COVER SHEET

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SEC Registration Number

MACROASIA CORPORATION
AND SUBSIDIARIES

(Company's Full Name)

7F Ricogen Building 112 Aguirre
Street Legazpi Village, Makati
City

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

Amador T. Sendin
(Contact Person)

8840-2001
(Company Telephone Number)

0 6 *Month* **3 0** *Day*
(Calendar Year)

1 7 - Q
(Form Type)

Month *Day*
(Annual Meeting)

NA
(Secondary License Type, If Applicable)

CFD
Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

854
Total No. of Stockholders

Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

MACROASIA CORPORATION
June 30, 2026

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 **June 30, 2026**

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**
Province, Country or other jurisdiction of incorporation or organization

6. **(SEC Use Only)**
Industry Classification Code

7. **7th 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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, ₱1 par value	**1,890,958,323 Outstanding shares**

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

Yes [**X**] 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 Second Quarter and
Period Ended June 30, 2026

PART I. FINANCIAL INFORMATION

Executive Summary. The Group continued to post revenue growth in the first half of 2026, supported by higher activity across its food services, ground handling and aviation-support, and utilities businesses. Consolidated revenue increased by 9% to ₱5.26 billion from ₱4.81 billion in the same period last year. This growth was achieved despite operational disruptions arising from Middle East airspace closures and continuing inflationary pressures affecting manpower, airport-related charges, and other key operating inputs.

Food Services remained the Group's largest revenue contributor, with revenues increasing by 12% to ₱2.63 billion, driven by higher meal volumes and continued expansion of the institutional and non-airline customer base. Ground Handling and Aviation Services revenues increased by 8% to ₱2.25 billion as flight handling volumes grew by 2%, notwithstanding flight cancellations affecting certain Middle East routes. Water Operations generated ₱369.0 million in revenues, while billed water volume increased by 15% year-on-year.

The increase in business activity, however, was accompanied by higher operating costs. Direct costs increased by 13% to ₱4.22 billion, outpacing consolidated revenue growth and resulting in gross profit declining by 2% to ₱1.05 billion. Operating expenses likewise increased by 13% to ₱852.0 million. The higher cost base reflected, among others, increased manpower and operating requirements, inflationary pressures, and adjustments in lease rates and other charges relating to facilities and operations within the NAIA Project Land.

Share in net earnings of associates amounted to ₱456.1 million for the first half of 2026, 25% lower than the ₱611.0 million reported in the comparable period in 2025. The decline was principally attributable to lower earnings contribution from Lufthansa Technik Philippines, Inc. ("LTP"), resulting from higher lease costs under its new lease arrangements and costs associated with the discontinuance of its line-maintenance operations. The lower contribution from Japan Airport Service Co., Ltd. ("JASCO") also reflected the absence of income tax benefits from net operating loss carryovers recognized in the prior year. These were partly offset by improved earnings from Cebu Pacific Catering Services, Inc. ("CPCS") and the contribution of the newly established MacroAsia Jolliant Food Services Corporation ("MJFSC").

Consequently, consolidated net income for the first half of 2026 amounted to ₱546.5 million, 30% lower than the ₱777.1 million reported in the same period in 2025. Net income attributable to equity holders of the Parent amounted to ₱449.6 million, compared with ₱679.7 million in the prior year, while basic earnings per share declined to ₱0.24 from ₱0.36.

For the second quarter of 2026, consolidated revenue amounted to ₱2.64 billion, representing a modest 0.5% increase from the first quarter of 2026 and a 7% increase over the comparable quarter in 2025. Gross profit, however, was lower both sequentially and year-on-year as direct costs continued to reflect higher manpower, airport-related, and other operating expenses.

Consolidated net income for the second quarter amounted to ₱359.9 million, representing a 93% increase from approximately ₱186.6 million in the first quarter of 2026. The quarter-on-quarter improvement was driven primarily by the recovery in share in net earnings of associates, which increased to ₱377.0 million in the second quarter from approximately ₱79.0 million in the first quarter. Accordingly, the increase in quarterly net income should be viewed principally as a recovery in associate earnings rather than an expansion in the margins of the Group's consolidated operating businesses.

Quarterly Financial Performance Comparison
(In ₱ million)

Particulars	*Q2 2026*	*Q1 2026*	*Q2 2025*	*2026 Q2 vs Q1*	*Q2 2026 vs Q2 2025*
Consolidated Revenues	2,638.6	2,625.6	2,460.0	0.5%	7.3%
Consolidated Gross profit	476.3	572.2	536.3	(16.8%)	(11.2%)
Share In Associate Income	377.0	79.0	365.0	377.0%	3.3%
Consolidated Net income	359.9	186.6	414.7	93.0%	(13.2%)
Income Attributable to Equity Holders of Parent	320.6	129.0	365.8	148.0%	(12.4%)

The Group continues to implement measures to address cost pressures through customer rate adjustments, productivity initiatives, supply-chain management, and operating efficiencies, while advancing its growth and diversification projects in food services, water, aviation support, and MRO. Management remains focused on balancing the execution of these investments with disciplined cost management, liquidity preservation, and the restoration of operating margins as additional capacity and new projects progressively contribute to revenues and earnings.

ITEM 1. FINANCIAL STATEMENTS

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

The unaudited condensed consolidated interim financial statements for the six-month period ended June 30, 2026, have been prepared in accordance with Philippine Accounting Standard 34, Interim Financial Reporting. Accordingly, the unaudited condensed consolidated financial statements, which are filed as Annex 1 of this report, do not include all information required for a complete set of annual financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS).

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

The main objective of this MD&A is to help the readers understand the Group's operating performance, financial condition, liquidity, and key business drivers for the reporting period. The discussion covers the results of the Group's core business units, the principal factors affecting year-on-year movements, and management's assessment of risks, opportunities, and developments that may influence future performance.

This section also focuses on key statistics from the unaudited condensed consolidated financial statements and discusses known risks and uncertainties relating to the aviation and other industry in the Philippines where we operate during the stated reporting period. However, our MD&A should not be considered all inclusive, as it excludes unknown risks, uncertainties and changes that may occur in general, economic, political and environmental conditions after the stated reporting period or after the date of this report.

Our MD&A should be read in conjunction with our unaudited condensed consolidated financial statements and the accompanying notes. Unless otherwise stated, all financial information is presented in Philippine peso (₱).

Any references in this MD&A to "the Parent Company", "MAC"; or "the Corporation" means MacroAsia Corporation and references to the "MacroAsia Group" or "the Group" means MacroAsia Corporation and its subsidiaries/associates.

Additional information about the Group, which includes annual and quarterly reports, can be found on our corporate website, *www.macroasiacorp.com*.

BUSINESS OVERVIEW

A. <u>MacroAsia Corporation: Parent Company as a Holding Company</u>

MacroAsia Corporation (MAC) traces its origins to Infanta Mineral & Industrial Corporation (IMIC), which was incorporated in the Philippines on February 16, 1970, to engage in geological exploration and development. During the 1970s, IMIC operated the Infanta Nickel Mine in Brooke's Point, Palawan, exporting nickel ore to Japan until commercial mining operations ceased due to declining nickel prices. On January 26, 1994, the company amended its Articles of Incorporation to shift its primary purpose from geological exploration to becoming a holding company, rebranding itself as Cobertson Holdings Corporation. A year later, on November 6, 1995, the Securities and Exchange Commission (SEC) approved another amendment, officially renaming the company **MacroAsia Corporation**.

MacroAsia Corporation commenced commercial operations as a holding company in 1996. It has since focused its investments on aviation services, non-airline food services, and water concessions and utilities through its subsidiaries and affiliates. Today, the company's revenues are primarily driven by food and aviation-related support businesses which includes aircraft maintenance, repair, and overhaul (MRO), in-flight catering, airport ground handling, and an aviation training school and commissary operation. Beyond the aviation sector, MacroAsia generates revenue from institutional food catering, water concession, and utility services.

The Group's second quarter and first-half performance should be evaluated through revenue growth, operating margin, equity in net earnings of associates and joint ventures, attributable net income, earnings per share, operating cash flow, capital expenditures, and net debt. The discussion below explains the principal year-on-year movements, separates recurring operating performance from significant nonrecurring items, and links financial results to the operating drivers of the Food Services, Gateway Services, Aircraft MRO, Property and Ecozone Development, Pilot School, and Water Concessions and Utilities businesses.

For the last three years as of reporting date:

- For the three years ended on the reporting date, MAC and its subsidiaries and associates have not been involved in any bankruptcy, receivership, or similar proceedings.

- During this period, MAC and its related entities had no material reclassifications, mergers, consolidation or acquisition of significant amount of assets outside the ordinary course of business.

- None of the companies issued debt securities like bonds or offered company securities to the investing public; and

- As a services provider, there were no material or major expenses for research and development.

B. Strategic Business Units

The Company's key business groups representing each of its strategic business units (SBU) are as follows:

1) **Food Services -** this refers to food products and services utilizing MAC-owned facilities or those of clients which MAC subsidiaries are designated to operate.

Name of Company	*Products and Services*	*Business Development (Last 3 years)*
a. **MacroAsia Catering Services, Inc. (MACS)**: *(67% owned by MAC; 33% owned by SATS, Singapore.)* Incorporated on October 25, 1996.	Provides airline catering to foreign airlines operating at NAIA, Philippines, and also services the catering requirements of institutional clients.	MACS produced **2.4 million meals** during the six-month period ended June 30, 2026, compared with **2.2 million** meals in the corresponding period of 2025 and **2.0 million** meals in the corresponding period of 2024. (6 months comparable period). As of June 2026, this kitchen had 548 total staff.
b. **MacroAsia SATS Inflight Services Corp. (MSISC)**. *(67% owned by MAC; 33% by SATS Ltd., Singapore)* 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 **PAL Kitchen** produced **3.7 million meals** as of June 2026, compared with **3.7 million** in 2025 and **3.3 million** in 2024. (6 months comparable period). As of June 2026, this kitchen had 726 total staff.
c. **MacroAsia SATS Food Industries Corporation (MSFI).** *(67% owned by MAC; 33% by SATS Ltd., Singapore)* Incorporated on July 14, 2015	Operates a commissary or central kitchen on MAC-owned land in Muntinlupa City, supplying food products 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.	Competing in a **fragmented institutional food market**, MSFI continues to expand its client base, winning multiple tenders. Sales volume reached **9.6 million meals** as of June 2026, up from **7.2 million** in 2025 and **6.1 million** in 2024. (6 months comparable period).

		As of June 2026, this central kitchen and its related locations had 667 total staff.
d. **Cebu Pacific Catering Services, Inc. (CPCS).** *(40% owned by MAC; 40% by Cathay Pacific Catering Services (HK); 20% by MGO Group of Cebu)* Incorporated on June 14, 1996	Operates the sole inflight kitchen within the Mactan Economic Processing Zone, serving both domestic and foreign airlines at Mactan-Cebu International Airport.	After resuming full operations post-pandemic, CPCS reported **299 thousand meals** as of June 2026, up from **260 thousand** in 2025 and **200 thousand** in 2024. (6 months comparable period). The facility was under care and maintenance in 2021–2022 due to limited flight activity. As of June 2026, this kitchen had 117 total staff.
e. MacroAsia Jolliant Food Services Corporation (MJFSC). *(49% owned by MacroAsia New Ventures Inc. (MNVI) a wholly-owned subsidiary of MAC; 51% by Princess Jolliant Food Services Corp)* Incorporated on November 04, 2025	Operates a commissary in Cebu with a primary purpose in selling food products, including but not limited to marine, aquaculture, agricultural, and meat products, cooked meals, and ready to heat meals.	MJFSC established its presence in Cebu by serving institutional accounts. The company services the packed food requirements of key clients in Cebu. MJFSC is poised to be recognized as a leading commissary for institutional clients not only in Cebu but across the Visayas region. As of June 2026, Sales volume reached **2.7 million meals.** As of June 2026, this kitchen had 146 total staff.

* *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:

Most raw materials used by the Company are sourced locally, while identified 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 or concession arrangements with the relevant airport authorities or operators. MacroAsia SATS Inflight Services Corporation (MSISC) and Cebu Pacific Catering Services (CPCS) likewise maintain the required accreditation and authorization to operate within airport premises.

Risks and Opportunities:

Historically, the Food group's operation was heavily concentrated in the aviation industry because most entities within the group provide inflight catering services to foreign and domestic airline clients. This concentration exposed the group to aviation industry-specific risks, which became evident during the pandemic when mobility restrictions reduced flight activity, and again during geopolitical conflicts in the Middle East and Europe when demand was affected and the availability and cost of war materials became volatile. Management responded by diversifying revenue sources into non-airline segments, including institutional clients such as banks, schools, hospitals, and corporations. The Group also expanded into the Visayas through a joint venture with Princess Jolliant Corporation to operate a commissary in Cebu for institutional clients. These initiatives are intended to broaden the customer base, reduce industry concentration risk, and mitigate location-specific exposure. As of June 30, 2026, non-airline meal sales accounted for 31% of the Food Group's total revenues.

The Group is also exposed to market risks arising from inflationary pressures affecting the cost of food ingredients, packaging materials, utilities, and logistics. Volatility in foreign exchange rates, wage adjustments, and heightened competition in airline and institutional food services may also pressure operating margins. Management addresses these risks through cost-containment measures, supply-chain initiatives, menu reengineering, and productivity improvements designed to sustain profitability and service quality.

MacroAsia SATS Food Industries Corporation, a joint venture between MacroAsia Corporation (67%) and SATS Ltd. of Singapore (33%), is expanding its commissary facility in Sucat, Muntinlupa City by approximately 11,000 square meters. The project has an approved cost of ₱1.2 billion and is expected to be funded through partner-bank financing. The expanded facility will include 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 supports MSFI's strategic objectives of achieving operational scalability, enhanced food safety, and improved service efficiency, with completion targeted in the first quarter of 2027.

