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(Company’s Full Name)

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

Amador T. Sendin

(Contact Person)

8840-2001

(Company Telephone Number)

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(Secondary License Type, If Applicable)

CFD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

852

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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**MACROASIA CORPORATION**  
**September 30, 2025**

**SEC Form 17-Q**  
**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE**  
**SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the quarterly period ended September 30, 2025
2. Commission Identification Number 40524                      3. BIR tax Identification No. 004-666-098-000
4. Exact name of issuer as specified in its charter MACROASIA CORPORATION
5. Philippines                      6.  (SEC Use Only)  
Province, Country, or other jurisdiction                      Industry Classification Code  
of incorporation or organization
7. 7<sup>th</sup> Floor Ricogen Building, 112 Aguirre Street Legazpi Village, Makati City                      1229  
Address of Issuer's Principal office                      Postal Code
8. (632) 8840-2001  
Issuer's telephone number including area code
9. N/A  
Former name, former address, and former fiscal year, if changed since last report

- a) Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

| <u>Title of Each Class</u>        | <u>Number of Shares of Common Stock</u><br><u>Outstanding and Amount of Debt Outstanding</u> |
|-----------------------------------|----------------------------------------------------------------------------------------------|
| <b>Common Stock, ₱1 par value</b> | <b>1,890,958,323 Outstanding shares</b>                                                      |

- b) Are any or all of the securities listed on a Stock Exchange?

Yes [ ☒ ]                      No [ ☐ ]

Name of Stock Exchange

Class

**Philippine Stock Exchange**

**Common Stock**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and RSA Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports);

Yes [ ☒ ]                      No [ ☐ ]

b) has been subject to such filing requirements for the past 90 days.

Yes [ ☒ ]                      No [ ☐ ]

# **MACROASIA CORPORATION AND SUBSIDIARIES**

## **Management's Discussion and Analysis of Financial Condition and Results of Operations**

**For the Third Quarter and  
Period Ended September 30, 2025**

## **PART I. FINANCIAL INFORMATION**

### **ITEM 1. FINANCIAL STATEMENTS**

The unaudited condensed consolidated financial statements include the accounts of MacroAsia Corporation and its subsidiaries, collectively referred to in this report as the “Group” or the “MacroAsia Group.”

These financial statements for the quarter ended September 30, 2025, have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited condensed consolidated financial statements, attached as **Annex 1** to this report, do not contain all the information and disclosures required under the Philippine Financial Reporting Standards (PFRS) for a complete set of financial statements in accordance with Philippine Generally Accepted Accounting Principles (Philippine GAAP).

### **DISCUSSION AND ANALYSIS (MD&A) OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The primary purpose of this MD&A is to provide readers with a deeper understanding of the MacroAsia Group’s business dynamics and the key factors influencing its financial performance. Accordingly, this section presents discussions on our core business segments and an analysis of their respective operating results.

This MD&A also highlights significant statistics derived from the unaudited condensed consolidated financial statements and addresses known risks and uncertainties affecting the aviation and related industries in the Philippines during the reporting period. However, it should not be considered exhaustive, as it does not cover unknown risks, uncertainties, or developments that may arise in the broader economic, political, or environmental landscape after the reporting period or the date of this report.

This discussion should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and related notes. All financial figures are presented in Philippine pesos (₱), unless otherwise indicated.

References to the “Parent Company,” “MAC,” or “the Corporation” pertain to **MacroAsia Corporation**, while references to the “MacroAsia Group” or “the Group” include MacroAsia Corporation and its subsidiaries and associates.

Additional information about the Group, including its annual and quarterly reports, is available on our corporate website at [www.macroasiacorp.com](http://www.macroasiacorp.com)

## **BUSINESS OVERVIEW**

### **A. MacroAsia Corporation: Parent Company as a Holding Company**

MacroAsia Corporation (MAC) traces its beginnings to Infanta Mineral & Industrial Corporation (IMIC), which was incorporated in the Philippines on February 16, 1970 to engage in geological exploration and mineral development. In the 1970s, IMIC operated the Infanta Nickel Mine in Brooke's Point, Palawan, exporting nickel ore to Japan. When global nickel prices declined, commercial mining operations were eventually suspended.

Recognizing the potential to evolve into a more diversified enterprise, the company shifted direction. On January 26, 1994, IMIC amended its Articles of Incorporation to become a holding company, taking on the name Cobertson Holdings Corporation. A year later, on November 6, 1995, the Securities and Exchange Commission (SEC) approved another amendment — marking the company's rebirth as MacroAsia Corporation.

MacroAsia began its journey as a holding company in 1996, focusing on strategic investments in aviation support services, food services, and water utilities and concessions. Over the years, it has transformed from a single-purpose mining firm into a diversified service group that plays a vital role in supporting mainly the Philippine aviation sector and food industries.

Today, MacroAsia derives its revenues from various business segments, including:

- In-flight catering, commissary operations and institutional catering
- Airport ground handling
- Aviation training
- Aircraft maintenance, repair, and overhaul (MRO)
- Water utilities and concessions

It also operates a special economic zone within the Ninoy Aquino International Airport (NAIA) — a strategic hub that supports its aviation services operations. Beyond the airport, MacroAsia continues to broaden its footprint through institutional food catering and water utility and concession services, supplying clients outside the airport premises.

Over the past three years, MacroAsia and its subsidiaries have continued to operate on solid financial and operational footing:

- The Group has not been involved in any bankruptcy, receivership, or similar proceedings.
- There have been no material mergers, consolidations, or major acquisitions outside the ordinary course of business.
- The Group has not issued bonds or other public securities during this period.
- As a services-based organization, MacroAsia incurs no significant research and development expenditures, focusing instead on operational excellence and service innovation.

Through prudent management, strategic diversification, and a deep understanding of the industries it serves, MacroAsia Corporation stands today as a trusted Filipino enterprise — bridging aviation, food, and water in ways that create value for partners, customers, and shareholders alike.

## **B. Strategic Business Units**

MacroAsia Corporation operates through several strategic business units (SBUs) that drive growth across its core service sectors. The Company's key business groups are as follows:

### **1) Food Services**

This segment covers food products and services provided through MacroAsia-owned facilities or those operated on behalf of clients by its food subsidiaries. The Group's food operations cater to both aviation and non-aviation markets, serving major airlines, institutions, and corporate clients.

| <b><i>Name of Company</i></b>                                                                                                                           | <b><i>Products and Services</i></b>                                                                                                                                             | <b><i>Business Development<br/>(Last 3 years)</i></b>                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>a. MacroAsia Catering Services, Inc. (MACS):</b><br><i>(67% owned by MAC; 33% owned by SATS, Singapore)</i><br><br>Incorporated on October 25, 1996. | Provides airline catering services to the majority of foreign carriers operating at NAIA, as well as institutional catering for select clients.                                 | MACS remains the <b>largest and preferred foreign-airline caterer at NAIA</b> , serving <b>3.3 million meals</b> as of year-to-date September 2025, up from <b>3.0 million</b> in 2024 and <b>2.8 million</b> in 2023 (9-month comparable periods).<br><br>As of September 2025, the unit employed <b>551 staff</b> . |
| <b>b. MacroAsia SATS Inflight Services Corp. (MSISC).</b><br><i>(67% owned by MAC; 33% by SATS Ltd., Singapore)</i><br><br>Incorporated on May 16, 2016 | Operates the Philippine Airlines Inflight Kitchen near NAIA Terminal 2 since March 2019, serving exclusively the catering requirements of Philippine Airlines, a related party. | The <b>PAL Kitchen</b> produced <b>5.4 million meals</b> as of year-to-date September 2025, compared with <b>4.8 million</b> in 2024 and <b>5.3 million</b> in 2023 (9-month comparable periods).<br><br>As of September 2025, it employed <b>702 staff</b>                                                           |
| <b>c. MacroAsia SATS Food Industries Corporation (MSFI).</b>                                                                                            | Operates a commissary or central kitchen on MAC-owned land in Muntinlupa City, supplying food products                                                                          | Competing in a <b>fragmented institutional food market</b> , MSFI continues to expand its client base, winning                                                                                                                                                                                                        |

|                                                                                                                                                                                                   |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(67% owned by MAC; 33% by SATS Ltd., Singapore)</p> <p>Incorporated on July 14, 2015</p>                                                                                                       | <p>mainly to non-airline clients, managing food services for institutions such as banks and corporate offices, and providing some food items for a budget airline and airline terminal lounges.</p> | <p>multiple tenders.</p> <p>Sales volume reached <b>10.9 million meals</b> as of year-to-date September 2025, up from <b>9.3 million</b> in 2024 and <b>8.8 million</b> in 2023 (9-month comparable periods).</p> <p>As of September 2025, the commissary and its sites employed <b>585 staff</b>.</p>                                    |
| <p>d. <b>Cebu Pacific Catering Services, Inc. (CPCS).</b><br/>(40% owned by MAC; 40% by Cathay Pacific Catering Services (HK); 20% by MGO Group of Cebu)</p> <p>Incorporated on June 14, 1996</p> | <p>Operates the sole inflight kitchen within the Mactan Economic Processing Zone, serving both domestic and foreign airlines at Mactan-Cebu International Airport.</p>                              | <p>After resuming full operations post-pandemic, CPCS reported <b>395,456 meals</b> as of year-to-date September 2025, up from <b>299,639</b> in 2024 and <b>118,170</b> in 2023.</p> <p>The facility was under care-and-maintenance in 2021–2022 due to limited flight activity.</p> <p>As of September 2025, it employed 126 staff.</p> |

\* On September 12, 2024, during the Special Stockholders' Meeting of MacroAsia Catering Services, Inc. (MACS), a 67%-owned subsidiary of MacroAsia Corporation (MAC) and 33%-owned by SATS Ltd. of Singapore, the stockholders approved the declaration of property dividends consisting of MACS' investments in its two subsidiaries, MacroAsia SATS Inflight Services Corporation (MSIS) and MacroAsia SATS Food Industries (MSFI), at cost. On June 4, 2025, the Securities and Exchange Commission (SEC) approved the said declaration of property dividends. The approval resulted in the transfer of ownership of the shares of MSIS and MSFI from MACS to its shareholders, MAC and SATS, in proportion to their respective equity holdings in MACS.

*This transaction forms part of the Group's corporate reorganization plan aimed at consolidating its food businesses under MSFI, which shall serve as the parent entity of the MacroAsia Food Group, with MACS and MSIS as its subsidiaries.*

#### **Sources and Availability of Raw Materials:**

The majority of raw materials used by the Company are sourced locally, while select imported ingredients are utilized to meet the specialized menu requirements of airline clients. Over the past three (3) years, meal production has remained uninterrupted despite occasional supply constraints. In cases of temporary unavailability, approved substitute items are provided in close coordination with clients. The Company also maintains a bonded warehouse license, which allows the duty- and tax-free importation of raw materials, provided that the finished meals are re-exported to airline customers.

**Government Approval/Concessions:**

The facilities operated by MacroAsia Catering Services, Inc. (MACS) for foreign airlines and by MacroAsia SATS Inflight Services Corporation (MSISC) for Philippine Airlines are located within airport premises on government-owned properties and are operated under lease agreements. Under MIAA in previous years, the lease for the MACS facility is renewed periodically in accordance with applicable terms and conditions. Like MACS, MacroAsia SATS Inflight Services Corporation (MSISC) and Cebu Pacific Catering Services (CPCS) likewise remain accredited by the respective airport authorities as concessionaires duly authorized to operate within airport premises.

**Risks and Opportunities to the Food Business Segment:**

The Food Group's operations were significantly affected during the pandemic period due to government-imposed mobility restrictions intended to contain COVID-19, which resulted in a substantial contraction of the airline catering market from 2020 through early 2023. To mitigate concentration risk, the Group diversified its revenue sources by expanding into non-airline segments, focusing on institutional clients such as banks, schools, hospitals, and other companies. As of September 30, 2025, **non-airline meal sales accounted for 31% of the Food Group's total revenues.**

At present, the Group is exposed to market risks arising from inflationary pressures affecting the cost of food ingredients, packaging materials, utilities, and logistics. The continued volatility in foreign exchange rates, coupled with upward wage adjustments and heightened competition in both airline and institutional catering markets, may exert pressure on operating margins. The Group manages these risks through cost-containment measures, supply chain localization, menu reengineering, and productivity improvement initiatives aimed at sustaining profitability and service quality.

On September 9, 2024, the Manila International Airport Authority (MIAA) issued Revised Administrative Order (AO) No. 1, Series of 2024, which took effect fifteen (15) days after issuance. The said order introduced updated fees and charges for the use of facilities, services, and properties within the project land under the jurisdiction of the airport operator. As a result, the lease rates for most airline catering facilities at the Ninoy Aquino International Airport (NAIA) increased to ₱710 per square meter, representing an approximately elevenfold increase from the previous rate as of September 2024. These lease costs are treated as input costs and are generally recoverable from airline clients under "other charges." The Group's airline catering units adopt an activity-based costing approach in pricing discussions with customers to ensure cost transparency and support equitable margin negotiations.

MacroAsia SATS Food Industries Corporation (MSFI), a joint venture between MacroAsia Corporation (67%) and SATS Ltd. of Singapore (33%), is expanding its existing commissary facility in Sucat, Muntinlupa City by approximately 11,000 square meters. The expansion will feature upgraded cold storage and commissary

systems and is expected to double MSFI's meal production capacity to 90,000 meals per day upon completion. The project is targeted for completion within eighteen (18) months and is aligned with MSFI's strategic objective of achieving operational scalability, enhanced food safety, and improved service efficiency.

The Group's airline catering units likewise anticipate growth opportunities arising from the planned capacity expansion at NAIA under the private airport operator's investment program. The modernization of NAIA is expected to strengthen its position as the country's primary aviation hub, resulting in an expanded catering market and greater business potential for the Group's airline food services.

## 2) Gateway Services (Groundhandling)

| <i><b>Name of Company</b></i>                                                                                                                                                                     | <i><b>Products and Services</b></i>                                                                                                                                                                                                                                                                                                                                                                                                                   | <i><b>Business Development<br/>(Last 3 years)</b></i>                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>a. MacroAsia Airport Services Corporation (MASCORP):</b><br/><i>(80% owned by MAC; 20% owned by Konoike, Japan)</i></p> <p>Incorporated on Sept 12, 1997.</p>                               | <p>Provides comprehensive ground handling and airport support services, including passenger, ramp, baggage, and cargo handling; ground support equipment (GSE) maintenance; and terminal-related services. The JV has the largest presence among ground handling companies in the Philippines, <b>operating in 22 airports</b> nationwide and servicing both local airline base clients (related parties) and foreign airlines operating at NAIA.</p> | <p>The business is dependent on the volume of flights handled at airports. MASCORP handled 145,674 flights as of year-to-date Sept 2025, compared with 141,629 in 2024 and 132,909 in 2023 (9-month comparable period).</p> <p>As of Sept 2025, the company employed 8,998 personnel.</p> |
| <p><b>b. Aviation Products Corporation (APC):</b><br/><i>(100% owned by MASCORP)</i></p> <p>A wholly owned subsidiary of MacroAsia Airport Services Corporation (MASCORP) acquired this 2025.</p> | <p>Provides specialized repair, refurbishment, and assembly of Unit Load Devices (ULDs) and aircraft catering trolleys for airline and ground handling operations. Serves as the technical and equipment support arm of MASCORP, ensuring operational</p>                                                                                                                                                                                             | <p>Business volume is primarily dependent on the airlines outsourcing their ULD repair. APC continues to support MASCORP's ground operations through efficient turnaround of ULDs and equipment refurbishment to maintain service quality and safety</p>                                  |

|                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                 | reliability and compliance with international standards.                                                                                                                                                                                                              | standards.                                                                                                                                                                                                          |
| <b>c. MacroAsia Air Taxi Services, Inc. (MAATS).</b><br><br><i>(Wholly owned subsidiary of MacroAsia Corporation)</i><br><br>Incorporated on June 4, 1996)                                      | Provides fixed-base operations and ground support services to the foreign airline clients of Lufthansa Technik Philippines (LTP), including coordination of government permits and clearances (CAAP, MIAA, BOC, Immigration, etc.).                                   | Business performance depends on the number of LTP's heavy base maintenance clients requiring MAATS' services.<br><br>As of September 2025, the company had 7 personnel.                                             |
| <b>d. Japan Airport Service Co., Ltd. (JASCO).</b><br><br><i>(30% owned by MacroAsia Corporation; 70% owned by Konoike Transport Co., Ltd. of Japan)</i><br><br>Incorporated on March 25, 1960) | Operates ground handling and support services exclusively at Narita International Airport, Japan, including flight operations management, baggage handling, cabin cleaning, cargo/mail handling, and in-house GSE maintenance for both domestic and foreign airlines. | The business depends on flight volumes of airline clients at Narita Airport. JASCO handled 16,433 flights as of year-to-date Sept 2025, compared with 13,516 in 2024 and 9,103 in 2023 (9-month comparable period). |

#### **Sources and Availability of Raw Materials:**

Ground handling operations do not have substantial requirements for raw materials, unlike catering operations, as these services are primarily manpower- and equipment-driven.

#### **Government Approval/Concessions:**

Ground handling is a regulated airport activity, and operations require the lease of airport spaces (which are government-owned), as well as the acquisition of concession licenses and airport passes issued by the relevant airport authorities. These are secured by the Company's ground handling subsidiaries through formal agreements with airport authorities and the payment of concession fees and lease charges.

#### **Risks and Opportunities:**

Over the past three (3) years, the ground handling business faced significant risks arising from the suspension of regular airline operations during the pandemic period, when airport activity was largely limited to government-arranged repatriation and cargo flights. By end-2024 and continuing through September

2025, flight volumes at major airports recovered strongly, with domestic air travel reaching and, in some cases, exceeding pre-pandemic levels.

In the last quarter of 2024, operating costs at the Ninoy Aquino International Airport (NAIA)—including airport passes, office leases, and other related expenses—increased following the implementation of revised rates by the Manila International Airport Authority (MIAA) and its private concessionaire-operator. These additional costs are being considered in ongoing rate negotiations with airline clients.

According to statements from airport authorities, planned infrastructure investments at NAIA are expected to support sustained growth in flight and passenger volumes in the coming years. This anticipated expansion presents a key opportunity for MacroAsia's ground handling operations, as increased air traffic is projected to drive higher demand for aviation support services.

In Japan, the aviation market continues to strengthen, supported by record inbound tourism volumes during April and May 2025. Japan Airport Service Co., Ltd. (JASCO) is leveraging this favorable market environment by securing improved unit rates and new passenger flight contracts. The resulting revenue growth is expected to support enhanced employee compensation and expanded recruitment to meet rising operational requirements.

### **3) Aircraft MRO (Aircraft Maintenance, Repair and Overhaul)**

**Lufthansa Technik Philippines, Inc. (LTP)**, an associate, was incorporated in December 1999 to engage in aircraft maintenance, repair, and overhaul (MRO) operations within the Ninoy Aquino International Airport (NAIA) complex. The company is a joint venture between MacroAsia Corporation (49%) and Lufthansa Technik AG of Germany (51%).

LTP provides a full range of MRO services to airline customers worldwide and is one of the thirty (30) affiliates and subsidiaries under the Lufthansa Technik Group, a global leader in aircraft maintenance and engineering. The company adheres to the Lufthansa Technik standard of quality, safety, and reliability, and competes with regional MRO providers located in Singapore and Hong Kong. Its strategic advantage lies in its access to the global Lufthansa network, supported by a skilled Filipino workforce.

LTP specializes in base maintenance checks for Airbus A320, A330, A340, A380, and Boeing 777 aircraft types, including major structural modifications, cabin reconfiguration or retrofit programs, and lease-return inspections. The facility is equipped with scalable docking systems capable of accommodating multiple aircraft types and can simultaneously service up to three (3) Airbus A380 aircraft.

The company's main base facility is located within an economic zone at NAIA, with additional line maintenance stations in Cebu, Clark, Davao, and Kalibo. The Philippines' strategic location in Southeast Asia—within a four-hour flight radius of major hubs such as Hong Kong and Singapore—enhances LTP's competitiveness in attracting regional customers.

LTP is certified by multiple civil aviation authorities, including the Civil Aviation Authority of the Philippines (CAAP), U.S. Federal Aviation Administration (FAA), European Union Aviation Safety Agency (EASA), Civil Aviation Safety Authority (Australia), Japan Civil Aviation Bureau (JCAB), and Korea's Ministry of Land, Infrastructure and Transport (MOLIT), among others. Its technical services unit also operates as a Design Department under Lufthansa Technik AG's EASA Design Organization Approval (EASA.21J.019).

As of September 2025, LTP employed 3,914 personnel, composed of highly skilled English-speaking mechanics, engineers, and support staff. The company continues to invest in talent acquisition and training to sustain service excellence and meet rising demand.

#### **Business Development**

LTP's core service offerings include line maintenance and base maintenance. As of September 2025, the company serviced 47 aircrafts for line maintenance and recorded 1.16 million engineering man-hours for base maintenance, compared with 0.99 million hours in 2024 and 0.88 million hours in 2023 (based on comparable nine-month periods).

#### **Sources and Availability of Raw Materials:**

LTP's operations are primarily service-based and do not require significant raw materials. Aircraft parts and components used in maintenance activities are typically supplied by the airline clients. However, LTP provides procurement assistance to customers in sourcing spare parts when necessary.

#### **Government Approval/Concessions:**

The MRO industry is a highly regulated sector, requiring certification and accreditation from domestic and international aviation authorities. LTP operates its facilities on government-owned land within an economic zone developed and managed by MacroAsia Properties Development Corporation (MAPDC).

MAPDC holds a 25-year lease agreement for the land with MIAA effective September 1, 2000, renewable for another 25 years at the option of the lessee, subject to mutually agreed terms and conditions with the lessor. LTP operates under a sublease agreement with MAPDC that mirrors the terms of the principal lease. Both MAPDC, as Philippine Economic Zone Authority (PEZA) developer/operator, and LTP, as its sole locator, are currently engaging with authorities on the renewal of the ecozone lease, which is expected to result in higher lease rates for both the ecozone and LTP.

**Risks and Opportunities:**

Over the past three (3) years, LTP faced operational challenges arising from pandemic-related mobility restrictions and the temporary suspension of aircraft operations, which significantly reduced global demand for MRO services. This led to workforce rationalization, including the release of skilled mechanics. With the recovery of the aviation industry beginning in 2024, LTP has since accelerated recruitment to rebuild technical capacity and meet the increasing workload at its facilities.

