayog Wind** Power Corp.
- Buendia Christiana Holdings Corp. (**BCHC**)
- **Belenos** Energy Corporation
- **Buduan Wind** Energy Co., Inc.
- **Caraballo Mountains** UPC Asia Corporation
- **Electryone** Energy Corporation
- Energies by Nature Inc.
- **Giga Ace 1**, Inc.
- **Giga Ace 2**, Inc.
- **Giga Ace 3**, Inc.
- **Giga Ace 5**, Inc.
- **Giga Ace 6**, Inc.
- **Giga Ace 7**, Inc.
- **Giga Ace 8,** Inc.
- **Giga Ace 9,** Inc.
- **Giga Ace 10,** Inc.
- **Giga Ace 11**, Inc.
- **Giga Ace 12**, Inc.
- **Giga Ace 14**, Inc.
- **Giga Ace 15**, Inc.
- **Gigasol 1**, Inc.
- **Gigasol 2**, Inc.
- **Gigasol 4**, Inc
- **Gigasol 5**, Inc.
- **Gigasol 6**, Inc.
- **Gigasol 7**, Inc.
- **Gigasol 8**, Inc.
- **Gigasol 9**, Inc.
- **Gigasol 10**, Inc.
- **Gigawind1**, Inc.
- **Gigawind2**, Inc.
- **Gigawind3**, Inc.
- **Gigawind4**, Inc.
- **Gigawind5**, Inc.
- **Gigawind6**, Inc.
- **Gigawind7**, Inc.
- **Gigawind8**, Inc.
- **Global 1.5C** Energies Inc.
- **Guimaras Wind** Corporation
- **HDP Bulk Water** Supply, Inc.
- **Hyperion** Renewables Holdings, Inc.
- **Ingrid2** Power Corp.
- **Ingrid3** Power Corp.
- **Ingrid4** Power Corp.
- **Ingrid5** Power Corp.
- **Ingrid6** Power Corp.
- **Itbayat Island** UPC Asia Corporation
- **LCC Bulk Water** Supply, Inc.
- **Laguna Central** Renewables, Inc.
- **Laonsina** Energy Corporation
- **Liadlaw** Energy Corporation
- **MCV Bulk Water** Supply, Inc.
- Manapla Sun Power Development Corp. (**MSPDC**)
- Monte Solar Energy, Inc. (**MONTESOL**)
- Northwind Power Development Corporation (**Northwind**)
- Negros Island Solar Power, Inc. (**ISLASOL**)
- One Subic Oil Distribution Corp. (**OSODC**)
- **Oxylus** Energy Corporation
- **Palauig Solar** 1 Inc.
- **Pangasinan UPC** Asia Corporation
- Pagudpud Wind Power Corp. (**PWPC**)
- Paseo De Roxas Energy Corporation
- **Paros** Energy Corporation
- **Real Wind** Energy, Inc.
- **Sapat Highlands** Wind Corporation
- San Carlos Solar Energy, Inc. (**SACASOL**)
- San Julio Land Development Corp. (**SLJD**)
- **Suyo UPC** Asia Corporation
- **SCC Bulk Water** Supply, Inc.
- **Silak** Energy Corporation
- **San Manuel** Solar Inc.
- **Solienda** Incorporated
- Solar Philippines Central Luzon Corporation (**SPCLC**)
- **SolarAce2** Energy Corp.
- **SolarAce3** Energy Corp.
- **SolarAce4** Energy Corp.
- **SanMar** Solar, Inc.
- **UPC Mindanao** Wind Power Corporation
- **Vayu** Energy Corporation
- **Viage** Corporation
- **Visayas Renewables** Corp.
- **Zephyrus** Energy Corporation
- **YMP Industrial** Power Inc.
- **YMP Telecom** Power, Inc.

ACEN JOINT VENTURES
PHILIPPINE BUSINESS 2/3



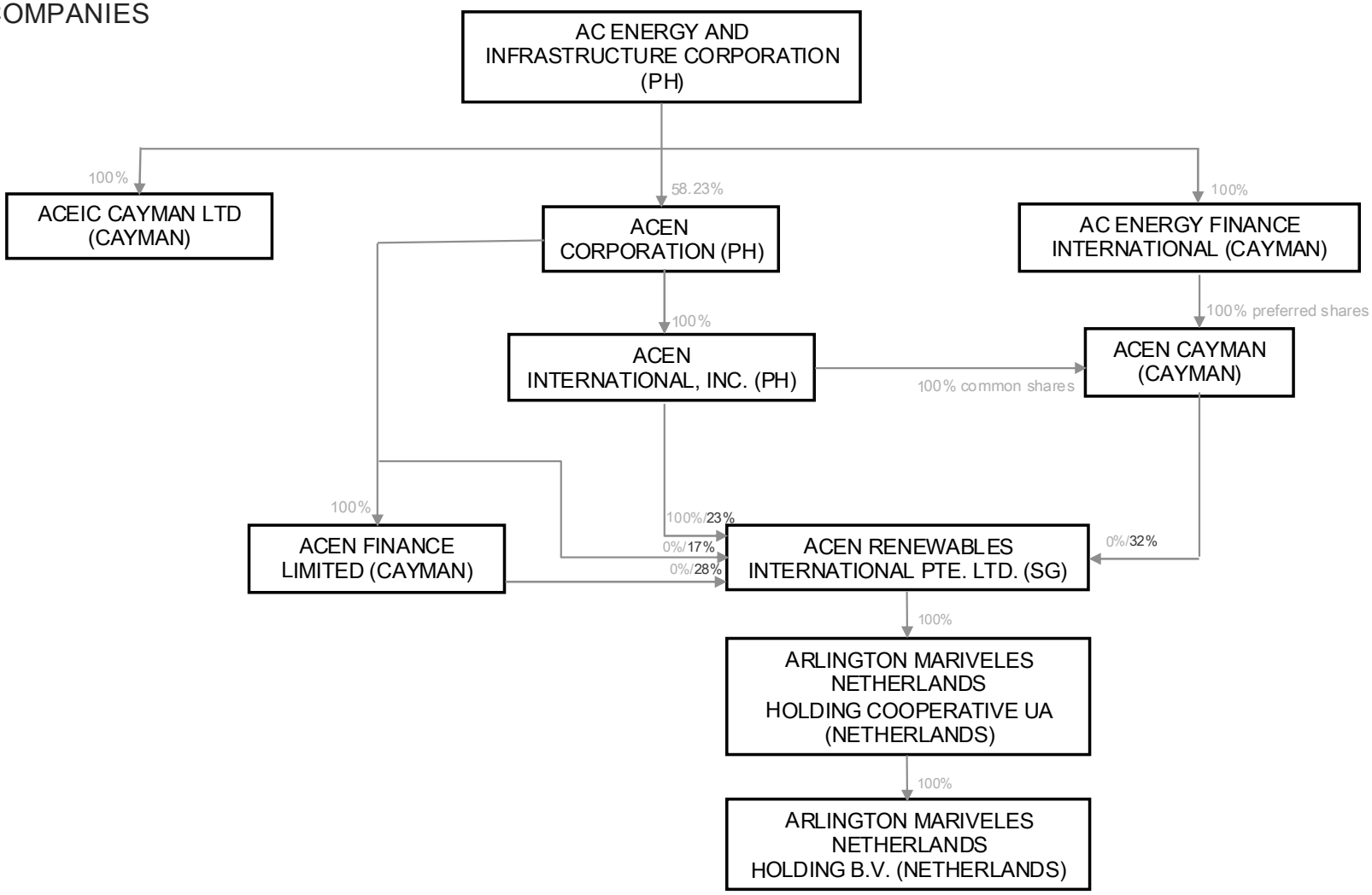
- **Ingrid Power** Holdings, Inc.
- **Greencore** Power Solutions 3, Inc.
- **Cagayan North** Solar Inc.
- **Infineum4** Energy, Inc.
- **Yanara** Philippines Development Corp.
- **BrightNight** Philippines Corp.
- **Renovable** Earth Corp.
- **Jord** Energy Corp.
- Maibarara Geothermal, Inc. (**MGI**)
- Philippine Wind Holdings Corp. (**PHILWIND**)
- Ilocos Wind Energy Holding Co., Inc. (**ILOCOS WIND**)
- North Luzon Renewable Energy Corp. (**NLR**)
- **Amihan Renewable** Energy Corp.
- **ACE Renewables** Philippines, Inc.
- **Northpoint** Wind Power Development Corporation
- **North East** Wind Systems Corporation
- CI GMF II Camarines Offshore Wind Energy Corporation
- CI NMF (PH) Corp.

ACEN - ENEX COMPANIES
PHILIPPINE BUSINESS 3/3

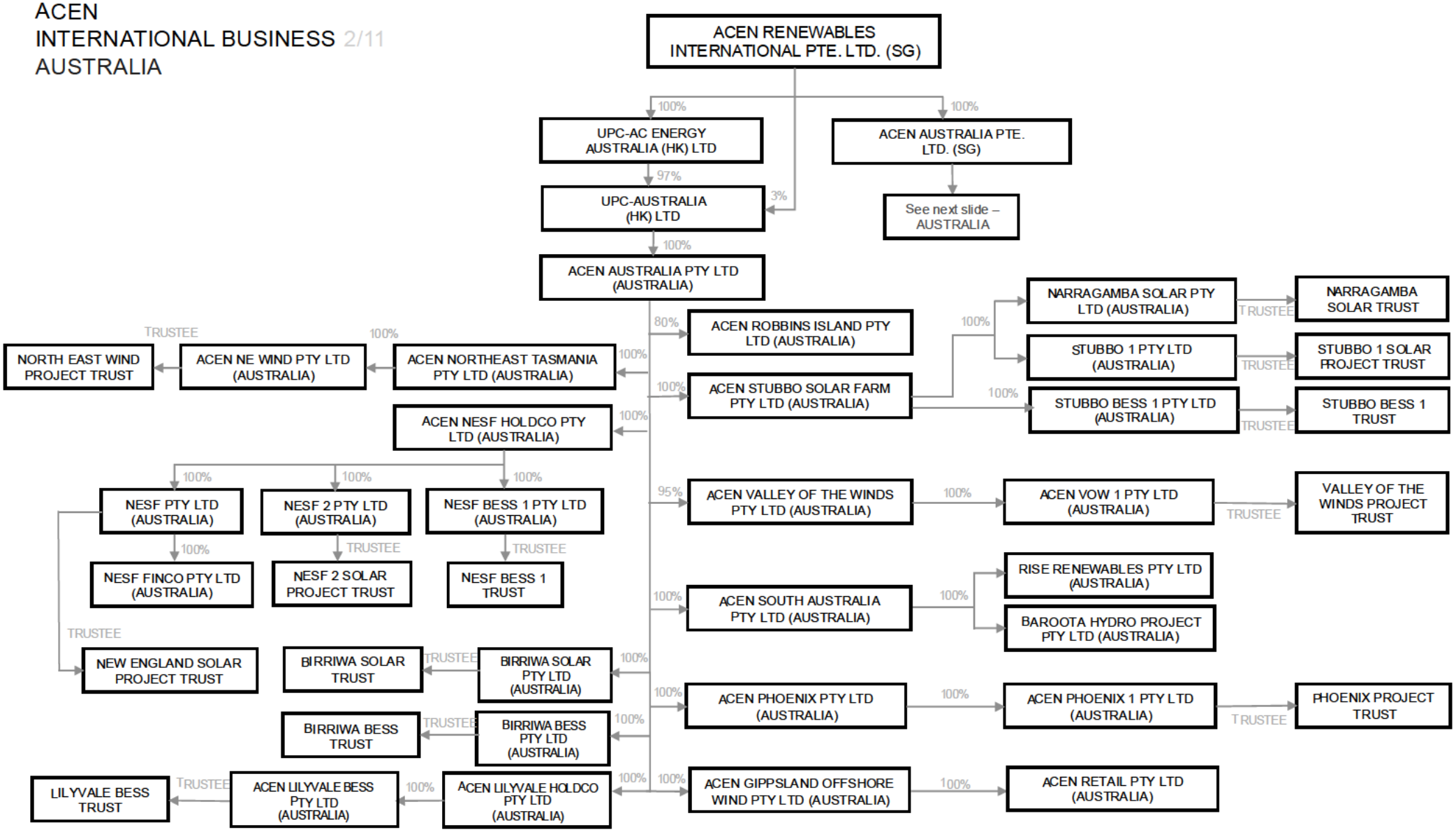


- **Enex Energy** Corporation (PSE-Listed Company)
- **Palawan55** Exploration and Production Corp.
- Batangas Clean Energy, Inc. (**BCE**)

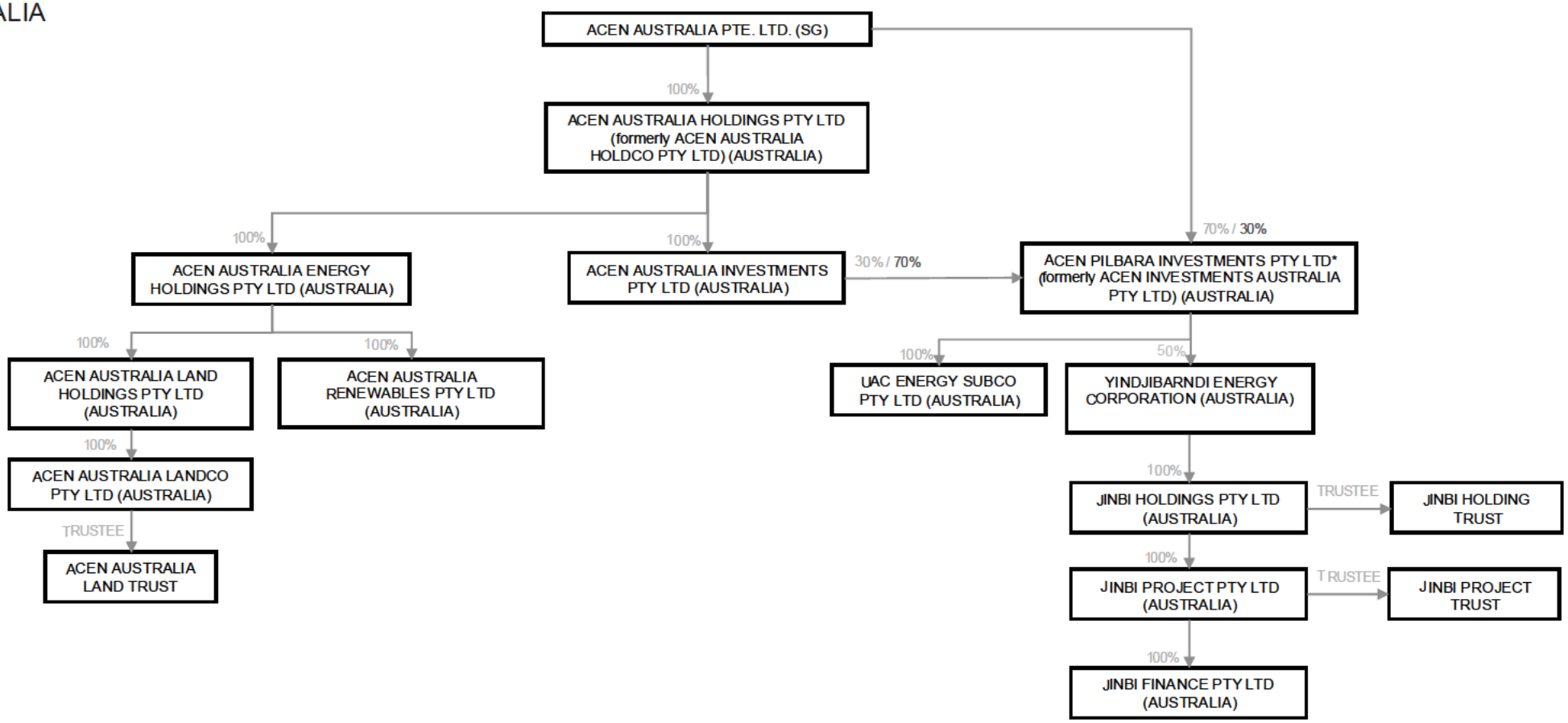
ACEN INTERNATIONAL BUSINESS 1/11
HOLDING COMPANIES



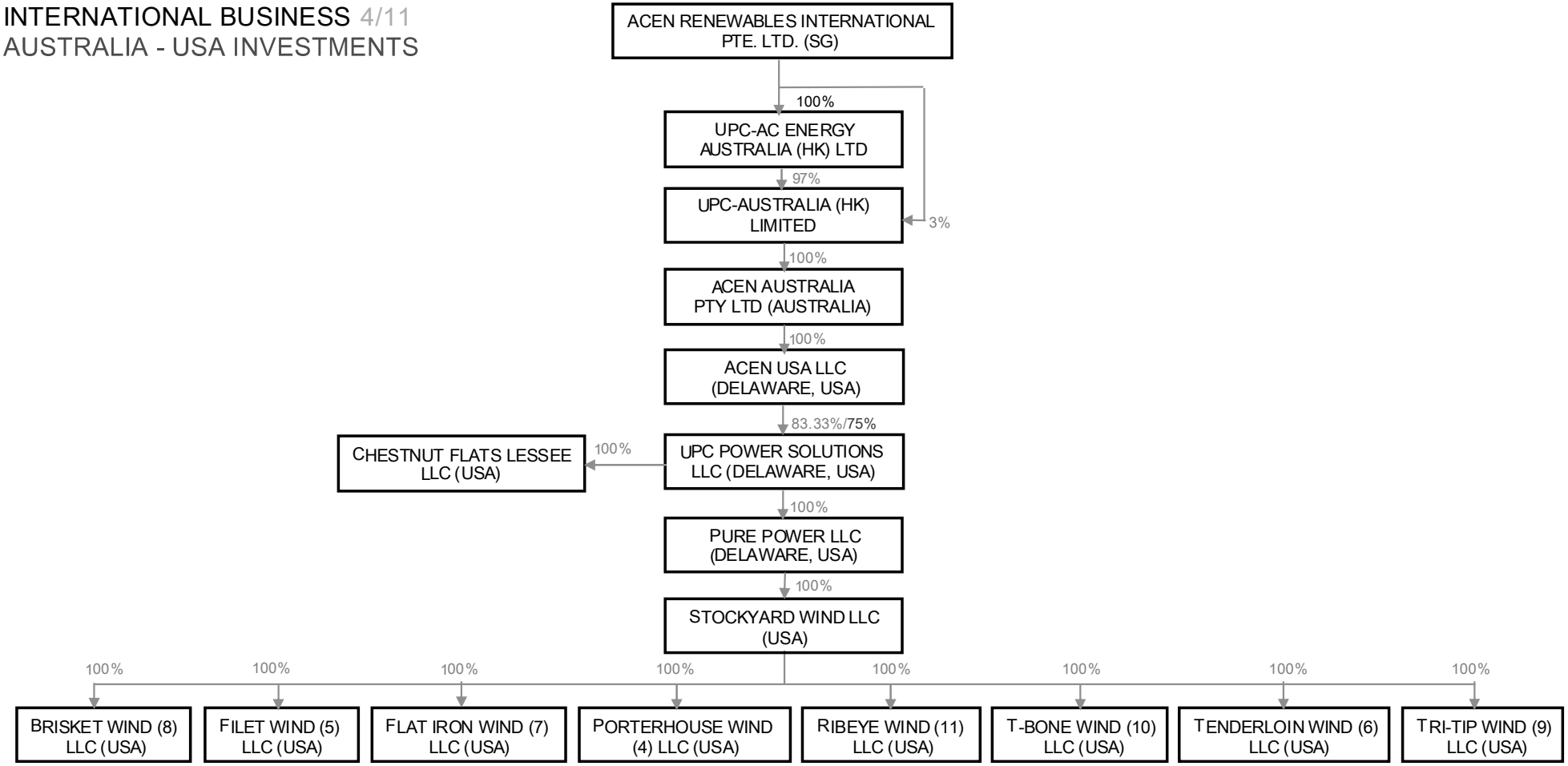
ACEN INTERNATIONAL BUSINESS 2/11 AUSTRALIA



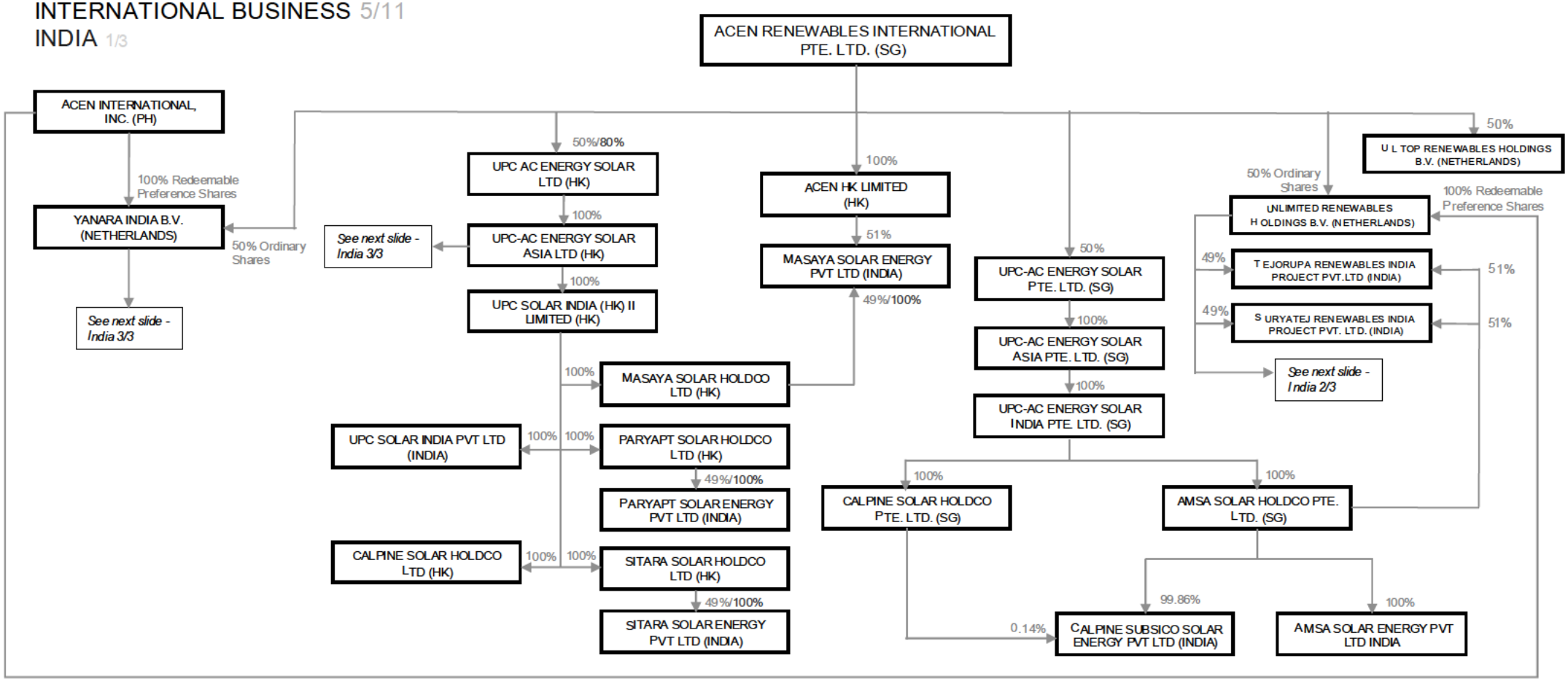
ACEN
INTERNATIONAL BUSINESS 3/11
AUSTRALIA



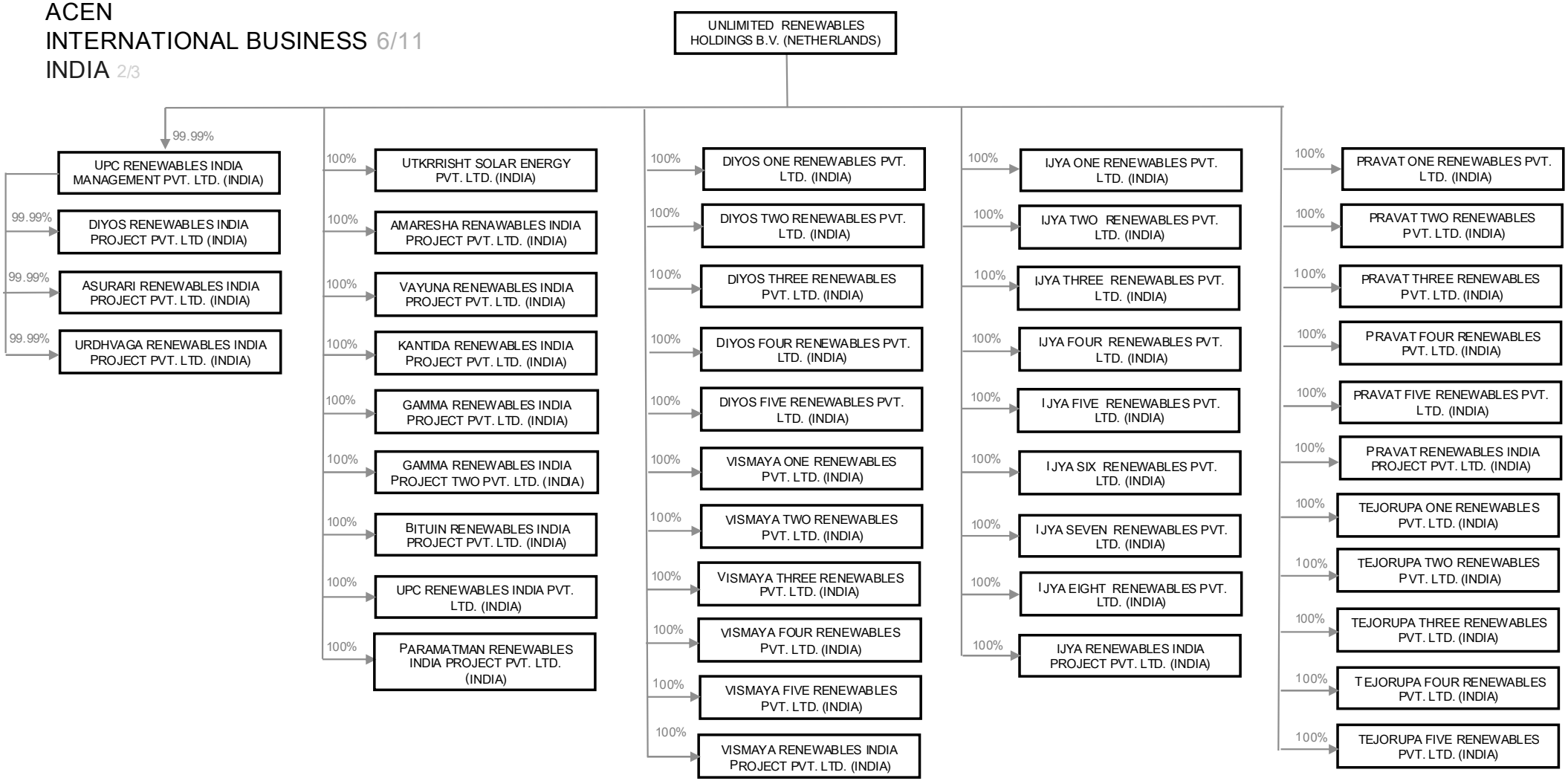
ACEN
INTERNATIONAL BUSINESS 4/11
AUSTRALIA - USA INVESTMENTS



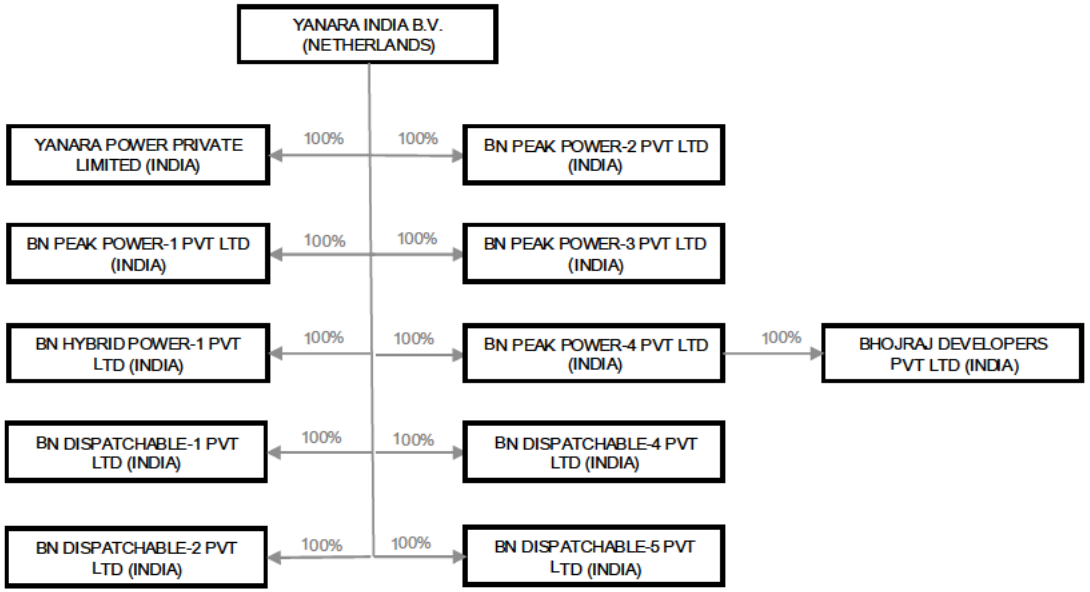
ACEN
INTERNATIONAL BUSINESS 5/11
INDIA 1/3

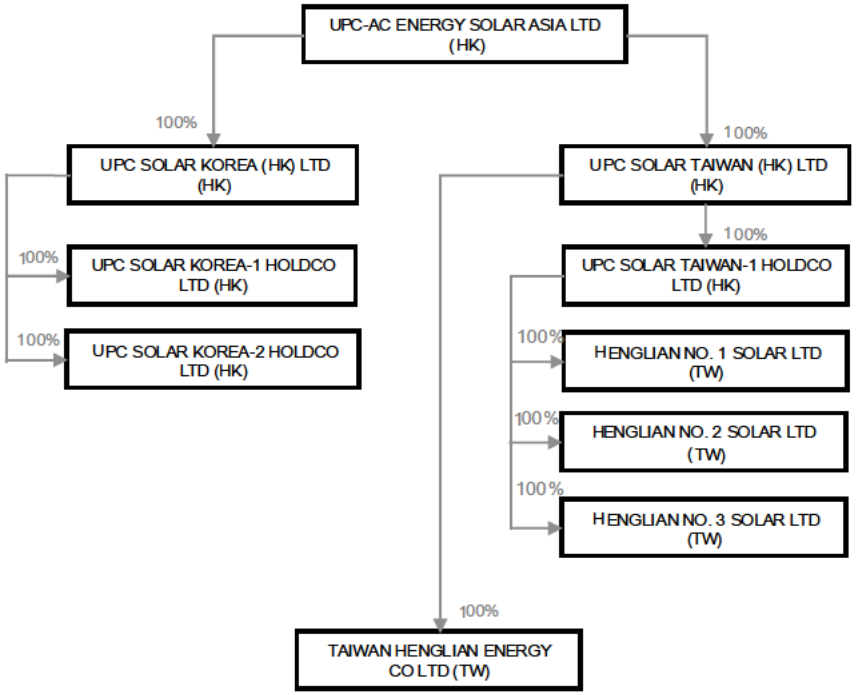


ACEN
INTERNATIONAL BUSINESS 6/11
INDIA 2/3

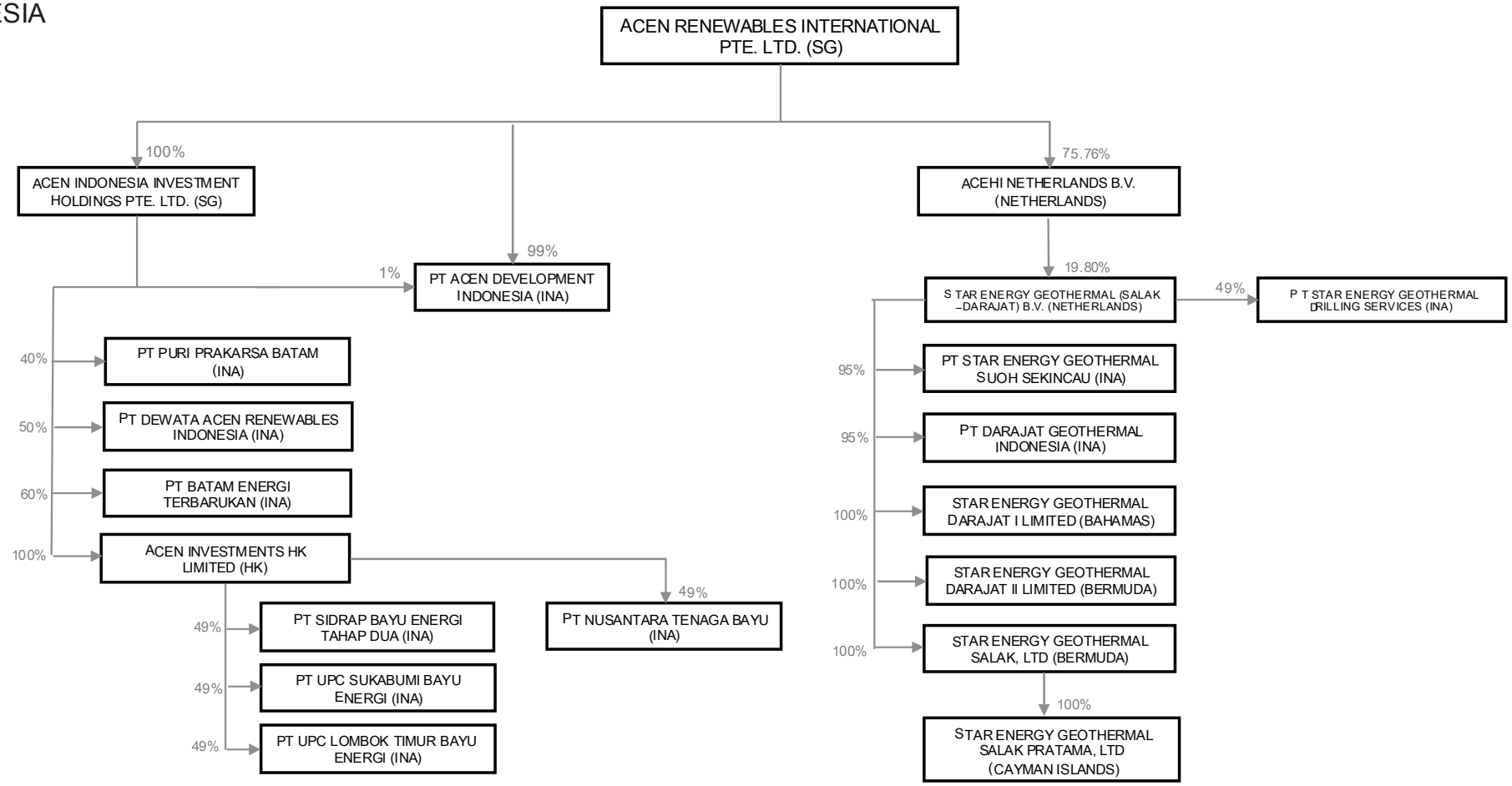


ACEN
INTERNATIONAL BUSINESS 7/11
INDIA 3/3

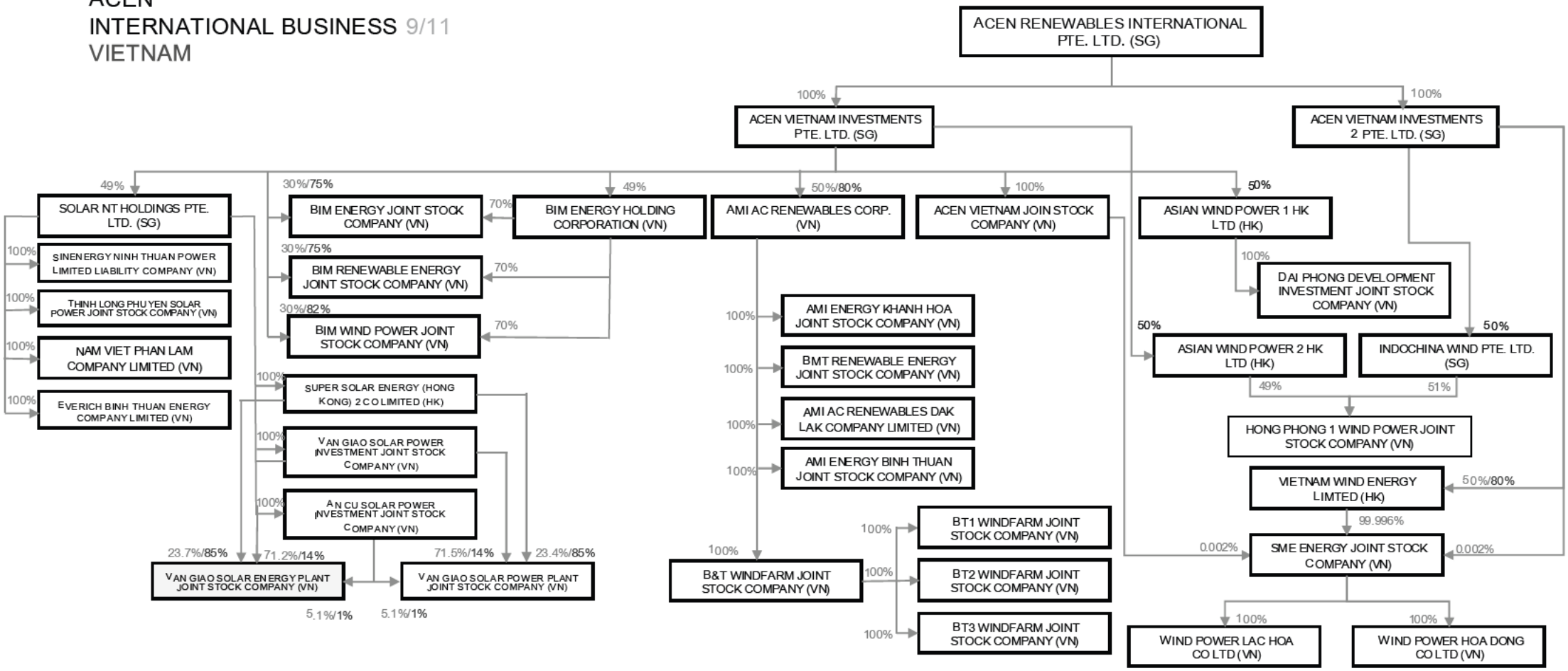




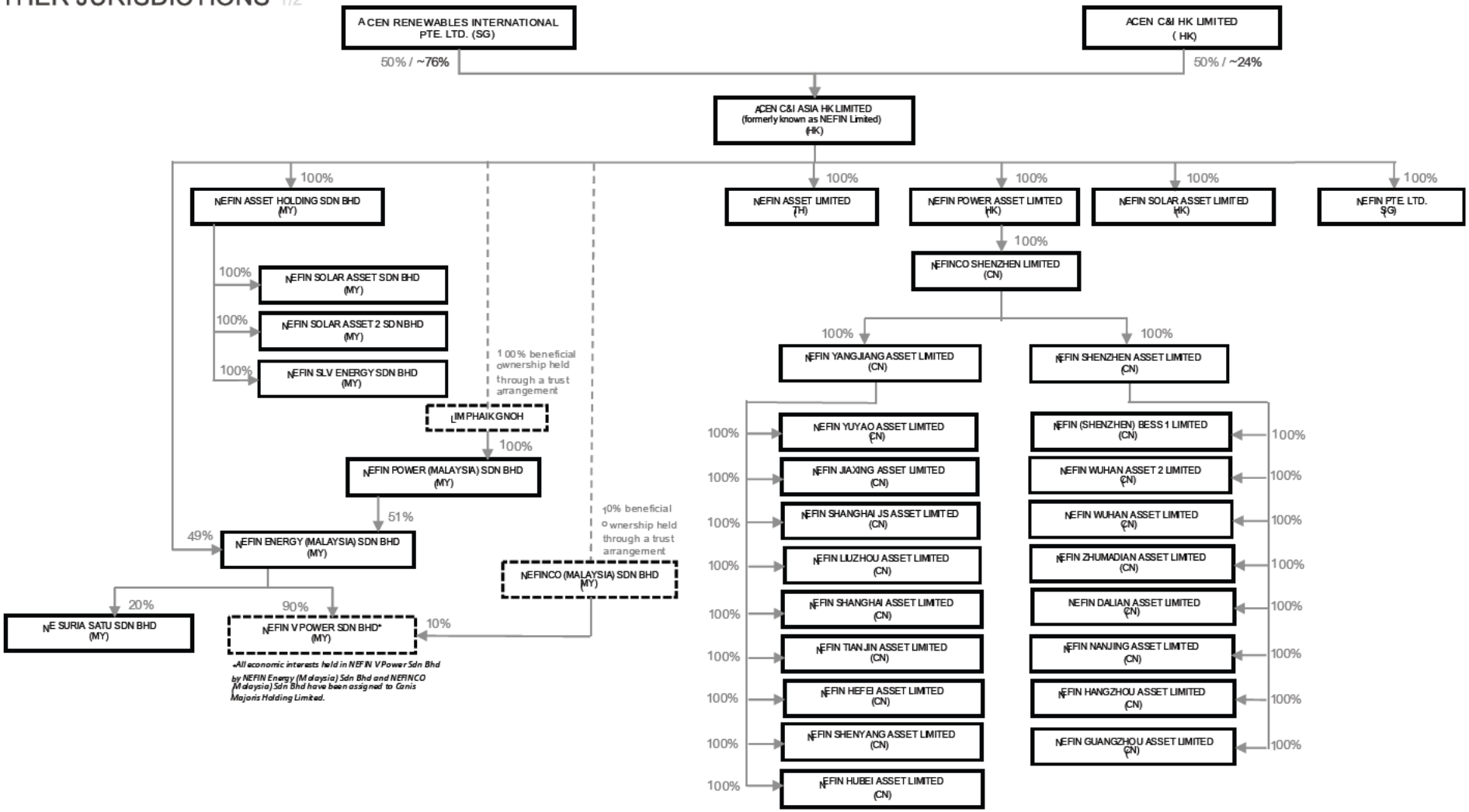
ACEN
INTERNATIONAL BUSINESS 8/11
INDONESIA



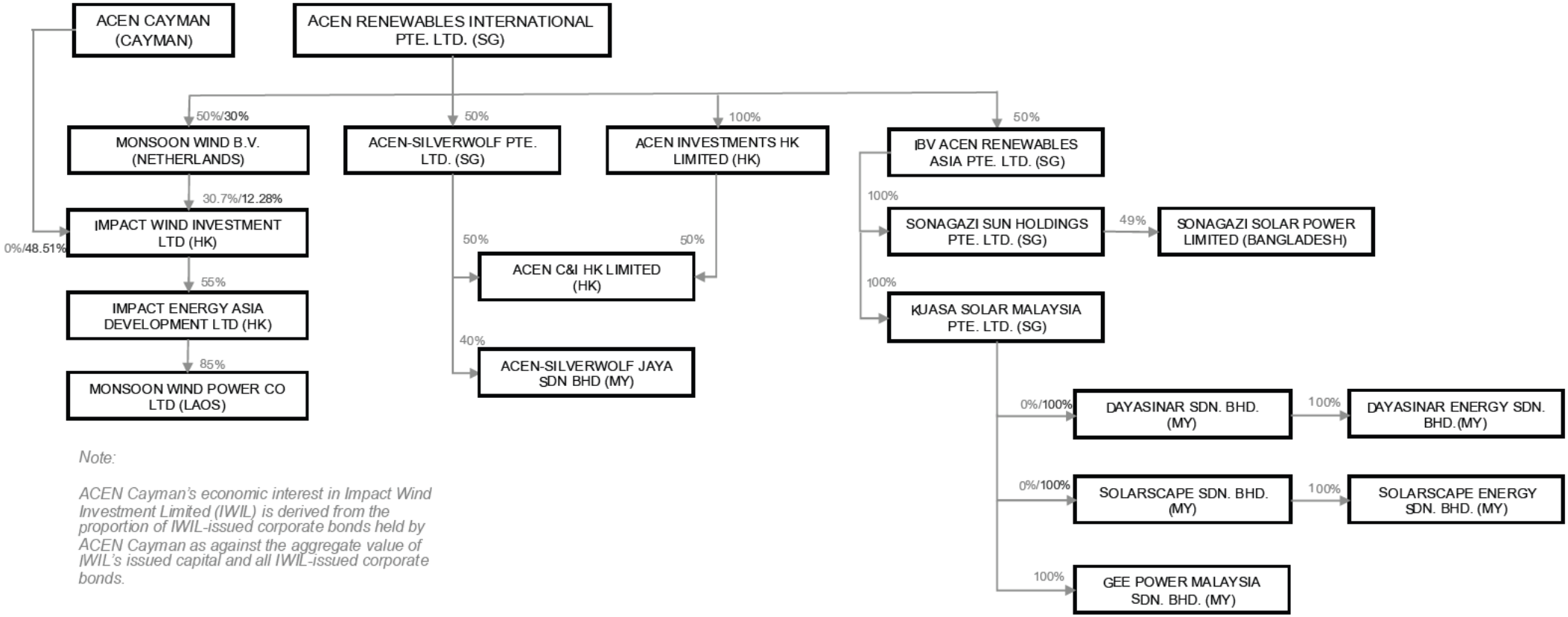
ACEN
INTERNATIONAL BUSINESS 9/11
VIETNAM



ACEN
INTERNATIONAL BUSINESS 10/11
OTHER JURISDICTIONS 1/2



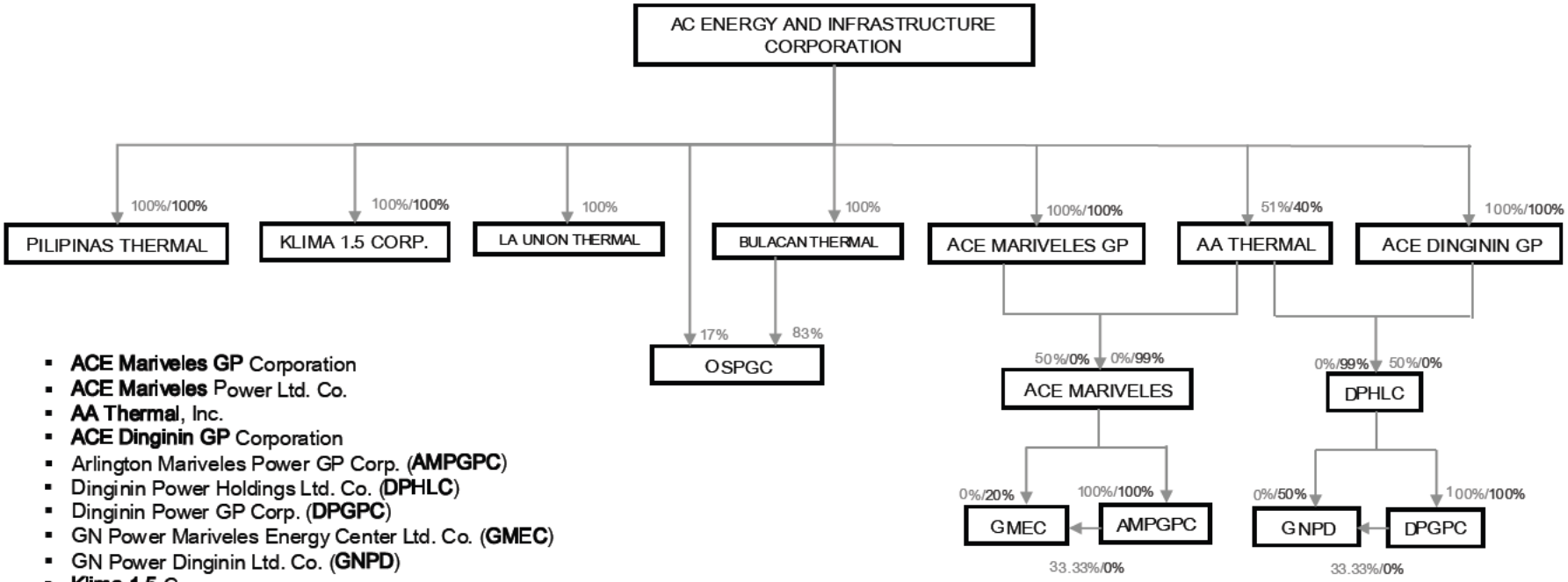
ACEN
INTERNATIONAL BUSINESS 11/11
OTHER JURISDICTIONS 2/2



Note:

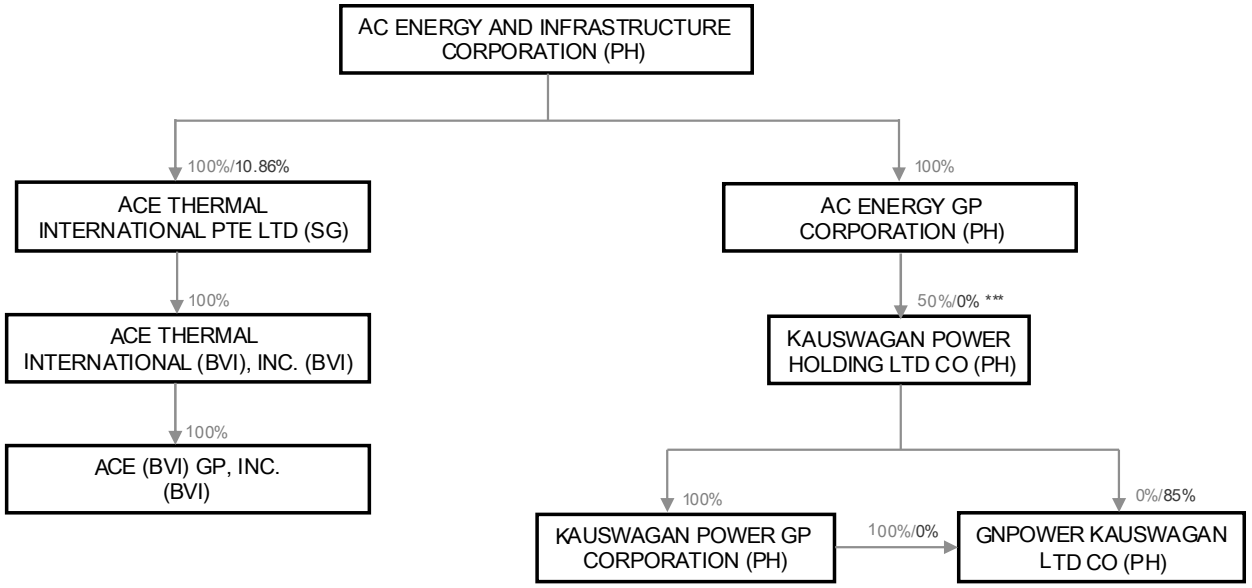
ACEN Cayman's economic interest in Impact Wind Investment Limited (IWIL) is derived from the proportion of IWIL-issued corporate bonds held by ACEN Cayman as against the aggregate value of IWIL's issued capital and all IWIL-issued corporate bonds.