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)

Name of Company	*Products and Services*	*Business Development (Last 3 years)*
a. **MacroAsia Airport Services Corporation (MASCORP)**: *(80% owned by MAC; 20% owned by Konoike, Japan)* Incorporated on Sept 12, 1997.	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, **operating in 21 airports** nationwide and servicing both local airline base clients (related parties) and foreign airlines operating at NAIA.	The business is dependent on the volume of flights handled at airports. MASCORP handled **100,020** flights as of June 2026, compared with **97,641** in 2025 and **95,958** in 2024. (6 months comparable period). As of June 2026, the company employed 9,411 total staff.
b. **Aviations Product Corporation (APC).** *(100% owned by MASCORP)* A wholly owned subsidiary of MacroAsia Airport	Provides specialized repair, refurbishment, and assembly of Unit Load Devices (ULDs) and aircraft catering trolleys for airline and ground handling operations.	Business volume is primarily dependent on the airlines outsourcing their ULD repair. APC continues to support MASCORP's ground operations through

Services Corporation (MASCORP) acquired in 2025.	Serves as the technical and equipment support arm of MASCORP, ensuring operational reliability and compliance with international standards.	efficient turnaround of ULDs and equipment refurbishment to maintain service quality and safety standards.
c. **MacroAsia Air Taxi Services, Inc. (MAATS).** *(Wholly owned subsidiary of MacroAsia Corporation)* 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. As of June 2026, the company had 6 total staff.
d. **Japan Airport Service Co., Ltd. (JASCO).** *(30% owned by MacroAsia Corporation; 70% owned by Konoike Transport Co., Ltd. of Japan)* 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 **9,144** flights as of June 2026, compared with **10,817** in 2025 and **8,673** in 2024. (6 months comparable period).

<u>Sources and Availability of Raw Materials:</u>
Ground handling services have no substantial requirements for raw materials, compared to catering.

<u>Government Approval/Concessions:</u>
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:

At the height of the COVID-19 pandemic, the ground handling business faced significant risks from the suspension of regular airline operations. Airport activity was largely limited to government-arranged repatriation flights during this period. By the end of 2024 and through the first part of 2026, flight volumes at major airports had rebounded, with domestic travel in reaching—or surpassing—pre-pandemic levels. However, the recovery was affected by the geopolitical conflict in the middle east that began on February 28, 2026. Although overall flight demand remained stable throughout the conflict, airspace closures in key Middle East destinations caused flight cancellations affecting both foreign and local airline clients.

In the last quarter of 2025, operating costs at NAIA, including airport passes, office leases, and other related expenses, increased following the implementation of revised rates by the Manila International Airport Authority and the private concessionaire-operator. These additional costs are considered in ground handling rate negotiations with airline clients. Based on official statements from airport authorities, planned infrastructure investments at NAIA are expected to support continued growth in flight and passenger volumes. This anticipated expansion presents an opportunity for ground handling providers and inflight caterers such as MacroAsia, as higher air traffic is expected to increase demand for aviation support services and inflight meals.

Despite industry challenges arising from fluctuations in flight activity and broader market uncertainties, JASCO maintained strong operational performance through service expansion, prudent cost management, and workforce optimization. Operational efficiency improved through employee skill enhancement and optimized manpower allocation, contributing to profitability. The Company continues to strengthen its workforce capabilities and operational readiness through ongoing training initiatives and its strategic partnership with MacroAsia Airport Services, positioning JASCO for sustainable growth.

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 approved/certificated by 20 Aviation Authorities worldwide as a provider of aircraft MRO services, including the Civil Aviation Authority of the Philippines (CAAP), the United States' Federal Aviation Administration (FAA), European Aviation Safety Agency (EASA)/Luftfahrt-Bundesamt (LBA), Korea MOLIT, Japan Civil Aviation Bureau (JCAB), Kingdom of Saudi Arabia GACA, India Directorate General of Civil Aviation (DGCA), and Kuwait Directorate General of Civil Aviation (DGCA), among others.

As of June 2026, LTP employed 3,001 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 principal service lines are line-maintenance and base-maintenance. During the six-month period ended June 30, 2026, LTP serviced 46 aircraft under line-maintenance arrangement and recorded 0.80 million base-maintenance engineering hours compared with 0.75 million hours in the corresponding period of 2025 and 0.63 million hours in the corresponding period of 2024. Starting August 1, 2026, the line-maintenance service line will be discontinued. LTP will focus on the base-maintenance service line, which entails mostly the heavy repair of wide-body aircraft.

Sources and Availability of Raw Materials:

As a service provider, the aircraft parts are mostly the responsibility of the airline client. LTP has the ability to assist its clients to source spare parts.

Government Approval/Concessions:

Maintenance, Repair, and Overhaul (MRO) is a highly regulated industry that requires certifications from aviation authorities and government agencies. Lufthansa Technik Philippines (LTP) operates its facilities on government-owned land within an ecozone managed by MacroAsia Properties Development Corporation (MAPDC).

LTP holds a lease arrangement with NNIC, the current airport operator in Manila, covering its NAIA facilities until March 2039, subject to the terms and conditions of the lease agreement, including LTP's option to terminate in accordance with such terms.

Risks and Opportunities:

Over the past three years, Lufthansa Technik Philippines (LTP) has faced significant challenges due to global aviation industry constraints. During the pandemic, mobility restrictions and the temporary suspension of aircraft operations led to a decline in MRO (Maintenance, Repair, and Overhaul) activity, forcing LTP to reduce its workforce, including the release of skilled mechanics. However, as demand for aircraft maintenance rebounded in 2024, LTP ramped up its recruitment efforts to meet the growing workload in its hangar facilities. As of June 2026, LTP employed 3,001 personnel, compared to 3,438 employees in 2019, before the pandemic.

As part of LTP's long-term strategy to meet the growing demand for MRO services - particularly base maintenance services, LTP is expanding its operation in Clark Pampanga by 2028. This strategic move will enable LTP to overcome the space constraints in NAIA, which causes inefficiencies in serving wide-body aircraft for their base maintenance needs.

4) Property and Ecozone Development

MacroAsia Properties Development Corporation (MAPDC) is a wholly owned subsidiary of MacroAsia Corporation. It began commercial operations as a real estate developer in June 1996. After completing its warehouse condominium project in Muntinlupa in 1997, MAPDC suspended active development operations. Its lease contract with MIAA for the MacroAsia Special Economic Zone expired on August 31, 2025. The renewal of the leased area was made directly by the locators of the ecozone, name LTP and PAL/PALex to avoid subcontracted lease costs. MAPDC is now exploring arrangements with PAL and LTP for the administration of the Special Economic Zone in Villamor.

In 2018, MAPDC developed the MacroAsia Cebu Special Ecozone located within the Mactan-Cebu International Airport area. The ecozone is designated for aviation-related services. On February 9, 2026, MAPDC renewed its lease contract with MCIAA covering a parcel of land with an area of 26,297 square meters. The lease has a term of fifteen (15) years and is renewable for another ten (10) years upon agreement of the parties, subject to the terms and conditions approved by the MCIAA Board.

The Company is also operating a wastewater treatment and a water recycling facility for non-domestic water supply within the special economic zone in NAIA since 2011. With experience gained from this project, MAPDC has pursued water resources development projects in areas outside Metro Manila – Boracay Island, Nueva Vizcaya and Cavite.

The company owns a parcel of land in Muntinlupa City, a portion of which has been developed to house the central kitchen or commissary being run by MSFI. MAPDC leased the building and land to MSFI. MAPDC also owns other properties that it is leasing to related parties like SNV Resources Devt Corporation (SNVRDC) and Summa Water Resources, Inc. (SWRI).

The company is generally not dependent on raw materials availability in the pursuit of its business.

The prevailing ecozone that MAPDC administers is dependent on government leases for the land. Due to the nature of its business (leasing), MAPDC's business is relatively flat, as growth is dependent on increasing lease rates or making more properties available for lease. MAPDC is not in the business of developing properties and selling them; Rather, the company simply focuses on supporting the property requirements of related parties.

5) Pilot School

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

FAA is a Civil Aviation Authority of the Philippines-approved training organization specializing in ab initio pilot training, certification, and aviation-related career development courses. Its structured training pathway enables students to earn a Private Pilot License, Instrument Rating, Multi-Engine Rating, and Commercial Pilot License. In addition, all graduates undergo Jet Orientation Training and an introductory Airline Transport Pilot Training course designed to bridge the transition from flight training to airline operations. Outstanding graduates may also qualify for Flight Instructor positions, allowing them to build flight hours while further developing their instructional and airmanship skills.

The academy maintains a modern and diverse training fleet comprising nine Cessna 172R aircraft—five equipped with Garmin G1000 glass cockpits and four with conventional analog instrumentation. FAA also operates a Tecnam P2006T twin-engine aircraft and a Tecnam P2010 single-engine aircraft, both fitted with Garmin G1000 avionics. Complementing its aircraft fleet are four CAAP-approved REDBIRD flight training devices, including two REDBIRD MCX units, one REDBIRD CE510 Citation Mustang simulator, and one REDBIRD SD simulator.

As of June 2026, FAA has 113 enrolled pilot trainees—comprising both Filipino and foreign nationals—and a workforce of 50 employees. During its August 2025 graduation ceremony, 25 trainees completed the requirements for their Commercial Pilot Licenses. Several graduates have since secured positions with local and international airlines, while others are progressing toward type-rating and airline-specific flight training

In 2026, the academy is set to introduce night flight training operations at Subic Bay International Airport, marking a significant milestone in its training capability. FAA is also set to implement the ICAO-led Competency-Based Training and Assessment (CBTA) framework across all flight training stages, further aligning its programs with global best practices in pilot education.

6) Water Concessions and Utilities

Name of Company	*Products and Services*	*Business Development (Last 3 years)*
a. **Boracay Tubi System, Inc. (BTSI)** *(67% owned by MAPDC)*	The JV provides potable water to residents and commercial establishments, as well as manages the septage of commercial clients. It also provides raw and treated bulk water supply to some areas in Boracay Island. It extracts water through river sources near Caticlan, Aklan, and transfers this through submarine pipelines for treatment in Boracay Island.	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. The KPI for this business is measured in terms of water sales in million of liters per day (MLD). These were **7.2 MLD** in 2026, **7.1 MLD** in 2025 and **6.9 MLD** in 2024. (6 months comparable period). As of June 2026, BTSI had 102 staff.

b. **Naic Water Supply Corp. (NWSC)** *(100% owned by MAPDC)*	The company provides treated potable water drawn through deep wells to residents and commercial establishments in Naic, Cavite and nearby subdivisions.	Incorporated on September 4, 2003, NWSC continues to expand service coverage in Naic and adjacent areas The KPI for this business is measured in terms of water sales in million of liters per day (MLD)., which stands at **13.3 MLD** in June 2026, **12.5 MLD** in 2025 and **12.0 MLD** in 2024 (6 months comparable period). As of June 2026, this business unit had 104 total staff.
c. **Summa Water Resources, Inc. (SWRI)**. *(60% owned by Allied Water Services, Inc., a wholly owned subsidiary of MAC)*	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. For its bulk water supply business, it has supplied **9.9 MLD** in June 2026, **3.7 MLD** in 2025 and **3.6 MLD** in 2024 (6 months comparable period). As of June 2026, the company had 61 staff.

d. **SNV Resources Devt Corporation (SNVRDC)** *(100% owned by MAPDC)*	Supply of potable water to households, commercial and government clients in Solano, using water extracted and treated from the Magat River.	Established as a greenfield project to develop a full waterworks system in Solano. From zero accounts in 2016, SNVRDC grew to 6,203 service connections as of June 2026. Business development is measured in terms of millions of liters per day of water sold, which stands at **3.5 MLD** in June 2026, **3.1 MLD** in 2025 and **2.9 MLD** in 2024 (6 months comparable period). As of June 2026, this business unit had 49 total staff.
e. **Aqualink Resources Devt Inc. (ARDI)** *(51% owned by NWSC)*	Operates the water system for Lancaster New City in Cavite, serving General Trias, Imus, Carmona, Bacoor, Kawit, and Tanza; supplies potable water from deep well sources to households and commercial accounts.	ARDI reached 44,908 connections as of June 2026. Continuous service expansion driven by population growth within Lancaster New City. Business development is measured in terms of millions of liters per day of water sold, which stands at **29.3 MLD** in June 2026, **28.4 MLD** in 2025 and **26.8 MLD** in 2024 (6 months comparable period). As of June 2026, this business unit had 105 total staff.

f. Cavite Business Resources, Inc. (CBRI) *(67% owned by NWSC, 33% by Watergy Business Solutions, Inc. – wholly owned by MAPDC)*	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. As of June 2026, this business unit had 7 total staffs.
g. Cavite AlliedKonsult Services Corp. (CAKSC) *(51% owned by Allied Konsult Eco-Solutions Corp. -- which is 100% owned by Allied Water Services, Inc., a wholly owned subsidiary of MAC; and 49% owned by Envirokonsult Equipment and Services, Inc.)*	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. As of June 2026, this business unit had 18 total staffs.

Sources and Availability of Raw Materials:
The chemicals and supplies for water treatment are usually locally sourced. There were no supply disruptions noted in the last three years. As for equipment, no supply issues were also reported.

Government Approval/Concessions:
The supply of potable water, as well as treatment of septage, is highly regulated and should comply with government regulations. Our water business units have permits with the LGUs, National Water Resources Board (NWRB), Laguna Lake Devt Authority, Dept of Health, DENR, etc. as the case may be. Tarriff setting is set often with NWRB in line with investments made by the business unit.

Risks and Opportunities:
The Group's water business has demonstrated resilience and steady growth 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.

The group strategically decided to expand its operation in Mactan, Cebu by constructing the largest desalination plant in the Philippines under a newly established subsidiary, CS Water Lapu-lapu, Inc. Construction of the plants commenced in Punta Engaño in September 2025 and Olango Island in July 2025. The Punta Engaño facility has the capacity to produce 20 MLD of potable water, whereas the smaller plant in Olango has a production capacity of 0.5 MLD. As of June 30, 2026, all major components of the 20 MLD Punta Engaño desalination plant are already on site and on-going installation. Both facilities are expected to commence operations by the end of 2026.

In February 2026, the bulk water system that the group constructed on February 2025 in Poro point, La Union was already completed and commissioned. The facility is now ready to serve the water requirements of the industries and communities in the area and is positioned to increase MacroAsia's presence in Northern Luzon.

In October 2025, New Earth Water System – which is 100% owned by Boracay Tubi System Inc. – a subsidiary of MacroAsia, broke ground in Pototan Iloilo. The construction activities to build the surface-water-50 MLD treatment plant and transmission line commenced in the latter part of 2025. The total CAPEX of the project is budgeted at P2Bn, and is partially funded by a partner bank. The construction of the plant is expected to be completed within 2 years. The project seeks to augment Ilo-ilo's potable water supply to address the rising requirements of its expanding communities and industries.