The renewal of the ecozone lease after August 31, 2025 poses the risk of higher rental costs, with lease rates projected possibly to increase 11x to Php710/sqm. While such increases may be recoverable through adjustments in client pricing, significant lease escalations could affect certain foreign airline customers that do not directly benefit from the NAIA capacity expansion. As of this reporting period, MacroAsia and LTP are actively negotiating with the concerned authorities to secure favorable and sustainable terms for the renewal. Failure to agree on a long-term lease agreement will be detrimental to the MRO business, considering that contracts with clients are often long-term in nature and demand certainty in the operating condition of an MRO provider.

The total carrying value of the property, plant & equipment and building & building improvements amounted to ₱2,558.5 million as of September 30, 2025 and ₱2,824.7 million for December 31, 2024, respectively.

Beyond this risk on the lease terms and conditions in NAIA, LTP is seeing the rising global demand for MRO capacity. Considering developments in the main hub, LTP is also evaluating opportunities in Clark, Pampanga. This strategic consideration would enable the company to serve a broader client base, improve operational resilience, and strengthen the Philippines' position as a regional MRO hub.

**4) Property and Ecozone Development**

**MacroAsia Properties Development Corporation (MAPDC)** is a wholly owned subsidiary of MacroAsia Corporation, engaged in real estate development and property management within aviation and industrial zones. The Company commenced commercial operations in June 1996 as a real estate developer and completed its warehouse condominium project in Muntinlupa City in 1997. After a temporary suspension of operations, MAPDC resumed commercial activities in 2000 as the developer and operator of the MacroAsia Special Economic Zone (MASEZ)—the only special economic zone located within the Ninoy Aquino International Airport (NAIA). The ecozone houses Lufthansa Technik Philippines, Inc. (LTP) under a 25-year lease arrangement that run until August 31, 2025. Based on the original lease contract, MAPDC notified its intent to renew the lease, but the terms and conditions of the lease renewal or extension is yet to be agreed with the authorities as of this reporting period.

In Mactan, Cebu, MAPDC developed the MacroAsia Cebu Special Economic Zone in 2018. This 2.3-hectare facility, located within the Mactan-Cebu International Airport, is designated for aviation-related services similar to the MASEZ in Manila. On August 12, 2025, MacroAsia Airport Services Corporation (MASCORP) was granted a Permit to Locate (PTL) within the zone for a 3,500-square-meter area, marking the expansion of MacroAsia's ground handling operations in the Visayas.

Since 2011, MAPDC has also operated a wastewater treatment and water recycling facility within the NAIA ecozone, providing non-domestic water supply services to its locator. Leveraging experience from this operation, the Company has pursued water resource development projects outside Metro Manila, including Boracay Island, Nueva Vizcaya, and Cavite.

MAPDC owns a parcel of land in Muntinlupa City, part of which has been developed into the central kitchen or commissary operated by MacroAsia SATS Food Industries Corporation (MSFI). The land and building are leased to MSFI. MAPDC likewise leases other properties to related parties such as SNV Resources Development Corporation (SNVRDC) and Summa Water Resources, Inc. (SWRI).

The Company's operations are not materially dependent on raw materials. Its business primarily involves the leasing of properties and facilities within the ecozones and to related parties. The NAIA and Mactan ecozones are both subject to government lease agreements for the underlying land. Given the nature of its operations, MAPDC's growth is stable but modest, primarily driven by changes in lease rates or the availability of additional properties for lease. The Company is not engaged in property development for sale but focuses on supporting the facility and infrastructure requirements of the MacroAsia Group.

## **5) Pilot School**

First Aviation Academy, Inc. (FAA) was incorporated on December 5, 2017 and officially inaugurated its aviation training facility at the Subic Bay International Airport in March 2019. Established to help address the global shortage of professional pilots, FAA serves as an aviation career and resource center. The company is a joint venture between MacroAsia Corporation (51%) and PTC Holdings Corporation (49%).

FAA specializes in ab initio pilot training, certification, and aviation-related career development programs. Graduates earn a Private Pilot License (PPL) and may subsequently obtain advanced certifications such as Instrument Rating (IR), Multi-Engine Rating (MER), and Commercial Pilot License (CPL). Top-performing graduates may qualify as Flight Instructors (FI) to accumulate additional flight hours while gaining instructional experience.

The academy operates a fleet of TECNAM and CESSNA aircraft supported by multiple CAAP-approved flight simulators. In June 2021, FAA acquired nine Cessna 172 aircraft and one Redbird Flight Simulator from the former Philippine Airlines Aviation School (PALAV) to expand training capacity. The addition of a newly built ATPT Sim Trainer further enhances training by simulating advanced Airbus operations—providing students with essential proficiency before undertaking airline type-rating courses. FAA also utilizes four REDBIRD training devices (two REDBIRD MCX, one REDBIRD CE510 Citation Mustang, and one REDBIRD SD simulator), all approved by the Civil Aviation Authority of the Philippines (CAAP).

Aside from its certification as an Approved Training Organization (ATO), FAA is also an Approved Maintenance Organization (AMO) authorized to perform in-house line maintenance for its aircraft fleet. It can likewise train its own maintenance technicians and those of other schools—supporting its long-term vision of becoming a comprehensive aviation career and resource center.

In 2025, FAA is launching night flight training at Subic Bay International Airport and will implement the ICAO-endorsed Competency-Based Training and Assessment (CBTA) framework across all flight-training programs. These initiatives aim to enhance training quality, align with international standards, and improve graduate employability.

As of September 30, 2025, FAA employed 47 personnel and had 116 pilot trainees. FAA operates in a highly regulated environment requiring certifications from the CAAP and other government bodies. There are currently no existing or anticipated regulations expected to materially affect its operations. The company did not incur any research and development expenditures during the past three (3) fiscal years.

## 6) Water Concessions and Utilities

| <i><b>Name of Company</b></i>                                                 | <i><b>Products and Services</b></i>                                                                                                                                                                                                                                                                                                | <i><b>Business Development<br/>(Last 3 years)</b></i>                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>a. Boracay Tubi System, Inc. (BTSI)</b><br><br><i>(67% owned by MAPDC)</i> | Provides potable water to residential and commercial establishments in Boracay Island; manages septage for commercial clients; and supplies raw and treated bulk water to selected areas in the island. Water is extracted from river sources in Caticlan, Aklan and transferred via submarine pipelines for treatment in Boracay. | BTSI has operated in Boracay for over 20 years as one of two island water service providers. It holds three (3) water rights and a Certificate of Public Convenience (CPC) from the National Water Resources Board (NWRB). It serves more than 40% of |

|                                                                                                                                          |                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                          |                                                                                                                                                                                                | Boracay's total water demand. BTSI owns 80% of Monad Water Sewerage Systems, Inc. (MONAD), serving Barangay Yapak, and 100% of New Earth Water System, Inc. (NEWS), which holds CPCs and water rights in Visayas and Mindanao. <b>Water Sales (MLD):</b> 6.7 (Sep 2025); 6.6 (2024); 6.0 (2023, comparable 9 months). <b>Staff:</b> 100. |
| <b>b. Naic Water Supply Corp. (NWSC)</b><br><br><i>(100% owned by MAPDC)</i>                                                             | Provides treated potable water drawn from deep wells to residential and commercial customers in Naic, Cavite, and nearby subdivisions.                                                         | Incorporated on September 4, 2003, NWSC continues to expand service coverage in Naic and adjacent areas. <b>Water Sales (MLD):</b> 12.6 (Sep 2025); 12.1 (2024); 10.9 (2023, comparable 9 months). <b>Staff:</b> 82                                                                                                                      |
| <b>c. Summa Water Resources, Inc. (SWRI).</b><br><br><i>(60% owned by Allied Water Services, Inc., a wholly owned subsidiary of MAC)</i> | Original Equipment Manufacturer (OEM) of standard and customized water and wastewater treatment systems; also provides treated bulk water supply to private and government clients nationwide. | SWRI supplies water treatment equipment and bulk water to entities in Bulacan, Iloilo, Albay, Cavite, Bataan, and Bacolod. Recent growth was driven mainly by equipment sales to government clients. <b>Bulk Water Sales (MLD):</b> 4.7 (Sep 2025); 3.5 (2024); 3.9 (2023, 9 months comparable period). <b>Staff:</b> 67                 |
| <b>d. SNV Resources Devt Corporation (SNVRDC)</b><br><br><i>(100% owned by MAPDC)</i>                                                    | Provides potable water to residential, commercial, and government clients in Solano, Nueva Vizcaya,                                                                                            | Established as a greenfield project to develop a full waterworks system in                                                                                                                                                                                                                                                               |

|                                                                                                                                                                                                    |                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                    | using water extracted and treated from the Magat River.                                                                                                                                                          | Solano. From zero accounts in 2016, SNVRDC grew to 5,791 service connections as of September 2025. <b>Water Sales (MLD):</b> 3.1 (Sep 2025); 2.9 (2024); 2.6 (2023, comparable 9 months). <b>Staff:</b> 48                                           |
| <b>e. Aqualink Resources Devt Inc. (ARDI)</b><br><br><i>(51% owned by NWSC)</i>                                                                                                                    | Operates the water system for Lancaster New City in Cavite, serving General Trias, Imus, Carmona, Bacoar, Kawit, and Tanza; supplies potable water from deep well sources to households and commercial accounts. | ARDI reached 44,112 connections as of September 2025. Continuous service expansion driven by population growth within Lancaster New City. <b>Water Sales (MLD):</b> 28.3 (Sep 2025); 27.3 (2024); 25.6 (2023, comparable 9 months). <b>Staff:</b> 92 |
| <b>f. Cavite Business Resources, Inc. (CBRI)</b><br><br><i>(67% owned by NWSC, 33% by Watergy Business Solutions, Inc. – wholly owned by MAPDC)</i>                                                | Supplies bulk water from the Maragondon River through the Maragondon Bulk Water Treatment Plant.                                                                                                                 | The Maragondon Bulk Water Supply Agreement with Maragondon Water District commenced in August 2024, marking the start of operations of the bulk water facility.                                                                                      |
| <b>g. Cavite AlliedKonsult Services Corp. (CAKSC)</b><br><br><i>(100% owned by Allied Konsult Eco-Solutions Corp., 60% owned by Allied Water Services, Inc., a wholly owned subsidiary of MAC)</i> | Operates a septage treatment facility located in General Trias, Cavite – the largest in the province – servicing household and commercial establishments.                                                        | Septage treatment operations commenced in late 2024 following the execution of treatment agreements with water service providers, including ARDI.                                                                                                    |

**Sources and Availability of Raw Materials:**

The chemicals and supplies used for water treatment are primarily sourced from local suppliers and remain readily available in the domestic market. Over the past three years, no material supply disruptions have been reported. Similarly, the procurement of water treatment equipment has not encountered any significant supply issues during the period. The Group continues to maintain strategic relationships with accredited suppliers to ensure consistent quality and uninterrupted operations.

**Government Approval/Concessions:**

The Group's water operations are regulated by various government agencies and require multiple approvals for the supply of potable water and the treatment of septage. All water business units hold valid permits and certifications from relevant regulatory bodies such as the National Water Resources Board (NWRB), Department of Environment and Natural Resources (DENR), Department of Health (DOH), or Laguna Lake Development Authority (LLDA), and respective local government units (LGUs). Tariff setting and adjustments are undertaken in coordination with the NWRB and are aligned with the investment levels and service expansion plans of each operating unit.

**Risks and Opportunities:**

The Group's water business has demonstrated resilience and steady growth over the past three years, even amid pandemic-related constraints in various regions. Growth prospects remain strong, supported by sustained population expansion and rising commercial activity in urbanizing areas outside Metro Manila. The structural shift toward remote work and increased migration to provincial communities has further stimulated demand for reliable and affordable water services.

A key development during the year was the execution of a financing agreement between Cebu Summa Water Lapu-Lapu, Inc. (CSWLL)—a wholly owned subsidiary of Summa Water Resources, Inc. (SWRI), which is 60% owned by MacroAsia Corporation through Allied Water Services, Inc.—and Security Bank Corporation. This agreement paves the way for the construction of a 20 million liters per day (MLD) desalination plant in Punta Engaño, representing an increase from the original 15 MLD design, and a 500 cubic meters per day (CMD) desalination facility on Olango Island.

As of the reporting period, the Group is also progressing with new water infrastructure projects in Cebu, Bacolod, La Union, and Pangasinan. The commercial and revenue contributions from these initiatives are expected to begin in the latter part of 2025 and extend into subsequent periods.

## 7) Mining

MacroAsia Corporation (MAC) retained mining rights and permits from its origins as a mining company in the 1970s. These assets, including the Infanta Nickel Project in Palawan, were transferred to **MacroAsia Mining Corporation (MMC)**, a wholly owned subsidiary incorporated on September 25, 2000, to serve as the Group's mining vehicle.

During the 2010s, MMC provided consultancy and exploration services for nickel projects. It later acquired Bulawan Mining Corporation (BUMICO) in 2018 and Management Development Corporation (MADECOR) in 2020 from PNB as part of the Group's mining spin-off program. The BUMICO acquisition included the Bulawan Project in Negros Oriental and related agreements with Philex Mining Corporation and Philex Gold Philippines, Inc. MADECOR's Exploration Permit (EP No. 11-2024-VI) covering 3,709 hectares in Iloilo was approved and registered on December 4, 2024.

MMC also holds exploration permit applications in Leyte (EXPA 000091-VII and 000092-VII), which have received favorable endorsements from the Department of Agriculture and the Mines and Geosciences Bureau (MGB).

In Palawan, MMC holds MPSA Nos. 220-2005-IVB and 221-2005-IVB, approved for transfer from MAC to MMC by the DENR on February 1, 2021. These tenements cover 1,524 hectares in Brooke's Point and grant the company the right to explore and develop nickel, chromite, and associated minerals. MMC entered into a Memorandum of Agreement with Calmia Nickel, Inc. (CNI) for the Infanta Nickel Project, with confirmatory drilling completed in 2021.

Regulatory progress includes the issuance of the Environmental Compliance Certificate (ECC) in December 2023, Feasibility Study approval in February 2025, and approval of the Environmental Protection and Enhancement Program (EPEP) and Final Mine Rehabilitation/Decommissioning Plan (FMR/DP) in August 2025. The Palawan Council for Sustainable Development (PCSD) also granted the SEP Clearance in June 2022, with its technical description approved in September 2024.

In 2024, MGB MIMAROPA resolved a boundary dispute in favor of MMC, awarding 37.7 hectares of contested land. Site re-survey and validation were completed by November 2024. Initial clearing and construction for support facilities began in August 2025.

MMC currently employs five (5) regular staff. It has no major supply contracts, research and development expenses, or other significant regulatory issues during the third quarter of 2025.

MMC's present operations do not require the intensive use of raw materials. Therefore, it does not have any major existing supply contracts.

MMC is not aware of any other existing or probable government regulations that may have any adverse effects on its business. Other than what has been disclosed,

MMC does not have any other significant agreements or patents, copyrights, licenses, franchises, concessions, or royalty agreements. It did not incur any research and development costs during the last three fiscal years.

Moreover, no exploration work was conducted during the third quarter of 2025.

## **8) IT Services, Connectivity and Radio Trunking**

This segment focuses on integrating information technology and connectivity solutions across the MacroAsia Group and its partner companies. It also includes the operation of the Group's digital trunk radio system within the airport, utilizing frequencies allocated by the National Telecommunications Commission (NTC) to support aviation-related activities.

**Tera Information and Connectivity Solutions, Inc. (TERA)**, a wholly owned subsidiary of MacroAsia Corporation, was incorporated on February 11, 2021 to serve as the Group's in-house Technology and Tier 1 Service Provider. The company's formation reflects the Group's strategic pivot to ICT services—an opportunity underscored by the digital acceleration during the COVID-19 pandemic.

TERA's core services include information management, data connectivity, radio trunking, and managed ICT services. In 2024, TERA completed the construction of an HDPE conduit system and a containerized data center within Lancaster New City.

As of reporting date, there are no existing or anticipated government regulations expected to adversely affect TERA's operations. The company has not incurred any research and development expenses since incorporation.

### **Key Performance Indicators**

The Group monitors the following key financial performance indicators to assess profitability, liquidity, and financial position. Comparative analyses are based on results for the nine months ended September 30, 2025 versus the same period in 2024.

| <i>PARTICULARS</i>         | <b><i>September 30, 2025</i></b> | September 30, 2024 |
|----------------------------|----------------------------------|--------------------|
| Return on Net Sales (RNS)  | <b>15.68%</b>                    | 17.14%             |
| Return on Investment (ROI) | <b>9.96%</b>                     | 12.43%             |
| Return on Equity (ROE)     | <b>16.87%</b>                    | 20.27%             |
| Direct Cost Ratio          | <b>79.01%</b>                    | 73.98%             |
| Operating Expense Ratio    | <b>15.72%</b>                    | 12.98%             |
| Current Ratio              | <b>1.60 : 1</b>                  | 1.53 : 1           |
| Debt-to-Equity Ratio       | <b>27.12%</b>                    | 12.01%             |
| Interest Coverage Ratio    | <b>13.97: 1</b>                  | 15.49: 1           |
| Asset-to-Equity Ratio      | <b>1.88 : 1</b>                  | 1.80 : 1           |
| Return on Asset (ROA)      | <b>7.18%</b>                     | 8.96%              |

- Return on Net Sales (RNS)**  
 RNS decreased to 15.68% from 17.14% in the prior year, primarily due to the absence of non-recurring income recognized in 2024 by one of the Group's business segments. Excluding this one-off item, all segments registered revenue growth in 2025. The decline in RNS was also influenced by higher operating costs and a greater share in the net income of associates, which boosted bottom-line profit but did not contribute to reported revenues—thereby reducing the ratio.
- Return on Investment (ROI)**  
 ROI declined to **9.96%** from **12.43%**, mirroring the movement in overall profitability and the increased asset base following capacity and operational investments.
- Return on Equity (ROE)**  
 ROE stood at **16.87%**, lower than **20.27%** in 2024, reflecting the moderation in earnings relative to the expanded equity base.
- Direct Cost Ratio**  
 The ratio increased to **79.01%** from **73.98%**, in line with higher activity levels across business units and increased input and labor costs associated with expanded operations.
- Operating Expense Ratio**  
 Operating expenses rose to **15.72%** of revenues from **12.98%**, consistent with business volume growth and inflationary pressures on utilities, manpower, and administrative costs.

- **Current Ratio**

The Group maintained a strong liquidity position, with a **current ratio of 1.60:1** versus **1.53:1** a year earlier. The improvement reflects higher cash balances and receivables relative to current liabilities.

- **Debt-to-Equity Ratio**

The **debt-to-equity ratio** increased to **27.12%** from **12.01%**, mainly due to additional loans obtained to support business expansion, offset partly by the growth in equity from net income generation during the period.

- **Interest Coverage Ratio**

The **interest coverage ratio** eased slightly to **13.97x** from **15.49x**, though the Group continues to comfortably meet its interest obligations given positive operating results.

- **Asset-to-Equity Ratio**

The **asset-to-equity ratio** rose to **1.88x** from **1.80x**, indicating that the Group's asset base remains primarily financed by shareholders' equity rather than debt.

- **Return on Assets (ROA)**

ROA declined to **7.18%** from **8.96%**, still reflecting stable profitability amid a larger asset base that continues to generate solid returns.

The indicators above are measured as follows:

|                            |   |                                                                                                                                                               |
|----------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Return on Net Sales     | = | $\frac{\text{Total Net Income}}{\text{Total Net Revenues}}$                                                                                                   |
| 2. Return on Investment    | = | $\frac{\text{NI attributable to Equity holder of Parent}}{\text{Total Interest-bearing Liabilities} + \text{Equity attributable to Equity holder of Parent}}$ |
| 3. Return on Equity        | = | $\frac{\text{Total Net Income}}{\text{Total Equity}}$                                                                                                         |
| 4. Direct Cost Ratio       | = | $\frac{\text{Total Direct Cost}}{\text{Total Net Revenues}}$                                                                                                  |
| 5. Operating Expense Ratio | = | $\frac{\text{Total Operating Expenses}}{\text{Total Net Revenues}}$                                                                                           |
| 6. Current Ratio           | = | $\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$                                                                                        |

$$7. \text{Debt-to-Equity Ratio} = \frac{\text{Total Interest-bearing Debts}}{\text{Total Equity}}$$

$$8. \text{Interest Coverage Ratio} = \frac{\text{Total Earnings before Interest and Taxes}}{\text{Interest Expense}}$$

$$9. \text{Asset-to-Equity Ratio} = \frac{\text{Total Assets}}{\text{Total Equity}}$$

$$10. \text{Return on Asset} = \frac{\text{Total Net Income}}{\text{Total Asset}}$$

## Management's Discussion and Analysis (MD&A)

**3<sup>rd</sup> Quarter of 2025 and 3<sup>rd</sup> Quarter of 2024**

**Results of Operations (amounts in ₱ millions)**

### Overview of 3<sup>rd</sup> Quarter Performance

For the third quarter of 2025, the MacroAsia Group reported consolidated revenues of ₱2.59 billion, **an increase of ₱373 million or 17% year-on-year** from ₱2.22 billion in the same period of 2024. The topline growth was primarily driven by stronger performance in the aviation services, coupled with the growth in non-airline related businesses.