AC ENERGY AND INFRASTRUCTURE CORPORATION
PHILIPPINE THERMAL ASSETS 1/2



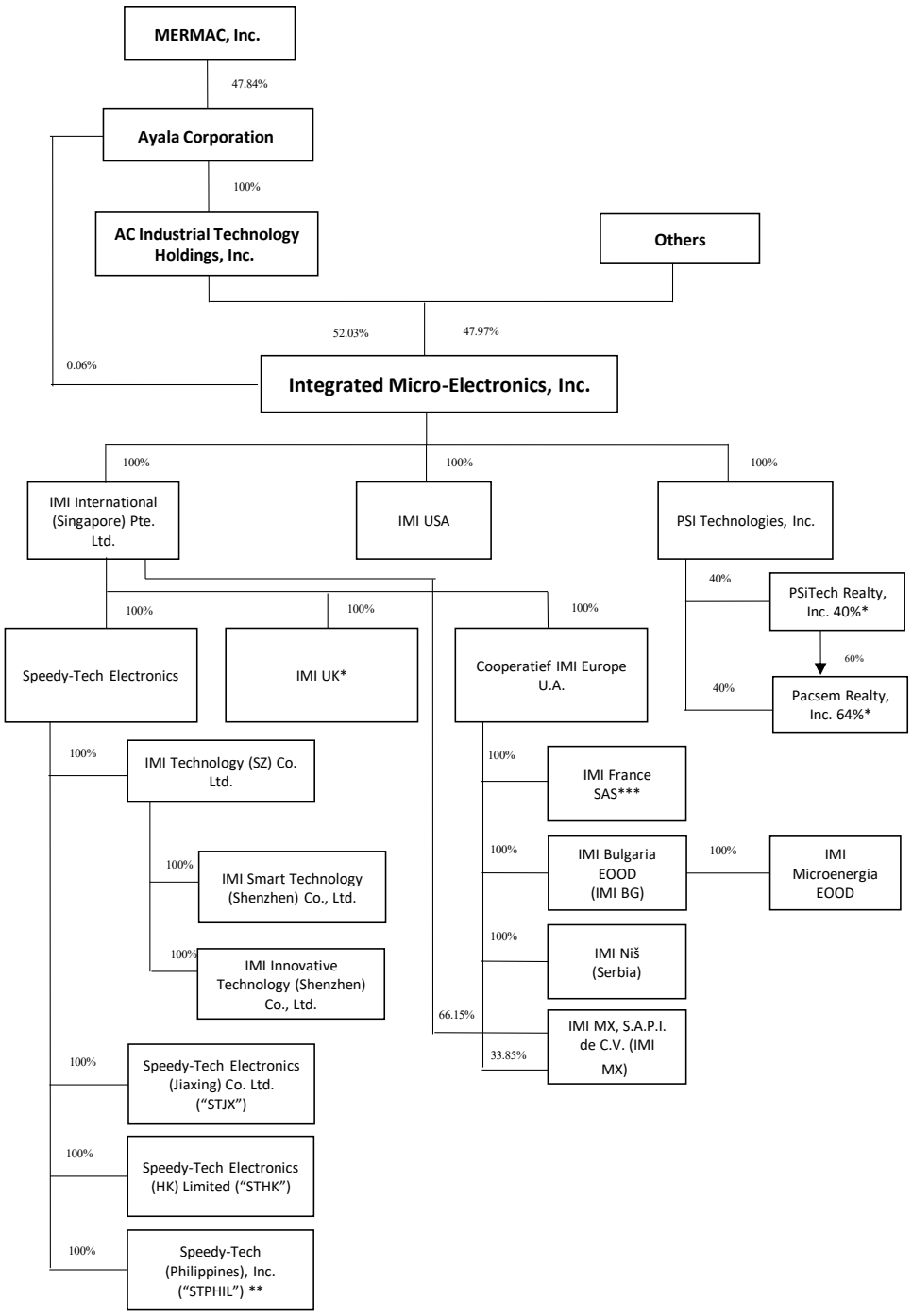
- **ACE Mariveles GP** Corporation
- **ACE Mariveles** Power Ltd. Co.
- **AA Thermal**, Inc.
- **ACE Dinginin GP** Corporation
- Arlington Mariveles Power GP Corp. (**AMPGPC**)
- Dinginin Power Holdings Ltd. Co. (**DPHLC**)
- Dinginin Power GP Corp. (**DPGPC**)
- GN Power Mariveles Energy Center Ltd. Co. (**GMEC**)
- GN Power Dinginin Ltd. Co. (**GNPD**)
- **Klima 1.5** Corp.
- **Pilipinas Thermal**, Inc.
- **La Union Thermal** Inc.
- **Bulacan Thermal** Inc.
- One Subic Power Generation (**OSPGC**)

AC ENERGY AND INFRASTRUCTURE CORPORATION
PHILIPPINE THERMAL ASSETS 2/2



***with very minimal approving rights

AYALA CORPORATION AND SUBSIDIARIES
Map of Relationships of the Companies within the Group
As of December 31, 2025

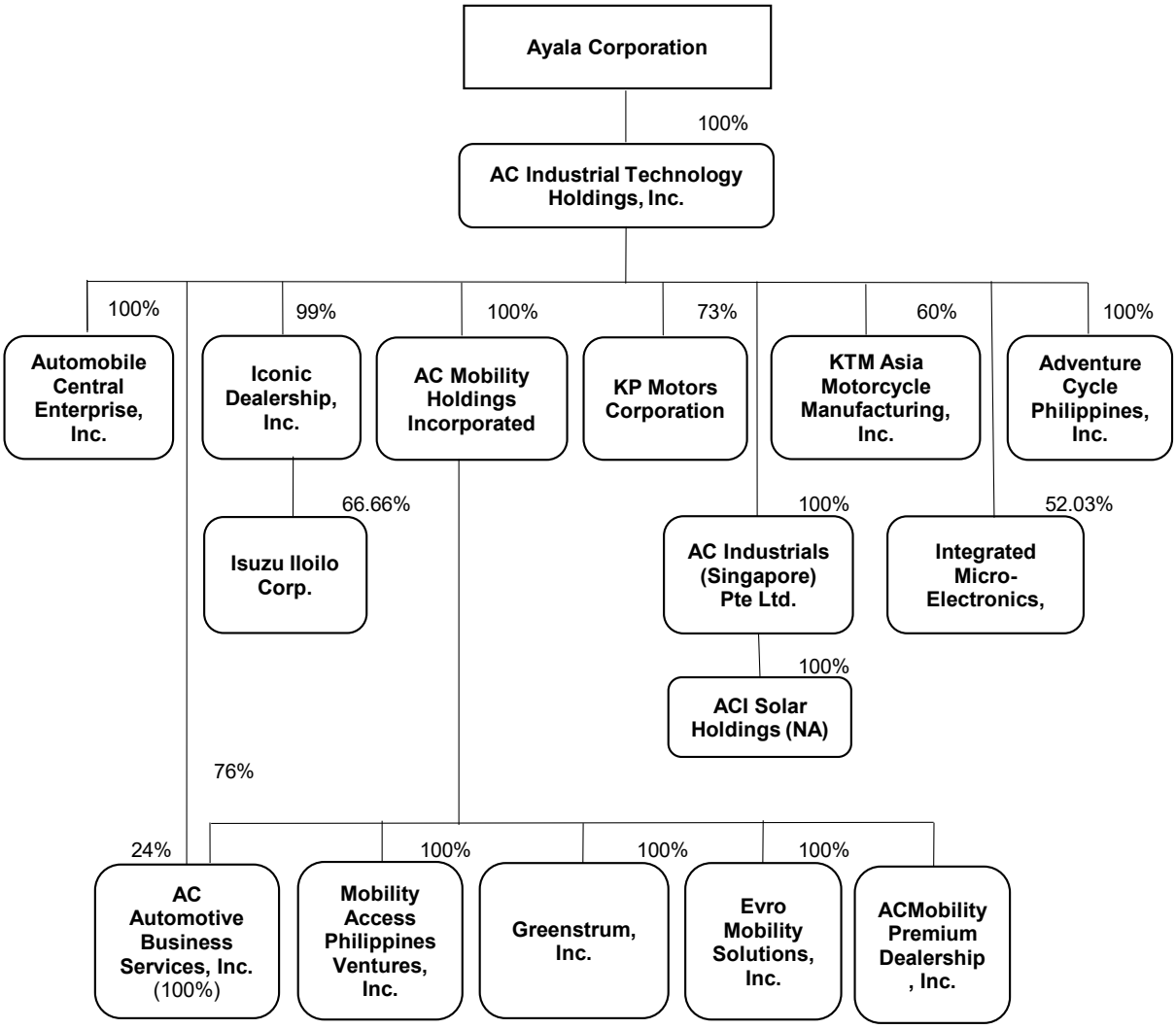


* In the process of liquidation.

** Dormant

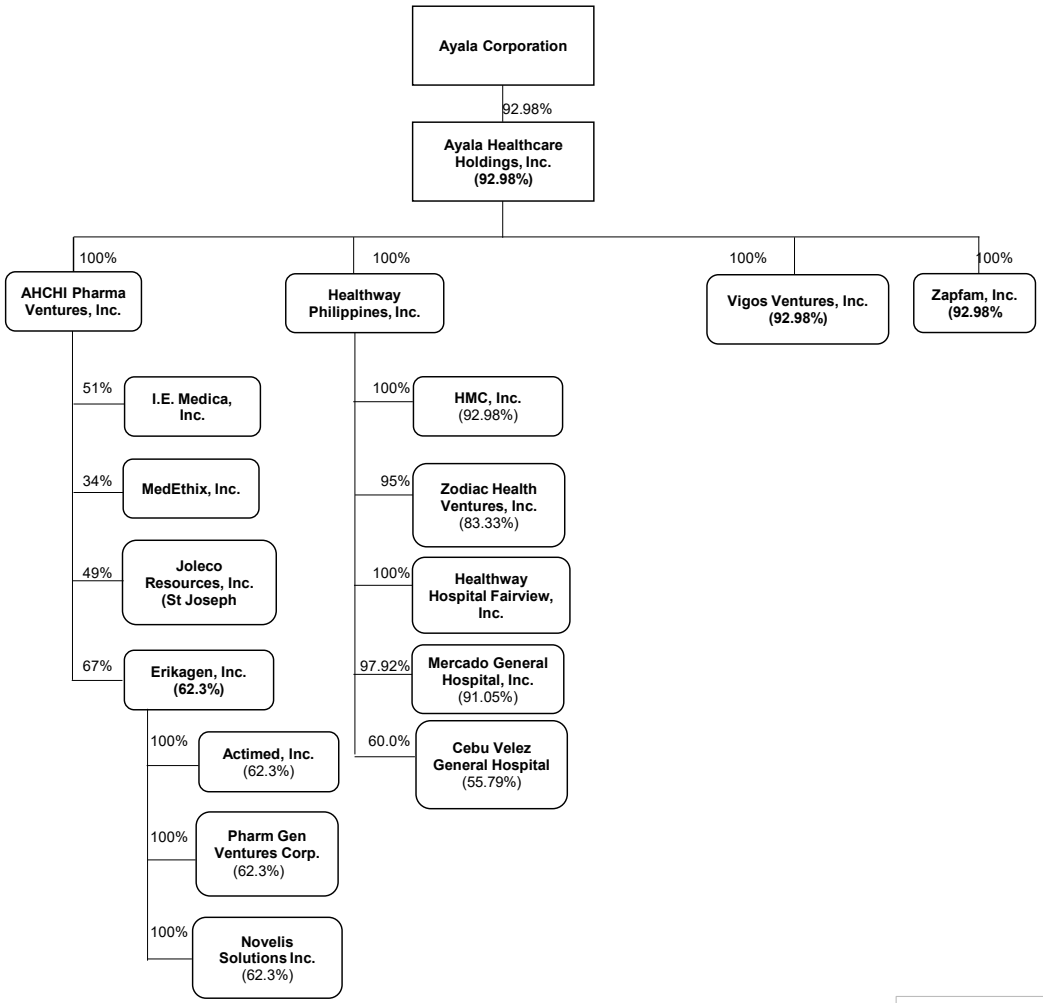
***Pre-liquidation activities have commenced

AYALA CORPORATION AND SUBSIDIARIES
Map of Relationships of the Companies within the Group
As of December 31, 2025



Legend:
% of ownership appearing outside the box - direct economic % of ownership
% of ownership appearing inside the box - effective % of economic ownership

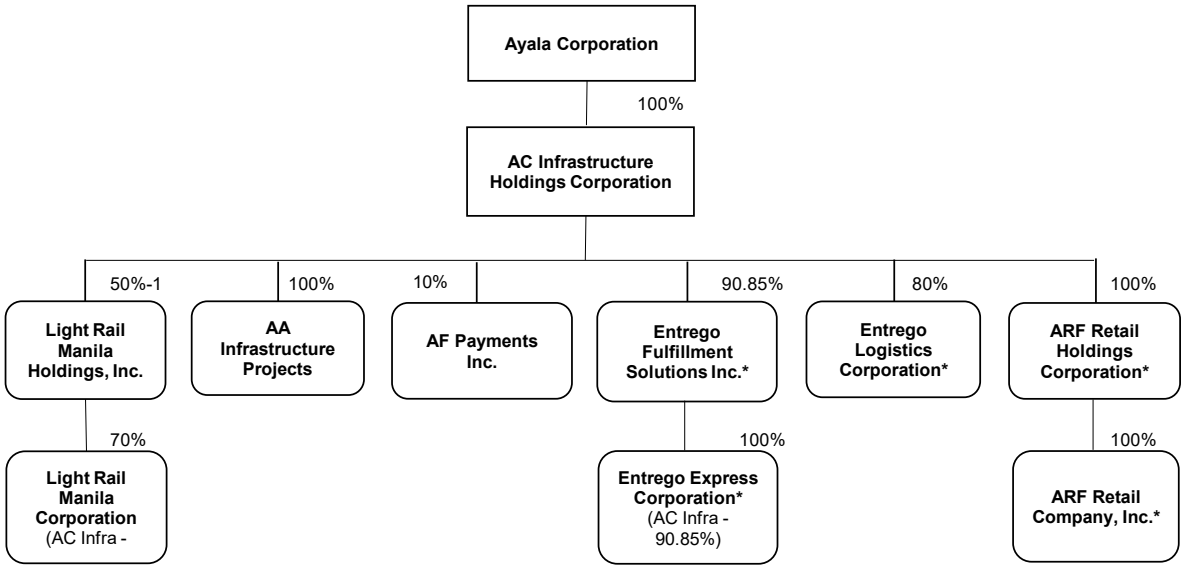
AYALA CORPORATION AND SUBSIDIARIES
Map of Relationships of the Companies within the Group
As of December 31, 2025



Legend:
% of ownership appearing outside the box - direct economic % of ownership
% of ownership appearing inside the box - effective % of economic ownership

**Chart does not show companies established through former Azalea Technology, Investments, Inc. and which are now in the process of dissolution and liquidation: Talentworks Asia Inc. (100%), CNG Global Data Hub (18.03%), Wireless Internet Solutions, Inc. (100%) and Ayala Port, Inc. (50%)*

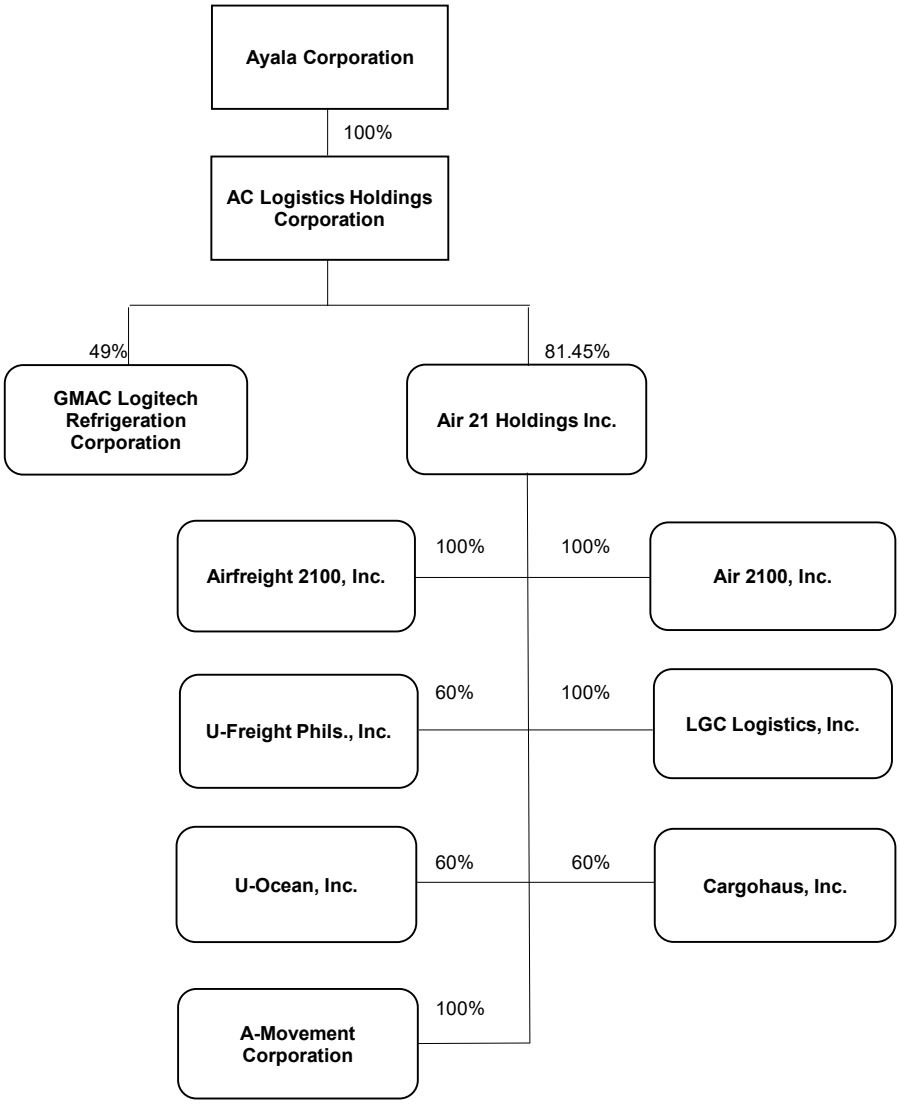
AYALA CORPORATION AND SUBSIDIARIES
Map of Relationships of the Companies within the Group
As of December 31, 2025



Legend:
% of ownership appearing outside the box - direct economic % of ownership
% of ownership appearing inside the box - effective % of economic ownership

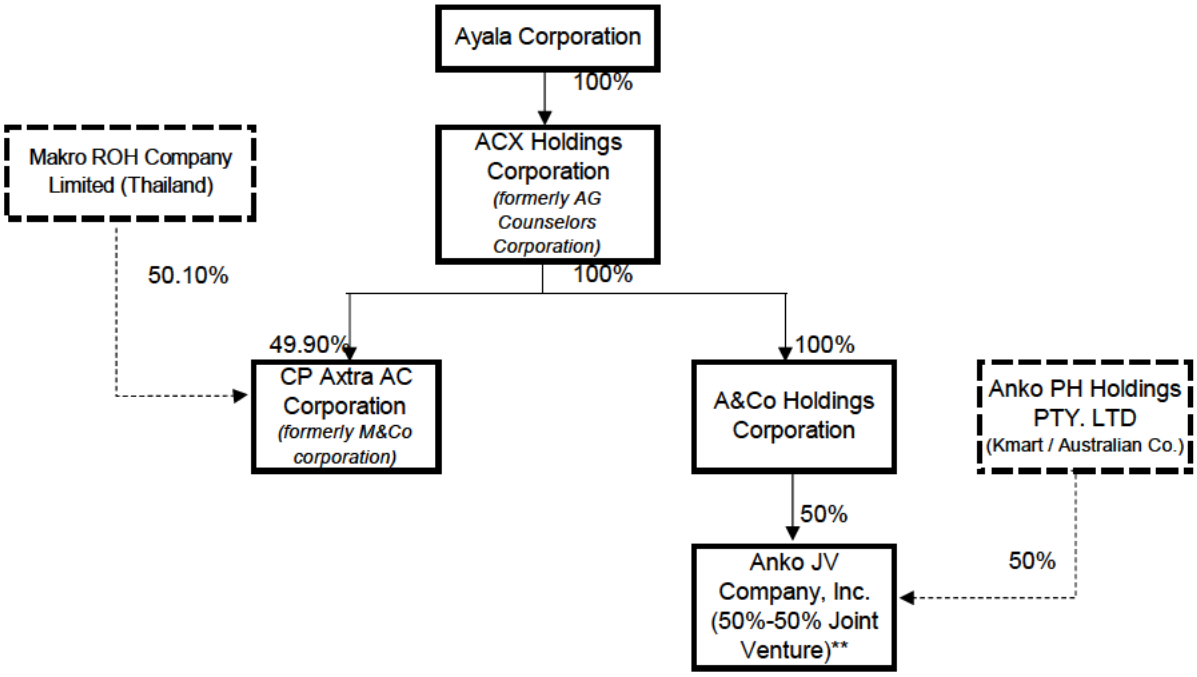
** Under dissolution, please refer to Note 2 of the Notes to Audited Consolidated FS.*

AYALA CORPORATION AND SUBSIDIARIES
Map of Relationships of the Companies within the Group
As of December 31, 2025



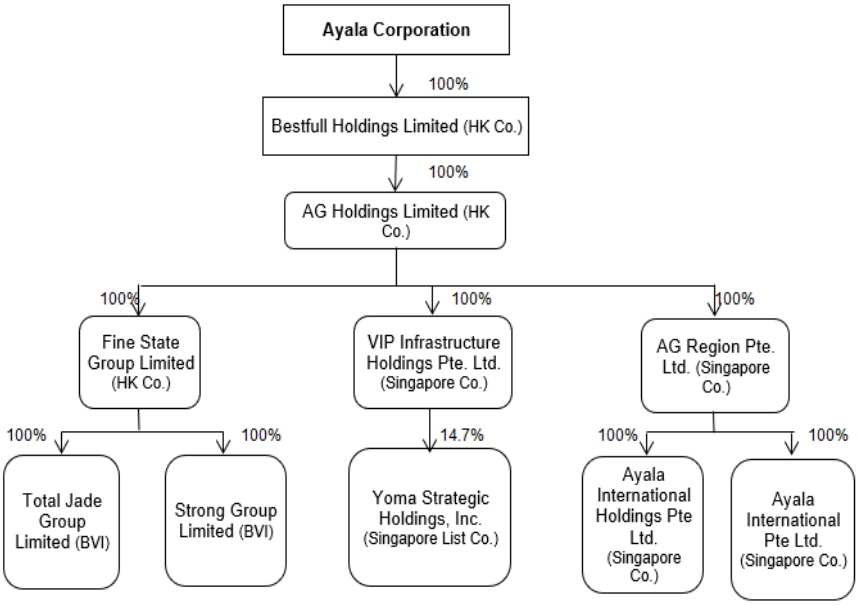
Legend:
% of ownership appearing outside the box - direct economic % of ownership
% of ownership appearing inside the box - effective % of economic ownership

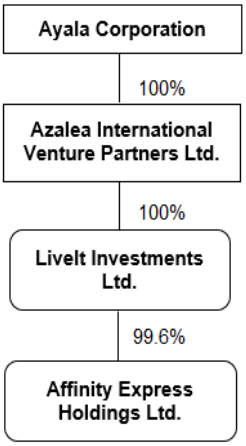
AYALA CORPORATION AND SUBSIDIARIES
Map of Relationships of the Companies within the Group
As of December 31, 2025



50.1%-49.9% Joint Venture - will operate large format food retail Makro stores in the Philippines, offering a modern shopping experience with a wide range of food and non-food products for both end consumers and businesses. Retail store in glorietta.*
***50%-50% Joint venture, with retail stores in Glorietta, Alabang Town Center, Trinoma, Ayala Malls Manila Bay (Parañaque) and Ayala Malls Feliz (Pasig)*

AYALA CORPORATION AND SUBSIDIARIES
Map of Relationships of the Companies within the Group
As of December 31, 2025





SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Ayala Corporation
37F to 39F 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 Ayala Corporation and its subsidiaries (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 12, 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 PFRS Accounting Standards. Except for Price per share, components of these financial soundness indicators have been traced to the 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.

Sherwin V. Yason
Partner
CPA Certificate No.
Tax Identification No.
BOA/PRC Reg. No.
SEC Partner Accreditation No.
Valid to cover audit of 2020 to 2024 financial statements,
with extension up to audit of 2025 financial statements
SEC Firm Accreditation No.
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No.
PTR No.

March 12, 2026

AYALA CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

AS AT DECEMBER 31, 2025 AND 2024

Ratio	Formula	December 2025	December 2024	December 2025	December 2024
		(In thousands)			
Liquidity Analysis Ratios					
Liquidity Ratio*	Cash & Cash equivalents + Short-term investments	**₱67,305,349**	₱76,225,303	**0.17**	0.20
	Current Liabilities	**404,756,996**	389,290,509		
	Cash & Cash equivalents	**66,901,817**	75,501,736		
	Short-term investments	**403,532**	723,567		
	Total	**67,305,349**	76,225,303		
Current Ratio*	Current Assets	**599,857,543**	584,562,518	**1.48**	1.50
	Current Liabilities	**404,756,996**	389,290,509		
Quick Ratio*	Quick assets	**308,228,300**	313,053,378	**0.76**	0.80
	Current Liabilities	**404,756,996**	389,290,509		
	Current assets	**599,857,543**	584,562,518		
	Inventories	**(267,317,515)**	(247,752,784)		
	Prepayments	**(24,311,728)**	(23,756,356)		
	Quick assets	**308,228,300**	313,053,378		
Solvency Ratio*	Total Assets	**1,891,567,429**	1,749,325,722	**1.75**	1.71
	Total Liabilities	**1,081,718,856**	1,023,744,002		
Financial Leverage Ratios					
Assets- to-Equity Ratio*	Total Assets	**1,891,567,429**	1,749,325,722	**2.34**	2.41
	Total Stockholders' Equity	**809,848,573**	725,581,720		
Interest Rate Coverage Ratio**	Earnings Before Interest and Taxes (EBIT)	**138,349,207**	108,049,437	**3.48**	2.98
	Interest and other financing charges	**39,757,399**	36,198,909		
	Income after income tax from continuing operations	**86,868,953**	61,462,045		
	Provision for income tax	**11,722,855**	10,388,483		
	Interest and other financing charges	**39,757,399**	36,198,909		
	EBIT	**138,349,207**	108,049,437		
Debt Ratio*	Short-term debt + Long-term debt	**704,487,550**	666,759,130	**0.37**	0.38
	Total Assets	**1,891,567,429**	1,749,325,722		
	Short-term debt	**81,298,079**	75,556,284		
	Long-term debt (current & noncurrent)	**623,189,471**	591,202,846		
	Total debt	**704,487,550**	666,759,130		
Debt-to-Equity Ratio*	Short-term debt + Long-term debt	**704,487,550**	666,759,130	**87.0%**	91.9%
	Total Stockholders' Equity	**809,848,573**	725,581,720		
Net Debt-to-Equity Ratio*	Net debt	**637,182,201**	(590,533,827)	**78.7%**	81.4%
	Total Stockholders' Equity	**809,848,573**	725,581,720		
	Short-term debt	**81,298,079**	75,556,284		
	Long-term debt (current & noncurrent)	**623,189,471**	591,202,846		
	Total debt	**704,487,550**	666,759,130		
	Less:				
	Cash and cash equivalents	**66,901,817**	75,501,736		
	Short-term investments	**403,532**	723,567		
	Net debt	**637,182,201**	590,533,827		
Profitability Ratios					
Gross Profit Margin**	Sale of goods & rendering of services - Cost of sales & services	**94,229,955**	87,238,121	**0.28**	0.27
	Sale of goods & rendering of services	**336,886,166**	325,743,960		
	Sale of goods & rendering of services	**336,886,166**	325,743,960		
	Cost of sales & services	**(242,656,211)**	(238,505,839)		
	Gross profit	**94,229,955**	87,238,121		

Ratio	Formula	December 2025	December 2024	December 2025	December 2024
		(In thousands)			
Net Profit Margin**	Net Profit	**₱45,310,802**	₱35,967,822	**0.13**	0.11
	Sale of goods & rendering of services	**336,886,166**	325,743,960		
	Gross profit	**94,229,955**	87,238,121		
	General and administrative expenses	**(48,919,153)**	(51,270,299)		
	Net Profit	**45,310,802**	35,967,822		
Return on Equity**	Net Income to Owners of the Parent	**61,427,524**	42,026,496	**7.6%**	5.8%
	Total Stockholders' Equity	**809,848,573**	725,581,720		
Return on Common Equity***	Net Income to Owners of the Parent (Common)	**59,047,097**	40,232,942	**13.6%**	10.3%
	Common Equity Attributable to Owners of the Parent (Average)	**435,382,130**	388,730,241		
	Net income to owners of the Parent	**61,427,524**	42,026,496		
	Less: Dividends on preferred stock	**(2,380,427)**	(1,793,554)		
	NIAT to Common	**59,047,097**	40,232,942		
	Equity attributable to owners of the parent	**511,662,496**	434,499,625		
	Less:				
	Preferred Shares - A	**1,200,000**	1,200,000		
	Preferred Shares - B	**5,800,000**	5,800,000		
	Voting Preferred Shares	**200,000**	200,000		
	Additional paid-in capital - preferred shares	**45,145,118**	26,303,842		
	Treasury shares - preferred shares	**(4,725,549)**	(5,725,549)		
		47,619,569	27,778,293		
	Common equity attributable to owners of the Parent	**464,042,927**	406,721,332		
	Average common equity attributable to owners of the Parent	**435,382,130**	388,730,241		
	Equity attributable to owners of the parent	**434,499,625**	396,538,552		
	Less:				
	Preferred Shares - A	**1,200,000**	1,200,000		
	Preferred Shares - B	**5,800,000**	5,800,000		
	Voting Preferred Shares	**200,000**	200,000		
	Additional paid-in capital - preferred shares	**26,303,842**	22,074,952		
	Treasury shares - preferred shares	**(5,725,549)**	(3,475,549)		
		27,778,293	25,799,403		
	Common equity attributable to owners of the Parent	**406,721,332**	370,739,149		
	Average common equity attributable to owners of the Parent	**388,730,241**	356,452,478		
Return on Assets**	Net Income	**86,868,953**	61,462,045	**4.6%**	3.5%
	Total Assets	**1,891,567,429**	1,749,325,722		
Price/Earnings Ratio**	Price Per Share	**468**	599.00	**4.94**	9.25
	Earnings Per Common Share (Basic)	**94.82**	64.77		
Other Ratio					
Book Value per Share*	Common Equity Attributable to Owners of the Parent	**464,042,927**	406,721,332	**748.41**	652.22
	Outstanding Common Shares	**620,037**	623,597		

** Based on "As at" December 31, 2025 and 2024 balances.*
*** Includes both "As at" and "Period ended" December 31, 2025 and 2024 balances.*
**** Includes both "As at" and "Period ended" December 31, 2025, 2024, and 2023 balances.*

AYALA CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION

AS AT DECEMBER 31, 2025 AND 2024

	2025	2024
Total Audit Fees	**₱113,199,604**	₱127,809,363
Non-audit services fees:		
Other assurance services	**18,364,310**	19,233,714
Tax services	**3,718,449**	8,097,492
All other services	**11,337,821**	2,485,257
Total non-audit fees	**33,420,580**	29,816,463
Total audit and non-audit fees	**₱146,620,184**	₱157,625,826

AYALA CORPORATION AND SUBSIDIARIES

SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING OF SECURITIES TO THE PUBLIC

AS OF DECEMBER 31, 2025
(IN THOUSAND PESOS)

1. Gross and net proceeds as disclosed in the final prospectus

	Base offer of P10 Billion	Base offer with Oversubscription Option of up to P5 Billion
Gross proceeds	₱10,000,000	₱20,000,000
Net proceeds	₱9,911,016	₱19,861,279

2. Actual gross and net proceeds

AC Preferred Class "B" Series Re-issuance (APB4) Offering Proceeds			**₱20,000,000**
Less:	**Related Disbursements**		
	SEC registration and legal research fee	₱5,618	
	Documentary stamp tax	10,000	
	PSE filing fee	20,000	
	VAT on PSE Filing Fee	2,400	
	Fees paid to the Joint Issue Managers and the Joint Lead Underwriters and Bookrunners, and Selling Agents (other than the PSE Trading Partners)	79,078	
	Stock Transfer Service Inc.'s receiving agent service fee	794	
	Professional expenses	3,573	
	Marketing/printing/photocopying costs and out-of-pocket expenses	311	121,774
Balance of Proceeds as of June 30, 2025			**19,878,226**
Less:			
	Legal fees	293	
	Fees paid to the Trading Participants	2,500	
	Professional expenses / Other expenses	29,729	
	Repayment of BPI short-term loan	11,500,000	
	Partial repayment of BPI short-term loan	1,300,000	12,832,522
Balance of Proceeds as of September 30, 2025 and December 31, 2025			**7,045,704**

3. Each expenditure item where the proceeds were used

As of December 31, 2025, the proceeds were used in the upfront expenses related to the sale of the Offer Shares, repayment of ₱11.50 billion BPI short-term loan, and partial repayment of ₱1.30 billion for another BPI short-term loan.

4. Balance of the proceeds as of end of reporting period

The balance of the proceeds as of December 31, 2025 is ₱7.05 billion.

III. 2025 Ayala Corporation and Subsidiaries Special Form for Financial Statements (SFFS)

Control No.:
Form Type: *PHFS (rev 2006)*

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: AYALA CORPORATION AND SUBSIDIARIES
CURRENT ADDRESS: 37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City
TEL. NO.: (632) 7908-3000 **FAX NO.:**
COMPANY TYPE : Holding Company **PSIC:**

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)
A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10)	**1,891,567,429**	**1,749,325,722**
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)	599,857,543	584,562,518
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)	66,901,817	75,501,736
A.1.1.1 On hand	84,344	324,989
A.1.1.2 In domestic entities	47,802,384	56,741,468
A.1.1.3 In foreign banks/entities	19,015,089	18,435,279
A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2)	164,320,989	158,358,122
A.1.2.1 Due from domestic entities (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4)	136,212,473	129,708,452
A.1.2.1.1 Due from customers (trade)	96,651,191	94,290,672
A.1.2.1.2 Due from related parties (trade & nontrade)	17,825,888	12,191,290
A.1.2.1.3 Others	27,971,960	29,299,002
A.1.2.1.3. Advances, dividends and other receivables	27,971,960	29,299,002
A.1.2.1.3.		
A.1.2.1.4 Allowance for doubtful accounts (negative entry)	(6,236,566)	(6,072,512)
A.1.2.2 Due from foreign entities, specify (A.1.2.2.1 + A.1.2.2.2 + A.1.2.2.3 + A.1.2.2.4)	28,108,516	28,649,670
A.1.2.2.1 Due from customers (trade)	19,366,132	19,325,800
A.1.2.2.2 Due from related parties (trade & nontrade)	4,778,689	9,642,752
A.1.2.2.3 Other receivables	4,527,405	1,184,864
A.1.2.2.4 Allowance for doubtful accounts (negative entry)	(563,710)	(1,503,746)
A.1.3 Inventories (A.1.3.1 + A.1.3.2 + A.1.3.3 + A.1.3.4 + A.1.3.5 + A.1.3.6)	267,317,515	247,752,784
A.1.3.1 Raw materials and supplies	12,697,822	13,753,790
A.1.3.2 Goods in process (including unfinished goods, growing crops, unfinished seeds)	1,842,830	1,832,941
A.1.3.3 Finished goods	50,339	1,369,744
A.1.3.4 Merchandise/Goods in transit	-	-
A.1.3.5 Unbilled Services (in case of service providers)	-	-
A.1.3.6 Others, specify (A.1.3.6.1 + A.1.3.6.2 + A.A.3.6.3)	252,726,524	230,796,309
A.1.3.6.1 Real Estate (Residential, commercial lots, condominium units and offices)	239,293,186	226,560,078
A.1.3.6.2 Vehicles, Parts and Accessories	12,297,279	3,767,887
A.1.3.6.3 Others	1,136,059	468,344
A.1.4 Financial Assets other than Cash/Receivables/Equity investments (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4 + A.1.4.5 + A.1.4.6)	403,532	723,567
A.1.4.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities:	-	-
A.1.4.1.1 National Government		
A.1.4.1.2 Public Financial Institutions		
A.1.4.1.3 Public Non-Financial Institutions		
A.1.4.1.4 Private Financial Institutions		
A.1.4.1.5 Private Non-Financial Institutions		
A.1.4.2 Held to Maturity Investments - issued by domestic entities: (A.1.4.2.1 + A.1.4.2.2 + A.1.4.2.3 + A.1.4.2.4 + A.1.4.2.5)	-	-
A.1.4.2.1 National Government		
A.1.4.2.2 Public Financial Institutions		
A.1.4.2.3 Public Non-Financial Institutions		
A.1.4.2.4 Private Financial Institutions		
A.1.4.2.5 Private Non-Financial Institutions		

NOTE:

This special form is applicable to Investment Companies and Publicly-held Companies (enumerated in Section 17.2 of the Securities Regulation Code (SRC), except banks and insurance companies). As a supplemental form to PHFS, it shall be used for reporting Consolidated Financial Statements of Parent corporations and their subsidiaries.

Domestic corporations are those which are incorporated under Philippine laws or branches/subsidiaries of foreign corporations that are licensed to do business in the Philippines where the center of economic interest or activity is within the Philippines. On the other hand, foreign corporations are those that are incorporated abroad, including branches of Philippine corporations operating abroad.

Financial Institutions are corporations principally engaged in financial intermediation, facilitating financial intermediation, or auxiliary financial services. Non-Financial institutions refer to corporations that are primarily engaged in the production of market goods and non-financial services.