Whereas, the group's established water distribution entities like Aqualink Resource Development Inc., Solano Nueva Vizcaya Resources Development, Naic Water Supply Corporation, Boracay Tubi System Inc. and Cavite Business Resources Inc. are also continuously investing in equipment upgrades, additional pipelaying projects and other facility improvement initiatives to better serve their respective markets and to further capture untap markets.

7) Mining

MacroAsia Corporation traces its origins to mining operations in the 1970s and continues to hold mining interests through its wholly owned subsidiary, **MacroAsia Mining Corporation ("MMC")**. MMC was incorporated on September 25, 2000 as the Group's principal vehicle for mining-related activities. In prior years, MMC also provided exploration and drilling services to third-party nickel producers.

The Group's mining portfolio includes nickel assets in Palawan and exploration interests in Negros Oriental and Leyte. MMC also owns former PNB subsidiaries Bulawan Mining Corporation ("MMC BUMICO") and Management Development Corporation ("MMC MADECOR"), which hold mineral exploration interests and agreements with third-party mining companies.

Infanta Nickel Project – Brooke's Point, Palawan
The Group's principal mining asset is the **Infanta Nickel Project** in Brooke's Point, Palawan. On June 7, 2019, MAC assigned to MMC its rights and interests under Mineral Production Sharing Agreement ("MPSA") Nos. **220-2005-IVB** and **221-2005-IVB**, covering approximately **1,113.98 hectares and 410.00 hectares**, respectively. The DENR, through the Mines and Geosciences Bureau ("MGB"), approved the transfer on February 1, 2021. The MPSAs grant MMC the exclusive right to explore, develop and commercially utilize nickel, chromite, iron and associated mineral deposits within the contract areas.

On July 29, 2021, MMC entered into a memorandum of agreement with **Calmia Nickel, Inc. ("CNI")** for the exploration and eventual development and mining of the area covered by MPSA No. 220-2005-IVB. Confirmatory drilling commenced in November 2021 as part of CNI's due diligence activities.

The project has since progressed through a number of key regulatory milestones. The Environmental Compliance Certificate was issued on December 1, 2023 following DENR MIMAROPA's certification that the MPSA is outside the Mt. Mantalingahan Protected Landscape. The Feasibility Study was approved by the MGB Technical Committee on Mining Feasibility Studies in February 2025, while the Environmental Protection and Enhancement Program and Final Mine Rehabilitation/Decommissioning Plan were approved in 2025. The revised Three-Year Development/Utilization Work Program was likewise approved. The **Declaration of Mining Project Feasibility ("DMPF") was approved on January 19, 2026** by the DENR Assistant Secretary for Mining Concerns and concurrent MGB Director.

Other regulatory approvals and permitting activities also continue to advance. The National Commission on Indigenous Peoples ("NCIP") Commission En Banc endorsed the issuance of the Certification Precondition for MPSA No. 220-2005-IVB, while the Palawan Council for Sustainable Development granted the required SEP Clearance. Work related to the Special Tree Cutting and Earth-balling Permit ("STCEP") remained ongoing as of June 30, 2026, including boundary demarcation and site validation by the Community Environment and Natural Resources Office.

A boundary issue involving MMC and Celestial Nickel Mining Exploration Corporation was substantially resolved in 2024. MGB MIMAROPA awarded **37.7 hectares of the disputed 44-hectare area to MMC**, after which a re-survey and joint site validation were completed. The amended mineral survey plan was approved on November 29, 2024.

Development Activities
Initial clearing and site-development works for the project commenced in August 2025 within the proposed pier and stockyard area located outside the MPSA. Ground preparation, drainage work and clearing of portions of the road right-of-way continued into 2026. Clearing activities within the MPSA area resumed on June 29,

2026 following resolution of concerns involving certain Indigenous Peoples through the implementation of NCIP Memorandum Order No. 156-2026 dated June 11, 2026. CNI filed its application for a business permit with the Municipality of Brooke's Point on February 10, 2026, together with related requirements. The application remained under evaluation as of June 30, 2026.

Processing of the **Miscellaneous Lease Agreement ("MLA")** application for project-related facilities also continued during the period. The survey plan was approved by DENR MIMAROPA on April 30, 2026 and subsequently submitted to CENRO Brooke's Point. Required clearances from relevant government agencies are being processed, with DPWH Palawan 2nd District issuing a Certification of No Objection on June 15, 2026.

Other Mining Interests

MMC BUMICO holds exploration interests in Basay, Negros Oriental, including an approximately **506-hectare area** with potential copper-gold-molybdenum-silver mineralization, as well as interests covered by operating or other agreements with Philex Mining Corporation and Philex Gold Philippines, Inc.

MMC MADECOR holds **EXPA 000100-VI**, also covered by an agreement with Philex Gold Philippines, Inc. The exploration permit application was approved and registered on December 4, 2024 and covers approximately **3,709.28 hectares**.

MMC also maintains exploration permit applications covering mineralized areas in **Carigara and Baybay City, Leyte**. The applications have undergone review by the MGB and Department of Agriculture in relation to portions of the proposed areas located within Strategic Agriculture and Fishery Development Zones. The Department of Agriculture subsequently recommended that the applications be allowed to proceed subject to specified conditions.

For MPSA No. 221-2005-IVB in Palawan, MMC applied for a third renewal of the exploration period and subsequently requested a temporary suspension of obligations under the MPSA. The request for temporary suspension was approved on October 16, 2024.

Current Operations and Outlook

As of June 30, 2026, MMC had six regular employees. Its current operations do not require significant raw-material inputs and it has no major supply contracts.

The Group continues to advance the regulatory, permitting and development requirements of the Infanta Nickel Project together with its project partner. **No exploration activities were conducted during the six-month period ended June 30, 2026 and, accordingly, there were no exploration results requiring disclosure for the period.**

8) IT Services, Connectivity and Radio Trunking

MacroAsia Shared Services Corporation ("MSSC"), formerly Tera Information and Connectivity Solutions, Inc. ("TERA"), formally changed its corporate name following SEC approval on April 23, 2026. The change reflects the company's expanded mandate to serve as the Group's shared-services platform, with greater focus on centralizing and strengthening foundational support functions so that operating business units can devote more resources to customer-facing and value-creating activities.

MSSC aims to consolidate selected enterprise support functions, including **Accounting and Finance, Human Resources, and Information Technology**, across the MacroAsia Group. By leveraging the Group's scale and standardizing common processes, MSSC seeks to improve operating efficiency, reduce duplication and costs, enhance process transparency, and strengthen service delivery to the Group's business units.

As an initial implementation, MSSC is preparing to launch a pilot migration of **accounts payable and countering processes** for MacroAsia SATS Inflight Services Corporation ("MSIS"). The pilot will initially adopt a **"lift-and-shift"** approach to facilitate an orderly transition of existing processes, while introducing OCR and document-scanning technology to support the digitization and more efficient processing of vendor invoices and payments.

The pilot is intended to establish a scalable operating model that may subsequently be extended to other processes and business units within the Group.

Concurrently, MSSC is also launching the reorganization of the various IT teams across its airport-related subsidiaries to form the Groupwide IT function that will provide a centralized IT Governance spanning Enterprise IT Infrastructure, Applications/Solutions and Service Management. This will serve to strengthen its cybersecurity posture, standardize IT resources and servicing, leverage groupwide scale for IT sourcing, all to set a scalable foundation to MacroAsia's Digital Transformation.

Key Performance Indicators

The Group uses the following major performance measures. The analyses are based on comparisons and measurement on financial data of the current period against the same period of the previous year.

PARTICULARS	***June 30, 2026***	*June 30, 2025*
Return on Net Sales (RNS)	**10.38%**	16.15%
Return on Investment (ROI)	**3.46%**	7.01%
Return on Equity (ROE)	**7.05%**	11.88%
Direct Cost Ratio	**80.08%**	77.68%
Operating Expense Ratio	**16.18%**	15.71%
Current Ratio	**1.44 : 1**	1.64 : 1
Debt-to-Equity Ratio	**41.06%**	26.85%
Interest Coverage Ratio	**11.13: 1**	16.17: 1
Asset-to-Equity Ratio	**1.86 : 1**	1.88 : 1
Return on Asset (ROA)	**3.01%**	5.06%

- The **Return on Net Sales (RNS)** declined from **16.15%** in 2025 to **10.38%** as of June 30, 2026. Although the Group's operating subsidiaries generated higher revenues during the current year, the decline in consolidated RNS was mainly attributable to the significant decrease in the share in net income of associates, coupled with the increase in cost of sales and operating expenses, which collectively offset the impact of revenue growth compared to the same period in the previous year.
- The **Return on Investment (ROI)** ratio declined from **7.01%** to **3.46%**, due to the noted decrease in the group's overall profitability coupled with the rise of the total investment in 2026 due to the various high CAPEX investments of the group.
- **Return on Equity (ROE)** stands at **7.05%** in June 30, 2026 lower than **11.88%** for the same period of 2025 mainly reflecting lower overall net income in the current period, due to the reduced share in net income of associates & the rising cost & expenses in 2026.
- The **direct cost ratio** increased from **77.68%** to **80.08%** for 2026, in line with higher activity levels across the business units and the rising costs & expenses in 2026 due to inflationary pressures.
- The **operating expense ratio** increased from **15.71%** to **16.18%** for 2026 to support business volume growth and also due to the rise in operational costs.
- The Group maintained a **healthy current ratio** of **1.44:1** as of June 30, 2026, compared to **1.64:1** in the same period last year, demonstrating its continued ability to meet current liabilities, supported by an adequate level of current assets, including cash.
- **Debt-to-equity ratio** stands at **41.06%** for 2026 from **26.85%** the same period last year. The increase reflects higher outstanding loan balances that are used to finance capital expenditures that are aligned with the group's growth and revenue

diversification strategies. This was partially offset by the growth in equity arising from net income generated during the current year.

- With continued positive operating results, the Group remains capable of comfortably servicing its interest obligations. The **interest coverage ratio** stood at **11.13:1** as of June 30, 2026, compared to **16.17:1** in the same period last year.
- The ratio between **total assets to total equity** indicates that the Group's assets are primarily supported by shareholders' capital rather than debt. The **asset-to-equity ratio** stands from **1.88:1** in 2025 to **1.86:1** for the same period in 2026.
- **Return on Assets (ROA)** stood at **3.01%** in 2026, compared to **5.06%** in 2025, reflecting the lower level of profitability generated from the Group's asset base during the period.

The indicators above are measured as follows:

1. Return on Net Sales = $\dfrac{\text{Total Net Income}}{\text{Total Net Revenues}}$

2. Return on Investment = $\dfrac{\text{NI attributable to Equity holder of Parent}}{\text{Total Interest-bearing Liabilities + Equity attributable to Equity holder of Parent}}$

3. Return on Equity = $\dfrac{\text{Total Net Income}}{\text{Total Equity}}$

4. Direct Cost Ratio = $\dfrac{\text{Total Direct Cost}}{\text{Total Net Revenues}}$

5. Operating Expense Ratio = $\dfrac{\text{Total Operating Expenses}}{\text{Total Net Revenues}}$

6. Current Ratio = $\dfrac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$

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

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

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

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

Management's Discussion and Analysis (MD&A)

June 30, 2026 and June 30, 2025
Results of Operations (amounts in ₱ millions)

	Interim Unaudited		Horizontal Analysis		Vertical Analysis	
	1H 2026	1H 2025	Changes	%	1H 2026	1H 2025
REVENUE						
In-flight and other catering	**2,625.1**	2,347.9	277.3	12%	50%	49%
Ground handling and aviation	**2,246.5**	2,073.4	173.1	8%	43%	43%
Water distribution	**369.0**	364.0	5.0	1%	7%	8%
Connectivity and technology services	**0.4**	0.0	0.4	0%	0%	0%
Administrative fees	**23.2**	27.4	-4.2	-15%	0%	0%
	5,264.2	4,812.6	451.6	9%	100%	100%
DIRECT COSTS AND EXPENSES						
In-flight and other catering	**1,824.0**	1,620.7	203.2	13%	35%	34%
Ground handling and aviation	**2,155.9**	1,876.7	279.2	15%	41%	39%
Water distribution	**205.6**	205.4	0.2	0%	4%	4%
Administrative fees	**30.3**	35.5	-5.1	-15%	1%	1%
	4,215.8	3,738.3	477.5	13%	80%	78%
GROSS PROFIT	**1,048.5**	1,074.3	-25.9	-2%	20%	22%
SHARE IN NET EARNINGS OF ASSOCIATES	**456.1**	611.0	-154.9	-25%	9%	13%
	1,504.5	1,685.3	-180.8	-11%	29%	35%
OPERATING EXPENSES	**852.0**	756.0	96.0	13%	16%	16%
INCOME FROM OPERATIONS	**652.5**	929.3	-276.8	-30%	12%	19%
OTHER INCOME (CHARGES)						
Interest income	**15.8**	13.9	1.9	14%	0%	0%
Financing charges	**-64.4**	-58.8	-5.6	10%	-1%	-1%
Foreign exchange gain (loss) - net	**24.5**	-10.2	34.8	340%	0%	0%
Others - net	**23.7**	17.9	5.9	33%	0%	0%
	-0.3	-37.3	36.9	-99%	0%	-1%
INCOME BEFORE INCOME TAX	**652.2**	892.0	-239.9	-27%	12%	19%
PROVISION FOR INCOME TAX	**105.7**	114.9	-9.3	-8%	2%	2%
NET INCOME	**546.5**	777.1	-230.6	-30%	10%	16%
Net income attributable to:						
Equity holders of the Company	**449.6**	679.7	-230.1	-34%	9%	14%
Non-controlling interests	**96.9**	97.4	-0.5	-1%	2%	2%
	546.5	777.1	-230.6	-30%	10%	16%

Consolidated revenue increased by ₱451.6 million or 9% to ₱5.26 billion in the first half of 2026. Revenue growth was led by Food Services and Ground Handling and Aviation Services, which together accounted for approximately 93% of consolidated revenue.