Despite higher direct costs and expenses, the Group sustained its profitability, posting a net income of ₱384.3 million, up 9% year-on-year.

|                                                | Interim Unaudited |         | Horizontal Analysis |       | Vertical Analysis |         |
|------------------------------------------------|-------------------|---------|---------------------|-------|-------------------|---------|
|                                                | 3Q 2025           | 3Q 2024 | Changes             | %     | 3Q 2025           | 3Q 2024 |
| <b>REVENUE</b>                                 |                   |         |                     |       |                   |         |
| In-flight and other catering                   | 1,201.3           | 1,112.1 | 89.2                | 8%    | 46%               | 50%     |
| Ground handling and aviation                   | 1,041.8           | 901.6   | 140.1               | 16%   | 40%               | 41%     |
| Water distribution                             | 174.9             | 172.8   | 2.1                 | 1%    | 7%                | 8%      |
| Aviation training fee                          | 15.4              | 20.0    | -4.7                | -23%  | 1%                | 1%      |
| Administrative fees                            | 159.8             | 13.5    | 146.3               | 1081% | 0%                | 0%      |
|                                                | 2,593.1           | 2,220.0 | 373.1               | 17%   | 100%              | 100%    |
| <b>DIRECT COSTS AND EXPENSES</b>               |                   |         |                     |       |                   |         |
| In-flight and other catering                   | 824.9             | 754.5   | 70.3                | 9%    | 32%               | 34%     |
| Ground handling and aviation                   | 996.8             | 837.0   | 159.8               | 19%   | 38%               | 38%     |
| Water distribution                             | 106.8             | 105.3   | 1.5                 | 1%    | 4%                | 5%      |
| Aviation training cost                         | 20.8              | 23.9    | -3.1                | -13%  | 1%                | 1%      |
| Administrative fees                            | 163.9             | 17.8    | 146.1               | 822%  | 6%                | 1%      |
|                                                | 2,113.2           | 1,738.5 | 374.7               | 22%   | 81%               | 78%     |
| <b>GROSS PROFIT</b>                            | 479.9             | 481.6   | -1.6                | 0%    | 19%               | 22%     |
| <b>SHARE IN NET EARNINGS<br/>OF ASSOCIATES</b> | 359.1             | 228.6   | 130.5               | 57%   | 14%               | 10%     |
|                                                | 839.0             | 710.2   | 128.8               | 18%   | 32%               | 32%     |
| <b>OPERATING EXPENSES</b>                      | 408.4             | 310.6   | 97.8                | 31%   | 16%               | 14%     |
| <b>INCOME FROM OPERATIONS</b>                  | 430.6             | 399.6   | 31.0                | 8%    | 17%               | 18%     |
| <b>OTHER INCOME (CHARGES)</b>                  |                   |         |                     |       |                   |         |
| Interest income                                | 10.2              | 7.0     | 3.2                 | 46%   | 0%                | 0%      |
| Financing charges                              | -42.9             | -31.3   | -11.5               | 37%   | -2%               | -1%     |
| Foreign exchange gain - net                    | 9.7               | -2.0    | 11.7                | 587%  | 0%                | 0%      |
| Others - net                                   | 19.6              | 16.0    | 3.6                 | 22%   | 1%                | 1%      |
|                                                | -3.4              | -10.3   | 6.9                 | -67%  | 0%                | 0%      |
| <b>INCOME BEFORE INCOME TAX</b>                | 427.2             | 389.2   | 38.0                | 10%   | 16%               | 18%     |
| <b>PROVISION FOR INCOME TAX</b>                | 42.9              | 37.5    | 5.4                 | 14%   | 2%                | 2%      |
| <b>NET INCOME</b>                              | 384.3             | 351.7   | 32.6                | 9%    | 15%               | 16%     |
| Net income attributable to:                    |                   |         |                     |       |                   |         |
| Equity holders of the Company                  | 342.6             | 284.4   | 58.3                | 20%   | 13%               | 13%     |
| Non-controlling interests                      | 41.7              | 67.4    | -25.7               | -38%  | 2%                | 3%      |
|                                                | 384.3             | 351.7   | 32.6                | 9%    | 15%               | 16%     |

### **Revenue Performance for the Quarter**

- **Ground Handling and Aviation Services** rose **16% to ₱1.04 billion** (from ₱901.6 million), reflecting volume increases from airline clients and improved operational recovery at key airports.
- **In-flight and Other Catering** grew **8% to ₱1.20 billion** (from **₱1.11 billion**), driven by passenger and flight volume increases, as well as sustained growth in institutional catering contracts.
- **Water Distribution** remained stable at **₱174.9 million**, up **1%**, supported by growing demand in current concession areas and new residential and commercial accounts.
- **Aviation Training** revenue declined **23% to ₱15.4 million** due to fewer training hours because of various reasons, compared with the same quarter last year.
- **Administrative Fees** surged to **₱159.8 million** from only ₱13.5 million last year, attributable to lease and service arrangements recognized during the quarter.

### **Cost and Margin Analysis**

Total **direct costs and expenses** increased **22% to ₱2.11 billion** (from **₱1.74 billion**), mainly on account of higher activity levels in catering and ground handling operations, as well as the costs associated with administrative fee contracts and business development expenses.

- The **cost-to-revenue ratio** rose to **81%** (from 78%), compressing the **gross margin to 19%** (from 22%). This cost increase is primarily due to the expansion of business operations across all segments of the Group, with added costs from other rate adjustments related to terminal services within the Project Land managed and controlled by the Airport Operator in the main operating hub of NAIA.
- **Catering costs** grew 9%, and **ground handling costs** rose 19%, generally tracking volume expansion.
- The spike in **administrative-fee costs** (₱163.9 million vs ₱17.8 million last year) mirrored the increase in related revenues, and included business development expenses related to new projects.

### **Operating Expenses**

Consolidated operating expenses increased by ₱97.8 million (31%), from last year's 3<sup>rd</sup> quarter of ₱310.6 million to ₱408.4 million, aligned with the business volume growth and was partly driven by the lease rate adjustment to ₱710 based on updated fees and charges to apply for the use of the facilities, services, and properties within the Project Land under the management and control of the Airport Operator.

**Share in Net Earnings of Associates**

The share in net income of associates amounted to ₱359.1 million for 3Q2025, an increase of ₱130.5 million compared to the same period in the previous year. This reflects MAC's share in the net operating results of its associated companies—LTP, JASCO, and CPCS.

One of the primary contributors to the year-to-date net income for the 3<sup>rd</sup> quarter of 2025 is the share in net income from Lufthansa Technik Philippines (LTP), amounting to ₱330.8 million, which is ₱142.8 million higher than the ₱188.0 million share in net income in 2024. This significant increase is primarily due to improvements in LTP's base maintenance business.

CPCS, the catering associate in Cebu, contributed ₱6.6 million in net income, up from ₱6.1 million in the same period last year. This increase is attributed to a 36% rise in meal count. MAC holds a 40% share in CPCS's net income.

JASCO, the ground handling associate in Japan, contributed ₱21.7 million share in net income, from last year's 3<sup>rd</sup> quarter share in net income of ₱34.5 million. MAC holds 30% share in JASCO's net income.

**Other Income (Charges)**

Interest Income of ₱10.2 million pertains to income earned from short-term investments. Financing Charges increased from ₱31.3 million in the 3<sup>rd</sup> quarter of 2024 to ₱42.9 million in 2025. This increase reflects an addition in interest expense in lease liability associated with the new lease undertaken for the current year.

The Group recorded a net foreign exchange gain of ₱9.7 million for the 3<sup>rd</sup> quarter of 2025, compared to the foreign exchange loss of (₱2.0) million in the same period last year. This resulted in a favorable variance of ₱11.7 million, primarily due to foreign currency fluctuations during the period.

**Income Tax**

The Group's income tax expense for the 3<sup>rd</sup> quarter of 2025 increased by ₱5.4 million (14%), totaling ₱42.9 million from ₱37.5 million in the same period last year.

**Net Income**

The Group recorded a consolidated net income after tax for the 3<sup>rd</sup> quarter of 2025 of ₱384.3 million, reflecting a 9% increase from the consolidated net income after tax of ₱351.7 million in the same period last year.

**Outlook**

The Group remains on track for continued growth in the last quarter of 2025, anchored on the sustained recovery in airline travel, new business wins in catering and ground handling, and stable contribution from water operations. Management remains vigilant over cost pressures and foreign exchange volatility but expects overall profitability to remain robust for the full year.

**Year-to-Date Nine-Months Report**  
**September 30, 2025 and September 30, 2024**  
**Results of Operations (amounts in ₱ millions)**

**Overview**

For the nine months ended September 30, 2025, the MacroAsia Group posted **consolidated revenues of ₱7.41 billion**, up **₱400 million or 6%** from ₱7.01 billion in the same period last year. Excluding one-off revenues booked in 2024, underlying revenues expanded **10%**, reflecting the continued rebound in aviation-related businesses and other non-airline businesses. Despite the higher cost environment and the absence of last year's one-off income, the Group sustained strong profitability, supported by higher earnings from associates and disciplined cost management. Consolidated **net income stood at ₱1.16 billion**, only **3% lower year-on-year**, and up **14%** when excluding the 2024 one-off items.

|                                            | Interim Unaudited |         | Horizontal Analysis |       | Vertical Analysis |         |
|--------------------------------------------|-------------------|---------|---------------------|-------|-------------------|---------|
|                                            | 9M 2025           | 9M 2024 | Changes             | %     | 9M 2025           | 9M 2024 |
| <b>REVENUE</b>                             |                   |         |                     |       |                   |         |
| In-flight and other catering               | 3,549.1           | 3,258.9 | 290.3               | 9%    | 48%               | 47%     |
| Ground handling and aviation               | 3,130.5           | 3,150.8 | -20.3               | -1%   | 42%               | 45%     |
| Water distribution                         | 538.9             | 511.8   | 27.1                | 5%    | 7%                | 7%      |
| Connectivity and technology services       | 0.0               | 43.6    | -43.6               | -100% | 0%                | 1%      |
| Administrative fees                        | 187.2             | 40.4    | 146.8               | 363%  | 0%                | 0%      |
|                                            | 7,405.7           | 7,005.5 | 400.2               | 6%    | 100%              | 100%    |
| <b>DIRECT COSTS AND EXPENSES</b>           |                   |         |                     |       |                   |         |
| In-flight and other catering               | 2,445.6           | 2,213.2 | 232.4               | 10%   | 33%               | 32%     |
| Ground handling and aviation               | 2,894.3           | 2,596.9 | 297.4               | 11%   | 39%               | 37%     |
| Water distribution                         | 312.2             | 289.8   | 22.4                | 8%    | 4%                | 4%      |
| Connectivity and technology services       | 0.0               | 31.4    | -31.4               | -100% | 0%                | 0%      |
| Administrative fees                        | 199.4             | 51.4    | 148.0               | 288%  | 3%                | 1%      |
|                                            | 5,851.4           | 5,182.7 | 668.7               | 13%   | 79%               | 74%     |
| <b>GROSS PROFIT</b>                        | 1,554.3           | 1,822.8 | -268.5              | -15%  | 21%               | 26%     |
| <b>SHARE IN NET EARNINGS OF ASSOCIATES</b> | 970.1             | 578.3   | 391.8               | 68%   | 13%               | 8%      |
|                                            | 2,524.3           | 2,401.1 | 123.3               | 5%    | 34%               | 34%     |
| <b>OPERATING EXPENSES</b>                  | 1,164.4           | 909.3   | 255.1               | 28%   | 16%               | 13%     |
| <b>INCOME FROM OPERATIONS</b>              | 1,359.9           | 1,491.8 | -131.8              | -9%   | 18%               | 21%     |
| <b>OTHER INCOME (CHARGES)</b>              |                   |         |                     |       |                   |         |
| Interest income                            | 24.1              | 23.7    | 0.4                 | 2%    | 0%                | 0%      |
| Financing charges                          | -101.7            | -100.5  | -1.1                | 1%    | -1%               | -1%     |
| Foreign exchange gain - net                | 0.6               | 11.2    | -10.7               | 95%   | 0%                | 0%      |
| Others - net                               | 36.3              | 31.2    | 5.2                 | 17%   | 0%                | 0%      |
|                                            | -40.7             | -34.5   | -6.2                | 18%   | -1%               | 0%      |
| <b>INCOME BEFORE INCOME TAX</b>            | 1,319.2           | 1,457.2 | -138.0              | -9%   | 18%               | 21%     |
| <b>PROVISION FOR INCOME TAX</b>            | 157.8             | 256.4   | -98.6               | -38%  | 2%                | 4%      |
| <b>NET INCOME</b>                          | 1,161.4           | 1,200.8 | -39.4               | -3%   | 16%               | 17%     |
| Net income attributable to:                |                   |         |                     |       |                   |         |
| Equity holders of the Company              | 1,022.3           | 975.9   | 46.4                | 5%    | 14%               | 14%     |
| Non-controlling interests                  | 139.1             | 224.9   | -85.8               | -38%  | 2%                | 3%      |
|                                            | 1,161.4           | 1,200.8 | -39.4               | -3%   | 16%               | 17%     |

### **Revenues**

- **Food Services and In-flight Catering** contributed 48% of the total revenues, with segment revenue increasing by 9%, from ₱3,258.9 million in 2024 to ₱3,549.1 million in 2025. This growth was driven by a 15% increase in meal count, from 17.43 million to 19.56 million, reflecting sustained growth in meal volume.
- **Ground-handling & Aviation Services** posted revenues of ₱3,130.5 million, from ₱3,150.8 million in 2024, marking a 1% decrease. The total number of flights handled this year was 145,674, increased by 3% from 141,629 in 2024. This segment contributed 42% of the total revenues. Revenue from ground-handling and aviation services also includes **First Aviation Academy (FAA)**. FAA's revenue decreased from ₱56.3 million in 2024 to ₱55.1 million in 2025, reflecting relatively stable operating levels during the period.
- **Water Operations** contributed 7% of the total revenues. Revenue increased by ₱27.1 million (5%), from ₱511.8 million in 2024 to ₱538.9 million in 2025. This growth was attributed to a 5% increase in commercial water sales, with billed water volume rising from 14.45 million cu.m. in 2024 to 15.22 million cu.m. in 2025.
- **Connectivity and Technology Services** did not generate revenue during the year, as operations remained limited following the completion of its most recent engagement in the last quarter of 2024.
- **Administrative Revenues** from the ecozone increased by ₱146.8 million (363%) from ₱40.4 million to ₱187.2 million, attributable to lease and service arrangements recognized during the quarter.

Total revenue in 9M2025 stood at ₱7,405.7 million, posting an increase of ₱400.2 million (6%) from ₱7,005.5 of 9Q2024. The increase is attributable to the increase in business operations across all business segments of the Group. Overall, the Group's **core aviation-related segments** accounted for **78%** of total revenue, underscoring the continued dominance of the aviation services business.

### **Total Direct Costs**

Total direct costs for 2025 amounted to ₱5,851.4 million, reflecting an increase of ₱668.7 million (13%) compared to ₱5,182.7 million in 2024. This increase is primarily due to the expansion of business operations across all segments of the Group, with additional cost contributions from rate adjustments within the Project Land managed and controlled by the Airport Operator.

### **Operating Expenses**

Consolidated operating expenses increased by ₱255.1 million (28%), from last year's ₱909.3 million to ₱1,164.4 million, aligned with the business volume growth and was partly driven by the lease rate adjustment to ₱710 based on updated fees and charges to apply for the use of the facilities, services, and properties within the Project Land under the management and control of the Airport Operator.

**Share in Net Earnings of Associates**

The share in net income of associates amounted to ₱970.1 million, an increase of ₱391.8 million compared to the same period in the previous year. This reflects MAC's share in the net operating results of its associated companies—LTP, JASCO, and CPCS.

One of the primary contributors to the year-to-date net income for 2025 is the share in net income from Lufthansa Technik Philippines (LTP), amounting to ₱868.5 million, which is ₱390.3 million higher than the ₱478.2 million share in net income in 2024. This significant increase is primarily due to improvements in LTP's base maintenance business.

CPCS, the catering associate in Cebu, contributed ₱27.2 million in net income, up from ₱22.1 million in the same period last year. This increase is attributed to a 32% rise in meal count. MAC holds a 40% share in CPCS's net income.

JASCO, the ground handling associate in Japan, contributed ₱74.3 million in net income, from last year's net income of ₱78.0 million. MAC holds 30% share in JASCO's net income.

**Other Income (Charges)**

Interest Income of ₱24.1 million pertains to income earned from short-term investments.

Financing Charges increased from ₱100.5 million in 2024 to ₱101.7 million in 2025. This increase reflects an addition in interest expense in lease liability associated with the new lease undertaken for the current year.

The Group recorded a net foreign exchange gain of ₱0.6 million for the period, compared to the foreign exchange gain of ₱11.2 million in the same period last year. This resulted in an unfavorable variance of ₱10.7 million, primarily due to foreign currency fluctuations during the period.

**Income Tax**

The Group's income tax expense decreased by ₱98.6 million (38%), totaling ₱157.8 million. This decrease is primarily due to lower net income before tax (excluding the share in net earnings of associates, as this is treated as an equity pick-up).

**Net Income**

The Group recorded a consolidated net income after tax of ₱1,161.4 million for the nine-month period of 2025, reflecting a 3% decrease from the consolidated net income after tax of ₱1,200.8 million in the same period last year.

**September 30, 2025 and December 31, 2024**

**Interim Unaudited Statement of Financial Position (amounts in ₱ millions)**

**(with comparison to Audited December 31, 2024 Statement of Financial Position)**

|                                                             | September<br>30, 2025 | December<br>31, 2024 | Horizontal Analysis |            | Vertical Analysis |             |
|-------------------------------------------------------------|-----------------------|----------------------|---------------------|------------|-------------------|-------------|
|                                                             |                       |                      | Changes             | %          | 2025              | 2024        |
| <b>ASSETS</b>                                               |                       |                      |                     |            |                   |             |
| <b>Current Assets</b>                                       |                       |                      |                     |            |                   |             |
| Cash and cash equivalents                                   | 2,093.3               | 1,369.3              | 724.0               | 53%        | 13%               | 10%         |
| Receivables and contract assets                             | 2,390.5               | 2,202.9              | 187.6               | 9%         | 15%               | 16%         |
| Inventories                                                 | 190.4                 | 155.4                | 35.0                | 22%        | 1%                | 1%          |
| Other current assets                                        | 1,031.2               | 695.6                | 335.6               | 48%        | 6%                | 5%          |
| <b>Total Current Assets</b>                                 | <b>5,705.3</b>        | <b>4,423.1</b>       | <b>1,282.2</b>      | <b>29%</b> | <b>35%</b>        | <b>33%</b>  |
| <b>Noncurrent Assets</b>                                    |                       |                      |                     |            | 0%                | 0%          |
| Investments in associates                                   | 3,157.7               | 2,471.1              | 686.6               | 28%        | 20%               | 18%         |
| Property, plant and equipment                               | 3,290.7               | 2,496.5              | 794.3               | 32%        | 20%               | 19%         |
| Net investment in lease                                     | 1,181.7               | 1,179.8              | 1.9                 | 0%         | 7%                | 9%          |
| Right-of-use assets                                         | 825.1                 | 781.9                | 43.1                | 6%         | 5%                | 6%          |
| Investment property                                         | 143.9                 | 143.9                | 0.0                 | 0%         | 1%                | 1%          |
| Service concession rights                                   | 433.6                 | 436.9                | -3.3                | -1%        | 3%                | 3%          |
| Intangible assets and goodwill                              | 361.1                 | 365.1                | -4.0                | -1%        | 2%                | 3%          |
| Deferred income tax assets - net                            | 110.1                 | 95.8                 | 14.3                | 15%        | 1%                | 1%          |
| Other noncurrent assets                                     | 971.3                 | 1,023.6              | -52.3               | -5%        | 6%                | 8%          |
| <b>Total Noncurrent Assets</b>                              | <b>10,475.0</b>       | <b>8,994.5</b>       | <b>1,480.5</b>      | <b>16%</b> | <b>65%</b>        | <b>67%</b>  |
| <b>TOTAL ASSETS</b>                                         | <b>16,180.3</b>       | <b>13,417.7</b>      | <b>2,762.6</b>      | <b>21%</b> | <b>100%</b>       | <b>100%</b> |
| <b>LIABILITIES AND EQUITY</b>                               |                       |                      |                     |            |                   |             |
| <b>Current Liabilities</b>                                  |                       |                      |                     |            |                   |             |
| Notes payable                                               | 515.0                 | 121.2                | 393.8               | 325%       | 3%                | 1%          |
| Accounts payable and accrued liabilities                    | 2,540.9               | 2,299.5              | 241.4               | 10%        | 16%               | 17%         |
| Income tax payable                                          | 120.2                 | 75.4                 | 44.8                | 59%        | 1%                | 1%          |
| Dividends payable                                           | 76.5                  | 96.4                 | -19.9               | -21%       | 0%                | 1%          |
| Current portion of long-term debts                          | 258.9                 | 386.9                | -128.0              | -33%       | 2%                | 3%          |
| Current portion of lease liabilities                        | 43.4                  | 43.4                 | 0.0                 | 0%         | 0%                | 0%          |
| <b>Total Current Liabilities</b>                            | <b>3,555.0</b>        | <b>3,022.9</b>       | <b>532.1</b>        | <b>18%</b> | <b>22%</b>        | <b>23%</b>  |
| <b>Noncurrent Liabilities</b>                               |                       |                      |                     |            |                   |             |
| Long-term debts - net of current portion                    | 1,555.4               | 395.4                | 1,159.9             | 293%       | 10%               | 3%          |
| Lease liabilities - net of current portion                  | 2,116.9               | 2,049.5              | 67.3                | 3%         | 13%               | 15%         |
| Accrued retirement and other employee benefits payable      | 178.2                 | 196.6                | -18.4               | -9%        | 1%                | 1%          |
| Deferred income tax liabilities - net                       | 95.5                  | 95.8                 | -0.4                | 0%         | 1%                | 1%          |
| Other noncurrent liabilities                                | 91.6                  | 93.6                 | -2.0                | -2%        | 1%                | 1%          |
| <b>Total Noncurrent Liabilities</b>                         | <b>4,037.5</b>        | <b>2,831.0</b>       | <b>1,206.5</b>      | <b>43%</b> | <b>25%</b>        | <b>21%</b>  |
| <b>Total Liabilities</b>                                    | <b>7,592.5</b>        | <b>5,853.9</b>       | <b>1,738.6</b>      | <b>30%</b> | <b>47%</b>        | <b>44%</b>  |
| <b>Equity attributable to equity holders of the Company</b> |                       |                      |                     |            |                   |             |
| Capital stock - 1 par value                                 | 1,933.3               | 1,933.3              | 0.0                 | 0%         | 12%               | 14%         |
| Additional paid-in capital                                  | 281.4                 | 281.4                | 0.0                 | 0%         | 2%                | 2%          |
| Retained earnings                                           |                       |                      |                     |            |                   |             |
| Appropriated                                                | 2,940.0               | 960.0                | 1,980.0             | 206%       | 18%               | 7%          |
| Unappropriated                                              | 2,191.1               | 3,356.8              | -1,165.7            | -35%       | 14%               | 25%         |
| Other comprehensive income                                  | 45.1                  | -5.2                 | 50.3                | -966%      | 0%                | 0%          |
| Other reserves                                              | 1,003.0               | 1,003.0              | 0.0                 | 0%         | 6%                | 7%          |
| Treasury shares                                             | -459.4                | -459.4               | 0.0                 | 0%         | -3%               | -3%         |
| <b>Non-controlling interests</b>                            | <b>7,934.6</b>        | <b>7,070.0</b>       | <b>864.6</b>        | <b>12%</b> | <b>49%</b>        | <b>53%</b>  |
| <b>Total Equity</b>                                         | <b>8,587.8</b>        | <b>7,563.7</b>       | <b>1,024.0</b>      | <b>14%</b> | <b>53%</b>        | <b>56%</b>  |
| <b>TOTAL LIABILITIES AND EQUITY</b>                         | <b>16,180.3</b>       | <b>13,417.7</b>      | <b>2,762.6</b>      | <b>21%</b> | <b>100%</b>       | <b>100%</b> |

### **Assets**

As of September 30, 2025, the Group's total assets amounted to ₱16,180.3 million, reflecting an increase of ₱2,762.6 million (21%) from ₱13,417.7 million as of December 31, 2024.