Control No.:
Form Type: *PHFS (rev 2006)*

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: AYALA CORPORATION AND SUBSIDIARIES
CURRENT ADDRESS: 37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City
TEL. NO.: (632) 7908-3000 **FAX NO.:**
COMPANY TYPE : Holding Company **PSIC:**

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)
A.1.4.3 Loans and Receivables - issued by domestic entities: (A.1.4.3.1 + A.1.4.3.2 + A.1.4.3.3 + A.1.4.3.4 + A.1.4.3.5)	403,532	723,567
A.1.4.3.1 National Government		
A.1.4.3.2 Public Financial Institutions		
A.1.4.3.3 Public Non-Financial Institutions		
A.1.4.3.4 Private Financial Institutions / Short-term investments	403,532	723,567
A.1.4.3.5 Private Non-Financial Institutions		
A.1.4.4 Available-for-sale financial assets - issued by domestic entities:		
A.1.4.4.1 National Government		
A.1.4.4.2 Public Financial Institutions		
A.1.4.4.3 Public Non-Financial Institutions		
A.1.4.4.4 Private Financial Institutions		
A.1.4.4.5 Private Non-Financial Institutions		
A.1.4.5 Financial Assets issued by foreign entities:	-	-
A.1.4.5.1 Financial Assets at fair value through profit or loss	-	-
A.1.4.5.2 Held-to-maturity investments	-	-
A.1.4.5.3 Loans and Receivables	-	-
A.1.4.5.4 Available-for-sale financial assets	-	-
A.1.4.6 Allowance for decline in market value (negative entry)		
A.1.5 Other Current Assets (state separately material items) (A.1.5.1 + A.1.5.2 + A.1.5.3)	100,913,690	102,226,309
A.1.5.1 Advances to contractors and suppliers	23,391,390	25,455,263
A.1.5.2 Prepaid expenses	24,311,728	23,756,356
A.1.5.3 Input VAT	15,820,066	14,581,198
A.1.5.4 Creditable withholding tax	20,007,355	17,805,306
A.1.5.5 Financial assets at fair value through profit or loss	5,730,517	11,313,625
A.1.5.6 Restricted cash	-	-
A.1.5.7 Contract assets, Deposits in escrow and Derivative assets	7,238,622	4,977,181
A.1.5.8 Others	4,414,012	4,337,380
A.2 Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6 + A.2.7+ A.2.8)	211,388,747	178,131,222
A.2.1 Land	-	-
A.2.2 Land, buildings and improvements including leasehold improvement	37,937,958	31,699,611
A.2.3 Machinery and equipment (on hand and in transit)	126,264,544	81,221,448
A.2.4 Transportation/motor vehicles, automotive equipment, autos and trucks, and	4,636,162	4,284,049
A.2.5 Others, specify (A.2.5.1 + A.2.5.2 + A.2.5.3 + A.2.5.4 + A.2.5.5)	105,237,464	118,942,782
A..2.5.1 Hotel property and equipment	25,229,617	21,511,273
A..2.5.2 Furniture and fixtures	23,646,079	24,293,150
A..2.5.3 Construction in progress	56,361,768	73,138,359
A..2.5.4		
A..2.5.5		
A.2.6 Appraisal increase, specify (A.2.6.1 + A.2.6.2 + A.2.6.3 + A.2.6.4 + A.2.6.5)		
A..2.6.1		
A..2.6.2		
A..2.6.3		
A..2.6.4		
A..2.6.5		
A.2.7 Accumulated Depreciation (negative entry)	(62,687,381)	(58,016,668)
A.2.8 Impairment Loss or Reversal (if loss, negative entry)		
A.3 Investments accounted for using the equity method (A.3.1 + A.3.2 + A.3.3 + A.3.4)	426,502,241	401,221,558
A.3.1 Equity in domestic subsidiaries/affiliates	390,041,241	366,145,558
A.3.2 Equity in foreign subsidiaries/affiliates	36,461,000	35,076,000
A.3.3 Others, specify (A.3.3.1 + A.3.3.2 + A.3.3.3 + A.3.3.4 + A.3.3.5)		
A.3.3.1		
A.3.3.2		
A.3.3.3		
A.3.3.4		
A.3.3.5		
A.4 Investment in bonds and other securities	35,306,064	32,958,451
A.5 Investment Property and Land and Improvements	285,073,751	262,903,806
A.6 Intangible Assets	40,424,923	39,383,400
A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2)	37,127,245	36,697,943
A.6.1.1 Goodwill	30,333,124	29,883,217
A.6.1.2 Leasehold and other rights	2,862,319	3,048,806
A.6.1.3 Trademarks	3,514,611	3,301,741
A.6.1.4 UnpatentedTechnology/Intellectual Properties	166,988	185,106
A.6.1.5 Customer relationships	250,203	279,073
A.6.2 Others, specify (A.6.2.1 + A.6.2.2)	3,297,678	2,685,457
A.6.2.1 Licenses	197,399	201,826
A.6.2.2 Developed software, project development cost and others	3,100,279	2,483,631
A.7 Service Concession Assets	-	-
A.8 Assets included in Disposal Groups Classified as Held for Sale		

Control No.:
Form Type: *PHFS (rev 2006)*

SPECIAL FORM FOR CONSOLIDATED FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT

NAME OF CORPORATION: **AYALA CORPORATION AND SUBSIDIARIES**
CURRENT ADDRESS: **37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City**
TEL. NO.: **(632) 7908-3000** **FAX NO.:**
COMPANY TYPE : **Holding Company** **PSIC:**

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)
A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3)	186,472,718	151,065,379
A.9.1 From domestic entities, specify (A.9.1.1 + A.9.1.2 + A.9.1.3)	184,629,829	137,022,175
A.9.1.1 Due from customers (trade)	104,647,398	80,962,213
A.9.1.2 Due from related parties (trade & nontrade)	8,162,132	1,110,511
A.9.1.3 Other receivables	71,820,299	54,949,451
A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2 + A.9.2.3)	12,855,698	15,495,343
A.9.2.1 Due from related parties (trade & nontrade)	12,855,698	15,495,343
A.9.2.2 Other receivables	-	-
A.9.2.3		
A.9.3 Allowance for doubtful accounts, net of current portion (negative entry)	(11,012,809)	(1,452,139)
A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4 + A.10.5)	106,541,442	99,099,388
A.10.1 Deferred Tax Assets	18,562,738	20,220,095
A.10.2 Deferred charges	22,015,328	22,446,159
A.10.3 Advances to contractors and suppliers	16,096,781	8,640,107
A.10.4 Others, specify (A.10.4.1 + A.10.4.2 + A.10.4.3 + A.10.4.4+A.10.4.5)	49,866,595	47,793,027
A.10.4.1 Right-of-use assets	22,384,959	24,562,118
A.10.4.2 Deferred input VAT and Creditable withholding taxes	11,549,902	10,478,930
A.10.4.3 Derivative asset	5,520,869	4,499,660
A.10.4.4 Deposits - others	8,295,596	5,750,041
A.10.4.5 Others (including Pension assets)	2,115,269	2,502,278
A.10.5 Allowance for write-down of deferred charges/bad accounts (negative entry)		
B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5)	**1,081,718,856**	**1,023,744,002**
B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6 + B.1.7)	404,756,996	389,290,509
B.1.1 Trade and Other Payables to Domestic/Foreign Entities	236,001,348	197,621,147
B.1.1.1 Loans/Notes Payables		
B.1.1.2 Trade Payables	159,426,644	141,786,016
B.1.1.3 Payables to Related Parties	4,810,410	4,544,179
B.1.1.4 Advances from Directors, Officers, Employees and Principal Stockholders		
B.1.1.5 Accruals, specify material items (B.1.1.5.1 + B.1.1.5.2 + B.1.1.5.3)	56,411,528	41,206,979
B.1.1.5.1 Accrued expenses (project, personnel cost, etc.)	20,110,652	7,884,417
B.1.1.5.2 Taxes payable	28,043,742	25,560,837
B.1.1.5.3 Interest payable	8,257,134	7,761,725
B.1.1.6 Others, specify (B.1.1.6.1 + B.1.1.6.2 + B.1.1.6.3)	15,352,766	10,083,973
B.1.1.6.1 Liability for purchase of land	7,836,717	4,963,944
B.1.1.6.2 Retention payable	7,516,049	5,120,029
B.1.1.6.3		
B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1 + B.1.2.2 + B.1.2.3)	14,272,040	23,102,315
B.1.2.1 Trade Payables	9,845,331	11,141,961
B.1.2.2 Accrued expenses and other payables	4,426,709	11,960,354
B.1.2.3		
B.1.3 Provisions		
B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions)	81,298,079	75,556,284
B.1.4.1 Short-term debt	81,298,079	75,556,284
B.1.4.2 Estimated liabilities for land and property development		
B.1.4.3 Cumulative redeembale preferred shares-current		
B.1.4.4 Unealized gain on real estate sales		
B.1.4.5 Contract liabilities		
B.1.5 Income tax payable	716,579	820,441
B.1.6 Service concession obligation	-	-
B.1.7 Others, specify (If material, state separately; indicate if the item is payable to public/private or	72,468,950	92,190,322
B.1.7.1 Dividends declared and not paid at balance sheet date	3,241,865	2,805,520
B.1.7.2 Acceptances Payable	-	-
B.1.7.3 Lease liabilities	3,325,546	4,647,964
B.1.7.4 Portion of Long-term Debt Due within one year	46,564,344	60,875,018
B.1.7.5 Property Dividends	110,162	133,230
B.1.7.6 Any other current liability in excess of 5% of Total Current Liabiilities,	19,227,033	23,728,590
B.1.7.6.1 Customers deposits	16,471,825	21,831,822
B.1.7.6.2 Nontrade payables	1,762,504	1,414,404
B.1.7.6.3 Others	992,704	482,364

Control No.:
Form Type: *PHFS (rev 2006)*

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: AYALA CORPORATION AND SUBSIDIARIES
CURRENT ADDRESS: 37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City
TEL. NO.: (632) 7908-3000 **FAX NO.:**
COMPANY TYPE : Holding Company **PSIC:**

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)
B.2 Long-term Debt - Non-current Interest-bearing Liabilities (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5)	576,625,127	530,327,828
B.2.1 Domestic Public Financial Institutions		
B.2.2 Domestic Public Non-Financial Institutions		
B.2.3 Domestic Private Financial/Non-Financial Institutions	485,645,086	412,545,881
B.2.4 Domestic Private Non-Financial Institutions		
B.2.5 Foreign Financial Institutions	90,980,041	117,781,947
B.3 Indebtedness to Affiliates and Related Parties (Non-Current)		
B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale		
B.5 Service concession obligation - net of current portion	-	-
B.6 Other Liabilities (B.5.1 + B.5.2)	100,336,733	104,125,665
B.6.1 Deferred Tax Liabilities	14,075,660	15,383,250
B.6.2 Others, specify (B.5.2.1 + B.5.2.2 + B.5.2.3 + B.5.2.4 + B.5.2.5)	86,261,073	88,742,415
B.6.2.1 Lease liabilities - net of current portion	28,323,605	28,794,012
B.6.2.2 Deposits and deferred credits	31,356,947	33,755,683
B.6.2.3 Liability for purchased land	7,086,422	5,044,725
B.6.2.4 Retentions and Contractors payable	6,562,683	11,452,589
B.6.2.5 Other liabilities (including pension, subscription payable and deferred output VAT)	12,931,416	9,695,406
EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9+C.10)	**809,848,573**	**725,581,720**
C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (C.1.1+C.1.2+C.1.3)		
C.1.1 Common shares (900,000,000 x P50 par value in 2025 and 2024)	45,000,000	45,000,000
C.1.2 Preferred Shares A (12,000,000 x P100 par value in 2025 and 2024)	1,200,000	1,200,000
C.1.3 Preferred Shares B (58,000,000 x P100 par value in 2025 and 2024)	5,800,000	5,800,000
C.1.4 Preferred Shares C (40,000,000 x P100 par value in 2025 and 2024)	4,000,000	4,000,000
C.1.5 Voting Preferred Shares (200,000,000 x P1 par value in 2025 and 2024)	200,000	200,000
C.2 Subscribed Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3)	33,476,301	32,654,291
C.2.1 Common shares (620,036,976*xP50 par value in 2025); (623,596,775*xP50 par value in 2024) *net of Treasury shares (TS)	31,001,849	31,179,839
C.2.2 Preferred Shares A (5,244,515* x P100 par value in 2025 and 2024 *net of TS)	524,452	524,452
C.2.3 Preferred Shares B (17,500,000* x P100 par value in 2025); (7,500,000* x P100 par value in 2024) *net of TS	1,750,000	750,000
C.2.4 Voting Preferred Shares (200,000,000 x P1 par value in 2025 and 2024)	200,000	200,000
C.3 Paid-up Capital Stock (C.3.1 + C.3.2 + C.3.3 + C.3.4)	36,192,783	36,137,725
C.3.1 Common shares	28,992,783	28,937,725
C.3.2 Preferred Shares A	1,200,000	1,200,000
C.3.3 Preferred Shares B	5,800,000	5,800,000
C.3.4 Voting Preferred Shares	200,000	200,000
C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus	76,375,605	57,246,480
C.5 Minority Interest	298,186,077	291,082,095
C.6 Others, specify (C.6.1 + C.6.2 + C.6.3)	25,836,669	20,142,113
C.6.1 Share-based payments	-	-
C.6.2 Other Comprehensive Income (CTA, Fair value reserve of financial assets at FVOCI and	(2,184,029)	(5,333,920)
C.6.3 Equity reserve	28,020,698	25,476,033
C.6.4		
C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus	-	-
C.8 Retained Earnings (C.8.1 + C.8.2)	388,402,160	335,194,299
C.8.1 Appropriated	-	-
C.8.2 Unappropriated	388,402,160	335,194,299
C.9 Head / Home Office Account (for Foreign Branches only)	-	-
C.10 Cost of Stocks Held in Treasury/Preferred shares held by a subsdiary (negative entry)	(15,144,721)	(14,220,992)
TOTAL LIABILITIES AND EQUITY (B + C)	**1,891,567,429**	**1,749,325,722**

Control No.:
Form Type: *PHFS (rev 2006)*

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: AYALA CORPORATION AND SUBSIDIARIES

CURRENT ADDRESS: **37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City**

TEL. NO.: **(632) 7908-3000** **FAX NO.:**

COMPANY TYPE : **Holding Company** **PSIC:**

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)	2023 (in P'000)
A. REVENUE / INCOME (A.1 + A.2 + A.3)	429,924,571	397,825,575	358,434,850
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining,utilities, trade, services, etc.) (from Primary Activity)	298,768,185	289,881,330	257,008,535
A.2 Share in the Profit or Loss of Associates and Joint Ventures	46,749,683	44,307,947	46,633,463
A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5)	38,117,981	35,862,630	38,255,738
A.3.1 Rental Income	38,117,981	35,862,630	32,896,212
A.3.2 Receipts from Sale of Merchandise (trading) (from Secondary Activity)	-	-	-
A.3.3 Sale of Real Estate or other Property and Equipment	-	-	-
A.3.4 Royalties, Franchise Fees, Copyrights (books, films,	-	-	-
A.3.5 Others, specify (A.3.5.1 + A.3.5.2 + A.3.5.3 + A.3.5.4 + A.3.5.5 + A.3.5.6 + A.3.5.7 + A.3.5.8)	-	-	5,359,526
A.3.5.1 Interest income from real estate	-	-	5,359,526
A.3.5.2			
A.3.5.3			
A.3.5.4			
A.3.5.5			
A.3.5.6			
A.3.5.7			
A.3.5.8			
A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4)	46,288,722	27,773,668	16,537,114
A.4.1 Interest Income	17,211,790	13,264,243	11,503,551
A.4.2 Dividend Income			
A.4.3 Gain / (Loss) from selling of Assets, specify (A.4.3.1 + A.4.3.2 + A.4.3.3 + A.4.3.4)	11,212,705	2,525,003	2,955,841
A.4.3.1 Gain on sale of investments	11,434,187	2,311,691	3,091,847
A.4.3.2 Mark-to-market loss on financial assets at FVTPL	(342,518)	(251,126)	(231,187)
A.4.3.3 Gain on sale of other assets	121,036	464,438	95,181
A.4.3.4			
A.4.4 Others, specify (A.4.4.1 + A.4.4.2 + A.4.4.3 + A.4.4.4)	17,864,227	11,984,422	2,077,722
A.4.4.1 Gain on Foreign Exchange	427,632	1,340,195	127,000
A.4.4.2 Remeasurement gain on previously held interest; and Excess of share in fair value of net assets over the cost of investment	10,215,412	650,214	3,433,327
A.4.4.3 Revenue from management contracts	882,704	977,235	437,419
A.4.4.4 Others	6,338,479	9,016,778	(1,920,024)
B. COST OF GOODS SOLD (B.1 + B.2 + B.3)			
B.1 Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5)			
B.1.1 Direct Material Used	-	-	-
B.1.2 Direct Labor	-	-	-
B.1.3 Other Manufacturing Cost / Overhead	-	-	-
B.1.4 Goods in Process, Beginning	-	-	-
B.1.5 Goods in Process, End (negative entry)	-	-	-
B.2 Finished Goods, Beginning	-	-	-
B.3 Finished Goods, End (negative entry)	-	-	-
C. COST OF SALES (C.1 + C.2 + C.3)	242,656,211	238,505,839	219,832,040
C.1 Purchases/ Cost of sales and rendering of services	242,656,211	238,505,839	219,832,040
C.2 Merchandise Inventory, Beginning	-	-	-
C.3 Merchandise Inventory, End (negative entry)	-	-	-
D. GROSS PROFIT (A - B - C)	187,268,360	159,319,736	138,602,810

Control No.:
Form Type: *PHFS (rev 2006)*

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: **AYALA CORPORATION AND SUBSIDIARIES**

CURRENT ADDRESS: **37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City**

TEL. NO.: **(632) 7908-3000** **FAX NO.:**

COMPANY TYPE : **Holding Company** **PSIC:**

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)	2023 (in P'000)
E. OPERATING EXPENSES (E.1 + E.2 + E.3 + E.4)	**48,919,153**	**51,270,299**	**42,646,536**
E.1 Selling or Marketing Expenses			
E.2 Administrative Expenses			
E.3 General Expenses	48,919,153	51,270,299	42,646,536
E.4 Other Expenses, specify (E.4.1 + E.4.2 + E.4.3 + E.4.4 + E.4.5 + E.4.6 + E.4.7 + E.4.8 + E.4.9 + E.4.10)	-	-	-
E.4.1			
E.4.2			
E.4.3			
E.4.4			
E.4.5			
E.4.6			
E.4.7			
E.4.8			
E.4.9			
E.4.10			
F. FINANCE COSTS (F.1 + F.2 + F.3 + F.4 + F.5)	**39,757,399**	**36,198,909**	**31,199,863**
F.1 Interest on Short-term Promissory Notes/Short-term debt	4,559,446	3,702,237	3,240,446
F.2 Interest on Long-term Promissory Notes/Long-term debt	28,821,655	25,885,315	21,963,791
F.3 Interest on bonds, mortgages and other long-term loans	-	-	-
F.4 Amortization of discount on long-term debt	588,440	830,037	932,368
F.5 Other interests, specify (F.5.1 + F.5.2 + F.5.3 + F.5.4 + F.5.5)	5,787,858	5,781,320	5,063,258
F.5.1 Accretion of lease liability	2,581,254	2,409,910	2,081,347
F.5.2 Others	3,206,604	3,371,410	2,981,911
F.5.3			
F.5.4			
G. NET INCOME (LOSS) BEFORE TAX (D - E - F)	**98,591,808**	**71,850,528**	**64,756,411**
H. INCOME TAX EXPENSE (negative entry)	**(11,722,855)**	**(10,388,483)**	**(9,580,053)**
I. INCOME(LOSS) AFTER TAX	**86,868,953**	**61,462,045**	**55,176,358**
J. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on theMeasurement of Fair Value less Cost to Sell or on the Disposal of the Assets or Disposal Group(s) constituting the	**-**	**-**	**-**
J.1			
J.2			
K. PROFIT OR LOSS ATTRIBUTABLE TO MINORITY INTEREST	**25,441,429**	**19,435,549**	**17,103,274**
L PROFIT OR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**61,427,524**	**42,026,496**	**38,073,084**
M. EARNINGS (LOSS) PER SHARE			
M.1 Basic	94.82	64.77	58.75
M.2 Diluted	94.72	64.69	58.64

Control No.:
Form Type: PHFS (rev 2006)

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: AYALA CORPORATION AND SUBSIDIARIES
CURRENT ADDRESS: 37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City
TEL. NO.: (632) 7908-3000 **FAX NO.:**
COMPANY TYPE : Holding Company **PSIC:**

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Cash Flow Statements

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)	2023 (in P'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss) Before Tax and Extraordinary Items	98,591,808	71,850,528	64,756,411
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
Depreciation and Amortization	17,942,543	17,191,968	14,480,754
Amortization, specify: Amortization of discount on long-term debt-net			
Others, specify: Interest & other financing charges-net of amount capitalized	39,757,399	36,198,909	31,199,863
Gain on sale of investments and other assets	(11,555,223)	(2,776,129)	(3,187,028)
Provision for impairment losses/ Write-down of receivables and inventories/ Loss arising from loss of control/ Excess of share in fair	13,481,354	15,254,322	11,691,983
Cost of share-based payments	64,155	128,430	114,645
Dilution loss (gain)	(865,305)	(3,836,727)	4,405,549
Mark to market loss on financial assets at FVTPL and on derivative c	335,667	251,635	249,754
Other investment loss (income) and dividend income	(1,960,093)	(3,079,503)	530,814
Interest income	(17,211,790)	(13,264,243)	(16,863,077)
Remeasurement gain on previously held interest	(10,215,412)	(650,214)	(3,433,327)
Share of profit of associates and joint ventures	(46,749,683)	(44,307,947)	(46,633,463)
Interest received	7,519,485	3,357,926	15,861,534
Interest paid	(29,839,023)	(26,498,904)	(24,232,167)
Income tax paid	(11,010,588)	(7,938,492)	(9,892,507)
Write-down of Property, Plant, and Equipment			
Changes in Assets and Liabilities:			
Decrease (Increase) in:			
Accounts and notes receivable – trade	(33,532,162)	(21,976,141)	(4,752,733)
Inventories	(16,569,053)	(10,085,352)	(22,106,446)
Service Concession Asset	-	-	1,420,977
Others, specify: Other current assets	(4,037,144)	1,923,830	(18,024,928)
Increase (Decrease) in:			
Accounts payable and accrued expenses	30,119,077	10,628,193	20,259,099
Income and Other Taxes Payable			
Others, specify: Net pension liabilities	(169,450)	274,471	1,140,324
Other current liabilities	(4,436,911)	(15,277,425)	(2,509,575)
Net cash provided by operating activities associated with noncurrent assets held for sale			
A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)	**19,659,651**	**7,369,135**	**14,476,456**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Sale/maturities of financial assets FVOCI and at amortized cost	290,962	6,549,984	880,560
Sale/maturities of financial assets at FVTPL	18,193,605	20,402,470	3,589,957
Sale/redemptions of investments in subsidiaries, associates and joint ventures	26,091,583	13,396,522	13,543,571
Collections of accounts and notes receivable - nontrade	2,608,375	5,952,947	158,429
Disposal of property, plant and equipment	7,270,728	6,624,975	2,414,209
Disposal of investment properties	5,052,055	1,166,728	1,080,985
Maturities of short-term investments	338,616	925,640	1,752,997
Additions to:			
Short-term investments	(18,581)	(222,628)	(6,734)
Investments in associates and joint ventures	(5,334,731)	(36,230,281)	(5,292,126)
Property, plant and equipment	(37,162,056)	(45,088,947)	(41,302,400)
Investment properties	(33,982,077)	(21,295,144)	(15,769,975)
Financial assets at FVTPL	(13,779,185)	(23,935,908)	(3,709,519)
Financial assets at FVOCI and at amortized cost	(3,386,811)	(3,496,650)	(9,113,463)
Accounts and notes receivable - nontrade	(12,265,546)	(3,940,561)	(3,986,942)
Intangible assets	(1,326,428)	(2,074,182)	(1,065,436)
Dividends received from associates and joint ventures	18,239,870	19,549,501	13,737,409
Acquisitions through business combinations - net of cash acquired	-	(2,379,802)	(309,200)
Increase in other noncurrent assets	(11,860,378)	(123,587)	(11,584,525)
Net cash provided by (used in) investing activities associated with noncurrent assets held for sale, including cash balance/ Change due to loss of control over subsidiaries	(1,262,161)	(120,154)	(327,694)
B. Net Cash Provided by (Used in) Investing Activities (sum of above rows)	**(42,292,160)**	**(64,339,077)**	**(55,309,897)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Availment of short-term and long-term debt	405,384,480	422,541,970	212,351,999
Issuance of preferred shares	19,841,276	14,881,084	13,000,487
Issuance of common shares	-	2,195,477	11,442
Others, specify: Collections of subscriptions receivable	278,947	271,179	212,755
Cost of issuance of shares	(220)	(360)	(332)
Payments of short-term and long-term debt	(372,770,916)	(351,714,945)	(172,521,000)
Acquisition of treasury shares - common	(1,923,729)	-	-
Dividends paid	(11,298,071)	(10,012,625)	(9,341,869)
Payment of principal portion of lease liabilities	(3,304,450)	(2,775,815)	(2,971,192)
Redemption of preferred shares	-	(15,000,000)	(10,000,000)
Interest paid	(9,026,661)	(4,722,068)	(3,764,416)
Increase (decrease) in:			
Other noncurrent liabilities	(1,555,638)	4,510,665	(4,819,990)
Non-controlling interests in consolidated subsidiaries	(12,193,140)	(3,465,586)	19,532,753
Net cash used in financing activities assoicated with noncurrent assets held for sale			
C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)	**13,431,878**	**56,708,976**	**41,690,637**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	(9,200,631)	(260,966)	857,196
Effect of Changes in Foreign Exchange Rates on Cash and Cash Equivalents	600,712	978,480	79,655
Cash and cash equivalents Beginning of year	75,501,736	74,784,222	73,847,371
End of year	**66,901,817**	**75,501,736**	**74,784,222**

Control No.:
Form Type: GFFS (rev 2006)

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: AYALA CORPORATION AND SUBSIDIARIES

CURRENT ADDRESS: 37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City

TEL. NO.: (632) 7908-3000 **FAX NO.:** -

COMPANY TYPE : Holding Company **PSIC:**

If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

(Amount in P'000)

FINANCIAL DATA	Capital Stock	Subscribed	Additional Paid-in Capital	Subscriptions receivable	Share-based Payments	Cumulative Translation Adj	Retained Earnings	Remeasurement Gain (Loss) on Defined Benefit Plans/ Fair Value Reserve of Financial Assets at FVOCI	Other Reserves	Reserves under PFRS 5	Treasury Stock	Minority Interest	TOTAL
A Balance, *At January 1, 2023*	**49,478,960**	**164,725**	**37,929,927**	**(1,193,355)**	**38,950**	**4,344,422**	**267,836,258**	**(7,558,268)**	**29,091,712**	**-**	**(13,070,802)**	**228,236,515**	**595,299,044**
A.1 Correction of Error (s)	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Effect of adoption of new accounting standards	-	-	-	-	-	-	-	-	-	-	-	-	-
A.3	-	-	-	-	-	-	-	-	-	-	-	-	-
B Restated Balance	**49,478,960**	**164,725**	**37,929,927**	**(1,193,355)**	**38,950**	**4,344,422**	**267,836,258**	**(7,558,268)**	**29,091,712**	**-**	**(13,070,802)**	**228,236,515**	**595,299,044**
C Surplus													
C.1 Surplus (Deficit) on Revaluation of Properties	-	-	-	-	-	-	-	-	-	-	-	-	-
C.2 Surplus (Deficit) on Revaluation of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
C.3 Currency Translation Differences	-	-	-	-	-	(1,049,125)	-	-	-	-	-	-	(1,049,125)
C.4 Other Surplus (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-
C.4.1 Net unrealized gains for the year recognized in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
C.4.2 Net Income	-	-	-	-	-	-	38,073,084	-	-	-	-	17,103,274	55,176,358
C.4.3 Remeasurement Gain (Loss) on Defined Benefit Plans	-	-	-	-	-	-	-	(2,094,886)	-	-	-	-	(2,094,886)
C.4.4 Fair Value Reserve of Financial Assets at FVOCI	-	-	-	-	-	-	(1,633,778)	2,975,770	-	-	-	-	1,341,992
C.4.5 Other comprehensive income - noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	(472,774)	(472,774)
C.4.6 Cost of share-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-
C.4.7 Exercise of exchange option	-	-	-	-	-	-	-	-	-	-	-	-	-
C.4.8 Reclassification/Others	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Dividends (negative entry)	-	-	-	-	-	-	(6,392,657)	-	-	-	-	(2,818,048)	(9,210,705)
E. Appropriation for (specify) others													
E.1	-	-	-	-	-	-	-	-	-	-	-	-	-
E.2	-	-	-	-	-	-	-	-	-	-	-	-	-
E.3	-	-	-	-	-	-	-	-	-	-	-	-	-
E.4	-	-	-	-	-	-	-	-	-	-	-	-	-
E.5	-	-	-	-	-	-	-	-	-	-	-	-	-
F. Issuance of Capital Stock / Other movements													
F.1 Exercise of ESOP/ESOWN	169,378	-	-	-	(38,950)	-	-	-	-	-	-	-	130,428
F.2 Buy-back of common shares	(8,000,000)	-	-	-	-	-	-	-	-	-	(2,000,000)	-	(10,000,000)
F.3 Property dividends	-	-	-	-	-	-	-	-	-	-	-	12,480,844	12,480,844
F.4 Collection of subscription receivables	208,082	-	-	-	-	-	-	-	-	-	-	-	208,082
F.5 Reissuance of preferred shares	12,476,036	-	-	-	-	-	-	-	-	-	524,451	-	13,000,487
F.6 Change in non-controlling interests	-	-	-	-	-	-	-	-	(3,741,382)	-	-	23,872,998	20,131,616
G. Balance, *At December 31, 2023*	**54,332,456**	**164,725**	**37,929,927**	**(1,193,355)**	**-**	**3,295,297**	**297,882,907**	**(6,677,384)**	**25,350,330**	**-**	**(14,546,351)**	**278,402,809**	**674,941,361**
G.1 Correction of Error (s)	-	-	-	-	-	-	-	-	-	-	-	-	-
G.2 Effect of adoption of new accounting standards	-	-	-	-	-	-	539,022	-	-	-	-	809,766	1,348,788
G.3	-	-	-	-	-	-	-	-	-	-	-	-	-
H. Restated Balance	**54,332,456**	**164,725**	**37,929,927**	**(1,193,355)**	**-**	**3,295,297**	**298,421,929**	**(6,677,384)**	**25,350,330**	**-**	**(14,546,351)**	**279,212,575**	**676,290,149**
I. Surplus													
I.1 Surplus (Deficit) on Revaluation of Properties	-	-	-	-	-	-	-	-	-	-	-	-	-
I.2 Surplus (Deficit) on Revaluation of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
I.3 Currency Translation Differences	-	-	-	-	-	1,116,147	-	-	-	-	-	-	1,116,147
I.4 Other Surplus (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-
I.4.1 Net unrealized gains for the year recognized in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
I.4.2 Net Income	-	-	-	-	-	-	42,026,496	-	-	-	-	19,435,549	61,462,045
I.4.3 Remeasurement Gain (Loss) on Defined Benefit Plans	-	-	-	-	-	-	-	(63,743)	-	-	-	-	(63,743)
I.4.4 Fair Value Reserve of Financial Assets at FVOCI	-	-	-	-	-	-	1,804,573	(3,060,735)	-	-	-	-	(1,256,162)
I.4.5 Other comprehensive income - noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	279,462	279,462
I.4.6 Cost of share-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-
I.4.7 Exercise of exchange option	-	-	-	-	-	-	-	-	-	-	-	-	-
I.4.8 Reclassification/Others	-	-	-	-	-	-	(56,498)	56,498	-	-	-	-	-
J. Dividends (negative entry)	-	-	-	-	-	-	(7,002,201)	-	-	-	-	(3,416,688)	(10,418,889)
K. Appropriation for (specify)													
K.1	-	-	-	-	-	-	-	-	-	-	-	-	-
K.2	-	-	-	-	-	-	-	-	-	-	-	-	-
K.3	-	-	-	-	-	-	-	-	-	-	-	-	-
K.4	-	-	-	-	-	-	-	-	-	-	-	-	-

Control No.:
Form Type: GFFS (rev 2006)

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: AYALA CORPORATION AND SUBSIDIARIES

CURRENT ADDRESS: 37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City

TEL. NO.: (632) 7908-3000 **FAX NO.:** -

COMPANY TYPE : Holding Company **PSIC:**

If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

(Amount in P'000)

FINANCIAL DATA	Capital Stock	Subscribed	Additional Paid-in Capital	Subscriptions receivable	Share-based Payments	Cumulative Translation Adj	Retained Earnings	Remeasurement Gain (Loss) on Defined Benefit Plans/ Fair Value Reserve of Financial Assets at FVOCI	Other Reserves	Reserves under PFRS 5	Treasury Stock	Minority Interest	TOTAL
K.5	-	-	-	-	-	-	-	-	-	-	-	-	-
L. Issuance of Capital Stock / Other movements													
L.1 Exercise of ESOP/ESOWN	128,071	-	-	-	-	-	-	-	-	-	-	-	128,071
L.2 Redemption of preferred shares	(12,000,000)	-	-	-	-	-	-	-	-	-	(3,000,000)	-	(15,000,000)
L.3 Property dividends	-	-	-	-	-	-	-	-	-	-	-	847,290	847,290
L.4 Collection of subscription receivables	271,179	-	-	-	-	-	-	-	-	-	-	-	271,179
L.5 Reissuance of preferred shares	14,131,084	-	-	-	-	-	-	-	-	-	750,000	-	14,881,084
L.6 Sale of treasury common shares	(379,882)										2,575,359		2,195,477
L.7 Change in non-controlling interests	-	-	-	-	-	-	-	-	125,703	-	-	(5,276,093)	(5,150,390)
M. Balance, *At December 31, 2024*	**56,482,908**	**164,725**	**37,929,927**	**(1,193,355)**	**-**	**4,411,444**	**335,194,299**	**(9,745,364)**	**25,476,033**	**-**	**(14,220,992)**	**291,082,095**	**725,581,720**
M.1 Correction of Error (s)	-	-	-	-	-	-	-	-	-	-	-	-	-
M.2 Effect of adoption of new accounting standards	-	-	-	-	-	-	-	-	-	-	-	-	-
M.3	-	-	-	-	-	-	-		-	-	-	-	-
N. Restated Balance	**56,482,908**	**164,725**	**37,929,927**	**(1,193,355)**	**-**	**4,411,444**	**335,194,299**	**(9,745,364)**	**25,476,033**	**-**	**(14,220,992)**	**291,082,095**	**725,581,720**
O. Surplus													
O.1 Redemption of preferred shares	-	-	-	-	-	-	-	-	-	-	-	-	-
O.2 Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-
O.3 Currency Translation Differences	-	-	-	-	-	3,456,373	-	-	-	-	-	-	3,456,373
O.4 Other Surplus (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-
O.4.1 Net unrealized gains for the year recognized in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
O.4.2 Net Income	-	-	-	-	-	-	61,427,524	-	-	-	-	25,441,429	86,868,953
O.4.3 Remeasurement Gain (Loss) on Defined Benefit Plans	-	-	-	-	-	-	-	(1,238,278)	-	-	-	-	(1,238,278)
O.4.4 Fair Value Reserve of Financial Assets at FVOCI	-	-	-	-	-	-	(70,270)	931,796	-	-	-	-	861,526
O.4.5 Other comprehensive income - noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	435,686	435,686
O.4.6 Cost of share-based payments	-	-	-	-	-	-	-	-	-	-	-	-	-
O.4.7 Exercise of exchange option	-	-	-	-	-	-	-	-	-	-	-	-	-
O.4.8 Reclassification/Others (Derecognition of remeasurement loss)	-	-	-	-	-	-	-	-	-	-	-	-	-
P. Dividends (negative entry)	-	-	-	-	-	-	(8,109,387)	-	-	-	-	(3,622,540)	(11,731,927)
Q. Appropriation for (specify)													
Q.1	-	-	-	-	-	-	-	-	-	-	-	-	-
Q.2	-	-	-	-	-	-	-	-	-	-	-	-	-
Q.3	-	-	-	-	-	-	-	-	-	-	-	-	-
Q.4	-	-	-	-	-	-	-	-	-	-	-	-	-
Q.5	-	-	-	-	-	-	-	-	-	-	-	-	-
R. Issuance of Capital Stock / Other movements													
R.1 Exercise of ESOWN	63,961	-	-	-	-	-	-	-	-	-	-	-	63,961
R.2 Assignment of treasury shares	(1)	-	-	-	-	-	-	-	-	-	-	-	(1)
R.3 Property dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
R.4 Collection of subscription receivables	278,947	-	-	-	-	-	-	-	-	-	-	-	278,947
R.5 Reissuance of preferred shares	18,841,276	-	-	-	-	-	-	-	-	-	1,000,000	-	19,841,276
R.6 Sale of treasury common shares	-	-	-	-	-	-	-	-	-	-	(1,923,729)	-	(1,923,729)

Control No.:
Form Type: *PHFS (rev 2006)*

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: AYALA CORPORATION AND SUBSIDIARIES
CURRENT ADDRESS: 37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue,
TEL. NO.: (632) 7908-3000 **FAX NO.:**
COMPANY TYPE : Holding Compnay **PSIC:**

If these are based on consolidated financial statements, please so indicate in the caption.

Table 5. Details of Income and Expenses, by source
(applicable to corporations transacting with foreign corporations/entities)

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)	2023 (in P'000)
A. REVENUE / INCOME (A.1 + A.2)	**429,924,571**	**397,825,575**	**358,434,850**
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining,utilities, trade, services, etc.) (from Primary Activity) (A.1.1 +A.1.2)	336,886,166	325,743,960	289,904,747
A.1.1 Domestic	276,833,768	260,258,333	213,624,557
A.1.2 Foreign	60,052,398	65,485,627	76,280,190
A.2 Other Revenue (A.2.1 +A.2.2)	93,038,405	72,081,615	68,530,103
A.2.1 Domestic	86,634,251	64,630,859	60,676,004
A.2.2 Foreign, specify (A.2.2.1+A.2.2.2+ A.2.2.3+ A.2.2.4+ A.2.2.5+ A.2.2.6+ A.2.2.7+ A.2.2.8+A.2.2.9+A.2.2.10)	6,404,154	7,450,756	7,854,099
A.2.2.1 Share of profit (loss) of associates and joint	1,144,180	135,854	454,421
A.2.2.2 Rental income	13,422	50,519	31,389
A.2.2.3 Other income (including gain on sale of	519,760	2,494,839	1,358,310
A.2.2.4 Interest income	5,051,106	4,998,871	5,936,601
A.2.2.5 Mark to market gain on financial assets at FVPL	(374,163)	(153,574)	21,764
A.2.2.6 Forex gain (loss)	49,849	(75,754)	51,614
A.2.2.7			
A.2.2.8			
A.2.2.9			
A.2.2.1			
B. EXPENSES (B.1 + B.2)	**343,055,618**	**336,363,530**	**303,258,492**
B.1 Domestic	266,128,448	248,633,165	205,694,111
B.2 Foreign, specify (B.2.1+B.2.2+B.2.3+B.2.4+B.2.5+B.2.6+B.2.7+B.2.8+B.2.9+B.2.10)	76,927,170	87,730,365	97,564,381
B.2.1 Cost of Sales	61,657,714	67,867,812	74,343,961
B.2.2 Selling/Marketing/Operating expenses	11,713,050	12,998,923	15,810,868
B.2.3 Others including income tax	3,556,406	6,863,630	7,409,552
B.2.4			
B.2.5			
B.2.6			
B.2.7			
B.2.8			
B.2.9			
B.2.10			

IV. 2025 Parent Company Financial Statements (with BIR ITR Filing Reference) and SFFS

Bureau of Internal Revenue
Republic of the Philippines

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 000-153-610-000
Name	: AYALA CORPORATION
RDO	: 125
Form Type	: 1702
Reference No.	: 462600071866889
Amount Payable (Over Remittance)	: -73,082,429.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2025
Date Filed	: 04/08/2026
Tax Type	: IT

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From: eafs@bir.gov.ph
To: AC ORTEGA, Belinda L.
Cc: AC ORTEGA, Belinda L.
Subject: Your BIR AFS eSubmission uploads were received
Date: Monday, April 13, 2026 1:31:29 PM

Hi AYALA CORPORATION,

Valid files

- EAFS000153610OTHTY122025.pdf
- EAFS000153610RPTTY122025.pdf
- EAFS000153610TCRTY122025-01.pdf
- EAFS000153610AFSTY122025.pdf
- EAFS000153610ITRTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-QXNMXZ4T0C97996BEQPVMQWQP0PVWSZ21R**
Submission Date/Time: **Apr 13, 2026 01:31 PM**
Company TIN: **000-153-610**

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
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Ayala

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of Ayala Corporation (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein 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 auditor 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 its opinion on the fairness of presentation upon completion of such audit.

Signed on March 12, 2026.

JAIME AUGUSTO ZOBEL DE AYALA
Chairman, Board of Directors

CEZAR P. CONSING
President & Chief Executive Officer

JUAN CARLOS L. SYQUIA
Chief Finance Officer

SUBSCRIBED AND SWORN to before me this MAR 12 2026 at Makati City, affiants exhibiting to me their respective Passports, to wit:

Name	Passport No.	Date & Place of Issue
Jaime Augusto Zobel de Ayala		
Cezar P. Consing		
Juan Carlos L. Syquia		

Doc. No. 219 ;
Page No. 45 ;
Book No. XXVII ;
Series of 2026.

Notarial DST pursuant to Sec. 61 of the TRAIN ACT (amending Sec. 188 of the NIRC) affixed on copy submitted to the court.

ATTY. RIZZA ANNE O. SY
NOTARY PUBLIC
ROLL NO.
MAKATI CITY, PHILIPPINES

RIZZA ANNE O. SY
Notary Public – Makati City
Appt. No. M-106 until December 31, 2026
Roll of Attorneys No. 64676

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

3	4	2	1	8						

COMPANY NAME

AYALA CORPORATION

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

37F-39F Ayala Triangle Gardens
Tower 2, Paseo De Roxas Corner
Makati Avenue, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
acquery@ayala.com.ph	7908-3000	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
7,230	April 24	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Catherine H. Ang	ang.ch@ayala.com	7908-3000	

CONTACT PERSON's ADDRESS

37F to 39F 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.*

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Ayala Corporation
37F-39F 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 Ayala Corporation (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 income, 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 material accounting policy information.

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 (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 Parent Company Financial Statements* section of our report. We are independent of the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the parent company financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of the parent company financial statements of public interest entities 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 PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 parent company 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.

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Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the parent company financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 30 to the parent company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic parent company financial statements. Such information is the responsibility of the management of Ayala Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic parent company financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic parent company financial statements taken as whole.

The engagement partner on the audit resulting in this independent auditor's report is Sherwin V. Yason.

CIP GORRES VELAYO & CO.

Sherwin V. Yason
Partner
CPA Certificate No.
Tax Identification No.
BOA/PRC Reg. No.
SEC Partner Accreditation No.
Valid to cover audit of 2020 to 2024 financial statements,
with extension up to audit of 2025 financial statements
SEC Firm Accreditation No.
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No.
PTR No.

March 12, 2026

AYALA CORPORATION

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 20)	**₱12,307,998**	₱10,148,802
Accounts and notes receivable (Notes 5 and 20)	**1,856,071**	1,395,966
Other current assets (Note 6)	**229,873**	131,905
Assets under PFRS 5		
Asset held for distributions to owners (Note 7)	**799,188**	819,767
Total Current Assets	**15,193,130**	12,496,440
Noncurrent Assets		
Noncurrent accounts and notes receivable (Notes 5 and 20)	**617,730**	343,925
Investments in subsidiaries, associates and joint ventures (Note 8)	**252,042,034**	266,091,969
Right-of-use asset - net (Note 24)	**1,812,794**	1,896,161
Investment properties - net (Note 9)	**979,962**	984,347
Financial assets at fair value through other comprehensive income (OCI) (Notes 10)	**1,019,894**	1,090,511
Property and equipment - net (Note 11)	**1,314,913**	991,635
Deferred tax assets - net (Note 17)	**–**	77,044
Other noncurrent assets (Note 6)	**1,575,415**	1,284,650
Total Noncurrent Assets	**259,362,742**	272,760,242
	₱274,555,872	₱285,256,682
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Notes 12 and 20)	**₱3,741,942**	₱3,843,905
Dividends payable (Note 20)	**3,192,450**	2,814,723
Short-term debt (Note 14)	**9,700,000**	28,500,000
Current portion of:		
Long-term debt (Notes 14 and 20)	**17,368,590**	24,848,163
Lease liabilities (Note 24)	**53,534**	45,711
Income tax payable (Note 17)	**24,100**	1,793
Other current liabilities (Notes 13)	**532,441**	27,808
	34,613,057	60,082,103
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 14 and 20)	**58,389,090**	64,592,160
Lease liabilities - net of current portion (Note 24)	**2,119,913**	2,141,765
Pension liability (Note 21)	**1,083,542**	899,422
Total Noncurrent Liabilities	**61,592,545**	67,633,347
Total Liabilities	**₱96,205,602**	₱127,715,450

(Forward)

	December 31	
	2025	2024
Equity		
Paid-in capital (Note 15)	**₱112,568,388**	₱93,384,205
Remeasurement losses arising on pension liability (Note 21)	**(1,437,784)**	(1,222,102)
Fair value reserve of financial assets through OCI (Note 10)	**820,784**	887,406
Cash flow hedge reserve (Note 25)	**(278,955)**	241,718
Retained earnings (Note 15)	**81,822,558**	78,470,997
Treasury stock (Note 15)	**(15,144,721)**	(14,220,992)
Total Equity	**178,350,270**	157,541,232
	₱274,555,872	₱285,256,682

See accompanying Notes to Parent Company Financial Statements.

AYALA CORPORATION

PARENT COMPANY STATEMENTS OF INCOME

(Amounts in Thousands)

	Years Ended December 31	
	2025	2024
REVENUE		
Revenue from contracts with customers (Note 16)	**₱580,657**	₱365,615
Dividends (Note 20)	**22,964,032**	19,302,715
	23,544,689	19,668,330
COSTS AND EXPENSES		
General and administrative (Note 18)	**6,417,360**	12,052,357
Depreciation and amortization (Notes 9, 11 and 24)	**265,841**	243,973
	6,683,201	12,296,330
OTHER INCOME (EXPENSE)		
Interest and other financing charges (Notes 14, 18 and 20)	**(7,192,484)**	(6,635,367)
Interest income (Notes 4, 5, 18 and 20)	**855,993**	392,432
Gain on sale of investment (Notes 8 and 20)	**–**	7,983,374
Other income (Notes 8 and 18)	**1,126,399**	224,917
	(5,210,092)	1,965,356
INCOME BEFORE INCOME TAX	**11,651,396**	9,337,356
PROVISION FOR INCOME TAX (Note 17)	**223,109**	59,045
NET INCOME	**₱11,428,287**	₱9,278,311
EARNINGS PER SHARE (Note 19)		
Basic	**₱14.53**	₱12.05
Diluted	**₱14.53**	₱12.05

See accompanying Notes to Parent Company Financial Statements.

AYALA CORPORATION

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Years Ended December 31	
	2025	2024
NET INCOME	**₱11,428,287**	₱9,278,311
OTHER COMPREHENSIVE INCOME		
Items that will be reclassified to profit or loss:		
Net gains (losses) on cash flow hedges (Note 25)	**(520,673)**	155,872
Items that will not be reclassified to profit or loss:		
Remeasurement gain (loss) arising on pension liability (Note 21)	**(215,682)**	17,717
Unrealized fair value gains (losses) on financial assets at fair value through OCI (Note 10)	**(33,961)**	141,149
	(770,316)	314,738
TOTAL COMPREHENSIVE INCOME	**₱10,657,971**	₱9,593,049

See accompanying Notes to Parent Company Financial Statements.

AYALA CORPORATION

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Year Ended December 31, 2025							
	Paid-in Capital (Note 15)	**Remeasurement Gains and (Losses) Arising on Pension Liability** (Note 21)	**Fair value Reserve of Financial Assets Through OCI** (Note 10)	**Cash flow Hedge Reserve** (Note 25)	**Retained Earnings** (Note 15)	**Treasury Stock** (Note 15) **Common Stock**	**Treasury Stock** (Note 15) **Preferred Stock**	**Total**
At January 1, 2025	**₱93,384,205**	**(₱1,222,102)**	**₱887,406**	**₱241,718**	**₱78,470,997**	**(₱8,495,443)**	**(₱5,725,549)**	**₱157,541,232**
Net income	**–**	**–**	**–**	**–**	**11,428,287**	**–**	**–**	**11,428,287**
Other comprehensive income	**–**	**(215,682)**	**(33,961)**	**(520,673)**	**–**	**–**	**–**	**(770,316)**
Total comprehensive income	**–**	**(215,682)**	**(33,961)**	**(520,673)**	**11,428,287**	**–**	**–**	**10,657,971**
Reissuance of preferred shares	**18,841,276**	**–**	**–**	**–**	**–**	**–**	**1,000,000**	**19,841,276**
Assignment of treasury shares	**(1)**	**–**	**–**	**–**	**–**	**–**	**–**	**(1)**
Exercise/cancellation of Employee Stock Ownership Plan (ESOWN)/collection of subscription receivable	**342,908**	**–**	**–**	**–**	**–**	**–**	**–**	**342,908**
Sale of financial assets at FVOCI	**–**	**–**	**(32,661)**	**–**	**32,661**	**–**	**–**	**–**
Buyback of common shares	**–**	**–**	**–**	**–**	**–**	**(1,923,729)**	**–**	**(1,923,729)**
Cash dividends (Note 15)	**–**	**–**	**–**	**–**	**(8,109,387)**	**–**	**–**	**(8,109,387)**
At December 31, 2025	**₱112,568,388**	**(₱1,437,784)**	**₱820,784**	**(₱278,955)**	**₱81,822,558**	**(₱10,419,172)**	**(₱4,725,549)**	**₱178,350,270**

See accompanying Notes to Parent Company Financial Statements

	Year Ended December 31, 2024							
	Paid-in Capital (Note 15)	Remeasurement Gains and (Losses) Arising on Pension Liability (Note 21)	Fair value Reserve of Financial Assets Through OCI (Note 10)	Cash flow Hedge Reserve (Note 25)	Retained Earnings (Note 15)	Treasury Stock (Note 15)		Total
						Common Stock	Preferred Stock	
At January 1, 2024	₱91,233,753	(₱1,239,819)	₱746,257	₱85,846	₱76,194,887	(₱11,070,802)	(₱3,475,549)	₱152,474,573
Net income	–	–	–	–	9,278,311	–	–	9,278,311
Other comprehensive income	–	17,717	141,149	155,872	–	–	–	314,738
Total comprehensive income	–	17,717	141,149	155,872	9,278,311	–	–	9,593,049
Redemption of preferred shares	(12,000,000)	–	–	–	–	–	(3,000,000)	(15,000,000)
Reissuance of preferred shares	14,131,084	–	–	–	–	–	750,000	14,881,084
Sale of treasury shares	(379,882)	–	–	–	–	2,575,359	–	2,195,477
Exercise/cancellation of Employee Stock Ownership Plan (ESOWN)/collection of subscription receivable	399,250	–	–	–	–	–	–	399,250
Cash dividends (Note 15)	–	–	–	–	(7,002,201)	–	–	(7,002,201)
At December 31, 2024	₱93,384,205	(₱1,222,102)	₱887,406	₱241,718	₱78,470,997	(₱8,495,443)	(₱5,725,549)	₱157,541,232

See accompanying Notes to Parent Company Financial Statements.