Direct costs increased by 13%, outpacing revenue growth and reducing gross margin to approximately 20% from 22% in the comparable period. Operating expenses likewise increased by 13%. Together with lower equity earnings from associates, these movements resulted in consolidated net income declining by 30% to ₱546.5 million, while parent-attributable net income declined by 34% to ₱449.6 million.

Revenues

- **Food Services.** Revenue increased by 12% to ₱2.63 billion from ₱2.35 billion and accounted for 50% of consolidated revenue. Consolidated meal count increased by 21% to 15.76 million meals from 13.05 million meals, supported by higher volumes from existing customers and the continued expansion of institutional and non-airline accounts.

- **Ground-handling & Aviation Services.** Revenue increased by 8% to ₱2.25 billion from ₱2.07 billion and accounted for 43% of consolidated revenue. Flights handled increased by 2% to 100,020 despite cancellations affecting certain Middle East routes. Aviation training revenue increased to ₱44.4 million from ₱39.8 million.

- **Water Operations.** Revenues are 7% of the total revenue, and this increased by ₱5.0 million (1%), from ₱364.0 million in 2025 to ₱369.0 million in 2026. This growth was attributed to a 15% increase in commercial water sales, with billed water volume rising from 9.97 million cu.m. in 2025 to 11.48 million cu.m. in 2026.

- **Connectivity and Technology Services.** External revenue amounted to ₱0.4 million as the business remained primarily focused on supporting the Group's internal technology and connectivity requirements while developing its shared-services capabilities.

- **Administrative Revenues.** Revenue amounted to ₱23.2 million compared with ₱27.4 million in the prior year, with a portion derived from lease income on the Mactan, Cebu property.

Direct Costs and Gross Margin

Direct costs increased by ₱477.5 million or 13% to ₱4.22 billion, reflecting higher business volumes, increased manpower and operating requirements, inflationary pressures and higher airport-related lease and operating charges. As direct costs increased faster than revenue, gross profit declined by 2% to ₱1.05 billion, with gross margin declining to approximately 19.9% from 22.3%.

Management is addressing these pressures through customer rate adjustments and cost-recovery mechanisms, productivity initiatives and tighter cost management, particularly across the Group's aviation and food operations.

Operating Expenses

Operating expenses increased by ₱96.0 million or 13% to ₱852.0 million, primarily to support higher business volumes and reflecting higher lease and operating costs associated with facilities within the NAIA Project Land. Management continues to review discretionary spending, manpower productivity and shared-service opportunities as part of its broader cost-management program..

<u>Share in Net Earnings (Losses) of Associates</u>

Share in net earnings of associates amounted to ₱456.1 million, 25% lower than ₱611.0 million in the comparable period.

LTP remained the principal contributor, accounting for ₱411.2 million of the Group's equity earnings compared with ₱537.8 million in the prior year. The decline primarily reflected higher lease costs under LTP's new lease arrangements and costs associated with the discontinuance of line-maintenance operations. As of the reporting period, LTP's earnings continue to have a significant effect on the Group's consolidated profitability.

CPCS contributed ₱27.4 million, up from ₱20.7 million, supported by a 15% increase in meal count. JASCO contributed ₱12.3 million, compared with ₱52.6 million in the prior year, primarily because the prior-year period benefited from income tax benefits associated with net operating loss carryovers. MJFSC, incorporated in November 2025, contributed ₱5.2 million.

<u>Other Income (Charges)</u>

Interest income amounted to ₱15.8 million, while financing charges increased to ₱64.4 million from ₱58.8 million, reflecting additional borrowings used in part to fund ongoing capital investments, net of capitalized borrowing costs.

The Group recorded a net foreign-exchange gain of ₱24.5 million, compared with a ₱10.2 million loss in the prior-year period.

<u>Income Tax and Net Income</u>

Income tax expense declined by 8% to ₱105.7 million, in line with lower taxable income.

Consolidated net income amounted to ₱546.5 million, 30% below the ₱777.1 million reported in 1H 2025. Net income attributable to equity holders of the Parent amounted to ₱449.6 million, compared with ₱679.7 million in the prior-year period.

<u>Second-Quarter Performance.</u> Q2 2026 consolidated revenue amounted to ₱2.64 billion, increasing by 0.5% from Q1 2026 and approximately 7% from Q2 2025. Consolidated net income increased by 93% quarter-on-quarter to ₱359.9 million, principally because share in net earnings of associates increased to ₱377.0 million from approximately ₱79.0 million in Q1. Consolidated gross profit, however, declined sequentially to ₱476.3 million from approximately ₱572.2 million as operating businesses continued to absorb higher cost pressures.

June 30, 2026 and December 31, 2025
Interim Unaudited Statement of Financial Position (amounts in ₱ millions)
(with comparison to Audited December 31, 2025 Statement of Financial Position)

	June 30, 2026	December 31, 2025	Horizontal Analysis Changes	%	Vertical Analysis 2026	2025
ASSETS						
Current Assets						
Cash and cash equivalents	**2,353.9**	2,470.6	-116.7	-5%	13%	15%
Receivables and contract assets	**2,591.5**	2,435.9	155.6	6%	14%	15%
Inventories	**184.6**	180.2	4.5	2%	1%	1%
Other current assets	**1,339.1**	1,175.2	163.9	14%	7%	7%
Total Current Assets	**6,469.1**	6,261.8	207.3	3%	36%	38%
Noncurrent Assets					0%	0%
Investments in associates	**4,389.7**	3,806.6	583.1	15%	24%	23%
Property, plant and equipment	**4,128.6**	3,589.7	538.9	15%	23%	22%
Net investment in lease	**19.2**	22.0	-2.7	-12%	0%	0%
Right-of-use assets	**775.2**	809.1	-33.9	-4%	4%	5%
Investment property	**208.9**	143.9	65.1	45%	1%	1%
Service concession rights	**437.1**	438.3	-1.2	0%	2%	3%
Intangible assets and goodwill	**357.1**	359.8	-2.7	-1%	2%	2%
Deferred income tax assets - net	**114.2**	114.6	-0.3	0%	1%	1%
Other noncurrent assets	**1,250.2**	1,028.3	221.9	22%	7%	6%
Total Noncurrent Assets	**11,680.1**	10,312.1	1,368.0	13%	64%	62%
TOTAL ASSETS	**18,149.2**	16,573.9	1,575.3	10%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Notes payable	**1,089.0**	485.0	604.0	125%	6%	3%
Accounts payable and accrued liabilities	**2,887.5**	3,235.2	-347.6	-11%	16%	20%
Income tax payable	**119.9**	126.2	-6.3	-5%	1%	1%
Dividends payable	**10.5**	10.5	0.0	0%	0%	0%
Current portion of long-term debts	**342.3**	249.9	92.4	37%	2%	2%
Current portion of lease liabilities	**46.5**	46.5	0.0	0%	0%	0%
Total Current Liabilities	**4,495.7**	4,153.2	342.5	8%	25%	25%
Noncurrent Liabilities						
Long-term debts - net of current portion	**2,570.2**	2,048.4	521.8	25%	14%	12%
Lease liabilities - net of current portion	**890.3**	915.2	-24.9	-3%	5%	6%
Accrued retirement and other employee benefits payable	**223.3**	200.7	22.6	11%	1%	1%
Deferred income tax liabilities - net	**93.0**	94.7	-1.7	-2%	1%	1%
Other noncurrent liabilities	**132.3**	90.8	41.5	46%	1%	1%
Total Noncurrent Liabilities	**3,909.1**	3,349.8	559.3	17%	22%	20%
Total Liabilities	**8,404.8**	7,503.1	901.8	12%	46%	45%
Equity attributable to equity holders of the Company						
Capital stock - 1 par value	**1,933.3**	1,933.3	0.0	0%	11%	12%
Additional paid-in capital	**281.4**	281.4	0.0	0%	2%	2%
Retained earnings						
Appropriated	**2,940.0**	2,940.0	0.0	0%	16%	18%
Unappropriated	**3,059.4**	2,609.8	449.6	17%	17%	16%
Other comprehensive income	**249.6**	122.6	127.0	104%	1%	1%
Other reserves	**1,003.0**	1,003.0	0.0	0%	6%	6%
Treasury shares	**-459.4**	-459.4	0.0	0%	-3%	-3%
	9,007.4	8,430.7	576.6	7%	50%	51%
Non-controlling interests	**737.0**	640.1	96.9	15%	4%	4%
Total Equity	**9,744.4**	9,070.9	673.5	7%	54%	55%
TOTAL LIABILITIES AND EQUITY	**18,149.2**	16,573.9	1,575.3	10%	100%	100%

Financial Position
Total assets increased by 10% to ₱18.15 billion as the Group continued to invest in associates, property and equipment and ongoing expansion projects. Total liabilities increased by 12% to ₱8.40 billion, principally reflecting additional bank borrowings used to fund asset acquisitions and growth initiatives, while total equity increased by 7% to ₱9.74 billion.

Cash and cash equivalents remained substantial at ₱2.35 billion, although lower than the ₱2.47 billion balance at year-end. Management continues to balance liquidity preservation with the funding requirements of the Group's expansion program.

Assets
Total assets increased by ₱1.58 billion to ₱18.15 billion from year-end 2025. The principal movements were investments in associates, property and equipment, receivables and advances related to ongoing projects.

Cash and cash equivalents decreased by ₱116.7 million to ₱2.35 billion, reflecting cash used to settle maturing operating obligations and fund business requirements.

Receivables and contract assets increased by ₱155.6 million to ₱2.59 billion. Management continues to monitor collections and outstanding balances as part of its working-capital program.

Investments in associates increased by ₱583.1 million to ₱4.39 billion, primarily reflecting the Group's share in associate earnings and foreign-currency translation adjustments.

Property and equipment increased by ₱538.9 million to ₱4.13 billion as the Group continued capital investments across catering, ground handling and water operations.

Other current and noncurrent assets increased principally because of input and prepaid taxes and higher advances to contractors and suppliers associated with ongoing projects.

Liabilities and Liquidity

As of June 30, 2026, the Group's total liabilities amounted to ₱8,404.8 million, reflecting an increase of ₱901.8 million (12%) from ₱7,503.1 million as of December 31, 2025.

Current interest-bearing borrowings increased to ₱1.43 billion from ₱734.9 million, while long-term borrowings, net of current portion, increased to ₱2.57 billion from ₱2.05 billion. The increase principally reflects additional bank financing for asset acquisitions, ongoing expansion projects and general corporate requirements.

The Group maintained ₱2.35 billion of cash and cash equivalents at June 30, 2026. The current ratio stood at 1.44x, while the debt-to-equity ratio increased to 41.06%, reflecting the higher level of borrowings used to fund growth investments. Interest coverage remained at 11.13x.

Management continues to monitor liquidity, debt maturities and financing costs and intends to match project funding, where appropriate, with the expected cash-generation profile of the underlying investments.

- **Accounts Payable and Accrued Liabilities** decreased by ₱347.6 million (11%), from ₱3,235.2 million in 2025 to ₱2,887.5 million in 2026. This decrease is due to the settlements made to suppliers, service providers, and for government dues.

- **Notes Payable and Current Portion of Long-Term Debts** rose by ₱696.4 million (95%), from ₱734.9 million to ₱1,431.3 million. The increase is mainly due to the additional loans, which were availed from local banks by several business units within the Group for asset acquisition and business expansion.

- **Income Tax Payable** decreased by ₱6.3 million (5%), from ₱126.2 million to ₱119.9 million, in line with the decrease in taxable income for the period.

- **Long-Term Debts (net of current portion)** increased by ₱521.8 million (25%), from ₱2,048.4 million in 2025 to ₱2,570.2 million in 2026. The increase reflects new loan availments for ongoing projects and operations, net of settlements during the period.

- **Lease Liabilities (net of current portion)** decreased by ₱24.9 million, from ₱915.2 million in 2025 to ₱890.3 million same period this year.

Equity

Total equity increased by 7% to ₱9.74 billion. Equity attributable to shareholders of the Parent increased by ₱576.6 million to ₱9.01 billion, reflecting parent-attributable earnings of ₱449.6 million and ₱127.0 million of foreign-currency translation adjustments relating to associates.

Non-controlling interests amounted to ₱737.0 million, an increase of ₱96.9 million (15%) from ₱640.1 million as of December 31, 2025. The increase reflects the proportionate share in the net earnings of subsidiaries with non-controlling interests.

Cash Flows and Capital Funding

Net cash used in operating activities amounted to ₱314.8 million during the first half of 2026, compared with net cash generated from operations of ₱212.6 million in the comparable period in 2025. The movement principally reflected increases in receivables and other current assets, together with the settlement of accounts payable and accrued liabilities.

Net cash used in investing activities amounted to ₱1.02 billion, including approximately ₱784.2 million of property and equipment acquisitions. These requirements were funded in part through additional bank borrowings, with net cash provided by financing activities of ₱1.19 billion.

Cash and cash equivalents consequently ended the period at ₱2.35 billion.

For the balance of the year, Management will prioritize collection of receivables, working-capital discipline and the prudent phasing and financing of capital investments to improve operating cash conversion while preserving adequate liquidity.

Enterprise-Level Risks

The Group continuously monitors and assesses enterprise-level risks that may materially affect its operations, financial performance, strategic objectives, and long-term sustainability. The following risk categories are considered significant due to their potential impact across multiple business segments.

- Natural disaster & climate risks – The Philippines remains highly exposed to typhoons, flooding, earthquakes, and other natural hazards. Severe weather disturbances may disrupt airport operations, resulting in flight cancellations that adversely affect the Group's aviation-related businesses, including ground handling, inflight catering, and flight training operations. Extreme weather events may also affect water quality and supply in the utilities segment and contribute to supply chain disruptions and volatility in the prices of key raw materials used by the food services business.

  In identifying the climate- and environmental-related risks and hazards relevant to the Group, a range of assessment tools were employed to evaluate the exposure and susceptibility of our business operations to these risks and their potential impacts. These are the following:

Category	Type	Hazard	Tool
Seismic	Acute	Ground Rupture Ground Shaking Liquefaction Earthquake-Induced Landslide Landslide Tsunami	HazardHunterPH NOAH
Volcanic	Acute	Volcanic Tsunami Ashfall	HazardHunterPH
Hydro-Meteorological	Acute	Flood Storm Surge Severe Wind	HazardHunterPH
	Chronic	Water Stress Drought Risk	AQUEDUCT
Temperature	Chronic	Heat Index	

The Group is currently finalizing its vulnerability and exposure parameters to support the assessment and calculation of climate-related risks across its business units. The results will serve as a basis for prioritizing risk management actions, developing appropriate adaptation measures, and strengthening climate resilience throughout the Group.