- **Cash and Cash Equivalents** totaled ₱2,093.3 million, showing a significant increase of ₱724.0 million (53%) from ₱1,369.3 million. The increase in cash balances is primarily maintained by the Group's operating subsidiaries to meet their current maturing obligations.
- **Receivables and Contract Assets** increased by ₱187.6 million (9%), from ₱2,202.9 million to ₱2,390.5 million, in line with revenue growth during the period. The increase was moderated by effective collection efforts, which helped manage the buildup of outstanding balances.
- **Inventories** amounted to ₱190.4 million, consistent with the forecasted inventory level requirements as of September 30, 2025.
- **Other Current Assets** of ₱1,031.2 million primarily consist of input taxes, creditable withholding taxes, prepaid taxes, unamortized prepayments for insurance, rent, utilities, and unconsumed supplies. Increased by ₱335.6 million, mainly due to increase in Input Vat aligned with the group's business volume growth.
- **Investments in Associates**, accounted for under the equity method, increased by ₱686.6 million (28%), from ₱ 2,471.1 million in 2024 to ₱3,157.7 million as of September 30, 2025. This increase is attributable to the significant aggregate income contribution from associates and share in translation adjustments of ₱24.8 million, offset by the dividends declared by LTP (₱280.3 million) and CPCS (₱28.0 million).
- **Property and Equipment** increased from ₱2,496.5 million in 2024 to ₱3,290.7 million in 2025, reflecting new acquisitions by the Group's catering, ground handling, and water companies, offset by depreciation.
- **Net Investment in Lease** increased by ₱1.9 million, from ₱1,179.8 million in 2024 to ₱1,181.7 million.
- **Right-of-Use (ROU) Assets** increase by ₱43.1 million (6%), bringing the total to ₱825.1 million in 2025, primarily due to new lease agreements this year, offset by the regular amortization of the right-of-use asset over the lease term.
- **Deferred Income Tax Assets** amounted to ₱110.1 million as of September 30, 2025, related to taxes deemed recoverable in future periods. The increase from the same period last year is attributed to deferred income tax assets from NOLCO and temporary differences from leases.
- **Other Noncurrent Assets** decreased by ₱52.3 million, from ₱1,023.6 million in 2024 to ₱971.3 million due to decrease in advances to suppliers.

### **Liabilities**

As of September 30, 2025, the Group's total liabilities amounted to ₱7,592.5 million, reflecting an increase of ₱1,738.6 million (30%) from ₱5,853.9 million as of December 31, 2024.

- **Accounts Payable and Accrued Liabilities** increased by ₱241.4 million, from ₱2,299.5 million in 2024 to ₱2,540.9 million in 2025. The increase is in line with the overall business volume growth, and is reflected in higher payables to third parties, utilities, and government agencies. This was partially offset by settlements made to suppliers, service providers, and for government dues.
- **Notes Payable and Current Portion of Long-Term Debts** increased by ₱265.8 million (52%), from ₱508.1 million to ₱773.9 million. The increase is primarily due to currently maturing loans availed by Group companies for asset acquisitions and business expansion and availment of short-term loans.
- **Income Tax Payable** increased by ₱44.8 million (59%), from ₱75.4 million to ₱120.2 million, in line with the taxable income for the period.
- **Dividends Payable** decreased by ₱19.9 million (21%), from ₱96.4 million in 2024 to ₱76.5 million in 2025. The carrying balance is attributable to dividends payable to non-controlling interests and unclaimed dividends for the board approved declaration of cash dividends of ₱0.11 per share (₱208.0 million), payable on or before May 21, 2025, to stockholders of record as of April 25, 2025, and previous years' unclaimed dividends.
- **Long-Term Debts (net of current portion)** increased significantly by ₱1,159.9 million (293%), from ₱395.4 million in 2024 to ₱1,555.4 million in 2025. The increase reflects new loan availments for ongoing projects and operations, net of settlements during the period.
- **Lease Liabilities (net of current portion)** increased by ₱67.3 million, from ₱2,049.5 million in 2024 to ₱2,116.9 million due to new lease agreement during the year.

### **Equity**

As of September 30, 2025, the Group's **total equity** stood at **₱8,587.8 million**, marking an increase of **₱1,024 million (14%)** from **₱7,563.7 million** as of December 31, 2024.

- **Equity attributable to equity holders of the parent** increased by **₱864.6 million (12%)**, from **₱7,070.0 million** to **₱7,934.6 million**. This growth is primarily due to the **net income attributable to equity holders** amounting to **₱1,022.3 million**, which was recognized under retained earnings. This was partially offset by:
  - **Declared dividends** totaling **₱208.0 million**; and

A **₱50.3 million increase** in **other components of equity**, from **(₱5.2 million)** to **₱45.1 million**. The increase was mainly due to the Group's **share in foreign currency translation adjustments** of its associates (LTP and JASCO), reflecting movements in **USD and JPY**

**exchange rates** during the period. The group also recognized changes in fair value of equity instruments held at FVTOCI amounting to ₱25.5 million.

- **Non-controlling interests** amounted to **₱653.2 million**, an increase of **₱159.4 million (32%)** from **₱493.8 million** as of December 31, 2024. The increase reflects the proportionate share in the net earnings of subsidiaries with non-controlling interests, including the **subsidiaries with joint venture partners**

## NUMBER OF STOCKHOLDERS

There are 852 and 849 stockholders as of September 30, 2025 and December 31, 2024, respectively.

## OTHER MATTERS

### 1. Impact of Airline Operations and the NAIA Privatization

Passenger load and flight frequency remain the principal drivers of revenue for the Group's aviation services units. The privatization of the operations of Ninoy Aquino International Airport (NAIA) to a private concessionaire is expected to stimulate higher flight volumes and passenger traffic as terminal facilities expand and operational efficiencies improve under new management. A positive impact to the MAC Group is the acquisition by some of MAC's business units of two new airline clients in 2025, specifically airlines that were given slots to fly into the Philippines starting this year.

While an increase in airport fees and operating costs also happened arising from updated lease rates and fee structures that were implemented by the Manila International Airport Authority (MIAA) through its concessionaire, such incremental costs are typically recoverable from airline clients under existing contractual arrangements.

### 2. Growth Initiatives in the Food Group

The Food Group continues to execute its diversification strategy to expand beyond aviation catering, resulting in a growing portfolio of institutional and commercial clients. Expansion efforts are focused on increasing geographic reach outside Metro Manila and enhancing production capacity at the Muntinlupa commissary. Construction activities within the MacroAsia-owned property in Muntinlupa are currently ongoing, with foreseen completion date by end of 2026.

To strengthen its regional presence in the Visayas, the Group has a **joint venture in Cebu** between **MacroAsia New Ventures, Inc. (MNVI)**—a newly incorporated wholly owned subsidiary—and **Princess Jolliant Corporation (PJC)**, a Cebu-based commissary servicing the quick service restaurant (QSR) sector and other institutional clients. The Cebu facility will be jointly managed by MNVI and PJC to expand the customer base and optimize operations.

### 3. Off-Balance Sheet Arrangements

There were **no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), or relationships with unconsolidated entities or third parties** created during the reporting period.

### 4. Capital Commitments

The Group has **no significant capital expenditure commitments** during the period other than the following ongoing projects:

- **Seawater Desalination Plant – Lapu-Lapu City:**  
Being undertaken by **CSWater Lapu-Lapu, Inc. (CSWLL)**, a wholly owned subsidiary of **Summa Water Resources, Inc.**, which is 60% owned by MacroAsia through its

subsidiary **Allied Water Services, Inc.** Project financing will be sourced through a partner bank, with no capital infusion required from MacroAsia Corporation shareholders.

- **MacroAsia SATS Food Industries (MSFI) Expansion – Sucat, Muntinlupa:** MSFI, a joint venture between **MacroAsia Corporation (67%)** and **SATS Ltd. of Singapore (33%)**, is expanding its existing facility by approximately **11,000 square meters** to include modern cold storage and commissary systems. Upon completion, meal production capacity is expected to **double to 90,000 meals per day**, enabling MSFI to serve a wider base of institutional clients and support its goals of operational scalability, food safety, and service efficiency.

#### **5. Renewal of MacroAsia Special Ecozone Lease with MIAA**

As disclosed previously, MacroAsia's lease of the land with MIAA for the MacroAsia Special Ecozone is valid for a term of 25 years ending August 31, 2025, renewable by another 25 years at the option of the lessee, subject to terms and conditions as maybe mutually agreed upon. Lufthansa Technik Philippines is the sole locator in this ecozone. LTP is 49%-owned by MacroAsia with an investment carrying cost in MAC books as of the reporting period valued at ₱2.195 billion. As of reporting date, discussions with the authorities for the lease extension is still ongoing. MacroAsia and its associate (LTP) expect lease rates to be adjusted to market conditions, impacting on operating costs.

#### **6. Other Significant Income or Loss Elements**

There were **no significant income or loss components** arising outside the Group's continuing operations that have not been disclosed in the consolidated interim financial statements. Management is not aware of any subsequent events or conditions that would materially alter the vertical or horizontal analysis of material items.

Furthermore, no substantial seasonal or cyclical factors were noted that materially affected performance during the period.

#### **7. Issuance or Repurchase of Securities**

The Group **did not issue, buy back, or retire any debt or equity securities** during the interim reporting period.

#### **8. Subsequent Events**

There were **no material subsequent events** after the reporting period that would require disclosure or adjustment in the interim consolidated financial statements.

## **SIGNATURES**

Pursuant to the requirement of Sec 17 of the Code and Sec 177 of the Revised Corporation Code of the Philippines, this report has been reviewed and endorsed by the Audit Committee of MacroAsia Corporation on November 12, 2025, and subsequently approved by the Board of Directors MacroAsia Corporation, and herein signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on November 12, 2025.

### **MACROASIA CORPORATION**

Registrant

By:



**EDUARDO LUIS T. LUY**  
President



**AMADOR T. SENDIN**  
Chief Financial Officer

**Annex 1**

# **MACROASIA CORPORATION AND SUBSIDIARIES**

## **Interim Unaudited Condensed Consolidated Financial Statements**

**September 30, 2025 and 2024 (Unaudited)**

**and**

**December 31, 2024 (Audited)**

## **GENERAL INFORMATION**

### **Board of Directors\***

| <b>Name</b>              | <b>Position</b>                                 | <b>Committee Membership</b>                                                                                                                                                   |
|--------------------------|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Dr. Lucio C. Tan         | Chairman of the Board & Chief Executive Officer | Chairman – Investment Committee                                                                                                                                               |
| Carmen K. Tan            | Director                                        | Member – Investment Committee                                                                                                                                                 |
| Lucio C. Tan III         | Director                                        | Member – Related Party Transactions, Compensation and Investment Committees                                                                                                   |
| Eduardo Luis T. Luy      | President and Chief Operating Officer           | Member – Risk Management, Investment and Mining Committees                                                                                                                    |
| Vivienne K. Tan          | Director                                        | Member – Audit Committee                                                                                                                                                      |
| Kyle Ellis C. Tan        | Treasurer                                       | Member – Investment and Mining Committees                                                                                                                                     |
| Johnip G. Cua            | Director                                        | Chairman – Compensation, Mining and Retirement Plan Committees<br>Member – Audit, Corporate Governance, Related Party Transactions, Investment and Risk Management Committees |
| Ramon Pancratio D. Dizon | Lead Independent Director                       | Chairman – Audit Committee<br>Member – Corporate Governance, Related Party Transactions and Risk Management Committees                                                        |
| Diwa C. Guinigundo       | Independent Director                            | Chairman – Corporate Governance and Related Party Transactions Committees<br>Member – Audit, Risk Management, Compensation, Investment, Retirement Plan Committees            |
| Gregorio T. Yu           | Independent Director                            | Chairman – Risk Management Committee<br>Member – Corporate Governance, Related Party Transactions, Compensation, Mining and Investment Committees                             |
| Christina C. Tan         | Independent Director                            | Member – Corporate Governance Committee, Compensation Committee, Risk Management Committee, Mining Committee                                                                  |

*\*The Directors' term of office is one year. Election for the Board of Directors is conducted during the annual stockholders' meeting held every second Thursday of May.*

**Chief Financial Officer, Chief Risk Officer, Senior Vice President - Administration**

Amador T. Sendin

**Senior Vice President - Human Resources, Legal and External Relations**

Atty. Marivic T. Moya

**Vice-President - Business Development/ Data Protection Officer**

Belgium S. Tandoc

**Vice-President – Commercial / Chief Sustainability Officer / Chief Compliance Officer / Corporate Information Officer**

Rhodel C. Esteban

**Chief Audit Executive**

Evelyn R. Cabug

**Corporate Secretary**

Atty. Florentino M. Herrera III

**Assistant Corporate Secretary**

Atty. Mary Rogelyn T. Cabrera

**Stock and Transfer Agent**

Trust Banking Group

Philippine National Bank (formerly Allied Banking Corporation)

3<sup>rd</sup> Floor, PNB Financial Center

Pres. Diosdado Macapagal Blvd., Pasay City

**Banks**

Philippine National Bank  
(formerly Allied Banking Corporation)  
6754 Ayala Avenue, Makati City

Unionbank of the Philippines  
Tektite Building, Ortigas Center, Pasig City

Security Bank  
Nieva Branch G1 & G2 Asian Mansion 2,  
Dela Rosa cor. Nieva St., Legaspi Village  
Makati City

Bank of China  
Manila, 28/F The Finance Centre, 26th  
Street cor. 9th Avenue, BGC, Taguig City

Asia United Bank  
G/F Morning Star Center Building,  
Gil Puyat Avenue, Makati City

Philippine National Bank  
Makati Aguirre Branch, GF All Seasons Bldg.  
112 Aguirre St. Legaspi Village, Makati City

Rizal Commercial Banking Corporation  
G/F Sterling Center Ormaza cor  
Dela Rosa Street, Legaspi Village, Makati City

Landbank of the Philippines  
Virgilio corner Villapa Street  
Poblacion, Brooke's Point, Palawan

Philippine National Bank  
Tokyo Branch, Mita Kawasaki Building, 2/F,  
2-11-15 Mita Minato-ku, Tokyo

**Auditors**

SyCip Gorres Velayo & Co.  
6760 Ayala Avenue, Makati City

**MACROASIA CORPORATION AND SUBSIDIARIES**
**Interim Unaudited Consolidated Statement of Financial Position**
**(with comparison to Audited December 31, 2024 Statement of Financial Position)**

|                                                               | SEPTEMBER 30, 2025 |                | DECEMBER 31, 2024 |                |
|---------------------------------------------------------------|--------------------|----------------|-------------------|----------------|
|                                                               | (UNAUDITED)        |                | (AUDITED)         |                |
| ASSETS                                                        |                    |                |                   |                |
| Current Assets                                                |                    |                |                   |                |
| Cash and cash equivalents                                     | P                  | 2,093,269,473  | P                 | 1,369,282,600  |
| Receivables and contract asset                                |                    | 2,390,467,138  |                   | 2,202,872,855  |
| Inventories                                                   |                    | 190,350,202    |                   | 155,395,494    |
| Input taxes and other current assets (Note 5)                 |                    | 1,031,204,851  |                   | 695,565,235    |
| Total Current Assets                                          |                    | 5,705,291,664  |                   | 4,423,116,184  |
| Noncurrent Assets                                             |                    |                |                   |                |
| Investments in associates                                     |                    | 3,157,693,633  |                   | 2,471,121,451  |
| Property, plant and equipment                                 |                    | 3,290,713,298  |                   | 2,496,453,868  |
| Investment property                                           |                    | 143,852,303    |                   | 143,852,303    |
| Service concession right                                      |                    | 433,612,756    |                   | 436,908,235    |
| Input taxes -net                                              |                    | 59,785,488     |                   | 59,582,285     |
| Deferred income tax assets                                    |                    | 110,061,207    |                   | 95,809,930     |
| Goodwill and intangible assets                                |                    | 361,052,357    |                   | 365,088,037    |
| Net Investment in the lease                                   |                    | 1,181,676,652  |                   | 1,179,796,110  |
| Right of Use Asset                                            |                    | 825,050,281    |                   | 781,910,809    |
| Other noncurrent assets                                       |                    | 911,503,852    |                   | 964,012,135    |
| Total Noncurrent Assets                                       |                    | 10,475,001,827 |                   | 8,994,535,163  |
| TOTAL ASSETS                                                  | P                  | 16,180,293,491 | P                 | 13,417,651,347 |
| LIABILITIES AND EQUITY                                        |                    |                |                   |                |
| Current Liabilities                                           |                    |                |                   |                |
| Current loans payable (Note 6)                                | P                  | 773,944,489    | P                 | 508,105,235    |
| Accounts payable and accrued liabilities                      |                    | 2,540,907,800  |                   | 2,299,534,892  |
| Income tax payable                                            |                    | 120,223,941    |                   | 75,445,320     |
| Dividends payable                                             |                    | 76,505,443     |                   | 96,402,629     |
| Lease Liabilities Right of use Asset                          |                    | 43,420,640     |                   | 43,420,640     |
| Total Current Liabilities                                     |                    | 3,555,002,313  |                   | 3,022,908,716  |
| Noncurrent Liabilities                                        |                    |                |                   |                |
| Loans payable- net of current portion (Note 6)                |                    | 1,555,355,254  |                   | 395,420,113    |
| Accrued retirement and other employee benefits payable        |                    | 178,176,800    |                   | 196,580,540    |
| Deferred income tax liabilities                               |                    | 95,452,884     |                   | 95,827,842     |
| Lease Liabilities Right of use Asset - net of current portion |                    | 2,116,863,468  |                   | 2,049,541,788  |
| Other noncurrent liabilities                                  |                    | 91,648,523     |                   | 93,627,043     |
| Total Noncurrent Liabilities                                  |                    | 4,037,496,929  |                   | 2,830,997,326  |
| Total Liabilities                                             |                    | 7,592,499,242  |                   | 5,853,906,042  |

*(Forward)*

**Equity**

Capital stock - P 1 par value

Authorized - 2,000,000,000 shares

Issued and fully paid - 1,933,305,923  
shares

**1,933,305,923** 1,933,305,923

Additional paid-in capital

**281,437,118** 281,437,118

Other Reserves

**1,003,041,257** 1,003,041,257

Other components of equity

**45,122,862** (5,212,490)

Retained earnings

Appropriated **2,940,000,000** 960,000,000

Unappropriated **2,191,145,090** 3,356,833,052

Treasury shares

**(459,418,212)** (459,418,212)

Total equity attributable to equity holders  
of the parent company

**7,934,634,038** 7,069,986,648

**Non-controlling interests**

**653,160,210** 493,758,657

**Total Equity**

**8,587,794,248** 7,563,745,305

**TOTAL LIABILITIES AND EQUITY**

**P 16,180,293,491 P 13,417,651,347**

*\*The notes are integral part of the Interim Unaudited Consolidated Financial Statements*

**MACROASIA CORPORATION AND SUBSIDIARIES**
**INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF INCOME**

For the period ended September 2025

|                                          | <b>JULY - SEPTEMBER</b> |                      | <b>JANUARY - SEPTEMBER</b> |                      |
|------------------------------------------|-------------------------|----------------------|----------------------------|----------------------|
|                                          | <b>2025</b>             | <b>2024</b>          | <b>2025</b>                | <b>2024</b>          |
| <b>NET SERVICE REVENUE</b>               |                         |                      |                            |                      |
| In-flight and other catering             | ₱ 1,201,277,993         | ₱ 1,112,090,230      | ₱ 3,549,139,591            | ₱ 3,258,888,790      |
| Ground handling and aviation             | 1,041,768,938           | 901,638,692          | 3,075,358,230              | 3,094,543,704        |
| Rental and administrative                | 159,800,460             | 13,535,413           | 187,191,524                | 40,400,267           |
| Aviation training fee                    | 15,353,391              | 20,014,981           | 55,127,907                 | 56,271,945           |
| Water                                    | 174,898,902             | 172,758,378          | 538,905,989                | 511,763,017          |
| Connectivity and technology services     | -                       | -                    | -                          | 43,646,105           |
|                                          | <b>2,593,099,685</b>    | <b>2,220,037,694</b> | <b>7,405,723,241</b>       | <b>7,005,513,828</b> |
| <b>DIRECT COSTS</b>                      |                         |                      |                            |                      |
| In-flight and other catering             | 824,863,383             | 754,523,265          | 2,445,593,606              | 2,213,208,360        |
| Ground handling and aviation             | 996,778,825             | 836,956,597          | 2,825,524,509              | 2,520,200,002        |
| Rental and administrative                | 163,903,991             | 17,785,207           | 199,396,147                | 51,422,002           |
| Aviation training cost                   | 20,810,903              | 23,901,634           | 68,731,245                 | 76,687,530           |
| Water related expenses                   | 106,799,355             | 105,285,409          | 312,200,010                | 289,811,508          |
| Connectivity and technology services     | -                       | -                    | -                          | 31,409,036           |
|                                          | <b>2,113,156,457</b>    | <b>1,738,452,111</b> | <b>5,851,445,516</b>       | <b>5,182,738,437</b> |
| <b>GROSS PROFIT</b>                      | ₱ 479,943,228           | ₱ 481,585,582        | ₱ 1,554,277,724            | ₱ 1,822,775,391      |
| <b>SHARE IN NET INCOME OF ASSOCIATES</b> | <b>359,086,504</b>      | <b>228,602,524</b>   | <b>970,065,810</b>         | <b>578,289,319</b>   |
|                                          | <b>839,029,732</b>      | <b>710,188,106</b>   | <b>2,524,343,534</b>       | <b>2,401,064,710</b> |
| <b>OPERATING EXPENSES</b>                | <b>(408,424,431)</b>    | <b>(310,631,426)</b> | <b>(1,164,426,674)</b>     | <b>(909,305,697)</b> |
| <b>INTEREST INCOME</b>                   | <b>10,174,230</b>       | <b>6,955,881</b>     | <b>24,098,053</b>          | <b>23,664,356</b>    |
| <b>FINANCING CHARGES</b>                 | <b>(42,856,000)</b>     | <b>(31,326,570)</b>  | <b>(101,676,542)</b>       | <b>(100,535,361)</b> |
| <b>OTHER INCOME - net</b>                | <b>29,271,474</b>       | <b>14,026,391</b>    | <b>36,898,895</b>          | <b>42,360,656</b>    |
| <b>INCOME BEFORE INCOME TAX</b>          | ₱ 427,195,005           | ₱ 389,212,382        | ₱ 1,319,237,266            | ₱ 1,457,248,664      |
| <b>PROVISION FOR INCOME TAX</b>          | <b>42,869,774</b>       | <b>37,472,602</b>    | <b>157,814,664</b>         | <b>256,410,444</b>   |
| <b>NET INCOME</b>                        | ₱ 384,325,231           | ₱ 351,739,780        | ₱ 1,161,422,602            | ₱ 1,200,838,220      |
| <b>Attributable to:</b>                  |                         |                      |                            |                      |
| Equity holders of the parent             | 342,625,116             | 284,357,629          | 1,022,317,454              | 975,945,457          |
| Non-controlling interests                | 41,700,115              | 67,382,151           | 139,105,148                | 224,892,763          |
|                                          | ₱ 384,325,231           | ₱ 351,739,780        | ₱ 1,161,422,602            | ₱ 1,200,838,220      |