AYALA CORPORATION

PARENT COMPANY STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱11,651,396**	₱9,337,356
Adjustments for:		
Dividend income (Note 20)	**(22,964,032)**	(19,302,715)
Interest expense (Note 18)	**6,838,273**	6,624,103
Provision for impairment losses on subsidiaries, associates and joint ventures (Notes 8 and 18)	**1,909,049**	7,425,000
Interest income (Notes 4, 5, 18 and 20)	**(855,993)**	(392,432)
Foreign exchange gains	**(839,233)**	(89,695)
Depreciation and amortization (Notes 9, 11 and 24)	**265,841**	243,973
Pension expense (Notes 18 and 21)	**245,665**	420,387
Share-based payments (Notes 18, 20 and 22)	**64,155**	128,408
Gain on sale/return of capital:		
Investments in subsidiaries, associates and joint venture - net (Notes 8, 18 and 20)	**(862,396)**	(7,983,374)
Property and equipment (Notes 11 and 18)	**(8,775)**	(6,712)
Investment properties (Notes 9 and 18)	**–**	(5,206)
Provision for credit losses (Notes 5 and 18)	**–**	25,016
Operating loss before changes in working capital	**(4,556,050)**	(3,575,891)
Changes in working capital:		
Decrease (increase) in:		
Accounts and notes receivable	**(205,731)**	(291,804)
Other current and noncurrent assets	**(95,055)**	345,042
Increase in accounts and other payables	**(182,197)**	294,593
Net cash used for operations	**(5,039,033)**	(3,228,060)
Interest received	**792,974**	391,734
Interest paid	**(6,063,108)**	(6,381,127)
Income tax paid	**(123,758)**	(103,693)
Contribution to pension fund (Note 21)	**(275,418)**	(143,953)
Net cash used in operating activities	**(10,708,343)**	(9,465,099)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from subsidiaries, associates and joint ventures	**22,497,892**	19,833,468
Proceeds from:		
Return of capital from subsidiaries / redemption of shares (Note 8)	**19,224,481**	–
Disposal of financial assets at FVOCI	**32,661**	–
Sale of property and equipment (Note 11)	**25,991**	26,684
Sale of investment property	**–**	5,861
Disposal of shares of subsidiaries (Note 8)	**–**	12,817,326
Additions to:		
Investments in subsidiaries, associates and joint ventures (Note 8)	**(6,221,199)**	(33,254,811)
Property and equipment (Note 11)	**(298,038)**	(133,379)
Net cash provided by (used in) investing activities	**35,261,788**	(704,851)

(Forward)

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Availment of short-term and long-term debt (Note 14)	**₱121,024,182**	₱102,860,798
Collections of subscription receivable (Note 15)	**278,947**	271,179
Re-issuance of preferred shares (Note 15)	**19,841,276**	14,881,084
Sale of treasury common shares (Note 15)	**–**	2,195,477
Payment of short-term and long-term debt	**(153,699,038)**	(86,625,000)
Redemption of preferred shares (Note 15)	**–**	(15,000,000)
Cash dividends paid	**(7,731,660)**	(6,578,497)
Buyback of common shares	**(1,923,729)**	–
Payment of lease liabilities (Note 24)	**(184,007)**	(166,064)
Costs of issuance of shares (Note 30)	**(220)**	(360)
Net cash provided by (used in) financing activities	**(22,394,249)**	11,838,617
NET INCREASE IN CASH AND CASH EQUIVALENTS	**2,159,196**	1,668,667
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**10,148,802**	8,480,135
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱12,307,998**	₱10,148,802

See accompanying Notes to Parent Company Financial Statements.

AYALA CORPORATION
NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate Information

Ayala Corporation (the Parent Company or AC) is the holding company of one of the oldest and largest business groups in the Philippines that traces its history back to the establishment of the Casa Roxas business house in 1834. The Parent Company was incorporated on January 23, 1968, and its Class A Shares and Class B Shares were first listed on the Manila and Makati Stock Exchanges (the predecessors of the Philippine Stock Exchange or PSE) in 1976. In 1997, the Parent Company's Class A and Class B Shares were declassified and unified as Common Shares.

The Parent Company is a corporation having a perpetual corporate term pursuant to Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines. As of December 31, 2025, the Parent Company is 47.84% owned by Mermac, Inc. (Mermac) and the rest by the public. Mermac, a private holding company incorporated in the Philippines is the dominant shareholder of Ayala. Ayala's registered office address and principal place of business is at the 37F to 39F Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City.

The Parent Company is organized as a holding company with equity interests in the Ayala Group (the Group), one of the largest and most diversified groups in the Philippines. Ayala's business activities are divided into real estate and hotels, financial services, telecommunications, power, healthcare, logistics, industrial technologies and automotives, infrastructure, education, technology services, business process outsourcing, air charter, retail, and investment holdings.

2. Material Accounting Policy Information

Basis of Preparation

The accompanying parent company financial statements have been prepared on a historical cost basis, except for financial assets at fair value through OCI and derivative designated as hedge, that have been measured at fair value. The parent company financial statements are presented in Philippine Peso (₱), which is the Parent Company's functional currency and all amounts are rounded to the nearest thousand pesos (₱000) unless otherwise indicated.

The Parent Company also prepares, and issues consolidated financial statements presented in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

The financial statements of the Parent Company, which are prepared for submission to the Philippine Securities and Exchange Commission (SEC) and the Bureau of Internal Revenue (BIR), have also been prepared in compliance with PFRS Accounting Standards.

Changes in Accounting Policies and Disclosures

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the parent company financial statements are consistent with those of the previous financial years except for the adoption of new standards effective beginning January 1, 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, the adoption of these new standards did not have an impact on the parent company financial statements.

- 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.

New Standards and Interpretations That Have Been Issued But Are Not Yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Parent Company does not expect that the future adoption of the said pronouncements will have a significant impact on the parent company 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*

  The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

  The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

  The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- Amendments PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

  The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

  The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

  The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- Annual Improvements to PFRS Accounting Standards—Volume 11

  The amendments are limited to changes that either clarify the wording in an accounting standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the accounting standards. The following is the summary of the accounting standards involved:

  - 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*

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:
  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

  The Parent Company is currently assessing the impact of this new accounting standard.

- PFRS 19, *Subsidiaries without Public Accountability*

  The standard allows eligible entities to elect to apply PFRS 19 reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

  In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the issuances of the International Accounting Standards Board (IASB) between February 2021 and May 2024.

  The application of the standard is optional for eligible entities.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

  The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

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

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or

contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Material Accounting Policy Information

The material accounting policy information that has been used in the preparation of the parent company financial statements are summarized below. These policies have been consistently applied to all the years presented, 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.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as amortized cost, fair value through OCI, and fair value through profit or loss (FVTPL).

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. With the exception of trade receivables that do not contain a significant financing component or for which the Parent Company has applied the practical expedient, the Parent Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Parent Company has applied the practical expedient are measured at the transaction price determined under PFRS 15. Refer to the accounting policies under revenue from contracts with customers.

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 Parent Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flow. 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 marketplace (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

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 (equity instruments)
- Financial assets at FVTPL

Financial assets at amortized cost (debt instruments)
This category is the most relevant to the Parent Company. 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; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (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 include cash and cash equivalents and accounts and notes receivable.

Financial assets at fair value through OCI (debt instruments)
The Parent Company does not have any financial assets under this category.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Parent Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as revenue from others in the parent company statement of income when the right of payment has been established, except when the Parent Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Parent Company elected to classify irrevocably its listed and unquoted equity investments under this category.

Financial assets at FVTPL
The Parent Company does not have any financial assets carried at FVTPL.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The Parent Company uses derivative financial instruments, such as foreign currency swaps, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which these are entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; or
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Parent Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Parent Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Parent Company hedges and the quantity of the hedging instrument that the Parent Company actually uses to hedge that quantity of hedged item.

As at December 31, 2025 and 2024, the Parent Company has designated its foreign currency swap contracts as cash flow hedges.

Hedges that meet all the qualifying criteria for cash flow hedge accounting are accounted for, as described below:

The effective portion of the gain or loss on the hedging instrument is recognized in equity as 'Cash flow hedge reserve', while any ineffective portion is recognized immediately in the parent company statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Parent Company uses foreign currency swap contracts, as hedges of its exposure to foreign currency risks in its US Dollar denominated loans. The ineffective portion relating to foreign currency swap contracts is recognized as foreign exchange gains under other income.

The amounts accumulated in 'Cash flow hedge reserve' is reclassified to the parent company statement of income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the parent company statement of income.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in 'Cash flow hedge reserve' must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately recycled to the parent company statement of income as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in equity shall be reclassified to the parent company statement of income.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the parent company statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Parent Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.
- 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.

When the Parent Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Parent Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Parent Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Parent Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Parent Company could be required to repay.

Impairment of financial assets
Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions (see Note 3)
- Equity instruments at fair value through OCI (see Note 10)
- Trade receivables (see Note 5)

For non-trade receivables, estimated credit losses (ECLs) are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Parent Company's cash and cash equivalents are graded in the top investment category by Moody's Investors Service and Fitch Ratings, Inc. and, therefore, are considered to be low credit risk investments. It is the Parent 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 Parent Company uses the ratings from the Moody's Investors Service and Fitch Ratings, Inc. to determine whether the cash and cash equivalents and short-term investments with banks has significantly increased in credit risk and to estimate ECLs.

For trade receivables, the Parent Company applies a simplified approach in calculating ECLs. Therefore, the Parent Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Parent Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Parent Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal or external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Parent Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Parent Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Parent Company debtors operate, information obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external

sources of actual and forecast economic information that relate to the Parent Company core operations, which revolves on various industry fields.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating.
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Parent Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Parent Company has reasonable and supportable information that demonstrates otherwise.

The Parent Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Financial Liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, 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 and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Parent Company's financial liabilities include accounts payable and accrued expenses (other than output VAT payable), dividends payable, short-term debt, long-term debt, lease liabilities and financial guarantee obligation.

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

Financial liabilities at FVTPL
The Parent Company has not designated any financial liability as at FVTPL.

Loans and borrowings
This is the category most relevant to the Parent Company. 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 parent company statement of income.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 14.

Other Financial Liabilities
Issued financial instruments or their components, which are not designated at FVTPL, are classified as accounts payable and accrued expenses where the substance of the contractual arrangement results in the Parent Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount, after deducting from the instrument the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other 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 the issue and fees that are an integral part of the effective interest rate.

Any effect of restatement of foreign currency-denominated liabilities is recognized in profit or loss.

This accounting policy applies to the Parent Company's accounts payable and accrued expenses, dividends payable, lease liabilities and other current liabilities (other than liabilities covered by other accounting standards such as pension liability and income tax payable).

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 statement of income.

Financial guarantee contracts
Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of ECL determined in accordance with the policy set out in Note 26 and the amount initially recognized less, when appropriate, the cumulative amount of income recognized over the period of the guarantee.

Offsetting financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the parent company statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Parent Company assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Parent Company and all of the counterparties.

Assets Held for Sale and Held for Distribution to Owners
Noncurrent assets and disposal groups classified as held for sale and distribution to owners are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. At reporting date, the Parent Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case the asset or disposal group must be available for immediate sale or distribution to owners in its present condition subject only to terms that are usual and customary for sales of such assets and its sale or distribution must be highly probable. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale or distribution to owners will be made or that the decision to sell or that the distribution will be withdrawn. Management must be committed to the plan to sell the asset,

actions to complete the distribution to owners must have been initiated, and the sale or distribution to owners is expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the parent company statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the parent company statement of profit or loss.

The related results of operations of the disposal group that qualified as discontinued operation are separated from continuing operations.

When an entity acquires a non-current asset (or disposal group) exclusively with a view to its subsequent disposal, it shall classify the non-current asset (or disposal group) as held for sale or distribution to owners at the acquisition date only if the one-year requirement is met (subject to the allowed exception) and it is highly probable that any other criteria that are not met at that date will be met within a short period following the acquisition (usually within three months).

Investments in Subsidiaries, Associates and Joint Ventures
The Parent Company's investments in subsidiaries, associates and joint ventures are accounted for under the cost method less accumulated provision for impairment losses, if any.

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.

Transactions involving non-monetary assets
When the Parent Company has disposed of an asset in exchange for an increased investment in a subsidiary, the cost of the investment shall be recorded at the fair value of the consideration given up. Any difference between the fair value and carrying amount of the asset given up is recognized in other income (expense) in the parent company statement of income.

Investment Properties
Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. Depreciation and amortization on building and improvements are computed on a straight-line basis over a 25-year period.

Additions, renewals and betterments are capitalized while minor expenditures for repairs and maintenance are directly charged to operations.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use on which no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell. Transfers among investment properties, owner-occupied properties and inventories do not change the carrying amount of the property transferred and they do not change the cost of the property for measurement or for disclosure purposes.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and any impairment in value. The initial cost of an item of property and equipment consists of its construction cost or purchase price and any directly attributable costs of bringing the item of property and equipment to its working condition and location for its intended use.

Construction in progress are carried at cost and transferred to the related property and equipment account when the construction and related activities to prepare the property for its intended use are complete, and the property is ready for occupation or use.

Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Parent Company and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Depreciation of property and equipment commences once the property and equipment are available for use and is computed using the straight-line basis over the estimated useful lives of the property and equipment as follows:

	Years
Condominium units	25
Condominium improvements	5
Furniture, fixtures and equipment	3-5
Transportation equipment	5

The useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and accumulated impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Impairment of Nonfinancial Assets

The Parent Company assesses at each reporting date whether there is an indication that its nonfinancial assets (e.g. investment properties, property and equipment, right-of-use assets, and investments in subsidiaries, associates and joint ventures) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Parent Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use and 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. Where the carrying amount of an asset 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. Impairment losses are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement of income under other income unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal, the depreciation and amortization charge are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Value-added Tax (VAT)
The Parent Company recognizes revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the parent company statement of financial position under "other current liabilities". When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the parent company statement of financial position to the extent of the recoverable amount under "other current assets".

Fair Value Measurement
The Parent Company measures financial instruments such as derivatives and financial assets at FVOCI at each reporting date. Also, fair values of financial instruments measured at amortized cost and nonfinancial assets such as investment properties are disclosed in Note 9 and 25, respectively, to the parent company financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Parent Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Parent Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets and liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the parent company financial statements on a recurring basis, the Parent Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Parent Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Equity

Capital stock is measured at par value for all shares subscribed, issued and outstanding. When the shares are sold at premium, the difference between the proceeds and the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are deducted from additional paid-in capital. If additional paid-in capital is not sufficient, the excess is charged against retained earnings. When the Parent Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Subscriptions receivable pertains to the uncollected portion of the subscribed shares and are presented as deduction from equity.

Retained earnings represent accumulated earnings of the Parent Company less dividends declared.

Own equity instruments which are reacquired (treasury stocks) are recognized at cost and deducted from equity. No gain or loss is recognized in the parent company statement of income on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Parent Company and no dividends are allocated to them. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance. For the Preferred A and B treasury shares, the amount reflected under treasury stock pertains to par value.

Cash Dividend and Non-cash Dividend to Equity Holders of the Parent Company

The Parent Company recognizes a liability to make cash or non-cash distributions to equity holders of the Parent Company when the dividend is appropriately authorized, and the distribution is no longer at the discretion of the Group. A corresponding amount is recognized directly in equity. For the non-cash dividend distribution, the liability is measured at the acquisition cost of the asset to be distributed.

Share-based Payments
The Parent Company has equity-settled, share-based compensation plans with its employees.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. In valuing equity-settled transactions, vesting conditions, including performance conditions, other than market conditions (conditions linked to share prices), shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions are taken into account in estimating the number of equity instruments that will ultimately vest. The fair value is determined by using the Black-Scholes model, further details of which are provided in Note 22 to the parent company financial statements.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Parent Company's best estimate of the number of equity instruments that will ultimately vest. The income or expense for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, at a minimum, an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The exercise of the options will result in the issuance of the corresponding number of common shares with an increase in "Paid-in capital" and a decrease in "Share-based payments" accounts.

Employee Share Purchase Plans
The Parent Company has employee share purchase plans (ESOWN) which allow the grantees to purchase the Parent Company's shares. The Parent Company recognizes stock compensation expense over the holding period. Dividends paid on the awards that have vested are deducted from equity. The Parent Company treats its ESOWN plan as option exercisable within a given period. For the measurement of the fair value of options at the grant date, the Parent Company uses a Black-Scholes Merton Formula. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 22.

Revenue Recognition

Revenue from contracts with customers
Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods or services. The Parent Company has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Management fees for services rendered are recognized upon performance of obligations over time since its customers simultaneously receive and consume the benefits provided as the Parent Company performs.

Contract balances

Contract assets
A contract asset is the right to consideration in exchange of goods or services transferred to the customer. If the Parent Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables
A receivable represents the Parent Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of consideration is due).

Dividends
Dividend income is recognized when the Parent Company's right to receive payment is established.

Other income

Rental income
Rental income from investment properties is recognized on a straight-line basis over the lease term or based on a certain percentage of the net sales of the tenants, as provided under the terms of the lease contract.

Others
Gain on sale of other assets is computed as the excess of proceeds of the disposal over its carrying amount.

Gain on sale of investment in shares of stock is recognized in parent company statement of income if the Parent Company disposes some or all of its investment in a subsidiary, associate or joint venture.

Interest income
Interest income is recognized as it accrues using the EIR method.

Expense Recognition
Expenses are recognized in the parent company statement of income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the parent company statement of income:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the parent company statement of financial position as an asset.

Direct operating expenses and general and administrative expenses are recognized as they are incurred.

Pension Cost

Defined benefit plan
The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in parent company statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to parent company statement of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Parent Company, nor can they be paid directly to the Parent Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Parent Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Termination benefit
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with

the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Income Tax

Current tax
Current tax assets and liabilities for the current and prior periods 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.

Deferred tax
Deferred tax is provided, using the liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of unused tax credits from excess of minimum corporate income tax (MCIT) over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of MCIT and NOLCO can be utilized.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investment in domestic subsidiaries, associates and interests in joint ventures. The carrying amount of deferred tax assets is reviewed at the 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 tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged or credited to income for the period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Leases
The Parent Company assesses at contract inception whether a contract is, or contracts, a lease. That is, if the contract conveys right to control the use of an identified asset for a period of time in exchange for consideration.

Parent Company as a lessee
The Parent Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Parent Company recognizes lease liabilities to make lease payments and right-of-use of assets representing the right to use the underlying assets.

i) Right-of-use assets

The Parent Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Parent Company is reasonably certain to obtain ownership of the leased asset. At the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life of 25 years and the lease term.

Right-of-use assets are subject to impairment. Refer to the accounting policies in Impairment of non-financial assets section.

ii) Lease liabilities

At the commencement date of the lease, the Parent Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Parent Company and payments of penalties for terminating a lease, if the lease term reflects the Parent Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Parent Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases

The Parent Company applies the short-term lease recognition exemption to its short-term leases of office area (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Parent Company as a lessor

Leases in which the Parent Company does not transfer substantially all the risk and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term, or based on cap rates applied on appraised values, as provided under the terms of the lease contract and included in revenue in the parent company statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Foreign Currency Transactions
Transactions denominated in foreign currencies are initially recorded in Philippine Peso at the exchange rate based on the Bankers Association of the Philippines (BAP) rate at the date of transaction. Foreign currency-denominated monetary assets and liabilities are retranslated at the closing BAP rate at reporting date. Exchange gains or losses arising from foreign currency transactions are recognized in parent company statement of 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 parent company 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 parent company 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 Parent Company's position at the reporting date (adjusting events) are reflected in parent company financial statements. Post year-end events that are not adjusting events are disclosed in the parent company financial statements when material.

3. Significant Accounting Judgments and Estimates

The preparation of the accompanying parent company financial statements in conformity with PFRS Accounting Standards requires management to make estimates and assumptions that affect the amounts reported in the parent company financial statements and accompanying notes. The estimates and assumptions used in the accompanying parent company financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

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 parent company financial statements:

Business model assessment
Classification and measurement of financial assets depends on the results of the business model test and SPPI model. The Parent Company determines the business model at a level that reflects how the financial assets are managed to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the asset is evaluated and their performance measured and the risks that affect the performance of the assets.

The Parent Company classified all of its financial assets as amortized cost, except for equity instruments, as the Parent Company has determined that the financial assets are held in order to collect contractual cash flows.

Determining the stage for impairment
At each reporting date, the Parent Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Parent

Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. Quantitative criteria may include downgrade in investment grade, defaulted assets, counterparties with objective evidence of impairment. A significant increase in credit risk is also presumed if a debtor is more than 90 days past due in making a contractual payment. Qualitative criteria may include significant adverse changes in business, financial or economic conditions in which the counterparty operates, actual or expected restructuring.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Parent Company's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

For cash and cash equivalents, the Parent Company assessed that these financial instruments have low credit risk. As such, expected loss is measured on a 12-month ECL.

The Parent Company has determined that its credit risk on its non-trade receivable has not significantly increased since origination.

Incorporation of forward-looking Information
The Parent Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Parent Company considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. After taking into consideration external actual and forecast information, the Company formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios.

This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions. The base case represents a most-likely outcome and is aligned with information used by the Parent Company for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes.

The Parent Company has identified and documented key drivers of credit risk and credit losses of each financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables identified and credit risk and credit losses. Predicted relationship between the key indicators and default and loss rates on financial assets have been developed based on analyzing historical data.

Definition of default
The Parent Company defines a financial instrument as in default based on quantitative and qualitative criteria. When the debtor is more than 90 days past due on its contractual payment, the Parent Company considers the debtor to be in default. The Parent Company also applied qualitative criteria, such as the debtor being insolvent, an active market for the financial asset has disappeared, it is becoming probable that the debtor will enter bankruptcy or other financial reorganization.

These criteria have been applied to all financial assets held by the Parent Company and consistently throughout to model the Probability of Default (PD), Loss Given Default (LGD) and exposure at Default (EAD) throughout the ECL calculations.

Financial guarantee obligation
The Parent Company has guaranteed AYC Finance Limited's (AYCFL) fixed-for-life undated notes payable and revolving credit facility. The accounting policy on the Parent Company's financial guarantee obligation is discussed in Note 2 to the parent company financial statements. The Parent Company has assessed whether the arrangement meets the definition of financial guarantee under PFRS 9. In making the assessment, the Parent Company has assessed the substance of the arrangement and the capacity of the subsidiary to obtain the loan without the guarantee from the Parent Company.

Contingencies
The Parent Company is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with internal and external counsel handling the defense in these matters and is based upon an analysis of potential results. The Parent Company currently does not believe that these proceedings will have a material effect on the Parent Company's financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

Management's Use of Estimates
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimating the incremental borrowing rate of lease
The Parent Company uses its incremental borrowing rate (IBR) to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Parent Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Parent Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Parent Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Parent Company's stand-alone credit rating).

As of December 31, 2025 and 2024, lease liabilities amounted to ₱2,173.4 million and ₱2,187.5 million, respectively (see Note 24).

Provision for ECL

Cash and Cash Equivalents and Non-trade Receivables
The Parent Company measures its ECL on cash and cash equivalents and non-trade receivables in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes and the time value of money. In measuring ECL, the Parent Company considers whether there is a significant increase in credit risk. The Parent Company uses an ECL model that considers the PD, LGD and EAD. In estimating the ECL, the Parent Company uses all available information in measuring ECL, such as available credit rating of the instruments and the debtor, default assessment on the debtor, and history of experience with the debtor. A forward-looking information, such as interest rate, inflation rate and changes in the gross domestic product, is incorporated and its relationship with the credit loss is analyzed at each reporting date. The correlation of forecast economic conditions and ECL is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Parent Company's forecast of economic conditions may also not be representative of the debtor's actual default in the future. For cash and cash equivalents, the Parent Company assessed that these financial instruments have low credit risk. As such, expected loss is measured on a 12-month ECL.

Trade receivables
The Parent Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on the individual loss patterns for each nature of receivables.

The provision matrix is initially based on the Parent Company's historical observed default rates. The Parent Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if the interest rates, change percentage in gross domestic product and inflation rates are expected to deteriorate over the next year which can lead to an increased number of defaults to the companies, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. While these model inputs including forward-looking information were revised, the ECL models, and definitions of default remain consistent with prior periods.

The Parent Company considers a financial asset in default when internal or external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Parent Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Parent Company's trade receivables is disclosed in Note 5.

Evaluation of asset impairment and recoveries
The Parent Company reviews investments in subsidiaries, associates and joint ventures, right-of-use assets, investment properties, and property and equipment for impairment of value. This includes considering certain indicators of impairment such as prolonged and significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

The Parent Company estimates the recoverable amount as the higher of the fair value less cost to sell and value in use. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Parent Company is required to make estimates and assumptions that may affect investments in subsidiaries, associates and joint ventures, investment properties, and property and equipment.

Recoverable amounts of investments in subsidiaries, associates and joint ventures that have been determined to have impairment indicators as of December 31, 2025 and 2024 were based on their value in use with discount rates of 9.23% to 10.08% in 2025 and 8.94% to 9.72% in 2024 and long-term growth rate of 2.0% in 2025 and 2024.

Impairment losses recognized on investments in subsidiaries, associates and joint ventures amounted to ₱1,909.0 million and ₱7,425.0 million in 2025 and 2024, respectively. Reversals on impairment losses previously recognized on investments in subsidiaries, associates and joint ventures amounted to nil in 2025 and 2024 (see Notes 8 and 18).

Further details on investments in subsidiaries, associates and joint ventures, investment properties, and property and equipment are given in Notes 8, 9, and 11.

Share-based payments
The expected life of the options is based on the expected exercise behavior of the stock option holders and is not necessarily indicative of the exercise patterns that may occur. The volatility is based on the average historical price volatility which may be different from the expected volatility of the shares of stock of the Parent Company.

Further details on share-based payments are disclosed in Note 22.

Estimating pension obligation
The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country. Further details about the pension obligation and the assumptions used are given in Note 21.

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the parent company statement of financial position or disclosed in the notes to the parent company financial statements cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation.

Further details about the fair value of financial instruments are provided in Note 23.

4. Cash and Cash Equivalents

This account consists of:

	2025	2024
	(In Thousands)	
Cash on hand and in banks (Note 20)	**₱492,616**	₱408,514
Cash equivalents (Note 20)	**11,815,382**	9,740,288
	₱12,307,998	₱10,148,802

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents pertain to short-term, highly liquid investments that are made for varying periods of up to three months depending on the immediate cash requirements of the Parent Company and earn interest ranging from 0.10% to 5.00% and 0.10% to 6.15% in 2025 and 2024, respectively.

Interest income earned from cash in banks and cash equivalents amounted to ₱637.5 million and ₱383.5 million in 2025 and 2024, respectively (see Note 18).

5. Accounts and Notes Receivable

This account consists of:

	2025	2024
		(In Thousands)
Dividend receivable (Note 20)	**₱1,227,657**	₱761,517
Notes receivable	**711,148**	409,313
Receivables from related parties (Note 20)	**410,021**	504,789
Rent receivable (Note 20)	**32,857**	30,914
Interest receivable (Note 20)	**76,828**	14,789
Receivable from other companies	**32,716**	32,509
Other receivables (Note 25)	**12,984**	16,470
	2,504,211	1,770,301
Less allowance for credit losses (Note 18)	**30,410**	30,410
	2,473,801	1,739,891
Less noncurrent portion	**617,730**	343,925
	₱1,856,071	₱1,395,966

Dividend receivable
Pertains to dividends receivable from subsidiaries, associates and joint ventures. These receivables are non-interest bearing and collectible within one year.

Notes receivable
Pertains to housing, car, salary and other loans granted by the Parent Company to its officers and employees which are collectible through salary deduction and bears interest rate of 3% to 5.5% per annum in 2025 and 2024, and has various maturity dates from 2025 to 2037. Noncurrent portion of notes receivable amounted to of ₱617.7 million and ₱343.9 million as of December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024, notes receivable with nominal amounts of ₱761.5 million and ₱415.5 million, respectively, were recorded initially at fair value. The fair value of the notes receivable was obtained by discounting future cash flows using the applicable rate of similar instruments. The unamortized net discount amounted to ₱50.3 million and ₱6.2 million as of December 31, 2025 and 2024, respectively.

Interest income, net of amortization and accretion, amounted to (₱21.1 million) and ₱4.7 million in 2025 and 2024, respectively (see Note 18). This is included as part of “Interest income” in the parent company statements of income.

Receivables from related parties
Pertain to the unpaid management fees of the Parent Company’s various related parties which are non-interest bearing and are due and demandable. These also include a non-interest-bearing receivable from Laguna Technopark Inc. (LTI) amounting to nil as of December 31, 2025 and 2024 from the sale of land in 2019 (see Note 20).

Rent receivable
Pertains to accrued rent on investment properties of the Parent Company which are non-interest bearing and collectible within one year.

Interest receivable
Pertains to accrued interest on cash equivalents which are collectible within one year.

Receivable from other companies
Pertains to receivable from non-related parties. These receivables are non-interest bearing. In 2024, the Parent Company provided allowance for expected credit losses on its receivable from other companies amounting to ₱25.0 million (nil in 2025) (see Note 18).

6. Other Assets

This account consists of:

	2025	2024
	(In Thousands)	
Creditable Withholding Tax (CWT)	**₱1,121,256**	₱1,133,639
Input VAT	**167,721**	96,290
Deferred charges	**63,841**	44,995
Refundable deposits	**44,446**	40,491
Advances to stockholders (Note 7)	**7,128**	9,616
Derivative asset and others (Notes 23 and 25)	**490,101**	198,073
	1,894,493	1,523,104
Less allowance for impairment losses	**89,205**	106,549
	1,805,288	1,416,555
Less noncurrent portion	**1,575,415**	1,284,650
	₱229,873	₱131,905

CWTs pertain to taxes withheld by third parties. CWTs can be utilized as payments for income taxes or filed for refund provided that these are properly supported by certificates of CWTs at source subject to the rules of income taxation. In 2025, the Parent Company was issued tax credit certificates representing unutilized excess CWTs for calendar year 2014 amounting totaling ₱45.0 million. As of December 31, 2025 and 2024, tax creditable certificates issued to the Parent Company amounted to ₱369.0 million and ₱323.7 million, respectively, representing claims for its excess and unutilized CWTs incurred from 2008-2014. In 2025, a total of ₱67 million was applied for the payment of DST on various loans and reissuance of the Parent Company's Preferred B shares.

Input VAT pertains to VAT imposed on the Parent Company for the acquisition of goods from suppliers as required by Philippine taxation laws and regulations, net of output VAT.

Deferred charges pertain to the commitment fees on the undrawn loan with a local bank. The commitment fees are recognized over loan commitment period on a straight-line basis.

Refundable deposits mainly pertain to deposit paid amounting to ₱2.6 million for the installation of electric wirings to an electric company and from security deposit on the Parent Company's lease amounting to ₱32.8 million. These will be refunded after the termination of the subscription period of the Parent Company and end of lease term, respectively.

Advances to stockholders pertain to final tax on property dividend declared by the Parent Company and was subsequently paid by the Parent Company and is subject to the reimbursement from the stockholders upon distribution of the property dividend (see Note 7).

Others pertain to changes in the fair value of hedging instruments (Foreign Exchange Swaps and Cross Currency Swaps) used to manage the currency arising from the Parent's Company's financial instruments (Notes 23 and 25).

Allowance for impairment pertains to the Parent Company's assessment of uncollectible CWTs. No impairment loss was recognized in 2025 and 2024.

7. Assets and Liabilities under PFRS 5

This consists of:

	2025	2024
	(In Thousands)	
Asset held for distribution to owners	**₱799,188**	₱819,767

Asset held for distribution to owners
On May 12, 2022, BOD confirmed the declaration of property dividends consisting of the ACEN shares acquired from ACEIC to the Parent Company's common shareholders at a ratio of three (3) ACEN shares per one (1) parent company common share, subject to: (a) completion of the AC-ACEIC Transaction, and (b) applicable regulatory approvals. The record date was May 27, 2022, with distribution or settlement date of the dividends payable to be determined by the management after applicable regulatory approvals have been obtained. No shareholder shall be entitled to fractional shares.

On October 24, 2022, the SEC approved the property dividends and issued a Certificate of Filing Notice of the Property Dividend declaration.

The dividend distribution commenced in December 2022 and will continue as and when electronic Certificates Authorizing Registration (eCARs) are issued by BIR. The eCAR issuance is a prerequisite for the transfer of the properties of the Parent Company, i.e. the ACEN shares, to each entitled stockholder as of the record date and it is a process that entails the participation of both the Parent Company, as transferor, and the stockholders, as transferees.

As of December 31, 2025 and 2024, the Parent Company has property dividend payable to common stockholders amounting to ₱110.2 million and ₱133.2 million, respectively.

As of December 31, 2025, the Parent Company has significantly completed the distribution of property dividends. The BIR's issuance of eCARs and subsequent distribution of ACEN shares are ongoing.

8. Investments in Subsidiaries, Associates and Joint Ventures

The Parent Company's investees and the corresponding direct percentages of ownership are shown below:

	Nature of Business	**Percentage of Ownership**		**Amounts**	
		2025	2024	**2025**	2024
		Percentage (%)		*(In Thousands)*	
Subsidiaries					
Ayala Land, Inc. (ALI)	Real Estate and Hotels	**53.4**	51.9	**₱46,108,882**	₱46,108,882
AC Energy / ACEIC	Power	**100.0**	100.0	**24,352,937**	24,352,937
AC Industrials Technology Holdings, Inc. (AC Industrials)	Industrial Technology and Automotive	**100.0**	100.0	**16,310,073**	16,310,073
Ayala Healthcare Holdings, Inc. (AHHI)	Healthcare	**93.0**	100.0	**17,086,130**	17,086,130
AC International Finance Limited (ACIFL)*	Investment Holding	**100.0**	100.0	**12,303,985**	12,303,985
AC Infrastructure Holdings Corporation (AC Infra)	Transport and Infrastructure	**100.0**	100.0	**15,446,372**	15,468,953
AC Logistics Holdings Corporation (AC Logistics)	Investment Holding	**100.0**	100.0	**11,241,428**	9,649,028
Azalea International Venture Partners, Ltd. (AIVPL)**	Business Process Outsourcing (BPO)	**100.0**	100.0	**4,820,798**	4,820,798
Michigan Holdings, Inc. (MHI)	Investment Holding	**100.0**	100.0	**4,400,691**	4,400,691
Ayala Aviation Corporation (AAC)	Air Charter	**100.0**	100.0	**2,139,391**	2,139,391

(Forward)

	Nature of Business	Percentage of Ownership 2025	2024	Amounts 2025	2024
		Percentage (%)		*(In Thousands)*	
Bestfull Holdings, Ltd. (BHL)***	Investment Holding-International	**100.0**	100.0	**1,908,013**	1,908,013
Philwater Holdings, Inc. (Philwater)	Investment Holding	**100.0**	100.0	**1,884,099**	1,884,099
AC Mobility Holdings, Inc. (AMHI)	Automotive	**100.0**	100.0	**6,278,000**	2,578,000
AYC Finance Ltd. (AYCFL)*	Investment Holding	**100.0**	100.0	**704,460**	704,460
Ayala International Pte. Ltd. (AIPL)****	International	**100.0**	100.0	**555,570**	555,570
ACX Holdings Corporation (ACX) *(Formerly AG Counselors Corp.)*	Consultancy Services	**100.0**	100.0	**615,000**	191,000
Purefoods International Limited (PFIL)**	Investment Holding	**100.0**	100.0	**107,348**	107,348
Technopark Land, Inc. (TLI)	Real Estate	**78.8**	78.8	**97,983**	97,983
Integrated Microelectronics, Inc. (IMI)	Electronics Manufacturing	**52.3**	52.1	**3,384**	3,384
Associates					
Bank of the Philippine Islands (BPI)	Banking	**30.6**	28.7	**63,292,974**	63,292,974
iPeople, Inc. (IPO)	Education	**36.3**	33.5	**5,543,887**	5,192,488
Lagdigan Land Corporation (LLC)	Real Estate	**40.0**	40.0	**66,000**	66,000
Joint Ventures					
Liontide Holdings Inc. (LHI)	Investment Holding	**93.4**	93.4	**29,021,473**	29,021,473
Globe Telecom, Inc. (Globe)	Telecommunications	**30.6**	30.7	**18,325,111**	18,325,111
AM 50 Ventures Inc. (formerly AC Ventures)*****	Investment Holding	**50.0**	100.0	**6,732,365**	24,918,468
Globe STT GDC,Inc. (KarmanEdge) (*Formerly, Karmanedge, Inc*)	Telecommunications	**10.0**	10.0	**1,628,128**	1,628,128
Asiacom Philippines, Inc. (Asiacom)	Investment Holding	**60.0**	60.0	**397,977**	397,978
Gogoro Philippines (Gogoro PH)	Automotive	**21.0**	21.0	**100,344**	100,344
				291,472,803	303,613,689
Less allowance for impairment losses				**39,430,769**	37,521,720
				₱252,042,034	₱266,091,969

**Incorporated in Cayman Island*
***Incorporated in British Virgin Islands*
****Incorporated in Hong Kong*
*****Incorporated in Singapore*
******On August 29, 2025, the SEC approved AC Ventures Holding Corp.'s (AC Ventures) change in corporate name to AM 50 Ventures Inc. to reflect the joint venture of the Parent Company and Mitsubishi Corporation in AC Ventures.*

Unless otherwise indicated, the principal place of business and country of incorporation of the Parent Company's investments in subsidiaries, associates and joint ventures is the Philippines.

Except as discussed below, the voting rights held by the Parent Company in its investments in subsidiaries, associates and joint ventures are in proportion to its ownership interest.

Investment in ALI

ALI shares with carrying value of ₱21,238.1 million and ₱14,037.1 million as of December 31, 2025 and 2024 were collateralized to secure the Parent Company's loan facility. The fair value of ALI shares collateralized amounted to ₱80,955.2 million and ₱62,444.4 million as of December 31, 2025 and 2024, respectively, in accordance with Bangko Sentral ng Pilipinas (BSP) regulations. All credit facilities of the Parent Company outside of BPI are unsecured, and their respective credit agreements provide for this exception (see Note 14).

The fair value of the ALI shares held by the Parent Company amounted to ₱171,121.5 million and ₱199,705.2 million as of December 31, 2025 and 2024, respectively. The voting rights held by the Parent Company in ALI is 73.73% and 72.9% as of December 31, 2025 and 2024, respectively.

Investment in ACEIC

The Parent Company has received regular dividend from ACEIC amounting to ₱1,333.3 million and ₱2,000.0 million in 2025 and 2024, respectively (see Note 20).

Investment in AC Industrials

On August 29, 2024, the Parent Company infused to AC Industrials ₱160.0 million for the exit from its motorcycle businesses that hold the KTM and Husqvarna brands. The funds were used for the closing and sale of domestic inventories of KAMMI stock to ACPI and IDI 2W. The said infusion was issued with 160,000 redeemable preferred shares.

On December 9, 2024, the Parent Company infused to AC Industrials ₱400.0 million for BYD Dealerships for its capital expenditures, start-up operations, and initial inventory. The said infusion was issued with 400,000 redeemable preferred shares.

Investment in AC Infra

Equity drawdown

On April 28, 2025, AC Infra requested for an equity drawdown in the amount of ₱30.0 million to fund AC Infra's share in the capital call of AFPI. AC Infra will issue 30.0 million redeemable preferred shares, with a par value of ₱1.00 per share coming from its existing and authorized capital stock.

On November 10, 2025, AC Infra requested for an equity drawdown amounting to ₱103.4 million to fund AC Infra's five-year non-interest-bearing working capital advance to IWMI and WARM. AC Infra will issue 103.4 million redeemable preference share, with a par value of ₱1.00 per share, for this drawdown and it will come from its existing and unissued authorized capital stock.

Redemption of preferred shares

On July 11, 2025, the BOD of AC Infra approved the redemption of 176.0 million preferred shares held by the Parent Company at a redemption price of ₱1.00 per share or a total redemption price of ₱176.0 million; and the retirement of the redeemable preference share immediately after its redemption. The redemption was implemented on July 31, 2025. On October 16, 2025, the BOD of AC Infra approved the reduction of AC Infra's authorized capital stock equivalent to the redeemed and retired preferred shares.

In 2024, the additional capital was used to fund AC Infra's equity commitment to Light Rail Manila Corporation (LRMC) and AF Payments, Inc. (AFPI) for their operating requirements and to fund Entrego's loan payments and wind-down costs in exchange for 701,465 common shares at ₱4,169.8 per share and 40.0 million redeemable preferred shares at ₱1.0 per share. As of December 31, 2025 and 2024, ₱153.4 million and ₱555.0 million, respectively, remain outstanding.

Due to continuous delays in the grant of fare increases and lower ridership forecast, the recoverable value of AC Infra's investment in Light Rail Manila Holdings, Inc. (LRMHI) was assessed to be lower than its carrying value as of December 31, 2024. In 2024, AC Infra recognized an impairment loss on its investment in LRMHI amounting to ₱3,199.3 million. This resulted to the Parent Company's recognition of ₱3,199.3 million impairment on its investment in AC Infra in 2024 (see Note 18).

Integration of Entrego with AC Logistics

In December 2023, due to continuing challenges on the profitability of Entrego, its operations and certain assets were transferred and integrated with AC Logistics Group. Improvements in operations is expected from lower costs, notable efficiencies, better coverages, and improved service level agreements, yielding better results moving forward. As a result of the winding down of Entrego's operations, the Parent Company recognized an impairment of its investment in AC Infra amounting to ₱2,925 million in 2024 (nil in 2025) (see Note 18).

Investment in AHHI

On March 1, 2024, the Parent Company infused ₱547.0 million to AHHI to fund the following:

- Healthway Philippines Inc. and HMC capital expenditures and operating expenses
- KMD funding requirements for SuperApp development and launch, and for operating expenses, and
- AC Health Parent capital expenditures, operating expenses, and business development costs.

The capital infusion is for the subscription to 82.1 million preferred shares and 54.7 million common shares at a subscription price of ₱4.00 per share in which both will be coming from the increase in authorized capital stock still for approval by SEC. On May 9, 2024, AC Health received SEC Certificate of Approval for the increase in its authorized capital stock.

On May 2, 2024, the Parent Company made an additional infusion of ₱844.0 million to AHHI to fund the 2024 capital expenditure requirement of Healthway Qualimed Hospitals. The capital infusion is part of the advance capital call in the amount of ₱1,391.0 million of which ₱547.0 million has already been infused on March 1, 2024. The additional capital call is in exchange for 84.4 million common shares and 126.6 million preferred shares both at par value of ₱4.00 per share.

Investment Agreement with ABC Impact Fund II LP
On August 8, 2025, AHHI's Executive Committee and its BOD approved the investment by ABC Impact Fund II LP (ABC Impact) through IMP2 Rise Pte. Ltd.'s subscription to common shares and redeemable preferred shares of AC Health equivalent to a ~16% economic stake (the "Transaction"). ABC Impact is a Singapore-based impact investor dedicated to Asia and backed by Temasek Trust and Temasek while IMP2 Rise Pte. Ltd. is a special purpose vehicle of ABC Impact.

On the same date, AHHI and IMP2 Rise Pte. Ltd. executed the Investment Agreement relating to the Transaction. The completion of the Transaction is subject to satisfaction of conditions precedent.

On September 1, 2025, ABC Impact subscribed to 121.1 million common shares with par value of ₱2.00 per share and 208.3 million preferred shares with par value of ₱1.00 per share at subscription price of ₱4.3013 and ₱4.1972 per share, respectively, for a total of ₱1.4 billion as its initial subscription for 16% share in AHHI.

On October 27, 2025, ABC Impact paid a total of ₱835.00 million for its subscription of 24.6 million common shares with par value of ₱2 per share and 20.4 million preferred shares with par value of ₱1.00 per share at ₱4.3013 and ₱4.1972 per share, respectively, out of existing authorized capital stock and another 64.3 million common shares with par value of ₱2 per share and 87.5 million preferred shares with par value of ₱1 per share at ₱4.3013 and ₱4.1972 per share, respectively, from increase in authorized capital stock.

These transactions reduced the total ownership of the Parent company to 93% as of December 31, 2025.

Investment in AC Logistics
On March 17, 2025, the Parent Company infused ₱1,269.0 million to AC Logistics to fund the closure of the Express business of Airfreight 2100, Inc. (AF2100). ACL will issue 1,269.0 million redeemable preferred shares with a par value of P1.00 per share which came from its existing and unissued authorized capital stock.

On June 19, 2025, the Parent Company infused ₱323.4 million to AC Logistics to fund its share in the capital expenditures requirements of (1) the DHL Project of Cargohaus and (2) the Carmona Warehouse Project of A-Movement Corporation (A-Movement). AC Logistics will issue 323.4 million redeemable preferred shares with a par value of ₱1 per share which came from its existing and unissued authorized capital stock.

On April 8, 2024, the Parent Company infused ₱925.0 million to AC Logistics to fund its operating expenses and the scheduled infusions into Air21 Holdings, Inc. (AHI) operating companies (AHI - AF2100/ A-Movement/Cargohaus/Waste Management Group). AC Logistics issued 438.4 million common shares with a subscription price of ₱2.11 per share which came from its existing and unissued authorized capital stocks.

On May 27, 2024, the Parent Company infused ₱406.0 million to AC Logistics to fund its 1H2024 share in GMAC's construction of its Davao facility and capital calls of Air21 Holdings. AC Logistics issued 192.4 million common shares for a subscription price of ₱2.11 per share which came from its existing and unissued authorized capital stock.

On July 15, 2024, the Parent Company infused ₱100.0 million to AC Logistics to fund its infusions into Cargohaus. AC Logistics issued 47.4 million common shares with a price of ₱2.11 per share which came from its existing and unissued authorized capital stock.