To enhance resilience, Management continues to pursue supply chain diversification initiatives, including agricultural sourcing programs under the Farmville initiative, strategic procurement arrangements, and the strengthening of business continuity and disaster recovery plans.

- Financial risks – The uncertainties surrounding LTP & MAPDC by the end of 2025 were major considerations under this category. Management assessed uncertainty as a high-risk event during the initial assessment. The positive progress about the extension of LTP's lease in NAIA and the subsequent plan to expand in Clark, prompted management to downgrade the risk rating to moderate risk-rating.

- Strategic risks – The Group's growth strategy involves continued expansion and diversification across aviation services, food services, water utilities, mining, and related businesses. The execution of these initiatives requires significant capital investment and effective deployment of financial and operational resources.

  Failure to execute strategic initiatives, achieve expected returns on investments, or respond effectively to changes in market conditions may adversely affect profitability and shareholder value. To address these risks, Management has implemented governance mechanisms that include strategic planning reviews, performance monitoring through balanced scorecards, capital expenditure oversight, and regular business and budget performance assessments.

- Technological risks – Cybersecurity issues and advancement in technologies are key considerations under this risk category. The potential successful roll-out of the self-check-in in NAIA terminals may potentially impact the above-the-wing business of Mascorp.

  To address this risk, the management strengthens the group's IT capability and closely monitors the adoption of self-check-in technology in NAIA. The IT department of the group is now headed by a highly qualified IT head, whereas the utilization of the self-check in kiosks in the airport remained to be low (1% to 2%).

- Geopolitical risks – Geopolitical tensions, armed conflicts, trade disruptions, and other international developments may adversely affect global economic activity, aviation demand, fuel prices, supply chains, and inflation levels. The continuing geopolitical instability in the Middle East and potential regional security tensions in Asia may impact airline operations, travel demand, and operating costs across the Group's aviation-related businesses.

  Management continues to monitor geopolitical developments, assess potential financial and operational implications through scenario analysis, and implement appropriate contingency measures to enhance organizational resilience.

- Regulatory risks – The Group operates in industries that are subject to extensive regulation, including aviation, food manufacturing and catering, water utilities, environmental management, and mining. Changes in laws, regulations, licensing requirements, safety standards, environmental regulations, or government policies may affect operating costs, business processes, expansion plans, and compliance obligations.

  Management maintains a comprehensive compliance framework and regularly engages with relevant regulatory agencies to monitor emerging regulatory developments and ensure compliance with applicable laws and industry standards. Based on current assessments, regulatory risk remains manageable; however, significant regulatory changes could materially affect business operations and financial performance.

Sustainability-Related Risks and Opportunities and Integration into the MAC Group ERM

As part of its preparations for adopting the ISSB Standards, MacroAsia conducted a financial materiality assessment of ESG topics previously identified as material to the business. The assessment aimed to determine which sustainability-related risks and opportunities could potentially affect the Company's financial performance, financial position, cash flows, and enterprise value.

Sustainability-related risks were evaluated based on their likelihood and potential financial impact, while opportunities were assessed based on their feasibility and potential to create value for the Group.

The assessment provided valuable insights into how environmental, social, and governance factors may affect MacroAsia's operations, resilience, and long-term growth. It also helped identify areas that require stronger risk management and monitoring.

To further align with ISSB requirements, MacroAsia will continue assessing these risks and opportunities across short-, medium-, and long-term time horizons. This will enable the Group to better understand and manage the potential impacts of sustainability-related issues on its business.

The results of the assessment will be integrated into the Group's Environmental Risk Management System and broader Enterprise Risk Management (ERM) framework within 2026. The findings will support strategic planning, decision-making, target setting, and Board oversight, while ensuring that sustainability considerations are embedded in the Group's overall business strategy.

NUMBER OF STOCKHOLDERS

There are 854 and 852 stockholders as of June 30, 2026, and December 31, 2025, respectively.

OTHER MATTERS

1. **Impact of Airline Operations and NAIA Privatization**
   Passenger traffic and flight frequency remain key operating drivers of the Group's aviation-support businesses. Planned improvements and capacity expansion at NAIA are expected to support longer-term growth in passenger and flight volumes and, consequently, demand for ground handling and inflight catering services.

   The transition to private airport operations has also resulted in higher lease rates, airport fees and related operating costs. Where contractually applicable, the Group seeks to recover these incremental costs through customer rate adjustments and commercial negotiations. The Group's aviation units also added two airline customers in 2025 following the allocation of additional Philippine operating slots.

2. **Growth Initiatives in the Food Group**
   The Food Group continues to diversify beyond airline catering by expanding institutional and commercial accounts and increasing its geographic reach.

   The MSFI Muntinlupa commissary expansion is targeted for completion in Q1 2027 and is intended to increase production capacity and operating scalability. In Cebu, the Group's investment in MJFSC provides a platform for additional institutional and QSR business across the Visayas.

3. **Off-Balance Sheet Arrangements**
   There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), or other relationships with unconsolidated entities or third parties created during the reporting period.

4. **Capital Commitments**
   Management continues to execute the following principal expansion projects:

Project	Strategic Purpose	Status / Timing
Lapu-Lapu Seawater Desalination Plant	Expand water infrastructure portfolio	Phase 1 capacity of 20 MLD; targeted for completion before end-2026
Pototan, Iloilo Surface Water Project	Expand regional bulk-water capacity	50 MLD plant and transmission line; total project CAPEX of approximately ₱2.0 billion
MSFI Muntinlupa Expansion	Expand institutional food capacity	Approx. 11,000 sqm expansion; capacity targeted to increase to 90,000 meals/day; completion targeted Q1 2027
MASCORP Headquarters	Consolidate operating/shared-service requirements and create third-party leasing capacity	Six-story facility under construction; completion

5. **Lease Arrangements for the MacroAsia Special Economic Zone**

   MAPDC's lease with MIAA expired on August 31, 2025. The relevant NAIA ecozone areas were subsequently leased directly by New NAIA Infra Corp. (NNIC) to the principal locators, LTP and PAL/PALEx. In May 2026, LTP, MAC's associate, signed a lease contract with New NAIA Infra Corp. (NNIC). MAPDC continues to provide administrative services to PAL/PALEx in connection with the MacroAsia Special Economic Zone. The area continues to support MRO activities, including LTP base maintenance and PAL/PALEx line maintenance.

6. **MRO Growth Initiatives**

   LTP is pursuing a new base-maintenance facility at Clark International Airport to complement its existing NAIA operations and provide additional capacity for widebody aircraft maintenance. LTP signed a lease agreement for a plot of land at Clark International Airport on 18 May 2026, and subsequently broke ground for the new base maintenance facility to be constructed on 06 August 2026.

   The planned facility will cover approximately 157,000 square meters and is designed for up to nine widebody aircraft bays upon full development. Phase 1 is targeted to commence operations in 2028 with two aircraft bays.

7. **Other Significant Income or Loss Elements**
   There were no material income or loss items outside the Group's continuing operations other than those disclosed in the interim consolidated financial statements. No material seasonal or cyclical factors that have material effect were identified during the reporting period.

8. **Issuance or Repurchase of Securities**
   The Group did not issue, repurchase or retire any debt or equity securities during the interim reporting period.

9. **Subsequent Events**
   On August 11, 2026, the Parent Company's BOD approved the declaration of cash dividends amounting to ₱0.11 per share or ₱208.0 million from the unrestricted retained earnings of the Parent Company as of December 31, 2025. The dividends are payable on or before 06 October 2026 to stockholders of record as of 10 September 2026.

10. **Management Outlook for the Second Half of 2026**
    For the balance of 2026, Management will focus on improving operating margins through customer rate adjustments and recovery of higher airport-related costs, productivity improvements, supply-chain initiatives and tighter management of manpower and other operating expenses.

    Management will likewise prioritize cash generation and liquidity, with increased emphasis on collections, working-capital discipline and the prudent phasing and financing of capital expenditures. Major growth projects will continue to utilize project and partner-bank financing where appropriate, while Management closely monitors leverage and debt-service requirements.

The Group will continue to execute its diversification strategy across food services, aviation support, MRO and water infrastructure. Projects approaching operating stage, including the Lapu-Lapu desalination facilities targeted for completion before year-end 2026, are expected to progressively expand the Group's revenue-generating capacity, while the MSFI expansion targeted for Q1 2027 will provide additional capacity for institutional food-service growth.

SIGNATURES

Pursuant to the requirement of Section 17 of the Code and Section 177 of the Revised Corporation Code of the Philippines, this report has been reviewed and endorsed by the Audit Committee of MacroAsia Corporation on August 11, 2026, and subsequently approved by the Board of Directors of MacroAsia Corporation, and herein signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on August 11, 2026.

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

June 30, 2026 and 2025 (Unaudited)

and

December 31, 2025 (Audited)

GENERAL INFORMATION

Board of Directors*

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

**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)
3rd 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, Legazpi 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

CTBC Bank
Ground Floor, SEDCCO I Building,
Legaspi corner Rada Streets, Makati City

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, 2025 Statement of Financial Position)

		JUNE 30, 2026 (UNAUDITED)		DECEMBER 31, 2025 (AUDITED)
ASSETS				
Current Assets				
Cash and cash equivalents	₱	**2,353,904,455**	₱	2,470,617,767
Receivables and contract asset		**2,591,494,946**		2,435,855,119
Inventories		**184,626,706**		180,165,931
Input taxes and other current assets (Note 5)		**1,339,063,687**		1,175,150,284
Total Current Assets		**6,469,089,794**		6,261,789,101
Noncurrent Assets				
Investments in associates		**4,389,665,545**		3,806,564,227
Property, plant and equipment (Note 4)		**4,128,560,124**		3,589,688,776
Investment property (Note 13)		**208,902,352**		143,852,303
Service concession right		**437,114,053**		438,336,998
Input taxes -net		**53,921,277**		50,542,187
Deferred income tax assets		**114,222,550**		114,550,269
Goodwill and intangible assets		**357,119,098**		359,809,552
Net Investment in the lease		**19,219,953**		21,954,151
Right of Use Asset		**775,168,402**		809,052,472
Other noncurrent assets		**1,196,256,473**		977,773,734
Total Noncurrent Assets		**11,680,149,827**		10,312,124,669
TOTAL ASSETS `	₱	**18,149,239,621**	₱	16,573,913,770

LIABILITIES AND EQUITY				
Current Liabilities				
Current loans payable (Note 6)	₱	**1,431,267,354**	₱	734,855,488
Accounts payable and accrued liabilities		**2,887,538,242**		3,235,178,317
Income tax payable		**119,863,890**		126,169,179
Dividends payable		**10,505,443**		10,505,443
Lease Liabilities Right of use Asset		**46,518,590**		46,518,590
Total Current Liabilities		**4,495,693,519**		4,153,227,017
Noncurrent Liabilities				
Loans payable- net of current portion (Note 6)		**2,570,219,858**		2,048,421,029
Accrued retirement and other employee benefits payable		**223,328,332**		200,730,220
Deferred income tax liabilities		**92,975,466**		94,683,089
Lease Liabilities Right of use Asset - net of current portion		**890,276,705**		915,201,716
Other noncurrent liabilities		**132,344,461**		90,795,046
Total Noncurrent Liabilities		**3,909,144,822**		3,349,831,100
Total Liabilities		**8,404,838,341**		7,503,058,117

(Forward)

Equity				
Capital stock - ₱ 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		**249,598,256**		122,565,567
Retained earnings				
Appropriated		**2,940,000,000**		2,940,000,000
Unappropriated		**3,059,396,388**		2,609,793,832
Treasury shares		**(459,418,212)**		(459,418,212)
Total equity attributable to equity holders of the parent company		**9,007,360,730**		8,430,725,485
Non-controlling interests		**737,040,550**		640,130,168
Total Equity		**9,744,401,280**		9,070,855,653
TOTAL LIABILITIES AND EQUITY	**₱**	**18,149,239,621**	₱	16,573,913,770

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 June 30

		APRIL - JUNE				JANUARY - JUNE		
		2026		2025		**2026**		2025
NET SERVICE REVENUE								
In-flight and other catering	₱	**1,320,072,350**	₱	1,201,198,250	₱	**2,625,127,170**	₱	2,347,861,597
Ground handling and aviation		**1,091,149,335**		1,034,597,787		**2,202,084,015**		2,033,589,293
Rental and administrative		**9,526,103**		13,695,532		**23,186,784**		27,391,064
Aviation training fee		**23,359,795**		18,138,698		**44,424,406**		39,774,515
Water		**194,113,719**		192,414,406		**369,028,336**		364,007,087
Connectivity and technology services		**397,429**		-		**397,429**		-
		2,638,618,731		2,460,044,673		**5,264,248,140**		4,812,623,556
DIRECT COSTS								
In-flight and other catering		**937,245,776**		829,346,044		**1,823,970,386**		1,620,730,223
Ground handling and aviation		**1,083,090,010**		944,259,199		**2,113,262,049**		1,828,745,684
Rental and administrative		**13,093,619**		19,650,969		**30,344,806**		35,492,156
Aviation training cost		**22,651,431**		23,879,923		**42,622,019**		47,920,342
Water related expenses		**106,252,110**		106,593,378		**205,593,241**		205,400,654
		2,162,332,946		1,923,729,513		**4,215,792,501**		3,738,289,059
GROSS PROFIT	₱	**476,285,785**	₱	536,315,160	₱	**1,048,455,639**	₱	1,074,334,497
SHARE IN NET INCOME OF ASSOCIATES		**377,033,744**		365,044,189		**456,068,609**		610,979,305
		853,319,529		901,359,350		**1,504,524,248**		1,685,313,802
OPERATING EXPENSES		**(444,910,006)**		(408,800,734)		**(852,005,135)**		(756,002,244)
INTEREST INCOME		**5,559,198**		8,596,563		**15,818,824**		13,923,823
FINANCING CHARGES		**(40,010,169)**		(29,652,830)		**(64,412,598)**		(58,820,542)
OTHER INCOME - net		**28,674,191**		574,749		**48,264,263**		7,627,421
INCOME BEFORE INCOME TAX	₱	**402,632,743**	₱	472,077,097	₱	**652,189,602**	₱	892,042,260
PROVISION FOR INCOME TAX		**42,754,678**		57,426,115		**105,676,665**		114,944,889
NET INCOME	₱	**359,878,065**	₱	414,650,982	₱	**546,512,937**	₱	777,097,371
Attributable to:								
Equity holders of the parent		**320,552,925**		365,782,814		**449,602,555**		679,692,337
Non-controlling interests		**39,325,140**		48,868,168		**96,910,382**		97,405,034
	₱	**359,878,065**	₱	414,650,982	₱	**546,512,937**	₱	777,097,371
Basic Earnings Per Share		**0.17**		0.19		**0.24**		0.36