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**MACROASIA CORPORATION AND SUBSIDIARIES**


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**INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

|                                                            |          | <b>JANUARY - SEPTEMBER</b> |                        |
|------------------------------------------------------------|----------|----------------------------|------------------------|
|                                                            |          | <b>2025</b>                | <b>2024</b>            |
| <b>NET INCOME</b>                                          | <b>P</b> | <b>1,161,422,602</b>       | <b>P 1,200,838,220</b> |
| <b>OTHER COMPREHENSIVE INCOME (LOSS) - Net</b>             |          |                            |                        |
| Net foreign currency translation adjustments               |          | 24,835,353                 | 10,755,219             |
| Changes in fair value of equity investments held at FVTOCI |          | 25,500,000                 | 34,000,000             |
|                                                            |          | <b>50,335,353</b>          | <b>44,755,219</b>      |
| <b>Total Comprehensive Income</b>                          |          | <b>1,211,757,955</b>       | <b>1,245,593,439</b>   |
| <b>Attributable to:</b>                                    |          |                            |                        |
| Equity holders of the parent                               | <b>P</b> | <b>1,072,652,807</b>       | <b>P 1,020,700,676</b> |
| Non-controlling interests                                  |          | 139,105,148                | 224,892,763            |
|                                                            | <b>P</b> | <b>1,211,757,955</b>       | <b>P 1,245,593,439</b> |

*\*The notes are integral part of the Interim Unaudited Consolidated Financial Statements*

**MACROASIA CORPORATION AND SUBSIDIARIES**  
**INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**

|                                                                        |   | For the period ended September 30 |                 |
|------------------------------------------------------------------------|---|-----------------------------------|-----------------|
|                                                                        |   | 2025                              | 2024            |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                            |   |                                   |                 |
| Income before income tax                                               | P | 1,319,237,265                     | P 1,457,248,663 |
| Adjustments for:                                                       |   |                                   |                 |
| Equity in net income of associates                                     |   | (970,065,810)                     | (578,289,319)   |
| Depreciation and amortization                                          |   | 255,772,645                       | 226,081,647     |
| Depreciation and amortization - Right of Use Asset                     |   | 45,627,658                        | 43,509,493      |
| Interest on Lease Liabilities on Right Of Use Asset                    |   | 42,840,099                        | 38,188,841      |
| Interest income                                                        |   | (24,098,053)                      | (23,664,356)    |
| Loss on disposal of property and equipment                             |   | -                                 | 2,795,921       |
| Unrealized foreign exchange loss - net                                 |   | 558,261                           | 11,209,559      |
| Retirement benefit cost                                                |   | 21,596,260                        | 27,057,566      |
| Provision for (reversal of) other long-term benefits                   |   | -                                 | (192,438)       |
| Financing charges                                                      |   | 58,836,444                        | 62,346,520      |
| Operating income before working capital changes                        |   | 750,304,769                       | 1,266,292,097   |
| Decrease (increase) in:                                                |   |                                   |                 |
| Receivables                                                            |   | (163,032,983)                     | (135,396,985)   |
| Inventories                                                            |   | (34,954,707)                      | 18,022,017      |
| Other current assets                                                   |   | (272,638,084)                     | (241,595,909)   |
| Increase (decrease) in:                                                |   | -                                 |                 |
| Accounts payable and accrued liabilities                               |   | 240,831,727                       | (107,120,223)   |
| Other noncurrent liabilities                                           |   | (1,978,520)                       | 31,450,323      |
| Cash generated from operations                                         |   | 518,532,201                       | 831,651,320     |
| Interest received                                                      |   | 25,656,212                        | 23,664,356      |
| Financing charges paid                                                 |   | (58,295,262)                      | (60,411,074)    |
| Contributions to retirement fund                                       |   | (40,000,000)                      | (50,000,000)    |
| Income taxes paid , including creditable withholding taxes             |   | (195,163,809)                     | (134,449,339)   |
| Net cash from operating activities                                     | P | 250,729,342                       | P 610,455,264   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |   |                                   |                 |
| Proceeds from disposal of property and equipment                       |   |                                   | 96,613          |
| Acquisitions of property and equipment                                 |   | (1,030,272,359)                   | (322,092,761)   |
| Acquisitions of intangible assets                                      |   | (4,201,501)                       | (6,747,958)     |
| Dividends received                                                     |   | 280,329,000                       | 559,349,600     |
| Decrease (Increase) in refundable deposits and other noncurrent assets |   | 74,078,005                        | (88,726,321)    |
| Net cash from investing activities                                     | P | (680,066,855)                     | P 141,879,174   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                            |   |                                   |                 |
| Proceeds from availment of notes payable                               |   | 1,728,000,000                     | 305,000,000     |
| Payments of notes payable                                              |   | (302,225,605)                     | (456,651,435)   |
| Dividends paid                                                         |   | (207,606,196)                     | (211,814,797)   |
| Acquisition of treasury shares                                         |   | -                                 | -               |
| Payment of Lease Liabilities on Right Of Use Asset                     |   | (64,285,550)                      | (60,277,581)    |
| Net cash from financing activities                                     | P | 1,153,882,650                     | P (423,743,814) |
| <b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>    |   |                                   |                 |
|                                                                        |   | (558,261)                         | (11,209,556)    |
| NET INCREASE IN CASH AND CASH EQUIVALENTS                              | P | 723,986,873                       | P 317,381,068   |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR                         |   | 1,369,282,600                     | 1,062,560,838   |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD                         | P | 2,093,269,473                     | P 1,379,941,906 |

\*The notes are integral part of the Interim Unaudited Consolidated Financial Statements

**MACROASIA CORPORATION AND SUBSIDIARIES**
**INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousand Pesos)**

(with comparison to Interim Unaudited September 30, 2024, Audited December 31, 2024 and Audited December 31, 2023 Consolidated Statement of Changes in Equity)

(In Thousand Pesos)

|                                                     | Attributable to the Equity Holders of the Parent |                            |                                                                  |                                        |                                                               |                  |                                                                |                  | Retained Earnings |                  | Subtotal         | Non-controlling Interest | Total            |
|-----------------------------------------------------|--------------------------------------------------|----------------------------|------------------------------------------------------------------|----------------------------------------|---------------------------------------------------------------|------------------|----------------------------------------------------------------|------------------|-------------------|------------------|------------------|--------------------------|------------------|
|                                                     | Capital Stock                                    | Additional Paid-in Capital | Share in Foreign Currency Translation Adjustment of an Associate | Remeasurements on Defined Benefit Plan | Share in Remeasurements on Defined Benefit Plan of Associates | Other Reserves   | Reserve for fair value changes of financial assets investments | Treasury Shares  | Appropriated      | Unappropriated   |                  |                          |                  |
| <b>BALANCES AT DECEMBER 31, 2023</b>                | 1,933,306                                        | 281,437                    | 77,740                                                           | (43,075)                               | (133,461)                                                     | 1,003,041        | 82,470                                                         | (459,418)        | 960,000           | 2,423,052        | 6,125,091        | 360,248                  | 6,485,339        |
| Dividend declaration                                | -                                                | -                          | -                                                                | -                                      | -                                                             | -                | -                                                              | -                | -                 | (189,096)        | (189,096)        | -                        | (189,096)        |
| Dividends to non-controlling interest               | -                                                | -                          | -                                                                | -                                      | -                                                             | -                | -                                                              | -                | -                 | -                | -                | (109,396)                | (109,396)        |
| Total comprehensive income                          | -                                                | -                          | 10,755                                                           | -                                      | -                                                             | -                | 34,000                                                         | -                | -                 | 975,945          | 1,020,701        | 224,893                  | 1,245,593        |
| Acquisition of treasury shares                      | -                                                | -                          | -                                                                | -                                      | -                                                             | -                | -                                                              | -                | -                 | -                | -                | -                        | -                |
| Additional investment of non-controlling interest   | -                                                | -                          | -                                                                | -                                      | -                                                             | -                | -                                                              | -                | -                 | -                | -                | -                        | -                |
| <b>BALANCES AT SEPTEMBER 30, 2024</b>               | <b>P- 1,933,306</b>                              | <b>281,437</b>             | <b>88,495</b>                                                    | <b>(43,075)</b>                        | <b>(133,461)</b>                                              | <b>1,003,041</b> | <b>116,470</b>                                                 | <b>(459,418)</b> | <b>960,000</b>    | <b>3,209,902</b> | <b>6,956,696</b> | <b>475,744 P-</b>        | <b>7,432,440</b> |
| <b>BALANCES AT DECEMBER 31, 2024</b>                | <b>1,933,306</b>                                 | <b>281,437</b>             | <b>137,529</b>                                                   | <b>(65,417)</b>                        | <b>(193,795)</b>                                              | <b>1,003,041</b> | <b>116,470</b>                                                 | <b>(459,418)</b> | <b>960,000</b>    | <b>3,356,833</b> | <b>7,069,987</b> | <b>493,759</b>           | <b>7,563,745</b> |
| Dividend declaration                                | -                                                | -                          | -                                                                | -                                      | -                                                             | -                | -                                                              | -                | -                 | (208,005)        | (208,005)        | -                        | (208,005)        |
| Dividends to non-controlling interest               | -                                                | -                          | -                                                                | -                                      | -                                                             | -                | -                                                              | -                | -                 | -                | -                | (66,000)                 | (66,000)         |
| Total comprehensive income (loss)                   | -                                                | -                          | 24,835                                                           | -                                      | -                                                             | -                | 25,500                                                         | -                | -                 | 1,022,317        | 1,072,653        | 139,105                  | 1,211,758        |
| Acquisition of treasury shares                      | -                                                | -                          | -                                                                | -                                      | -                                                             | -                | -                                                              | -                | -                 | -                | -                | -                        | -                |
| Additions to investment of non-controlling interest | -                                                | -                          | -                                                                | -                                      | -                                                             | -                | -                                                              | -                | -                 | -                | -                | 86,296                   | 86,296           |
| Reversal of appropriation of retain earnings        | -                                                | -                          | -                                                                | -                                      | -                                                             | -                | -                                                              | -                | (850,000)         | 850,000          | -                | -                        | -                |
| Appropriation of retain earnings                    | -                                                | -                          | -                                                                | -                                      | -                                                             | -                | -                                                              | -                | 2,830,000         | (2,830,000)      | -                | -                        | -                |
| <b>BALANCES AT SEPTEMBER 30, 2025</b>               | <b>P- 1,933,306</b>                              | <b>281,437</b>             | <b>162,364</b>                                                   | <b>(65,417)</b>                        | <b>(193,795)</b>                                              | <b>1,003,041</b> | <b>141,970</b>                                                 | <b>(459,418)</b> | <b>2,940,000</b>  | <b>2,191,145</b> | <b>7,934,634</b> | <b>653,160 P-</b>        | <b>8,587,794</b> |

\*The notes are integral part of the Interim Unaudited Consolidated Financial Statements

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**NOTES TO INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****1. Corporate Information and Business Operations****Corporate Information**

MacroAsia Corporation (the Company or MAC), a publicly-listed corporation, was incorporated in the Philippines on February 16, 1970 under the name Infanta Mineral & Industrial Corporation to engage in the business of geological exploration and development. On January 26, 1994, its Articles of Incorporation was amended to change its primary purpose from exploration and development to that of engaging in the business of a holding company and changed its corporate name to Cobertson Holdings Corporation. On November 6, 1995, the Company's Articles of Incorporation was again amended to change its corporate name to its present name. On August 7, 2018, the Company's Articles of Incorporation was further amended for the extension of the Company's corporate life for another 50 years, from and after February 15, 2020. However, under the Revised Corporation Code of the Philippines, MAC shall have perpetual corporate life. Its registered office address is at 7th Floor, Ricogen Building, 112 Aguirre Street Legazpi Village, Makati City.

**Business Operations**

The principal activities of the Parent Company and its subsidiaries (collectively referred to as the "MacroAsia Group", "the Group") are described in Note 4. The Parent Company, through its subsidiaries and associates, is presently engaged in aviation-support businesses at 22 airport locations in the Philippines. It provides in-flight catering services, ground handling services for passengers and cargo aircraft. It also operates/develops the sole economic zone within the NAIA.

Through MacroAsia Catering Services, Inc. (MACS), MacroAsia SATS Inflight Services Corp. (MSISC), and MacroAsia SATS Food Industries Corporation (MSFI), are now providing the food requirements of some passenger terminal lounges in NAIA. It has also ventured into the provision of the food service requirements of non-airline institutional clients outside the airport. Through MacroAsia Properties Development Corporation (MAPDC), the Parent Company started pursuing projects related to reclaimed water supply, bulk water supply using surface water sources, and water distribution in areas outside of Metro Manila.

Through Lufthansa Technik Philippines, Inc. (LTP), an associate, which has a maintenance, repairs and overhaul facility in the Philippines, the Parent Company provides globally competitive heavy maintenance and engineering services for specific models of Airbus and Boeing aircraft for airline clients all over the world.

Through Allied Water Services, Inc. (AWSI), the Parent Company pursues water-related projects.

## **2. Summary of Material Accounting Policy Information**

### **Basis of Preparation**

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for equity investments held at fair value through other comprehensive income (FVTOCI), which are carried at fair value. The interim condensed consolidated financial statements are presented in Philippine peso (₱), the Parent Company's functional and presentation currency. Amounts are rounded to the nearest thousand unless otherwise indicated.

### **Statement of Compliance**

The interim condensed consolidated financial statements for the period ended September 30, 2025 have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. This does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of December 31, 2024.

### **Changes in Accounting Policies**

The accounting policies adopted are consistent with those of the previous financial years, except for the adoption of the following amendments to existing standards effective beginning January 1, 2025 Unless otherwise indicated, adoption of these new standards did not have any impact on the consolidated financial statements of the Group.

- *Amendments to PAS 21, Lack of Exchangeability*

#### Standards Issued but 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 PFRS 9 and PFRS 7, Classification and Measurement of Financial Instruments
  - Annual Improvements to PFRS Accounting Standards - Volume 11
  - Amendments to PFRS 1, Hedge Accounting by a First-time Adopter
  - Amendments to PFRS 7, Gain or Loss on Derecognition
  - Amendments to PFRS 9, Lessee Derecognition of Lease Liabilities and Transaction Price
  - Amendments to PFRS 10, Determination of a 'De Facto Agent'
  - Amendments to PAS 7, Cost Method

*Effective beginning on or after January 1, 2027*

- PFRS 18, Presentation and Disclosure in Financial Statements

PFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure on newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to PAS Statement of Cash Flows, which include changing the starting point in determining cash flows from operations under the indirect method, from "profit or loss" to "operating profit or loss" and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

PFRS 18, and the amendments of other standards, is effective to reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. PFRS 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

*Deferred effectivity*

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

**Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Group, its direct subsidiaries, MACS, MSFI, MSIS, MAPDC and its subsidiaries BTSI, NWSC, MASCORP, MMC, WBSI, AWSI and its subsidiaries AKESC and SWRI, which were all incorporated in the Philippines and are registered with the Philippine Securities and Exchange Commission (SEC) as of September 30, 2025 (unaudited) and December 31, 2024 (audited).

| Entity                                                              | Nature of business                    | Percentage of Ownership by MAC |          |                   |          | Percentage of Direct Ownership by<br>MACS/MAPDC/<br>WBSI/BTSL/NWSC<br>MASCORP/MMC/<br>AWSI/AKESC/SWRI |      |
|---------------------------------------------------------------------|---------------------------------------|--------------------------------|----------|-------------------|----------|-------------------------------------------------------------------------------------------------------|------|
|                                                                     |                                       | 2025                           |          | 2024              |          | 2025                                                                                                  | 2024 |
|                                                                     |                                       | Direct                         | Indirect | Direct            | Indirect |                                                                                                       |      |
| MacroAsia Airport Services Corporation (MASCORP) <sup>(9)</sup>     | Ground handling aviation services     | 80 <sup>(9)</sup>              | —        | 80 <sup>(9)</sup> | —        | —                                                                                                     | —    |
| Aviation Product Corporation (APC) <sup>(16)</sup>                  | Aircraft ULD repair services          | —                              | 80       | —                 | —        | 100                                                                                                   | —    |
| MacroAsia Catering Services Corporation (MACS)                      | In-flight and other catering Services | 67                             | —        | 67                | —        | —                                                                                                     | —    |
| MacroAsia SATS Food Industries (MSFI) <sup>(8)</sup>                | Meal production and food processing   | 67 <sup>(17)</sup>             | —        | —                 | 67       | —                                                                                                     | 100  |
| MacroAsia SATS Inflight Services Corporation (MSISC) <sup>(8)</sup> | Meal production and food processing   | 67 <sup>(18)</sup>             | —        | —                 | 67       | —                                                                                                     | 100  |
| MacroAsia New Ventures, Inc. (MNVI) <sup>(99)</sup>                 |                                       | 100                            | —        | —                 | —        | —                                                                                                     | —    |
| MacroAsia Air Taxi                                                  | Fixed-based operation (FBO)           | 100                            | —        | 100               | —        | —                                                                                                     | —    |

|                                                                            |                                                                              |     |      |     |      |     |
|----------------------------------------------------------------------------|------------------------------------------------------------------------------|-----|------|-----|------|-----|
| Services, Inc. (MAATS)                                                     |                                                                              |     |      |     |      |     |
| MacroAsia Properties Development Corporation (MAPDC)                       | Economic Zone (Ecozone) developer/operator and water supplier                | 100 | –    | 100 | –    | –   |
| SNV Resources Development Corporation (SNVRDC)                             | Water treatment and distribution                                             | –   | 100  | –   | 100  | 100 |
| Boracay Tubi System, Inc. (BTSI) <sup>(3)</sup>                            | Water treatment and distribution, and construction of sewage treatment plant | –   | 67   | –   | 67   | 67  |
| MONAD Water and Sewerage Systems, Inc. (MONAD) <sup>(3)</sup>              | Water sewerage treatment                                                     | –   | 53.6 | –   | 53.6 | 80  |
| New Earth Water System, Inc. (NEWS) <sup>(3)</sup>                         | Water projects                                                               | –   | 67   | –   | 67   | 100 |
| Naic Water Supply Corporation (NAWASCOR) <sup>(4)</sup>                    | Water distribution                                                           | –   | 100  | –   | 100  | 100 |
| Aqualink Resources Development, Inc. <sup>(11)</sup>                       | Water distribution                                                           | –   | 51   | –   | 51   | 51  |
| Mabini Pangasinan Resources Development Corporation (MPRDC) <sup>(2)</sup> | Water projects                                                               | –   | 100  | –   | 100  | 100 |
| Panay Water Business Resources, Inc. (PWBRI) <sup>(2)</sup>                | Water projects                                                               | –   | 90   | –   | 90   | 90  |
| Watery Business Solutions, Inc. (WBSI)                                     | Water projects                                                               | –   | 100  | –   | 100  | 100 |
| Cavite Business Resources Inc. (CBRI)                                      | Water projects                                                               | –   | 100  | –   | 100  | 100 |
| First Aviation Academy, Inc. (FAA). <sup>(5)</sup>                         | Aviation school                                                              | 51  | –    | 51  | –    | –   |
| Allied Water Services, Inc. (AWSI) <sup>(1)</sup>                          | Water projects                                                               | 100 | –    | 100 | –    | –   |
| AlliedKonsult Eco Solutions Corporation (AKESC) <sup>(2)</sup>             | Water treatment                                                              | –   | 51   | –   | 51   | 51  |
| Cavite Alliedkonsult Services Corporation (CAKSC)                          | Water treatment                                                              | –   | 51   | –   | 51   | 100 |
| Summa Water Resources I (SWRI) <sup>(6)</sup>                              | Water treatment and equipment lease                                          | –   | 60   | –   | 60   | 60  |
| CSW Lapu-Lapu Inc. (CSWLL) <sup>(13)</sup>                                 | Bulk potable water supply and water treatment                                | –   | 60   | –   | 60   | 100 |
| Poro Point Summa Water Inc. <sup>(15)</sup>                                | Water distribution                                                           | –   | 60   | –   | –    | 100 |
| MacroAsia Mining Corporation (MMC)                                         | Mine exploration, development and operation                                  | 100 | –    | 100 | –    | –   |
| MMC Management & Development Corporation                                   | Mine exploration, development and operation                                  | –   | 100  | –   | 100  | 100 |
| Bulawan Mining Corporation (BUMICO) <sup>(2), (7)</sup>                    | Mine operation, development and utilization                                  | –   | 100  | –   | 100  | 100 |
| Tera Information and Connectivity Solutions, Inc. (TICS) <sup>(12)</sup>   | Information management and data connectivity                                 | 100 | –    | 100 | –    | –   |

<sup>(1)</sup> Resumed operation as holding company of newly acquired water companies

<sup>(2)</sup> No commercial operations as of December 31, 2021

<sup>(3)</sup> Ownership interest effective December 2, 2016

<sup>(4)</sup> Ownership interest effective August 1, 2017

<sup>(5)</sup> Incorporated on December 5, 2017 and started commercial operations on May 19, 2019

<sup>(6)</sup> Ownership interest effective October 1, 2018

<sup>(7)</sup> Ownership interest effective November 15, 2018

<sup>(8)</sup> Started commercial operations on March 16, 2019

<sup>(9)</sup> Change in ownership interest starting December 5, 2019 (see Note 11)

<sup>(10)</sup> Ownership interest effective March 2, 2020

<sup>(11)</sup> Ownership interest effective March 9, 2021

<sup>(12)</sup> Ownership interest effective February 11, 2021

<sup>(13)</sup> Ownership interest effective March 28, 2023

<sup>(14)</sup> Ownership interest effective February 21, 2024

<sup>(15)</sup> Ownership interest effective January 6, 2025

<sup>(16)</sup> Ownership interest effective February 18, 2025

<sup>(17)</sup> Change in ownership interest starting June 4, 2025

<sup>(18)</sup> Change in ownership interest starting June 4, 2025

<sup>(19)</sup> Ownership interest effective September 2, 2025

### 3. Significant Judgments and Accounting Estimates

The preparation of the consolidated financial statements in accordance with PFRSs requires the Group to exercise judgments, make estimates and use assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

## **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 amounts recognized in the consolidated financial statements.

### *Determination of the Group's functional currency*

Judgment is exercised by assessing various factors in determining the functional currency of each entity within the Group. These include the prices of goods and services, competition, cost and expenses, and other factors including the currency in which financing is primarily undertaken.