On September 17, 2024, the Parent Company infused ₱187.5 million to AC Logistics to fund its share in the capital call of Air21 Holdings. The fund will be used for AF2100's operating expenses, working capital, and settlement of long-outstanding liabilities. AC Logistics issued 187.5 million redeemable preferred shares with a par value of ₱1 per share which came from the increase in its authorized capital stock, which was approved by the SEC on December 27, 2024.

On November 22, 2024, the Parent Company infused additional ₱77.5 million to AC Logistic to fund its share in the capital call of Air21 Holdings. AC Logistics will issue 77.5 million shares with a par value of ₱1 per share which came from the increase in its authorized capital stock, which was approved by the SEC on December 27, 2024.

On December 13, 2024, the Parent Company infused ₱71.0 million to AC Logistics to fund its share in the capital expenditure requirements for the construction of GMAC's Davao facility. AC Logistics will issue 33.6 million common shares with par value of ₱2.11 per share for the said capital call.

AC and AP Møller Partnership
On March 6, 2025, the Parent Company, through its wholly owned subsidiary, AC Logistics, and A.P. Møller Capital (AP Møller), through EMIF II Holding III B.V. (EMIF), entered into a Share Subscription Agreement for EMIF to acquire up to 40% of AC Logistics. AP Møller, with headquarters in Copenhagen, Denmark, is an infrastructure fund manager focused on scaling critical infrastructure needs, particularly in transport and logistics. As of December 31, 2025, the completion of the transaction is subject to finalization of subscription price and satisfaction of conditions precedent. In January 2026, the Philippine Competition Commission has announced its approval of the acquisition.

Investment in AAC
On May 31, 2024, the Parent Company converted its subscription deposit with AAC amounting to ₱80.0 million or 0.4 million common stocks with a par value of ₱20 per share and for a subscription price of ₱200 per share.

Investment in IMI
The fair value of the IMI common shares held by the Parent Company amounted to ₱4,008.2 million and ₱1,721.1 million as of December 31, 2025 and 2024, respectively. The voting rights held by the Parent Company in IMI, directly and indirectly, through AC Industrials, is 47.90% and 52.10% as of December 31, 2025 and 2024, respectively.

In 2024, the Parent Company recognized its share in impairment provisions of its investment in IMI amounting to ₱1,000.0 million. The provision was a result of IMI's ongoing efforts to streamline its operations and reduce costs as part of its strategy of consolidating its footprint into strategically located facilities.

Investment in AMHI
On May 22, 2025, the Parent Company infused ₱2.0 billion to AMHI to support the funding requirements for MAPVI-BYD distributor. AMHI will issue 20,000 redeemable convertible preferred shares and increased the Parent Company's direct ownership to 5% from 3% with AC Industrials owning the remaining 95%.

On July 25, 2025, the Parent Company infused ₱1.7 billion to AMHI to fund the growth plans of Infra Charging Stations (₱700 million), Kia Distribution (KPMC - ₱600 million), and IDI-BYD Dealerships (₱400 million). The capital infusion will be issued 17,000 redeemable convertible preferred shares which came from its existing and available authorized capital stock.

On January 10, 2024, the Parent Company infused ₱333.5 million to AMHI to fund the 3rd/last tranche of the ₱1,625.0 million capital call for the start-up operations of BYD distribution and the initial set-up of dealerships and the holding company.

On January 25, 2024, the Parent Company infused ₱288.0 million to AMHI to fund its initial investment in electric vehicle (EV) charging infrastructure and Bosch Car Service Master Franchise. AMHI issued 2,880 redeemable preferred shares with a par value of ₱100,000.0 per share for the capital infusion.

On December 9, 2024, the Parent Company infused ₱670.0 million to AMHI to fund its EV Charging Stations and EVRO. AMHI will be issued with 6,700 redeemable preferred shares with a par value of ₱100,000 per share for the said infusion.

Investment in ACX

On July 2, 2025, the Parent Company infused ₱314.0 million to ACX to fund additional requirements of Anko JV Company, the JV between Kmart Australia and AC, to operate Anko branded retails stores in the Philippines. The infusion follows:

a) ₱45.0 million to fully pay the subscription to 215.0 million preferred shares of ACX which was partially paid on October 29, 2024 ;
b) ₱269.0 million as subscription to 26.9 million preferred shares of ACX with par value of ₱1 per share at a subscription price of ₱10 per share .

On July 25, 2025, the Parent Company infused ₱110.0 million to ACX to fund the initial requirements of Makro PH. The infusion will be for issuance of 11.0 million preferred shares at ₱1 par value per share and at issue price of ₱10 per share

On October 29, 2024, the Parent Company infused ₱170.0 million to ACX to fund ACX and its wholly owned SPV, Anko PH operating and capital requirements. ACX will issue 170.0 million new preferred shares at par value of ₱1.00 per share which came from the increase in its authorized capital stock, which was approved by the SEC on January 6, 2025.

Investment in BPI

On March 15, 2023, BPI approved its declaration of common shares held in treasury as property dividend distributable to all eligible stockholders. The property dividend shall be paid at an entitlement ratio of 0.0896 common share for every one (1) common share of BPI held by the stockholder. The Parent Company received 124.6 million common shares from BPI as a result of this declaration resulting to 30.6% stake in 2023.

The fair value of the BPI shares held by the Parent Company amounted to ₱187,637.5 million and ₱197,172.9 million as of December 31, 2025 and 2024, In 2025 and 2024, the voting rights held by the Parent Company in BPI is 30.6% and 30.7%, respectively.

Investment in MWC

On May 17, 2024, the Parent Company's remaining shareholdings of 577.0 million shares were sold at ₱22.36 per share or for total proceeds of ₱12,818.5 million net of brokerage fees of ₱84.9 million. The sale resulted to a gain of ₱7,983.4 million (see Note 20).

As of December 31, 2025 and 2024, the Parent Company has no remaining ownership interest in MWC.

Investment in IPO

The fair value of the IPO shares held by the Parent Company amounted to ₱2,274.4 million and ₱2,375.3 million as of December 31, 2025 and 2024, respectively.

On August 14, 2025, the Parent Company purchased from A. Soriano Corporation (Anscor) 29.2 million IPO common shares, representing 2.8% of IPO's outstanding shares, at ₱12 per share for a total of ₱351.4 million (inclusive of broker's commission amounting to ₱0.5 million). The purchase resulted in an increase in the Parent Company's stake in IPO from 33.5% to up to 36.3%.

Investment in LHI
As of December 31, 2025 and 2024, LHI owns 823.2 million common shares of BPI representing a direct ownership of 15.6%. The Parent Company and Robinsons Retail Holdings, Inc., as the same with the agreement with GIC Special Investments Pte. Ltd., the entity controlling Arran Investment Pte. Ltd., as joint venture partners, agreed to vote its BPI shares based on the common position reached jointly by them as shareholders.

The fair value of BPI shares held by LHI amounted to ₱95,575.6 million and ₱100,432.6 million as of December 31, 2025 and 2024, respectively.

Investment in Globe
The fair value of the Globe shares held by the Parent Company amounted to ₱70,162.6 million and ₱96,678.3 million as of December 31, 2025 and 2024, respectively.

Investment in AM 50 Ventures (formerly, AC Ventures)
On March 31, 2025, an Investment Agreement was entered into by the Parent Company, Mitsubishi Corp. (MC) and AC Ventures whereby the Parent Company and MC will form a joint venture with 50:50 ownership and AC Ventures will be utilized as the investment vehicle for the said partnership.

Pursuant to the joint venture agreement, prior to closing date, AC Ventures' Articles of Incorporation (AOI) was amended to provide for the convertibility of its common shares to redeemable preferred shares. Upon approval by the SEC of the Company's AOI, the Parent Company's 36,067,882 common shares were converted into Class A redeemable preferred shares and its ₱152.16 million subscription deposit was converted into 1,521,585 Class C redeemable preferred shares, both with par value of ₱100 per share.

On the closing date, AC Ventures, after MC's subscription to 18,033,936 Class B redeemable preferred shares, redeemed 18,033,946 Class A redeemable preferred shares and 1,521,585 Class C redeemable preferred shareholdings of the Parent Company for a total redemption price of ₱19,048.5 million, resulting in a gain on return of capital amounting to ₱862.4 million (see Notes 18 and 20) and 25% Regular Corporate Income Tax amounting to ₱215. million.

On July 31, 2025, the Parent Company purchase 100 common shares of Mynt from AC Ventures with a par value of ₱1.0 per share, for a total purchase price of ₱14,184. The Parent Company needs to directly hold Mynt's shares to be included in the latter's Founders Shareholders Agreement.

On August 29, 2025, the SEC approved AC Ventures change in corporate name to AM 50 Ventures Inc. to reflect the joint venture of the Parent Company and MC.

On February 20, 2024, the Parent Company subscribed to 185,288 new common shares to AC Ventures at an issue price of ₱600.0 per share or a total amount of ₱111.2 million. The capital infusion was to fund the payment of AC Venture's 30% share in 917Venture's research and development/ building expenses.

On August 20, 2024, the Parent Company infused ₱22,386.7 million to AC Ventures to fund its acquisition of 157.6 million common shares or an 8.3% stake in its associate, Globe Fintech Innovations, Inc. (Mynt), from selling shareholders ASP Phil LP ("Bow Wave"), Lion Fintech Investments Pte. Ltd. ("Warburg") and Insight PHP Holdings, Ltd. ("Insight").

On November 12, 2024, the Parent Company infused ₱152.2 million to AC Ventures to fund its deposit for future subscription to 1.5 million redeemable preferred shares at a subscription price and par value of ₱100.0 per Class C share of AC Ventures, equivalent to 25% of the par value of the proposed increase in authorized capital stock of the company of 6.1 million shares. The fund will be used to settle the outstanding 917Ventures' payables from the expired R&D Agreement between the Parent Company and 917Ventures.

Investment in BF Jade (Zalora)
As of December 31, 2023, due to ongoing business headwinds and challenges in growth and profitability, the recoverable value of the Group's investment in BF Jade is assessed to be lower than the carrying amount. The Group has recognized an impairment loss amounting to ₱588.0 million under "General and administrative expenses" (see Note 22).

On December 3, 2025, the Parent Company extended a loan to BF Jade amounting to ₱98.1 million to fund the repayment of the attributable share of AM 50 Ventures, AMSI, Inc., BPI Capital Corporation, and Kickstart Ventures, Inc. (together, the "Ayala Cohort") in BF Jade's loan from BPI. The loan was subsequently condoned by the Parent Company and recognized as donation expense. The Parent Company also shouldered the related donor's tax and documentary stamp taxes.

In December 2025, the Group sold its shares in BF Jade to Global Fashion Group.

Allowance for probable impairment loss
Movements in allowance for probable impairment losses on investments in subsidiaries, associates and joint ventures follow:

	2025	2024
	(In Thousands)	
At January 1	**₱37,521,720**	₱30,096,720
Provision (Note 18)	**1,909,049**	7,425,000
At December 31	**₱39,430,769**	₱37,521,720

Investments in ACIFL, AIVPL, BHL, and AYCFL have been fully provided for with allowance as at December 31, 2025 and 2024.

In 2025 and 2024, the Parent Company recognized additional impairment losses on its certain investments where the carrying amount exceeded the recoverable amount.

Recoverable amounts of investments in subsidiaries, associates and joint ventures that have been determined to have impairment indicators as of December 31, 2025 and 2024 were based on value in use, with discount rates of 9.23% to 10.78% in 2025 and 8.94% to 9.72% in 2024 and long-term growth rate of 2.0% in 2025 and 2024.

9. Investment Properties

The movements in investment properties follow:

	2025		
	Land	**Buildings and Improvements**	**Total**
		(In Thousands)	
Cost			
At January 1 and December 31	**₱952,469**	**₱417,969**	**₱1,370,438**
Accumulated depreciation and impairment losses			
At January 1	**26,616**	**359,475**	**386,091**
Depreciation and provisions	**–**	**4,385**	**4,385**
At December 31	**26,616**	**363,860**	**390,476**
Net Book Value	**₱925,853**	**₱54,109**	**₱979,962**

	2024		
	Land	Buildings and Improvements	Total
		(In Thousands)	
Cost			
At January 1	₱952,479	₱417,969	₱1,370,448
Disposals	(10)	–	(10)
At December 31	952,469	417,969	1,370,438
Accumulated depreciation and impairment losses			
At January 1	26,616	353,787	380,403
Depreciation and provisions	–	5,688	5,688
At December 31	26,616	359,475	386,091
Net Book Value	₱925,853	₱58,494	₱984,347

Certain parcels of land and buildings are leased to related parties (see Note 20). Rental from investment is based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract.

Rental income from investment properties included under 'Other income' in the Parent Company Statements of Income amounted to ₱147.0 million and ₱162.9 million in 2025 and 2024, respectively (see Note 18). Depreciation expense related to the investment properties held to earn rentals amounted to ₱4.4 million and ₱5.7 million in 2025 and 2024, respectively.

In July 2016, the Parent Company entered into an operating lease agreement with Crans Montana Property Holdings Corp. (Crans Montana), a wholly owned subsidiary of ALI, for the lease of a land in Legaspi Village, Makati City. The lease is for a period of 25 years commencing on the start of commercial operations of the apartment building to be built by the Lessee. The apartment building started its commercial operation on September 1, 2018. Rental income recognized amounted to ₱2.1 million and ₱2.0 million in 2025 and 2024, respectively (see Note 20).

In September 2019, the Parent Company entered into a lease agreement with Isuzu Automotive Dealership, Inc. (IADI) for the lease of a parcel of land with an approximate area of 5,000 square meters in Dasmariñas, Cavite. The lease shall be for a period of five (5) years commencing on the start of the commercial operations of the vehicle dealership building to be built by the lessee or sixteen (16) months from September 2, 2019, whichever is earlier. The lease commenced on January 1, 2023 with ending period of December 31, 2025. In 2025 and 2024, the rental income amounted to ₱3.9 million and ₱7.7 million, respectively.

In July 2020, the Parent Company executed a lease agreement with Premier Southern Petroleum Corp. (formerly Phoenix Southern Petroleum Corporation) for a parcel of land with an area of 2,004 square meters along Alabang-Zapote Road, Alabang, Muntinlupa for a period of five (5) years beginning September 1, 2020 and ending on August 31, 2025. The fixed initial monthly rent amounted to ₱526,786, exclusive of VAT, subject to annual escalation rate of 5%. In 2025 and 2024, the rental income amounted to ₱8.1 million and ₱7.7 million.

The fair value of the Parent Company's investment properties amounted to ₱26,920.5 million in 2025. The fair value of the investment properties was determined based on valuations performed by independent professionally qualified appraisers. The valuation techniques and key inputs to valuation of investment properties are presented in Note 23 to the parent company financial statements.

The Parent Company has determined that the highest and best use of the land and buildings leased to related parties is its current use. The Parent Company owns certain parcels of idle land which is intended to be sold or developed in the future. The highest and best use of these parcels of land has been determined to be for commercial and agricultural land utilization. The Parent Company also owns land and building and improvements which are being leased out to other parties. The highest

and best use of these investment properties has been determined to be its current use which is for commercial utilization.

The fair value of the investment properties was arrived using the Market Data Approach and Cost Approach for land and building and improvements that are not held for leasing, respectively, and Income Approach for properties which are held for lease.

In Market Data Approach, the value of the land is based on sales and listing of comparable property registered within the vicinity. The technique of this approach requires the establishment of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property. Cost Approach is a comparative approach to the value of the building and improvements or another asset that it considers as a substitute for the purchase of a given property, the possibility of constructing another property that is a replica of, or equivalent to, the original or one that could furnish equal utility with no undue cost resulting from delay. It is based on the reproduction cost (new) of the subject property or asset, less total (accrued) depreciation, plus indirect costs attributed to the improvement.

Income Approach provides an indication of value by converting future cash flows to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. This approach considers income and expense data relating to the property being valued and estimates value through capitalization process. Capitalization relates income (usually net income) and a defined value type by converting an income amount into a value estimate.

10. Financial Assets at Fair Value through OCI

This account consists of equity investments as at December 31 as follows:

	2025	2024
	(In Thousands)	
Investments in ACEN	**₱3,214**	₱3,199
Quoted investments:		
Alabang Country Club	**615,000**	679,000
Manila Golf Club	**120,000**	120,000
Manila Polo Club	**100,000**	100,000
Wack Wack Golf Club	**80,000**	85,000
Sta. Elena Golf Club	**42,000**	48,000
Makati Sports Club	**13,000**	9,100
Manila Electric Company	**12,230**	10,398
Canlubang Golf Club	**8,400**	8,000
The Philodrill Corporation	**1,674**	1,411
Others	**24,376**	26,403
	₱1,019,894	₱1,090,511

The movements in fair value reserve of financial assets through OCI is as follows:

	2024	2023
	(In Thousands)	
At January 1	**₱887,406**	₱746,257
Fair value gain (loss) recognized in OCI	**(33,961)**	141,149
Disposal	**(32,661)**	–
At December 31	**₱820,784**	₱887,406

The Parent Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct and develop investment properties or for repairs, maintenance, and enhancement, other than those already reflected or disclosed in the parent company financial statements.

11. Property and Equipment

The movements of in this account follow:

	December 31, 2025					
	Condominium Units	**Condominium/ Leasehold Improvements**	**Furniture, Fixtures and Equipment**	**Transportation Equipment**	**Construction in Progress**	**Total**
			(In Thousands)			
Cost						
At January 1	**₱23,328**	**₱637,108**	**₱554,998**	**₱291,555**	**₱6,338**	**₱1,513,327**
Additions	**–**	**(812)**	**21,422**	**50,718**	**406,210**	**477,538**
Disposals	**–**	**–**	**–**	**(61,771)**	**–**	**(61,771)**
At December 31	**23,328**	**636,296**	**576,420**	**280,502**	**412,548**	**1,929,094**
Accumulated Depreciation						
At January 1	**9,989**	**54,172**	**358,109**	**99,422**	**–**	**521,692**
Depreciation	**687**	**32,951**	**48,952**	**54,455**	**–**	**137,045**
Disposals	**–**	**–**	**–**	**(44,556)**	**–**	**(44,556)**
At December 31	**10,676**	**87,123**	**407,061**	**109,321**	**–**	**614,181**
Net Book Value	**₱12,652**	**₱549,173**	**₱169,359**	**₱171,181**	**₱412,548**	**₱1,314,913**

	December 31, 2024					
	Condominium Units	Condominium Improvements	Furniture, Fixtures and Equipment	Transportation Equipment	Construction in Progress	Total
			(In Thousands)			
Cost						
At January 1	₱23,328	₱566,266	₱504,866	₱222,900	₱6,379	₱1,323,739
Additions	–	56,467	50,199	131,721	14,334	252,721
Reclassification/Transfers	–	14,375	–	–	(14,375)	–
Disposal	–	–	(67)	(63,066)	–	(63,133)
At December 31	23,328	637,108	554,998	291,555	6,338	1,513,327
Accumulated Depreciation						
At January 1	9,302	22,487	315,408	95,017	–	442,214
Depreciation	687	31,685	42,768	47,500	–	122,640
Disposals	–	–	(67)	(43,095)	–	(43,162)
At December 31	9,989	54,172	358,109	99,422	–	521,692
Net Book Value	₱13,339	₱582,936	₱196,889	₱192,133	₱6,338	₱991,635

The Parent Company recognized gain on disposal which amounted to ₱8.8 million and ₱6.7 million in 2025 and 2024, respectively. These were included as part of gain on sale of property and equipment in “Other income” (see Note 18).

Construction in progress pertains to consultancy and interior design expenditure in relation to a specific unit in a building under construction to be occupied by the Parent Company upon completion. The remaining contractual commitments arising from the construction amounted to ₱9.8 million.

The Parent Company has no restrictions on its property and equipment and none of those have been pledged as security for its obligations. Unless otherwise stated, there are no contractual obligations to purchase, construct or develop property and equipment or for repairs, maintenance, and enhancements.

12. Accounts Payable and Accrued Expenses

This account consists of:

	2025	2024
	(In Thousands)	
Accrued expenses	**₱2,077,403**	₱2,068,894
Interest payable (Note 20)	**666,901**	750,485
Accounts payable	**568,743**	512,845
Payables to related parties (Note 20)	**297,509**	319,858
Others	**131,386**	191,823
	₱3,741,942	₱3,843,905

Accrued expenses pertain mainly to accrual for short-term employee benefits and various general and administrative expenses of the Parent Company. Total accrual for short-term employee benefits amounted to ₱591.45 million and ₱498.2 million as of December 31, 2025 and 2024, respectively. These are normally settled within one year.

Interest payable pertains to interest incurred on bank loans and fixed bonds but not yet paid. This is normally settled within one year.

Accounts payable pertains to liabilities to non-related parties. These payables are non-interest bearing and normally settled within one year.

Payables to related parties consist of non-interest-bearing liabilities to related parties and others that are due and demandable.

Other payables are non-interest bearing and are normally settled within one year. This includes expanded withholding tax payable of ₱10.7 million and ₱18.8 million as of December 31, 2025 and 2024, respectively.

13. Other Current Liabilities

This account consists of:

	2025	2024
	(In Thousands)	
Derivative liability (Note 23)	**₱520,584**	₱15,951
Others	**11,857**	11,857
	₱532,441	₱27,808

The derivative liability pertains to the Company's dollar-denominated forward currency contracts which are designated as cash flow hedge (see Note 23).

14. Short-term and Long-term Debt

Short-term debt consists of the following:

	2025	2024
	(In Thousands)	
Bank loans - with interest rates at 5.2% per annum in 2025 and ranging from 5.5% to 6.0% in 2024	**₱9,700,000**	₱28,500,000

Long-term debt consists of the following:

	2025	2024
	(In Thousands)	
Foreign currency debt - with interest rates ranging from 0.8% to 3.31% per annum in 2025 and 3.0% to 3.31% in 2024	**₱17,779,455**	₱8,744,011
Bank loans - with fixed and floating interest rates ranging from 5.30% to 7.05% and 3.00% to 3.31% per annum in 2025 and 2024 with varying maturity dates up to 2029	**42,044,395**	49,816,788
Bonds	**15,933,830**	30,879,524
Total long-term debt	**75,757,680**	89,440,323
Less current portion	**17,368,590**	24,848,163
	₱58,389,090	₱64,592,160

Reconciliation of carrying amount against nominal amount follows:

	2025	2024
	(In Thousands)	
Nominal amount	**₱76,159,678**	₱89,827,500
Less unamortized discount	**401,998**	387,177
	₱75,757,680	₱89,440,323

The Parent Company positions its deals across various currencies, maturities, and product types to provide utmost flexibility in its financing transactions.

In compliance with BSP regulations on loans to directors, officers, stockholders and related interests (DOSRI), some of the Parent Company's short-term and long-term debt with a local bank are secured by shares of stock of a subsidiary with a fair value of ₱80,955.1 million and ₱62,444.4 million as of December 31, 2025 and 2024, respectively (see Note 8). All credit facilities of the Parent Company outside of this local bank are unsecured, and their respective credit agreements provide for this exception.

Short-Term Debt

In October 2023, the Parent Company drew ₱5,000 million against its working capital lines with a local bank at a fixed interest rate. In December 2023, the Parent Company drew ₱4,000 million against its working capital lines with a local bank at a fixed interest rate. As of December 31, 2023, unsecured short-term debt of the Parent Company amounted to ₱9,000.0 million from local bank with fixed interest rate of 5.75% per annum. These were subsequently paid in 2024.

In December 2024, the Parent Company availed short-term loans from two local banks amounting to ₱28,500.0 million at fixed rates ranging from 5.50% - 5.80% per annum.

In 2025, a total amount of ₱18,800.0 million was paid. As of December 31, 2025 and 2024, total outstanding short term loan amount to ₱9,700.0 million and ₱28,500.0 million respectively.

Long-Term Debt

Bank loans

The Parent Company positions its deals across various currencies, maturities, and product types to provide utmost flexibility in its financing transactions.

Generally, the Parent Company's long-term loans are unsecured. Due to certain regulatory constraints in the local banking system regarding loans to directors, officers, stockholders and related interest, some of the Parent Company's credit facilities with a local bank are secured by shares of stock of a subsidiary with a fair value of ₱80.955.1 million and ₱62,444.4 million as of December 31,

2025 and 2024, respectively, in accordance with BSP regulations. All credit facilities of the Parent Company outside of BPI are unsecured, and their respective credit agreements provide for this exception.

Loans Secured by Collateral for DOSRI Compliance
The Parent Company signed the following loan facilities with a local bank that are secured by collateral:

a. January 2018: ₱1.9 billion 10-year loan facility with an interest rate based on the prevailing benchmark rates plus a certain spread; and ₱1.9 billion 10-year Loan Facility with subsidiary shares as collateral.

   As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱1.2 billion and ₱1.3 billion, respectively.

b. October 2020: ₱10.0 billion term loan agreement secured by ALI shares. The said facility has a tenor of ten (10) years with an interest rate based on the applicable BVAL rate plus a certain spread.

   As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱7.9 billion and ₱8.4 billion, respectively.

c. December 2022: ₱4.0 billion term loan facility with a fixed and floating rate option for six (6) or seven (7) years. In December 2023, the facility was amended to improve interest rate and availed of by the Parent Company with a tenor of seven (7) years at a fixed interest rate structure of 3 years (3Y) + 4 years (4Y) based on 3Y and 4Y BVAL plus margin and subject to a floor rate.

   As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱3.8 billion and ₱4.0 billion, respectively.

In December 2016, the Parent Company entered into a term loan agreement with a domestic bank amounting to ₱10.0 billion with an interest rate based on (i) the prevailing Benchmark Rate plus a certain spread or (ii) the 28-day BSP Deposit Facility Rate plus a certain spread, whichever is higher. In August 2021, the Parent Company drew ₱2.5 billion with a tenor of 5 years. Principal repayments amounting to ₱25.0 million shall be made at the first anniversary until end of the fourth year and payment for the remaining principal balance amounting to ₱2.4 billion at maturity date. In October 2021, the Parent Company drew ₱7.5 billion with a tenor of 4 years. Principal repayments amounting to ₱75.0 million shall be made at the first anniversary until end of the third year and payment of remaining principal balance amounting to ₱7.3 billion at maturity date. As of December 31, 2025 and 2024, total outstanding balance of the long-term loan facility amounted to ₱2.4 billion and ₱9.6 billion, respectively.

In April 2018, the Parent Company signed an ₱11.0 billion fixed term loan facility with a domestic bank with a tenor of 8 years. The amount was fully drawn on April 30, 2018. The original terms of the loan stipulated a fixed interest rate of 6.00% for the first five years, which was based on the prevailing 5-year benchmark plus a certain spread and will reprice at the prevailing 3-year benchmark plus a certain spread. In July 2020, the Parent Company and the local bank agreed to revise the interest rate to 4.60% up to April 30, 2023 based on the applicable three (3) year PHP BVAL plus a corresponding spread. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱5.0 million and ₱9.2 billion, respectively.

In September 2021, the Parent Company signed a ₱5.0 billion loan facility with a fixed or floating rate option and a term of five (5) or seven (7) years. In August 2022, the Parent Company drew down the full amount of ₱5.0 billion with tenor of 7 years with interest rate based on 3 months BVAL plus a certain spread and subject to a floor rate. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱1.7 billion and ₱4.9 billion, respectively.

In May 2022, the Parent Company signed an ₱8.0 billion term loan facility with a local bank. In August 2022, the Parent Company drew down the full amount in two tranches at ₱5.0 billion and ₱3.0 billion, both with a tenor of 6 years with interest rate based on 3 months BVAL plus margin and subject to a floor rate. In December 2025, the Parent Company made principal repayments and partial principal payment of ₱4.4 billion. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱3.2 billion and ₱7.6 billion, respectively.

In December 2022, the Parent Company signed a sustainability linked credit facility for ₱5.0 billion and was amended in March 2023 to extend availability period. In October 2023, the facility was further amended to reduce facility amount to ₱4.0 billion and was availed by the Parent Company for a tenor of eight (8) years at a fixed interest rate. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱3.7 billion and ₱4.0 billion, respectively.

In October 2023, the Parent Company signed and availed of a sustainability linked credit facility for ₱1.0 billion with a tenor of eight (8) years at a fixed interest based on BVAL plus margin. As of December 31, 2025 and 2024, the outstanding balance of the loan facility amounted to ₱1.0 billion.

In March 2024, the Parent Company signed a EUR50.0 million Committed Term Loan Facility and drew its peso equivalent of ₱3.09 billion through a cross-currency swap in the same year. The tenor of the loan is five (5) years at a fixed interest rate based on the prevailing benchmark rates plus margin. As of December 31, 2025 and 2024, the outstanding balance of the loan facility is ₱3.4 billion and ₱3.1 billion, respectively.

In August 2024, the Parent Company signed a US$200 million multi-currency Loan Agreement and drew ₱11.0 billion in April 2025. The tenor of the loan is five (5) years at a floating rate based on the prevailing benchmark rates plus margin. As of December 31, 2025, the outstanding balance of the loan is ₱11.0 billion.

In December 2024, the Parent Company signed a sustainability linked credit facility for ₱2.5 billion and drew ₱2.5 billion in 2025. As of December 31, 2025, the outstanding balance of the loan facility is ₱2.5 billion.

In December 2024, the Parent Company signed a US$100Mn Blended Finance Facility with a fixed or floating rate option and a term of seven (7) years. The facility is composed of a bilateral and a concessional loan. In 2025, the Parent Company drew Peso and USD tranches at its peso equivalent of ₱2.4 billion through a cross-currency swap and US$8.0 million, respectively. As of December 31, 2025, outstanding Peso and USD tranches are ₱2.4 billion and US$8.0 million (₱470.3 million), respectively.

In March 2025, the Parent Company signed a JPY Term Loan (US$200 million) Facility and drew its peso equivalent of ₱5.9 billion through a cross-currency swap. The tenor of the loan is five (5) years at a fixed interest rate based on the prevailing benchmark rates plus margin. As of December 31, 2025, the outstanding balance of the loan facility is ₱5.9 billion.

In May 2025, the Parent Company signed a US$180 million term loan facility with fixed or floating rate options and a term of up to eight (8) years. As of December 2025, the facility remains undrawn.

In September 2025, the Parent Company signed a US$250 million term loan facility with a fixed and floating rate options and a term of up to four (4) years. As of December 2025, the facility remains undrawn.

In October 2025, the Parent Company signed a ₱12.0 billion term loan agreement with fixed and floating rate options. In December 2025, the Parent Company drew ₱4.0 billion with a tenor of five (5) and interest based on (i) the prevailing Benchmark Rate plus margin or (ii) the BSP Reverse Repurchase Rate plus whichever is higher. As of December 31, 2025, the outstanding balance of the loan facility is ₱4.0 billion.

AYCFL Loan to Ayala International Holdings Limited (AIHL)
On September 28, 2022, AYCFL entered into an agreement in which AYCFL loaned to AIHL, a subsidiary of BHL, then AIHL loaned to the Parent Company amounting to US$100 million (see Notes 20 and 26). The loan proceeds were directly remitted to the Parent Company per agreement. As approved by the Board, the agreement was entered into to optimize excess funds in AYCFL, and partially fund the Company's peso capital expenditures in 2022 by entering into foreign exchange swap hedging.

In September 2024, the intercompany loan was renewed for another two (2) years maturing on September 28, 2026. As of March 31, 2025, the Parent Company's US$100 million AIHL loan, at an interest rate of 3.0% was 100% fully hedged by designating Dollar foreign exchange swaps as Hedging Instruments. Upon maturity, a foreign exchange hedge roll over strategy will be implemented to replace the existing yet maturing foreign exchange swap on its maturity date, until such time that the replacement foreign exchange swap tenor can be matched with the maturity of the hedged loan. The USD interest payment accruing on the hedged loan principal is not part of the hedged item.

As of December 31, 2025 and 2024, total outstanding foreign exchange contract amounts to US$100 million at its peso equivalent of ₱5.9 billion and ₱5.7 billion, respectively.

Bonds
Below is the summary of the outstanding Peso bonds issued by the Parent Company:

Year Issued	Term	Interest rate	Principal Amount (In thousands)	Carrying Value (In thousands) 2025	2024	Features
2017	8 years	4.8200%	10,000,000	**₱–**	₱9,989,860	Callable from the 6.5th anniversary issue until every year thereafter.
2021	5 years	3.7874%	6,000,000	**5,986,407**	5,972,815	5-year fixed coupon Series B bond callable on the 12th to 19th interest payment date with a call option price of 101.0% on the 12th to 15th interest payment date and 100.5% on the 16th to 19th interest payment date.
2022	3 years	4.4542%	5,000,000	**–**	4,988,606	3-year fixed coupon Series C bond with no call option.
2022	5 years	5.6239%	7,500,000	**7,465,481**	7,450,002	5-year fixed coupon Series D bond callable on the 12th to 19th interest payment date with a call option price of 101.0% on the 12th to 15th interest payment date and 100.5% on the 16th to 19th interest payment date.
2022	7 years	6.1351%	2,500,000	**2,481,942**	2,478,241	7-year fixed coupon Series E bond callable on the 16th to 27th interest payment date with a call option price of 102.0% on the 16th to 19th interest payment date, a call option price of 101.0% on the 20th to 23rd interest payment date and 100.5% on the 24th to 27th interest payment date.
			₱31,000,000	**₱15,933,830**	₱30,879,524	

The outstanding Peso bonds of the Parent Company have been rated "PRS AAA" by PhilRatings, which is the highest credit rating possible for long-term issuances. Obligations rated PRS Aaa are of the highest quality with minimal credit risk and indicates the obligor's capacity to meet its financial commitment is extremely strong.

Bond Redemption
On May 28, 2024, the Parent Company's ₱4.0 billion, 3.0260% Series A Bonds Due 2024 were fully redeemed on its maturity date. The Bonds were redeemed by payment in cash of the redemption price set at 100% of the Issue Price plus all accrued and unpaid interest based on the coupon rate of 3.0260% per annum.

On February 10, 2025, the ₱10.0 billion 4.8200% Ayala Bonds were redeemed by the payment in cash of the redemption price set at 100% of the issue Price plus all accrued and unpaid interest based on the Coupon Rate of 8.8200%p.a.

On May 26, 2025, the Parent Company redeemed its ₱5.0 billion 4.4542% fixed rate Bonds (Series C) at 100% of its issue price plus all accrued interest.

Outstanding Fixed Rate Bonds

Philippine Peso 8-Year Bond due 2025
On February 10, 2017, the Parent Company issued ₱10.0 billion, 4.8200% bonds due in 2025. This pertains to the second and final tranche of the ₱20.0 billion fixed rate bonds program approved by the BOD on March 10, 2016.

Philippine Peso 3-Year and 5-Year Bonds due 2024 and 2026
On May 28, 2021, the Parent Company issued a total of ₱10.0 billion bonds, broken down into a ₱4.0 billion bond due 2024 at a fixed rate equivalent to 3.0260% and a ₱6.0 billion bond due 2026 at a fixed rate of 3.7874%. Interest on the Bonds will be payable quarterly. The proceeds were used to refinance select Philippine peso-denominated obligations and partially to finance capital expenditures. The ₱10.0 billion amount represents the first tranche under the Parent Company's ₱30.0 billion shelf registration program of SEC. The 3-year bond due 2024 was redeemed in cash based on a redemption price set at 101.0% of the issue price plus all accrued and unpaid interest based on coupon rate of 3.0260% per annum.

Philippine Peso 3-Year, 5-Year, and 7-Year Bonds due 2027, and 2029
On May 26, 2022, the Parent Company issued a total of ₱15.0 billion bonds, which constitute the second tranche of the Parent Company's ₱30.0 billion shelf registration that has been approved by the BOD. The Second Tranche consists of 4.4542% Series C Bonds due 2025, 5.6239% Series D Bonds due 2027, and 6.1351% Series E Bonds due 2029 amounting ₱5.0 billion, ₱7.5 billion and ₱2.5 billion, respectively. Interest on the Bonds will be payable quarterly. Proceeds will be used to refinance select Philippine Peso-denominated obligations and partially to finance capital expenditures. The 3-Year Series C Bonds due 2025 was redeemed in cash based on a redemption price set at 100% of the Issue Price plus all accrued and unpaid interest based on a coupon rate of 4.4542% per annum.

Guarantees
The Parent Company or its subsidiaries may act as guarantor on debt taken out by other subsidiaries within the Group provided approval from the Ayala Corporation Finance Committee and respective Boards are obtained. Both domestic and foreign loans of the Group may be subject to guarantees.

Compliance with debt covenants
The loan agreements on long-term debt of the Parent Company provide for certain restrictions and requirements with respect to, among others, declaration and/or payment of dividends, incurrence of additional liabilities, investment and guaranties, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels. These financial covenants include, among others, certain ratios like:

- Consolidated net debt to equity ratio not to exceed 3:1
- Consolidated net debt to tangible net worth ratio not to exceed 3:1
- Consolidated current ratio of not lower than 0.5:1

These restrictions and requirements were complied with by the Parent Company as of December 31, 2025 and 2024.

Interest expense on short-term and long-term loans amounted to ₱5,938.5 million and ₱6,296.7 million in 2025 and in 2024, respectively (see Note 18).

15. Equity

The details of the Parent Company's preferred and common shares follow:

	Preferred A shares		Preferred B shares		Preferred C shares		Voting Preferred shares		Common shares	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	(In Thousands, except par value per share)									
Authorized shares	**12,000**	12,000	**58,000**	58,000	**40,000**	40,000	**200,000**	200,000	**900,000**	900,000
Par value per share	**₱100**	₱100	**₱100**	₱100	**₱100**	₱100	**₱1**	₱1	**₱50**	₱50
Issued and subscribed shares	**12,000**	12,000	**58,000**	58,000	**–**	–	**200,000**	200,000	**636,211**	635,771
Treasury shares										
At the beginning of year	**(6,755)**	(6,755)	**(50,500)**	(28,000)	**–**	–			**(12,175)**	(15,245)
Reacquisition	**–**	–	**–**	(30,000)	**–**	–	**–**	–	**(4,000)**	–
Reissuance	**–**	–	**10,000**	7,500	**–**	–	**–**	–	**1**	3,070
At end of year	**(6,755)**	(6,755)	**(40,500)**	(50,500)	**–**	–	**–**	–	**(16,174)**	(12,175)
Outstanding shares at end of year	**5,245**	5,245	**17,500**	7,500	**–**	–	**200,000**	200,000	**620,037**	623,596

The details of the Parent Company's outstanding shares follow:

	Preferred A shares		Preferred B Shares		Preferred C shares		Voting Preferred shares		Common shares	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	(In thousands)									
Outstanding shares:										
At beginning of year	**5,245**	5,245	**7,500**	30,000	**–**	–	**200,000**	200,000	**623,596**	619,807
Subscribed shares	**–**	–		7,500	**–**	–	**–**	–	**440**	719
Treasury shares										
Acquisition	**–**	–	**–**	(30,000)	**–**	–	**–**	–	**(4,000)**	–
Reissuance	**–**	–	**10,000**	**–**	**–**	**–**	**–**	**–**	**1**	3,070
Outstanding shares at end of year	**5,245**	5,245	**17,500**	7,500	**–**	–	**200,000**	200,000	**620,037**	623,596

The details of the Parent Company's paid-in capital follow:

	December 31, 2025								
	Preferred Stock - A	**Preferred Stock – B**	**Voting Preferred**	**Common Stock**	**Subscribed**	**Additional Paid-in Capital**	**Subscriptions Receivable**	**Total Paid-in Capital**	**Treasury Stock**
At beginning of year	**₱1,200,000**	**₱5,800,000**	**₱200,000**	**₱31,478,498**	**₱310,075**	**₱57,246,483**	**(₱2,850,851)**	**₱93,384,205**	**(₱14,220,992)**
Exercise/Cancellation/ Subscription of ESOWN	**–**	**–**	**–**	**–**	**22,010**	**287,850**	**(245,900)**	**63,960**	**–**
Issuance of shares upon full payment of subscription	**–**	**–**	**–**	**33,071**	**(33,071)**	**–**	**–**	**–**	**–**
Collection of subscription receivables	**–**	**–**	**–**	**–**	**–**	**–**	**278,948**	**278,948**	**–**
Buyback of common shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,923,729)**
Reissuance of preferred shares	**–**	**–**	**–**	**–**	**–**	**18,841,276**	**–**	**18,841,276**	**1,000,000**
Assignment of treasury shares	**–**	**–**	**–**	**–**	**–**	**(1)**	**–**	**(1)**	**–**
At end of year	**₱1,200,000**	**₱5,800,000**	**₱200,000**	**₱31,511,569**	**₱299,014**	**₱76,375,608**	**(₱2,817,803)**	**₱112,568,388**	**(₱15,144,721)**

	December 31, 2024								
	Preferred Stock - A	Preferred Stock - B	Voting Preferred	Common Stock	Subscribed	Additional Paid-in Capital	Subscriptions Receivable	Total Paid-in Capital	Treasury Stock
At beginning of year	₱1,200,000	₱5,800,000	₱200,000	₱31,475,110	₱277,503	₱54,980,072	(₱2,698,932)	₱91,233,753	(₱14,546,351)
Exercise/Cancellation/ Subscription of ESOWN	–	–	–	–	35,960	515,209	(423,098)	128,071	–
Issuance of shares upon full payment of subscription	–	–	–	3,388	(3,388)	–	–	–	–
Collection of subscription receivables	–	–	–	–	–	–	271,179	271,179	–
Redemption of preferred shares	–	–	–	–	–	(12,000,000)	–	(12,000,000)	(3,000,000)
Reissuance of preferred shares	–	–	–	–	–	14,131,084	–	14,131,084	750,000
Sale of treasury shares	–	–	–	–	–	(379,882)	–	(379,882)	2,575,359
At end of year	₱1,200,000	₱5,800,000	₱200,000	₱31,478,498	₱310,075	₱57,246,483	(₱2,850,851)	₱93,384,205	(₱14,220,992)

Preferred Shares

Preferred A shares

As December 31, 2025 and 2024, details of Preferred A shares are as follows *(in Thousands, except par value per share)*:

Preferred A	**Total**
Par value per share	**₱100**
Issued and subscribed shares	**12,000**
Outstanding shares	**5,245**
Treasury shares	**6,755**
Cost of treasury shares	**675,500**

On November 11, 2008, the Parent Company filed a primary offer in the Philippines of its Preferred A shares to be listed and traded on the PSE.

Preferred A shares are cumulative, nonvoting and redeemable at the option of the Parent Company under such terms that the BOD may approve at the time of the issuance of shares and with a dividend rate of 8.88% per annum. The Preferred A shares may be redeemed at the option of the Parent Company starting on the fifth year.

On June 28, 2013, the BOD approved and authorized the exercise of call option on Preferred A shares effective November 25, 2013 based on the dividend rate of 8.88% per annum. The redemption of Preferred A shares is presented as part of treasury stock.

On March 23, 2023, the Parent Company filed a registration statement for the offer and re-issuance of 4,000,000 Preferred "A" Shares with an aggregate issue value of ₱10.0 billion and an oversubscription option of up to 4,000,000 Preferred "A" Shares with an aggregate issue value of up to ₱10.0 billion.

On May 29, 2023, the Parent Company re-issued 5,244,515 of its non-voting perpetual Preferred A shares at an issue price of ₱2,500.0 per share and a par value of ₱100.0 per share or for a total of ₱13.1 billion with a dividend rate of 6.3587% per annum.

Preferred B shares

Details of Preferred B shares are as follows *(in Thousands, except par value per share):*

	Series 1		**Series 2**		**Series 3**		**Series 4**		**Total**	
Preferred B	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Par value per share	**₱100**	₱100	**₱100**	₱100	**₱100**	₱100	**₱100**	–		
Issued and subscribed shares	**20,500**	20,500	**20,000**	30,000	**7,500**	7,500	**10,000**	–	**58,000**	58,000
Outstanding shares	**–**	–	**–**	–	**7,500**	7,500	**10,000**	–	**17,500**	7,500
Treasury shares	**20,500**	20,500	**20,000**	30,000	**–**	–	**–**	–	**40,500**	50,500
Cost of treasury shares	**₱2,050,000**	₱2,050,000	**₱2,000,000**	₱3,000,000	**₱–**	₱–	**₱–**	₱–	**₱4,050,000**	₱5,050,000

In July 2006, the Parent Company filed a primary offer in the Philippines of its Preferred B shares at an offer price of ₱100.00 per share to be listed and traded in the PSE. The Preferred B shares are cumulative, nonvoting and redeemable at the option of the Parent Company under such terms that the BOD may approve at the time of the issuance of shares and with dividend rate of 9.4578% per annum. The Preferred B shares may be redeemed at the option of the Parent Company starting on the fifth year from the date of issuance.

On March 14, 2011, the BOD approved and authorized the exercise of call option on its Preferred B shares effective July 21, 2011 based on the dividend rate of 9.5% per annum. The redemption of Preferred B shares is presented as part of treasury stock.

Preferred B Series 1 shares
In September 2013, the BOD approved and authorized the re-issuance and offering of 20.0 million Preferred B Series 1 shares from its 58.0 million authorized Class "B" preferred treasury share capital for an aggregate amount of ₱10.0 billion. The Preferred B Series 1 shares were offered at a price of ₱500.00 per share with a dividend rate of 5.25% per annum.

On September 28, 2023, the BOD approved the optional redemption of the 20.0 million Preferred B Series 1 shares effective November 15, 2023 by payment in cash of the redemption price equal to 100% of the issue price of the shares plus accrued and unpaid dividends up until November 15, 2023 based on the dividend rate of 5.25% per annum.

Preferred B Series 2 shares
On August 22, 2014, the BOD approved and authorized the re-issuance and offering of ₱27.0 million Preferred B Series 2 shares, which comprise a second and separate series from the Parent Company's outstanding 5.25% Preferred B Series 1 shares, from its 58.0 million authorized Class "B" preferred treasury share capital, for an aggregate amount of ₱13.5 billion. The Preferred B Series 2 shares were offered at a price of ₱500.00 per share with a dividend rate of 5.575%. The re-issuance resulted to the Parent Company's recognition of ₱10.7 billion additional paid-in capital excluding direct expenses from re-issuance.

On September 13, 2019, the BOD approved and authorized the redemption by the Parent Company of its 27.0 million Preferred B Series 2 shares representing all of the outstanding Preferred B Series 2 shares at the redemption price equal to the issue price plus all accrued and unpaid dividends until November 5, 2019 based on the dividend rate of 5.575% per annum. On the same date, the BOD also approved and authorized the re-issuance and offering of 30.0 million Preferred B Series 2 shares for an offer price of ₱500.00 per share with a dividend rate of 4.8214%. These two transactions resulted to the Parent Company's recognition of ₱1.1 billion net additional paid-in capital excluding direct expenses from re-issuance.