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

MACROASIA CORPORATION AND SUBSIDIARIES

INTERIM UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		JANUARY - JUNE		
		2026		2025
NET INCOME	**₱**	**546,512,937**	₱	777,097,371
OTHER COMPREHENSIVE INCOME - Net				
Net foreign currency translation adjustments		**127,032,690**		(42,131,072)
Remeasurements on defined benefit plan		**-**		-
		127,032,690		(42,131,072)
Total Comprehensive Income		**673,545,627**		734,966,299
Attributable to:				
Equity holders of the parent	**₱**	**576,635,245**	₱	637,561,265
Non-controlling interests		**96,910,382**		97,405,034
	₱	**673,545,627**	₱	734,966,299

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 June 30		
		2026		**2025**
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	₱	652,189,602	₱	892,042,260
Adjustments for:				
Equity in net income of associates		(456,068,609)		(610,979,305)
Depreciation and amortization		193,130,138		163,229,963
Depreciation and amortization - Right of Use Asset		29,282,684		30,605,807
Interest on Lease Liabilities on Right Of Use Asset		16,348,472		28,675,790
Interest income		(15,818,825)		(13,923,824)
Unrealized foreign exchange (gain) loss - net		(24,529,940)		10,235,191
Retirement benefit cost		22,598,112		15,970,808
Financing charges		48,064,127		30,144,752
Operating income before working capital changes		465,195,761		546,001,442
Decrease (increase) in:				
Receivables		(160,987,225)		(26,308,346)
Inventories		(4,460,775)		9,787,580
Other current assets		(133,727,425)		(156,060,542)
Increase (decrease) in:				
Accounts payable and accrued liabilities		(339,362,258)		4,754,674
Other noncurrent liabilities		41,549,415		(2,828,056)
Cash generated from (used in) operations		(131,792,507)		375,346,752
Interest received		10,364,089		15,551,997
Financing charges paid		(46,466,382)		(30,129,059)
Contributions to retirement fund		-		(20,962,994)
Income taxes paid , including creditable witholding taxes		(146,926,929)		(127,222,324)
Net cash from (used in) operating activities	₱	(314,821,729)	₱	212,584,372
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment (Note 4)		(784,180,800)		(742,189,400)
Acquisitions of intangible assets		(307,706)		(5,617,518)
Dividends received		-		280,329,000
Receipt (Payment) of refundable deposits and other noncurrent assets		(233,853,828)		68,882,126
Net cash from (used in) investing activities	₱	(1,018,342,334)	₱	(398,595,792)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of notes payable		1,365,000,000		1,468,000,000
Payments of notes payable		(146,789,305)		(176,042,320)
Dividends paid				(201,131,522)
Payment of Lease Liabilities on Right Of Use Asset		(28,483,163)		(41,708,493)
Net cash from (used in) financing activities	₱	1,189,727,532	₱	1,049,117,665
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		26,723,219		(10,235,199)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	₱	(116,713,312)	₱	852,871,046
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,470,617,767		1,369,282,600
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	₱	2,353,904,455	₱	2,222,153,646

*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 Audited December 31, 2025 and 2024 Statement of Changes in Equity)
(In Thousand Pesos)

	Attributable to the Equity Holders of the Parent												
									Retained Earnings				
	Capital Stock	Additional Paid-in Capital	Share in Foreign Currency Translation Adjusment 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	Subtotal	Non-controlling Interest	Total
BALANCES AT DECEMBER 31, 2024	**1,933,306**	**281,437**	**137,529**	**(65,417)**	**(193,795)**	**1,003,041**	**116,470**	**(459,418)**	**960,000**	**3,356,833**	**7,069,987**	**493,759**	**7,563,745**
Dividend declaration	-	-	-	-	-	-	-	-	-	(208,005)	(208,005)	-	(208,005)
Total comprehensive income (loss)	-	-	(42,131)	-	-	-	-	-	-	679,692	637,561	97,405	734,966
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional 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)	-	-	-
BALANCES AT JUNE 30, 2025	**₱ 1,933,306**	**281,437**	**95,398**	**(65,417)**	**(193,795)**	**1,003,041**	**116,470**	**(459,418)**	**2,940,000**	**1,848,520**	**7,499,542**	**677,460**	**₱ 8,177,003**
BALANCES AT DECEMBER 31, 2025	**1,933,306**	**281,437**	**185,192**	**(65,435)**	**(134,912)**	**1,003,041**	**137,720**	**(459,418)**	**2,940,000**	**2,609,794**	**8,430,725**	**640,130**	**9,070,856**
Dividend declaration	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	127,033	-	-	-	-	-	-	449,603	576,635	96,910	673,546
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional investment of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-
BALANCES AT JUNE 30, 2026	**₱ 1,933,306**	**281,437**	**312,225**	**(65,435)**	**(134,912)**	**1,003,041**	**137,720**	**(459,418)**	**2,940,000**	**3,059,396**	**9,007,361**	**737,041**	**₱ 9,744,401**

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

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. Under the Revised Corporation Code of the Philippines (RCC), all corporations with certificate of incorporation issued prior to effectivity of RCC, for which MAC falls under, shall have perpetual existence. 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 21 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.

Geopolitical Risk – Middle East Conflict

The Group continues to monitor developments relating to the ongoing conflict in the Middle East and assess its potential impact on its operations and financial position. As of June 30, 2026, management has determined that there is limited direct exposure to the Group. However, indirect impacts on certain business segments in the aviation industry may arise from rising fuel prices, which could lead to reduced flight activity and lower demand for aviation support services, including ground handling and airline catering.

Given the evolving nature of the situation, the Group will continue to closely monitor developments and implement appropriate measures, consistent with its risk management policies, to mitigate any potential significant adverse effects.

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 thousands unless otherwise indicated.

Statement of Compliance

The interim condensed consolidated financial statements for the period ended June 30, 2026, 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, 2025.

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, 2026 Unless otherwise indicated, adoption of these new standards did not have any impact on the consolidated financial statements of the Group.

- *Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, Disclosures about Uncertainties in the Financial Statements*
- *Amendments to PFRS 9 and PFRS 7, Classification and Measurement of Financial Instruments*
- *Amendments to PFRS 9 and PFRS 7, Contracts Referencing Nature-dependent Electricity*
- *Annual Improvements to PFRS Accounting Standards - Volume 11*
    - 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

- Philippine Interpretations Committee (PIC) Q&A No. 2025-03 "Accounting for cash received/paid via electronic transfer as settlement for a financial asset/liability"

  The PIC released PIC Q&A No. 2025-03 which provides further guidance on the application of amendments coming from the post implementation review of PFRS 9. Specifically, the PIC Q&A touched on when to recognize and derecognize financial assets and financial liabilities arising from electronic transfer as a form of settlement considering the laws and regulations applicable in the Philippines.

  This PIC Q&A is effective for annual periods beginning on or after January 1, 2026. The Company is currently assessing any impact of this PIC Q&A to the financial statements.

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, 2027

- Amendments to PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*

  The standard replaces PAS 1, *Presentation of Financial Statements,* and responds to investors' demand for better information about companies' financial performance. The new requirements include:

  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

Management is in the process of assessing the effects of the new requirements on the presentation of and disclosures to the Group's consolidated financial statements.

- PFRS 19, *Subsidiaries without Public Accountability*

- PFRS 18, Presentation and Disclosure in Financial Statements

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

  The Company is currently assessing the impact of adopting PFRS 18 in its financial reporting, including its data collection process.

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, the subsidiaries of MACS, 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 June 30, 2026 (unaudited) and December 31, 2025 (audited).

		Percentage of Ownership by MAC				Percentage of Direct Ownership of Subsidiaries	
		2026		2025			
Entity	Nature of business	**Direct**	**Indirect**	Direct	Indirect	**2026**	2025
MacroAsia Airport Services Corporation (MASCORP)	Ground handling aviation services	**80**	**–**	80	–	**–**	–
Aviation Product Corporation (APC) [2]	Aircraft ULD repair services	**–**	**80**	–	**80**	**100**	**100**
MacroAsia Catering Services Corporation (MACS)	In-flight and other catering Services	**67**	**–**	67	–	**–**	–
MacroAsia SATS Food Industries (MSFI)	Meal production and food processing	**67**[3]	**–**	67	–	**–**[3]	–
MacroAsia SATS Inflight Services Corporation (MSISC)	Meal production and food processing	**67**[4]	**–**	67	–	**–**[4]	–
MacroAsia New Ventures, Inc. (MNVI) [5]		**100**	**–**	**100**	–	–	–
MacroAsia Air Taxi Services Inc. (MAATS)	Fixed-based operation (FBO)	**100**	**–**	100	–	**–**	–
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**	100
Boracay Tubi System, Inc. (BTSI)	Water treatment and distribution, and construction of sewage treatment plant	**–**	**67**	–	67	**67**	67
MONAD Water and Sewerage Systems, Inc. (MONAD)	Water sewerage treatment	**–**	**53.6**	–	53.6	**80**	80
New Earth Water System, Inc. (NEWS)	Water projects	**–**	**67**	–	67	**100**	100
Naic Water Supply Corporation (NAWASCOR)	Water distribution	**–**	**100**	–	100	**100**	100
Aqualink Resources Development, Inc.	Water distribution	**–**	**51**	–	51	**51**	51
Mabini PangasinanResources Development Corporation (MPRDC)	Water projects	**–**	**100**	–	100	**100**	100
Panay Water Business Resources, Inc. (PWBRI)	Water projects	**–**	**90**	–	90	**90**	90
Watergy Business Solutions, Inc. (WBSI)	Water projects	**–**	**100**	–	100	**100**	100
Cavite Business Resources Inc. (CBRI)	Water projects	**–**	**100**	–	100	**100**	100
First Aviation Academy, Inc. (FAA).	Aviation school	**51**	**–**	51	–	**–**	–
Allied Water Services, Inc. (AWSI)	Water projects	**100**	**–**	100	–	**–**	–
AlliedKonsult Eco Solutions Corporation (AKESC)	Water treatment	**–**	**51**	**–**	51	**51**	51
Cavite Alliedkonsult Services Corporation (CAKSC)	Water treatment	**–**	**51**	**–**	51	**100**	100
Summa Water Resources Inc. (SWRI)	Water treatment and equipment lease	**–**	**60**	–	60	**60**	60
CSW Lapu-Lapu Inc. (CSWLL)	Bulk potable water supply and water treatment	**–**	**60**	–	60	**100**	100
Poro Point Summa Water Inc. [1]	Water distribution	**–**	**60**	–	60	**100**	100
MacroAsia Mining Corporation (MMC)	Mine exploration, development and operation	**100**	**–**	100	–	**–**	–
MMC Management & Development Corporation	Mine exploration, development and operation	**–**	**100**	–	100	**100**	100
Bulawan Mining Corporation (BUMICO)	Mine operation, development and utilization	**–**	**100**	–	100	**100**	100
MacroAsia Shared Services Corporation (MSSC) [6]	Shared business services	**100**	**–**	100	–	**–**	–

(1) Ownership interest effective January 6, 2025
(2) Ownership interest effective February 18, 2025
(3) Change in ownership interest starting June 4, 2025
(4) Change in ownership interest starting June 4, 2025
(5) Ownership interest effective September 2, 2025
(6) Change in corporate name to MacroAsia Shared Services Corp. effective April 23, 2026

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 in 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.

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 June 30, 2026 and December 31, 2025, 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 qualify 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 these 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 for 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 on 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.

Allocation of purchase price for the acquired business
The Group accounts for the acquired businesses using the acquisition method which requires extensive use of accounting judgments and estimates to allocate the purchase price to the fair market values of the acquiree's identifiable assets and liabilities and contingent liabilities, if any, at the acquisition date. Any difference in the purchase price and the fair values of the net assets acquired is recorded as either goodwill, a separate account in the consolidated balance sheet, or gain on bargain purchase in profit or loss. Thus, the numerous judgments made in estimating the fair value to be assigned to the acquiree's assets and liabilities can materially affect the Company's financial position and performance. The Group's acquisition of a subsidiary in 2025 and 2023, has resulted in recognition of gain on bargain purchase amounting to ₱0.2 million and ₱69.7 million, respectively. There are no changes in the provisional fair value used in accounting for the acquisition in 2023 upon finalization of purchase price allocation in 2024.

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 ₱936.8 million and ₱961.7 million as of June 30, 2026, and December 31, 2025, 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 ₱85.5 million and ₱75.4, amounted to ₱2,591.5 and ₱2,435.9 million as of June 30, 2026 and December 31, 2025, 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 2026, and 2025.

The Group's inventories carried at cost as of June 30, 2026 and December 31, 2025 and amounted to ₱184.6 million and ₱180.2 million, respectively.

Estimating allowances for probable losses on input taxes
The Group estimates the level of provision for probable losses on input taxes based on the experience of the Group and assessment of counsels assisting certain subsidiaries of the Group in processing the claims and negotiating the monetization of input vat from zero-rated sales. As of June 30, 2026 and December 31, 2025, the carrying value of input taxes amounted to ₱719.2 million and ₱658.1 million, respectively. Allowance for probable losses amounted to ₱44.7 million and ₱53.2 million as of June 30, 2026 and December 31, 2025, 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 noncurrent assets.

There was no change in the estimated useful lives of property, plant and equipment in 2026 and 2025.

The carrying value of property and equipment subject to depreciation as of June 30, 2026 and December 31, 2025 amounted to ₱3,305.6 million and ₱2,748.7 million, 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 ₱229.3 million and ₱232.0 million as of June 30, 2026 and December 31, 2025.