The Group, based on the relevant economic substance of the underlying circumstances, has determined its functional currency to be Peso. It is the currency of the primary economic environment in which the Group operates. The functional currencies of LTP and JASCO, the Group's associated companies, has been determined to be US\$ and JPY, respectively.

### *Revenue from contracts with customers*

The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Determination of the timing of satisfaction of performance obligation*  
*In- flight and other catering, ground handling and aviation, water services, and connectivity and technology services*

The Group assessed that performance obligation for inflight and other catering, except for dry store and beverage, ground handling and aviation, water services, and connectivity and technology services are rendered to the customers over time. As a result, the Group's revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment.

### *Sale of dry store and beverage*

The Group assessed that performance obligation for sale of dry store and beverage is satisfied at a point in time. The Group uses its judgment on when a customer obtains control of the promised goods. The Group has assessed that the actual delivery of the goods to the customer is the point in time when the performance obligation has been satisfied.

- *Allocation of total transaction price between construction and operation and maintenance of STP*

Management determined that the contractually agreed price for construction of STP does not depict the amount the Group expects to receive for the performance obligation as the costs of STP are also expected to be recovered through the fees from operation and maintenance. Accordingly, the Group determined that the total transaction price of construction and operation and maintenance (i.e., the performance obligations) of STP needs to be allocated. This required the estimation of each of the performance obligation's stand-alone selling prices based on expected value method. The Group estimates consideration from the construction of STP

based on expected gross margin. On the other hand, the Group estimates the variable consideration from operation and maintenance of STP based on the historical patterns of water consumption and room capacity of the Group's customers.

- *Recognition of contract asset*

The Group incurs certain costs in relation to the services provided to its major customer. Based on management's assessment, these costs are incremental cost in obtaining a contract. Accordingly, the Group recognizes contract asset which are amortized as expense throughout the contract period, which includes the renewal period as management believes that the contract with the major customer will be renewed considering that the Group is providing one of the required services in the operations of its major customer.

*Assessment of control or significant influence over the investee*

The Group makes an assessment whether or not it controls an investee by considering all relevant facts and circumstances which indicate that the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A reassessment is made if circumstances indicate that there are changes in these control elements. The Group has significant influence over an investee if it only has the power to participate in the financial and operating policy decisions, but not control or jointly control over the investee. As of September 30, 2025 and December 31, 2024, the Group still determined that it controls its subsidiaries and has significant influence over its associates.

*Assessment of operators under Philippine Interpretation IFRIC 12*

Management has assessed that memoranda of agreement with the Municipality of Solano, Nueva Vizcaya (Solano) to provide water distribution facilities and with the Municipality of Naic Cavite (Naic) to develop and operate water supply and distributions system are covered by the Philippine Interpretation IFRIC 12. The memoranda of agreement qualifies under the intangible asset model with respect to the operation of the waterwork facilities as the Group has the right (license) to charge users of public service.

*Classification of leases - the Group as a lessor*

The Group has entered into short-term leases, which provide no transfer of ownership to the lessee. The Group has determined that, based on an evaluation of the terms and conditions of the arrangements, it retains all the significant risks and rewards of ownership of this equipment and accounts for these as operating leases.

*Determining the lease term of contracts with renewal and termination options - the Group as a lessee*

The 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.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. 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, the 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).

The Group included the renewal period as part of the lease term for leases which are renewable at the option of the lessee. The Group typically exercises its option to renew these leases because of significant permanent improvement introduced in the leased premises. The renewal periods for leases are not included as part of the lease term if option to renew is at lessor's discretion or leases which renewal depends on mutual consent of contracting parties as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

#### *Contingencies*

The Group, in its normal course of business, is involved in various legal cases and claims. Based on management's assessment, the Group will be able to defend its position in these cases and that the ultimate outcome will not have a significant impact on the Group's consolidated financial statements. Accordingly, no provision has been recognized for these contingencies. LTP, the most significant associate of the Group, also assesses the need to recognize the provisions based on the status of the claims.

#### **Estimates and Assumptions**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects that period, or in the period of revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of the Group's assets and liabilities follow.

#### *Leases - estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. 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).

The Group's lease liabilities amounted to ₱2,160.3 million and ₱2,093.0 million as of September 30, 2025 and December 31, 2024, respectively.

*Provision for expected credit losses*

The Group uses a provision matrix to calculate ECLs for financial assets at amortized cost. 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 calibrates 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 forward-looking estimates are analyzed. 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 timing of the default (a lifetime ECL).

The assessment of the correlation between observed default rates, forecasted economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasted economic conditions. The 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.

The Group has a segmentation of its credit risk exposures based on homogeneity of credit risk characteristics and credit risk management policies to identify defaulting customers using observable inputs such as historical loss rates, recoveries, and write-offs. The Group has also applied forward-looking information for its overlay through statistical test and corroboration using publicly available information.

The Group's receivables, net of allowance for the expected credit losses of ₱70.0 million, amounted to ₱2,390.5 million and ₱2,202.9 million as of September 30, 2025 and December 31, 2024, respectively.

*Determination of NRV of inventories*

The Group estimates the NRV of inventories based on the most reliable evidence available at the time the estimates are made. These estimates consider the fluctuations of prices or costs directly relating to events occurring after the reporting date to the extent that such events affect the value of inventories. Other factors include the age of the inventories and Company's experience on write-off and expirations.

The Group did not identify any factors which indicate inventory obsolescence based on the above discussions. Accordingly, no provision was recognized in 2025 and 2024.

The Group's inventories carried at cost as of September 30, 2025 and December 31, 2024 and amounted to ₱190.4 million and ₱155.4 million, respectively.

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*Estimating allowances for probable losses on input taxes and TCCs*

The Group estimates the level of provision for probable losses on input taxes based on the experience of the Group in processing the claims and the realization of input VAT. As of September 30, 2025 and December 31, 2024, the carrying value of input taxes and TCCs amounted to ₱567.8 million and ₱390.7 million, respectively. Allowance for probable losses amounted to ₱33.7 million and ₱40.7 million as of September 30, 2025 and December 31, 2024, respectively.

*Estimation of useful lives of property and equipment*

The Group estimates the useful lives of property, plant and equipment based on the internal technical evaluation and experience with similar assets. In cases where the use of property, plant and equipment is dependent on the grant of certain permits to conduct its business, management considers the probability of renewal of such permits based on past experience. In this situation, useful lives of property, plant and equipment are based on the economic useful lives rather than the currently effective period of the permits. Estimated useful lives are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence, and other limits on the use of the assets. A reduction in the estimated useful lives of property and equipment, would increase depreciation and amortization expense and decrease non-current assets.

There was no change in the estimated useful lives of property, plant, and equipment in 2025 and 2024.

The carrying value of property and equipment subject to depreciation as of September 30, 2025 and December 31, 2024 amounted to ₱2,452.1 million and ₱1,816.4 million, respectively.

*Estimation of useful life of service concession right*

At the start of operation of the water work facilities, the service concession right is to be amortized over the concession period as provided in the agreements with relevant government units. The amortization period is reviewed when there are changes in the expected term of the contract or the expected pattern of consumption of future economic benefits embodied in the asset. In 2018, NAWASCOR was granted additional concession period of 15 years by the Municipality of Naic, Cavite. Accordingly, NAWASCOR changed the useful life of its service concession right from 25 years to 40 years. The carrying value of the service concession right amounts to ₱433.6 million and ₱436.9 million as of September 30, 2025 and December 31, 2024, respectively.

*Estimation of useful life of intangible assets acquired as part of business combination*

The assigned useful lives of intangible assets acquired as part of business combination are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on collective assessment of similar businesses, internal evaluation, and experience with similar assets. Further, management considers the probability of renewal of certain permits and the cost and efforts in renewing such permits based on past experience. The useful life of each asset is reviewed at each financial year and updated if expectations differ from previous estimates due to technical or commercial obsolescence and legal or

other limits on the use of the asset. There were no changes in the estimated useful lives of water service contract and customer contract and relationships, while water rights are assessed to have indefinite useful life considering that the water permits remain valid for as long as water is beneficially used.

The total carrying value of the customer contract and relationships, water service contract, and the right-to-use of water permits amounted to ₱233.2 million and ₱237.2 million as of September 30, 2025 and December 31, 2024.

*Determination of impairment indicators and impairment testing of nonfinancial assets*

*A. Nonfinancial assets other than goodwill and intangible assets with indefinite life*

The Group assesses at each reporting date whether there is any indication that its nonfinancial assets other than goodwill and intangible assets with indefinite life (i.e., investments in associates, property, plant and equipment, right-of-use assets, investment property, service concession right, intangible assets, deferred project costs, deferred mine exploration costs) may be impaired. Also, the Group assesses whether facts and circumstances suggest that carrying amount of deferred mine exploration costs may exceed its recoverable amount. The factors that the Group considers important which could trigger an impairment review included the following, among others:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the overall business strategy; and,
- significant negative industry or economic trends.

If such indication exists, the Group performs impairment testing to estimate the recoverable amount of the related asset.

The carrying values of the nonfinancial assets are as follows:

|                                     | 2025                  | 2024           |
|-------------------------------------|-----------------------|----------------|
| Investments in associates           | <b>₱3,157,693,633</b> | ₱2,329,170,021 |
| Property, plant and equipment       | <b>3,290,713,298</b>  | 2,395,194,443  |
| Right-of-use assets                 | <b>825,050,281</b>    | 791,896,705    |
| Investment property                 | <b>143,852,303</b>    | 143,852,303    |
| Service concession right            | <b>433,612,756</b>    | 415,867,659    |
| Water Rights                        | <b>118,794,345</b>    | 120,784,848    |
| Water service contract              | <b>72,264,350</b>     | 72,264,350     |
| Customer contract and relationships | <b>42,151,432</b>     | 45,541,836     |
| Deferred project costs              | <b>42,783,267</b>     | 42,783,267     |
| Deferred mine exploration costs     | <b>253,273,717</b>    | 238,513,440    |

Service concession right

SNVRDC has been operating at a loss since the start of its commercial operation. This is an indicator that the service concession right may be impaired.

For the purpose of impairment testing of SNVRDC's service concession right, recoverable amount is determined based on the value-in-use using cash flow projections based on

financial budgets as approved by management covering 17 years of projections, coterminous to the term of the concession agreement with the Municipality of Solano. The projected cash flows are based on expectations of future outcomes considering past experience, adjusted for anticipated revenue growth based on management's future plans. The discount rate is a pre-tax measure based on the weighted average cost of capital (WACC) of listed entities with similar assets or similar in terms of potential risk.

Based on the latest impairment test, the recoverable amount of the service concession right exceeds its carrying value. Management believes that any reasonable possible change in any of the assumptions used would not cause the carrying value to exceed its recoverable amount.

The carrying value of the service concession right subjected to impairment testing amounted to ₱222.9 million as of September 30, 2025 and December 31, 2024.

*Impairment of deferred mine exploration costs*

The recovery of deferred mine exploration costs depends upon the success of exploration activities and future development of the mining properties, as well as the discovery of recoverable reserves in quantities that can be commercially produced. As of date, MMC has not started its mining activities, thus, management has performed the impairment analysis on the recoverability of the deferred mine exploration costs. For the purpose of impairment testing, recoverable amount is determined based on the value-in-use using cash flow projections based on financial budgets as approved by management. The projected cash flows are based on expectations of future outcomes based on management's future plans. Management believes that the amount of deferred mine exploration cost is recoverable based on the estimation of value-in-use.

The carrying value of deferred mine exploration cost amounted to ₱253.3 million and ₱238.5 million as of September 30, 2025 and December 31, 2024, respectively.

*Impairment of water service contract not yet available for use*

As of date, CSWLL has not started its bulk water supply and distribution activities, thus, management has performed the impairment analysis on the recoverability of the water service contract not yet available for use. For the purpose of impairment testing, recoverable amount is determined based on the value-in-use using cash flow projections based on financial budgets as approved by management. The projected cash flows are based on expectations of future outcomes based on management's future plans. Management believes that the amount of water service contract is recoverable based on the estimation of value-in-use.

The carrying value of water service contract amounted to ₱72.3 million as of September 30, 2025 and December 31, 2024.

*Investment in LTP*

The lease for the ecozone where LTP is located is set for renewal in 2025, with an anticipated increase in lease rates. At the end of each reporting period, the Group assesses potential indicators of asset impairment, considering external factors such as

macroeconomic conditions, industry trends, regulatory developments and ongoing negotiations with the government and its airport operator.

For purposes of impairment testing of investment in LTP, the recoverable amount has been determined based on value-in-use calculations using probability-weighted scenario analysis. This analysis incorporates multiple potential future outcomes with corresponding probabilities, reflecting a range of expectations on revenue growth, forecasted workload and fleet count, operational costs, and operating expenses. Past experiences and current market conditions are also considered in this assessment.

The renewal of the ecozone lease after August 31, 2025 poses the risk of higher rental costs, with lease rates projected possibly to increase 11x to Php710/sqm. While such increases may be recoverable through adjustments in client pricing, significant lease escalations could affect certain foreign airline customers that do not directly benefit from the NAIA capacity expansion. As of this reporting period, MacroAsia and LTP are actively negotiating with the concerned authorities to secure favorable and sustainable terms for the renewal. Failure to agree on a long-term lease agreement will be detrimental to the MRO business, considering that contracts with clients are often long-term in nature and demand certainty in the operating condition of an MRO provider.

The total carrying value of the property, plant & equipment and building & building improvements amounted to ₱2,558.5 million as of September 30, 2025 and ₱2,824.7 million for December 31, 2024, respectively.

The carrying value of the Investment in LTP amounted to ₱2,195.3 million and ₱1,587.1 million as of September 30, 2025 and December 31, 2024, respectively.

#### *Goodwill and intangible assets with indefinite life*

For goodwill and intangible assets with indefinite useful life, the Group performs impairment testing at least on an annual basis or more frequently, if events or changes in circumstances indicate that these may be impaired. For the purpose of impairment testing, goodwill has been allocated to BTSI group, NAWASCOR, SWRI and MACS as the cash generating units.

The recoverable amounts of the cash-generating units have been determined based on a value-in-use calculation using cash flow projections based on financial budgets as approved by management covering five years of projections. The projected cash flows are based on expectations of future outcomes, taking into account past experience, adjusted for anticipated revenue growth based on management's future plans. Cash flows beyond the forecast period are extrapolated into perpetuity, assuming four percent (4%) growth rate for impairment test purposes. The discount rate is a pre-tax measure based on the WACC of listed entities with similar assets or similar in terms of potential risk.

The carrying value of goodwill subjected to impairment testing amounted to ₱127.8 million as of September 30, 2025 and December 31, 2024.

For the right to use of water permits, the recoverable amount is determined based on fair value less cost to sell calculations determined by discounting notional royalty savings after tax. These calculations use net sales projections and the related royalty savings based on a five-year projection. Net sales beyond the forecast period are extrapolated into perpetuity, assuming four percent (4%) growth rate for impairment test purposes. Management considered the impact of cost to sell in the calculations of fair value less cost to sell as negligible. The royalty rate is the average of royalty rates for water distribution entities, while the discount rate was a pre-tax measure based on the WACC of listed entities with similar assets or similar in terms of potential risk.

The carrying value of the right to use asset amounted to ₱118.8 million, ₱120.3 million as of September 30, 2025 and December 31, 2024, respectively.

Management believes that no reasonably possible change in any of the assumptions used would cause the carrying values of the goodwill and right-to-use asset to exceed their recoverable amounts. Based on management's assessment, the recoverable amounts of these assets are higher than their carrying values, thus no impairment loss was recognized in 2025 and 2024.

*Estimation of retirement benefits costs and obligation, and accumulating leave credits*

The cost of defined benefit pension plans, as well as the present value of the pension obligation is, determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates and future salary 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 significant assumptions are reviewed at each reporting date. The calculation of accumulating leave credits follows the same assumptions as the defined benefit costs.

In determining the appropriate discount rate, management considers the interest rates of government bonds, adjusted to zero coupon rates, with term consistent with the obligation of the plan.

Accrued retirement and other employee benefits payable amounted to ₱178.2 million and ₱196.6 million as of September 30, 2025 and December 31, 2024, respectively. Pension asset amounted to ₱0.7 million as of September 30, 2025 and December 31, 2024, and is included under "Other noncurrent assets" account.

*Recognition of deferred income tax assets*

The Group reviews the carrying amounts of deferred income tax assets (gross of deferred income tax liabilities) at each reporting date and adjusts the balance of deferred income tax assets to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. The determination of future taxable income, which will establish the amount of deferred income tax assets that can be recognized, requires the estimation and use of assumptions about the Group's future income and timing of reversal of temporary differences, unused NOLCO and excess MCIT over RCIT.

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Deferred income tax assets recognized, which relate primarily to operating subsidiaries, amounted to ₱367.3 million as of September 30, 2025 and December 31, 2024. The Group also has unrecognized deferred income taxes primarily on the non-operating subsidiaries' temporary differences, NOLCO and MCIT.

#### **4. Segment Information**

The Group's operating businesses are organized and managed separately according to the nature of the aviation-support services provided by the subsidiaries, mining-related activities, water-related projects, and ICT services, which is the basis on which the Group reports its primary segment information. The Group also monitors its share in the results of operations of its associates (LTP, CPCS and JASCO) that are accounted for using the equity method.

The operations of Group's segments are described as follows:

- In-flight and other catering segment, which is operated by MACS, MSFI and MSIS, and through the Company's interest in CPCS, refers to servicing of meal requirements of certain foreign and domestic passenger airlines, as well as some passenger terminal lounges at the NAIA, and food service needs of a number of non-airline institutional accounts.
- Ground handling and aviation segment, which is operated by MASCORP and MAATS, refers to both ramp and passenger handling and aviation services to foreign airlines and domestic carriers at NAIA, MCIA, Davao International Airport, Tuguegarao Airport and Clark International Airport. In 2019, the Company acquired 30% ownership in JASCO, a ground handling and aviation service company operating in Japan. During the year, the Group acquired APC, which provides specialized repair, refurbishment, and assembly of Unit Load Devices (ULDs) and aircraft catering trolleys for airline and ground handling operations.
- Maintenance, repairs, and overhaul (MRO), which is operated through the Company's interest in LTP, pertains to rendering of MRO services of Airbus and Boeing aircraft for certain airlines.
- Water treatment and distribution segment, which is operated through SNVRDC, BTSI, NAWASCOR, ARDI and SWRI. The Group has on-going water-related projects which pertain to the development (e.g., studies, surveys) and construction of water-treatment facilities activities, which are undertaken by MAPDC and its other subsidiaries. The Group, through BTSI, is also engaged in the construction, operation, and maintenance of sewage treatment facilities.
- ICT segment or Information, Connectivity and Technology Solutions services, operated through TERA, refers to service offerings which encompasses information management, data connectivity, radio trunking, shared and managed services.
- Administrative segment, which is primarily operated through MAPDC, refers to the sub-lease of the MacroAsia Ecozone at NAIA, which MAPDC leases from Manila International Airport Authority (MIAA) with LTP as the anchor locator. In Mactan, Cebu, MAPDC also developed an ecozone inside the airport which is designated for aviation-related services.

- Mining segment, which is operated through MMC, refers to mining-related activities of the Group. This segment refers to revenues and expenditures for exploration activities and rendering of exploration-related services.

Segment assets include the operating assets used by a segment and consist principally of cash and cash equivalents, receivables, inventories, other current assets, and property, plant and equipment, net investment in the lease, and right-of-use assets, net of allowances, depreciation and amortization and any impairment in value. Segment liabilities include all operating liabilities and consist principally of notes payable, accounts payable and accrued liabilities, and lease liabilities. Segment assets and liabilities do not include deferred income tax. Segment results pertain to operating income.