On January 15, 2020, the Parent Company has fully utilized the proceeds from the reissuance of Preferred B Series 2 shares.

On November 29, 2024, the 5th year anniversary from the listing of the shares, the Parent Company redeemed its ACPB2 Series shares at redemption price equal to 100% of its issue price of ₱500 per share plus accrued and unpaid dividends up until November 29, 2024 based on the dividend rate of 4.8214% p.a.

Preferred B Series 3 shares
October 10, 2024, the BOD approved and authorized the re-issuance and offering of ₱15,000.0 million Preferred B Series 3 shares, with an issue price of ₱2,000 per share, to be reissued from the Company's treasury shares. The Parent Company sold 5.0 million Preferred B Series 3 shares with an aggregate issue price of ₱10,000.0 million constituting the base size of the offer, and, as a result of the Parent Company's exercise of its oversubscription option in order to address the excess demands for the shares, an additional 2.5 million Preferred B Series 3 shares with an aggregate issue price of ₱5,000.0 million were sold. The re-issuance resulted to the Parent Company recognizing ₱14,450.0 million additional paid-in capital net of direct expenses from re-issuance.

On June 27, 2024, the BOD approved the issuance of Preferred Shares with a base amount of ₱10.0 billion with an oversubscription option for up to an additional ₱5.0 billion, subject to regulatory requirements. On September 27, 2024, the Parent Company received the Certificate of Permit to Offer Securities for Sale from the SEC for the offer and re-issuance of 5.0 million Preferred "B" Shares with a base amount of ₱10.0 billion with an oversubscription option of up to 2.5 million Preferred "B" Shares with an aggregate issue value of up to ₱5.0 billion. On October 15, 2024, 7.5 million Preferred "B" Shares Series 3 (ACPB3) shares were issued at ₱2,000.0 per share and listed with the Philippine Stock Exchange.

On September 30, 2024, the Parent Company's Executive Committee, in the exercise of its authority under the By-Laws, and upon endorsement of our Finance Committee, approved the optional redemption of the ₱15.0 billion 4.8214% Preferred "B" Series 2 shares (APB2R). The redemption will be effective November 29, 2024 (the 5th year anniversary from the listing of the shares) by payment in cash of the redemption price equal to 100% of the issue price of ₱500.00 per share plus accrued and unpaid dividends up until November 29, 2024 based on the dividend rate of 4.8214% per annum.

On January 20, 2025, the Parent Company has fully utilized the proceeds from the reissuance of ACPB3 shares.

Preferred B Series 4 shares
On March 14, 2025, the BOD approved and authorized the re-issuance and offering of ₱20 billion Preferred B Series 3 shares, with an issue price of ₱2,000 per share, to be reissued from the Company's treasury shares. On May 30, 2025, the Parent Company received the Certificate of Permit to Offer Securities for Sale from the SEC. The Parent Company sold 5.0 million Preferred B Series 4 shares with an aggregate issue price of ₱10 billion constituting the base size of the offer, and, as a result of the Parent Company's exercise of its oversubscription option in order to address the excess demands for the shares, an additional 5.0 million Preferred B Series 4 shares with an aggregate issue price of ₱10 billion were sold. The shares were listed with the Philippine Stock Exchange on October 15, 2024. On June 19, 2025, The Parent Company received in full the proceeds from the successful re-issuance of 10 billion preferred shares (ACPB Series "4") with par value of ₱100 /share and subscription price P2,000/share. The re-issuance resulted to the Parent Company recognizing ₱18.85 billion additional paid-in capital net of direct expenses from re-issuance.

Preferred C shares
Preferred C shares are cumulative, non-participating, non-voting and redeemable at the option of the Parent Company under such terms that the BOD may approve at the time of the issuance of the shares.

Voting Preferred shares
On March 15, 2010, the BOD approved the reclassification of 4.0 million unissued common shares with a par value of ₱50.00 per share into 200.0 million Voting Preferred shares with a par value of ₱1.00 per share and the amendment of the Parent Company's amended Articles of Incorporation to reflect the reclassification of the unissued common shares into new Voting Preferred shares. On April 16, 2010, the Parent Company's stockholders ratified the reclassification.

On April 22, 2010, the SEC approved the amendments to the Parent Company's AOI embodying the reclassification of the unissued common shares to new Voting Preferred shares.

The Voting Preferred shares are cumulative, voting and redeemable at the option of the Parent Company under such terms that the BOD of the Parent Company may approve at the time of the issuance of shares and with a dividend rate of 5.3% per annum. In 2016, the dividend rate was repriced to 3.6950%.

On July 16, 2019, the BOD approved the re-pricing of dividend rate to 5.7730% per annum, which is equal to the 3-year PHP BVAL reference rate as of May 20, 2019 and will be applicable until May 20, 2022, the next re-pricing date.

The dividend rate of the Shares has been re-priced from 4.8096% per annum to 5.7967% per annum, which is equal to the 3-year PHP BVAL reference rate as of May 20, 2025 and will be applicable until May 20, 2028, the next re-pricing date.

The Additional Paid-in Capital pertaining to preferred shares amounted to ₱45,145.1 million and ₱26,303.8 million as of December 31, 2025 and 2024.

Pursuant to Clause 3 of the Terms and Conditions of the Offer and Subscription of the Voting Preferred shares, the dividend rate of the shares has been re-priced from 4.8096% per annum to 5.7967% per annum, which is equal to the 3-year PHP BVAL reference rate as of May 20, 2025 and will be applicable until May 20, 2028, the next re-pricing date.

Common Shares

The common shares may be owned or subscribed by or transferred to any person, partnership, association or corporation regardless of nationality, provided that at any time at least 60% of the outstanding capital stock shall be owned by citizens of the Philippines or by partnerships, associations or corporations with 60% of the voting stock or voting power of which is owned and controlled by citizens of the Philippines.

In July 2013, the SEC approved the amendments to the Parent Company's Articles of Incorp ration for the exemption of 100 million common shares from the exercise of pre-emptive rights of holders of common shares. These shares are allocated to support the financing activities of the Parent Company.

On July 21, 2018, the Parent Company issued 8.8 million common shares at a price of ₱916.0 per share to an institutional investor and paid documentary stamp taxes and listing fee amounting to ₱4.4 million and ₱9.0 million, respectively.

On May 22, 2019, the Parent Company purchased its 3,805,644 common shares at ₱838.00 from Mitsubishi Corporation ("Mitsubishi") pursuant to the share buyback program approved by the BOD on September 10, 2007, June 2, 2010, and December 10, 2010.

On December 11, 2019, the Parent Company also purchased its 613,000 common shares at ₱815.00 pursuant to the share buyback program of ₱10.0 billion worth of shares approved by the BOD on December 5, 2019. The Company purchased another 60,000 common shares at ₱752.00 on December 16, 2019.

On various dates in 2020, the Parent Company, pursuant to the share buyback program of ₱10.0 billion worth of shares approved by the BOD on December 5, 2019, purchased 1,266,210 of its common shares with prices ranging from ₱408 to ₱755 per share.

On May 26, 2021, the Parent Company, pursuant to the share buyback program of ₱10.0 billion worth of shares approved by the BOD on December 5, 2019, purchased 8,450,000 of its common shares at ₱683.12 per share.

On December 10, 2021, the BOD approved the allocation of an additional ₱10.0 billion to our current ₱10.0 billion share buyback program approved on December 5, 2019.

On various dates in 2022, the Parent Company purchased a total of 1,050,000 common shares with prices ranging from ₱607.93 to ₱697 per share.

On September 18, 2025, the BOD approved the expansion of the coverage of the Parent Company's share buyback program (the "Program"), to include the purchase of shares of its publicly listed subsidiaries, as endorsed by the Ayala's Finance Committee. The Program has an outstanding approval of ₱20.0 billion, as previously disclosed on December 5, 2019 and December 10, 2021.

Treasury shares

On March 31, 2022, the Parent Company assigned from its Treasury Shares two (2) common shares, as qualifying shares, to the two (2) new nominees for independent directors of the Parent Company.

On May 31, 2022, the Parent Company purchased its 40,000 common shares at ₱625.00 price per share, 450,000 common shares at ₱697.00 price per share, and 310,000 common shares at ₱ 634.1158 price per share, respectively, pursuant to the share buyback program approved by the BOD on December 5, 2019 and December 10, 2021.

On July 14, 2022, the Parent Company purchased its 250,000 common shares at ₱607.9301 price per share pursuant to the share buyback program approved by the BOD on December 5, 2019 and December 10, 2021.

On September 26, 2024, Parent Company sold 3,070,150 Treasury Common Shares at a price of ₱720.00 per share through a block sale transaction.

On October 15, 2024, the Parent Company received in full the proceeds from the successful re-issuance of ₱15,000.0 million preferred B shares (ACPB3). Total Preferred "B "shares subscribed were 7.5 million shares at ₱2,000.0 per share.

On March 7, 2025, the Parent Company assigned from its Treasury Share one (1) common share, as qualifying share, to the new nominee for independent director of the Parent Company

On various dates on September and October 2025, pursuant to the share buyback program the Parent Company purchased a total of 4.0 million shares of varying prices (1.0 million shares at ₱490 per share, 1.0 million shares at ₱482 per share ,1.0 million shares at ₱480 per share, and 1.0 million shares at ₱470 per share).

As of December 31, 2025, treasury shares include 6.8 million Preferred A shares amounting ₱675.5 million and 40.5 million Preferred B shares amounting to ₱4,050.0 million or a total of ₱ 4,725.5 million. As of December 31, 2024, treasury shares include 6.8 million Preferred A shares amounting ₱675.5 million and 50.5 million Preferred B shares amounting to ₱5,050.0 million or a total of ₱ 5,725.5 million. As of December 31, 2025 and 2024, treasury shares also include 16.2 million and 12.2 million common shares, respectively, amounting to ₱10,419.2 million and ₱8,495.4million, respectively.

In accordance with Revised SRC Rule 68, Annex 68-K, below is a summary of the Parent Company's track record of registration of securities.

				2025	2024
	Number of shares registered	Issue/offer price	Date of approval	**Number of holders of securities as of December 31**	Number of holders of securities as of December 31
Common shares	200,000,000*	₱1.00 par value**; ₱4.21 issue price	July 1976	**6,151**	6,217
Preferred A shares***	12,000,000	₱100 par value; ₱500 issue price	November 2008	–	–
Preferred A shares (reissued) ***	8,000,000	₱100 par value; ₱2,500 issue price	May 5, 2023	6	6
Preferred B shares	8,000,000	₱100 par value; ₱500 issue price	July 2006	–	–
Preferred B shares-Series 1****	20,000,000	₱100 par value; ₱500 issue price	October 2013	–	–
Preferred B shares-Series 2*****	30,000,000	₱100 par value; ₱500 issue price	November 2019	–	–
	27,000,000	₱100 par value; ₱500 issue price	October 2014	–	–
Preferred B shares-Series 3******	7,500,000	₱100 par value; ₱2,000 issue price	September 2024	**5**	2
Preferred B shares-Series 3********	10,500,000	₱100 par value; ₱2,000 issue price	May 30, 2025	**6**	–
Voting preferred shares	200,000,000	₱1 par value; ₱1 issue price	March 2010	**1,062**	1,058

**Initial number of registered shares only.*
***Par value now is ₱50.00*
****5,244,515 Preferred A shares were re-issued on May 29, 2023.*
*****The Preferred B- Series 1 shares were re-issued on November 15, 2013.*
******The Preferred B-Series 2 share were re-issued on November 29, 2019.*
*******The Preferred B-Series 3 share were re-issued on October 15, 2024.*
********The Preferred B-Series 4 shares were re-issued on June 19, 2025.*

Retained Earnings

Retained earnings are restricted for the payment of dividends to the extent of the cost of shares held in treasury.

In accordance with Revised SRC Rule 68, Annex 68-D, the Parent Company's retained earnings available for dividend declaration as of December 31, 2025 and 2024 amounted to ₱69,403.3 million and 67,898.5 67million, respectively.

Cash dividends consist of the following:

	2025	
	Per share	Amount *(In Thousands)*
Dividends to common shares declared on:		
July 10	₱4.605	₱2,873,690
December 15	4.605	2,855,270
Dividends declared and paid to equity preferred shares:		
Preferred Shares A (reissued)	6.3587%	833,707
Preferred Shares B - Series 3	6.0538%	908,070
Preferred Shares B - Series 4	3.1451%	629,030
Voting Preferred shares	4.8096%	9,619

	2024	
	Per share	Amount *(In Thousands)*
Dividends to common shares declared on:		
June 27	₱4.1866	₱2,597,897
December 12	₱4.1866	2,610,750
Dividends declared and paid to equity preferred shares:		
Preferred Shares A (reissued)	6.3587%	833,707
Preferred Shares B - Series 2	4.8214%	723,210
Preferred Shares B - Series 3	1.5135%	227,018
Voting Preferred shares	4.8096%	9,619

On December 11, 2023, the BOD approved the declaration of regular cash dividends of ₱3.806 per common share, payable to stockholders of record as of December 26, 2023, and distributable on January 10, 2024.

As of December 31, 2025, and 2024, the Parent Company has cash dividend payable to common and preferred stockholders amounting to ₱3,082.3 million and ₱2,681.5 million, respectively.

Property dividend consists of:

On May 12, 2022, BOD confirmed the declaration of property dividends consisting of the ACEN shares acquired from ACEIC to the Parent Company's common shareholders at a ratio of three (3) ACEN shares per one (1) parent company common share, subject to: (a) completion of the AC-ACEIC Transaction, and (b) applicable regulatory approvals. The record date is May 27, 2022, with distribution or settlement date of the dividends payable to be determined by the management after applicable regulatory approvals have been obtained. No shareholder shall be entitled to fractional shares.

On October 24, 2022, the SEC approved the property dividends and issued a Certificate of Filing Notice of the Property Dividend declaration.

The dividend distribution commenced in December 2022 and will continue as and when electronic Certificates Authorizing Registration (eCARs) are issued by BIR. The eCAR issuance is a prerequisite for the transfer of the properties of the Parent Company, i.e. the ACEN shares, to each

entitled stockholder as of the record date and it is a process that entails the participation of both the Parent Company, as transferor, and the stockholders, as transferees.

As of December 31, 2025 and 2024, the Parent Company has property dividend payable to common stockholders amounting to ₱110.2 million and ₱133.2 million, respectively (see Notes 7 and 8).

As of December 31, 2025, the Parent Company has significantly completed the distribution of property dividends. The BIR's issuance of eCARs and subsequent distribution of ACEN shares are ongoing.

Capital Management

The primary objective of the Parent Company's capital management policy is to ensure that it maintains a robust statement of financial position in order to support its business and maximize shareholder value.

The Parent Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Parent Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes for the years ended December 31, 2025 and 2024.

The Parent Company monitors capital using a gearing ratio of debt to equity and net debt to equity. Debt consists of short-term and long-term debt. Net debt includes short-term and long-term debt less cash and cash equivalents, short-term investments and restricted cash.

Debt to Equity and Net Debt to Equity ratios

	2025	2024
	(In Thousands)	
Short-term debt (Note 14)	**₱9,700,000**	₱28,500,000
Long-term debt (Note 14)	**75,757,680**	89,440,323
Total debt (a)	**85,457,680**	117,940,323
Less:		
Cash on hand and in banks (Note 4)	**492,616**	408,514
Cash equivalents (Note 4)	**11,815,382**	9,740,288
Net debt (b)	**73,149,682**	107,791,521
Equity (c)	**178,350,270**	157,541,232
Debt to equity (a/c)	**48%**	75%
Net debt to equity (b/c)	**41%**	68%

16. Revenue from Contracts with Customers

This account consists of the following categories of revenue from contracts with customers:

	2025	2024
	(In Thousands)	
Management fees (Note 20)	**₱550,367**	₱365,063
Others (Note 20)	**30,290**	552
	₱580,657	₱365,615

17. Income Tax

Provision for income tax consists of:

	2025	2024
	(In Thousands)	
MCIT	**₱24,100**	₱1,793
Final tax	**121,965**	75,460
Deferred	**77,044**	(18,208)
	₱223,109	₱59,045

The reconciliation between the statutory and the effective income tax rates follow:

	2025	2024
Statutory income tax rate	**25.00%**	25.00%
Tax effects of:		
Nontaxable dividend income	**(49.27)**	(51.68)
Interest income and capital gains subjected to final taxes	**(1.32)**	(22.39)
Change in unrecognized deferred tax assets	**19.88**	25.04
Nondeductible expenses	**7.51**	24.10
Others	**0.11**	0.56
Effective income tax rate	**1.91%**	0.63%

Details of the deferred tax assets - net are as follows:

	2025	2024
	(In Thousands)	
Deferred tax assets:		
Lease liability	**₱93,355**	₱525,844
Security deposit	**–**	6,011
	93,355	531,855
Deferred tax liability:		
ROU	**(93,355)**	(454,811)
Deferred tax assets - net	**₱–**	₱77,044

The Parent Company has deductible temporary differences, NOLCO and MCIT that are available for offset against future taxable income or tax payable for which deferred tax assets have not been recognized. These deductible temporary differences, NOLCO and MCIT follow:

	2025	2024
	(In Thousands)	
NOLCO	**₱28,337,993**	₱29,090,343
Pension liability	**1,083,542**	899,422
Allowance for credit losses on:		
Accounts and notes receivables	**30,410**	30,410
Other noncurrent assets	**89,205**	106,549
MCIT	**54,126**	42,480

As of December 31, 2025, MCIT that can be claimed as deduction from future income tax liabilities or taxable income, respectively, are as follows (amounts in thousands):

Year Paid	MCIT	Expiry year
2023	₱28,233	2026
2024	1,793	2027
2025	24,100	2028
	₱54,126	

The movements in MCIT are as follows:

	2025	2024
	(In Thousands)	
At January 1	**₱42,480**	₱43,740
Additions	**24,100**	1,793
Expiration	**(12,454)**	(3,053)
At December 31	**₱54,126**	₱42,480

As of December 31, 2025, the Parent Company has incurred NOLCO which can be claimed as deduction from the regular taxable income as follows (amounts in thousands):

Year Incurred	Availment Period	Amount	NOLCO Expired/Used	NOLCO Unapplied
2020	2021-2025	₱5,543,223	(₱5,543,223)	₱–
2021	2022-2026	4,878,894		4,878,894
2022	2023-2025	4,340,810	(4,340,810)	–
2023	2024-2026	5,474,071		5,474,071
2024	2025-2027	9,344,376		9,344,376
2025	2026-2028	8,640,652		8,640,652
		₱38,222,026	(₱9,884,003)	₱28,337,993

There are no income tax consequences to the payment of dividends by the domestic subsidiaries, associates and joint ventures to the Parent Company.

18. Cost and Expenses and Other Income (Expense)

General and administrative expenses consist of:

	2025	2024
	(In Thousands)	
Provision for impairment of investments in subsidiaries, associates and joint ventures (Note 8)	**₱1,909,049**	₱7,425,000
Personnel costs (Note 20)	**1,870,640**	1,837,200
Professional fees (Note 20)	**916,033**	894,960
Advertising and promotions	**261,974**	249,093
Taxes, licenses and fees	**253,006**	262,535
Pension expense	**245,665**	420,387
Donations and contributions	**221,043**	115,814
Contract labor	**144,999**	138,189
Rental (Note 24)	**79,779**	64,094
Share-based payments (Notes 20 and 22)	**64,155**	128,408
Transportation and travel	**61,962**	55,416
Dues and fees	**59,537**	40,523
Entertainment, amusement and recreation	**31,669**	31,005
Repairs and maintenance	**26,989**	31,658
Condominium and fees	**26,905**	23,610
Postal and communication	**15,920**	13,409
Supplies	**8,716**	8,521
Utilities	**7,796**	2,063
Insurance	**7,211**	11,627
Provision for credit losses (Note 5)	**–**	25,016
Others	**204,312**	273,829
	₱6,417,360	₱12,052,357

The breakdown of personnel cost is as follows:

	2025	2024
	(In Thousands)	
Salaries	**₱1,591,590**	₱1,542,418
Employee benefits and others	**279,050**	294,782
	₱1,870,640	₱1,837,200

On December 3, 2025, the Parent Company extended a loan to BF Jade E-Services Philippines, Inc (Zalora) amounting to ₱98.1 million to fund the repayment of the attributable share of AM50 Ventures (formerly AC Ventures Holdings Corp), AMSI, INC, BPI Capital Corporation, and Kickstart Ventures , Inc (together , the "Ayala Cohort") in Zalora's loan from BPI. The loan was subsequently condoned by the Parent Company and recognized as donation expense. The Parent Company shouldered the ₱5.89 million donor's tax (6% of loan amount) and ₱20,166.59 documentary stamp taxes.

"Others" include certain accrued expenses and provisions associated with clearing, relocation costs for certain properties, and business expenses.

Interest and other financing charges consist of:

	2025	2024
	(In Thousands)	
Interest expense on short-term and long-term debt (Notes 14 and 20)	**₱5,938,482**	₱6,296,739
Amortization of transaction costs of long-term debt (Notes 14)	**192,213**	166,361
Interest expense on lease liability (Note 24)	**128,934**	128,097
Foreign exchange loss and other expenses arising from hedging	**578,644**	32,906
Others	**354,211**	11,264
	₱7,192,484	₱6,635,367

Interest income consists of interest on:

	2025	2024
	(In Thousands)	
Cash in banks, cash equivalents and short-term investments (Notes 4 and 20)	**₱637,452**	₱383,514
Notes receivable, including amortization (Note 5)	**(21,116)**	4,685
Others	**239,657**	4,233
	₱855,993	₱392,432

Other income consists of:

	2025	2024
	(In Thousands)	
Gain on return of capital (Note 8)	**₱862,396**	₱–
Rental income (Notes 9 and 20)	**160,570**	176,763
Foreign exchange gains - net	**94,658**	36,236
Gain on sale of property and equipment (Note 11)	**8,775**	6,712
Gain on sale of investment properties (Note 9)	**–**	5,206
	₱1,126,399	₱224,917

19. Earnings Per Share

The following table presents information necessary to calculate EPS on net income attributable to owners of the Parent Company:

	2025	2024
	(In Thousands, except EPS figures)	
Net income	**₱11,428,287**	₱9,278,311
Less dividends on preferred stock	**(2,380,427)**	(1,793,554)
	₱9,047,860	₱7,484,757
Weighted average number of common shares	**622,757**	621,195
Dilutive shares arising from stock options	**–**	–
Adjusted weighted average number of common shares for diluted EPS	**622,757**	621,195
Basic EPS	**₱14.53**	₱12.05
Diluted EPS	**₱14.53**	₱12.05

20. Related Party Transactions

Parties are considered to be 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 individuals or corporate entities.

The Parent Company has an approval requirement such that material related party transactions (RPT) shall be reviewed by the Risk Management and Related Party Transactions Committee (the Committee) and endorsed to the BOD for approval. Material RPTs are those transactions that meet the threshold value as approved by the Committee amounting to ₱50.0 million or five (5) percent of the total assets, whichever is lower and other requirements as may be determined by the Committee upon the recommendation of the Parent Company's Risk Management.

Terms and Conditions of Transactions with Related Parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Except as stated otherwise, outstanding balances at year-end are unsecured and interest free and settlement occurs in cash. For the year ended December 31, 2025 and 2024, allowance for credit losses relating to receivable from related parties amounted to nil. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

In the ordinary course of business, the Parent Company transacts with its related parties. The transactions and balances of accounts with related parties follow:

a. Transaction with ALI

In July 2016, Parent Company entered into an operating lease agreement with Crans Montana Property Holdings Corp. (Crans Montana), a wholly owned subsidiary of ALI, for the lease of a land in Legaspi Village, Makati City. For the year ended December 31, 2025 and 2024 rental income amounting to ₱2.1 million and ₱2.0 million, respectively, was recognized (see Note 9).

In April 2021, the Parent Company entered into a lease agreement with ALI where the Parent Company is the lessee to a number of office units and parking slots (see Note 24).

b. Transaction with AC Industrials

The Parent Company entered into a contract of lease with Honda Cars Makati Inc. (HCMI) and IADI for the lease of land and buildings. Lease fee range is 2.0% of the capitalization rate applied on appraised value (see Note 24).

c. Transactions with BPI

i. As of December 31, 2025, and 2024, the Parent Company maintains current and savings account, money market placements and other short-term investments with BPI broken down as follows:

	2025	2024
	(In Thousands)	
Cash in bank	**₱371,791**	₱342,264
Cash equivalents	**7,421,674**	2,161,694

Cash in bank and cash equivalents in BPI earn interest ranging from 2.50% and 5.38% and 0.10% to 6.2% per annum in 2025 and 2024 respectively.

ii. As of December 31, 2025 and 2024, the Parent Company has short-term and long-term debt with BPI as follows:

	2025	2024
	(In Thousands)	
Long-term debt	**₱12,724,689**	₱13,507,615
Short-term debt	**9,700,000**	17,500,000

As of December 31, 2025, and 2024, outstanding long-term debt with BPI is composed of 10-year floating-rate loans with varying maturity dates up to 2030.

iii. As of December 31, 2025 and 2024, the Parent Company has outstanding receivable from and payable to BPI as follows:

	2025	2024
	(In Thousands)	
Interest receivable	**₱17,723**	₱1,396
Interest payable	**79,976**	102,712

iv. Income and expenses incurred with BPI are as follow:

	2025	2024
	(In Thousands)	
Interest income	**₱268,925**	₱162,905
Interest expense	**1,861,438**	1,573,523

v. The Parent Company's pension fund is being maintained by trustee bank BPI Wealth. Balance of the pension fund as of December 31, 2025 and 2024 amounted to ₱1,977.7 million and ₱1,721.4 million, respectively (see Note 21).

d. Transactions with AIHL

As of December 31, 2025 and 2024, the Parent Company has intercompany loan with AIHL amounting to ₱5,857.7 million and ₱5,747.7 million with interest expense amounting to ₱180.7 million and ₱170.1 million (see Note 14).

Outstanding balances from related parties follow:

Cash Dividends	**Receivables**		**Payables**	
	2025	2024	**2025**	2024
		(In Thousands)		
Joint Ventures:				
Liontide Holdings, Inc. (Note 5)	**₱1,227,657**	₱761,517	**₱–**	₱19,965
Others:				
Mermac	**–**	–	**1,365,961**	1,241,853
	–	–	**1,365,961**	1,241,853
	₱1,227,657	₱761,517	**₱1,365,961**	₱1,261,818

Rentals	**Receivables**		**Payables**	
	2025	2024	**2025**	2024
		(In Thousands)		
Subsidiaries (direct and indirect):				
IDI	**₱14,507**	₱12,564	**₱–**	₱–
HCMI	**10,762**	10,762	**–**	–
Crans Montana	**5,653**	5,653	**424**	424
IADI	**1,323**	1,323	**–**	–
AC Infra	**612**	612	**–**	–
	32,857	30,914	**424**	424
Joint Ventures:				
Asiacom	**–**	–	**233**	228
	₱32,857	₱30,914	**₱657**	₱652

Subscriptions	**Receivables**		**Payables**	
	2025	2024	**2025**	2024
		(In Thousands)		
Subsidiaries:				
AC Ventures (Notes 8 and 13)	**₱–**	₱152,159	**₱–**	₱–
ACX (Formerly AGCC)	**–**	170,000	**–**	–
	₱–	₱322,159	**₱–**	₱–

Other outstanding balances	**Receivables**		**Payables**	
	2025	2024	**2025**	2024
		(In Thousands)		
Subsidiaries (direct and indirect):				
ACEN	**₱50,812**	₱33,867	**₱–**	₱–
BHL	**32,104**	18,682	**–**	–
IMI	**19,982**	1,647	**–**	25,634
ALI	**10,050**	2,984	**265,912**	264,698
ACMHI	**8,832**	53	**–**	–
AHCI	**8,337**	9,134	**–**	–
ACEIC	**6,769**	11,816	**–**	–
AC Logistics	**2,147**	11,135	**–**	–
AGCC	**1,866**	3,269	**2,063**	–
AIVPL	**1,223**	584	**–**	–
AC Industrials	**519**	2,799	**–**	–
Crans Montana	**392**	392	**424**	424
Ayalaland Offices	**227**	–	**–**	–
AAVCO	**320**	80	**–**	–
LTI	**–**	149,539	**–**	–
AC Ventures	**–**	7,956	**–**	–
AC Infrastructure	**–**	788	**–**	–
TLI	**–**	291	**–**	–
LIVE INV	**–**	138	**–**	–
AYC		106	**–**	–
PWC	**–**	69	**–**	–
ACIFL	**–**	36	**–**	–
MICHIGAN	**–**	14	**–**	–

(Forward)

Other outstanding balances	Receivables		Payables	
	2025	2024	**2025**	2024
		(In Thousands)		
LPHI	**₱–**	₱–	**₱19,965**	₱19,965
HCX	**–**	–	**3,082**	3,082
AIPL	**–**	–	**138**	138
Ayala Life Assurance, Inc.	**–**	–	**–**	2
	143,580	255,379	**291,584**	313,943
Associates:				
BPI	**170,044**	175,983	**–**	–
IPeople	**11,366**	11,366	**–**	–
UNC	**10,694**	–	**–**	–
MT Technologies	**9,454**	9,454	**–**	–
BPI AIA Life Assurance	**2,750**	–	**–**	–
BPI Direct Banko	**32**	–	**–**	–
PF Prime	**25**	–	**–**	–
BPI Family	**7**	7	**–**	–
Merlin Solar Tech	**–**	595	**–**	–
Ayala (BPI-BIR)	**–**	–	**420**	420
BPI Philam Assurance (ALAI)	**–**	–	**1**	–
	204,372	197,405	**421**	420
Joint Ventures:				
Globe	**47,492**	42,368	**4,973**	5,267
Asti Business Services	**5,903**	5,903	–	–
Globe Fintech Innovations (MYNT)	**2,528**	–	**–**	–
Anko JV Company	**71**	–	**–**	–
Liontide Holdings, Inc	**–**	3,127	**–**	–
Asiacom Philippines, Inc.	**–**	32	**243**	228
Asticom Technology Inc.	**–**	–	**288**	–
	55,994	51,430	**5,504**	5,495
Others:				
AC Automotive Business Services	**575**	575	**–**	–
GEXchange	**5,500**	–	**–**	
	6,075	575	**–**	–
	₱410,021	₱504,789	**₱297,509**	₱319,858

Receivables

i. Dividend receivables pertain to accrued dividend declarations from subsidiaries, associates and joint ventures. These are non-interest bearing and usually collectible within one year.
ii. Rental receivables pertain to accrued rent on investment properties of the Parent Company. These are non-interest bearing and usually collectible within one year.
iii. Other receivables from LTI pertain to the sale of parcel of land in the Province of Misamis Oriental (see Note 5).
iv. Other receivables from Crans Montana pertain to the sale of inner wheel lots in San Antonio, Makati (see Note 9).
v. Other receivables from HCMI pertain to share in the Parent Company's cost.
vi. Other receivables from Asti Business Services pertain to the sale of investments in HCX (see Note 8).
vii. Other receivables from Merlin Solar Tech, KTM Asia Motor and MT Tech pertains to cost recoveries. Outstanding cost recoveries from ACEIC, AC Logistics, BPI, IMI, Adventure Cycle, AC Infrastructure Holdings and KP Motors.
viii. Other receivables from BHL pertain to the accounting services paid in advance by the Parent Company.

Payables

i. Cash dividend payable pertains to accrued cash dividends declarations of the Parent Company to its stockholders. These are non-interest bearing and usually paid within one year.
ii. Property dividends pertain to the ACEN shares declared as property dividends to the Parent. (see Note 7).

iii. Rental payable pertains to refundable deposits received by the Parent Company in relation to its lease agreements with related parties.
iv. Subscriptions payable pertains to additional subscriptions to the common or preferred shares of the subsidiaries, associates and joint ventures (see Note 13).
v. Other payables to ALI pertain to the lease liability recognized by the Parent Company as a lessee to a number of office units and parking slots for a term of 20 years (see Note 24) and deposit of future purchase of the Parent Company properties and accrual of security cost for the year. The payable is to be settled once the ownership for the property is transferred to the buyer.
vi. Other payables to Avida pertain to advances made for the expenses related to the development of land in Sta. Rosa, Laguna which are non-interest bearing and due and demandable.

e. The Parent Company purchased 1,861,000,000 common shares of ACEN from ACEIC at a purchase price of ₱7.60 for a total amount of ₱14,143.6 million. The proceeds from the special dividend received from ACEIC were used to fund this purchase (see Note 7).

f. Income and expenses from related parties follow:

Income	**Management Fee**		**Other Income***	
	2025	2024	**2025**	2024
		(In Thousands)		
Subsidiaries (direct and indirect):				
ACEN	**₱95,481**	₱43,836	**₱–**	₱–
ALI	**68,177**	6,818	**–**	–
AC Health	**26,092**	2,175	**–**	204
AC Mobility	**12,737**	–	**1,143**	915
AC Logistics	**9,064**	947	**15**	183
IMI	**8,810**	5,301	**14,597**	–
AAHC	**8,325**	3,764	**1,518**	1,911
ACEIC	**7,515**	12,181	**–**	–
AC Infra	**1,754**	812	**1,411**	572
A&CO Holdings	**925**	–	**–**	–
AIVPL	**911**	510	**–**	–
AAVCO	**330**	83	**–**	–
AYC Finance/AYC Holdings	**121**	106	**–**	–
Philwater	**130**	71	**–**	–
ACIFL	**104**	35	**–**	–
MHI	**36**	15	**–**	–
Merlin Solar Tech	**–**	700	**–**	–
TLI	**–**	300	**–**	–
AC Ventures	**–**	241	**–**	–
HCML	**–**	–	**103,687**	103,687
IADI	**–**	–	**39,732**	34,770
IDI	**–**	–	**3,661**	2,104
Crans Montana	**–**	–	**2,114**	2,013
	240,512	77,895	**167,878**	146,359
Associates (direct and indirect):				
BPI	**192,591**	195,153	**5,025**	–
IPO	**12,129**	11,825	**–**	–
University of Nueva Caceres	**22,050**	–	**–** –	
Yoma Strategic	**2,093**	1,369	**–**	–
BF Jade E Services	**89**	–	**–**	–
First Myanmar	**59**	–	**–**	–
Pameka	**26**	14	**–**	–
Pamplona	**25**	1,032	**–**	–
Malayan Education	**13**	–	**–**	–
MWC	**–**	1,116	**–**	–
	229,075	210,509	**5,025**	–

(Forward)

Income	Management Fee		Other Income*	
	2025	2024	**2025**	2024
		(In Thousands)		
Joint Ventures (direct and indirect):				
Globe	**₱62,555**	₱58,702	**₱–**	₱–
Asiacom	**13,908**	12,008	**830**	810
Globe Fintech	**2,955**	–	**–**	–
ADHI	**310**	2,881	**–**	–
BPI Capital	**536**	558	–	–
BPI Globe	**491**	536	**–**	–
ACST	**25**	–	**–**	–
BPI/MS Insurance	**–**	257	**–**	–
A&CO Holdings	**–**	115	**–**	–
G-Xchange			**5,000**	
Anko JV	**–**	–	**1**	–
	80,780	75,057	**5,831**	810
Others:				
Ayala Group Club Inc.	**–**	70	**–**	–
MCX Tollway	**–**	–	**–**	14
	–	70	**–**	14
	₱550,367	₱363,531	**₱178,734**	₱147,183

** Includes rental income presented under "Other Income" in the parent company statements of income (see Note 18)*

Sale of investment (Note 8)	Gain on sale of investment	
	2025	2024
	(In Thousands)	
Associates:		
MWC	**₱–**	₱7,983,374

Redemption of preference shares	Gain on redemption of investment	
	2025	2024
	(In Thousands)	
Joint Venture:		
AM 50 Ventures (formerly AC Ventures)	**₱862,396**	**₱–**

Other Income and Expenses

g. Other income and expenses follow:

Income	Dividend Income	
	2025	2024
	(In Thousands)	
Subsidiaries:		
ALI	**₱4,510,127**	₱3,859,942
Philwater	**3,208,000**	395,000
ACEIC	**1,333,255**	2,000,000
MHI	**440,265**	375,000
ACEN	**5,030**	5,030
	9,496,677	6,634,972
Associates:		
BPI	**6,606,176**	6,000,105
IPO	**86,847**	66,468
MWC	–	651,430
	6,693,023	6,718,003
Joint ventures:		
Globe	**4,426,663**	4,426,663
LHI	**2,347,625**	1,523,033
Others	**44**	44
	6,774,332	5,949,740
	₱22,964,032	₱19,302,715

Expenses	Professional Fees		Rental	
	2025	2024	**2025**	2024
	(In Thousands)			
Subsidiaries:				
IMI	**₱21,937**	₱–	**₱–**	₱–
APMC	**7,029**	7,822	**–**	–
ALI	**3,646**	2,276	**59**	5,961
DADC	**698**	2,853	**–**	–
ACEN CORP	**–**	6,667	**–**	–
HCXI	**–**	1,003	**–**	–
	₱33,310	₱20,621	**₱59**	₱5,961

Expenses	Interest		Others	
	2025	2024	**2025**	2024
	(In Thousands)			
Subsidiaries:				
AIHL	**₱180,672**	₱170,058	**₱–**	₱–
ALI	**128,934**	128,097	**–**	–
Associates:				
BPI	**1,861,438**	1,573,523	**–**	–
Joint ventures:				
Others	**–**	–	**6,630**	4,453
	₱2,171,044	₱1,871,678	**₱6,630**	₱4,453

h. Compensation of key management personnel by benefit type follows:

	2025	2024
	(In Thousands)	
Short-term employee benefits (Note 18)	**₱570,490**	₱487,711
Post-employment benefits (Note 21)	**20,960**	10,543
	₱591,450	₱498,254

Key management personnel include all officers with position of Group Heads and up.

21. Retirement Plan

The Parent Company has a funded, noncontributory tax-qualified defined benefit type of retirement plan covering its regular employees. The benefits are based on a defined benefit formula with a minimum lump-sum guarantee of 1.5 months' effective salary per year of service upon retirement.

The Parent Company's pension fund is known as the AC Employees Retirement Fund (ACERF). ACERF is a legal entity separate and distinct from the Parent Company, governed by a board of trustees appointed pursuant to a Trust Agreement between the Parent Company and the initial trustees. It holds common and preferred shares of the Parent Company in its portfolio. All such shares have voting rights under certain conditions, pursuant to law. ACERF's portfolio is managed by an Executive Committee appointed by the fund's trustees for that purpose. The members of the committee include the Parent Company's Treasurer, Comptroller, and Total Rewards Head. ACERF has not exercised voting rights over any shares of the Parent Company that it owns.

Changes in net defined benefit liability of funded funds in 2025 and 2024 are as follows:

	2025													
	Net benefit cost in statement of income							Remeasurements in OCI						
	January 1	Current service cost	Net interest	Past service cost	Contribution by affiliates	Movement subtotal	Benefits paid	Return on plan assets*	Actuarial loss due to liability experience	Actuarial (Gain) Loss adjustment due to liability assumption changes	Movement subtotal	Transfer Payments	Contribution by employer	December 31
							(*In Thousands*)							
Present value of defined benefit obligation	₱2,619,501	₱199,962	₱151,457	₱–	₱–	₱351,419	(₱142,465)	₱–	₱290,389	(₱57,982)	₱232,407	₱–	₱–	₱3,060,862
Fair value of plan assets	(1,720,079)	–	(105,754)	–	(1,809)	(107,563)	142,465	(16,725)	–	–	(16,725)	–	(275,418)	(1,977,320)
Net defined benefit liability (asset)	₱899,422	₱199,962	₱45,703	₱–	(₱1,809)	₱243,856	₱–	(₱16,725)	₱290,389	(₱57,982)	₱215,682	₱–	(₱275,418)	₱1,083,542

**Excluding amount included in net interest*

	2024													
	Net benefit cost in statement of income							Remeasurements in OCI						
	January 1	Current service cost	Net interest	Past service cost	Contribution by affiliates	Movement subtotal	Benefits paid	Return on plan assets*	Actuarial loss due to liability experience	(Gain) Loss adjustment due to transfers	Movement subtotal	Transfer Payments	Contribution by employer	December 31
							(*In Thousands*)							
Present value of defined benefit obligation	₱2,169,661	₱172,137	₱124,420	₱209,170	₱–	₱505,727	(₱294,742)	₱–	₱80,313	₱158,542	₱238,855	₱–	₱–	₱2,619,501
Fair value of plan assets	(1,391,973)	–	(85,340)	–	(94,951)	(180,291)	294,742	(59,548)	–	(197,024)	(256,572)	(42,032)	(143,953)	(1,720,079)
Net defined benefit liability (asset)	₱777,688	₱172,137	₱39,080	₱209,170	(₱94,951)	₱325,436	₱–	(₱59,548)	₱80,313	(₱38,482)	(₱17,717)	(₱42,032)	(₱143,953)	₱899,422

**Excluding amount included in net interest*

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The fair value of plan assets as at the end of the reporting period are as follow:

	2025	2024
	(In Thousands)	
Assets		
Cash	**₱109**	₱167
Investments		
Domestic equities		
Listed - Common	**428,986**	420,771
Listed - Preferred	**148,425**	138,970
Unlisted - Common	**1**	1
Unlisted - Preferred	**1,141**	1,141
Unit investment trust fund		
Foreign securities	**568,564**	–
Fixed Income		
Government Securities	**300,400**	326,624
Corporate bonds	**346,167**	229,586
Foreign Fixed Income	**74,885**	
Money market placements	**100,674**	602,582
Investments in real estate	**10**	10
Receivables	**8,324**	1,499
	1,977,686	1,721,351
Liabilities		
Trust fee and other payables	**366**	1,272
Net Asset Value	**₱1,977,320**	₱1,720,079

All equity and debt instruments held have quoted prices in active market. The remaining plan assets do not have quoted market prices in active market. The plan assets have diverse investments and do not have any concentration risk.

The cost of defined benefit pension plan as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension obligations for the defined benefit plans are shown below:

	2025	2024
Discount rates	**6.25%**	6.00%
Future salary increases	**7.00%**	7.00%

There were no changes from the previous period in the methods and assumptions used in preparing sensitivity analysis.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

	December 31, 2025			December 31, 2024		
	Rates	**Increase (decrease)**	**Effect on DBO**	Rates	Increase (decrease)	Effect on DBO
Discount rates	**7.25%**	**1%**	**(6.97%)**	7.00%	1%	(7.12%)
	5.25%	**(1%)**	**8.02%**	5.00%	(1%)	8.19%
Rate of salary increase	**8.00%**	**1%**	**7.80%**	8.00%	1%	7.94%
	6.00%	**(1%)**	**(6.91%)**	6.00%	(1%)	(7.04%)

The management performed an Asset-Liability Matching Study (ALM) annually. The overall investment policy and strategy of the Parent Company's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risk of the plans. The Parent Company's current strategic investment strategy consists of 50% of equity instrument and 50% of fixed income instrument.

Amounts for the current and previous annual periods are as follows:

	2025	2024	2023	2022	2021
			(In Thousands)		
Defined benefit obligation	**₱3,060,862**	₱2,619,501	₱2,169,661	₱1,636,661	₱1,807,406
Plan assets	**(1,977,320)**	(1,720,079)	(1,391,973)	(1,270,665)	(1,145,009)
Deficit	**₱1,083,542**	₱899,422	₱777,688	₱365,996	₱662,397

The Parent Company expects to contribute ₱373.8 million to its defined benefit pension plan in 2026.

As of December 31, 2025 and 2024, the plan assets include shares of stock of the Parent Company with total fair value of ₱80.3 million and ₱75.9 million, respectively. Unrealized gain and loss on investment in the shares of stock of the Parent Company as of December 31, 2025 and 2024 amounted to nil.

As of December 31, 2025 and 2024, the fair value of the fund includes investment in debt amounting to ₱244.0 million and ₱181.9 million, respectively and equity securities of related parties amounting to ₱215.4 million and ₱228.5 million, respectively.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date.

In 2025 and 2024, total contributions made to the retirement fund by affiliates amounted to ₱1.8 million and ₱95.0 million, respectively. This pertains to the retirement contributions on behalf of the seconded employees of the Parent Company to ALI, Globe, HCMI, AC Infra, AC Logistics and AC Health (see Note 28).

The Parent Company's transactions with the fund mainly pertain to contributions, benefit payments and settlements.

Shown below is the maturity analysis of the undiscounted benefit payments:

Year ending:	**2025**	2024
	(In Thousands)	
1 year and less	**₱192,204**	₱190,443
more than 1 year to 2 years	**387,579**	213,191
more than 2 years to 3 years	**356,965**	277,071
more than 3 years to 4 years	**323,468**	294,612
more than 4 years to 5 years	**401,545**	254,740
more than 5 years	**1,674,884**	1,861,664

The weighted average duration of the defined benefit obligation is 7.54 years and 7.67 years in 2025 and 2024, respectively.

22. Stock Option Purchase Plans

The Parent Company has stock option plan for employees (ESOWN) covering 3.0% of the Parent Company's authorized capital stock. The grantee is selected based on certain criteria like outstanding performance over a defined period of time.

ESOWN

The Parent Company has ESOWN granted to qualified officers wherein grantees may subscribe in full to the shares awarded to them based on an average market price determined by the Personnel and Compensation Committee as the offer price set at grant date. For any share awards unsubscribed, grantees still have the option to subscribe from the start of the fifth year but not later than on the start of the seventh year from date of grant.

The original terms of the ESOWN grant provided that, to subscribe, the grantee must be an employee of the Parent Company or any of its subsidiaries during the 10-year payment period. For any shares awards unsubscribed, grantees still have the option to subscribe from the start of the fifth year but not later than on the start of the seventh year from the date of grant. In case the grantee resigns, the unsubscribed shares are cancelled, while the subscribed shares may be paid up to the percent of holding period completed, with any payments already convertible into the equivalent number of shares. In case the grantee is separated, not for cause, but through retrenchment and redundancy, subscribed shares may be paid in full, unsubscribed shares may be subscribed, and payments may be converted into the equivalent number of shares. In case the grantee retires, the grantee may continue to subscribe to the unsubscribed shares anytime within the 10-year period. The plan does not allow sale or assignment of the shares. All shares acquired through the plan are subject to the Parent Company's Right to Repurchase.

In 2015, the Parent Company introduced a revised ESOWN plan wherein grantees are given one (1) month from the time an allocation is awarded to subscribe in full, with any unsubscribed awards forfeited.

In April 2022, the BOD approved the 2022 stock option program pursuant to its Employee Stock Ownership Plan (the "Plan"). The program authorizes the grant to 71 executives, in accordance with the terms of the Plan, stock options covering up to a total of 483,145 common shares at a subscription price of ₱749.55 per share, which is the rounded off volume-weighted average prices of the Parent Company's common shares at the PSE over the last 5-day trading days from April 22 to 28, 2022.