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:

	2026	2025
Investments in associates	**₱4,389,665,545**	₱3,806,564,227
Property, plant and equipment	**4,128,560,124**	3,589,688,776
Right-of-use assets	**775,168,402**	809,052,471
Investment property	**208,902,352**	143,852,303
Service concession right	**437,114,053**	438,336,998
Water Rights	**117,301,467**	118,296,719
Water service contract	**72,264,350**	72,264,350
Customer contract and relationships	**39,608,629**	41,406,252
Deferred project costs	**42,783,267**	42,783,267
Deferred mine exploration costs	**256,633,717**	256,133,717

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, co-terminus 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), which is estimated using the capital asset pricing model (CAPM). The WACC is determined by reference to market data from listed entities with similar asset profiles or comparable risk characteristics.

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 ₱213.7 million and ₱221.4 million as of June 30, 2026 and December 31, 2025, respectively.

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 June 30, 2026, MMC has not started its mining activities. The mining operation was delayed from the original plan since Declaration of Mining Project Feasibility (DMPF) was only received from Mines and Geosciences Bureau (MGB) in January 2026. As a result, management performed the impairment analysis on its 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 plans. The discount rate is a pre-tax measure based on the weighted average cost of capital (WACC), which is estimated using the capital asset pricing model (CAPM). The WACC is determined by reference to market data from listed entities with similar asset profiles or comparable risk characteristics.

The carrying value of deferred mine exploration cost amounted to ₱256.6 million and ₱256.1 million as of June 30, 2026 and December 31, 2025, respectively.

Impairment of water service contract not yet available for use
As of date, CSWLL has revised the timeline for the commencement of commercial operation for 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. 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.

The carrying value of water service contract amounted to ₱72.3 million as of June 30, 2026, and December 31, 2025.

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 in 2026 and 2025 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 June 30, 2026 and December 31, 2025.

The carrying value of the right to use asset amounted to ₱117.3 million, ₱118.3 million as of June 30, 2026 and December 31, 2025, 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 2026 and 2025.

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 ₱223.3 million and ₱200.7 million as of June 30, 2026 and December 31, 2025, respectively. Pension asset amounted to ₱7.7 and ₱7.7 million as of June 30, 2026 and December 31, 2025, respectively, 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.

Deferred income tax assets recognized, which relate primarily to operating subsidiaries, amounted to ₱169.4 million as of June 30, 2026 and December 31, 2025, respectively. 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, JASCO and MJFSC) 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 and its subsidiaries, and through the Company's interest in CPCS, refers to servicing of meal requirements of certain foreign and domestic passenger airlines, as well as certain passenger terminal lounges at the NAIA and the MDA, and of certain non-airline institutional accounts. In 2025, the Company through a wholly-owned subsidiary, acquired 49% ownership in MJFSC, a commissary in Cebu serving 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, KIA, 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.
- 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 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 now MSSC, provides integrated information technology and connectivity solutions across the MacroAsia Group and its partner companies. The expanded scope now includes Finance, Human Resources, and Purchasing functions.
- Administrative segment, which is primarily operated through MAPDC, focuses on supporting the property requirements of related parties.
- 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 June 30, 2026 and 2025 are as follows:

(In Thousand Pesos)

	April to June		January to June	
REVENUE – External	**2026**	2025	**2026**	2025
In-flight and other catering	**1,320,072**	1,201,198	**2,625,127**	2,347,862
Ground handling and aviation	**1,091,149**	1,034,598	**2,202,084**	2,033,589
Rental and administrative	**9,526**	13,696	**23,187**	27,391
Aviation training fee	**23,360**	18,139	**44,424**	39,775
Water	**194,114**	192,414	**369,028**	364,007
Connectivity and technology services	**397**		**397**	-
Total segment and consolidated revenue	**2,638,619**	2,460,045	**5,264,248**	4,812,624
RESULT – Segment result				
In-flight and other catering services	**191,682**	180,676	**422,888**	356,991
Ground handling and aviation	**(53,965)**	29,701	**(23,319)**	90,977
Rental and administrative services	**(15,452)**	(22,733)	**(36,106)**	(36,633)
Charter flights service	**3,210**	70	**2,789**	1,065
Aviation training	**480**	(10,998)	**(3,341)**	(17,490)
Water	**26,376**	38,257	**39,441**	47,608
Mining	**(4,381)**	(2,384)	**(8,113)**	(4,709)
Connectivity and technology services	**(3,007)**	(8,725)	**(6,486)**	(10,580)
Share in net income (loss) of associates	**377,034**	365,044	**456,069**	610,979
Total segment results	**521,977**	568,908	**843,822**	1,038,208
Unallocated corporate income (expenses) and eliminations	**(119,344)**	(96,831)	**(191,633)**	(146,166)
Provision for income tax	**(42,755)**	(57,426)	**(105,676)**	(114,945)
Consolidated net income (loss)	**359,878**	414,651	**546,513**	777,097

(In Thousand Pesos)

	Jun-26	Dec-25
OTHER INFORMATION		
Segment assets		
In-flight and other catering services	**3,465,823**	3,142,706
Ground handling and aviation	**2,394,453**	2,104,845
Rental and administrative services	**1,590,243**	1,971,214
Charter flights service	**53,355**	48,229
Investment in associates	**4,389,666**	3,806,564
Aviation training	**205,604**	208,971
Water	**4,739,832**	4,294,293
Mining	**343,668**	300,964
Total segment assets	**17,182,644**	15,877,786
Investment property	**208,902**	143,852
Deferred tax asset	**114,223**	114,550
Unallocated corporate assets and eliminations	**643,471**	437,725
Consolidated total assets	**18,149,240**	16,573,914

Segment liabilities	2026	2025
In-flight and other catering services	**1,965,421**	1,894,838
Ground handling and aviation	**2,932,846**	2,596,762
Rental and administrative services	**1,875,724**	2,163,438
Aviation training	**430,941**	430,898
Charter flights service	**20,872**	18,036
Water-related projects	**3,841,003**	3,434,660
Mining	**179,431**	128,612
Total segment liabilities	**11,246,238**	10,667,244
Deferred tax liabilities	**92,975**	94,683
Unallocated corporate liabilities and eliminations	**(2,934,376)**	(3,258,869)
Consolidated total liabilities	**8,404,838**	7,503,058

Capital expenditures	**April to June**		**January to June**	
	2026	2025	**2026**	2025
In-flight catering services	**54,500**	41,761	**111,805**	53,242
Ground handling and aviation	**57,135**	475,947	**65,143**	505,199
Rental and administrative services	**-**	-642	**-**	158
Charter flights service	**67**	20	**67**	2,214
Aviation training	**1,976**	728	**2,791**	921
Water	**280,091**	138,993	**570,833**	184,127
Mining	**134**	48	**134**	47,937.50
Unallocated corporate capital expenditures	**-40,650**	-3,648	**-30,630**	1,899
Total	**353,254**	653,206	**720,143**	747,807
Depreciation & amortization				
In-flight catering services	**33,204**	23,306	**59,839**	45,786
Ground handling and aviation	**32,352**	25,064	**64,247**	48,428
Rental and administrative services	**6,198**	8,515	**12,423**	14,164
Charter flights service	**103**	235	**229**	250
Aviation training	**4,436**	3,764	**8,551**	7,591
Water-related projects	**28,071**	30,676	**54,903**	56,890
Mining	**-**	14	**-**	27
Unallocated corporate depreciation and amortization	**12,076**	8,825	**22,221**	20,699
Total	**116,440**	100,400	**222,413**	193,836
Non cash expenses other than depreciation & amortization				
In-flight catering services	**11,146**	-6,436	**12,033**	-6,006
Ground handling and aviation services	**2,651**	-2,883	**9,952**	-5,245
	13,797	-9,319	**21,985**	-11,252

5. Input taxes and other current assets

	2026	2025
Input taxes - net	**₱665,312,686**	₱ 607,593,769
Creditable withholding taxes	**386,589,474**	353,024,405
Prepayments	**81,890,701**	37,075,970
Supplies	**82,071,784**	64,179,097
Advances to suppliers	**102,501,309**	92,799,880
Other current assets	**20,697,733**	20,477,163
	₱1,339,063,687	₱1,175,150,284

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 pertains 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

		2026		2025
Notes payable	₱	**1,089,000,000**	₱	485,000,000
Current portion of loans payable		**342,267,354**		249,855,488
Current loans payable	₱	**1,431,267,354**	₱	734,855,488
Long Term Debts	₱	**2,571,627,450**	₱	2,050,267,035
Capitalisable transaction cost		**(1,407,592)**		(1,846,006)
Loans payable - net of current portion	₱	**2,570,219,858**	₱	2,048,421,029

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

In the current year, MSFI secured a nine-year term loan agreement amounting to ₱170.0 million to finance the expansion of its existing commissary. The loan principal is payable in equal quarterly installments following a 30-month grace period, while interest is payable quarterly at a rate of 6.70%, subject to re-pricing. Also, BTSI secured a ₱35 million short-term loan which is payable for 180 days with an interest rate of 6.75%, subject to monthly repricing. In addition, MAC secured short-term loans amounting to ₱300.0 million and ₱300.0 million for general corporate requirements. The loan principal is payable upon maturity, while interest is payable quarterly and monthly, respectively at a rate of 6.0% subject to quarterly repricing and fixed rate of 5.75%, respectively.

In accordance with the loan agreements, MASCORP is required to maintain a debt-to-equity ratio of not greater than 2.33 times and debt-service-coverage ratio of not lower than 1.0x. MASCORP did not meet the required financial debt covenants. MASCORP was able to secure a waiver of the required financial covenants from the bank as of December 31, 2025, and is still effective as of the reporting period.

BTSI is required to maintain certain financial ratios, such as current ratio, debt service cost coverage and debt equity ratio, and comply with non-financial covenants for bank loan applicable a year after the grant of the loan. As of the reporting period, BTSI remains within the required financial ratios and is in compliance with all applicable debt covenants.

CSWLL is required to maintain a debt-to-equity ratio of not greater than 3.00 times and debt-service-coverage ratio of not lower than 1.2x. CSWLL did not meet the required financial debt covenants but has secured a waiver for the compliance with financial covenant as of December 31, 2025 and is still effective as of the reporting period.

7. Revenue

	2026	2025
Gross service revenue	**₱5,370,259,825**	₱4,863,290,886
Less discounts	**(106,011,685)**	(50,667,330)
	₱5,264,248,140	₱4,812,623,556

Disaggregated Revenue Information

The Group derives its revenue from transfer of goods and services over time and at a point in time, in different product types and within the Philippines.

Set out below are the disaggregation of the Group's revenue and the reconciliation of the revenue from contracts with customers with the amounts disclosed in segment information.

2026

	In-flight and Other Catering*	Ground Handling and Aviation	Rental and administrative*	Water Treatment and Distribution*	Mining	ICT Services	Total
Services							
Inflight and other catering	₱1,687,382,559	₱–	₱–	₱–	₱–	₱–	₱1,687,382,559
Passenger and ramp services	–	1,915,671,245					1,916,671,245
Cargo handling	–	179,586,893	–	–	–	–	179,586,893
Water distribution	–	–	–	362,811,803	–	–	362,811,803
Operation and maintenance of STP	–	–	–	6,216,533	–	–	6,216,533
Rental and administrative fees	–	–	23,186,784	–	–	–	13,660,682
Others	877,108,564	150,250,284	–	–	–	–	1,027,358,848
ICT services	–	–	–	–		397,429	397,429
	2,564,491,123	2,246,508,422	23,186,784	369,028,336	–	397,429	5,180,425,308
Goods							
Beverages and dry goods	60,636,047	–	–	–	–	–	60,636,047
Total	₱2,625,127,170	₱2,246,508,422	₱23,186,784	₱369,028,336	₱–	₱397,429	₱5,264,248,140

2025

	In-flight and Other Catering*	Ground Handling and Aviation	Rental and administrative*	Water Treatment and Distribution*	Mining	ICT Services	Total
Services							
Inflight and other catering	₱ 1,513,654,745	₱–	₱–	₱–	₱–	₱–	₱1,513,654,745
Passenger and ramp services	–	1,833,564,940					1,833,564,940
Cargo handling	–	200,024,353	–	–	–	–	200,024,353
Water distribution	–	–	–	357,482,772	–	–	357,482,772
Operation and maintenance of STP	–	–	–	6,524,315	–	–	6,524,315
Rental and administrative fees	–	–	27,391,064	–	–	–	27,391,064
Others	776,721,342	39,774,515	–	–	–	–	816,495,858
	2,290,376,087	2,073,363,808	27,391,064	364,007,087	–	–	4,727,746,982
Goods							
Beverages and dry goods	57,485,511	–	–	–	–	–	57,485,511
Total	₱2,347,861,597	₱2,073,363,808	₱27,391,064	₱364,007,087	₱–	₱–	₱4,812,623,556

8. *Basic/Diluted Earnings per Share*

Basic/diluted earnings per share are computed as follows:

(In thousand pesos except earnings per share)	**Jun-26**	Dec-25	Jun-25
Net income attributable to equity holders of the parent	**449,603**	1,440,966	679,692
Divided by weighted average number of common shares	**1,890,958**	1,890,958	1,890,958
	0.238	0.762	0.359

9. *Equity*

a. Restriction on retained earnings of the Group

The retained earnings as of June 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 ₱3,563.9 million and ₱2,799.0 million as of June 30, 2026 and December 31, 2025, respectively.

- Cost of treasury shares amounting to ₱459.4 million as of June 30, 2026 and December 31, 2025.

b. Appropriation of retained earnings
Appropriated retained earnings as of June 30, 2026 and December 31, 2025 amounted to ₱2,940.0 million.