Financial information on the Group's business segments as of and for the period ended September 30, 2025 and 2024 are as follows:

(In Thousand Pesos)

|                                        | JULY - SEPTEMBER |           | JANUARY - SEPTEMBER |           |
|----------------------------------------|------------------|-----------|---------------------|-----------|
| REVENUE – External                     | 2025             | 2024      | 2025                | 2024      |
| In-flight and other catering           | 1,201,278        | 1,112,090 | 3,549,140           | 3,258,889 |
| Ground handling and aviation           | 1,041,769        | 901,639   | 3,075,358           | 3,094,544 |
| Rental and administrative              | 159,800          | 13,535    | 187,192             | 40,400    |
| Aviation training fee                  | 15,353           | 20,015    | 55,128              | 56,272    |
| Water                                  | 174,899          | 172,758   | 538,906             | 511,763   |
| Exploratory drilling fees              | -                | -         | -                   | -         |
| Connectivity and technology services   | -                | -         | -                   | 43,646    |
| Total segment and consolidated revenue | 2,593,100        | 2,220,038 | 7,405,723           | 7,005,514 |

**RESULT – Segment result**

|                                                          |          |          |           |           |
|----------------------------------------------------------|----------|----------|-----------|-----------|
| In-flight and other catering services                    | 185,658  | 204,727  | 542,649   | 639,270   |
| Ground handling and aviation                             | (19,571) | 16,771   | 71,405    | 422,763   |
| Rental and administrative services                       | (16,841) | (17,283) | (53,474)  | (55,561)  |
| Charter flights service                                  | 5,512    | 1,449    | 6,578     | 863       |
| Aviation training                                        | (9,197)  | (8,376)  | (26,688)  | (34,256)  |
| Water                                                    | 18,771   | 18,817   | 66,379    | 65,166    |
| Mining                                                   | (2,842)  | (2,954)  | (7,551)   | (18,545)  |
| Connectivity and technology services                     | (8,400)  | (2,386)  | (18,980)  | 4,890     |
| Share in net income of associates                        | 359,087  | 228,603  | 970,066   | 578,289   |
| Total segment results                                    | 512,176  | 439,368  | 1,550,385 | 1,602,879 |
| Unallocated corporate income (expenses) and eliminations | (88,412) | (50,155) | (234,578) | (145,630) |
| Provision for income tax                                 | (39,439) | (37,473) | (154,384) | (256,410) |
| Consolidated net income                                  | 384,325  | 351,740  | 1,161,423 | 1,200,838 |

(In Thousand Pesos)

|                                               | Sep-25     | Dec-24     |
|-----------------------------------------------|------------|------------|
| <b>OTHER INFORMATION</b>                      |            |            |
| <b>Segment assets</b>                         |            |            |
| In-flight and other catering services         | 3,228,520  | 2,903,208  |
| Ground handling and aviation                  | 2,044,646  | 1,431,574  |
| Rental and administrative services            | 2,846,228  | 2,794,180  |
| Charter flights service                       | 44,325     | 37,658     |
| Investment in associates                      | 3,157,694  | 2,471,121  |
| Aviation training                             | 224,034    | 216,090    |
| Water                                         | 3,696,983  | 3,008,528  |
| Mining                                        | 254,154    | 238,785    |
| Total segment assets                          | 15,496,583 | 13,101,145 |
| Investment property                           | 143,852    | 143,852    |
| Deferred tax asset                            | 110,061    | 95,810     |
| Unallocated corporate assets and eliminations | 429,797    | 76,844     |
| Consolidated total assets                     | 16,180,293 | 13,417,651 |

(In Thousand Pesos)

|                                                    | Sep-25      | Dec-24      |
|----------------------------------------------------|-------------|-------------|
| <b>OTHER INFORMATION</b>                           |             |             |
| <b>Segment liabilities</b>                         |             |             |
| In-flight and other catering services              | 1,867,578   | 1,713,669   |
| Ground handling and aviation                       | 2,531,210   | 1,864,434   |
| Rental and administrative services                 | 3,031,317   | 2,944,612   |
| Aviation training                                  | 443,621     | 410,355     |
| Charter flights service                            | 12,887      | 12,275      |
| Water                                              | 2,916,408   | 2,273,575   |
| Mining                                             | 93,780      | 70,859      |
| Total segment liabilities                          | 10,896,801  | 9,289,779   |
| Deferred tax liabilities                           | 95,453      | 95,828      |
| Unallocated corporate liabilities and eliminations | (3,399,754) | (3,531,701) |
| Consolidated total liabilities                     | 7,592,499   | 5,853,906   |

| Capital expenditures                       | July - September |        | January - September |         |
|--------------------------------------------|------------------|--------|---------------------|---------|
|                                            | 2025             | 2024   | 2025                | 2024    |
| In-flight catering services                | 29,977           | 27,658 | 83,219              | 69,593  |
| Ground handling and aviation               | 63,322           | 12,705 | 568,521             | 122,378 |
| Rental and administrative services         | 123              | 762    | 281                 | 1,044   |
| Charter flights service                    | -                | -      | 2,206               | -       |
| Aviation training                          | 508              | 655    | 1,429               | 1,274   |
| Water                                      | 192,726          | 45,485 | 376,853             | 104,971 |
| Mining                                     | -                | -      | 47,937              | -       |
| Unallocated corporate capital expenditures | 18               | 8,347  | 1,917               | 29,581  |
| Total                                      | 286,675          | 95,611 | 1,034,474           | 328,841 |

|                                                     |         |        |         |         |
|-----------------------------------------------------|---------|--------|---------|---------|
| <b>Depreciation &amp; amortization</b>              |         |        |         |         |
| In-flight catering services                         | 23,827  | 22,258 | 69,613  | 63,824  |
| Ground handling and aviation                        | 27,491  | 23,845 | 75,919  | 67,051  |
| Rental and administrative services                  | 6,709   | 5,641  | 20,873  | 17,635  |
| Charter flights service                             | 126     | 15     | 376     | 46      |
| Aviation training                                   | 3,730   | 3,824  | 11,321  | 11,625  |
| Water-related projects                              | 31,001  | 31,210 | 87,891  | 78,896  |
| Mining                                              | 16      | 13     | 44      | 39      |
| Unallocated corporate depreciation and amortization | 14,665  | 10,043 | 35,364  | 30,476  |
| Total                                               | 107,565 | 96,848 | 301,400 | 269,591 |

|                                                                           |        |        |        |       |
|---------------------------------------------------------------------------|--------|--------|--------|-------|
| <b>Non cash gains (losses) other than depreciation &amp; amortization</b> |        |        |        |       |
| In-flight catering services                                               | 2,764  | 1,616  | -3,243 | 8,980 |
| Ground handling and aviation services                                     | 8,025  | -4,842 | 2,779  | 37    |
|                                                                           | 10,788 | -3,227 | (464)  | 9,017 |

## 5. Input taxes and other current assets

|                              | 2025            | 2024         |
|------------------------------|-----------------|--------------|
| Input taxes - net            | ₱ 507,985,840   | ₱331,164,513 |
| Creditable withholding taxes | 322,240,055     | 259,238,523  |
| Prepayments                  | 46,379,065      | 34,981,358   |
| Supplies                     | 58,574,919      | 34,268,620   |
| Advances to suppliers        | 41,075,944      | 8,741,255    |
| Other current assets         | 54,949,029      | 27,170,966   |
|                              | ₱ 1,031,204,851 | ₱695,565,235 |

Input taxes represent VAT paid on purchases of goods and services that can be recovered as tax refund/credit from the Bureau of Internal Revenue (BIR) or the Bureau of Customs.

Advances to suppliers pertain mainly to advances for acquisition of fixed assets.

Others mainly consist of prepaid insurance, rent and utilities that are individually immaterial.

## **6. Notes Payable and Long-Term Debts**

|                                        |          | <b>2025</b>          |          | <b>2024</b> |
|----------------------------------------|----------|----------------------|----------|-------------|
| Notes payable                          | <b>P</b> | <b>515,000,000</b>   | <b>P</b> | 121,178,000 |
| Current portion of loans payable       |          | <b>258,944,489</b>   |          | 386,927,235 |
| Current loans payable                  | <b>P</b> | <b>773,944,489</b>   | <b>P</b> | 508,105,235 |
| Long Term Debts                        | <b>P</b> | <b>1,557,201,261</b> | <b>P</b> | 397,266,119 |
| Capitalisable transaction cost         |          | <b>(1,846,008)</b>   |          | (1,846,006) |
| Loans payable - net of current portion | <b>P</b> | <b>1,555,355,254</b> | <b>P</b> | 395,420,113 |

The aforementioned notes payable and long-term debts are obtained from local banks.

In the current year, CSWLL secured a ten-year term loan agreement amounting to ₱650.0 million to finance the construction of the Seawater Desalination Plant Project in Lapu-Lapu City. The loan principal is payable in equal quarterly installments following a 24-month grace period, while interest is payable quarterly at a rate of 7.41%, subject to repricing. MASCORP availed five-year long-term loan agreement amounting to ₱418.0 million with the loan principal payable in equal quarterly installments, while interest is payable quarterly at a rate of 6.73%, subject to re-pricing. MASCORP also availed two-years long-term loan agreement amounting to ₱150.0 million with the loan principal payable in equal monthly installments following 12-months grace period, while interest is payable monthly at a rate of 5.75%. MAC also availed ₱400.0 million short-term loan with the loan principal payable at maturity date, while interest is payable monthly at a rate of 6.85%. MSFI availed ten-year long-term loan agreement amounting to ₱110.0 million with the loan principal payable in equal quarterly installments following a 30-month grace period, while interest is payable quarterly at a rate of 6.96%, subject to repricing.

## 7. Basic/Diluted Earnings per Share

Basic/diluted earnings per share are computed as follows:

| <i>(In thousand pesos except earnings per share)</i>    | Sep-25           | Dec-24    | Sep-24    |
|---------------------------------------------------------|------------------|-----------|-----------|
| Net income attributable to equity holders of the parent | <b>1,022,317</b> | 1,122,877 | 975,945   |
| Divided by weighted average number of common shares     | <b>1,890,958</b> | 1,890,958 | 1,890,958 |
|                                                         | <b>0.541</b>     | 0.594     | 0.516     |

## 8. Equity

### a. Restriction on retained earnings of the Group

The retained earnings as of September 30 is restricted for dividend declaration for the portion equivalent to the following:

- Undistributed earnings of subsidiaries and equity in net earnings of associates amounting to ₱2,472.6 million and ₱1,687.2 million as of September 30, 2025 and December 31, 2024, respectively.
- Cost of treasury shares amounting to ₱459.4 million as of September 30, 2025 and December 31, 2024.
- Deferred income tax assets amounting to ₱367.3 million as of September 30, 2025 and December 31, 2024, respectively.

### b. Appropriation of retained earnings

Appropriated retained earnings as of September 30, 2025 amounted to ₱2,940.0 million and ₱960.0 million on December 31, 2024.

On March 27, 2025, the Parent Company's BOD approved the reversal of outstanding appropriation amounting to ₱850.0 million. On the same date, the BOD approved the appropriation of retained earnings amounting to ₱2,830.0 million for ecozone development, commissary expansion and other acquisition-related projects ranging from two to three years from 2024.

As of December 31, 2024, and 2023, the Parent Company's retained earnings include appropriated amounts of ₱850.0 million for various projects. These were originally approved for appropriation in 2019.

On November 16, 2023, MSISC's BOD approved the appropriation from unrestricted retained earnings the amount of ₱110.0 million for the purpose of funding various capital expenditures.

### c. Cash dividends declared by the Parent Company from the unappropriated retained earnings are as follows:

| Date Approved  | Per share | Stockholder of Record Date | Date of Payment |
|----------------|-----------|----------------------------|-----------------|
| March 27, 2025 | ₱0.011    | April 25, 2025             | May 21, 2025    |
| March 21, 2024 | ₱0.010    | April 19, 2024             | May 16, 2024    |

On March 27, 2025, the Board of Directors approved the declaration of cash dividends in the amount of eleven centavos (Php0.11) per share payable on May 21, 2025.

d. Treasury stock

On July 16, 2010, the BOD approved the Share Buyback Program (the Program) involving a total cash outlay of ₱50.0 million for the repurchase of the outstanding common shares of the Parent Company from the market, using the trading facilities of the Philippine Stock Exchange (PSE). The Program will not involve any active or widespread solicitation for stockholders to sell. Repurchase of shares of stock will be done during the period of the Program at such prices perceived by the Parent Company to be lower than the inherent value of the share. The Program will run until the ₱50.0 million authorized cash outlay is fully utilized or until such time that the BOD may direct, subject to appropriate disclosures to the PSE and the SEC.

On June 15 2017, the Board of Directors of MacroAsia Corporation approved to allot ₱210.0 million to buy back shares of MacroAsia Corporation at market price. The mechanics of which shall be similar to the ₱50.0 million buyback program implemented in 2010. The Program commenced on June 20, 2017 and will run until the ₱210.0 million authorized cash outlay is fully utilized, or until such time that the Board of Directors of MacroAsia may direct, subject to appropriate disclosures to the PSE and the SEC.

On March 14, 2019, the Board of Directors approved ₱200.0 million additional funding to the 2017 Share Buyback Program.

On March 6, 2020, the Board of Directors approved another ₱200.0 million additional funding to the 2017 Share Buyback Program.

As of September 30, 2025 and December 31, 2024, the Parent Company's cost and number of shares held in treasury are as follows:

|                                   | 2025                | 2024         |
|-----------------------------------|---------------------|--------------|
| Cost                              | <b>₱459,418,212</b> | ₱459,418,212 |
| Number of shares held in treasury | <b>42,347,600</b>   | 42,347,600   |

Movement in the Parent Company's outstanding shares follows:

|                                        | Issued        | Treasury    | Outstanding   |
|----------------------------------------|---------------|-------------|---------------|
| As of December 31, 2009                | 1,250,000,000 | –           | 1,250,000,000 |
| Acquisition of treasury shares in 2010 | –             | (2,985,000) | (2,985,000)   |
| As of December 31, 2010                | 1,250,000,000 | (2,985,000) | 1,247,015,000 |
| Acquisition of treasury shares in 2011 | –             | (7,486,000) | (7,486,000)   |

|                                                                        |               |              |               |
|------------------------------------------------------------------------|---------------|--------------|---------------|
| As of December 31, 2011                                                | 1,250,000,000 | (10,471,000) | 1,239,529,000 |
| Acquisition of treasury shares in 2012                                 | –             | (6,125,000)  | (6,125,000)   |
| As of December 31, 2014, 2015 and 2016                                 | 1,250,000,000 | (16,596,000) | 1,233,404,000 |
| Acquisition of treasury shares in 2017                                 | –             | (6,249,600)  | (6,249,600)   |
| As of December 31, 2017                                                | 1,250,000,000 | (22,845,600) | 1,227,154,400 |
| Stock dividend declaration                                             | 368,146,293   | –            | 368,146,293   |
| Acquisition of treasury shares in 2018                                 | –             | (3,949,100)  | (3,949,100)   |
| As of December 31, 2018                                                | 1,618,146,293 | (26,794,700) | 1,591,351,593 |
| Acquisition of treasury shares in 2019                                 | –             | (12,845,600) | (12,845,600)  |
| As of December 31, 2019                                                | 1,618,146,293 | (39,640,300) | 1,578,505,993 |
| Acquisition of treasury shares in 2020                                 | –             | (2,707,300)  | (2,707,300)   |
| Stock dividend declaration                                             | 315,159,630   | –            | 315,159,630   |
| As of September 30, 2025 and December 31, 2024, 2023, 2022, 2021, 2020 | 1,933,305,923 | (42,347,600) | 1,890,958,323 |

e. Track record of registration of securities

On August 30, 1974, the SEC authorized the registration and licensing of the Parent Company's securities with total par value of ₱20.0 million divided into 2,000,000,000 shares with a par value of ₱0.01 per share.

On December 10, 1993, the Company amended its articles of incorporation, increasing the par value of its shares from ₱0.01 per share to ₱1.00 per share.

On March 22, 2000, the Philippine Stock Exchange, Inc. authorized to list the Parent Company's 750,000,000 shares, with a par value of ₱1.00 per share and 500,000,000 warrants divided into the following:

- i. 250,000,000 shares to cover the 1:4 stock rights offering to stockholders of record as of April 12, 2000 at an offer price of ₱2.00 per share;
- ii. 500,000,000 warrants to cover the 2:1 warrants offering attached to and detachable from the rights shares at a subscription price of ₱0.10 per warrant; and
- iii. 500,000,000 shares to cover the underlying shares of warrants at an exercise price of ₱6.00 per share. Actual listing of the underlying common shares of the warrants shall take effect upon the exercise of the warrants.
- iv. All warrants expired in 2005.

MAC's shares are listed and traded at the Philippine Stock Exchange, Inc. and it has approximately 852 and 849 holders of its common equity as of September 30, 2025 and December 31, 2024, respectively.

f. Cash dividends received by non-controlling interest are as follows:

| Entity | Date Declared      | Amount      | Per share | Dividends attributable to non-controlling interest (SATS) |
|--------|--------------------|-------------|-----------|-----------------------------------------------------------|
| MACS   | September 10, 2025 | ₱50,000,000 | ₱40.0     | ₱16,500,000                                               |
| MSIS   | September 10, 2025 | 150,000,000 | 150.0     | 49,500,000                                                |
| MACS   | March 13, 2024     | 70,000,000  | 56.0      | 23,100,000                                                |
| MACS   | December 27, 2019  | 80,000,000  | 64.0      | 26,400,000                                                |
| MACS   | December 6, 2018   | 75,000,000  | 60.0      | 24,750,000                                                |
| MACS   | November 28, 2017  | 70,000,000  | 56.0      | 23,100,000                                                |
| MACS   | December 8, 2016   | 50,000,000  | 40.0      | 16,500,000                                                |

As of September 30, 2025 and December 31, 2024, ₱76.5 million and ₱96.4 million, respectively, remained outstanding and presented as “Dividends payable” in the consolidated balance sheets.

g. Acquisition of non-controlling interest

The sale of 250,001 shares representing 20% of the total issued and outstanding capital stock of MASCORP to Konoike amounting to ₱1.1 billion (JPY 2.3 billion) was accounted for as a sale of share in subsidiary without loss of control, thus an equity transaction. The excess of consideration received over the carrying amount of the non-controlling interests amounted to ₱886.8 million, which is presented as part of “Other reserves” in the equity section of the consolidated balance sheets.

In December 2015, MAPDC entered into a share purchase agreement with a third party wherein WBSI shall be owned by MAPDC and the third party at 51% and 49%, respectively. The transaction was accounted for as a sale of share in subsidiary without loss of control, thus an equity transaction. The excess of consideration received over the Company amount of the non-controlling interests amounted to ₱24.3 million which is presented as part of “Other reserves” in the equity section of the balance sheets.

In August 2020, a third party has entered into a deed of absolute sale of shares wherein WBSI shall now be fully owned by MAPDC. The transaction between parent and non-controlling interest is accounted for as an equity transaction. The excess of consideration paid over the Company amount of the non-controlling interests amounted to ₱27.0 million, which is presented as reduction to “Other reserves” in the equity section of the 2020 consolidated balance sheets.

In July 2015, the Company signed a Sale and Purchase Agreement with SATS to sell 162,500 shares representing 13% of the total issued and outstanding capital stock of MACS. After the sale, MACS is 33% owned by SATS. The excess of consideration received over the carrying amount of the non-controlling interests amounted to ₱119.0 million, which is presented as part of “Other reserves” in the equity section of the balance sheets.

## 9. Capital Management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, and repurchase or issue new shares. The Group is not subject to externally imposed capital requirements as of September 30, 2025 and December 31, 2024. Further, no changes were made in the objectives, policies or processes for the period ended December 31, 2024, and for the nine-month period ended September 30, 2025.

The Group monitors capital vis-à-vis after-tax profit. The Group also monitors the equity ratio. Equity considered by the Group is total equity in the consolidated balance sheets, excluding items arising from other comprehensive income. The return on equity ratio is computed by dividing the after-tax profit by total capital.

The following summarizes the total capital considered by the Group and the computation of the return on equity:

|                            | 30-Sep-25            | 31-Dec-24            | 30-Sep-24            |
|----------------------------|----------------------|----------------------|----------------------|
| Capital stock              | 1,933,305,923        | 1,933,305,923        | 1,933,305,923        |
| Additional paid in capital | 281,437,118          | 281,437,118          | 281,437,118          |
| Treasury shares            | (459,418,212)        | (459,418,212)        | (459,418,212)        |
| Retained earnings          | 5,131,145,090        | 4,316,833,052        | 4,169,901,901        |
|                            | <b>6,886,469,919</b> | <b>6,072,157,881</b> | <b>5,925,226,730</b> |
| Net income after tax       | 1,161,422,602        | 1,371,409,268        | 1,200,838,220        |
| Return on equity           | 16.87%               | 22.59%               | 20.27%               |

## 10. Financial Risk Management Objectives and Policies

### Risk Management Structure

#### Audit Committee

The Committee performs oversight role on financial management functions, especially in the areas of managing credit, market, liquidity, operational, legal, and other risks of the Group.

#### Risk Management Committee

The Committee assists the BOD in identifying and assessing the various risks to which the Group is exposed to. The Committee also ensures that the Group's management has implemented a process to identify, manage and report on the risks that might prevent the Group from achieving its strategic objectives.

### *Board of Directors*

The BOD is responsible for the overall risk management approach and for approval of risk strategies and principles of the Group.

### **Financial Risk Management**

The Group's principal financial instruments are comprised of cash and cash equivalents and some external liabilities which were availed of primarily to fund operations. The Group has other financial assets and financial liabilities such as trade receivables and payables which arise directly from operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, interest rate risk, and liquidity risk. The BOD reviews and approves policies for managing these risks and they are summarized as follows:

#### *Foreign currency risk*

The Group's transactional currency exposure arises from sales in currencies other than its functional currency and retaining its cash substantially in currency other than its functional currency. Approximately 74% of MACS' and 13% of MASCORP's revenue are denominated in US\$ as of September 30, 2025. In addition, the Group closely monitors the foreign exchange rates fluctuations and regularly assesses the impact of future foreign exchange movements on its operations.

The following table demonstrates the impact on the Group's income before income tax and equity of reasonably possible changes in the US\$, with all other variables held constant:

| <i>(in millions)</i> |                  | Increase (decrease) on<br>Income/Loss before<br>Income Tax US\$ |
|----------------------|------------------|-----------------------------------------------------------------|
|                      | Movement in US\$ |                                                                 |
| 2025                 | Increase of 5%   | 67.4                                                            |
|                      | Decrease of 5%   | (67.4)                                                          |
| 2024                 | Increase of 5%   | 63.3                                                            |
|                      | Decrease of 5%   | (63.3)                                                          |
| 2023                 | Increase of 5%   | 53.2                                                            |
|                      | Decrease of 5%   | (53.2)                                                          |

#### *Credit and concentration risk*

Credit risk is the risk that the Group will incur a loss because its customers or counterparties failed to discharge their contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

The Group trades only with related parties and duly evaluated and approved creditworthy third parties. It is the Group's policy that all customers and counterparties that wish to trade with the Group, particularly on credit terms, are subjected to credit verification procedures. In addition, receivable balances are monitored on a continuous basis. The Group has major concentration of credit risk given that the majority of the Group's cash and cash equivalents are deposited in the local affiliated bank and major customers of MASCORP and MSISC include PAL and Air Phil. Management assessed and believes that the carrying amount of

the trade receivable from related parties are collectible and that the Group is not exposed to any significant risk since these companies are related parties. Further, the local affiliated bank is one of the country's reputable banks.

With respect to credit risk arising from financial assets, the Group's exposure arises from default of the counterparty, with a maximum exposure equal to the carrying values of these instruments. The Group only deals with financial institutions that have been approved by the BOD of the Company and those of its subsidiaries. The Group does not require any collateral and other credit enhancements. Consequently, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance).

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- a. *Probability of default (PD)* is an estimate of the likelihood of default over a given time horizon.
- b. *Exposure at default (EAD)* is an estimate of the exposure at a future default date taking into account expected changes in the exposure after the reporting date.
- c. *Loss given default (LGD)* is an estimate of the loss arising in the case where a default occurs at a given time.

For cash in bank, the Group applies the low credit risk simplification where the Group measures the ECLs on a 12-month basis based on the probability of default and loss given default which are publicly available. The Group also evaluates the credit rating of the bank and other financial institutions to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

For trade and other receivables, an impairment analysis is performed at each reporting date using a provision matrix, however for customers with significant increase in risks of default general approach is used to measure ECLs. The provision rates are based on days past due for groupings of customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. On the other hand, for general approach, we determine the cash shortfall for the difference between the average monthly collection and the average current monthly service billing. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

In its ECL models, the Group relies on a broad range of forward-looking information as economic inputs, such as:

- Gross Domestic Product (GDP) growth rates
- Unemployment rates
- Inflation rates

- Interest rates
- Foreign currency exchange rates

The inputs and models used for calculating ECLs 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. Based on the Group's credit risk experience, expected credit loss rate increases as the age of the receivables increase.