The Plan involved two grantee subgroups with distinct subscription payment structures: (A) following previous due dates from previous grants, i.e., 40% of subscription amount payable within three years from grant date, balance payable within 10 years, (B) 10% down payment, 90% payable in equal installments over a 10-year horizon (including the grant date).

In April 2023, the BOD approved the 2023 stock option program pursuant to its Employee Stock Ownership Plan (the "Plan"). The plan authorizes the grant to 81 executives in accordance with the terms of the Plan, stock options covering up to a total of 632,500 common shares at a subscription price of ₱635.74 per share, which is the rounded off volume-weighted average prices of the Parent Company's common shares at the PSE over the last 5-days from April 20 to 27, 2023.

In April 2024, the BOD, during its organization board meeting approved the 2024 stock option program pursuant to the Employee Stock Ownership Plan (the Plan), authorizing the grant to 111 executives, in accordance with the terms of the Plan, stock options covering up to a total of 763,000 common shares at a subscription price of ₱588.29 per share, which is the rounded off volume weighted average prices of our common shares at the PSE over the last 5-day trading days from April 19 to April 25, 2024. Subscribed shares remain in trust for the account of ESOWN Administrator until fully paid.

ESOWN grants totaling 440,200 and 719,200 were subscribed in 2025 and 2024, respectively. Movements in the number of options outstanding under ESOWN as of December 31, 2025 and 2024 follow:

	2025		2024	
	Number of ESOWN grants	**Weighted average exercise price**	Number of ESOWN grants	Weighted average exercise price
At January 1			–	₱–
Granted	**511,000**	**558.61**	763,000	588.29
Subscribed	**(440,200)**	**(558.61)**	(719,200)	(588.29)
Expired	**(70,800)**	**558.61**	(43,800)	588.29
At December 31	**₱–**	**₱–**	₱–	₱–

The ESOWN grants are effectively treated as options on shares exercisable within a given period, considering both the subscription period allowed to grantees and the subscription payment pattern. As such, the fair values of these options are estimated on the date of grant using the Black-Scholes Merton Formula, taking into account the terms and conditions upon which the options were granted. This model requires six inputs to produce the stock option value, which are namely: share price, exercise price, time to maturity, volatility rate, dividend yield, and risk-free rate.

The fair value of stock options granted under ESOWN at grant date and the assumptions used to determine the fair value of the stock options follow:

	April 25, 2025	April 26, 2024	April 28, 2023	April 23, 2022	April 23, 2022	April 17, 2021
Number of unsubscribed shares			–	–	–	–
Fair value of each option	155.20	187.16	₱194.28	₱205.64	₱132.88	₱162.32
Share price	₱562	₱595	₱639	₱737.50	₱737.50	₱754.50
Exercise price	558.61	588.29	₱635.74	₱749.55	₱749.55	₱749.47
Expected volatility	16.39%	19.95%	29.28%	28.61%	28.61%	32.69%
Dividend yield	1.490%	1.1630%	4.3460%	0.94%	0.94%	0.90%
Interest rate	5.16%	5.89%	5.67%	0.95%	0.95%	1.13%

In 2025 and 2024, the Parent Company recognized ₱64.2 million and ₱128.4 million, respectively, as share-based payments expense.

Subscriptions receivable from the stock option plans covering the Parent Company's shares are presented under equity.

23. Fair Value Measurement

Fair value hierarchy
The Parent Company uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As of December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The following table shows the fair value hierarchy of the Parent Company's assets and liabilities follows (amounts in thousands):

	2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets for which fair value was disclosed				
Financial assets at FVOCI	**₱18,019**	**₱ 1,001,875**	**₱–**	**₱1,019,894**
Notes receivable	**–**	**–**	**711,148**	**711,148**
Derivative assets	**–**	**485,772**		**485,772**
Investments in subsidiaries, associates and joint ventures*	**515,006,807**	**–**	**–**	**515,006,807**
Investment properties				
Land	**–**	**17,316,997**	**–**	**17,316,997**
Buildings and improvements	**–**	**–**	**9,603,530**	**9,603,530**
	₱515,024,826	**₱18,804,644**	**₱10,314,678**	**₱544,144,148**
Liabilities for which fair value was disclosed				
Derivative liabilities	**₱–**	**₱520,584**	**₱–**	**₱520,584**
Long-term debt	**–**	**96,611,187**	**–**	**96,611,187**
	₱–	**₱97,131,771**	**₱–**	**₱97,131,771**

**Fair value of investments in listed subsidiaries, associates and joint ventures for which there are published price quotations, including the BPI shares held by Liontide Holdings, Inc.*

	2024			
	Level 1	Level 2	Level 3	Total
Assets for which fair value was disclosed				
Financial assets at FVOCI	₱15,636	₱1,074,875	₱–	₱1,090,511
Derivative assets	–	193,074	–	193,074
Notes receivable	–	–	403,106	403,106
Investments in subsidiaries, associates and joint ventures*	599,624,215	–	–	599,624,215
Investment properties				
Land	–	17,316,997	–	17,316,997
Buildings and improvements	–	–	9,603,530	9,603,530
	₱599,639,851	₱18,584,946	₱10,006,636	₱628,231,433
Liabilities for which fair value was disclosed				
Derivative liabilities	₱–	₱15,591	₱–	₱15,591
Long-term debt	–	79,210,918	–	79,210,918
	₱–	₱79,226,509	₱–	₱79,226,509

**Fair value of investments in listed subsidiaries, associates and joint ventures for which there are published price quotations, including the BPI shares held by Liontide Holdings, Inc.*

The table below summarizes the valuation techniques and the inputs used in the valuation for assets and liabilities categorized under Level 2 and Level 3 in 2025 and 2024.

	2025		
	Valuation Technique	**Significant Unobservable Input**	**Range (weighted average)**
Assets for which fair value was disclosed:			
Financial assets at FVOCI	**Mark to market Approach**	**Published price quotations**	**₱0.009 to ₱120,000,000 per share**
Notes receivable	**DCF method**	**Discount rate**	**6.09% to 6.18%**
Investment Properties			
Land	**Market data Approach**	**Price per square meter**	**₱55 to ₱298,000 per square meter**
Buildings and Improvements	**DCF method**	**Discount rate**	**9.54% to 10.39%**
Liabilities for which fair value was disclosed:			
Derivative liabilities	**Standard Forward Valuation Formula**	**Forward rate (PHP:USD)**	**₱57.85 to ₱58.98**
Long-term debt	**DCF method**	**Discount rate**	**0.44% to 6.91%**

	2024		
	Valuation Technique	Significant Unobservable Input	Range (weighted average)
Assets for which fair value was disclosed:			
Financial assets at FVOCI	Mark to market Approach	Published price quotations	₱0.007 to ₱120,000,000 per share
Notes receivable	DCF method	Discount rate	5.95% to 6.03%
Investment Properties			
Land	Market data Approach	Price per square meter	₱55 to ₱298,000 per square meter
Buildings and Improvements	DCF method	Discount rate	9.54% to 10.39%
Liabilities for which fair value was disclosed:			
Derivative liability	Standard Forward Valuation Formula	Forward rate (PHP:USD)	₱57.85 to ₱58.98
Long-term debt	DCF method	Discount rate	1.32% to 6.95%

There was no change in the valuation techniques used by the Parent Company in determining the fair market value of the assets and liabilities. There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Fair Value of Financial Instruments
As of December 31, the table below presents a comparison by category of carrying amounts and estimated fair values of the Parent Company's financial instruments (amounts in thousands):

	2025		2024	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
At Amortized Cost				
Notes receivable	**₱711,148**	**₱669,452**	₱409,313	₱403,106
Financial Assets at Fair Value through OCI				
Quoted equity investments	**1,019,894**	**1,019,894**	1,090,511	1,090,511
Derivative assets	**485,772**	**485,772**	193,074	193,074
Total financial assets	**₱2,216,814**	**₱2,175,118**	₱1,692,898	₱1,686,691
Derivative liability	**520,584**	**520,584**	15,951	15,951
Other Financial Liabilities				
Long-term debt	**75,757,680**	**96,611,187**	89,440,323	79,210,918
Total financial liabilities	**₱76,278,264**	**₱97,131,771**	₱89,456,274	79,226,869

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

a. Notes receivable - The fair values are based on the discounted value of future cash flows using the applicable rates for similar instruments. The discount rates used ranged from 5.04% to 6.41% and 5.95% to 6.03% in 2025 and 2024, respectively.

b. Financial assets through OCI - The fair values are based on quoted prices.

c. Derivative assets / liabilities - The fair values are based on the positive change in the outstanding FX swap transactions designated as cash flow hedges to hedge foreign currency (USD) denominated loans.

d. Long-term debt - The fair values are estimated using the discounted cash flow methodology using the current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used ranged from 0.44% to 6.91% in 2025 and 1.32% to 6.95% in 2024. For variable rate loans that reprice every three months, the carrying value approximates the fair value because of recent and regular repricing based on current market rates.

The carrying amounts of cash and cash equivalents, dividends receivable, receivable from related parties, rent receivable, receivable from other companies, interest receivable and other receivables, accounts payables and accrued expenses, dividends payables, and short-term debts approximate the fair values of these financial instruments due to the short-term nature of these accounts.

24. Leases

Operating Leases - Parent Company as Lessor

The Parent Company is a party under various operating leases which have lease terms between five to twenty-five years with an annual escalation rate of 1.0% to 5.0%. Future minimum rentals receivable under non-cancellable operating leases of the Parent Company follow:

	2025	2024
	(In Thousands)	
Within one year	**₱12,469**	₱9,630
More than one (1) year but less than five (5) years	**46,197**	16,072
More than five (5) years	**47,574**	50,272
	₱106,240	₱75,974

Total contingent rent income amounted to ₱143.4 million and ₱138.4 million in 2025 and 2024, respectively.

The movements in the right-of-use assets follow:

	2025		
	Office Unit	**Parking Slot**	**Total**
		(In Thousands)	
Cost			
At January 1	**₱2,089,114**	**₱233,051**	**₱2,322,165**
Additions	**37,515**	**3,529**	**41,044**
At December 31	**2,126,629**	**236,580**	**2,363,209**
Accumulated depreciation			
At January 1	**391,709**	**34,295**	**426,004**
Depreciation	**112,563**	**11,848**	**124,411**
At December 31	**504,272**	**46,143**	**550,415**
Net Book Value	**₱1,622,357**	**₱190,437**	**₱1,812,794**

	2024		
	Office Unit	Parking Slot	Total
		(In Thousands)	
Cost			
At January 1 (Audited)	₱2,089,114	₱212,339	₱2,301,453
Additions	–	20,712	20,712
At December 31	2,089,114	233,051	2,322,165
Accumulated depreciation			
At January	287,253	23,106	310,359
Depreciation	104,456	11,189	115,645
At December 31	391,709	34,295	426,004
Net Book Value	₱1,697,405	₱198,756	₱1,896,161

Rent expense for short-term lease recognized in parent company statements of income in 2025 and 2024 amounted to ₱79.8 million and ₱64.1 million, respectively.

The movements in the lease liabilities follow:

	2025	2024
		(In Thousands)
Beginning balance	**₱2,187,476**	₱2,205,458
Additions	**41,044**	19,985
Interest expense (Note 20)	**128,934**	128,097
Payments	**(184,007)**	(166,064)
Ending balance	**2,173,447**	2,187,476
Less current portion	**53,534**	45,711
Noncurrent portion	**₱2,119,913**	₱2,141,765

On April 5, 2021, the Parent Company entered into a lease agreement, where the Parent Company is the lessee to a number of office units and parking slots, with its subsidiary ALI. The term of the lease is 20 years, to be paid quarterly and is subject to an annual escalation rate of 3% every year and thereafter starting on the second year. The right-of-use asset and lease liability initially recognized under this lease is ₱2.2 billion.

25. Financial Instruments

Financial Risk Management

Like any other risks, financial risks are inherent in its business activities and are typical of any large holding company. The financial risk management of the Parent Company seeks to effectively contribute to better decision making, enhance performance, and satisfy compliance demands.

The Parent Company defines financial risks as risk that relates to the Parent Company's ability to meet financial obligations and mitigate funding risk, credit risk and exposure to broad market risks, including volatility in foreign currency exchange rates and interest rates. Funding risk refers to the potential inability to meet contractual or contingent financial obligations as they arise and could potentially impact the Parent Company's financial condition or overall financial position. Credit risk is the risk of financial loss arising from a counterparty's failure to meet its contractual obligations or non-payment of an investment. These exposures may result in unexpected losses and volatilities in the Parent Company's profit and loss accounts.

The Parent Company maintains a strong focus on its funding strategy to help provide access to sufficient funding to meet its business needs and financial obligations throughout business cycles. The Parent Company's plans are established within the context of its annual strategic and financial planning processes. The Parent Company also takes into account capital allocations and growth objectives, including dividend pay-out. As a holding company, the Parent Company generates cash primarily on dividend payments of its subsidiaries, associates and joint ventures and other sources of funding.

The Parent Company also established credit policies setting up limits for counterparties that are reviewed quarterly and monitoring of any changes in credit standing of counterparties.

The Parent Company formalized the foreign exchange and interest rate risk management policy. The Parent Company actively monitors foreign exchange exposure and interest rate changes. In addition, the Parent Company ensures that all loan covenants and regulatory requirements are complied with.

The Parent Company continues to monitor and manage its financial risk exposures in accordance with Board approved policies. The succeeding discussion focuses on the Parent Company's financial risk management.

Financial Risk Management Objectives and Policies

The Parent Company's principal financial instruments comprise cash and cash equivalents, financial assets at fair value through OCI, bank loans, corporate notes and bonds. The financial debt instruments were issued primarily to raise financing for the Parent Company's operations. The Parent Company has various financial assets such as cash and cash equivalents, accounts and notes receivables and accounts payable and accrued expenses which arise directly from its operations.

The Parent Company's main risks arising from the use of financial instruments are interest rate risk, foreign exchange risk, price risk, liquidity risk, and credit risk.

The Parent Company also uses hedging instruments, the purpose of which is to manage the currency arising from its financial instruments.

The Parent Company's risk management policies relevant to financial risks are summarized below:

Interest Rate Risk

The Parent Company's exposure to market risk for changes in interest rates relates primarily to the Parent Company's long-term debt obligations with floating interest rates. The policy is to keep a certain level of the total obligations as fixed to minimize earnings volatility due to fluctuation in interest rates.

The following table demonstrates the sensitivity of the Parent Company's profit before tax and equity to a reasonably possible change in interest rates as of December 31, 2025 and 2024, with all variables held constant.

	Change in basis points (bps)	**Effect on income before income tax Increase (Decrease)**
		(In Thousands)
2025	+100 bps	**(₱234,638)**
	-100 bps	**234,638**
2024	+100 bps	(₱234,588)
	-100 bps	234,588

There is no other impact on the Parent Company's equity other than those already affecting Parent Company's net income.

The terms and maturity profile of the interest-bearing financial assets and liabilities, together with the corresponding nominal amounts, are shown in the following tables (amounts in thousands):

			2025				
				Nominal Amounts			
	Interest Terms (p.a.)	Rate Fixing Period	Carrying Amount	< 1 year	1 to 5 years	> 5 years	Total
Cash and cash equivalents*	Fixed at the date of investment	Various	₱12,309,779	₱12,309,779	–	–	₱12,309,779
Notes receivable	Fixed at the date of investment	Various	711,148	711,148	–	–	711,148
			₱13,020,927	₱13,020,927	–	–	₱13,020,927
Short-term debt							
Fixed							
Peso	Fixed at 5.2%	Various	₱9,700,000	₱9,700,000	–	–	₱9,700,000
Long-term debt					–	–	
USD	Fixed at 3.0%	2 years	5,857,663	5,879,000			5,879,000
Fixed							
Peso	Fixed at 7.00%	8 years	5,000	5,000	–	–	5,000
Peso	Fixed at 5.67%	5 years	5,563,756	–	5,871,538	–	5,871,538
Peso	Fixed at 6.20%	10 years	7,835,945	500,000	7,375,000	–	7,875,000
Peso	Fixed at 6.44%	10 years	3,728,743	200,000	3,550,000	–	3,750,000
Peso	Fixed at 6.70%	8 years	3,674,201	615,384	2,461,538	615,385	3,692,307
Peso	Fixed at 5.44%	6 years	2,485,346	384,615	1,923,078	192,307	2,500,000
Peso	Fixed at 7.00%	8 years	994,077		1,000,000		1,000,000
Peso	Fixed at 5.49%	5 years	3,436,136	441,439	2,648,635		3,090,074
Peso and USD	Fixed at 5.32%	7 years	2,921,899		2,015,314	863,706	2,879,020
Peso	Fixed at 3.7874%	5 years	5,986,407	6,000,000	–	–	6,000,000
Peso	Fixed at 5.6239%	5 years	7,465,481	–	7,500,000	–	7,500,000
Peso	Fixed at 6.1351%	7 years	2,481,942	–	2,500,000	–	2,500,000
Floating							
Peso	Variable at PHP BVAL rate plus margin or RRP	3 months	10,918,502	–	11,000,000	–	11,000,000
Peso	Variable at PHP BVAL rate plus margin or RRP plus margin	3 months	3,970,186	–	4,000,000	–	4,000,000
Peso	Variable at PHP BVAL rate plus margin or 28-day BSP TDF rate plus margin	3 months	2,396,600	2,400,000	–	–	2,400,000
Peso	Variable at 14-day TDF or BSP ODF and BSP Overnight RRP rate plus margin	3 months	1,160,001	95,000	1,068,750	–	1,163,750
Peso	Variable at PHP BVAL rate plus margin or RRP plus margin	3 months	3,183,127	400,000	2,800,000	–	3,200,000
Peso	Variable at PHP BVAL rate plus margin subject to a floor rate	3 months	1,692,668	200,000	1,500,000		1,700,000
			₱85,457,680	₱26,820,438	₱57,213,853	₱1,671,398	₱85,705,689

Excludes cash on hand

			2024				
				Nominal Amounts			
	Interest Terms (p.a.)	Rate Fixing Period	Carrying Amount	< 1 year	1 to 5 years	> 5 years	Total
Cash and cash equivalents*	Fixed at the date of investment	Various	₱10,146,253	₱10,146,253	₱–	₱–	₱10,146,253
Notes receivable	Fixed at the date of investment	Various	409,313	409,313	–	–	409,313
			₱10,555,566	₱10,555,566	₱–	₱–	₱10,555,566
Short-term debt							
Fixed							
Peso	Ranging from 5.3%to 5.8%	Various	₱28,500,000	₱28,500,000	–	–	₱28,500,000
Long-term debt							
USD	Fixed at 3.0%	2 years	5,747,728	–	5,784,500	–	5,784,500
Fixed							
Peso	Fixed at 7.00%	8 years	9,222,035	880,000	8,360,000	–	9,240,000
Peso	Fixed at 7.13%	10 years	8,329,435	500,000	2,000,000	5,875,000	8,375,000
Peso	Fixed at 6.44%	10 years	3,924,428	200,000	800,000	2,950,000	3,950,000
Peso	Fixed at 6.69%	8 years	3,976,427	308,000	2,462,000	1,230,000	4,000,000
Peso	Fixed at 7.00%	8 years	993,347	–	–	1,000,000	1,000,000
Peso	Fixed at 5.49%	5 years	2,996,283	–	–	3,090,075	3,090,075
Peso	Fixed at 4.82%	8 years	9,989,860	10,000,000	–	–	10,000,000
Peso	Fixed at 4.4542%	3 years	4,988,606	5,000,000	–	–	5,000,000
Peso	Fixed at 3.7874%	5 years	5,972,815	–	6,000,000	–	6,000,000
Peso	Fixed at 5.6239%	5 years	7,450,002	–	7,500,000	–	7,500,000
Peso	Fixed at 6.1351%	7 years	2,478,241	–	2,500,000	–	2,500,000
Floating							
Peso	Variable at PHP BVAL rate plus margin or 28-day BSP TDF rate plus margin	3 months	9,680,205	7,300,000	2,400,000	–	9,700,000
Peso	Variable at 14-day TDF or BSP ODF and BSP Overnight RRP rate plus margin	3 months	1,253,752	95,000	1,163,750	–	1,258,750
Peso	Variable at PHP BVAL rate plus margin or RRP plus margin	3 months	7,562,497	400,000	7,200,000	–	7,600,000
Peso	Variable at PHP BVAL rate plus margin subject to a floor rate	3 months	4,874,662	200,000	4,700,000	–	4,900,000
			₱117,940,323	₱53,383,000	₱50,870,250	₱14,145,075	₱118,398,325

**Excludes cash on hand*

Foreign Exchange Risk
The Parent Company's foreign exchange risk results primarily from movements of the Philippine Peso (Php) against the United States Dollar (US$), Euro (EUR€) and Japanese Yen (JPY¥).

The table below summarizes the Parent Company's exposure to foreign exchange risk as of December 31, 2025 and 2024.

	2025		2024	
	US$	**Php Equivalent***	US$	Php Equivalent*
		(In Thousands)		
Foreign currency denominated assets				
Cash and cash equivalents	**US$35,729**	**₱2,113,441**	US$18,214	₱1,055,292
Accounts and notes receivables	**446**	**25,626**	–	–
Total assets	**36,175**	**2,139,067**	18,214	1,055,292
Foreign currency denominated liabilities				
Accounts payable & accrued expenses	**1,538**	**88,718**	773	44,691
Long-term debt	**150,000**	**8,818,500**	100,000	5,784,500
Total liabilities	**151,538**	**8,907,218**	100,773	5,829,191
	US$115,363	**₱6,768,151**	US$82,559	₱4,773,899

**Translated using the exchange rate at the reporting date (US$1equivalent to ₱58.85 and ₱57.85 in 2025 and 2024, respectively).*

	2025		2024	
	EUR€	**Php Equivalent***	EUR€	Php Equivalent*
		(In Thousands)		
Foreign currency denominated assets				
Cash and cash equivalents	**EUR€–**	**₱–**	EUR€	₱–
Foreign currency denominated liabilities				
Accounts payable & accrued expenses	**45**	**3,089**	545	3,290
Long-term debt	**50,000**	**2,959,488**	50,000	3,019,250
Total liabilities	**50,045**	**2,962,577**	50,545	3,022,540
	EUR€50,045	**₱2,962,577**	US$50,545	₱3,022,540

**Translated using the exchange rate at the reporting date (EUR€1equivalent to ₱59.20 and ₱59.80 in 2025 and 2024, respectively).*

	2025		2024	
	JPY¥	**Php Equivalent***	JPY¥	Php Equivalent*
		(In Thousands)		
Foreign currency denominated assets				
Cash and cash equivalents	**JPY¥–**	**₱–**	JPY¥–	₱–
Foreign currency denominated liabilities				
Accounts payable & accrued expenses	**27,467**	**10,296**		
Long-term debt	**14,936,500**	**5,602,382**	–	–
Total liabilities	**14,962,967**	**5,612,678**		
	JPY¥14,962,967	**₱5,612,678**	JPY¥–	₱–

**Translated using the exchange rate at the reporting date (JPY¥1equivalent to ₱0.38 in 2025).*

The following table demonstrates the sensitivity to a reasonably possible change in the Php:US$ exchange rate, with all variables held constant, of the Parent Company's income before income tax (due to changes in the fair value of monetary assets).

	Increase (decrease) in Peso per US$ depreciation (appreciation)	Effect on income before income tax Increase (decrease)
	(In Thousands)	
2025	**₱1.00**	**(₱114,271)**
	(1.00)	**114,271**
2024	₱1.00	(₱82,529)
	(1.00)	82,529

There is no other impact on the Parent Company's equity other than those already affecting Parent Company's net income.

Equity Price risk
Quoted financial assets at fair value through OCI are acquired at certain prices in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers, or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, the country's economic performance, political stability, and domestic inflation rates, these prices change, reflecting how market participants view the developments. The Parent Company's investment policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each sector and market.

The analysis below is performed for a reasonable possible movement of the market index, of the Parent Company's equity with all other variables held constant.

	Market Index	Change in Variables	Effect on Equity Increase (decrease)
			(In Thousands)
2025	**PSEi**	**2%**	**(₱451)**
		-2%	**451**
2024	PSEi	2%	(₱369)
		-2%	369

There is no impact on the parent company statements of income.

Liquidity Risk
Liquidity risk is defined by the Parent Company as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Parent Company that make it difficult to raise the necessary funds or that forces the Parent Company to raise funds at significantly higher interest rates than usual.

This is also the possibility of experiencing losses due to the inability to sell or convert marketable securities into cash immediately or in instances where conversion to cash is possible but at loss due to wider than normal bid-offer spreads.

The Parent Company seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Parent Company maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Parent Company regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues, both on-shore and off-shore. Cash and cash equivalents is used for the Parent Company's liquidity requirements.

Please refer to the terms and maturity profile of these financial assets under the maturity profile of the interest-bearing financial assets and liabilities disclosed in the interest rate risk section.

The Parent Company has access to sufficient variety of sources of funding with existing lenders. The credit facilities are as follows *(in thousands)*:

Description of Facility	Date Contracted	**Amount undrawn as of December 31, 2025**	**Outstanding loan balance as of December 31, 2025**
Up to ₱12 billion Revolving fixed/ floating rate loan facility, with a maximum tenor of 5 years	17-Oct-25	**₱8,000,000**	**₱4,000,000**
US$180 million Bilateral Term Loan Facility *	5-May-25	**10,582,200**	**–**
US$200 million Bilateral Term Loan Facility *	14-Mar-25	**5,879,000**	**5,879,000**
US$250 million Bilateral Term Loan Facility *	23-Sep-25	**14,697,500**	**–**
US$200 million Bilateral Term Loan Facility **	12-May-23	**7,348,750**	**4,409,250**
US$100 million Blended Finance Term Loan Facility *	18-Dec-24	**2,939,500**	**2,939,500**
US$50 million Uncommitted Working Capital Line *		**2,939,500**	**–**
₱32.0 billion Uncommitted Working Capital Facility with various banks		**22,300,000**	**9,700,000**
Total		**₱74,686,450**	**₱26,927,750**

**Translated using the exchange rate at the reporting date (US$1equivalent to 58.79 in 2025).*
***Available thru AYC Finance Ltd.*

Description of Facility	Date Contracted	Amount undrawn as of December 31, 2024	Outstanding loan balance as of December 31, 2024
₱10 Billion 5 – Years revolving loan facility, Fixed and/or floating rate	1-Dec-16	₱–	₱9,700,000
₱1.9 Billion loan facility, fixed and/or floating rate, with a maximum tenor of 10 years	30-Jan-18	–	1,258,750
₱11 Billion loan facility, floating rate, with a maximum tenor of 8 years	16-Apr-18	–	9,240,000
₱10 Billion 10 – years loan facility, fixed rate	5-Oct-20	–	8,375,000
₱5 Billion loan facility, fixed and/or floating rate, with a maximum tenor of 7 years	8-Sep-21	–	4,900,000
₱8 Billion 6 – years fixed and/or floating rate	1-May-22	–	7,600,000
Up to ₱5 billion Revolving fixed/ floating rate loan facility, with a maximum tenor of 5 years	29-Dec-22	5,000,000	–
₱4 billion loan facility, fixed and/or floating rate, with a maximum tenor of 10 years	28-Dec-22	–	3,950,000
₱5 billion loan facility, fixed and/or floating rate, with a maximum tenor of 8 years	14-Dec-22	–	4,000,000
₱1 billion loan facility, fixed and/or floating rate, with a maximum tenor of 8 years	26-Oct-23	–	1,000,000
₱3.1 billion loan facility, fixed and/or floating rate, with a maximum tenor of 5 years	16-Dec-24	–	3,090,075
₱12 billion loan facility, fixed and/or floating rate, with a maximum tenor of 8 years	1-Oct-24	5,500,000	6,500,000
₱2.5 billion loan facility, fixed and/or floating rate, with a maximum tenor of 8 years	27-Dec-24	2,500,000	–
₱32.0 billion working capital facility with various banks		10,000,000	22,000,000
US$100 million Uncommitted Working Capital Line *		5,784,500	–
US$50 million Uncommitted Working Capital Line *		2,892,250	–

(Forward)

Description of Facility	Date Contracted	Amount undrawn as of December 31, 2024	Outstanding loan balance as of December 31, 2024
US$200 million Bilateral Term Loan Facility *	1-Feb-22	₱10,122,875	₱1,446,125
US$200 million Bilateral Term Loan Facility *	16-Mar-22	11,569,000	–
US$100 million Bilateral Term Loan Facility *	31-Mar-22	11,569,000	–
US$100 million Term Loan Facility *	14-Nov-21	–	5,784,500
US$100 million Blended Finance Term Loan Facility*	18-Dec-24	5,784,500	–
Total		₱70,722,125	₱88,844,450

**Translated using the exchange rate at the reporting date (US$1equivalent to 55.37 in 2024).*
***Available thru AYC Finance Ltd.*

The table below summarizes the maturity profile of the Parent Company's financial liabilities as of December 31, 2025 and 2024 based on contractual undiscounted payments (amounts in thousands).

	December 31, 2025			
	< 1 year	**1 to 5 years**	**> 5 years**	**Total**
Accounts payable and accrued expenses				
Accrued expenses	**₱2,077,403**	**₱–**	**₱–**	**₱2,077,403**
Accounts payable	**568,743**	**–**	**–**	**568,743**
Payables to related parties	**297,509**	**–**	**–**	**297,509**
Other payables*	**131,386**	**–**	**–**	**131,386**
Dividends payable	**3,082,288**	**–**	**–**	**3,082,288**
Other current liabilities				
Derivative liability	**520,584**	**–**	**–**	**520,584**
Others	**11,857**	**–**	**–**	**11,857**
Short -term debt	**9,700,000**	**–**	**–**	**9,700,000**
Long-term debt	**40,192,939**	**63,457,568**	**2,479,358**	**106,129,865**
Lease liability	**173,067**	**946,400**	**2,370,806**	**3,490,273**
	₱56,755,776	**₱64,403,968**	**₱4,850,164**	**₱126,009,908**
Interest payable	**₱12,629,374**	**₱15,983,456**	**₱6,398,235**	**₱35,011,065**

	December 31, 2024			
	< 1 year	1 to 5 years	> 5 years	Total
Accounts payable and accrued expenses				
Accrued expenses	₱2,068,894	₱–	₱–	₱2,068,894
Accounts payable	512,845	–	–	512,845
Payables to related parties	319,858	–	–	319,858
Other payables*	191,823	–	–	191,823
Dividends payable	2,681,493	–	–	2,681,493
Other current liabilities				
Derivative liability	15,951	–	–	15,951
Others	11,857	–	–	11,857
Short -term debt	28,500,000	–	–	28,500,000
Long-term debt	24,883,000	50,870,250	14,145,075	89,898,325
Lease liability	161,092	738,328	1,275,366	2,174,786
	₱59,346,813	₱51,608,578	₱15,420,441	₱126,375,832
Interest payable	₱10,980,128	₱21,665,777	₱90,562	₱32,736,467

Credit Risk

Credit risk is the risk that the Parent Company's counterparties to its financial assets will fail to discharge their contractual obligations. The Parent Company's holding of cash and receivables from customers and other third parties expose the Parent Company to credit risk of the counterparty. Credit risk management involves dealing with institutions for which credit limits have been established. The Parent Company's Treasury Policy sets credit limits for each counterparty. The Parent Company trades only with recognized, creditworthy third parties and has a well-defined credit policy and established credit procedures.

Impairment of financial assets
The gross carrying amount of financial assets with no expected credit losses also represents the Parent Company's maximum exposure to credit risk, as follows:

	2025	2024
		(In Thousands)
Financial assets		
Cash in bank and cash equivalents	**₱12,305,454**	₱10,148,802
Dividends receivable	**1,227,657**	761,517
Notes receivable	**711,148**	409,313
Receivable from related parties	**410,021**	504,788
Receivable from other companies	**32,716**	32,509
Rent receivable	**32,857**	30,914
Interest receivable	**76,828**	14,789
Other receivables	**12,984**	16,470
	₱14,809,665	₱11,919,102

The identified impairment losses were immaterial.

For financial guarantees granted, the maximum exposure to credit risk is the maximum amount that the Parent Company would have to pay if the guarantees are called upon.

The credit quality of the Parent Company's financial assets follows (amounts in thousands):

	2025						
	Neither past due nor impaired				**Past due**		
	High Grade	**Medium Grade**	**Low Grade**	**Total**	**but not impaired**	**Impaired**	**Total**
Financial assets carried at amortized cost							
Cash and cash equivalents*	**₱12,305,454**	**–**	**–**	**₱12,305,454**	**–**	**–**	**₱12,305,454**
Accounts and notes receivable							
Dividend receivable	**1,227,657**	**–**	**–**	**1,227,657**	**–**	**–**	**1,227,657**
Notes receivable	**711,148**	**–**	**–**	**711,148**	**–**	**–**	**711,148**
Receivable from related parties	**410,021**	**–**	**–**	**410,021**	**–**	**–**	**410,021**
Rent receivable	**32,857**	**–**	**–**	**32,857**	**–**	**–**	**32,857**
Receivable from other companies		**–**	**–**		**32,716**	**–**	**32,716**
Interest receivable	**76,828**	**–**	**–**	**76,828**	**–**	**–**	**76,828**
Other receivables	**–**	**–**	**–**	**–**	**12,984**	**–**	**12,984**
Financial assets through OCI							
Quoted	**1,019,894**	**–**	**–**	**1,019,894**	**–**	**–**	**1,019,894**
	₱15,783,859	**₱–**	**₱–**	**₱15,783,859**	**₱45,700**	**₱–**	**₱15,829,559**

**Excludes cash on hand*

	2024						
	Neither past due nor impaired				Past due		
	High Grade	Medium Grade	Low Grade	Total	but not impaired	Impaired	Total
Financial assets carried at amortized cost							
Cash and cash equivalents*	₱10,146,253	–	–	₱10,146,253	–	–	₱10,146,253
Accounts and notes receivable							
Dividend receivable	761,517	–	–	761,517	–	–	761,517
Notes receivable	409,313	–	–	409,313	–	–	409,313
Receivable from related parties	504,789	–	–	504,789	–	–	504,789
Rent receivable	30,914	–	–	30,914	–	–	30,914
Receivable from other companies	–	–	–	–	32,509	–	32,509
Interest receivable	14,789	–	–	14,789	–	–	14,789
Other receivables	–	–	–	–	16,470	–	16,470
Financial assets through OCI							
Quoted	1,090,511	–	–	1,090,511	–	–	1,090,511
	₱12,958,086	₱–	₱–	₱12,958,086	₱48,979	₱–	₱13,007,065

**Excludes cash on hand*

The credit quality of the financial assets was determined as follows:

High grade pertains to cash and cash equivalents, quoted financial assets, related party transactions and receivables with high probability of collection.

Medium grade pertains to unquoted financial assets other than cash and cash equivalents with nonrelated counterparties and receivables from counterparties with average capacity to meet their obligation.

Low grade pertains to financial assets with the probability to be impaired based on the Parent Company's past experience.

Derivatives Designated as Cash Flow

Hedges
The Parent Company has existing US dollar denominated long-term debts that were borrowed on a fixed interest rate. The Parent Company is therefore exposed to foreign currency risks due to potential movements in foreign exchange rates. To hedge these exposures, the Parent Company entered into derivative financial hedging instruments such as foreign exchange swaps and cross-currency swaps.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign currency forward contracts match the terms of the respective exposures that they hedge, except as described below in the sources of ineffectiveness. The Parent Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign currency risks are identical to the hedged risk components. To test the hedge effectiveness, the Parent Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- The incorporation of the Foreign Currency Swap counterparty's credit risk or credit valuation adjustment (CVA) and own credit risk or debit valuation adjustment (DVA) in measuring the fair value of the FX Swap as required by PFRS 13, *Fair Value Measurement*, is also a source of ineffectiveness. Hedge ineffectiveness arises because the change in credit risk affecting the fair value of the hedging instrument would not be replicated in the hedged item.
- The prepayment option on the loan is impacted by a counterparty's credit risk, which will change the likelihood that prepayment be exercised or not. If the prepayment option is exercised, this will result to a reduced loan amount creating potential shortage and cause ineffectiveness in the hedging relationship. While it is unlikely that the prepayment option will be exercised based on the Parent Company's cash flow, the Parent Company may opt to revisit and revise its hedge ratio, provided that such revision is still aligned to the Parent Company's risk management objectives, to continue the hedging relationship.

The Parent Company is holding the following foreign exchange swaps designated as cash flow hedges as of December 31, 2025 and 2024 (amounts in thousands):

	2025				
	Maturity				
	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	Total
Foreign exchange swaps					
Notional amount (in USD)	US$–	US$20,000	US$80,000	US$42,000	US$142,000
Notional amount (in PHP)	₱–	₱1,175,800	₱4,703,200	₱2,469,180	₱8,348,180
Notional amount (in EUR)	€–	€–	€–	€50,000	€50,000
Notional amount (in PHP)	₱–	₱–	₱–	₱3,452,737	₱3,452,737
Notional amount (in JPY)	¥–	¥–	¥–	¥14,936,500	¥14,936,500

Notional amount (in PHP)	**₱–**	**₱–**	**₱–**	**₱5,602,382**	**₱5,602,382**

	2024				
	Maturity				
	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	Total
Foreign exchange swaps					
Notional amount (in USD)	US$70,000	US$30,000	US$–	US$–	US$100,000
Notional amount (in PHP)	₱–	₱–	₱–	₱5,784,500	₱5,784,500
Notional amount (in EUR)	€–	€–	€–	€50,000	€50,000
Notional amount (in PHP)	₱–	₱–	₱–	₱3,019,250	₱3,019,250

The impact of the hedging instruments on the parent company statement of financial position as of December 31, 2025 and 2024 is as follows (amounts in thousands):

2025	**Notional amount**	**Carrying amount**	**Financial Statements Line item**	**Change in fair value used for measuring ineffectiveness**
Foreign exchange swaps	**US$150,000**	**₱5,515**	Other current assets	₱–
	EUR50,000	**378,539**	Other current assets	₱–
	JPY14,936,500	**(418,866)**	Other current liabilities	₱–
		₱34,812		

2024	Notional amount	Carrying amount	Financial Statements Line item	Change in fair value used for measuring ineffectiveness
Foreign exchange swaps	US$100,000	₱119,038	Other current assets	₱–
	EUR50,000	58,085	Other current assets	₱–
		₱177,123		

The impact of the hedged items on the parent company statement of financial position as of December 31, 2025 and 2024 is as follows (amounts in thousands):

	2025		2024	
	Change in fair value used for measuring ineffectiveness	**Cash flow hedge reserve**	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve
US dollar-denominated Short-term debt				
Foreign currency risk	**₱–**	**(61,829)**	₱–	₱112,809
European dollar-denominated long-term debt				
Foreign currency risk	**₱–**	**15,877**	₱–	₱128,909
Japanese yen-denominated long-term debt				
Foreign currency risk	**₱–**	**(233,003)**	₱–	₱–
		(₱278,955)		₱241,718

The effect of the cash flow hedge in the parent company statements of income and parent company statements of comprehensive income for the year ended December 31, 2025 and 2024 are as follows (amounts in thousands):

	2025					
	Gain(loss) recognized in parent company statement of comprehensive income	**Financial Statements Line item**	**Ineffectiveness recognized in parent company statement of income**	**Financial Statements Line item**	**Amount reclassified from OCI to profit or loss**	**Financial Statements Line item**
US dollar-denominated Short-term debt						
Foreign currency risk	**(520,673)**	**Cash flow hedge**	**–**	**Interest expense**	**₱241,718**	**Revenue**

	2024					
	Gain(loss) recognized in parent company statement of comprehensive income	Financial Statements Line item	Ineffectiveness recognized in parent company statement of income	Financial Statements Line item	Amount reclassified from OCI to profit or loss	Financial Statements Line item
US dollar-denominated Short-term debt						
Foreign currency risk	₱155,872	Cash flow hedge	–	Interest expense	₱85,846	Revenue

Impact of hedging in equity

	Cash flow hedge reserve
As at 1 January 2024	**₱85,846**
Effective portion of changes in fair value arising from foreign exchange swaps	**241,718**
Amounts reclassified to profit or loss	**(85,846)**
As at 1 January 2025	**₱241,718**
Effective portion of changes in fair value arising from foreign exchange swaps	**(278,955)**
Amounts reclassified to profit or loss	**(241,718)**
As at 31 December 2025	**(₱278,955)**

26. AYCFL's Loans and Borrowings

The Parent Company acted as guarantor to AYCFL's loans and borrowings as follows:

Description of loans and Borrowings	**Date Contracted**	**2025**	2024
		Outstanding balance	
		(Amounts in thousands)	
US$400.0 million Perpetual Undated Notes	September 23, 2021	**US$400,000**	US$400,000
US$400.0 million Perpetual Undated Notes	October 30, 2019	**365,000**	365,000
US$400.0 million Perpetual Undated Notes	September 13, 2017	**259,880**	259,880
US$100.0 million Social Bond	January 14, 2022	**100,000**	100,000
		US$1,124,880	US$1,124,880

2017 AYCFL US$400.0 Million Senior Unsecured and Guaranteed Fixed For Life Perpetual Notes (the Notes)

On September 7, 2017, the Parent Company announced that AYCFL had successfully set the terms of a US dollar-denominated fixed-for-life senior perpetual issuance at an aggregate principal amount of US$400 million (₱20,171.9 million) with an annual coupon of 5.125% for life with no reset and step-up. The issuer, AYCFL, may redeem the Notes in whole but not in part on September 13, 2022 (first redemption date) or any interest payment date falling after the first redemption date at 100% of the principal amount of the Notes plus any accrued but unpaid interest. The Parent Company unconditionally guarantees the due and punctual payment of this note if, for any reason AYCFL does not make timely payment of the amount due.

In September 2021, the aggregate principal amount of US$100 million of this 5.125% Undated Notes was tendered and the aggregate amount of US$300 million remained outstanding after payment.

On May 10, 2022, AYCFL made a tender offer settlement amounting to US$40.12 million in aggregate principal amount of its 5.125% Undated Notes. Pursuant to the settlement of the Tender Offer, US$40.12 million in aggregate principal amount of the Notes was repurchased and cancelled pursuant to the terms and conditions of the Notes. Following the cancellation, the aggregate principal amount of the Notes that will remain outstanding will be US$259.88 million. As of December 31, 2025 and 2024, the outstanding balance of the bond amounted to US$259.88 million.

2019 AYCFL US$400.0 Million Senior Unsecured and Guaranteed Fixed For Life Perpetual Notes (the Notes)
On October 23, 2019, the Parent Company announced that AYCFL had successfully priced a similar US dollar denominated fixed-for-life senior perpetual issuance at an aggregate principal amount of US$400 million (20,118.9 million) with an annual coupon of 4.85% for life with no reset and step-up**.** The issuer, AYCFL, may redeem the Notes in whole but not in part on October 30, 2024 (first redemption date) or any interest payment date falling after the first redemption date at 100% of the principal amount of the Notes plus any accrued but unpaid interest. The Parent Company unconditionally guarantees the due and punctual payment of this note if, for any reason AYCFL does not make timely payment of the amount due.

In September 2021, the aggregate principal amount of US$35 million of this 4.85% Undated Notes was tendered. As of December 31, 2025 and 2024, the outstanding balance of the bond amounted to US$365 million.

2021 AYCFL US$400 Million Senior Fixed-for-Life Perpetual Notes (the Notes)
On September 16, 2021, the Parent Company announced that it had successfully set the terms for a US dollar-denominated fixed-for-life senior perpetual issuance. The Notes have an aggregate principal amount of US$400 million with a fixed coupon of 3.90% for life, with no step-up and no reset, payable semi-annually. The issuer, AYCFL, may redeem the Notes in whole but not in part on September 23, 2026 (first redemption date) or any interest payment date falling after the first redemption date at 100% of the principal amount of the Notes plus any accrued but unpaid interest. The transaction was settled on September 23, 2021, and the Notes are unconditionally and irrevocably guaranteed by the Parent Company. As of December 31, 2025 and 2024, the outstanding balance of the bond amounted to US$400 million.

AYCFL Social Bond
On November 11, 2021, AYCFL signed a 10-year Social Bond through private placement by the International Finance Corporation (“IFC”) amounting to US$100 million (the “Social Bond”), to fund the sustainable and resilient growth and capacity building of the Group’s healthcare arm, AC Health. The Social Bond is unconditionally and irrevocably guaranteed by the Parent Company.

On January 14, 2022, AYCFL drew the full amount at a rate of 2.99% for 10 years. Sustainalytics was engaged to provide a second party opinion on the Ayala Health Social Bond Framework which aligns with the Social Bond Principles and Social Loans Principles published by the International Capital Market Association.

The loan agreements on long-term debt of the Parent Company and certain subsidiaries provide for certain restrictions and requirements with respect to, among others, payment of dividends, incurrence of additional liabilities, investment and guaranties, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the Group as of December 31, 2025 and 2024. The Parent Company aims to maintain for consolidated net debt-to-equity ratio not to exceed 3:1 in compliance with loan covenants of AYCFL.

As of December 31, 2025 and 2024, the outstanding balance of the bond amounted to US$100 million.

US$100.0 million AYCFL loan to AIHL
On September 28, 2022, AYCFL entered into a tripartite payment direction agreement in which AYCFL loaned to AIHL (subsidiary of BHL) then AIHL loaned to Parent Company amounting to US$100 million. The loan proceeds were direct remittance to the Parent Company per agreement (see Note 14).
The intercompany loan secured by the Parent Company has a tenor of two (2) years with a fixed annual interest rate that is repriced on the anniversary of the loan. In 2024, the intercompany loan was renewed for two (2) years maturing in September 2026.

US$200.0 million Revolving Credit Facility (the Facility)
In May 2023, AYCFL entered into a US$200.0 million Revolving Credit Facility with interest rates at certain basis points over SOFR. The Facility has an original availability period of up to one month prior the termination date of 3 years.

The outstanding balance for this facility is US$75.0 million as of December 31, 2025

Parent Company Guarantee
The Parent Company unconditionally guarantees the due and punctual payment of these loan drawdowns if, for any reason AYCFL does not make timely payment of the amount due. The Parent Company's obligation as guarantor will remain in full force until no sum remains to be lent by the lenders, and the lenders recover the outstanding loan drawdowns.