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
March 23, 2023	₱0.050	April 21, 2023	May 18, 2023

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 June 30, 2026 and December 31, 2025, the Parent Company's cost and number of shares held in treasury are as follows:

	2026	2025
Cost	**₱459,418,212**	₱459,418,212
Number of shares held in treasury	**42,347,600**	42,347,600

Movement in the Parent Company's outstanding shares follows:

	Issued	Treasury	Outstanding
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, 2012	1,250,000,000	(16,596,000)	1,233,404,000
Acquisition of treasury shares in 2013	–	(6,249,600)	(6,249,600)
As of December 31, 2013, 2014, 2015, 2016 and 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 June 30, 2026 and December 31, 2025, 2024, 2023, 2022, 2021 and 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 854 and 852 holders of its common equity as of June 30, 2026, and December 31, 2025, 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)
MSIS	December 12, 2025	₱100,000,000	₱100.0	₱33,000,000
MACS	September 10, 2025	50,000,000	40.0	16,500,000
MACS	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

g. On December 12, 2025, the MSIS BOD approved dividend declaration of ₱100.0 million. On September 10, 2025, the MACS and MSIS BOD approved dividend distribution amounting to ₱50.0 million and₱150.0 million, respectively. On March 13, 2024, the MACS BOD approved the distribution of cash dividends totaling ₱70.0 million to MAC and SATS. These dividends were paid in installments on April 2, May 31, and August 9 of the same year. Additionally, during the regular MACS BOD meeting held on September 12, 2024, it was approved that MACS investments in subsidiaries, MSIS and MSFI, would be declared and distributed as property dividends. This declaration of property dividends is part of the restructuring of MAC's food business segment (the Food Group) wherein MSFI is planned to be the Parent Company of the Food Group replacing the Company. MACS and MSISC will be fully owned subsidiaries of MSFI.

As of June 30, 2026 and December 31, 2025, ₱10.5 million, remained outstanding and presented as "Dividends payable" in the consolidated balance sheets.

h. 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.

10. 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 June 30, 2026 and December 31, 2025. Further, no changes were made in the objectives, policies or processes for the period ended December 31, 2025 and for the six-month period ended June 30, 2026.

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-Jun-26	31-Dec-25	30-Jun-25
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	**5,999,396,388**	5,549,793,832	4,788,519,974
	7,754,721,217	7,305,118,661	6,543,844,803
Net income/(loss) after tax	**546,512,938**	1,607,391,302	777,097,371
Return on equity	**7.05%**	22.00%	11.88%

11. 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 64% of MACS' and 12% of MASCORP's revenue are denominated in US$ as of June 30, 2026. 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:

(in millions)	Movement in US$	Increase (decrease) on Income/Loss before Income Tax US$
2026	Increase of 5%	46.0
	Decrease of 5%	(46.0)
2025	Increase of 5%	44.5
	Decrease of 5%	(44.5)
2024	Increase of 5%	35.0
	Decrease of 5%	(35.0)

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 APC. 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.

June 30, 2026	Neither Past Due Nor Impaired	Past Due but not Impaired Les than 30 Days	30 to 60 Days	61 to 90 Days	Over 90 Days	ECL	Total, net of ECL
Financial assets:							
Cash in bank	2,349,481,239	-	-	-	-	-	2,349,481,239
Trade receivables	1,394,193,084	230,118,837	191,603,541	138,033,497	262,393,727	(85,503,510)	2,130,839,176
Advances to officers and employees	29,897,374	-	-	-	-	-	29,897,374
Interest receivable	4,254,449	-	-	-	-	-	4,254,449
Other receivables	410,478,305	-	-	-	-	-	410,478,305
Non-Trade	115,922,830	-	-	-	-	-	115,922,830
Deposits	79,059,279	-	-	-	-	-	79,059,279
Contract assets	25,981,563	-	-	-	-	-	25,981,563
Installment receivables	15,402,141	-	-	-	-	-	15,402,141
Finance lease receivable	9,977,416	-	-	-	-	-	9,977,416
	4,434,647,681	230,118,837	191,603,541	138,033,497	262,393,727	(85,503,510)	5,171,293,773

**Exclusive of cash on hand amounting to P4,423,216 as of June 30, 2026.*

December 31, 2025	Neither Past Due Nor Impaired	Past Due but not Impaired Les than 30 Days	30 to 60 Days	61 to 90 Days	Over 90 Days	ECL	Total, net of ECL
Financial assets:							
Cash in bank	2,465,210,107	-	-	-	-	-	2,465,210,107
Trade receivables	1,127,161,374	321,393,415	202,844,281	131,579,831	362,642,656	(75,360,333)	2,070,261,224
Advances to officers and employees	22,454,096	-	-	-	-	-	22,454,096
Interest receivable	4,254,449	-	-	-	-	-	4,254,449
Other receivables	202,602,496	-	-	-	-	-	202,602,496
Non-Trade	120,257,215	-	-	-	-	-	120,257,215
Deposits	76,341,191	-	-	-	-	-	76,341,191
Contract assets	33,089,872	-	-	-	-	-	33,089,872
Installment receivables	15,402,141	-	-	-	-	-	15,402,141
Finance lease receivable	10,912,585	-	-	-	-	-	10,912,585
	4,077,685,526	321,393,415	202,844,281	131,579,831	362,642,656	(75,360,333)	5,020,785,376

**Exclusive of cash on hand amounting to P5,407,660 as of December 31, 2025.*

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.

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 June 30, 2026, 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	
	June 30, 2026	December 31, 2025
	(in millions)	(in millions)
100 bp rise	**(₱26.3)**	(₱27.5)
100 bp fall	**26.3**	27.5
50 bp rise	**(13.1)**	(13.8)
50 bp fall	**13.1**	13.8

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 June 30, 2026	< 1 year	>1-2 years	>2-3 years	>5 years	Total
Loans and receivables:					
Cash and cash equivalents	2,353,904,455	-	-	-	2,353,904,455
Receivables:					
Trade	2,130,839,176	-	-	-	2,130,839,176
Dividends receivable	-	-	-	-	-
Interest receivable	4,254,449	-	-	-	4,254,449
Installment receivable	15,402,141	-	-	-	15,402,141
Finance lease receivable	629,471	654,362	680,236	8,642,817	10,606,886
Deposits	-	-	-	79,059,279	79,059,279
	4,505,029,692	654,362	680,236	87,702,096	4,594,066,386
Other financial liabilities:					
Accounts payable and accrued liabilities	2,887,538,242	-	-	-	2,887,538,242
Notes Payable	1,089,000,000	-	-	-	1,089,000,000
Long-term debts	994,162,090	514,427,313	520,456,714	883,441,093	2,912,487,210
Dividends payable	10,505,443	-	-	-	10,505,443
Deposit	-	-	-	97,077,268	97,077,268
	4,981,205,775	514,427,313	520,456,714	980,518,361	6,996,608,164
Liquidity position	(476,176,083)	(513,772,951)	(519,776,478)	(892,816,265)	(2,402,541,777)

December 31, 2025

	≤1 year	>1-2 years	>2-3 years	>3 years	Total
Loans and receivables:					
Cash and cash equivalents	₱2,470,617,767	₱–	₱–	₱–	₱2,470,617,767
Receivables:					
Trade	2,070,261,224	–	–	–	2,070,261,224
Interest receivable	4,254,449	–	–	–	4,254,449
Installment receivable*	15,402,141	–	–	–	15,402,141
Finance lease receivable**	305,699	629,471	710,046	9,267,369	10,912,585
Net investment in the lease	4,687,200	4,921,560	16,290,979	5,982,187	31,881,926
Other receivables	202,602,496	–	–	–	202,602,496
Deposits	–	–	–	76,341,191	76,341,191
	4,768,130,976	5,551,031	17,001,025	91,590,747	4,882,273,779
Other financial liabilities:					
Accounts payable and accrued liabilities***	2,845,115,476	–	–	–	2,845,115,476
Notes payable****	485,000,000	–	–	–	485,000,000
Long-term debts****	253,750,226	388,744,245	348,790,049	1,306,991,997	2,298,276,517
Lease liabilities	90,826,063	95,050,593	92,457,423	1,212,609,477	1,490,943,556
Dividends payable	10,505,443	–	–	–	10,505,443
Deposit	–	–	–	70,018,457	70,018,457
	3,685,197,208	483,794,838	441,247,472	2,589,619,931	7,199,859,449
Liquidity position	₱1,082,933,768	(₱478,243,807)	(₱424,246,447)	(₱2,498,029,184)	(₱2,317,585,670)

*Gross of unearned interest income of nil. The current portion amounting to ₱15,402,141 is presented under trade.
** Gross of unearned interest income of ₱3,168,815 exclusive of ₱617,383 included under trade.
***Exclusive of nonfinancial liabilities of ₱390,062,841
****Inclusive of future interest.

12. 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 June 30, 2026 and December 31, 2025:

As at 30 June 2026			**Fair value measurements using**		
	Date of valuation	**Carrying value**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets measures at fair value:					
Equity instruments designated at FVTOCI	June 30, 2026	**185,155,800**		**185,155,800**	**-**
Assets for which fair value is disclosed:					
Installment receivables		**15,402,141**	**-**	**-**	**15,402,141**
Finance lease receivable	June 30, 2026	**12,936,756**	**-**		**12,936,756**
Deposits		**79,059,279**	**-**	**-**	**79,059,279**
Liabilities for which fair value is disclosed					
Long term debts	June 30, 2026	**2,912,487,211**	**-**	**2,912,487,211**	**-**
Deposits		**97,077,268**	**-**	**-**	**97,077,268**

As at 31 December 2025			**Fair value measurements using**		
	Date of valuation	**Carrying value**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets measures at fair value:					
Equity instruments designated at FVTOCI	December 31, 2025	185,155,800	-	185,155,800	-
Assets for which fair value is disclosed:					
Installment receivables		15,402,141	-	-	15,402,141
Finance lease receivable	December 31, 2025	13,469,974	-	-	13,469,974
Deposits		76,341,191	-	-	76,341,191
Liabilities for which fair value is disclosed					-
Deposits	December 31, 2025	70,018,457	-		70,018,457
Long term debts		2,298,276,516	-	2,298,276,516	

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, 2, and 3 in 2026 and 2025.

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.

13. Investment Property

The Group's investment property pertains to several parcels of land and improvements held for future development which amounted to ₱208.9 million and ₱143.9 million in 2026 and 2025. The ₱65.0 million increase in 2026 primarily pertains to the reclassification of land and improvements from its previous classification to Investment Property.

There are neither restrictions on the realizability of investment property nor contractual obligations to develop or maintain such property.

INDEX TO SUPPLEMENTARY SCHEDULES

SUMMARIZED FINANCIAL INFORMATION FOR SIGNIFICANT ASSOCIATES
• LUFTHANSA TECHNIK PHILIPPINES, INC.
• CEBU PACIFIC CATERING SERVICES
• JAPAN AIRPORT SERVICE CO., LTD.
• MACROASIA JOLLIANT FOOD SERVICES CORP.

SUMMARIZED INCOME STATEMENT INFORMATION FOR SIGNIFICANT ASSOCIATE

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

		January to June		
		(UNAUDITED) 2026		(UNAUDITED) 2025
REVENUE				
Core Revenue	₱	**7,310,477,465**	₱	6,095,396,927
Subcon/Reimbursement		**3,047,164,865**		3,140,409,803
TOTAL REVENUE		**10,357,642,330**		9,235,806,730
LESS: COST OF SALES		**4,363,145,982**		4,359,825,276
GROSS PROFIT		**5,994,496,348**		4,875,981,454
LESS: OPERATING EXPENSES		**4,883,409,152**		3,537,889,604
INCOME FROM OPERATIONS		**1,111,087,196**		1,338,091,850
LESS/ (ADD): OTHER CHARGES/(INCOME)		**171,779,310**		129,548,592
INCOME BEFORE INCOME TAX		**939,307,886**		1,208,543,258
LESS: PROVISION FOR INCOME TAX		**100,099,206**		111,054,506
NET INCOME	₱	**839,208,681**	₱	1,097,488,752
EQUITY SHARE IN NET INCOME (49%)	₱	**411,212,254**	₱	537,769,488

SUMMARIZED FINANCIAL INFORMATION FOR SIGNIFICANT ASSOCIATE

CEBU PACIFIC CATERING SERVICES
SUMMARIZED STATEMENTS OF INCOME
In PHP

		January to June		
		UNAUDITED 2026		UNAUDITED 2025
REVENUE	₱	161,610,148	₱	141,538,733
LESS: COST OF SALES		84,157,806		77,266,144
GROSS PROFIT		77,452,342		64,272,589
LESS: OPERATING EXPENSES		7,452,543		7,928,665
INCOME FROM OPERATIONS		69,999,799		56,343,925
LESS/ (ADD): OTHER CHARGES/(INCOME)		(2,277,772)		1,502,922
INCOME BEFORE INCOME TAX		72,277,570		54,841,003
LESS: PROVISION FOR INCOME TAX		3,871,126		3,213,629
NET INCOME	₱	68,406,445	₱	51,627,374
EQUITY SHARE IN NET INCOME (40%)	₱	27,362,578	₱	20,650,949

SUMMARIZED FINANCIAL INFORMATION FOR SIGNIFICANT ASSOCIATE

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

		January to June		
		UNAUDITED 2026		UNAUDITED 2025
REVENUE	₱	1,011,061,250	₱	1,060,638,972
LESS: COST OF SALES		887,917,008		840,198,373
GROSS PROFIT		123,144,242		220,440,599
LESS: OPERATING EXPENSES		52,642,355		44,000,411
INCOME FROM OPERATIONS		70,501,887		176,440,188
LESS/ (ADD): OTHER CHARGES/(INCOME)		3,509,671		1,487,288
INCOME BEFORE INCOME TAX		74,011,558		177,927,476
LESS: PROVISION FOR INCOME TAX		33,076,276		2,731,250
NET INCOME	₱	40,935,282	₱	175,196,226
EQUITY SHARE IN NET INCOME (30%)	₱	12,280,585	₱	52,558,868

SUMMARIZED FINANCIAL INFORMATION FOR SIGNIFICANT ASSOCIATE

MACROASIA JOLLIANT FOOD SERVICES CORP.
SUMMARIZED STATEMENTS OF INCOME
In PHP

		January to June UNAUDITED 2026
REVENUE	₱	108,309,254
LESS: COST OF SALES		84,633,586
GROSS PROFIT		23,675,668
LESS: OPERATING EXPENSES		9,539,149
INCOME FROM OPERATIONS		14,136,519
LESS/ (ADD): OTHER CHARGES/(INCOME)		(49,040)
INCOME BEFORE INCOME TAX		14,185,559
LESS: PROVISION FOR INCOME TAX		3,546,390
NET INCOME	₱	10,639,169
EQUITY SHARE IN NET INCOME (49%)	₱	5,213,193