The tables below show the credit quality of the Group's financial assets and an aging analysis of past due but not impaired financial assets.

| September 30, 2025                 | Current       | Neither past due nor impaired |               |               |              | ECL          | Total         |
|------------------------------------|---------------|-------------------------------|---------------|---------------|--------------|--------------|---------------|
|                                    |               | Less than 30 days             | 31 to 60 days | 61 to 90 days | Over 90 days |              |               |
| <i>Loans and receivable:</i>       |               |                               |               |               |              |              |               |
| Cash in bank and cash equivalents* | 2,088,825,401 | -                             | -             | -             | -            | -            | 2,088,825,401 |
| <i>Receivables:</i>                |               |                               |               |               |              |              |               |
| Trade                              | 715,528,205   | 418,027,409                   | 249,634,441   | 180,526,069   | 454,145,440  | 69,980,872   | 1,947,880,692 |
| Dividends receivable               | -             | -                             | -             | -             | -            | -            | -             |
| Due from officers and employees    | 29,226,294    | -                             | -             | -             | -            | -            | 29,226,294    |
| Interest receivable                | 4,254,449     | -                             | -             | -             | -            | -            | 4,254,449     |
| Other receivables                  | 261,035,697   | -                             | -             | -             | -            | -            | 261,035,697   |
| Non-Trade                          | 69,940,265    | -                             | -             | -             | -            | -            | 69,940,265    |
| Deposits                           | 74,614,427    | -                             | -             | -             | -            | -            | 74,614,427    |
| Contract Assets                    | 4,897,953     | -                             | -             | -             | -            | -            | 4,897,953     |
| Installment receivables            | 15,443,460    | -                             | -             | -             | -            | -            | 15,443,460    |
| Finance lease receivable           | 13,727,560    | -                             | -             | -             | -            | -            | 13,727,560    |
|                                    | 3,277,493,712 | 418,027,409                   | 249,634,441   | 180,526,069   | 454,145,440  | (69,980,872) | 4,509,846,199 |

\*Exclusive of cash on hand amounting to P4,444,073 as of September 30, 2025.

| December 31, 2024               | Current       | Past due         |               |               |              | ECL          | Total, net of ECL |
|---------------------------------|---------------|------------------|---------------|---------------|--------------|--------------|-------------------|
|                                 |               | Les than 30 Days | 30 to 60 Days | 61 to 90 Days | Over 90 Days |              |                   |
| <i>Financial assets:</i>        |               |                  |               |               |              |              |                   |
| Cash in bank                    | 1,363,901,869 | -                | -             | -             | -            | -            | 1,363,901,869     |
| Trade receivables               | 915,460,353   | 366,404,130      | 168,360,653   | 94,692,788    | 426,756,387  | (58,874,039) | 1,912,800,272     |
| Dividends receivable            | -             | -                | -             | -             | -            | -            | -                 |
| Due from officers and employees | 19,364,103    | -                | -             | -             | -            | -            | 19,364,103        |
| Interest receivable             | 5,812,609     | -                | -             | -             | -            | -            | 5,812,609         |
| Other receivables               | 119,723,538   | -                | -             | -             | -            | -            | 119,723,538       |
| Non-Trade                       | 67,515,729    | -                | -             | -             | -            | -            | 67,515,729        |
| Deposits                        | 66,970,989    | -                | -             | -             | -            | -            | 66,970,989        |
| Contract assets                 | 112,573,120   | -                | -             | -             | -            | -            | 112,573,120       |
| Installment receivables         | 15,644,919    | -                | -             | -             | -            | -            | 15,644,919        |
| Finance lease receivable        | 14,517,847    | -                | -             | -             | -            | -            | 14,517,847        |
|                                 | 2,701,485,076 | 366,404,130      | 168,360,653   | 94,692,788    | 426,756,387  | (58,874,039) | 3,698,824,995     |

\*Exclusive of cash on hand amounting to P5,380,731 as of December 31, 2024.

### Impairment assessment

The main considerations for impairment assessment include whether any payments are overdue or if there are any known difficulties in the cash flows of the counterparties. The Group assesses impairment on an individual account basis for all stage 3 assets, regardless of the class of financial assets. Stage 1 and stage 2 assets are assessed on a collective basis.

Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected dividend payout should bankruptcy ensue, the availability of other financial support and the realizable value of collateral, and the

timing of the expected cash flows. The impairment losses are evaluated at each reporting date unless unforeseen circumstances require more careful attention even at interim.

For purposes of impairment testing of investment in LTP, the recoverable amount has been determined based on value-in-use calculations using probability-weighted scenario analysis. This analysis incorporates multiple potential future outcomes with corresponding probabilities, reflecting a range of expectations on revenue growth, forecasted workload and fleet count, operational costs, and operating expenses. Past experiences and current market conditions are also considered in this assessment.

The renewal of the ecozone lease after August 31, 2025 poses the risk of higher rental costs, with lease rates projected possibly to increase 11x to Php710/sqm. While such increases may be recoverable through adjustments in client pricing, significant lease escalations could affect certain foreign airline customers that do not directly benefit from the NAIA capacity expansion. As of this reporting period, MacroAsia and LTP are actively negotiating with the concerned authorities to secure favorable and sustainable terms for the renewal. Failure to agree on a long-term lease agreement will be detrimental to the MRO business, considering that contracts with clients are often long-term in nature and demand certainty in the operating condition of an MRO provider.

The total carrying value of the property, plant & equipment and building & building improvements amounted to ₱2,558.5 million as of September 30, 2025 and ₱2,824.7 million for December 31, 2024, respectively.

#### *Credit quality per class of financial assets*

The credit quality of financial assets is managed by the Group using internal credit ratings. The Group considers its cash and cash equivalents (including restricted cash investment) as high grade since these are placed in financial institutions of high credit standing. Accordingly, ECLs relating to cash and cash equivalents rounds to zero. The Group considers its dividend receivables as high grade as these are due from an associate who has strong capacity to pay; thus, LGD is considered low and no ECL is recognized. The Group considers its advances to officers and employees as standard grade as collectability is assured through salary deduction. Accordingly, the LGD is considered low; thus, no ECLs are recognized on the advances to employees.

#### *Interest rate risk*

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's notes payable with floating interest rates. The Group has a practice of keeping its interest-bearing liabilities to third parties within a threshold that can be serviced through operating cash flows.

Management closely monitors the behavior of interest rates to ensure that cash flow interest rate risk is kept within management's tolerable level. Finally, interest-bearing liabilities are ordinarily incurred on a short-term basis only.

The following table sets forth the estimated change in the Group's income before income tax (through the impact on the variable rate borrowings) due to parallel challenges in the

interest rate curve in terms of basis points (bp) as of September 30, 2025, with all other variables held constant. There is no other impact on the Group's equity other than those already affecting the consolidated statements of income.

| Increase (decrease) in income before income tax |                    |                   |
|-------------------------------------------------|--------------------|-------------------|
|                                                 | September 30, 2025 | December 31, 2024 |
|                                                 | (in millions)      | (in millions)     |
| 100 bp rise                                     | <b>(P22.97)</b>    | (P8.58)           |
| 100 bp fall                                     | <b>22.97</b>       | 8.58              |
| 50 bp rise                                      | <b>(11.49)</b>     | (4.29)            |
| 50 bp fall                                      | <b>11.49</b>       | 4.29              |

#### *Liquidity risk*

Liquidity risk is the risk that the Group will not be able to meet its obligations when they fall due under normal and stress circumstances. To limit this risk, management manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows which could be used to secure additional funding if required.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of operating cash flows and short-term bank loans.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual and undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. The table also analyses the maturity profile of the Group's financial assets held for managing liquidity in order to provide complete view of the Group's contractual commitments and liquidity.

| As of September 30, 2025                 | < 1 year      | >1-2 years    | >2-3 years    | >5 years      | Total         |
|------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Loans and receivables:                   |               |               |               |               |               |
| Cash and cash equivalents                | 2,093,269,473 | -             | -             | -             | 2,093,269,473 |
| Receivables:                             |               |               |               |               |               |
| Trade                                    | 1,947,880,692 | -             | -             | -             | 1,947,880,692 |
| Dividends receivable                     | -             | -             | -             | -             | -             |
| Interest receivable                      | 4,254,449     | -             | -             | -             | 4,254,449     |
| Installment receivable                   | 15,443,460    | -             | -             | -             | 15,443,460    |
| Finance lease receivable                 | 257,815       | 970,881       | 1,594,786     | 10,904,077    | 13,727,560    |
| Deposits                                 | -             | -             | -             | 74,614,427    | 74,614,427    |
|                                          | 4,061,105,890 | 970,881       | 1,594,786     | 85,518,504    | 4,149,190,062 |
| Other financial liabilities:             |               |               |               |               |               |
| Accounts payable and accrued liabilities | 2,540,907,800 | -             | -             | -             | 2,540,907,800 |
| Notes Payable                            | 515,000,000   | -             | -             | -             | 515,000,000   |
| Long-term debts                          | 258,944,489   | 368,071,942   | 243,026,249   | 944,257,065   | 1,814,299,745 |
| Dividends payable                        | 76,505,443    | -             | -             | -             | 76,505,443    |
| Deposit                                  | -             | -             | -             | 66,673,266    | 66,673,266    |
|                                          | 3,391,357,733 | 368,071,942   | 243,026,249   | 1,010,930,331 | 5,013,386,254 |
| Liquidity position                       | 669,748,157   | (367,101,060) | (241,431,462) | (925,411,827) | (864,196,192) |

| As of Dec. 31, 2024                          | < 1 year      | >1-2 years   | >2-3 years   | >5 years      | Total         |
|----------------------------------------------|---------------|--------------|--------------|---------------|---------------|
| Loans and receivables:                       |               |              |              |               |               |
| Cash and cash equivalents                    | 1,369,282,600 | -            | -            | -             | 1,369,282,600 |
| Receivables:                                 |               |              |              |               |               |
| Trade                                        | 1,912,800,273 | -            | -            | -             | 1,912,800,273 |
| Interest receivable                          | 5,812,609     | -            | -            | -             | 5,812,609     |
| Installment receivable*                      | 14,898,121    | 3,420        | 5,146        | 738,231       | 15,644,918    |
| Finance lease receivable**                   | 272,657       | 1,026,774    | 1,686,597    | 11,531,818    | 14,517,847    |
| Other Receivable                             | 119,152,261   | -            | -            | -             | 119,152,261   |
| Deposits***                                  | -             | -            | -            | 66,970,989    | 66,970,989    |
|                                              | 3,422,218,521 | 1,030,194    | 1,691,743    | 79,241,038    | 3,504,181,496 |
| Other financial liabilities:                 |               |              |              |               |               |
| Accounts payable and accrued liabilities**** | 2,101,660,332 | -            | -            | -             | 2,101,660,332 |
| Notes payable*****                           | 130,326,939   | -            | -            | -             | 130,326,939   |
| Long-term debts                              | 445,386,623   | 100,405,494  | 40,207,851   | 265,967,205   | 851,967,173   |
| Dividends payable                            | 96,402,629    | -            | -            | -             | 96,402,629    |
| Deposit*****                                 | -             | -            | -            | 68,651,786    | 68,651,786    |
|                                              | 2,773,776,523 | 100,405,494  | 40,207,851   | 334,618,991   | 3,249,008,859 |
| Liquidity position                           | 648,441,998   | (99,375,300) | (38,516,108) | (255,377,953) | 255,172,637   |

\*Gross of unearned interest income of nil. The current portion amounting to P15,644,919 is presented under trade.

\*\* Gross of unearned interest income of P3,605,262 exclusive of P571,308 included under trade.

\*\*\*Exclusive of nonfinancial liabilities of P197,874,530

\*\*\*\*Inclusive of future interest.

### 11. Fair Value of Financial Instruments

The following is a comparison by category of carrying amounts and fair values of the Group's financial instruments that are reflected in the consolidated financial statements as of September 30, 2025 and December 31, 2024:

#### As at 30 September 2025

| As at 30 September 2025                          |                    | Fair value measurements using |                                                    |                                               |                                                    |
|--------------------------------------------------|--------------------|-------------------------------|----------------------------------------------------|-----------------------------------------------|----------------------------------------------------|
|                                                  |                    |                               | Quoted prices<br>in active<br>markets (Level<br>1) | Significant<br>observable<br>inputs (Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) |
|                                                  | Date of valuation  | Carrying value                |                                                    |                                               |                                                    |
| Assets measures at fair value:                   |                    |                               |                                                    |                                               |                                                    |
| Equity instruments designated<br>at FVTOCI       | September 30, 2025 | 190,155,800                   |                                                    | 190,155,800                                   | -                                                  |
| Assets for which fair value is<br>disclosed:     |                    |                               |                                                    |                                               |                                                    |
| Installment receivables                          |                    | 15,443,460                    | -                                                  | -                                             | 15,443,460                                         |
| Finance lease receivable                         |                    | 13,727,560                    | -                                                  |                                               | 13,727,560                                         |
| Investment property                              | September 30, 2025 | 143,852,303                   | -                                                  | -                                             | 490,544,000                                        |
| Deposits                                         |                    | 74,614,427                    | -                                                  | -                                             | 74,614,427                                         |
| Liabilities for which fair value<br>is disclosed |                    |                               |                                                    |                                               |                                                    |
| Long term debts                                  |                    | 1,814,299,743                 | -                                                  | 1,814,299,743                                 | -                                                  |
| Deposits                                         | September 30, 2025 | 66,673,266                    | -                                                  | -                                             | 66,673,266                                         |

#### As at 31 December 2024

| As at 31 December 2024                        |                   |                | Fair value measurements using             |                                         |                                           |
|-----------------------------------------------|-------------------|----------------|-------------------------------------------|-----------------------------------------|-------------------------------------------|
|                                               |                   |                | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|                                               | Date of valuation | Carrying value |                                           |                                         |                                           |
| Assets measures at fair value:                |                   |                |                                           |                                         |                                           |
| Equity instruments designated at FVTOCI       | December 31, 2024 | 160,155,800    | -                                         | 160,155,800                             | -                                         |
| Assets for which fair value is disclosed:     |                   |                |                                           |                                         |                                           |
| Installment receivables                       |                   | 15,644,919     | -                                         | -                                       | 15,644,919                                |
| Finance lease receivable                      | December 31, 2024 | 14,517,847     | -                                         | -                                       | 14,517,847                                |
| Investment property                           |                   | 143,852,303    | -                                         | -                                       | 490,544,000                               |
| Deposits                                      |                   | 66,970,989     | -                                         | -                                       | 66,970,989                                |
| Liabilities for which fair value is disclosed |                   |                |                                           |                                         |                                           |
| Deposits                                      | December 31, 2024 | 68,651,786     | -                                         | -                                       | 68,651,786                                |
| Long term debts                               |                   | 782,347,348    | -                                         | 782,347,348                             | -                                         |

The Group determined that its investment in golf club shares is categorized at Level 2 in the fair value hierarchy. The Group assessed that, while there is a market for these securities, transactions are infrequent.

There have been no transfers between Level 1 and 2 in 2025 and 2024.

*Cash and cash equivalents, receivables, accounts payables, accrued liabilities and notes payable*

The carrying values of cash and cash equivalents, receivables and accounts payable, accrued liabilities, dividend payables and notes payable approximate their fair value due to their short-term nature.

*Installment receivables and deposits*

The carrying values of installment receivables and deposits are determined based on the present value of expected cash flows discounted at the Group's borrowing rate.

*Dividends payable*

The carrying value of dividends payable approximates its fair value since they are expected to be settled within a short period of time after its declaration.

*Long-term debts*

The carrying value of long-term debts approximate its fair value due to the re-pricing feature of the interest it carries.

*Equity instruments designated at FVTOCI*

The Group's investments in golf club share and other proprietary shares are carried at fair value based on published club share quotes that are publicly available from the local dailies and from the website of club share brokers.

*Investment property*

The Philippine SEC-accredited and independent appraiser used the "Market Data Approach" in valuing the property. The Group has determined that the highest and best use of the property is its current use (i.e., industrial purpose).

## **12. Events After the Reporting Period**

- On October 6, 2025, New Earth Water System, Inc. (NEWS), a wholly owned subsidiary of Boracay Tubi System, Inc. (BTSI) (majority-owned by MacroAsia Properties Development Corporation), has officially commenced the construction of the New Earth Iloilo Water Supply Project, the project has target investment of approximately ₱2.0 billion. It aims to augment the potable water supply for Iloilo's expanding communities and industrial zones. Phase 1 includes the construction of a Water Treatment Facility in Brgy. Bongco, Pototan with an initial capacity of 37.5 MLD, expandable to 50 MLD, together with transmission and distribution pipelines. Completion is targeted within two years.
- On November 4, 2025, MJFSC, a Joint Venture Company formed between MacroAsia New Ventures, Inc (49%) and Princess Jolliant Corporation (51%), was incorporated and created with the goal to expand its customer base and strengthen the

company's presence in the Visayas region. The joint venture enables to deliver high-quality food services to a wider range of institutional clients. The venture will be funded through an investment of Sixty-four Million Four Hundred Sixty-six Thousand Seven Hundred Pesos (PHP64,466,700.00) from MNVI with PJC contributing its existing facility and operations in Cebu.

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**INDEX TO SUPPLEMENTARY SCHEDULES**

| <b>SUMMARIZED INCOME STATEMENT INFORMATION FOR<br/>UNCONSOLIDATED SUBSIDIARY</b>      |
|---------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• LUFTHANSA TECHNIK PHILIPPINES, INC.</li></ul> |
| <ul style="list-style-type: none"><li>• CEBU PACIFIC CATERING SERVICES</li></ul>      |
| <ul style="list-style-type: none"><li>• JAPAN AIRPORT SERVICE CO., LTD.</li></ul>     |

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**SUMMARIZED INCOME STATEMENT INFORMATION FOR  
UNCONSOLIDATED SUBSIDIARY**

**LUFTHANSA TECHNIK PHILIPPINES, INC.**  
**SUMMARIZED INTERIM STATEMENTS OF INCOME**  
in PHP

|                                            | January to September       |                            |
|--------------------------------------------|----------------------------|----------------------------|
|                                            | <u>(UNAUDITED)</u><br>2025 | <u>(UNAUDITED)</u><br>2024 |
| <b>REVENUE</b>                             |                            |                            |
| Core Revenue                               | P 9,582,329,518            | P 8,160,650,439            |
| Subcon/Reimbursement                       | 4,696,361,350              | 4,398,935,846              |
| <b>TOTAL REVENUE</b>                       | <b>14,278,690,869</b>      | <b>12,559,586,285</b>      |
| <b>LESS: COST OF SALES</b>                 | <b>6,543,490,863</b>       | <b>5,961,239,022</b>       |
| <b>GROSS PROFIT</b>                        | <b>7,735,200,006</b>       | <b>6,598,347,263</b>       |
| <b>LESS: OPERATING EXPENSES</b>            | <b>5,388,497,329</b>       | <b>5,476,499,613</b>       |
| <b>INCOME FROM OPERATIONS</b>              | <b>2,346,702,677</b>       | <b>1,121,847,650</b>       |
| <b>LESS/ (ADD): OTHER CHARGES/(INCOME)</b> | <b>399,836,996</b>         | <b>(2,810,763)</b>         |
| <b>INCOME BEFORE INCOME TAX</b>            | <b>1,946,865,681</b>       | <b>1,124,658,413</b>       |
| <b>LESS: PROVISION FOR INCOME TAX</b>      | <b>174,366,859</b>         | <b>148,667,372</b>         |
| <b>NET INCOME</b>                          | <b>P 1,772,498,822</b>     | <b>P 975,991,042</b>       |
| <b>EQUITY SHARE IN NET INCOME (49%)</b>    | <b>P 868,524,423</b>       | <b>P 478,235,610</b>       |

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**SUMMARIZED INCOME STATEMENT INFORMATION FOR  
UNCONSOLIDATED SUBSIDIARY**

**CEBU PACIFIC CATERING SERVICES  
SUMMARIZED STATEMENTS OF INCOME  
In PHP**

|                                            |          | January to September |                      |
|--------------------------------------------|----------|----------------------|----------------------|
|                                            |          | <u>UNAUDITED</u>     | <u>UNAUDITED</u>     |
|                                            |          | 2025                 | 2024                 |
| <b>REVENUE</b>                             | <b>P</b> | <b>213,596,629</b>   | <b>P 153,468,731</b> |
| <b>LESS: COST OF SALES</b>                 |          | <b>116,867,300</b>   | <b>82,240,032</b>    |
| <b>GROSS PROFIT</b>                        |          | <b>96,729,329</b>    | <b>71,228,698</b>    |
| <b>LESS: OPERATING EXPENSES</b>            |          | <b>24,752,999</b>    | <b>11,427,607</b>    |
| <b>INCOME FROM OPERATIONS</b>              |          | <b>71,976,329</b>    | <b>59,801,091</b>    |
| <b>LESS/ (ADD): OTHER CHARGES/(INCOME)</b> |          | <b>(948,242)</b>     | <b>796,271</b>       |
| <b>INCOME BEFORE INCOME TAX</b>            |          | <b>72,924,571</b>    | <b>59,004,820</b>    |
| <b>LESS: PROVISION FOR INCOME TAX</b>      |          | <b>4,836,466</b>     | <b>3,776,073</b>     |
| <b>NET INCOME</b>                          | <b>P</b> | <b>68,088,105</b>    | <b>P 55,228,747</b>  |
| <b>EQUITY SHARE IN NET INCOME (40%)</b>    | <b>P</b> | <b>27,235,242</b>    | <b>P 22,091,499</b>  |

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**SUMMARIZED INCOME STATEMENT INFORMATION FOR  
UNCONSOLIDATED SUBSIDIARY**

**JAPAN AIRPORT SERVICE CO., LTD.**  
**SUMMARIZED STATEMENTS OF INCOME**  
**In PHP**

|                                            | <b>January to September</b> |                         |
|--------------------------------------------|-----------------------------|-------------------------|
|                                            | <b><u>UNAUDITED</u></b>     | <b><u>UNAUDITED</u></b> |
|                                            | <b>2025</b>                 | <b>2024</b>             |
| <b>REVENUE</b>                             | <b>P 1,637,680,768</b>      | <b>P 1,316,156,231</b>  |
| <b>LESS: COST OF SALES</b>                 | <b>1,291,888,808</b>        | <b>997,458,730</b>      |
| <b>GROSS PROFIT</b>                        | <b>345,791,960</b>          | <b>318,697,501</b>      |
| <b>LESS: OPERATING EXPENSES</b>            | <b>67,243,699</b>           | <b>60,316,922</b>       |
| <b>INCOME FROM OPERATIONS</b>              | <b>278,548,261</b>          | <b>258,380,579</b>      |
| <b>LESS/ (ADD): OTHER CHARGES/(INCOME)</b> | <b>2,365,517</b>            | <b>1,555,796</b>        |
| <b>INCOME BEFORE INCOME TAX</b>            | <b>280,913,778</b>          | <b>259,936,375</b>      |
| <b>LESS: PROVISION FOR INCOME TAX</b>      | <b>33,226,631</b>           | <b>62,342</b>           |
| <b>NET INCOME</b>                          | <b>P 247,687,147</b>        | <b>P 259,874,033</b>    |
| <b>EQUITY SHARE IN NET INCOME (30%)</b>    | <b>P 74,306,144</b>         | <b>P 77,962,210</b>     |

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