The loan agreements on long-term debt of the Parent Company and AYCFL provide for certain restrictions and requirements with respect to, among others, payment of dividends, incurrence of additional liabilities, investment and guaranties, mergers or consolidations or other material changes in their ownership, corporate set-up or management, acquisition of treasury stock, disposition and mortgage of assets and maintenance of financial ratios at certain levels. These restrictions and requirements were complied with by the Parent Company as of December 31, 2025 and 2024. The Parent Company aims to maintain for its debt-to-equity ratio not to exceed 3:1 in compliance with loan covenants of AYCFL.

27. Contingencies

The Parent Company is contingently liable for lawsuits or claims filed by third parties which are either pending decision by the courts or are under negotiation, the outcomes of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the parent company financial statements. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims and assessments.

28. Notes to Parent Company Statements of Cash Flows

Changes in liabilities arising from financing activities follow:

	January 1, 2025	Cash Flows	Non-cash Changes	Others	December 31, 2025
			(In Thousands)		
Long-term debt (Note 14)	₱64,592,160	₱26,292,235	₱ 630,867	(₱33,126,172)	₱58,389,090
Current portion of long-term debt (Note 14)	24,848,163	(40,605,745)	–	33,126,172	17,368,590
Short-term debt (Note 14)	28,500,000	(18,800,000)	–	–	9,700,000
Lease liability (Note 24)	2,187,476	(184,007)	41,044	128,934	2,173,447
Dividends payable (Notes 15 and 20)	2,814,723	(7,708,592)	(23,068)	8,109,387	3,192,450
Total liabilities from financing activities	₱122,942,522	(₱41,006,109)	₱648,843	₱8,238,321	₱90,823,577

	January 1, 2024	Cash Flows	Non-cash Changes	Others	December 31, 2024
			(In Thousands)		
Long-term debt (Note 14)	₱80,576,777	₱3,090,074	₱497,587	(₱19,572,278)	₱64,592,160
Current portion of long-term debt (Note 14)	11,630,161	(6,354,276)	–	19,572,278	24,848,163
Short-term debt (Note 14)	9,000,000	19,500,000	–	–	28,500,000
Lease liability (Note 28)	2,205,458	(166,064)	19,985	128,097	2,187,476
Dividends payable (Notes 15 and 20)	3,249,176	(6,578,497)	(858,157)**	7,002,201*	2,814,723
Total liabilities from financing activities	₱106,661,572	₱9,491,237	(₱340,585)	₱7,130,298	₱122,942,522

The Parent Company's noncash investing and financing transactions in 2025 and 2024 are as follows:

2025

- Distribution of property dividend amounting to ₱20.5 million (see Note 7).
- Additional right-of-use assets and lease liabilities amounting to ₱41.0 million (see Note 24).
- Subscription receivable from the 2024 ESOWN plan amounting to ₱245.9 million (see Note 22).
- Unpaid cash dividend amounted to ₱3,082.2 million (see Note 29).
- Contribution of other subsidiaries to pension fund amounting to ₱1.8 million (see Note 21).
- Reclassification to retained earnings of the fair value gain recognized in OCI from the sale of FVOCI investments amounting to ₱32.7 million (see Note 10).
- Unpaid portion of additions to property and equipment amounting to ₱179.5 million (see Note 11).

2024:

- Distribution of property dividend amounting to ₱847.3 million (see Note 7).
- Additional right-of-use assets and lease liabilities amounting to ₱20.0 million (see Note 24).
- Subscription receivable from the 2024 ESOWN plan amounting to ₱423.1 million (see Note 22).
- Unpaid cash dividend amounted to ₱2,681.6 million (see Note 29).
- Contribution of other subsidiaries to pension fund amounting to ₱95.0 million (see Note 21).
- Reclassification of construction in progress to leasehold improvements amounting to ₱14.4 million (see Note 11).
- Unpaid portion of additions to property and equipment amounting to ₱119.3 million (see Note 11).

29. Events after the Reporting Period

Capital infusions

On January 30, 2026, the Parent Company infused into ACX ₱115.0 million or 11.5 million preferred shares with par value of ₱1.00 per share to be utilized in setting up Fine Fare Food Corporation (Spinneys PH), the holding company for its partnership with Spinneys.

Dividend declaration

On January 29, 2026, the BOD approved the declaration of the 1st quarter cash dividend on its outstanding Preferred Class "A " shares amounting to ¼ of 6.3587% per annum, or ₱39.741875 per share, based on the issue price of the shares payable to stockholders of record as of February 12, 2026 and will be distributable on February 28, 2026

On February 18, 2026, the BOD approved the declaration of the first quarter cash dividend on its outstanding Preferred "B" Series 4 (ACPB4) shares amounting to ¼ of 6.2903% per annum, or ₱31.45150 per share, based on the issue price of the shares payable to stockholders of record as of March 4, 2026 and will be distributable on March 19, 2026.

₱30.0 billion shelf registration
On January 22, 2026, the Parent Company's BOD approved the filing with SEC of a five-year shelf registration of up to ₱30.0 billion to provide the Parent Company with the ability to undertake future issuances of Philippine Peso-denominated bonds on an efficient and timely basis. The securities will be sold through general public offerings and relevant documents and information will be filed with pertinent regulatory agencies in due course.

Return of invested capital
On February 9, 2026, the Parent Company received the Notice that "TLI was dissolved by operation of law upon the expiration of its shortened corporate term, pursuant to the Revised Corporation Code of the Philippines and the SEC-approved amendment to the Articles of Incorporation. Following such dissolution, the TLI's BOD/Trustee approved and implemented a Plan of Liquidation for the orderly winding up of the affairs of the company." The Parent Company received the return of its invested capital in TLI in February 2026.

30. Required Under Revenue Regulations 15-2010

In compliance with the requirements set forth by Revenue Regulations 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

Output Value Added Tax (VAT)
The Parent Company is a VAT-registered company with VAT output tax declaration in 2025 as follows (in thousands):

	Net Sales/Receipts	Output VAT
Taxable Sales:		
Management fee	₱533,303	₱63,996
Rental income	160,570	19,269
Sale of assets	25,992	3,119
Other income	30,290	3,635
Others	–	–
	₱750,155	₱90,019

Input VAT
The amount of VAT input taxes claimed are broken down as follows (in thousands):

Current year's domestic purchases/payments for:	
Capital goods not subject to amortization and services and goods lodged under other accounts	₱215,490
Capital goods subject to amortization	5,322
Total input VAT claimed during the year	₱220,812

Documentary stamp tax (DST)
The DST paid/accrued on the following transactions are (in thousands):

Transaction	Amount	DST thereon
Long term debt	₱26,302,232	₱197,267
Short term debt	89,700,000	141,339
Issuance of common shares	22,010	220
Re-issuance of Preferred Shares	1,000,000	10,000
Others	2,827	21
	₱117,027,069	₱348,847

Taxes and Licenses
The following are the taxes, licenses and permit fees lodged under the 'Taxes, licenses and fees' account under general and administrative expenses (in thousands):

a. Local

License and permit fees	₱14,572
Real estate taxes	12,721
	₱ 27,293

b. National

Documentary stamp tax	₱141,360
Fringe benefits tax	39,455
Other taxes	44,898
	₱225,713

Withholding Taxes
Details of withholding taxes for the year are as follows (in thousands):

Final withholding taxes	₱704,836
Withholding taxes on compensation	475,880
Expanded withholding taxes (EWT)	190,994
	₱1,371,710

Tax Contingencies
In April 2019, the Parent Company filed a claim for issuance of TCC with the CTA for its excess and unutilized CWTs incurred in 2016 and 2017 in the aggregate amount of ₱212.9 million. The case was raffled to CTA First Division and docketed under CTA Case No. 10056. The Parent Company terminated the presentation of testimonial and documentary evidence and the Formal Offer of Evidence was filed.

On November 16, 2022, the Parent Company filed the memorandum. On December 11, 2023, the CTA First Division issued a favorable Decision partially granting the Company's claim for TCC in the total amount of ₱209.3 million. Not satisfied with the decision, the CIR filed a Motion for Partial Reconsideration. The Motion for Partial Reconsideration was denied, and CIR elevated the case to CTA En Banc. The CTA En Banc issued a Decision denying the petition for review filed by the CIR. Thereafter, the CIR filed a Motion for Reconsideration on the Decision. On January 16, 2026, the CTA En Banc issued a Resolution denying the Motion for Reconsideration filed by the CIR. The BIR appealed the Decision to the Supreme Court.

In May 2021, the Parent Company filed a claim for issuance of TCC with the CTA for its excess and unutilized CWTs incurred in 2018 and 2019 in the aggregate amount of ₱308.61 million. The case was raffled to CTA First Division and docketed under CTA Case No. 10496.

On June 21, 2022, CTA implemented a reorganization of its divisions, and the case was transferred from the First Division to Third Division. On June 19, 2024, the CTA Third Division issued a Decision in CTA Case No. 10496 partially granting Parent Company's claim for issuance of TCC in the total amount of ₱ 308.2 million. Not satisfied with the decision, the CIR filed a Motion for Partial Reconsideration on the disallowed portion of the claim. The Motion for Partial Reconsideration was denied, and CIR elevated the case to CTA En Banc. Awaiting the CTA En Banc Decision.

In March 2023, the Parent Company filed a claim for issuance of TCC with the CTA for its excess and unutilized CWTs incurred in 2020 and 2021 in the aggregate amount of ₱151.7 million. The case was raffled to CTA Second Division and docketed under CTA Case No. 11110.

On 11 July 2024, the Company filed the Formal Offer of Evidence. The Parties subsequently terminated the presentation of evidence and filed their respective Memoranda. Awaiting the CTA First Division Decision.

On 19 March 2025, the Company filed a claim for TCC before the CTA for its excess or unutilized creditable withholding tax for calendar year 2022 in the aggregate amount of Php 44,832,596.00. The case was docketed under CTA Case No. 11806 and raffled to CTA First Division. For presentation of Company's testimonial and documentary evidence.

31. Approval of the Parent Company Financial Statements

The parent company financial statements of Ayala Corporation as of and for the years ended December 31, 2025 and 2024 were endorsed for approval by the Audit Committee and authorized for issue by the BOD on March 12, 2026.

SGV
Building a better working world

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1226 Makati City
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Ayala Corporation
37F to 39F 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 Ayala Corporation and its subsidiaries (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 12, 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.

Sherwin V. Yason
Partner
CPA Certificate No.
Tax Identification No.
BOA/PRC Reg. No.
SEC Partner Accreditation No.
Valid to cover audit of 2020 to 2024 financial statements, with extension up to audit of 2025 financial statements
SEC Firm Accreditation No.
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No.
PTR No.

March 12, 2026

AYALA CORPORATION

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

AS AT DECEMBER 31, 2025 AND 2024
(IN THOUSAND PESOS)

	December 2025	December 2024
Unappropriated retained earnings, beginning of reporting period*	**₱67,898,508**	₱61,589,700
Add (less):		
Dividend declaration during the reporting period	**(8,109,387)**	(7,002,201)
Sale/retirement of investment in FVOCI	**32,661**	
Unappropriated retained earnings, as adjusted	**59,821,782**	54,587,499
Add (less): Net Income (loss) for the current year	**11,428,287**	9,278,311
Add (less):		
Net movement of treasury shares	**(1,923,729)**	4,050,907
Net movement in deferred tax asset and deferred tax liabilities related to same transaction	**77,044**	(18,209)
	(1,846,685)	4,032,698
Retained earnings available for dividends	**₱69,403,384**	₱67,898,508

**Reconciliation of unappropriated retained earnings, beginning of reporting period as per SEC MC No. 16-2023:*

	December 2025	December 2024
Unappropriated retained earnings, beginning (per audited FS)	**₱78,470,997**	₱76,194,887
Add (less):		
Treasury shares, beginning	**(10,495,444)**	(14,546,351)
Deferred tax asset, beginning	**(77,045)**	(58,836)
Unappropriated retained earnings, beginning of reporting period	**₱67,898,508**	₱61,589,700

*Per SEC MC No. 16-2023, Footnote 2, "Unappropriated retained earnings, beginning of reporting period" refers to the ending balance as reported in the “Reconciliation of Retained Earnings Available for Dividend Declaration” of the immediately preceding period. SEC MC No. 16-2023 is effective for audited financial statements covering period December 31, 2023 and onwards and supersedes the guidance under SEC MC No. 11-2008 on the determination of the availability of retained earnings for dividend declarations.

Control No.:
Form Type:

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: AYALA CORPORATION(Parent Company)

CURRENT ADDRESS: 37-39F Ayala Triangle Gardens Tower 2 Paseo De Roxas cor. Makati Ave. Salcedo Village, Makati City

TEL. NO.: **FAX NO.:**

COMPANY TYPE : Holding Company

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)
A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10+A.11)	**274,555,872**	**285,256,682**
A.1 **Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5+A.1.6)**	**15,193,130**	**12,496,440**
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)	12,307,998	10,148,802
A.1.1.1 On hand	2,545	2,549
A.1.1.2 In domestic banks/entities	12,305,453	10,146,253
A.1.1.3 In foreign banks/entities	-	-
A.1.2 Short-term investments	-	-
A.1.3 Trade and Other Receivables (A.1.3.1 + A.1.3.2)	1,856,071	1,395,966
A.1.3.1 Due from domestic entities (A.1.3.1.1 + A.1.3.1.2 + A.1.3.1.3 + A.1.3.1.4)		
A.1.3.1.1 Due from customers (trade)		
A.1.3.1.2 Due from related parties	410,021	504,789
A.1.3.1.3 Others, specify (A.1.2.1.3.1 + A.1.2.1.3.2)	1,476,460	921,587
A.1.3.1.3.1 Dividend Receivable	1,227,657	761,517
A.1.3.1.3.2 Others	248,803	160,070
A.1.3.1.4 Allowance for doubtful accounts (negative entry)	(30,410)	(30,410)
A.1.3.2 Due from foreign entities, specify (A.1.3.2.1 + A.1.3.2.2)		
A.1.3.2.1		
A.1.3.2.2 Allowance for doubtful accounts (negative entry)		
A.1.4 Inventories (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4 + A.1.4.5 + A.1.4.6)		
A.1.4.1 Raw materials and supplies		
A.1.4.2 Goods in process (including unfinished goods, growing crops, unfinished seeds)		
A.1.4.3 Finished goods		
A.1.4.4 Merchandise/Goods in transit		
A.1.4.5 Unbilled Services (in case of service providers)		
A.1.4.6 Others, specify (A.1.4.6.1 + A.1.4.6.2)		
A.1.4.6.1		
A.1.4.6.2		
A.1.5 Financial Assets other than Cash/Receivables/Equity investments (A.1.5.1 + A.1.5.2 + A.1.5.3 + A.1.5.4 + A.1.5.5)		
A.1.5.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities: (A.1.5.1.1 + A.1.5.1.2 + A.1.5.1.3 + A.1.5.1.4 + A.1.5.1.5)		
A.1.5.1.1 National Government		
A.1.5.1.2 Public Financial Institutions		
A.1.5.1.3 Public Non-Financial Institutions		
A.1.5.1.4 Private Financial Institutions		
A.1.5.1.5 Private Non-Financial Institutions		
A.1.5.2 Held to Maturity Investments - issued by domestic entities: (A.1.5.2.1 + A.1.5.2.2 + A.1.5.2.3 + A.1.5.2.4 + A.1.5.2.5)		
A.1.5.2.1 National Government		
A.1.5.2.2 Public Financial Institutions		
A.1.5.2.3 Public Non-Financial Institutions		
A.1.5.2.4 Private Financial Institutions		
A.1.5.2.5 Private Non-Financial Institutions		

NOTE:

This special form is applicable to Investment Companies and Publicly-held Companies (enumerated in Section 17.2 of the Securities Regulation Code (SRC), except banks and insurance companies). As a supplemental form to PHFS, it shall be used for reporting Consolidated Financial Statements of Parent corporations and their subsidiaries.

Domestic corporations are those which are incorporated under Philippine laws or branches/subsidiaries of foreign corporations that are licensed to do business in the Philippines where the center of economic interest or activity is within the Philippines. On the other hand, foreign corporations are those that are incorporated abroad, including branches of Philippine corporations operating abroad.

Financial Institutions are corporations principally engaged in financial intermediation, facilitating financial intermediation, or auxiliary financial services. Non-Financial institutions refer to corporations that are primarily engaged in the production of market goods and non-financial services.

Control No.:
Form Type:

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: Ayala Corporation(Parent Company)
CURRENT ADDRESS: 37-39F Ayala Triangle Gardens Tower 2 Paseo De Roxas cor. Makati Ave. Salcedo Village, Makati City
TEL. NO.: **FAX NO.:**
COMPANY TYPE : Holding Company

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)
A.1.5.3 Loans and Receivables - issued by domestic entities: (A.1.5.3.1 + A.1.5.3.2 + A.1.5.3.3 + A.1.5.3.4 + A.1.5.3.5)	-	-
A.1.5.3.1 National Government		
A.1.5.3.2 Public Financial Institutions		
A.1.5.3.3 Public Non-Financial Institutions		
A.1.5.3.4 Private Financial Institutions		
A.1.5.3.5 Private Non-Financial Institutions		
A.1.5.4 Financial Assets issued by foreign entities: (A.1.5.4.1+A.1.5.4.2+A.1.5.4.3+A.1.5.4.4)	-	-
A.1.5.4.1 Financial Assets at fair value through profit or loss		
A.1.5.4.2 Held-to-maturity investments		
A.1.5.4.3 Loans and Receivables		
A.1.5.4.4 Available-for-sale financial assets		
A.1.5.5 Allowance for decline in market value (negative entry)		
A.1.6 Other Current Assets (state separately material items) (A.1.6.1 + A.1.6.2 + A.1.6.3)	1,029,061	951,672
A.1.6.1 Creditable W/holding Tax		
A.1.6.2 Input VAT	-	-
A.1.6.3 Others	229,873	131,905
A.1.6.4 Asset held for distributions to owners	799,188	819,767
A.1.6.5 Asset held for sale	-	-
A.2 Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6 + A.2.7+ A.2.8)	1,314,913	991,635
A.2.1 Land		
A.2.2 Building and improvements including leasehold improvement	659,624	660,436
A.2.3 Machinery and equipment (on hand and in transit)	576,420	554,998
A.2.4 Transportation/motor vehicles, automotive equipment, autos and trucks, and delivery equipment	280,502	291,555
A.2.5 Others, specify (A.2.5.1 + A.2.5.2)	412,548	6,338
A..2.5.1 Construction in Progress	412,548	6,338
A..2.5.2		
A.2.6 Appraisal increase, specify (A.2.6.1 + A.2.6.2)		
A..2.6.1		
A..2.6.2		
A.2.7 Accumulated Depreciation (negative entry)	(614,181)	(521,692)
A.2.8 Impairment Loss or Reversal (if loss, negative entry)		
A.3 Investments accounted for using the cost method (A.3.1 + A.3.2 + A.3.3)	252,042,034	266,091,969
A.3.1 Investment cost in domestic subsidiaries/affiliates	251,465,616	265,515,551
A.3.2 Investment cost in foreign subsidiaries/affiliates	576,418	576,418
A.3.3 Others, specify (A.3.3.1 + A.3.3.2)		
A.3.3.1		
A.3.3.2		
A.4 Investment Property	979,962	984,347
A.5 Biological Assets		
A.6 Intangible Assets(A.6.1 + A.6.2)		
A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2)		
A.6.1.1		
A.6.1.2		
A.6.2 Others, specify (A.6.2.1 + A.6.2.2)		
A.6.2.1		
A.6.2.2		
A.7 Assets Classified as Held for Sale		
A.8 Assets included in Disposal Groups Classified as Held for Sale		
A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3)	617,730	343,925
A.9.1 From domestic entities, specify (A.9.1.1 + A.9.1.2)	617,730	343,925
A.9.1.1 Notes Receivable	617,730	343,925
A.9.1.2 Accounts Receivable	-	-
A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2)		
A.9.2.1		
A.9.2.2		
A.9.3 Allowance for doubtful accounts, net of current portion (negative entry)		
A.10 Financial Assets other than Cash/Receivables/Equity investments (A.1.10.1 + A.10.2 + A.10.3 + A.10.4 + A.10.5)	1,019,894	1,090,511
A.10.1.1 Held to Maturity Investments - issued by domestic entities: (A.10.1.1 + A.10.1.2 + A.10.1.3 + A.10.1.4 + A.10.1.5)		
A.10.1.1 National Government		
A.10.1.2 Public Financial Institutions		

Control No.:
Form Type:

SPECIAL FORM FOR CONSOLIDATED FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: Ayala Corporation(Parent Company)

CURRENT ADDRESS: 37-39F Ayala Triangle Gardens Tower 2 Paseo De Roxas cor. Makati Ave. Salcedo Village, Makati City

TEL. NO.: **FAX NO.:**

COMPANY TYPE : Holding Company

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)
A.10.1.3 Public Non-Financial Institutions		
A.10.1.4 Private Financial Institutions		
A.10.1.5 Private Non-Financial Institutions		
A.10.2 Loans and Receivables - issued by domestic entities: (A.10.2.1 + A.10.2.2 + A.10.2.3 + A.10.2.4 + A.10.2.5)	-	-
A.10.2.1 National Government		
A.10.2.2 Public Financial Institutions		
A.10.2.3 Public Non-Financial Institutions		
A.10.2.4 Private Financial Institutions		
A.10.2.5 Private Non-Financial Institutions		
A.10.3 Available-for-sale financial assets - issued by domestic entities: (A.10.3.1 + A.10.3.2 + A.10.3.3 + A.10.3.4 + A.10.3.5)	-	-
A.10.3.1 National Government		
A.10.3.2 Public Financial Institutions		
A.10.3.3 Public Non-Financial Institutions		
A.10.3.4 Private Financial Institutions	-	-
A.10.3.5 Private Non-Financial Institutions		
A.10.4 Financial Assets issued by foreign entities: (A.10.4.1+A.10.4.2+A.10.4.3)		
A.10.4.1 Held-to-maturity investments		
A.10.4.2 Loans and Receivables		
A.10.4.3 Available-for-sale financial assets		
A.10.5 Other Comprehensive Income financial assets - issued by domestic entities: (A.10.5.1 + A.10.5.2 + A.10.5.3 + A.10.5.4 + A.10.5.5)	1,019,894	1,090,511
A.10.5.1 National Government		
A.10.5.2 Public Financial Institutions		
A.10.5.3 Public Non-Financial Institutions		
A.10.5.4 Private Financial Institutions	1,019,894	1,090,511
A.10.5.5 Private Non-Financial Institutions		
A.10.5 Allowance for decline in market value (negative entry)	-	-
A.11 Other Noncurrent Assets (A.11.1 + A.11.2 + A.11.3 + A.11.4 + A.11.5)	3,388,209	3,257,855
A.11.1 Deferred charges - net of amortization	6,016	14,379
A.11.2 Deferred Income Tax	-	-
A.11.3 Advance/Miscellaneous deposits	51,575	50,107
A.11.4 Others, specify (A.11.4.1 + A.11.4.2 + A.11.4.3)	3,419,823	3,299,918
A.11.4.1 Creditable W/holding tax	1,121,256	1,133,639
A.11.4.2 Input Vat/(Output Vat)	-	-
A.11.4.3 Service Concession Assets	-	-
A.11.4.4 Right of Use Asse (ROU)	1,812,794	1,896,161
A.11.4.5 Deferred Tax Assets	-	77,044
A.11.4.6 Derivative Asset	485,773	193,074
A.11.5 Allowance for write-down of deferred charges/impairment loss (negative entry)	(89,205)	(106,549)
B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5)	**96,205,602**	**127,715,450**
B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6)	34,613,057	60,082,103
B.1.1 Trade and Other Payables to Domestic Entities (B.1.1.1 + B.1.1.2 + B.1.1.3 + B.1.1.4 + B.1.1.5 + B.1.1.6)	3,741,942	3,843,905
B.1.1.1 Loans/Notes Payables	-	-
B.1.1.2 Trade Payables		
B.1.1.3 Payables to Related Parties	297,509	319,858
B.1.1.4 Advances from Directors, Officers, Employees and Principal Stockholders		
B.1.1.5 Accruals, specify material items (B.1.1.5.1 + B.1.1.5.2 + B.1.1.5.3)	3,444,433	3,524,047
B.1.1.5.1 Accrued expenses	2,077,403	2,068,894
B.1.1.5.2 Interest Payable	666,901	750,485
B.1.1.5.3 Accounts Payable and other payable	700,129	704,668
B.1.1.6 Others, specify (B.1.1.6.1 + B.1.1.6.2)	-	-
B.1.1.6.1		
B.1.1.6.2		
B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1 + B.1.2.2)	-	-
B.1.2.1 Deposit payable	-	-
B.1.2.2		
B.1.3 Provisions for Maintenance Obligations	-	-
B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions) (B.1.4.1 + B.1.4.2)	9,700,000	28,500,000
B.1.4.1 Short Term Debt	9,700,000	28,500,000
B.1.4.2		
B.1.5 Liabilities for Current Tax	24,100	1,793
B.1.6 Deferred Tax Liabilities		

B.1.7 Others, specify (If material, state separately; indicate if the item is payable to public/private or financial/non-financial institutions) (B.1.7.1 + B.1.7.2 + B.1.7.3 + B.1.7.4 + B.1.7.5 + B.1.7.6)	21,147,015	27,736,405
B.1.7.1 Dividends declared and not paid at balance sheet date	3,192,450	2,814,723

Control No.:
Form Type:

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: Ayala Corporation(Parent Company)
CURRENT ADDRESS: 37-39F Ayala Triangle Gardens Tower 2 Paseo De Roxas cor. Makati Ave. Salcedo Village, Makati City
TEL. NO.: **FAX NO.:**
COMPANY TYPE : Holding Company
If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA		2025 (in P'000)	2024 (in P'000)
B.1.7.2 Acceptances Payable			
B.1.7.3 Liabilities under Trust Receipts			
B.1.7.4 Portion of Long-term Debt Due within one year		17,368,590	24,848,163
B.1.7.5 Deferred Income			
B.1.7.6 Any other current liability in excess of 5% of Total Current Liabiilities, specify:		585,975	73,519
B.1.7.6.1 Other Current Liabilities		532,441	27,808
B.1.7.6.2 Lease Liability		53,534	45,711
B.1.7.6.3 Leabilities held for sale		-	-
B.2 Long-term Debt - Non-current Interest-bearing Liabilities (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5)		58,389,090	64,592,160
B.2.1 Domestic Public Financial Institutions			
B.2.2 Domestic Public Non-Financial Institutions		15,933,830	30,879,524
B.2.3 Domestic Private Financial Institutions		42,455,260	33,712,636
B.2.4 Domestic Private Non-Financial Institutions			
B.2.5 Foreign Financial Institutions			
B.3 Indebtedness to Affiliates and Related Parties (Non-Current)			
B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale			
B.5 Other Liabilities (B.5.1 + B.5.2)		3,203,455	3,041,187
B.5.1 Deferred Tax		-	-
B.5.2 Others, specify (B.5.2.1 + B.5.2.2)		3,203,455	3,041,187
B.5.2.1 Pension Liablity		1,083,542	899,422
B.5.2.2 Prov for maintenance obligation		-	-
B.5.2.3 Lease Liability,net of current portion		2,119,913	2,141,765
C. EQUITY (C.2+C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9+C.10)		**178,350,270**	**157,541,232**
C.1 Authorized Capital Stock (no. of shares, par value and total value; show details, in thousands except par per share) (C.1.1+C.1.2+C.1.3)		**56,200,000**	**56,200,000**
C.1.1 Common shares	**(900,000shares @ P50)**	45,000,000	45,000,000
C.1.2 Preferred Shares	**Pref A(12,000 shares @p100) Pref B (58,000 shares@P100) Pref C(40,000shares@P100)**	11,000,000	11,000,000
C.1.3 Others	**Voting Pref (200,000 shares @ P1)**	200,000	200,000
C.2 Issued Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3)		**38,711,569**	**38,678,498**
C.2.1 Common shares	**(630,231,379shrs @ P50 PAR) ;(629,569,964shrs @ P50PAR) ; (**	31,511,569	31,478,498
C.2.2 Preferred Shares	**Pref A(12,000 shares @p100) Pref B (58,000share @P100)**	7,000,000	7,000,000
C.2.3 Others	**Voting Pref (200,000 shares @ P1)**	200,000	200,000
C.3 Subscribed Capital Stock (no. of shares, par value and total value) (C.3.1 + C.3.2 + C.3.3)		**299,014**	**310,076**
C.3.1 Common shares	**(5,980,298shrs @ P50 PAR); (6,201,513 shrs @ P50 par)**	299,014	310,076
C.3.2 Preferred Shares		-	-
C.3.3 Others		-	-
C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus		**76,375,608**	**57,246,480**
C.5 Minority Interest			
C.6 Others, specify (C.6.1 + C.6.2 + C.6.3)		**(4,534,542)**	**(3,831,233)**
C.6.1 Remeasurement gains and losses arising on defined benefit pension plans		(1,437,784)	(1,222,102)
C.6.2 Share-Based payments		-	-
C.6.3 Subscriptions Receivable		(2,817,803)	(2,850,849)
C.6.4 Cash Flow Hedge Reserve		(278,955)	241,718
C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus/Fair Value Reserve of Financial Asset Through OCI		**820,784**	**887,406**
C.8 Retained Earnings (C.8.1 + C.8.2)		**81,822,558**	**78,470,997**
C.8.1 Appropriated			
C.8.2 Unappropriated		81,822,558	78,470,997
C.9 Head / Home Office Account (for Foreign Branches only)			
C.10 Cost of Stocks Held in Treasury (negative entry)		(15,144,721)	(14,220,992)
TOTAL LIABILITIES AND EQUITY (B + C)		**274,555,872**	**285,256,682**

Control No.:
Form Type:

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: Ayala Corporation(Parent Company)

CURRENT ADDRESS: 37-39F Ayala Triangle Gardens Tower 2 Paseo De Roxas cor. Makati Ave. Salcedo Village, Makati City

TEL. NO.: **FAX NO.:**

COMPANY TYPE : Holding Company

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)	2023 (in P'000)
A. REVENUE / INCOME (A.1 + A.2 + A.3)	25,527,081	28,269,053	24,455,392
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining,utilities, trade, services, etc.) (from Primary Activity)			
A.2 Share in the Profit or Loss of Associates and Joint Ventures accounted for using the Equity Method			
A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5)	160,570	176,763	107,308
A.3.1 Rental Income from Land and Buildings	160,570	176,763	107,308
A.3.2 Receipts from Sale of Merchandise (trading) (from Secondary Activity)			
A.3.3 Sale of Real Estate or other Property and Equipment			
A.3.4 Royalties, Franchise Fees, Copyrights (books, films, records, etc.)			
A.3.5 Others, specify (A.3.5.1 + A.3.5.2)			
A.3.5.1 Rental Income, Equipment			
A.3.5.2			
A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4)	25,366,511	28,092,290	24,348,084
A.4.1 Interest Income	855,993	392,432	245,894
A.4.2 Dividend Income	22,964,032	19,302,715	19,155,784
A.4.3 Gain / (**Loss**) from selling of Assets, specify (A.4.3.1 + A.4.3.2 + A.4.3.3 + A.4.3.4)	871,171	7,995,292	2,514,910
A.4.3.1 Sale of investment in stocks	-	-	-
A.4.3.2 Sale of Property and Equipment	8,775	6,712	10,222
A.4.3.3 Sale of available-for-sale investment or Return of Capital	862,396	7,983,374	2,504,688
A.4.3.4 Sale of investment properties	-	5,206	-
A.4.4 Others, specify (A.4.4.1 + A.4.4.2 + A.4.4.3 + A.4.4.4)	675,315	401,851	2,431,496
A.4.4.1 Gain / (**Loss**) on Foreign Exchange	94,658	36,236	-
A.4.4.2 Construction Revenue	-	-	-
A.4.4.3 Gain on merger	-	-	-
A.4.4.4 Gain on return of capital	-	-	527,314
A.4.4.5 Miscellaneous	580,657	365,615	288,932
A.4.4.6 Toll Revenue	-	-	24,337
A.4.4.7 Gain on Transfer of properties	-	-	1,590,913
B. COST OF GOODS SOLD (B.1 + B.2 + B.3)			
B.1 Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5)			
B.1.1 Direct Material Used			
B.1.2 Direct Labor			
B.1.3 Other Manufacturing Cost / Overhead			
B.1.4 Goods in Process, Beginning			
B.1.5 Goods in Process, End (**negative entry**)			
B.2 Finished Goods, Beginning			
B.3 Finished Goods, End (**negative entry**)			
C. COST OF SALES (C.1 + C.2 + C.3)			
C.1 Purchases			
C.2 Merchandise Inventory, Beginning			
C.3 Merchandise Inventory, End (**negative entry**)			
D. GROSS PROFIT (A - B - C)	25,527,081	28,269,053	24,455,392

NOTE: Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning

Control No.:
Form Type:

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: Ayala Corporation(Parent Company)

CURRENT ADDRESS: 37-39F Ayala Triangle Gardens Tower 2 Paseo De Roxas cor. Makati Ave. Salcedo Village, Makati City

TEL. NO.: **FAX NO.:**

COMPANY TYPE : Holding Company

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)	2023 (in P'000)
E. OPERATING EXPENSES (E.1 + E.2 + E.3 + E.4)	**6,683,201**	**12,296,330**	**6,244,128**
E.1 Selling or Marketing Expenses			
E.2 Administrative Expenses			
E.3 General Expenses	6,417,360	12,052,357	5,964,211
E.4 Other Expenses, specify (E.4.1 + E.4.2 + E.4.3 + E.4.4)	265,841	243,973	279,917
E.4.1 Education-related expenditures			
E.4.2 Construction costs	-	-	68,798
E.4.3 Depreciation and amortization	265,841	243,973	211,119
E.4.4 Loss on Sale of investment in stocks	-	-	-
F. FINANCE COSTS (F.1 + F.2 + F.3 + F.4 + F.5)	**7,192,484**	**6,635,367**	**5,793,169**
F.1 Interest on Short-Term Promissory Notes			
F.2 Interest on Long-Term Promissory Notes			
F.3 Interest on bonds, mortgages and other long-term loans	6,067,416	6,424,836	5,521,839
F.4 Amortization	192,213	166,361	181,921
F.5 Other interests, specify (F.5.1 + F.5.2)	932,855	44,170	89,409
F.5.1 Other financing charges	354,211	11,264	46,971
F.5.2 Accretion of provision for maintenance obligation	-	-	-
F.5.3 Fx loss and other exp arising from hedging	578,644	32,906	42,438
G. NET INCOME (LOSS) BEFORE TAX (D - E - F)	**11,651,396**	**9,337,356**	**12,418,095**
H. INCOME TAX EXPENSE (negative entry)	**(223,109)**	**(59,045)**	**(54,633)**
I. INCOME(LOSS) AFTER TAX	**11,428,287**	**9,278,311**	**12,363,462**
J. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on theMeasurement of Fair Value less Cost to Sell or on the Disposal of the Assets or Disposal Group(s) constituting the Discontinued Operation (if any) (J.1+J.2)			
J.1			
J.2			
K. PROFIT OR LOSS ATTRIBUTABLE TO MINORITY INTEREST			
L PROFIT OR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
M. EARNINGS (LOSS) PER SHARE			
M.1 Basic	14.53	12.05	17.25
M.2 Diluted	14.53	12.05	17.25

Control No.:
Form Type:

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: Ayala Corporation(Parent Company)
CURRENT ADDRESS: 37-39F Ayala Triangle Gardens Tower 2 Paseo De Roxas cor. Makati Ave. Salcedo Village, Makati City
TEL. NO.: **FAX NO.:**
COMPANY TYPE Holding Company

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Cash Flow Statements

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)	2023 (in P'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss) Before Tax and Extraordinary Items	11,651,396	9,337,356	12,418,095
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
Provision for (reversl of) decline in value of inventory			
Gain on reversal of impairment of input VAT			
Gain on reversal of impairment losses on receivables			
Gain on reversal of accrued expenses and other current liabilities			
Depreciation	265,841	243,973	211,119
Amortization, specify:			
Others, specify: Interest Expense	6,838,273	6,624,103	5,746,198
Cost of Share -based payments	64,155	128,408	114,645
Expected maintenance expense on service concession	-	-	-
Provision for(reversal of) impairment losses on subs.,assoc. and joint ventures	1,909,049	7,425,000	2,847,709
Reversal of impairment losses	-	-	-
Provision for credit losses	-	25,016	
Provision for impairment of other assets	-	-	-
Loss on derivative liability	-	-	-
Gain on reversion of land	-	-	-
Dividend income	(22,964,032)	(19,302,715)	(19,155,784)
Interest income	(855,993)	(392,432)	(245,894)
Loss(gain) on sale of :			
Investmens in shares of stocks	(862,396)	(7,983,374)	(3,032,002)
Investment properties and real estate property for sale	-	(5,206)	-
Property and equipment	(8,775)	(6,712)	(10,222)
Investment in Available for Sale financial assets	-	-	-
Exercise of options	-	-	-
Pension expense	245,665	420,387	131,118
Foreign exchange losses	(839,233)	(89,695)	(33,457)
Loss(gain)on recognition of Land	-	-	-
Gain on transfer of properties	-	-	(1,590,913)
Write-down of Property, Plant, and Equipment			
Changes in Assets and Liabilities:			
Decrease (Increase) in:			
Receivables	(205,731)	(291,804)	(198,734)
Other Current Assets	(95,055)	345,042	(88,983)
Service concession assets			
Others, specify:			
Increase (Decrease) in:			
Trade and Other Payables	(182,197)	294,593	307,175
Income and Other Taxes Payable			
Others, specify: Interest received	792,974	391,734	231,587
Interest paid	(6,063,108)	(6,381,127)	(5,299,249)
Income tax paid	(123,758)	(103,693)	(58,669)
Contribution to pension fund	(275,418)	(143,953)	(102,888)
A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)	**(10,708,343)**	**(9,465,099)**	**(7,809,149)**

NOTE: Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning December 31, 2006 and onwards.

Control No.:
Form Type:

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: Ayala Corporation(Parent Company)
CURRENT ADDRESS: 37-39F Ayala Triangle Gardens Tower 2 Paseo De Roxas cor. Makati Ave. Salcedo Village, Makati City
TEL. NO.: **FAX NO.:**
COMPANY TYPE Holding Company

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Cash Flow Statements

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)	2023 (in P'000)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from subsidiaries,associates and joint ventures	22,497,892	19,833,468	17,863,514
Reductions/(Additions) to Property, Plant, and Equipment			
Others, specify Proceeds from :			
Short -term investments	-	-	-
Disposal of financial assets at FVOCI	-	-	-
Disposal of available-for-sale financial assets	32,661	-	-
Partial return of capital from subsidiaries	19,224,481	-	-
Partial disposal of shares of subsidiaries	-	12,817,326	11,884,167
Sale of service concession assets	-	-	3,199,896
Sale of investment properties	-	5,861	-
Sale of property and equipment	25,991	26,684	13,317
Advances to stockholders	-	-	-
Additions to:			
Short -term investments	-	-	-
Payment of security deposit on lease liabilities	-	-	(1,438)
Acquisition of property for distribution to owners	-	-	-
Additions to:			
Investments in subsidiaries,associates and joint ventures	(6,221,199)	(33,254,811)	(13,888,917)
Financial assets at FVOCI	-	-	-
Service concession assets	-	-	-
Property and equipment	(298,038)	(133,379)	(342,969)
Right -of -use asset	-	-	-
B. Net Cash Provided by (Used in) Investing Activities (sum of above rows)	**35,261,788**	**(704,851)**	**18,727,570**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Loans			
Long-term Debt	121,024,182	102,860,798	47,384,098
Issuance of new common shares	-	2,195,477	11,442
Others, specify: Collecton of subscription receivable	278,947	271,179	212,755
Reissuance of preferred shares	19,841,276	14,881,084	13,000,487
Availment of short-term debt			
Payments of:			
Long-term debt and Short- term debt	(153,699,038)	(86,625,000)	(49,850,000)
Others, specify (negative entry):			
Redemption of preferred shares	-	(15,000,000)	(10,000,000)
Purchase of common shares	(1,923,729)	-	-
Cost of issuance of shares	(220)	(360)	(332)
Cash dividends paid	(7,731,660)	(6,578,497)	(6,165,401)
Payment of Lease Liability	(184,007)	(166,064)	(160,302)
Payment of advance rental on lease liabilities	-	-	-
Payment of Maintenance Obligation	-	-	-
C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)	**(22,394,249)**	**11,838,617**	**(5,567,253)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	2,159,196	1,668,667	5,351,168
Cash and Cash Equivalents			
Beginning of year	10,148,802	8,480,135	3,128,967
End of year	12,307,998	10,148,802	8,480,135

Control No.:
Form Type: *PHFS (rev 2006)*

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: Ayala Corporation(Parent Company)
CURRENT ADDRESS: 37-39F Ayala Triangle Gardens Tower 2 Paseo De Roxas cor. Makati Ave. Salcedo Village, Makati City
TEL. NO.: **FAX NO.:**
COMPANY TYPE : Holding Company **PSIC:**

If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

(Amount in P'000)

FINANCIAL DATA	Capital Stock	Additional Paid-in Capital	Revaluation Increment	Translation Differences	Retained Earnings	TOTAL
A.. Balance, 2023	**21,707,332**	**54,980,070**	**(407,716)**	**-**	**76,194,887**	**152,474,573**
A.1 Correction of Error (s)						-
A.2 Changes in Accounting Policy			-		-	-
B. Restated Balance	21,707,332	54,980,070	(407,716)	-	76,194,887	152,474,573
C. Surplus		-	314,738	-	-	314,738
C.1 Surplus (Deficit) on Revaluation of Properties						-
C.2 Surplus (Deficit) on Revaluation of Investments						-
C.3 Currency Translation Differences						-
C.4 Other Surplus (specify)	-	-	314,738	-	-	314,738
C.4.1 Other Comprehensive Income			314,738		-	314,738
C.4.2 Sa;e of Financial Assets through OCI			-		-	-
D. Net Income (Loss) for the Period					9,278,311	9,278,311
E. Dividends (negative entry)					(7,002,201)	(7,002,201)
F. Stock Dividends (negative entry)					-	-
G. Appropriation for (specify)						-
G.1 Non-controlling interests of the acquired subsidiary						-
H. Issuance of Capital Stock	209,400	2,266,411	-	-	-	2,475,811
H.1 Common Stock	2,459,400	135,327	-			2,594,727
H.2 Preferred Stock	(2,250,000)	2,131,084				(118,916)
H.3 Others			-		-	-
I. Balance, 2024	**21,916,732**	**57,246,481**	**(92,978)**	**-**	**78,470,997**	**157,541,232**
I.1 Correction of Error (s)						-
I.2 Changes in Accounting Policy			-		-	-
J. Restated Balance	21,916,732	57,246,481	(92,978)	-	78,470,997	157,541,232
K. Surplus		-	(802,977)	-	32,661	(770,316)
K.1 Surplus (Deficit) on Revaluation of Properties						-
K.2 Surplus (Deficit) on Revaluation of Investments						-
K.3 Currency Translation Differences						-
K.4 Other Surplus (specify)	-	-	(802,977)	-	32,661	(770,316)
K.4.1 Other Comprehensive Income			(770,316)		-	(770,316)
K.4.2 Sa;e of Financial Assets through OCI			(32,661)		32,661	-
L. Net Income (Loss) for the Period					11,428,287	11,428,287
M. Dividends (negative entry)					(8,109,387)	(8,109,387)
N. Stock Dividends (negative entry)					-	-
O. Appropriation for (specify)						-
O.1 Non-controlling interests of the acquired subsidiary						-
O.2						-
P. Issuance of Capital Stock	(868,671)	19,129,126	-	-	-	18,260,454
P.1 Common Stock	(1,868,671)	287,849	-			(1,580,822)
P.2 Preferred Stock	1,000,000	18,841,276				19,841,276
P.3 Others			-		-	-
Q. Balance, 2025	**21,048,061**	**76,375,607**	**(895,955)**	**-**	**81,822,558**	**178,350,270**

Note: Capital Stock	Common/Pref stock,Subscribed,Subs.Receivable,Treasury
APIC	APIC -
Revaluation Increment	Share-based payments,remeasurement gains/losses arisng on defined benefit pension,net unrealized gain on available for sale financial assets
Retainerd Earnings	Retained Earnings

Control No.:
Form Type:

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: Ayala Corporation(Parent Company)
CURRENT ADDRESS: 37-39F Ayala Triangle Gardens Tower 2 Paseo De Roxas cor. Makati Ave. Salcedo Village, Makati City
TEL. NO.: **FAX NO.:**
COMPANY TYPE : Holding Company

If these are based on consolidated financial statements, please so indicate in the caption.

Table 5. Details of Income and Expenses, by source

(applicable to corporations transacting with foreign corporations/entities)

FINANCIAL DATA	2025 (in P'000)	2024 (in P'000)	2023 (in P'000)
A. REVENUE / INCOME (A.1 + A.2)	**25,527,081**	**28,269,053**	**24,455,392**
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining,utilities, trade, services, etc.) (from Primary Activity) (A.1.1 +A.1.2)	-	-	-
A.1.1 Domestic	-	-	-
A.1.2 Foreign	-	-	-
A.2 Other Revenue (A.2.1 +A.2.2)	25,527,081	28,269,053	24,455,392
A.2.1 Domestic	25,527,081	28,269,053	24,455,392
A.2.2 Foreign, specify (A.2.2.1+A.2.2.2)	-	-	-
A.2.2.1 Gain on Return of Capital	-	-	-
A.2.2.2 Gain on Sale of shares	-	-	-
B. EXPENSES (B.1 + B.2)	**14,098,794**	**18,990,742**	**12,091,930**
B.1 Domestic	13,823,930	18,835,338	12,019,986
B.2 Foreign, specify (B.2.1+B.2.2+B.2.3+B.2.4+B.2.5+B.2.6+B.2.7+B.2.8+B.2.9+B.2.10+B.2.11+ B.2.12+B.2.13+B.2.14+B.2.15)	274,864	155,404	71,944
B.2.1 Insurance -Others	1,589	3,560	4,008
B.2.2 Personnel Costs	28,086	17,119	10,961
B.2.3 Postal & Communications			
B.2.4 Dues & Fees	16,604	11,799	8,503
B.2.5 Rental Others	23,518	15,904	3,212
B.2.6 Scholarship & Training	24,763	12,420	1,123
B.2.7 Repairs&Maintenance	-	-	1,610
B.2.8 Business Development			
B.2.9 Special Events	48,233	33,610	5,385
B.2.10. Contributions	10,138	7,390	2,899
B.2.11. Travel	410	1,626	7,325
B.2.12. Professional Fees	114,854	48,384	20,991
B.2.13. Books & Periodicals	-	-	-
B.2.14. Contract Labor	6,086	2,724	-
B.2.15. Special Publication	583	868	5,927